

AstraZeneca

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Natixis upgrades AstraZeneca to 'buy' on prospect of positive results from key MYSTIC lung cancer trial

French broker Natixis has upgraded its rating for AstraZeneca PLC (LON:AZN) to 'buy' from 'neutral' as its analysts feel the prospect of positive results from the group's key MYSTIC lung cancer trial gives the blue chip drugmaker "an asymmetric risk profile."

In a note to clients, the analysts said: "We expect successful results for MYSTIC, which prompts our target of 5,738p, up from 5,000p previously, but still giving over 25% upside potential."

READ: Billions wiped off AstraZeneca's value as key lung cancer study fails to meet primary endpoint

However, they added: "If iMYSTIC is a failure, the valuation is 4,304p, which only offers limited downside risk of around 6%."

In late morning trading, AstraZeneca shares were changing hands at 4,535.5p, off 0.8%, or 38p on the day.

The Natixis analysts said: "Our positive scenario draws on an analysis of various lung cancer trials which indicate that a negative PFS (progression-free survival) does not rule out a positive OS (overall survival) result. This could be the case for MYSTIC."

The analysts said that revenues related to MYSTIC are estimated at US\$3.5bn in 2023, with the potential to drive a substantial acceleration in future earnings.

READ: AstraZeneca's share price slump on Mystic trial unwarranted, says investor Neil Woodford

At the end of July, billions were wiped off AstraZeneca's value as its share price plunged 15% after the much-hyped MYSTIC trial suffered a serious setback.

The Phase III study - which is looking at how two of its lead immune-oncology drugs, Imfinzi and tremelimumab, work together in non-small-cell lung cancer patients - failed to meet the primary endpoint of improving progression-free survival compared to chemotherapy - the current standard of care.

Full data presentations on studies for lung cancer drugs Tagrisso and Imfinzi are expected this month.

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

Price: 8675

Market Cap: £114.01 billion

1 Year Share Price Graph



Share Information

Code: AZN

Listing: LSE

52 week High Low
9335 5739

Sector: Pharma & Biotech

Website: www.astrazeneca.com

Company Synopsis:

AstraZeneca is one of the world's leading pharmaceutical companies, with a broad range of medicines designed to fight disease. AstraZeneca has over 67,000 employees and operates in over 100 countries with growing presence in important emerging markets.

action@proactiveinvestors.com

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