

20th December 2016

Healthcare

Genmab

Price DKK1,150

Dara filed for approval in Japan. FY16 Financial guidance further increased

Fair Value DKK1900 (+65%)

BUY

Bloomberg	GEN DC
Reuters	GEN.CO
12-month High / Low (DKK)	1,266 / 638.0
Market Cap (DKKm)	69,403
Avg. 6m daily volume (000)	328.3

ANALYSIS

- **“Dara” filed in Japan.** GEN announces that JNJ has submitted a New Drug Application to the MHLW in Japan (where we see an annual incidence of 5-10,000) for the use of daratumumab for the treatment of adults with multiple myeloma (knowing that the package includes its three pivotal studies, i.e. SIRIUS, CASTOR and POLLUX).
- **Updated financial guidance.** The event triggered the payment of an USD10m milestone payment to GEN, which obviously was not expected this year... as the management further increases its financial guidance to include it. Consequently, the company now expects its revenues to be in the range of DKK1,720-1,770m (+DKK70m when compared to the previous figure).

	1 M	3 M	6 M	31/12/15
Absolute perf.	-7.7%	4.7%	4.8%	25.3%
Healthcare	2.8%	-4.1%	1.3%	-11.0%
DJ Stoxx 600	6.0%	5.4%	10.4%	-1.7%

	2015	2016e	2017e	2018e
P/E	NS	80.3x	63.5x	32.4x
Div yield (%)	NM	NM	NM	NM

	BG	New guidance	Former guidance
GEN Revenues (DKKm)	1,783	1,720-1,770	1,650-1,700
"Dara" royalties (DKKm)	466	400-450	400-450
Operating expenses (DKKm)	836	800-850	800-850
Operating income (DKKm)	947	895-945	825-8753
Cash position at year end (DKKm)	3,807	3,650-3,750	3,650-3,750

Note: there is no change to the cash position as the additional milestone payment is expected to be received shortly after year-end

VALUATION

- **BUY reiterated with a FV of DKK1,900.**

NEXT CATALYSTS

- January 24, 2017: JNJ’s Q4 16 results. February 22, 2016: GEN’s Q4 16 results.

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