

24th August 2016

Healthcare

**Genmab**

Price DKK1,156

Filing for dara's label expansion in the EU... Prepare yourself for further upgrade

Fair Value DKK1600 (+38%)

**BUY**

Bloomberg	GEN DC
Reuters	GEN.CO
12-month High / Low (DKK)	1,266 / 548.0
Market Cap (DKKm)	69,570
Avg. 6m daily volume (000)	447.2

	1 M	3 M	6 M	31/12/15
Absolute perf.	0.7%	-4.1%	45.5%	26.0%
Healthcare	-4.0%	2.3%	4.8%	-7.1%
DJ Stoxx 600	1.0%	2.1%	4.8%	-6.1%

	2015	2016e	2017e	2018e
P/E	NS	NS	NS	56.0x
Div yield (%)	NM	NM	NM	NM

#### ANALYSIS

- **Genmab announced that JNJ has submitted a Type II variation application to the EMA to expand daratumumab's use** 1/ to relapsed patients with multiple myeloma who have received at least one prior therapy, and 2/ as part of a combination regimen with lenalidomide/dexamethasone or bortezomib/dexamethasone. This triggered an USD10m milestone payment to GEN (but note that it was already included in our estimates and the company's latest guidance).
- **As a reminder, a similar application to the FDA (sBLA) to broaden dara's label in the US and JNJ asked for a Priority Review...** And if accepted, the US regulator's green light should be given in less than six months. In our view, this is very likely given 1/ the quality of the clinical evidence (see our recent report [here](#) for further details), and 2/ the importance of the current medical need (remember that myeloma is still incurable and the current therapeutic arsenal is quite limited). Obviously, the same goes for Europe...
- **We believe that a label expansion in the US should be obtained by year end**, or at the beginning of 2017 at the latest... and this would prompt us to increase our FV by +DKK150. While the PDUFA date is likely to be scheduled for March-April 2017, we expect a much faster process as early approvals are increasingly more frequent (and we would like to remind that dara's first approval was obtained within a two-month timeframe).

#### VALUATION

- **BUY reiterated with a FV of DKK1,600.**

#### NEXT CATALYSTS

- 10<sup>th</sup> of November: Capital market day.
- Q4: ASH meeting + Dara's label expansion in myeloma.

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## Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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