

ANGLE

Recent deals provide evidence of assay traction

21 April 2023

- ANGLE's FY22 results are as expected following the January business update. FY22 revenues were £1.0m (FY21: £1.0m). End-Dec 2022 cash was £31.9m, which should provide funding into H224. Revenues in Q123 are showing positive momentum, already strongly ahead year-on-year.
- Pharma services is likely to be the key revenue growth driver in the near-term from the current small base. The new contract with Crescendo Biologics will utilise ANGLE's recently launched Portrait Flex assay in the expansion cohort of an ongoing [Phase I](#) prostate cancer trial. This deal builds on the positive traction within this business, which was only established during 2021 to provide clinical trial services in oncology for patient targeting and monitoring. With multiple new customers and projects in the pipeline, including with major pharma, we expect additional contracts to be executed this year.
- ANGLE has also signed an assay development partnership with BioView, focused on a Parsortix-based HER2 test, which could be used for longitudinal monitoring of HER2 status in breast cancer patients from a simple blood sample. With new therapies to treat low HER2 as well as HER2 positive patients, optimising their use to target the most appropriate patients is becoming increasingly important. Development work is anticipated to take around a year and is expected to generate c.£1.2m of revenues for ANGLE. There would be major future revenue upside if this assay is successfully adopted into routine clinical use, which will likely attract larger commercial partners, in our view.
- Additional deals will be key to demonstrating continued commercial traction with Parsortix, and active discussions remain ongoing with a number of potential partners and customers. Furthermore, development work on the first LDTs (laboratory developed tests) for prostate and ovarian cancer is ongoing, with these potentially becoming commercially available in 2024. This includes the prostate cancer clinical trial, which is expected to complete this year with topline data potentially available around year-end; and selection and verification of a third-party downstream molecular analysis platform for the ovarian cancer LDT.

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| Price | 20.5p |
| Market Cap | 55.8m |
| Primary exchange | AIM |
| Sector | Healthcare |
| Company Code | AGL |
| Corporate client | Yes |

Company description:

ANGLE is a specialist diagnostics company. Its proprietary Parsortix technology can capture and harvest very rare cells, including CTCs (circulating tumour cells), from a blood sample. The FDA clearance for its clinical use to guide precision cancer care should open up multiple commercial opportunities.

Trinity Delta view: Recent commercial related activities, with a new pharma services contract, plus an assay development partnership, are encouraging steps towards securing potentially significant future Parsortix revenues. Both provide important external validation of Parsortix, and as this continues to build, future deal execution should be facilitated, in our view. The opportunities being explored are sizeable and will also help to expand near-term revenues. Positive revenue momentum is already evident in Q123, according to management. In the near-term, we expect ANGLE to remain focused on growing the Pharma services business, attracting industry partners for downstream analysis, and completing the remaining LDT development work ahead of potential launches from 2024. Our DCF-based ANGLE valuation is £253m, equivalent to 97p per share.

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