



FEATURED OPTIONS RADAR REPORT



Biotech Draws Bull Trade on Positive News Flow, Competitor Sympathy Catalyst Near

Ticker/Price: IONS (\$39.30)

Analysis:

Ionis (IONS) with an interesting trade on 6/27 as 2000 August \$40 calls were bought to open for around \$600,000 as the only notable open interest outside of a \$300K position in January \$35 short puts opened 6/2. IONS will report in early August and shares higher the last three reports. Last quarter IONS revenues rose 26.8% Y/Y firmly beating Street estimates. IONS shares are up 29% YTD as a top performing Biotech and nearing a breakout of monthly value and above its May highs. The rising weekly channel pattern leaves room for shares to reach \$45 by mid-August. IONS is a leader in RNA-targeted therapeutics with three marketed medicines- SPINRAZA, TEGSEDI and WAYLIVRA. IONS late-stage pipeline consists of six medicines in Phase 3 development for eight indications with a focus on cardiovascular and neuro. IONS this week announced positive Phase 2b data for chronic hepatitis B treatment at the EASL International Liver Congress and last week positive data from its partnered Eplontersen with AstraZeneca in Phase 3 NEURO-TTRransform study for hereditary transthyretin-mediated amyloid polyneuropathy. Earlier this month, the FDA granted orphan drug designation and rare pediatric disease designation to ION582, an investigational antisense medicine for the treatment of Angelman syndrome, a rare neurogenetic disorder caused by the loss of function of the maternally inherited Ubiquitin Protein Ligase E3A (UBE3A) gene. IONS has a market cap of \$5.55B and trades 6.6X Sales and profitability remains far-off. Eplontersen is a true co-development co-commercialization relationship and seen to have greater than a \$10B market. Olezarsen is different because IONS has a first-mover advantage with 3M US patients. Investors are awaiting detailed data for eplontersen to evaluate the differentiation relative to Alnylam's patisiran and vutrisiran. The Phase 3 APOLLO-B trial of Alnylam's patisiran (transthyretin silencer) in cardiomyopathy from transthyretin amyloidosis (ATTR-CM) is expected to readout in mid-2022. Analysts have an average target of \$47.50 and short interest is at 5% of the float. Piper at Overweight with a \$55 target seeing approval in 2H23 for eplontersen and notes management indicated competitive efficacy versus ALNY. Olezarsen for high triglycerides and donidalorsen for hereditary angioedema are two additional phase three catalysts. Guggenheim positive in March with a \$64 target seeing plenty of strong clinical assets driving value.

Hawk Vision:



Hawk's Perspective: IONS is tricky to value but does have multiple strong programs and is generating revenues, a potential nice M&A target in Biotech.

Confidence Ranking: \$\$