

MaxCyte

New products, new deals, attractive prospects

15 July 2020

- MaxCyte's trading statement highlighted the positive momentum across all aspects of its business, with H120 revenues expected to be up an impressive c 30% on H119 to \$10.9m (H119: \$8.4m) despite the impact of COVID-19. This strong financial performance reflects increased adoption and product usage by its client base, and growing milestone income from the expanding portfolio of clinical and commercial licences.
- During H120 and into July, MaxCyte added three new clinical and commercial licence agreements with leading cell therapy and emerging immunotherapy players: Allogene Therapeutics, Caribou Bioscience, and Apeiron Biologics. MaxCyte now has more than 120 licenced partnered programmes, with 90+ licenced for clinical use. Aggregate pre-commercial milestones from its 11 commercial deals exceed \$800m.
- The launch of a new EXPERT range of expanded research and GMP grade disposables for complex cellular engineering demonstrates the company's responsiveness to addressing customer needs and enables it to exploit additional growth opportunities with new and existing clients.
- Progress continues with CARMA Cell Therapies, on both the operational and clinical perspective. It is now a wholly owned subsidiary to facilitate independent investment and new partnership(s), with an expectation that it will be self-funded by end-2020.
- Clinical data at ASCO 2020 from the first CARMA therapeutic candidate, MCY-M11, confirmed no dose-limiting toxicities or treatment related serious adverse events in the first three dose cohorts of the ongoing Phase I trial, and the feasibility of one-day manufacturing. A fourth dose cohort began in March 2020. Preliminary clinical data is expected H220.
- MaxCyte is well-funded following its \$30m equity raise in May 2020. Lead investors, Casdin Capital and Sofinnova Partners, two specialist life science NASDAQ crossover investors, are expected to support MaxCyte in its plans for a dual listing on NASDAQ, with filing anticipated in 2021.

Price	221.0p
Market Cap	£169.3m
Primary exchange	AIM London
Sector	Healthcare
Company Code	MXCT MXCL
Corporate client	Yes

Company description:

MaxCyte uses its patented flow electroporation platform to transfect a wide array of cells. Revenues arise from sale and lease of equipment, disposables, and licence fees from an impressive client list. Additionally, a novel mRNA mediated CAR technology, known as CARMA, is being explored in various cancers, including solid tumours.

Trinity Delta view: MaxCyte's H120 trading update underscores its resilient business model, despite challenging times, as well as boding well for its long-term growth prospects. Continued development and futureproofing of its product offering to meet the needs of its customers and partners, will help cement MaxCyte's position as the clear leader in non-viral cell modification. The growing stable of clinical/commercial deals with well-funded next-generation gene editing and cell therapy companies cover increasing diverse product candidates. This emphasises the versatility of MaxCyte's enabling technology and increases the likelihood of meaningful future milestone receipts. We currently value MaxCyte at £260m or 340p/share. The core business is valued at £158m or 206p/share (£83m or 108p/share for recurrent revenues; £49m or 64p/share for potential milestones), with CARMA Cell Therapies at £103m (134p/share). We will revisit our valuation assumptions after H120 results are released in September.

Analysts

Lala Gregorek
lgregorek@trinitydelta.org
+44 (0) 20 3637 5043

Franco Gregori
fgregori@trinitydelta.org
+44 (0) 20 3637 5041

Lala Gregorek

lgregorek@trinitydelta.org
+44 (0) 20 3637 5043

Franc Gregori

fgregori@trinitydelta.org
+44 (0) 20 3637 5041

Disclaimer

Trinity Delta Research Limited ("TDRL"; firm reference number: 725161), which trades as Trinity Delta, is an appointed representative of Equity Development Limited ("ED"). The contents of this report, which has been prepared by and is the sole responsibility of TDRL, have been reviewed, but not independently verified, by ED which is authorised and regulated by the FCA, and whose reference number is 185325.

ED is acting for TDRL and not for any other person and will not be responsible for providing the protections provided to clients of TDRL nor for advising any other person in connection with the contents of this report and, except to the extent required by applicable law, including the rules of the FCA, owes no duty of care to any other such person. No reliance may be placed on ED for advice or recommendations with respect to the contents of this report and, to the extent it may do so under applicable law, ED makes no representation or warranty to the persons reading this report with regards to the information contained in it.

In the preparation of this report TDRL has used publicly available sources and taken reasonable efforts to ensure that the facts stated herein are clear, fair and not misleading, but make no guarantee or warranty as to the accuracy or completeness of the information or opinions contained herein, nor to provide updates should fresh information become available or opinions change.

Any person who is not a relevant person under section of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom should not act or rely on this document or any of its contents. Research on its client companies produced by TDRL is normally commissioned and paid for by those companies themselves ('issuer financed research') and as such is not deemed to be independent, as defined by the FCA, but is 'objective' in that the authors are stating their own opinions. The report should be considered a marketing communication for purposes of the FCA rules. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. TDRL does not hold any positions in any of the companies mentioned in the report, although directors, employees or consultants of TDRL may hold positions in the companies mentioned. TDRL does impose restrictions on personal dealings. TDRL might also provide services to companies mentioned or solicit business from them.

This report is being provided to relevant persons to provide background information about the subject matter of the note. This document does not constitute, nor form part of, and should not be construed as, any offer for sale or purchase of (or solicitation of, or invitation to make any offer to buy or sell) any Securities (which may rise and fall in value). Nor shall it, or any part of it, form the basis of, or be relied on in connection with, any contract or commitment whatsoever. The information that we provide is not intended to be, and should not in any manner whatsoever be, construed as personalised advice. Self-certification by investors can be completed free of charge at www.fisma.org. TDRL, its affiliates, officers, directors and employees, and ED will not be liable for any loss or damage arising from any use of this document, to the maximum extent that the law permits.

Copyright 2020 Trinity Delta Research Limited. All rights reserved.

More information is available on our website: www.trinitydelta.org