



DAILY EQUITY RESEARCH UPDATE
Healthcare

Core News

BASILEA PHARMACEUTICA | Buy | FV CHF73

Strong Cresemba sales uptake and well managed R&D expenses

- Slightly better than expected H1 figures driven by Cresemba
- Cresemba will remain Basilea's main growth driver
- While derazantinib and Zevtera progressed in H1...
- ... H2 newsflow will focus on BAL101553

Analyst: Victor Floc'h

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MEDARTIS | Buy | FV Under Review vs CHF74.5

Weak H1 result; FY19 guidance downgraded

- Poor H1 driven by APAC and EMEA
- Strong GM, EBITDA below expectations
- FY19 guidance downgraded

Analyst: Hugo Solvet

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Headlines

ASTRAZENECA | Neutral | FV GBp 7,140

The company reported that Farxiga met primary endpoint in phase III DAPA-HF trial for the treatment of patients with heart failure. As a reminder, DAPA-HF is the first heart failure outcomes trial with an SGLT2 inhibitor in patients with

and without type-2 diabetes. The study showed that Farxiga significantly reduced the risk of cardiovascular death or worsening of heart failure when added to standard of care. What this study means for Farxiga and AstraZeneca is that it will be possible to promote the drug outside of the highly competitive diabetes market i.e. into the cardiorenal space where the company has other drugs to extract synergies with. The results are very much in line with what the drug showed in the DECLARE study with T2D patients with a reduction in hospitalizations for HF. This suggests that the impact is independent from the underlying diabetes disease. What the data will have to tell is whether and how much Farxiga adds to Entresto which is becoming SoC in HFREF. We will revisit our sales model for Farxiga once the data is out.

Q3 2019 Healthcare Top Picks


NOVARTIS (Buy, FV CHF106), ROCHE HOLDING (Buy, FV CHF340), DBV TECHNOLOGIES (Buy, FV EUR46)

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