



DAILY EQUITY RESEARCH UPDATE
Healthcare

Core News

ASTRAZENECA | Neutral | FV 6,220p

Remember Epanova!

- Epanova was acquired in 2013 and approved in 2014
- Why are we talking about Epanova today?
- Is AZ still committed to the drug?
- Nothing but upside

Analyst: Eric Le Berrigaud

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CELYAD | Buy | FV EUR49

AML / MDS program strategic update

- OptimAb manufacturing process - enriching more potent cells
- New and amended-existing INDs gain FDA acceptance
- Pipeline newsflow in next 12 months

Analyst: Gary Waanders PhD / Ross Blair MBChB

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Headlines

TRANSGENE | Buy | FV EUR6.5

Transgene has announced the success of its rights issue which was over-subscribed. The Institut Mérieux has subscribed about 67% of the new shares on a non-reducible basis and Dassault Belgique about 6.8%. The Institut Mérieux will hold

60.4% of shares and 67.8% of the voting rights of Transgene. The real good news is that with EUR48.7m of gross proceeds, Transgene has financial visibility until 2022 and will be able to finance the clinical trials in progress (TG4010, Pexa-Vec, TG4001 and 6002) as well as the development of the two platforms, InvirIO for oncolytic viruses and Myvac for personalized oncology vaccines. H2 2019 should be rich regarding clinical trial results with: 1/the futility analysis of the phase III conducted with Pexa-Vec + sorafenib in 1L HCC probably in September, 2/the readout of the phase I-II with Pexa-Vec + Opdivo in 1L HCC, 3/ the long awaited results from the phase II with TG4010+Opdivo+chemotherapy in 1L NSCLC and 4/ the phase I-II readout for TG4001 and TG 6002. We will be particularly interested in the TG4010 results since it could be the first proof of interest with therapeutic vaccines in cancer. Clinical results with Pexa-Vec will also be interesting regarding the added value of oncolytic viruses to treat cancer but the caveat is that it is an intratumoral vaccine which cannot be used easily in all tumors. Next generation of oncolytic viruses developed by Transgene will be given intravenously. We keep our BUY rating in view of this burst of clinical results.


Q3 2019 Healthcare Top Picks


NOVARTIS (Buy, FV CHF100), ROCHE HOLDING (Buy, FV CHF332), KORIAN (Buy, FV EUR40), DBV TECHNOLOGIES (Buy, FV EUR46)

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