10th October 2016

Healthcare

Innate Pharma

Price EUR11.01

Let's wait for the SITC to get a view of the efficacy profile of liri/nivo

Fair Value EUR18 (+63%) **BUY**

Bloomberg	IPH FP
Reuters	IPH.PA
12-month High / Low (EUR)	14.5 / 9.5
Market Cap (EURm)	594
Avg. 6m daily volume (000)	262.7

	1 M	3 M	6 M	31/12/15
Absolute perf.	1.0%	4.7%	-9.2%	-18.7%
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	19.0x	10.9x	55.2x
Div yield (%)	NM	NM	NM	NM

ANALYSIS

- BMS presented the detailed safety data from its Phase I evaluating lirilumab in combination with nivolumab in a range of different solid tumours. Unsurprisingly, the dataset confirmed our (positive view) on this aspect of the combination.

Table 3. All TRAEs and TRAEs Reported in ≥ 5% of All Patients in CA223-001

Patients With a TRAE, n (%)	Lirilumab 0.1 mg/kg + Nivolumab 3.0 mg/kg n = 4		Lirilumab 0.3 mg/kg + Nivolumab 3.0 mg/kg n = 16		Lirilumab 1.0 mg/kg + Nivolumab 3.0 mg/kg n = 15		Lirilumab 3.0 mg/kg + Nivolumab 3.0 mg/kg n = 124		All Patients N = 159	
	Any Grade	Grade 3/4[a]	Any Grade	Grade 3/4[b]	Any Grade	Grade 3/4[c]	Any Grade	Grade 3/4[d]	Any Grade	Grade 3/4[a-d]
Any TRAE	4 (100)	2 (50.0)	15 (93.8)	2 (12.5)	14 (93.3)	3 (20.0)	81 (65.3)	17 (13.7)	114 (71.7)	24 (15.1)
TRAEs in ≥ 5% of all patients										
Fatigue	2 (50.0)	0	5 (31.3)	0	4 (26.7)	0	22 (17.7)	0	33 (20.8)	0
Pruritus	2 (50.0)	0	3 (18.8)	0	6 (40.0)	0	19 (15.3)	0	30 (18.9)	0
Infusion-related reaction	1 (25.0)	0	1 (6.3)	0	7 (46.7)	0	19 (15.3)	0	28 (17.6)	0
Rash	1 (25.0)	0	5 (31.3)	0	4 (26.7)	0	16 (12.9)	0	26 (16.4)	0
Diarrhea	0	0	0	0	3 (20.0)	1 (6.7)	10 (8.1)	0	13 (8.2)	1 (0.6)
Arthralgia	0	0	3 (18.8)	0	4 (26.7)	0	6 (4.8)	0	13 (8.2)	0
Amylase increased	0	0	2 (12.5)	0	1 (6.7)	0	9 (7.3)	4 (3.2)	12 (7.5)	4 (2.5)
Maculopapular rash	0	0	2 (12.5)	0	1 (6.7)	1 (6.7)	9 (7.3)	1 (0.8)	12 (7.5)	2 (1.3)
Nausea	1 (25.0)	0	2 (12.5)	0	2 (13.3)	0	7 (5.6)	0	12 (7.5)	0
Appetite decreased	2 (50.0)	0	0	0	1 (6.7)	0	6 (4.8)	0	9 (5.7)	0
Pyrexia	0	0	0	0	0	0	8 (6.5)	0	8 (5.0)	0

- But again, efficacy is of essence. As such, we'll have to wait for the SITC congress to get some colour on the efficacy profile of liri/nivo in solid tumours. And given the design of the trial, we believe some overall survival (OS) data could be presented.
- Note that 27% of the patient population was continuing the treatment at the end of August 2016 and the median duration was 14-58 weeks. However, we find it hard to extrapolate any potential efficacy analysis given the lack of details (median number of prior therapies (3?), which dose caused the most disease progression? which cancer was the most represented? etc.).

VALUATION

- BUY reiterated with a FV of EUR18.

NEXT CATALYSTS

- 9-13th November 2016: Presentation of liri/nivo's efficacy data in different solid tumours.

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