

**Bone Therapeutics**

Price EUR7.92

**Q3 business update, increasing the focus on ALLOB**

Fair Value EUR30 (+279%)

**BUY**

Bloomberg	BONE.FP
Reuters	BONE.PA
12-month High / Low (EUR)	20.5 / 6.9
Market Cap (EURk)	54,252
Avg. 6m daily volume (000)	8.90

**ANALYSIS**

- Bone therapeutics has released its Q3 business update. Following the recent CEO change, the new management team has reiterated its commitment to focus efforts on the development of the allogeneic platform (ALLOB). Over the next six/nine months, interim results from the delayed-union phase I/IIa trial and complete results from the phase IIa trial in Spinal Fusion should be communicated. As a reminder, interim results from the first 50% of patients included in the study showed complete fusion at six months while the fusion process usually takes up to 24 months (please see our note [here](#)). Note also that, transitioning of the osteoporosis trial to the ALLOB platform is ongoing.
- As a consequence of refocusing on the allogeneic platform, the management team has decided not to initiate a US trial in Osteonecrosis (PREOB platform). However, preparation of the US trial with the allogeneic platform should be initiated shortly. Deciding to go to the US with the allogeneic platform could significantly increase the value of a potential deal as the indication targeted here could be much broader.
- Management has reiterated its EUR12-14m cash burn guidance for FY 2016. By September-end, the company had EUR22.5m in cash, enabling it to carry out its activities until Q2 2018 according to the current business plan.

**VALUATION**

- We reiterate our BUY recommendation.

**NEXT CATALYSTS**

- Today 11.00am: Presentation of Q3 business update (@NewCap, 75008)
- Today 2.00pm: conference call on Q3 business update (FR +33 1 72 00 15 10, US +1 8778 874 163, UK +44 2030 432 440; ID: 92901655#)

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### Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

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