

BridgeBio Pharma

Acoramidis NDA acceptance brings commercial launch into view

Maintain Rating: BUY | PO: 52.00 USD | Price: 33.91 USD

Application supported by continued positive data

BridgeBio announced the FDA acceptance of the NDA filing for the approval of acoramidis in transthyretin amyloidosis cardiomyopathy (ATTR-CM) and noted a PDUFA date set at November 29. Management also mentioned they currently see a low probability the FDA will hold an AdComm. With the submission [supported by encouraging data \(see report\)](#), we think the acceptance is a positive step towards a late 2024 launch of acoramidis in ATTR-CM. As outlined during the [recent royalty deal announcement \(see report\)](#), which given the terms implied peak sales of \$5B+, we think acoramidis could make a notable impact in the ATTR-CM market and we remain confident in an approval at the November PDUFA (95% PoS). [As one of our top picks for 2024 \(see report\)](#), we look for positive clinical development and commercial execution throughout the year. Maintain Buy, PO \$52.

We model \$4.4B risk-adjusted peak sales for acoramidis

With a launch in 2024, we model \$4.4B risk adjusted peak sales for the acoramidis program in ATTR-CM (95% PoS). Given the November 29 PDUFA which will lead to a launch late in 2024, we lower our 2024 sales expectations for acoramidis to \$20M (from \$62M). We also model 25% in peak penetration of the ATTR-CM market.

NDA and MAA acceptances set up for broad launches

With the PDUFA set at November 29, 2024, we continue to model a launch in late 2024 for acoramidis in ATTR-CM in the US. The company also highlighted the acceptance of a marketing authorization application by the EMA and plans to file additional global regulatory submissions in 2024 to bring acoramidis to patients outside of the US.

See our catalyst calendar below (Exhibit 1):

Estimates (Dec) (US\$)	2021A	2022A	2023E	2024E	2025E
EPS	(3.90)	(3.26)	(3.80)	(3.26)	(1.71)
EPS Change (YoY)	-2.6%	16.4%	-16.6%	14.2%	47.5%
Consensus EPS (Bloomberg)			(3.76)	(3.41)	(2.50)
DPS	0	0	0	0	0
Valuation (Dec)					
Free Cash Flow Yield*	-10.8%	-8.9%	-10.8%	-10.1%	-5.6%

* For full definitions of *IQmethod*SM measures, see page 5.

05 February 2024

Equity

Key Changes

(US\$)	Previous	Current
2024E Rev (m)	136.0	93.7
2025E Rev (m)	478.2	425.7
2024E EPS	-3.07	-3.26
2025E EPS	-1.48	-1.71

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Stock Data

Price	33.91 USD
Price Objective	52.00 USD
Date Established	18-Jan-2024
Investment Opinion	C-1-9
52-Week Range	10.57 USD - 44.32 USD
Mkt Val (mn) / Shares Out (mn)	4,754 USD / 140.2
Free Float	73.1%
Average Daily Value (mn)	65.57 USD
BofA Ticker / Exchange	BBIO / NAS
Bloomberg / Reuters	BBIO US / BBIO.QQ
ROE (2023E)	NA
Net Dbt to Eqty (Dec-2022A)	NA
ESGMeter TM	Low

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to ["BofA ESGMeter Methodology"](#).

NDA: new drug application

PDUFA: Prescription Drug User Fee Act

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Timestamp: 05 February 2024 08:39AM EST

iQprofileSM BridgeBio Pharma

iQmethodSM – Bus Performance*

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Return on Capital Employed	-69.9%	-66.9%	-126.2%	-143.9%	-63.9%
Return on Equity	NM	NM	NM	NM	NM
Operating Margin	-827.1%	-659.6%	-7,296.2%	-520.1%	-54.2%
Free Cash Flow	(511)	(424)	(512)	(480)	(265)

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Cash Realization Ratio	NM	NM	NM	NM	NM
Asset Replacement Ratio	NA	NA	NA	NA	NA
Tax Rate	NM	NM	NM	NM	NM
Net Debt-to-Equity Ratio	NM	NM	NM	NM	NM
Interest Cover	-12.6x	-15.5x	-8.0x	-5.8x	-2.7x

Income Statement Data (Dec)

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Sales	70	78	8	94	426
% Change	745.1%	11.4%	-90.3%	1,140.1%	354.1%
Gross Profit	70	78	8	81	363
% Change	745.1%	11.4%	-90.3%	969.1%	349.2%
EBITDA	(577)	(512)	(551)	(488)	(231)
% Change	-21.5%	11.2%	-7.7%	11.6%	52.7%
Net Interest & Other Income	(10)	28	(69)	(84)	(84)
Net Income (Adjusted)	(537)	(389)	(506)	(459)	(202)
% Change	-26.3%	27.6%	-30.1%	9.3%	55.9%

Free Cash Flow Data (Dec)

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Net Income from Cont Operations (GAAP)	(563)	(481)	(611)	(566)	(312)
Depreciation & Amortization	0	0	0	0	0
Change in Working Capital	(4)	28	44	(15)	(59)
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	69	34	60	106	111
Capital Expenditure	(13)	(5)	(5)	(5)	(6)
Free Cash Flow	-511	-424	-512	-480	-265
% Change	-25.6%	17.0%	-20.6%	6.2%	44.8%
Share / Issue Repurchase	(184)	7	298	5	205
Cost of Dividends Paid	0	0	0	0	0
Change in Debt	1,064	(20)	0	0	0

Balance Sheet Data (Dec)

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Cash & Equivalents	394	377	203	228	169
Trade Receivables	20	17	0	9	42
Other Current Assets	475	155	123	133	170
Property, Plant & Equipment	30	15	15	16	17
Other Non-Current Assets	94	60	58	59	63
Total Assets	1,013	623	400	445	460
Short-Term Debt	0	0	0	0	0
Other Current Liabilities	135	121	115	120	135
Long-Term Debt	1,704	1,708	1,708	1,708	1,708
Other Non-Current Liabilities	39	39	39	39	39
Total Liabilities	1,878	1,868	1,862	1,866	1,882
Total Equity	(866)	(1,245)	(1,462)	(1,421)	(1,422)
Total Equity & Liabilities	1,013	623	400	445	460

* For full definitions of iQmethodSM measures, see page 5.

Company Sector

Biotechnology

Company Description

BridgeBio is a clinical stage biopharmaceutical company dedicated to developing treatment for genetic diseases and cancers with a single genetic driver.

Investment Rationale

We rate BridgeBio as Buy as de-risked late stage assets have potential to become meaningful contributors while the broad pipeline continues developing and new growth drivers emerge.

Stock Data

Average Daily Volume 1,933,576

Quarterly Earnings Estimates

	2022	2023
Q1	-1.35A	-0.92A
Q2	-0.07A	-0.98A
Q3	-0.93A	-1.08A
Q4	-0.92A	-0.89E

Exhibit 1: BridgeBio Catalyst Calendar

We currently model an approval and launch of acoramidis in 2024.

Company	Asset	Indication	Event	Timing	Importance
BridgeBio	Acoramidis	ATTR-CM	Global marketing authorization applications	2024	Moderate
BridgeBio	Acoramidis	ATTR-CM	PDUFA	29-Nov	High
BridgeBio	low-dose infigratinib	Achon.	Last patient enrolled	1H24	Moderate
BridgeBio	low-dose infigratinib	Achon.	Study completion	2025	High
BridgeBio	low-dose infigratinib	hypochondroplasia	Clinical program initiation	2024	High
BridgeBio	BBP-418	LGMD2i	Complete enrollment	2024	Moderate
BridgeBio	Encaleret	ADH1	Phase 3 readout	early 2025	Moderate
BridgeBio	Gene therapy	CAH	Phase 2 data readout	3Q24	High
BridgeBio	BBP-418	LGMD2i	FORTIFY topline data	1H25	High
BridgeBio	BBO-8520	Oncology	IND filing	2024	Low

Source: BofA Global Research, company reports

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Price objective basis & risk

BridgeBio Pharma (BBIO)

Our net present value (NPV) sum-of-the-parts valuation gives a price objective of \$52/share for BridgeBio, which includes \$32/share for acoramidis, \$3/share for ribitol in LGMD2i, \$11/share for infigratinib in achondroplasia, \$6/share for encaleret, \$5/share for CAH gene therapy, and -\$4/share in net cash. We assume a weighted-average cost of capital (WACC) of 15% and terminal growth rates ranging from -50% to 0%.

Downside risks to our price objective are 1) clinical trial failures, 2) inability to raise capital to fund development programs, and 3) superior data from competitors.

Upside risks to our price objective are 1) stronger-than-expected uptake in infigratinib, 2) unexpected de-risking data for early programs, and 3) clinical trial failures from competing companies.

Analyst Certification

I, Greg Harrison, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - Biopharmaceuticals Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	89bio, Inc	ETNB	ETNB US	Geoff Meacham
	Acumen Pharma	ABOS	ABOS US	Geoff Meacham
	Agiros Pharmaceuticals	AGIO	AGIO US	Greg Harrison, CFA
	Amylyx Pharmaceuticals	AMLX	AMLX US	Geoff Meacham
	BioMarin	BMRN	BMRN US	Geoff Meacham
	BioXcel Therapeutics	BTAI	BTAI US	Greg Harrison, CFA
	BridgeBio Pharma	BBIO	BBIO US	Greg Harrison, CFA
	Caribou	CRBU	CRBU US	Geoff Meacham
	CRISPR Therapeutics	CRSP	CRSP US	Geoff Meacham
	Eli Lilly and Company	LLY	LLY US	Geoff Meacham
	Gilead Sciences Inc.	GILD	GILD US	Geoff Meacham
	HUTCHMED	HCM	HCM US	Alec W. Stranahan
	Immatics	IMTX	IMTX US	Alec W. Stranahan
	Insmid Incorporated	INSM	INSM US	Jason Zemansky
	Intellia Therapeutics	NTLA	NTLA US	Greg Harrison, CFA
	Janux Therapeutics	JANX	JANX US	Geoff Meacham
	Keros	KROS	KROS US	Greg Harrison, CFA
	Kiniksa Pharmaceuticals, Ltd.	KNSA	KNSA US	Geoff Meacham
	Krystal Biotech	KRYS	KRYS US	Alec W. Stranahan
	Kura Oncology	KURA	KURA US	Jason Zemansky
	Liquidia Corporation	LQDA	LQDA US	Greg Harrison, CFA
	Lyell Immunopharma	LYEL	LYEL US	Geoff Meacham
	MeiraGTx	MGTX	MGTX US	Alec W. Stranahan
	Mineralys Therapeutics	MLYS	MLYS US	Greg Harrison, CFA
	Neumora Therapeutics	NMRA	NMRA US	Geoff Meacham
	Rani Therapeutics	RANI	RANI US	Geoff Meacham
	Regenxbio, Inc.	RGNX	RGNX US	Alec W. Stranahan
	Revolution Medicines	RVMD	RVMD US	Alec W. Stranahan
	Rocket Pharmaceuticals, Inc.	RCKT	RCKT US	Greg Harrison, CFA
	Royalty Pharma	RPRX	RPRX US	Geoff Meacham
	Sana Biotechnology	SANA	SANA US	Geoff Meacham
	SpringWorks	SWTX	SWTX US	Alec W. Stranahan
	Syndax Pharmaceuticals	SNDX	SNDX US	Jason Zemansky
	Traverse Therapeutics Inc	TVTX	TVTX US	Greg Harrison, CFA
	Turnstone Biologics	TSBX	TSBX US	Geoff Meacham
	Vertex Pharmaceuticals Inc.	VRTX	VRTX US	Geoff Meacham

US - Biopharmaceuticals Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Werewolf Therapeutics	HOWL	HOWL US	Jason Zemansky
	Xencor	XNCR	XNCR US	Alec W. Stranahan
NEUTRAL				
	AbbVie	ABBV	ABBV US	Geoff Meacham
	Alector, Inc	ALEC	ALEC US	Greg Harrison, CFA
	Amgen Inc.	AMGN	AMGN US	Geoff Meacham
	Arcus Biosciences	RCUS	RCUS US	Jason Zemansky
	Beam Therapeutics	BEAM	BEAM US	Greg Harrison, CFA
	Biogen Inc.	BIIB	BIIB US	Geoff Meacham
	Bristol-Myers Squibb	BMJ	BMJ US	Geoff Meacham
	Cytokinetics, Incorporated	CYTK	CYTK US	Jason Zemansky
	Editas Medicine	EDIT	EDIT US	Greg Harrison, CFA
	Erasca	ERAS	ERAS US	Alec W. Stranahan
	Esperion	ESPR	ESPR US	Jason Zemansky
	Exscientia	EXAI	EXAI US	Alec W. Stranahan
	IGM Biosciences	IGMS	IGMS US	Greg Harrison, CFA
	Johnson & Johnson	JNJ	JNJ US	Geoff Meacham
	Kymera Therapeutics	KYMR	KYMR US	Geoff Meacham
	Moderna	MRNA	MRNA US	Geoff Meacham
	Pfizer	PFE	PFE US	Geoff Meacham
	Recursion Pharmaceuticals, Inc.	RXR	RXR US	Alec W. Stranahan
	Tyra Biosciences	TYRA	TYRA US	Greg Harrison, CFA
	Vir	VIR	VIR US	Geoff Meacham
	Y-mAbs Therapeutics, Inc	YMAB	YMAB US	Alec W. Stranahan
UNDERPERFORM				
	AlloVir, Inc.	ALVR	ALVR US	Jason Zemansky
	CureVac	CVAC	CVAC US	Geoff Meacham
	Day One Biopharmaceuticals	DAWN	DAWN US	Alec W. Stranahan
	LianBio	LIAN	LIAN US	Geoff Meacham
	Novavax	NVAX	NVAX US	Alec W. Stranahan
	Regeneron Pharmaceuticals Inc.	REGN	REGN US	Geoff Meacham
	Reneo Pharmaceuticals	RPHM	RPHM US	Jason Zemansky
	TG Therapeutics	TGTX	TGTX US	Alec W. Stranahan
	United Therapeutics Corporation	UTHR	UTHR US	Greg Harrison, CFA
RSTR				
	Merck & Co.	MRK	MRK US	Geoff Meacham

iQmethodSM Measures Definitions

Business Performance

Return On Capital Employed

Return On Equity
Operating Margin
Earnings Growth
Free Cash Flow

Quality of Earnings

Cash Realization Ratio
Asset Replacement Ratio
Tax Rate
Net Debt-To-Equity Ratio
Interest Cover

Valuation Toolkit

Price / Earnings Ratio
Price / Book Value
Dividend Yield
Free Cash Flow Yield
Enterprise Value / Sales

EV / EBITDA

Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income
Operating Profit
Expected 5 Year CAGR From Latest Actual
Cash Flow From Operations – Total Capex

Numerator

Cash Flow From Operations
Capex
Tax Charge
Net Debt = Total Debt – Cash & Equivalents
EBIT

Numerator

Current Share Price
Current Share Price
Annualised Declared Cash Dividend
Cash Flow From Operations – Total Capex
EV = Current Share Price × Current Shares + Minority Equity + Net Debt +
Other LT Liabilities
Enterprise Value

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill
Amortization
Shareholders' Equity
Sales
N/A
N/A

Denominator

Net Income
Depreciation
Pre-Tax Income
Total Equity
Interest Expense

Denominator

Diluted Earnings Per Share (Basis As Specified)
Shareholders' Equity / Current Basic Shares
Current Share Price
Market Cap = Current Share Price × Current Basic Shares
Sales

Basic EBIT + Depreciation + Amortization



Valuation Toolkit

Numerator

Denominator

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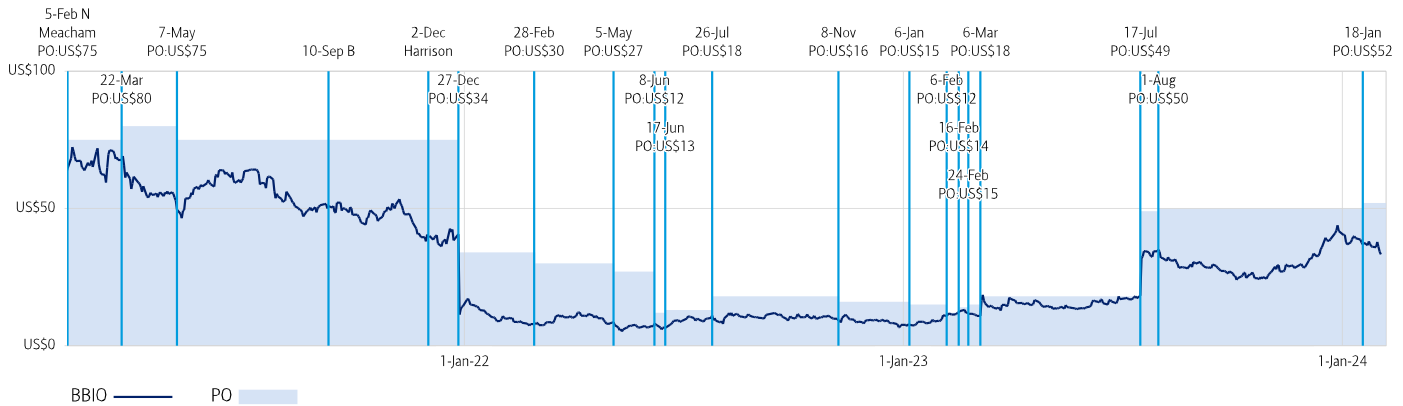
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BridgeBio Pharma (BBIO) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Equity Investment Rating Distribution: Health Care Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	234	60.94%	Buy	115	49.15%
Hold	80	20.83%	Hold	36	45.00%
Sell	70	18.23%	Sell	29	41.43%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R2} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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