

OncoMed Pharmaceuticals, Inc. (OMED)

Overweight

Demcizumab Pancreatic Cancer Data Looks Encouraging Too

CONCLUSION

We are attending the AACR-NCI-EORTC meeting in Boston where OncoMed just reported positive Phase Ib data on demcizumab in 1st-line metastatic pancreatic cancer. Of 16 evaluable patients treated with demcizumab + gemcitabine, there were 4 (25%) partial responses (PR), 7 (44%) stable disease for an impressive disease control rate (DCR) of 69%. OncoMed's risk mitigation program appears to be working with three patients on 5mg/kg demcizumab experiencing truncated dosing; none with cardiopulmonary tox and remained on therapy >200 days. These results build on the Phase Ib non-small cell lung cancer (NSCLC) results and we expect OncoMed to initiate Phase II combo trials of demcizumab in both indications in 2014. We reiterate our Overweight rating and \$30 price target.

- Demcizumab Active in Pancreatic Cancer.** At the AACR-NCI-EORTC meeting in Boston today, OncoMed reported positive Phase Ib data in 1st-line pancreatic cancer (Poster B78). The on-going dose-escalation trial has evaluated patients at 2.5mg/kg and 5mg/kg demcizumab + gemcitabine. Of 16 evaluable patients, there were 4 (25%) PRs, 7 (44%) stable disease for an impressive disease control rate (DCR) of 69%. Estimated median progression free survival (PFS) of 5mg/kg demcizumab + gemcitabine was 176 days. Five patients (31%) progressed and eight are not yet evaluable. The study will continue to enroll patients to demcizumab + gemcitabine + Abraxane. We are encouraged by these results and expect OncoMed to initiate a Phase II pancreatic cancer trial in 2014.
- Risk Mitigation Program Effective.** Due to early signs of cardiopulmonary toxicity with demcizumab, OncoMed instituted a risk mitigation program including BNP monitoring, echocardiograms as well as hypertensive medication and truncated demcizumab dosing if necessary. Importantly, of the three patients on 5mg/kg demcizumab who received truncated dosing (70 days), none had CV tox. Moreover, all three responded including two PRs and one stable disease with durable responses of >200 days.
- Demcizumab Also Active in NSCLC.** Yesterday, OncoMed reported positive Phase Ib data in 1st-line NSCLC. The dose-escalation trial evaluated patients at 2.5mg/kg, 5mg/kg and 7.5mg/kg demcizumab + Alimta + carboplatin. Of 23 evaluable patients, there were 9 (39%) PRs, 11 (48%) stable disease and only 3 (13%) progressive disease. Median PFS was 126 days on 2.5mg/kg and 160 days on 5mg/kg including three patients with PFS of >480 days. We are encouraged by these results and expect OncoMed to initiate a Phase II NSCLC trial in 2014.
- First-in-Man Data on Two Antibodies.** OncoMed also presented three additional posters today, including first-in-man data on OMP-52M51 (Poster B48) and OMP-54F28 (Poster B79). Dose escalation continues of OMP-52M51 in an expansion cohort of patients with tumors that have Notch1 activation. OncoMed and Bayer will initiate three Phase Ib studies of OMP-54F28 (Fxd8-Fc) in 2014. We believe these trials will serve to further validate OncoMed's early clinical pipeline and drive shareholder value.

COMPANY DESCRIPTION

OncoMed is developing therapeutic antibodies to treat cancer.

PRICE: US\$14.76

TARGET: US\$30.00

Proj EV of \$684 million + \$164 million
mid-'14E cash

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Related Companies:

OMED

Share Price:

14.76

RISKS TO ACHIEVEMENT OF PRICE TARGET

Cancer is a competitive space. Demcizumab or OncoMed's other antibodies may fail in the clinic. OncoMed may not sign new partnerships and will likely require future cash.

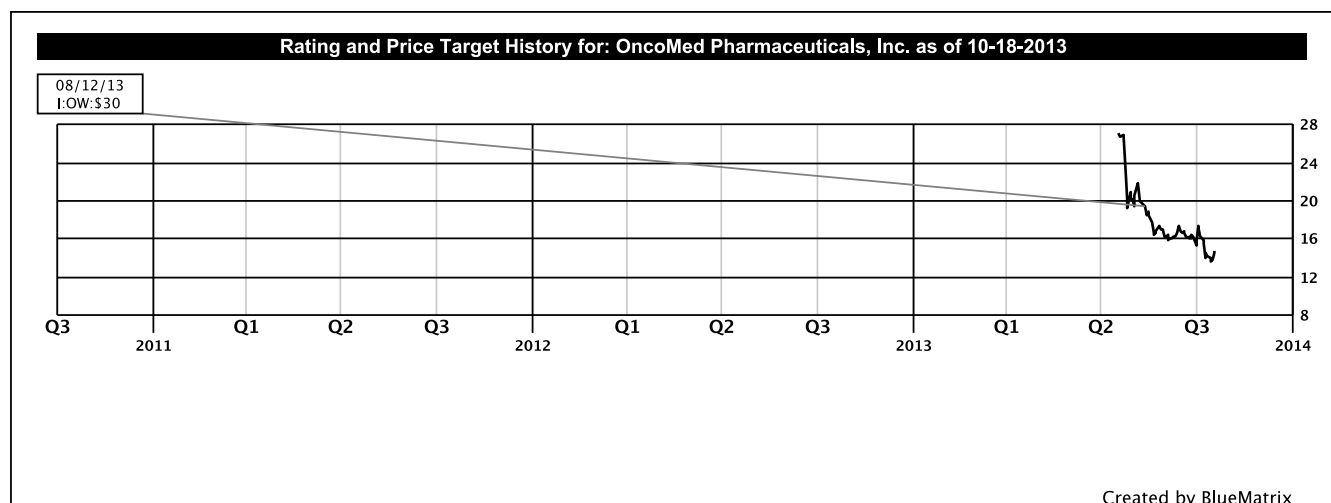
Price Performance - 1 Year



Source: Bloomberg

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R: Resuming Coverage
T: Transferring Coverage
D: Discontinuing Coverage
S: Suspending Coverage
OW: Overweight
N: Neutral
UW: Underweight
NA: Not Available
UR: Under Review

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Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [OW]	333	56.44	70	21.02
HOLD [N]	231	39.15	13	5.63
SELL [UW]	26	4.41	0	0.00

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Analyst Certification — Edward A. Tenthoff, Sr Research Analyst

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