



ANALYST QUICK NOTES

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Bristol-Myers Squibb Co. (NYSE: BMY: BUY)

Target Price: \$75

David Toung

2/6/2017

- BMY had a good week last week, gaining 6.3% after skidding more than 35% over the prior five months.
 - The only company-specific news was the FDA approval for Opdivo as second-line treatment for bladder cancer.
 - We also note it was generally a good week for the pharma and biotech sector as it less likely the government will give Medicare the power to directly negotiate drug prices, based on accounts of meeting between pharma industry executives and President Trump.
 - Here are what we see as potential catalysts for the stock in the first half 2017.
 - Data readout on Opdivo in second-line glioblastoma multiforme (a form of brain tumor) in 1Q17.
 - Data readout in Opdivo+Yervoy combination in second-line melanoma in 1H17. This study could lead to a filing to expand Opdivo's indications in melanoma.
 - Later in 2017, we expect interim data from study of Opdivo+Yervoy combo in first-line non-small cell lung cancer.
 - All in all, Opdivo is in 10 registrational studies with data readouts over the next 18 months. Registrational means the data set could be used to advance the drug to a review filing with the FDA and/or other international regulatory body.
 - Outside of Opdivo, we expect data from trials for drugs in idiopathic pulmonary fibrosis, NASH (an non-alcoholic form of hepatitis), and in Lupus, an autoimmune condition.
 - We continue to see BMY as a very undervalued stock. The company has a very strong portfolio of immuno-oncology drugs as well as a number of drugs that treat autoimmune disorders.
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