



Bridger Bio Bullish Positioning into Key Catalysts

Ticker/Price: BBIO (\$16.80)

Analysis:

Bridge Bio (BBIO) a small-cap biotech that has seen two bullish trades recently open looking for upside into the middle of 2020. On 3/6, the May \$30 calls were bought 500X and spread with sales of the Aug. \$40 calls while on 3/16 the August \$25/\$35 call spread bought 500X. The \$2.57B company is down around 50% this year and back at the October lows. BBIO is focused on developing treatments for genetic diseases. The company sees genetic sciences in the very early innings of a vast opportunity to expand as infrastructure improves, genome sequencing gets faster, and a better understanding of heterogeneity grows. Currently, the NEJM notes that there are 350 genetic therapies vs 7,000 known genetic diseases, so a big opportunity if the platform proves itself. BBIO has a broad pipeline of assets that's grown from 1 in 2015 to 20 today, most in early IND or Phase 1 trials and targeting everything from dermatology, oncology and gene therapy to Mendelian or inherited genetics. They have Phase 2 data upcoming in BBP-831 for the treatment of cholangiocarcinoma. BBIO also sees long-term advantages to genetic disease drug discovery through higher probability of success, faster trial times, and better overall ROI. Analysts have an average target for shares of \$44. Mizuho starting at buy on 2-19 with a \$51 PT. The firm thinks BridgeBio is a "potential large-cap in the making." Piper with a \$50 PT noting that BBIO has 'best-in-class' potential in achondroplasia. The firm believes infigratinib could capture 50% achondroplasia market share by 2035, which could amount to over \$1.5B in sales. Short interest is 3%. Hedge fund ownership was flat in Q4. KKR and Viking Global the top two holders while Hillhouse, Perceptive, and Aisling Capital all notable buyers. In July 2019, the CSO bought \$238k in stock at \$17 in the IPO.

Hawk Vision:



Hawk's Perspective: BBIO is clearly an interesting small cap Biotech to be aware of but tough to value especially in an unforgiving market right now, just one for the watchlist.

Confidence Ranking: \$\$