EDISON

Price:	A$0.18
Market cap:	A$29m
Forecast net cash (A$m)	2.7
Forecast gearing ratio (%)	N/A
Market	AIM Italia, ASX

Share price graph (A$)

Company description

Regeneus is a biotech marketing and developing mesenchymal stem cell products for musculoskeletal conditions, and cancer vaccines, for humans and animals. Progenza is a key pipeline product, to enter a Ph I/IIa study for osteoarthritis in Q215.

Price performance

%	1m	3m	12m
Actual	33.3	24.1	(52.6)
Relative*	33.3	29.6	(54.6)

* % Relative to local index

Analyst

Dr Dennis Hulme

Regeneus (RGS)

INVESTMENT SUMMARY

Regeneus is developing and commercialising its adipose- (fat) derived mesenchymal stem cell technology, for musculoskeletal conditions in animals and humans. The company has received ethics approval for a Phase I/II study of Progenza (allogeneic) in human osteoarthritis, which will begin recruitment in Q215; recent Japanese legislation that offers an accelerated path to market for regenerative medicine products makes a potential market launch in 2020 feasible. Regeneus also holds global rights to autologous cancer vaccine technologies for human (Phase I commenced Q215) and veterinary (Kvax - marketed in Australia; US marketing trial ongoing for osteosarcoma in dogs) applications. Cash was A$4.8m at 31 March 2014.

INDUSTRY OUTLOOK

Adipose- (fat) based stem cell products, either autologous (patient-derived) or allogeneic (off-the-shelf), are being developed and/or commercialised by a number of companies. The technology holds significant medical and commercial potential for the treatment of multiple conditions. Stem cell therapy is gaining interest and traction with global regulators (eg accelerated approval pathway in Japan). Cancer immunotherapy, including cancer vaccines, is a biotech hotspot.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2013	1.8	(7.3)	(5.2)	(5.03)	N/A	N/A
2014	2.0	(10.8)	(7.5)	(4.51)	N/A	N/A
2015e	1.6	(10.1)	(7.9)	(3.78)	N/A	N/A
2016e	2.1	(9.5)	(7.0)	(3.36)	N/A	N/A