

13th December 2016

Healthcare

Zealand

Price DKK110.50

Dasiglucagon enters phase II with Beta Bionics

Fair Value DKK223 (+102%)

BUY

Bloomberg	ZEAL DC
Reuters	222.F
12-month High / Low (DKK)	154.5 / 87.0
Market Cap (DKKm)	2,889
Avg. 6m daily volume (000)	128.5

	1 M	3 M	6 M	31/12/15
Absolute perf.	12.2%	2.3%	-8.7%	-27.1%
Healthcare	-0.5%	-5.2%	-5.0%	-13.8%
DJ Stoxx 600	4.8%	3.4%	6.3%	-3.3%

	2015	2016e	2017e	2018e
P/E	NS	NS	NS	21.6x
Div yield (%)	NM	NM	NM	NM

ANALYSIS

- Zealand has hit a new major milestone within its proprietary pipeline with the start of two phase IIa trials with dasiglucagon, its glucagon analogue, in a dual-hormone artificial pancreas system, in partnership with Beta Bionics that is in charge of developing the appropriate device. As reflected with the term of artificial pancreas, the objective is to deliver in a single device two hormones (insulin and glucagon) according to patient needs i.e. to reproduce what a normal pancreas is doing in non-diabetics. This would be a major advance and complete paradigm shift for people living with type 1 diabetes if this approach prevails (better glycaemic control with lower risk of hypoglycaemia and reduced burden for patients). Of course, there are yet some challenges and hurdles to overcome, including from a technical standpoint, before the concept can become a commercial product but Zealand and Beta Bionics are forming a very interesting alliance in this field with promising technologies.
- Results from the phase IIa trials are expected in H1 2017 before further phase II trials are performed during the same year.

VALUATION

- Dasiglucagon, although less advanced than ZP4207 as a rescue treatment and gleraglutide, could be the most transformative product within Zealand's pipeline. However, it is so far also the riskiest. We have assigned no value to it yet.

NEXT CATALYSTS

- January 2017: UE approval/US launch of Soliqua - [Click here to download document](#)

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Distribution of stock ratings

BUY ratings 72%

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