



DAILY EQUITY RESEARCH UPDATE
Healthcare

Core News

ESSILORLUXOTTICA | Buy | FV EUR128

In line Q1 numbers and reassuring operational performance

- Q1 FX-n growth of 3.7% driven by the Optical business
- Strong momentum in Europe and in Emerging Markets
- FY outlook confirmed
- Beyond the numbers

Analyst: Cédric Rossi

[Click here to download](#)

ORPEA | Buy | FV EUR125

Q1 Revenue: Remains sustained despite high comps

- Good start slightly ahead expectation
- New partnerships to expand in a new geography
- FY 2019 guidance reaffirmed

Analyst: Bruno de La Rochebrochard

[Click here to download](#)

QIAGEN | Buy | FV EUR37.5

Strong Q1 but low Q2 guidance

- Strong MDx drove 6.1% CER topline growth in Q1
- Operating margin a touch below expectations, slight EPS beat

- Low Q2 guidance might trigger profit taking moves...
- ... despite reiterated FY guidance and new USD100m SBB program

Analyst: Hugo Solvet

[Click here to download](#)

ROCHE | Buy - Top Picks | FV CHF329

Promising but still early-stage data with RG6042 in Huntington's disease

- Huntington is a disease with no treatment today
- The drug showed effect and good safety in phase I/IIa
- A clinical benefit still has to be established
- We maintain a cautious central-case scenario

Analyst: Eric Le Berrigaud

[Click here to download](#)

Headlines

ASTRAZENECA | Neutral | FV GBp6,220

The company announced this morning that its phase III ASCEND met its primary endpoint after an interim analysis and would be stopped early. The study was evaluating Calquence (acalabrutinib), its BTK inhibitor, in advanced lines of CLL and in monotherapy compared to a standard of care made of rituximab + idelalisib or bendamustine and the results showed “a statistically-significant and clinically-meaningful improvement in PFS” with Calquence. Although Jose Baselga claims that it is a first time a BTK inhibitor shows benefit in relapsing or refractory CLL, ibrutinib used to show efficacy and clear superiority over another CD-20 antibody namely ofatumumab in a study called RESONATE which demonstrated a 78% risk reduction of disease progression or death (and 57% reduction in the risk of death). The difference here is not only that the CD-20 is different (rituximab vs ofatumumab) but more importantly that it is done in combination either with oral TKi or with CT which obviously increased the bar. Now, although they are approved, CD-20 antibodies have never been considered as very strong agents unlike in NHL and other hematological malignancies where they are true SoC. So, it is indeed good news for AZ to have Calquence successful in ASCEND but it is a negative outcome that would have been a surprise. Now, if it is encouraging, the future of Calquence will more depend on another upcoming phase III in CLL which is ELEVATE-TN and which will study the drug in treatment-naïve front-line CLL in monotherapy and in combination with Gazyva vs Gazyva/chlorambucil, with data to be compared with those Imbruvica's which is already approved for this indication both in monotherapy and in combination with Gazyva. Ultimately, the direct comparison between the two BTK inhibitors will tell if one is better than the other.

BONE THERAPEUTICS | Corporate | FV EUR6.8

Bone Therapeutics released its Q1'19 business update with a cash situation of EUR7.13m at the end of the quarter, adjusted for the EUR3.75m of convertible bonds that could still be drawn (i.e. EUR10.9m), the company has a financial runway until the end of the year. Main clinical newsflow is the final readout of the phase IIa for ALLOB in lumbar spinal fusion, expected mid-June. We believe these results are significantly de-risked in the light of positive results reported in the first cohorts of patients. In H2 2019, we would expect the company to file a CTA for ALLOB (phase II/III) and JTA-004 (phase III). See our recent research note on [JTA-004 here](#).

Q2 2019 Healthcare Top Picks

ROCHE HOLDING (Buy, FV CHF329), INNATE PHARMA (Buy, FV EUR16.5), IPSEN (Buy, FV EUR141)

For more information:

Eric Le Berrigaud

Managing Partner | Pharmaceuticals

 eleberrigaud@bryangarnier.com

 +33 1 56 68 75 33

Gary Waanders, PhD, MBA

Managing Director | Healthcare

 gwaanders@bryangarnier.com

 +44 207 332 25 45

Jean-Jacques Le Fur

Pharmaceuticals

 jjlefur@bryangarnier.com

 +33 1 70 36 57 45

Hugo Solvet

Medtech & Biotech

 hsolvet@bryangarnier.com

 +33 1 56 68 75 57

Victor Floch

Biotech & Medtech

 vfloch@bryangarnier.com

 +33 1 70 36 57 01

Ross Blair, MbChB

Biotech

 rblair@bryangarnier.com

 +44 207 332 25 05

Disclaimer:

Bryan Garnier & Co Limited, registered in England Number 03034095 with registered office: 110 Bishopsgate, London EC2N 4AY, United Kingdom and its MIFID branch registered in France Number 452 605 512 with registered office: 26, Avenue des Champs Elysées 75008 Paris, France. Bryan Garnier & Co Limited is authorised and regulated by the Financial Conduct Authority (Firm Reference Number 178733) and is a member of the London Stock Exchange.

This Report may not be reproduced, distributed or published by you for any purpose except with the Firms' prior written permission. The Firm reserves all rights in relation to this Report.

Past performance information contained in this Report is not an indication of future performance. The information in this report has not been audited or verified by an independent party and should not be seen as an indication of returns which might be received by investors. Similarly, where projections, forecasts, targeted or illustrative returns or related statements or expressions of opinion are given ("Forward Looking Information") they should not be regarded as a guarantee, prediction or definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. A number of factors, in addition to the risk factors stated in this Report, could cause actual results to differ materially from those in any Forward Looking Information.

Important information - This report may contain "Independent" and "Corporate/Non-independent" research reports.

Unless stated otherwise, documents in this report are classified under the FCA Handbook as being investment research (independent research). Bryan Garnier & Co Limited has in place the measures and arrangements required for investment research as set out in the FCA's Conduct of Business Sourcebook.

Independent investment research reports:

Independent investment research reports are prepared by Bryan Garnier & Co Limited and are distributed only to clients of Bryan Garnier & Co Limited (the "Firm"). Bryan Garnier & Co Limited is authorised and regulated by the Financial Conduct Authority ("FCA") and is a member of the London Stock Exchange.

These reports are provided for information purposes only and do not constitute an offer, or a solicitation of an offer, to buy or sell relevant securities, including securities mentioned in this Report and options, warrants or rights to or interests in any such securities. These reports are for general circulation to clients of the Firm and as such are not, and should not be construed as, investment advice or a personal recommendation. No account is taken of the investment objectives, financial situation or particular needs of any person. The information and opinions contained in these reports have been compiled from and are based upon generally available information which the Firm believes to be reliable but the accuracy of which cannot be guaranteed. All components and estimates given are statements of the Firm, or an associated company's, opinion only and no express representation or warranty is given or should be implied from such statements. All opinions expressed in these reports are subject to change without notice. To the fullest extent permitted by law neither the Firm nor any associated company accept any liability whatsoever for any direct or consequential loss arising from the use of these reports. Information may be available to the Firm and/or associated companies which is not reflected in these reports. The Firm or an associated company may have a consulting relationship with a company which is the subject of these reports.

Corporate or Non-Independent investment research reports:

Non-independent research reports are prepared by Bryan Garnier & Co Limited and are being distributed only to clients of Bryan Garnier & Co Limited (the "Firm"). Bryan Garnier & Co Limited is authorised and regulated by the Financial Conduct Authority ("FCA") and is a member of the London Stock Exchange.

These reports have been sent to you for marketing purposes only and are non-independent research within the meaning of the FCA rules. These reports are not being held out as an objective or independent explanation of the matters contained in them and should not be treated as such. These reports have not been prepared in accordance with the legal requirements designed to promote the independence of investment research. The Firm is not subject to any prohibition on dealing ahead of the dissemination of investment research.

These reports usually focus on emerging European growth companies. The contents of these reports as well as the other research documents on emerging growth stocks do not contain the Firm's usual stock ratings. The intrinsic value analysis is presented to provide a framework for stock valuation and discussion, and represents an estimated value on the date of publishing, which may be subject to change without notice.

The Firm's rationale for not having ratings on the stock includes the fact that such stock may have limited market capitalisation and liquidity and while the Firm may express an opinion on the near-term movement of the stock, what action investors should take depends on many factors, including liquidity/risk tolerance, holdings timeframe and investment philosophy. Emerging companies evolve rapidly with a continuous flow of information that can significantly impact the company and in the Firm's opinion this cannot be reflected by a periodic rating. Additionally, the Firm may have an advisory relationship with the company which is the subject of these reports, including for the production of sponsored research, and may expect to receive or intend to seek compensation for investment banking services from that company in the six months following the date of these reports.

To the fullest extent permitted by law, the Firm does not accept any liability whatsoever for any direct or consequential loss arising from any use of the information contained in these reports. Information may be available to the Firm which is not reflected in these reports. They are provided for information purposes only and do not constitute an offer or solicitation to buy or sell any of the securities discussed in them. These reports are for general circulation to clients of the Firm and as such are not, and should not be construed as, investment advice or a personal recommendation. No account is taken of the investment objectives, financial situation or particular needs of any person.

Disclosures specific to clients in the United Kingdom

This Report has not been approved by Bryan Garnier & Co Limited for the purposes of section 21 of the Financial Services and Markets Act 2000 because it is being distributed in the United Kingdom only to persons who have been classified by Bryan Garnier & Co Limited as professional clients or eligible counterparties. Any recipient who is not such a person should return the Report to Bryan Garnier & Co Limited immediately and should not rely on it for any purposes whatsoever.

Notice to US investors

This research report (the "Report") was prepared by Bryan Garnier & Co Limited for information purposes only. The Report is intended for distribution in the United States to "Major US Institutional Investors" as defined in SEC Rule 15a-6 and may not be furnished to any other person in the United States. Each Major US Institutional Investor which receives a copy of this Report by its acceptance hereof represents and agrees that it shall not distribute or provide this Report to any other person. Any US person that desires to effect transactions in any security discussed in this Report should call or write to our US affiliated broker, Bryan Garnier Securities, LLC, 750 Lexington Avenue, New York NY 10022. Telephone: 1-212-337-7000.

This Report is based on information obtained from sources that Bryan Garnier & Co. Ltd. believes to be reliable and, to the best of its knowledge, contains no misleading, untrue or false statements but which it has not independently verified. Neither Bryan Garnier & Co. Ltd. and/or Bryan Garnier Securities LLC make no guarantee, representation or warranty as to its accuracy or completeness. Expressions of opinion herein are subject to change without notice. This Report is not an offer to buy or sell any security.

Bryan Garnier Securities, LLC and/or its affiliate, Bryan Garnier & Co Limited may own more than 1% of the securities of the company(ies) which is (are) the subject matter of this Report, may act as a market maker in the securities of the company(ies) discussed herein, may manage or co-manage a public offering of securities for the subject company(ies), may sell such securities to or buy them from customers on a principal basis and may also perform or seek to perform investment banking services for the company(ies).

Bryan Garnier Securities, LLC and/or Bryan Garnier & Co Limited are unaware of any actual, material conflict of interest of the research analyst who prepared this Report and are also not aware that the research analyst knew or had reason to know of any actual, material conflict of interest at the time this Report is distributed or made available.

