EDISON

Nicox

Clinical study timing update

Mont Blanc top-line data timelines pushed forward

Pharma and biotech

Nicox has completed screening for additional patients for its Mont Blanc Phase III study of lead candidate NCX-470 for the treatment of open-angle glaucoma and ocular hypertension. Given that the primary efficacy endpoint measurements conclude at three months following a patient's first NCX-470 dosing, the company now expects to report top line efficacy data in November 2022, earlier than its previous guidance of Q123. The Mont Blanc data release is potentially a key catalyst for the company, given NCX-470's opportunity as a best-in-class single-agent glaucoma therapy.

Year end	Revenue (€m)	PBT* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/20	14.4	(10.2)	(0.30)	0.0	N/A	N/A
12/21	8.6	(15.5)	(0.32)	0.0	N/A	N/A
12/22e	5.3	(18.7)	(0.43)	0.0	N/A	N/A
12/23e	7.0	(19.8)	(0.44)	0.0	N/A	N/A

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

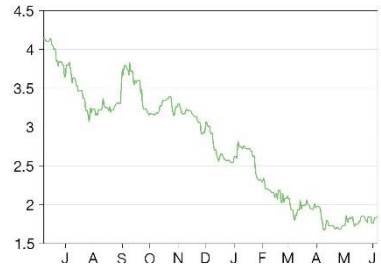
We anticipate that positive Mont Blanc top line study data, demonstrating superior intraocular pressure (IOP) lowering efficacy to latanoprost, would materially de-risk future NCX-470 development and likely drive a re-rating on the stock. In the 433-patient US multicentre 28-day Dolomites Phase II trial the highest tested NCX-470 concentration (0.065%) demonstrated statistical superiority in IOP lowering to the latanoprost arm at day 28, delivering up to 1.4mmHg of additional lowering of IOP at this time point (p<0.025). The Phase III NCX-470 trials are testing a higher 0.1% drug concentration, which may provide further IOP reduction.

While Nicox's updated timeline for a November 2022 Mont Blanc readout is an encouraging development, we are not revising our existing H226 launch timing estimate for the product, as outlined in our recent Outlook report. Commercial approval of the product will also require data from the second Phase III study, Denali. The company continues to expect to report Denali top line data after 2023, but has not yet provided formal updated guidance. However, the company expects to announce a new date for availability of the results once it obtains a more firm estimate of the overall timelines of this trial.

7 June 2022

Price	**€1.75**
Market cap	**€76m**
Estimated net cash (€m) at 31 March 2022	14.6
Shares in issue	43.2m
Free float	86%
Code	COX
Primary exchange	Euronext
Secondary exchange	N/A

Share price performance



Business description

France-based Nicox develops therapeutics for the treatment of ocular conditions. Its lead candidate NCX-470 is in Phase III studies for the treatment of glaucoma, and it is advancing NCX-421 for dry eye disease. Nicox also receives licence revenue for its FDA-approved drugs Vyzulta and Zerviate.

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