



BBY Research - 17 November 14

Viralytics Limited

VLA A\$0.30 **TARGET PRICE** A\$0.60 **SPECULATIVE BUY**

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Viralytics Ltd is a biotechnology company. The Company uses anti-cancer virotherapy technology to treat cancer.

Harnessing an oncolytic virus to kill cancer cells

Viralytics Limited (VLA) is developing CAVATAK, a new cancer therapy that uses an oncolytic virus to seek out and destroy cancer cells. CAVATAK has shown encouraging efficacy against melanoma in a Phase 2 trial, and preclinical studies indicate that combining CAVATAK with the new checkpoint inhibitors will substantially boost efficacy. VLA is conducting additional clinical trials to strengthen the evidence for the efficacy of CAVATAK against a range of cancers. We see a high likelihood of a licence deal or M&A transaction if the clinical trials continue to deliver positive results. We initiate coverage with a SPECULATIVE BUY recommendation and a price target of A\$0.60/sh, in line with our risked DCF valuation.

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BBY Technical View - as at 17/11/2014

Short Term	Downtrend	Resistance	\$0.312
Long Term	Uptrend	Support	\$0.280

For enquiries, please email research@bby.com.au

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* We apply a consistent Discounted Dividend Model (DDM) valuation methodology across all stocks, allowing us to directly compare any one stock against another, thereby facilitating a stock ranking.

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