

Avalanche Biotechnologies (AAVL) Leadership Change Is A Step In The Right Direction

Key Takeaway

AAVL announced its CEO, Thomas W. Chalberg, Jr., Ph.D., has resigned as CEO & President, and member of its Board. AAVL's Board of Directors has appointed Hans P. Hull to serve as interim CEO & President. Our positive outlook on AAVL's pipeline remains unchanged and timelines for pipeline programs remaining intact despite the transition. We think missteps related to the Plb data release may have partially led to this announcement.

Avalanche Announces Change in Leadership: AAVL announced a change in leadership with Thomas W. Chalberg, Jr., Ph.D., resigning as chief executive officer (CEO) & president and as a member of the Board of Directors, effective July 23, 2015. AAVL's Board of Directors has appointed Hans P. Hull to serve as interim CEO and President. Most recently, Mr. Hull was senior vice president of business operations and has led alliance management initiatives with Regeneron Pharmaceuticals (REGN, Hold). The Board has initiated a CEO search and which in our view could take several months; however, the current team appears capable of executing on the IND filing in the U.S., and making preparations for the PlIb trial. We also think AAVL has a strong Scientific Advisory Board which will help guide the PlIb trial design. The company also assured us the change has nothing to do w/ the ongoing data analysis of the Plb trial. Furthermore, REGN has not yet made a decision on its option to negotiate for licensing rights to AVA-101. Lastly, the Board will also be adding individuals w/ more operational experience which should benefit the company long-term, and Mitch Finer (formerly Chief Scientific Officer at Bluebird Bio (BLUE, Not Covered)) will take a more hands-on role by providing assistance on development of the next-gen vector.

AVA-101 Outlook Remains Unchanged; We Expect PlIb Trial to Initiate in H2'15:

Our positive outlook on AVA-101 in wAMD or AAVL's gene therapy platform remains unchanged despite the leadership transition, and following the controversial PlIa data announced in June. We continue to expect AAVL to move forward with its PlIb trial in multiple centers across the U.S., and the design will be towards clarifying AVA-101's clinical benefit. The first patient-in is expected by YE'15. AAVL has not yet disclosed whether it intends to evaluate tx-naïve or -exp pts, nor have they disclosed details on design. Mgmt plans to disclose more details in Q3 and remains on track w/ an update. Furthermore, the company plans to present the Plb data at the Retina Society (in Oct) and AAO (in Nov).

BUY

Price target \$51.00

Price \$16.16

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Company Description

Avalanche Biotechnologies, Inc., a clinical-stage biotechnology company, focuses on discovering and developing novel gene therapies for the treatment of ophthalmic diseases based on its Ocular BioFactory platform. Its lead product candidate includes AVA-101, which is in a Phase I/IIa trial for the treatment of wet age-related macular degeneration (AMD). The company is also developing AVA-201, an anti-vascular endothelial growth factor gene therapy product candidate for the prevention of wet AMD; and AVA-311 that is in preclinical studies for the treatment of juvenile X-linked retinoschisis, a rare genetic disease of the retina with no approved therapy. Avalanche Biotechnologies, Inc. has a collaboration agreement with Regeneron Pharmaceuticals, Inc. research, develop, and commercialize gene therapy products. The company was founded in 2006 and is headquartered in Menlo Park, California.

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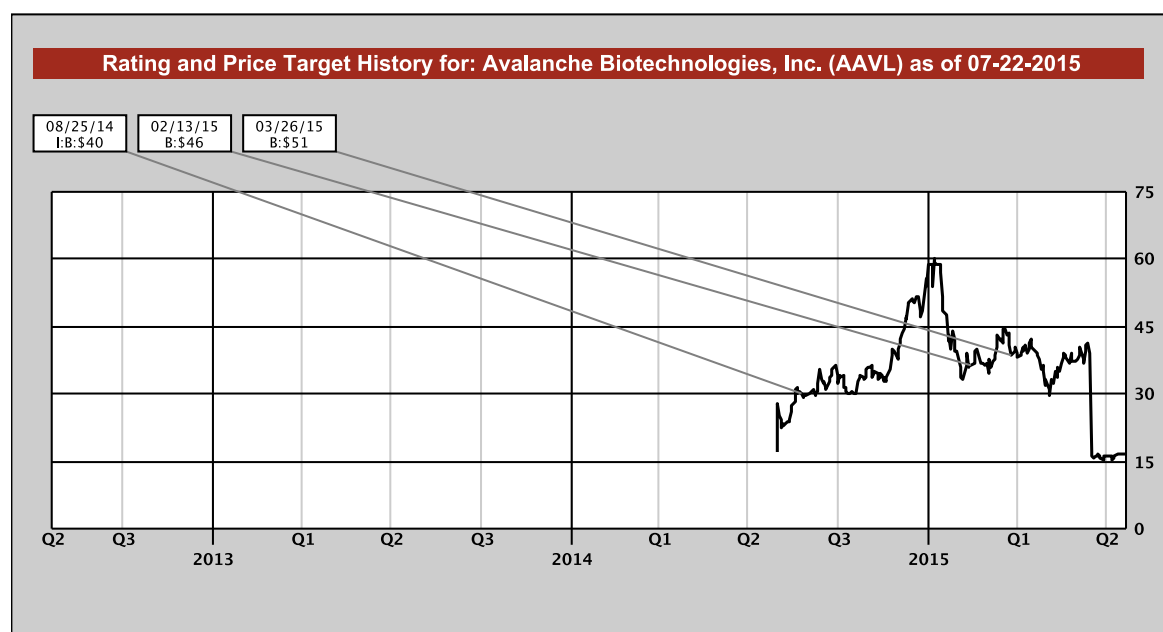
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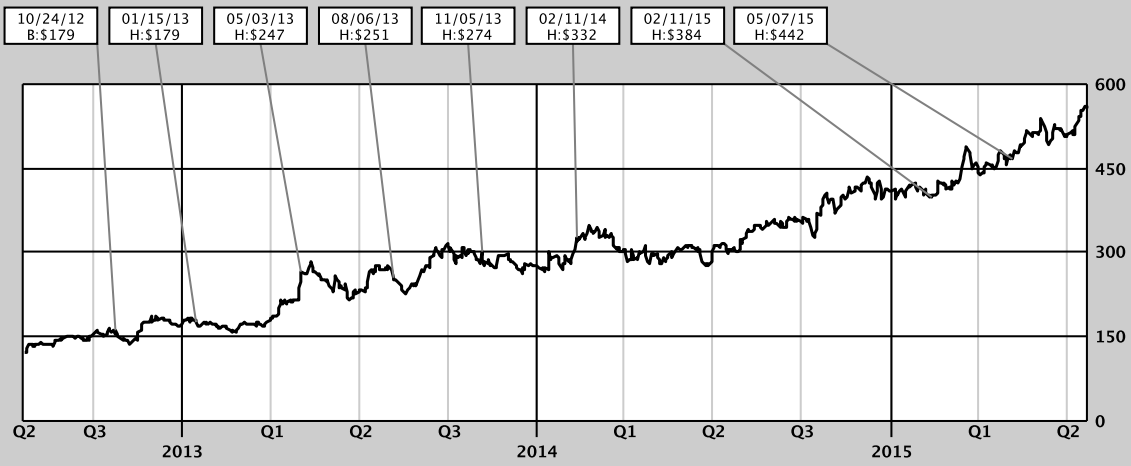
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Other Companies Mentioned in This Report

- Regeneron Pharmaceuticals, Inc. (REGN: \$556.61, HOLD)



Rating and Price Target History for: Regeneron Pharmaceuticals, Inc. (REGN) as of 07-22-2015



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			Count	Percent
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