

Collectis

Price EUR16.80

Q3 results and confirmation that first clinical data will be presented next year**Fair Value EUR37 (+120%)****BUY**

Bloomberg	ALCLS.FP
Reuters	ALCLS.PA
12-month High / Low (EUR)	32.0 / 15.0
Market Cap (EURm)	594
Avg. 6m daily volume (000)	69.50

	1 M	3 M	6 M	31/12/15
Absolute perf.	-4.5%	-28.8%	-37.8%	-39.8%
Healthcare	-5.6%	-9.3%	-6.7%	-15.7%
DJ Stoxx 600	-1.0%	0.2%	0.9%	-6.8%

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

ANALYSIS

- Q3 2016 results: so far so good.** Looking at the P&L account, net income amounted to –EUR12.6m (vs EUR12.8m a year earlier) as 1/ revenues rose slightly (EUR10.1m vs EUR7.6m) thanks to an increase of EUR2.5m in collaboration revenues (raw materials and batches of UCART19 provided to Servier); 2/ OPEX – and notably R&D expenses – were down on a year-on-year basis, but that was notably due to a EUR2.5m decrease in social charges on stock options and fee share grants. Cash & cash equivalents stood at EUR264m (vs EUR269.7m at the end of June) but note that EUR9.2m was received in connection with the achievement of two milestone payments under the collaboration agreement with Servier.
- First clinical data to be presented soon.** More importantly, the company mentioned that some interim data for UCART19 in ALL /CLL will be presented at an upcoming scientific congress in H1 2017 (so ASCO at the latest). This is good news per se, as we so far lacked clinical data confirming that 1/ knocking out the TCR α gene would significantly reduce the risks of graft-versus-host disease (GvHD); 2/ allogeneic CAR-T cells could be as potent as autologous ones.

VALUATION

- BUY reiterated with a FV of EUR37.** Momentum was quite challenging for the whole field (clinical hold on one of Juno's candidates raising fears that neurologic side-effects were related to the CAR-T rather the pre-conditioning regimen, NVS being less and less bullish about its autologous construct, etc.). But as a first-in-class / allogeneic CAR-T, we believe that Collectis should progressively stand out from the crowd... And obviously, the publication of clinical data plays a key role in that.

NEXT CATALYSTS

- H1 2017: Interim data for UCART19 in ALL / CLL.

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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

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