

10th October 2016

Healthcare

Genmab

Price DKK1,136

Priority review obtained... Now expecting a label expansion in Q1 2017

Fair Value DKK1600 (+41%)

BUY

Bloomberg	GEN DC
Reuters	GEN.CO
12-month High / Low (DKK)	1,266 / 593.5
Market Cap (DKKm)	68,443
Avg. 6m daily volume (000)	385.6

	1 M	3 M	6 M	31/12/15
Absolute perf.	8.7%	-4.6%	23.1%	23.8%
Healthcare	-2.8%	-5.0%	0.1%	-10.0%
DJ Stoxx 600	-3.1%	5.4%	3.5%	-7.2%

	2015	2016e	2017e	2018e
P/E	NS	NS	NS	55.0x
Div yield (%)	NM	NM	NM	NM

ANALYSIS

- GEN and JNJ have announced that the FDA has granted a priority review to the supplemental BLA involving the use of daratumumab 1/ in combination with CELG's Revlimid (lenalidomide) plus dexamethasone, and 2/ for the treatment of patients with myeloma who received at least one prior therapy. As such, **a decision is expected no later than 17th February 2017.**
- **We believe the label expansion could be granted slightly before this date** in light of the quality of the clinical package (see our recent research report for further details), as well as the recent granting of a Breakthrough Therapy Designation (BTD). Especially since early decisions have become more and more frequent in oncology: Blynicyto, Keytruda, Opdivo, and even "dara" back in November 2015.
- But great news never comes alone, as the US regulator also granted a standard review period for the use of "dara" as part of another combination regimen (pomalidomide with dexamethasone) in more advanced lines of treatment (3L and above). While there is no priority review here, we consider this very positive, obviously since it was not widely expected, but also because it would further expand the potential window of possibilities.

VALUATION

- BUY reiterated with a FV of DKK1,600.

NEXT CATALYSTS

- 10th November 2016: Capital Market Day.
- 9th December 2016: R&D/ASH Day

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Mickael Chane Du, mchanedu@bryangarnier.com



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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

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BRYAN, GARNIER & CO

London	Paris	New York	Munich	New Delhi
Beaufort House	26 Avenue des Champs Elysées	750 Lexington Avenue	Widenmayerstrasse 29	The Imperial Hotel Janpath
15 St. Botolph Street	75008 Paris	New York, NY 10022	80538 Munich	New Delhi 110 001
London EC3A 7BB	Tel: +33 (0) 1 56 68 75 00	Tel: +1 (0) 212 337 7000	Germany	Tel +91 11 4132 6062
Tel: +44 (0) 207 332 2500	Fax: +33 (0) 1 56 68 75 01	Fax: +1 (0) 212 337 7002	+49 89 2422 62 11	+91 98 1111 5119
Fax: +44 (0) 207 332 2559	Regulated by the	FINRA and SIPC member		Fax +91 11 2621 9062
Authorised and regulated by the	Financial Conduct Authority (FCA) and the			Geneva
Financial Conduct Authority (FCA)	Autorité de Contrôle prudentiel et de			rue de Grenus 7
	resolution (ACPR)			CP 2113
				Genève 1, CH 1211
				Tel +4122 731 3263
				Fax+4122731 3243
				Regulated by the FINMA

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