EDISON

OSE Immunotherapeutics

Clinical update

One step closer to key data readouts

Pharma and biotech

OSE Immunotherapeutics has announced the completion of patient enrolment in its Phase II CoTikiS trial, marking another step in the clinical development of its novel anti-IL-7R antibody, OSE-127/Lusvertikimab, in moderate to severe ulcerative colitis (UC). Lusvertikimab is OSE's most advanced immune-inflammation asset, and we view the upcoming top-line efficacy results (from induction to week 10 and after six months of maintenance; expected by mid-2024) as representing a significant inflection point for the company, following the commencement of Phase III trials for its lead asset, Tedopi, in the US. With this news, we see the upward momentum continuing for OSE, which saw an uplift in sentiment following the recent collaboration agreement with AbbVie (up to $713m with $48m upfront payment) to develop its pre-clinical asset OSE-230 in chronic/severe inflammation.

Year end	Revenue (€m)	PBT* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/21	26.3	(17.2)	(0.95)	0.0	N/A	N/A
12/22	18.3	(18.0)	(0.97)	0.0	N/A	N/A
12/23e	2.7	(26.2)	(1.34)	0.0	N/A	N/A
12/24e	15.0	(21.8)	(0.98)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

OSE has a broad therapeutics pipeline (both in-house and partnered assets) and Lusvertikimab is its most advanced asset in the autoimmune space. Lusvertikimab, a first-in-class drug and most clinically advanced anti-IL-7R monoclonal antibody, is currently being evaluated in a Phase II trial in patients with moderate to severe UC. The trial (CoTikiS) is a multicentre, randomised, double-blind, placebo-controlled study and patient recruitment (n=150) has now been completed. As a reminder, in July 2023, OSE reported positive interim futility analysis on the first 50 patients who completed the induction phase. Moreover, the independent drug safety monitoring board recommended the trial proceed towards completion following an interim review and suggested including biotherapies naïve patients. Management expects top-line results (from induction to week 10 and after six months of maintenance) by mid-2024, which, if positive, should mark a key inflection point for the company.

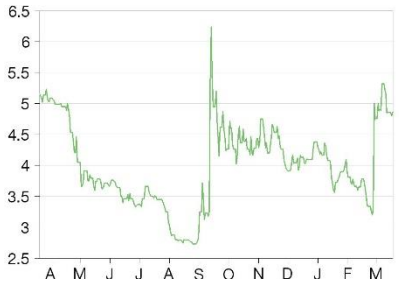
UC is one of two key types of inflammatory bowel disease (the other is Crohn's disease) and the commercial opportunity remains sizeable despite available options. UC's incidence rate is believed to be 12.2 cases/100,000 people and it is estimated the therapeutic market should reach $11.8bn by 2032. However, despite availability of various therapeutic options (both biologics and oral drugs), remission rates remain low (25–30%), highlighting the need for other novel treatments.

2024 thus far has been a rewarding period for OSE, led by the globally collaborative deal with AbbVie for another anti-inflammatory asset, OSE-230, and we see several catalysts on the horizon, with the upcoming initiation of Phase III trials for lead asset Tedopi, an off-the-shelf cancer vaccine currently being developed for non-small cell lung cancer (expected in Q224 in the US and H224 in Europe), in addition to top-line readouts from the CoTikiS Phase II trial. We expect the $48m upfront payment from the AbbVie deal to provide the company with additional headroom to progress its development pipeline.

19 March 2024

Price	**€4.86**
Market cap	**€105m**
	€0.92/US$
Pro-forma net debt (€m) at 30 June 2023 (including September equity raise)	8.2
Shares in issue	21.7m
Free float	65%
Code	OSE
Primary exchange	Euronext Paris
Secondary exchange	N/A

Share price performance



Business description

OSE Immunotherapeutics is based in Nantes and Paris in France and is listed on the Euronext Paris exchange. It is developing immunotherapies for the treatment of solid tumours and autoimmune diseases and has established several partnerships with large pharma companies.

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Edison profile page

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