

19th December 2016

Healthcare

Innate Pharma

Price EUR13.44

Key leadership changes to take the company to a next level

Fair Value EUR23 (+71%)

BUY

Bloomberg	IPH FP
Reuters	IPH.PA
12-month High / Low (EUR)	14.8 / 9.5
Market Cap (EURm)	725
Avg. 6m daily volume (000)	338.9

	1 M	3 M	6 M	31/12/15
Absolute perf.	-7.2%	24.7%	30.2%	-0.7%
Healthcare	2.6%	-3.2%	1.8%	-11.0%
DJ Stoxx 600	6.4%	6.6%	12.1%	-1.6%

	2015	2016e	2017e	2018e
P/E	NS	27.6x	13.5x	NS
Div yield (%)	NM	NM	NM	NM

ANALYSIS

- **New CEO, new CFO.** IPH has announced the appointment of Mondher Mahjoubi (currently Senior VP, Global Product Strategy Oncology at AZN) as Chairman of its Executive Board, thus succeeding Hervé Brailly (who becomes Chairman of the Supervisory Board). At the same time, Laure-Hélène Mercier, who used to be Head of Investor Relations, is to become the group's CFO. Catherine Moukheibir will leave the Executive Board, but remain in an advisory position.
- **Preparing ground for a vertically-integrated company.** We see these changes very positively as they support the group's evolution towards a vertically-integrated biotech; with IPH41 and monalizumab (for which IPH has a right to co-promote in Europe for a 50% profit share in the territory) as primary drivers. And having a CEO with 1/ in-depth knowledge of the I-O environment, 2/ significant experience in building/structuring a part of a big pharma's division, and 3/ strong links with one of its key partners (AZN) is obviously a key asset in our view.

VALUATION

- **We stick to our BUY recommendation with a FV of EUR23.**

NEXT CATALYSTS

- Q1 2017: Phase IIb results of lirilumab for the maintenance therapy of AML.

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