



## FEATURED OPTIONS RADAR REPORT



### Iovance Calls Accumulate into Pivotal 2021 for TIL Therapy Leader

Ticker/Price: IOVA (\$31.75)

#### Analysis:

**Iovance (IOVA)** traded more than 9000 calls on 5/3 which is 16X daily average as IV30 rose more than 6.3%, a focus on May \$35 calls that bought 1300X to open at \$1.40 offer aggressively and 5000 June \$40 calls bought aggressively for \$2.50 to open. IOVA has 1000 May \$35 short puts in open interest and some previous action in June upside calls with 5000 of the \$55 calls and 2500 of the \$60 calls bought. On the weekly chart IOVA shares are forming a rounded base above VWAP from December 2018 lows and also near the same level shares based in 2020, a move above \$34 would clear a major volume congestion zone. IOVA's daily shows a nice base forming while RSI is gaining strength, a good signal a bottom is in place. Iovance Biotherapeutics is an I-O therapeutics firm utilizing TILs for the treatment of various solid cancers. Tumor infiltrating lymphocyte, or TIL, therapy is an autologous cell therapy platform technology. Its lead product candidates include lifileucel for metastatic melanoma and metastatic cervical cancer. IOVA is investigating the effectiveness and safety of TIL for the treatment of head and neck squamous cell carcinoma, or HNSCC, and non-small cell lung cancer, or NSCLC, as well as in other solid tumor oncology indications through collaborations. Goldman recently noted that it views TILs as the next major drug class in I-O, with Iovance as one of the leaders in the class. The key gating event for IOVA shares remains regulatory visibility on cell potency assays for TILs ahead of a 2021 BLA submission for lifileucel in post-PD-1 MM. In particular, should the company present a combination of surrogate T-cell activation biomarkers (combined with regulatory education by KOLs in the TIL space) that addresses regulatory concerns, this would set the stage for rapid follow-on releases of top-line data from registrational cohorts in post-PD-1 MM and post-chemo CC. IOVA has a \$4.82B market cap and ended the year with \$635M in cash. Analysts have an average target of \$55 and short interest is elevated at 17% of the float. Goldman recently initiated shares at Buy with a \$97 target, DCF analysis assumes a 13% WACC and 2% terminal growth rate, with \$19.71 for lifileucel in post-PD-1 MM, \$25.42 for lifileucel in post-chemo CC, \$27.40 for LN-145 in HNSCC, and \$20.27 for LN-145 in NSCLC, plus \$4.08 in cash (we do not currently model other partnered or internal programs). HCW raised shares to Buy with a \$50 target on 3/8 seeing a compelling entry point ahead of BLA filings. Truist started shares Buy this week with a \$50 target seeing its compelling TIL therapy indication data and a lone front-runner in TIL. Ark Investment has a \$710M stake and Perceptive with a \$425M stake.

#### Hawk Vision:



**Hawk's Perspective:** IOVA looks very compelling versus recent support lows and a name often seen as a potential M&A target, the TIL potential could be a homerun into key catalysts this year.

**Confidence Ranking:** \$\$