

BioLineRx

Multiple shots on goal and multiple partners

BioLineRx is currently focused on the development of BL-8040, which is a short peptide antagonist for CXCR4, a chemokine receptor involved with tumor progression, angiogenesis, metastasis and cell survival. BL-8040 is being developed for a variety of solid tumors including pancreatic, gastric and NSCLC. It is also being developed for AML and stem cell mobilization. They are also developing AGI-134, an alpha-gal immunotherapy for solid tumors, which is expected to enter the clinic within 12 months. BioLineRx has multiple collaborators including Genentech, Merck and Novartis.

Getting closer to registration in stem cell mobilization

BioLineRx is set to initiate a registrational study of BL-8040 in autologous stem cell mobilization in H217 following a recent successful meeting with the FDA. A Phase II in their allogeneic transplantation study is expected to have topline results by the end of 2017. The company reported positive early results from this trial in March where BL-8040 showed a similar level of efficacy with a single injection that G-CSF, the current standard of care, shows after four to six injections.

Multiple trials with quality collaborators

Genentech is set to initiate three Phase Ib trials of BL-8040 in combination with atezolizumab in pancreatic, gastric and non-small cell lung cancer (NSCLC). BioLineRx has initiated a Phase II trial of BL-8040 in combination with Keytruda in pancreatic cancer in collaboration with Merck. We expect partial results from this trial in H217 with topline results in H218. The company also has a multi-year collaboration with Novartis to develop early stage molecules. As part of this, Novartis took an equity stake in BioLineRx which currently stands at around 6%.

Recently acquired an immuno-oncology company

In March, the company announced the acquisition of Agalimmune, a private UK-based immune-oncology company for \$6m upfront and undisclosed milestones. The lead program is AGI-134, a synthetic alpha-Gal immunotherapy in development for solid tumors; it should enter the clinic in H118.

Valuation: EV of \$16.5m and funding through 2019

BioLineRx finished 2016 with \$35.6m in cash and subsequently raised \$28.75m in gross proceeds in a public offering at the end of March. With a typical annual operating cash burn rate of \$15m-\$18m, the company appears to be funded through at least 2019. In our view, the enterprise value is modest considering the multiple potential catalysts that are coming up in the next 12 to 24 months.

Consensus estimates

Year end	Revenue (\$m)	PBT (\$m)	EPS (\$)	DPS (\$)	P/E (x)	Yield (%)
12/13	0.0	(17.0)	(0.76)	N/A	N/A	N/A
12/14	0.0	(11.1)	(0.34)	N/A	N/A	N/A
12/15	0.0	(14.4)	(0.28)	N/A	N/A	N/A
12/16	0.0	(15.8)	(0.28)	N/A	N/A	N/A

Source: Bloomberg

Pharma & biotech

4 May 2017

Price \$0.87
Market cap \$83m

Share price graph



Share details

Code BLRX
Listing NASDAQ, TASE
Shares in issue 95.6m

Business description

BioLineRx is a dual US-Israel listed biopharmaceutical company focused on the development of BL-8040 for various cancers including pancreatic, gastric, NSCLC and AML. BL-8040 is also in development for stem cell mobilization. The company currently has collaborations with Merck, Genentech and Novartis.

Bull

- Multiple shots on goal
- CXCR4 is a validated target through an approval for a competing product for stem cell mobilization (Mozobil, \$160m in 2016 sales)
- BL-8040 partially validated through Merck and Genentech collaborations

Bear

- Other than Novartis, collaborators have not provided meaningful funding to the company
- Previous shots on goal have missed
- Many of the programs are early stage

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