

Nicox

Price EUR7.81

2017 is indeed set to be a transforming year**Fair Value EUR14 (+79%)****CORPORATE**

Bloomberg	COX FP
Reuters	NCOX.LN
12-month High / Low (EUR)	13.4 / 6.0
Market Cap (EURm)	195
Avg. 6m daily volume (000)	284.9

	1 M	3 M	6 M	31/12/15
Absolute perf.	-6.3%	-26.8%	-4.7%	-14.4%
Healthcare	-6.8%	-11.6%	-3.4%	-16.1%
DJ Stoxx 600	-1.4%	-1.9%	1.0%	-8.4%

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

ANALYSIS

- **LBN to be launched mid-2017? So far, our base-case scenario is confirmed.** Nicox has provided an update on its two lead compounds this morning, i.e. latanoprotene bunod (LBN) and AC-170. As all eyes are notably on LBN, we'll start with this one. Valeant yesterday stated they are addressing all the (manufacturing) issues raised by the recent complete response letter, and should now be ready for an inspection by year end, meaning that the candidate could be launched mid-2017 should everything go well (which in the end would be in line with our assumptions – see our latest report [here](#) for further details).
- AC-170 is the other compound that unfortunately received a CRL when the company asked for an FDA approval. Here again, the issue is related to Good Manufacturing Practices rather than the clinical package per se. Following continuous interactions, COX expects to meet with the US regulator during this Q4 2016, and thus might receive feedback by early 2017.
- Because AC-170's approval is more than likely to happen next year (BG: H2 17), the potential related milestone payment to former Acix shareholders will be USD10m (vs USD35m in case of a green light before 1st December 2016). As such, the associated dilution should be reduced to 5% vs 18% based upon current share price.

VALUATION

We stick to our FV of EUR14. But remember that we might lift it to EUR17 in the case of an US approval.

NEXT CATALYSTS

- Q4 2016: FDA inspection at Valeant's manufacturing facility in Florida.

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