

GeoVax

Pharma & biotech
6 October 2014

Leveraging technology for Ebola

GeoVax has announced plans to develop two Ebola vaccines, one for the strain responsible for the current outbreak and a preventative vaccine against multiple strains for the future. GeoVax plans to construct the MVA vectors using its recombinant MVA vaccine platform ready for preclinical testing, for which additional funds are likely to be needed. These could potentially come from government sources, or from the capital markets.

Advancing two Ebola vaccines

In response to the current Ebola outbreak, GeoVax plans to develop two Ebola vaccines: (1) GOVX-E301 as a single-dose vaccine targeting the strain of Ebola responsible for the current outbreak, and (2) GOVX-E302, a potential prophylactic vaccine to protect against the three lethal strains of Ebola. GeoVax will produce the MVA vectors in preparation for preclinical testing and if funding is available, anticipates that E301 could be available by 2016.

Leveraging technology to address global needs

GeoVax's vaccine technology platform comprises a DNA primer and an MVA booster. These are used together in GeoVax's lead product Phase II vaccine GOVX-B11, in development as an HIV prophylactic vaccine. GeoVax is now using the recombinant MVA technology for the two Ebola vaccines, designed to produce virus-like particles (VLPs) that can elicit immune responses to the virus.

Ebola outbreak shows no signs of abating

The 2014 Ebola outbreak in West Africa is the largest to date, with more than 7,000 probable, confirmed and suspected cases and >3,330 deaths. Concerns around the virus spreading were recently heightened with the first US diagnosis in a patient who had travelled from West Africa. According to [CDC](#), the number of cases in Sierra Leone and Liberia are doubling every 20 days with estimates suggesting that without additional interventions there could be 550,000 cases by January 2015.

Valuation: EV boosted, but still undemanding

The Ebola plans have boosted the current EV +52% to \$6.6m. This is still undemanding considering GeoVax has a number of HIV vaccines in development, including GOVX-B11 to prevent HIV and an HIV immunotherapy programme for the developed world, in addition to preclinical assets for the developing world. However, end-June net cash of \$1.4m will be insufficient for further development.

Historical financials

Year end	Revenue (\$m)	PBT (\$m)	EPS (\$)	DPS (\$)	P/E (x)	Yield (%)
12/11	4.9	(2.3)	(0.15)	0.0	N/A	N/A
12/12	2.7	(2.1)	(0.12)	0.0	N/A	N/A
12/13	2.4	(2.3)	(0.11)	0.0	N/A	N/A

Source: GeoVax

Price **\$0.32**
Market cap **\$8m**

Share price graph



Share details

Code **GOVX**
 Listing **OTCQB**
 Shares in issue **25.5m**

Business description

GeoVax is a US vaccine development company. The lead programme is a preventative HIV vaccine (GOVX-B11), which has completed a Phase IIa trial and further trials are being planned in conjunction with the US NIH. An HIV immunotherapy is also being developed, in addition to preclinical Ebola vaccines.

Bull

- One of the most advanced prophylactic HIV vaccines in development.
- Development supported by the US NIH.
- Two preclinical Ebola vaccines.

Bear

- Limited funds to pursue clinical trials and NIH funding is not guaranteed.
- Historical HIV vaccine development has been challenging.
- Ebola is becoming an increasingly competitive market, including GSK in collaboration with NIH.

Analysts

Dr Philippa Gardner +44 (0)20 3681 2521
 Dr Mick Cooper +44 (0)20 3077 5734

healthcare@edisongroup.com

Edison, the investment intelligence firm, is the future of investor interaction with corporates. Our team of over 100 analysts and investment professionals work with leading companies, fund managers and investment banks worldwide to support their capital markets activity. We provide services to more than 400 retained corporate and investor clients from our offices in London, New York, Frankfurt, Sydney and Wellington. Edison is authorised and regulated by the Financial Conduct Authority (www.fsa.gov.uk/register/firmBasicDetails.do?sid=181584). Edison Investment Research (NZ) Limited (Edison NZ) is the New Zealand subsidiary of Edison. Edison NZ is registered on the New Zealand Financial Service Providers Register (FSP number 247505) and is registered to provide wholesale and/or generic financial adviser services only. Edison Investment Research Inc (Edison US) is the US subsidiary of Edison and is regulated by the Securities and Exchange Commission. Edison Investment Research Limited (Edison Aus) [46085869] is the Australian subsidiary of Edison and is not regulated by the Australian Securities and Investment Commission. Edison Germany is a branch entity of Edison Investment Research Limited [4794244]. www.edisongroup.com

DISCLAIMER

Copyright 2014 Edison Investment Research Limited. All rights reserved. This report has been commissioned by GeoVax and prepared and issued by Edison for publication globally. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of Edison at the time of publication. The securities described in the Investment Research may not be eligible for sale in all jurisdictions or to certain categories of investors. This research is issued in Australia by Edison Aus and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act. The Investment Research is distributed in the United States by Edison US to major US institutional investors only. Edison US is registered as an investment adviser with the Securities and Exchange Commission. Edison US relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. As such, Edison does not offer or provide personalised advice. We publish information about companies in which we believe our readers may be interested and this information reflects our sincere opinions. The information that we provide or that is derived from our website is not intended to be, and should not be construed in any manner whatsoever as, personalised advice. Also, our website and the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. This document is provided for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. Edison has a restrictive policy relating to personal dealing. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report. Edison or its affiliates may perform services or solicit business from any of the companies mentioned in this report. The value of securities mentioned in this report can fall as well as rise and are subject to large and sudden swings. In addition it may be difficult or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (ie without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision. To the maximum extent permitted by law, Edison, its affiliates and contractors, and their respective directors, officers and employees will not be liable for any loss or damage arising as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication. FTSE International Limited ("FTSE") © FTSE 2014. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.