



DAILY EQUITY RESEARCH UPDATE
Healthcare

Core News

BAYER | Sell | FV EUR66

A third glyphosate trial lost in a row

- Monsanto ordered to pay USD2bn in the third trial
- A trial with lot of revelations about Monsanto manoeuvres
- Coppertone sold to Beiersdorf
- Sell rating reiterated

Analyst: Jean-Jacques Le Fur, PharmD

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DBV TECHNOLOGIES | Buy | FV EUR46

Thoughts ahead of BLA resubmission awaited for Q3'19

- Very low-risk for BLA resubmission to slip into Q4
- There is only upside to the anticipated review timeline
- Deciphering the recent ICER review : no headwinds for DBV

Analyst: Hugo Solvet

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IPSEN | Buy - Top Picks | FV EUR141

Mid-term outlook implies double-digit growth despite generic risks

- Ipsen heard market's concerns
- At first glance, the guidance factors in conservative assumptions

- By 2022, the pipeline should deliver several new drugs
- More activity in BD can be expected

Analyst: Eric Le Berrigaud

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MEDIGENE | Buy | FV EUR16.7

Q1 results and update - a strong period for bus dev

- Financials - full year revenue guidance upgraded
- Three recent deals: new opportunities, clear focus
- Step-by-step - the pipeline making progress
- Positive outlook

Analyst: Gary Waanders, PhD

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MERCK KGAA | Buy | FV EUR113

Mixed Q1'19 results. FY19 detailed EPSpre guidance implies 4% cut in the mid-range

- Q1 weak on profitability: comp basis in HC and weak PM
- Healthcare impacted by one-time
- Life Sciences driving growth ... as always
- PM still benefiting from positive short-term China outlook
- FY'19 detailed guidance suggests 4% EPS cut

Analyst: Hugo Solvet

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ROCHE | Buy - Top Picks | FV CHF329

Roche confirms strong commitment to CNS

- The group first wanted to highlight the depth of its portfolio
- Nothing really new about risdiplam
- Ocrevus set to become the biggest MS drug ever
- NMOSD can create a big opportunity with a so far ignored asset
- RG6042 in Huntington: a mid-case as central case?

Analyst: Eric Le Berrigaud

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Headlines

GENFIT | Buy | FV EUR65

The company has announced today that the sixth DSMB in a row has issued a positive recommendation for the continuation of the RESOLVE-IT phase III clinical trial in NASH. This trial is conducted with elafibranor (a dual PPAR α/δ agonist) and the results are expected by the end of 2019. We are convinced these results will be positive. If we are right, elafibranor should become the leader of the first wave of NASH drugs to be launched in the next two years. Its direct competitor, Ocaliva, has a side effects profile which is not very good notably with high proportion of patients having pruritus. We expect elafibranor to reach a peak sale close to EUR4bn and being a drug of choice (backbone therapy) for future drug combinations which will be needed to treat NASH.

TRANSGENE | Buy | FV EUR6.5

Transgene has published its Q1 2019 results and its (gross) cash position which stood at EUR9.1m. This equates to a Q1 2019 cash burn of EUR8m which we expect to be the same for each of the remaining quarters. That means the FY 2019 cash burn will be EUR32m (less the French R&D tax credit), above last year EUR24.5m. However Transgene will receive USD10m from AstraZeneca (after the agreement recently signed) and has also EUR20m credit facility. With that Transgene has financial visibility until Q4 2020.

Q2 2019 Healthcare Top Picks

ROCHE HOLDING (Buy, FV CHF329), KORIAN (Buy, FV EUR40), INNATE PHARMA (Buy, FV EUR16.5), IPSEN (Buy, FV EUR141)

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