

26th September 2016

Healthcare

ERYTech

Price EUR18.82

Phase II data for GRASPA in pancreatic cancer set to be released in Q1 2017

Fair Value EUR47 (+150%)

BUY

Bloomberg	ERYP FP
Reuters	ERYP.PA
12-month High / Low (EUR)	34.5 / 18.2
Market Cap (EURm)	149
Avg. 6m daily volume (000)	19.10

	1 M	3 M	6 M	31/12/15
Absolute perf.	-12.7%	-8.9%	-25.8%	-26.5%
Healthcare	0.2%	1.7%	5.9%	-6.9%
DJ Stoxx 600	0.5%	-0.3%	1.5%	-5.6%

	2014	2015e	2016e	2017e
P/E	NS	NS	NS	NS
Div yield (%)	NM	NM	NM	NM

ANALYSIS

- Erytech announced that the last patient has been enrolled in its Phase II study evaluating ERY-ASP as a second-line treatment for pancreatic cancer in combination with gemcitabine/FOLFOX. Given that the primary endpoint is an improvement in progression-free survival (PFS) at four months, we understand that the readout is now expected in Q1 2017.
- The stock is likely to react positively in our view... Especially since the timing of this catalyst is confirmed, and the stock has been under pressure lately. But we would like to reiterate our cautious stance *vis-à-vis* this development: 1/ apart from the simple fact that the role of asparaginase has not been established for the treatment of solid tumours, and pancreatic cancer is known to be a quite challenging one; 2/ we believe that the therapeutic landscape has become more competitive in recent years (SHP's Onivyde currently setting the bar for the second-line, while CELG's Abraxane is getting a large share of the first-line). In other words, we would recommend playing this catalyst with some caution.

VALUATION

- BUY reiterated with a FV of EUR47, bearing in mind that we (still) give no value to ERY-ASP as a potential treatment for pancreatic cancer.

NEXT CATALYSTS

- Q1 2017: Phase II results of ERY-ASP as a 2L treatment for pancreatic cancer.
- H2 2017: Phase II results of GRASPA in AML + approval in refractory/relapse ALL.

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Distribution of stock ratings

BUY ratings 72%

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