



## Aimmune Calls Hot in Early Trading

Ticker/Price: AIMT (\$25.90)

### Analysis:

**Aimmune Therapeutics (AIMT)** December IV up sharply early with 2500 December \$30 calls bought \$1 offer and volumes continuing now up over 4,000X. AIMT is also seeing 650 June \$30 calls bought up to \$3.80 and follows 1,000 December \$22.50 calls bought last week. Shares are back near the September highs at \$26.50 as it looks to work out of a long multi-month downtrend. AIMT has a notable VPOC above at 30 from 2018. The \$1.63B biotech company trades 6.6X cash with the focus on their late-stage assets in peanut allergy. On 9-13, an AdCom panel voted 7-2 in favor of approval and now expecting a late-January PDUFA. They also have a mid-stage trial underway in egg allergy. If approved, AR101 would be the first ever FDA approved product to treat peanut allergy. They see a greater than \$1B peak sales opportunity with ~30% of allergists willing to prescribe at approval. They also see a greater potential uptake as parents seek more treatment options. Analysts have an average target for shares of \$47. Piper out positive on 10-2 after checks with allergists suggested positive uptake which could portend to big upside to expectations. The firm also sees AIMT adding visibility to treatment logistics, access, and other issues over the next several months. Short interest is elevated at 23%. Hedge Fund ownership fell 7% in Q2. Nestle a large holder with 11.7M shares through their partnership and added in Nov. 2018 after some concern they could let the pact lapse. Nestle's sizable investment is expected to help AIMT remain funded well beyond approval. Other notable holders include Palo Alto Investors, Foresite, Longitude Capital, and Aisling Capital. AIMT has also seen insider's active buying stock as recently as 9-20. The largest buys came back in early 2018 when a director added \$960k at \$32 while another bought \$500k through an offering.

### Hawk Vision:



**Hawk's Perspective:** AIMT is a speculative Biotech though a large short float it does have some allure as a name nearing commercial stage, one to keep small if wanting to bet on a buyout.

**Confidence Ranking:** \$\$