Alnylam Pharma (ALNY)

$136.69 (As of 08/12/20)

Price Target (6-12 Months): **$144.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 08/04/19) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM:F
	Value: F | Growth: D | Momentum: C	

Summary

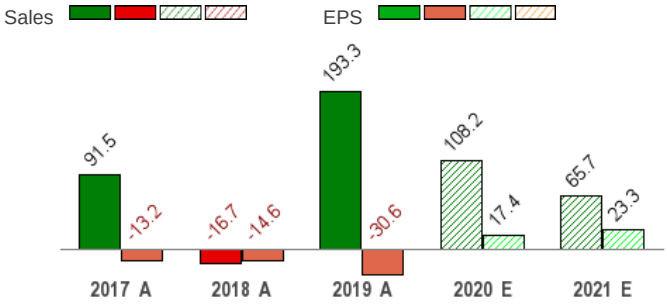
Alnylam posted narrower than expected loss and sales beat estimates in the second quarter of 2020.Onpattro has been witnessing strong uptake since its launch. In November 2019, the FDA approved its second product, Givlaari (givosiran) for acute hepatic porphyria which also progressed well in the quarter. Meanwhile, an NDA for lumasiran is under priority review with the FDA, with approval expected in late 2020 which should boost growth prospects. It expects to advance additional late-stage programs, namely vutrisiranand inclisiran. It has collaborated with Regeneron to develop and commercialize new RNAi therapeutics for a broad range of diseases. Although we are pleased with Alnylam's broad and promising pipeline, the company heavily relies on partnerships for supporting operations, which remains a concern.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$167.33 - $73.32**
20 Day Average Volume (sh)	**504,300**
Market Cap	**$15.9 B**
YTD Price Change	**18.7%**
Beta	**1.81**
Dividend / Div Yld	**$0.00 / 0.0%**
Industry	**Medical - Biomedical and Genetics**
Zacks Industry Rank	**Bottom 35% (164 out of 253)**
Last EPS Surprise	**12.9%**
Last Sales Surprise	**5.3%**
EPS F1 Est- 4 week change	**-8.2%**
Expected Report Date	**10/29/2020**
Earnings ESP	**0.3%**
P/E TTM	**NA**
P/E F1	**NA**
PEG F1	**NA**
P/S TTM	**45.9**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	151 E	166 E	182 E	200 E	759 E
2020	99 A	104 A	117 E	140 E	458 E
2019	33 A	45 A	70 A	72 A	220 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	-$1.69 E	-$1.72 E	-$1.61 E	-$1.63 E	-$5.14 E
2020	-$1.62 A	-$1.56 A	-$1.73 E	-$1.72 E	-$6.70 E
2019	-$1.42 A	-$1.83 A	-$1.92 A	-$2.47 A	-$8.11 A

*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 08/12/2020. The reports text is as of 08/13/2020.

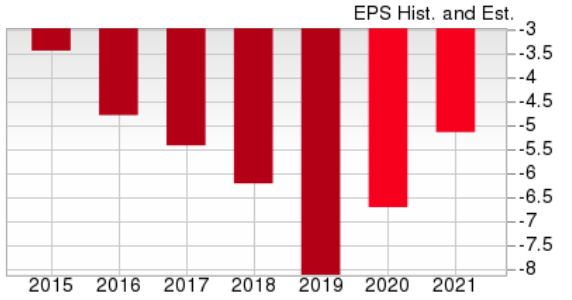
Overview

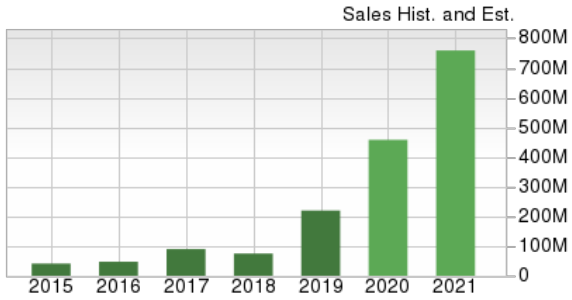
Cambridge, MA-based Alnylam Pharmaceuticals Inc. is a development-stage biopharmaceutical company focused on the development of novel therapeutics based on RNA interference (RNAi). The company's pipeline of experimental RNAi therapeutics is focused across three strategic therapeutic areas (STArs) – genetic medicines, cardio-metabolic disease and hepatic infectious disease.

In August 2018, the company's lead drug-Onpattro (patisiran) received regulatory approvals in the United States and Europe for the treatment of hereditary transthyretin-mediated (hATTR) amyloidosis in adults. Onpattro is the first and only FDA-approved treatment for this indication. In November 2019, the FDA approved Givlaari (givosiran) for acute hepatic porphyria (AHP).

Moreover, the company is evaluating inclisiran for hypercholesterolemia in partnership with The Medicines Company acquired by Novartis in January 2020. Alnylam also submitted an NDA and an MAA for inclisiran to the FDA and the EMA, respectively in 2019.

Alnylam's expertise in RNAi therapeutics and broad intellectual property estate has allowed the company to enter into collaborations with leading pharmaceutical and life sciences companies including Ionis Pharmaceuticals, Novartis, Roche, Takeda, Merck, Monsanto, The Medicines Company and Sanofi's specialty care global business unit, Genzyme among others.





Alnylam generates revenues from research collaborations, grants, and licensing of the RNAi technology outside its core focus area. In 2019, Alnylam recorded sales of $219.8 million, up 193.4% year over year

Reasons To Buy:

> Alnylam expects to bring three products to the market by 2020, including the already approved approved drugs — Givlaari and Onpattro.

- **Onpattro (patisiran) Approval A Significant Boost:** In August 2018, the FDA approved Onpattro (patisiran) lipid complex injection- a first-of-its-kind RNA interference (RNAi) therapeutic, for the treatment of the polyneuropathy of hereditary transthyretin-mediated (hATTR) amyloidosis in adults. Onpattro is the first and only FDA-approved treatment for this indication. The uptake of the drug has been strong with more than 1050 patients worldwide on commercial Onpattro treatment since its launch as of June 30, 2020. The drug should drive revenues for the company as it will be an important treatment option for people suffering from this often fatal disease.

  Pending regulatory approvals, Alnylam will commercialize Onpattro in Western Europe, with Sanofi Genzyme commercializing the product in the rest of the world.

  In addition, Alnylam is also planning to expand the label of Onpattro. In this regard, the company continued enrollment in the APOLLO-B phase III study in ATTR amyloidosis patients with cardiomyopathy. In February 2020, the company received approval for Onpattro for treating hATTR patients in Brazil. Label expansion of the drug should further boost sales for the company.

- **Givlaari (Givosiran) Approval Encouraging, Inclisiran Filed**: In November 2019, the FDA approved givosiran injection for subcutaneous use for the treatment of adults with acute hepatic porphyria (AHP). Givosiran injection is marketed by the trade name of Givlaari. This is the second RNAi therapeutic from Alnylam approved by the FDA. This approval further boosts sales for the company. The drug has been performing well.In March 2020, the company received approval for Givlaari for the treatment of AHP in adolescents and adults in the EU.

  Moreover, the company is evaluating inclisiran phase III ORION studies for hypercholesterolemia in partnership with The Medicines Company acquired by Novartis in January 2020. The companies reported positive complete results from the ORION-9 and -10 phase III studies of inclisiran in patients with heterozygous familial hypercholesterolemia (HeFH) and atherosclerotic cardiovascular disease (ASCVD). Alnylam's NDA and an MAA for inclisiranare under review in the United states and EU, respectively. The potential approval will boost sales of the company.

- **RNAi Technology Holds Promise:** Alnylam makes use of a potentially radical RNAi technology. This technology is a naturally occurring biological pathway within cells for selectively silencing and regulating the expression of specific genes. Since many diseases are caused by the inappropriate activity of specific genes, the ability to make the genes silent selectively through RNAi hold the potential to change the way diseases are treated.

  Alnylam's pipeline of experimental RNAi therapeutics is focused across three STArs: genetic medicines – for the treatment of rare diseases; cardio-metabolic disease – cardiovascular and metabolic diseases such as dyslipidemia, non-alcoholic steatohepatitis, type II diabetes, hypertension and other major diseases; as well as hepatic infectious disease – hepatic infectious diseases, beginning with hepatitis B and hepatitis D viral infections.

- **Broad & Promising Pipeline:** The company is also evaluating several other candidates. Interesting ones include ALN-CC5 (phase I/II; complement-mediated diseases), cemdisiran (phase II, complement-mediated diseases) and lumasiran (regulatory application accepted for Primary Hyperoxaluria Type 1 (PH1)), vutrisiran (ALN-TTRsc02) a once-quarterly, subcutaneously administered investigational RNAi therapeutic in development for the treatment of ATTR amyloidosis.

  In February 2020, Alnylam completed enrollment in the HELIOS-A phase III study on vutrisiran (ALN-TTRsc02) for the treatment of hATTR amyloidosis with polyneuropathy. Top-line data from the study is expected in early 2021. The company also initiated the HELIOS-B phase III study in patients with hereditary and wild-type ATTR amyloidosis with cardiomyopathy in November 2019and enrolment is ongoing in the study.

  In June 2018, the company received orphan drug designation for ALN-TTRsc02 by the FDA.

  Alnylam advanced lumasiran, an investigational RNAi therapeutic in development for the treatment of primary hyperoxaluria type I (PH1). The company reported positive top-line results from ILLUMINATE-A in December 2019 and it met its primary efficacy endpoint and all tested secondary endpoints. Based on these results, the company filed an NDA with the FDA in April 2020, and both applications are now accepted. The NDA was granted priority review by the FDA in May and a decision is expected by Dec 3, 2020. The company completed enrollment in the ILLUMINATE-B phase III study of lumasiran in PH1 patients less than six years of age with preserved renal function, and remains on track to report top line results in 2020. It continues enrolment inthe ILLUMINATE-C phase III study of lumasiran for the treatment of advanced PH1 in patients of all ages with advanced renal disease. The company received a pediatric rare disease designation from the FDA for lumasiran for the treatment of PH1.

  In July 2020, United Kingdom''s Medicines and Healthcare Products Regulatory Agency (MHRA) granted lumasiran a positive scientific opinion through the Early Access to Medicines Scheme (EAMS). With this decision, eligible PH1 patients in the United Kingdom, many of whom are children, can gain access to lumasiran before the drug is granted marketing authorization by the European Commission (EC). The MHRA's decision is based on the evaluation of the effects of lumasiran in PH1 patients and its safety profile, including data from the ILLUMINATE-A phase III study.

  Lumasiran has been granted Breakthrough Therapy designation (BTD) by the FDA, representing the third BTD received by the company to date. In March 2018, the European Medicines Agency (EMA) granted access to its Priority Medicines (PRIME) scheme for lumasiran.

  Alnylam in collaboration with Regeneron, is advancing cemdisiran, an investigational RNAi therapeutic for the treatment of complement-mediated diseases. Enrollment in a phase II study of cemdisiran monotherapy in patients with IgA nephropathy is ongo9ing, with topline results expected in 2021. Regeneron filed a Clinical Trial Application (CTA) in The Netherlands to initiate a phase I study of cemdisiran in combination with pozelimab, an anti-C5 monoclonal antibody, in normal healthy volunteers and patients with paroxysmal nocturnal

hemoglobinuria (PNH).

ALN-HBV02 (also known as VIR-2218), partnered with Vir and in development for the treatment of chronic hepatitis B virus (HBV) infection, which is currently in a phase I/II study. In the second quarter of 2020, the company reported positive interim data from the ongoing phase II study in patients and results from the phase I study in healthy volunteers of ALN-HBV02.

During the second quarter of 2020, the company selected a development candidate (DC), ALN-COV (VIR-2703), for SARS-CoV-2 – the virus that causes COVID-19 – with a plan to accelerate the filing of an IND around year-end 2020.

In August 2020, he company submitted a CTA application to The Medicines and Healthcare Products Regulatory Agency (MHRA) in the United Kingdom to initiate a phase I study of ALN-HSD, an investigational RNAi therapeutic targeting HSD17B13 for the treatment of nonalcoholic steatohepatitis (NASH). The company plans to initiate a phase I study in late 2020, upon obtaining MHRA approval.

Alnylam selected its first CNS-targeted development candidate, ALN-APP, an investigational RNAi therapeutic targeting amyloid precursor protein (APP) for the treatment of hereditary cerebral amyloid angiopathy (hCAA)and autosomal dominant Alzheimer's Disease (ADAD), which remains on track for a CTA filing in 2021. The company announced that Regeneron has exercised its co-development/co-commercialization option on the ALN-APP program, which Alnylam will lead.

Alnylam submitted a Clinical Trial Authorization (CTA) application for ALN-AAT02, an investigational RNAi therapeutic for the treatment of alpha-1 antitrypsin deficiency-associated liver disease (alpha-1 liver disease). It is currently in a phase I/II study.

Successful development and subsequent approval of these candidates will be a huge boost for the company**.**

▲ **Encouraging Collaborations:** Alnylam has entered into several collaborations for the development and commercialization of its broad pipeline of RNAi therapeutic candidates across three STArs. Particularly, with respect to Alnylam's genetic medicine pipeline, the company formed a broad strategic alliance with Sanofi's Genzyme in 2014, following which Sanofi became a major Alnylam shareholder with an investment of $700 million. In January 2018, Alnylam and Sanofi announced a strategic restructuring of their RNAi therapeutics rare genetic diseases alliance. The companies entered into the agreement to optimize the development and commercialization of certain products for the treatment of rare genetic diseases. Per the agreement, Alnylam will fund all the development and commercialization costs for — Onpattro and its investigational RNAi therapeutics candidate ALN-TTRsc02 — that are being evaluated for the treatment of ATTR amyloidosis.

In April 2018, Alnylam and Sanofi agreed to close the research and option phase of the companies' 2014 RNAi therapeutics alliance in rare genetic diseases. The material collaboration terms for Onpattro, vutrisiran and fitusiran will remain unchanged. Per the agreement, Alnylam will advance a selected investigational asset in an undisclosed rare genetic disease through the end of the IND-enabling studies. Sanofi will be responsible for any potential further development or commercialization of the asset. If this product is approved, Alnylam will be eligible to receive tiered double-digit royalties on its global net sales.

Following the restructuring initiative, Sanofi will undertake full responsibility for the development and commercialization of fitusiran, including costs. Sanofi will retain the right to opt for other Alnylam rare genetic disease programs for development and commercialization in territories outside the United States, Canada, and Western Europe as well as right to a global license.

In April 2019, Alnylam and Regeneron Pharmaceuticals extended their collaboration agreement. Both the companies are working together to discover, develop and commercialize new RNAi therapeutics for a broad range of diseases by addressing disease targets expressed in the eye and central nervous system (CNS), in addition to a select number of targets expressed in the liver. The companies plan to advance programs directed to 30 targets. Other candidates also might be introduced into clinical development during the initial five-year discovery period, which may extend.

In April 2020, Alnylam and The Blackstone Group entered into a broad strategic collaboration which will support Alnylam's advancement of innovative RNAi medicines with up to $2 billion investment from Blackstone. Alnylam believes that the deal with Blackstone will make the company self-sustainable. The Blackstone investment will also likely accelerate the commercial potential of Alnylam's rapidly advancing product portfolio and support the development and delivery of promising medicines.

In April 2020, the company entered into an agreement with Dicerna to develop and commercialize investigational RNAi therapeutics for the treatment of alpha-1 antitrypsin (A1AT) deficiency-associated liver disease, and completed a non-exclusive cross-licensing agreement with Dicerna regarding the companies' respective intellectual property for Alnylam's lumasiran and Dicerna'snedosiran investigational programs for the treatment of primary hyperoxaluria.

In July 2020, Alnylam and taiba Middle East, a leading rare disease company based in the United Arab Emirates and covering the Middle East region, announced that they have formed a Distribution Agreement for both Onpattro and Givlaari. The Agreement between Alnylam and taiba will initially cover the Gulf states, including the Kingdom of Saudi Arabia, Kuwait, Bahrain, Qatar, Oman and the United Arab Emirates. It includes Onpattro, approved in the European Union (EU) for the treatment of hATTR amyloidosis in adults with stage 1 or stage 2 polyneuropathy; Givlaari, approved in the EU for the treatment of acute hepatic porphyria (AHP); and lumasiran, a late-stage investigational RNAi therapeutic for the treatment of PH1.

▲ **Favorable Debt Profile:** Alnylam has a favorable debt profile. As of June 30, 2020, the has no debt in its portfolio, which compared favorably with the industry's 0.509 at the end of Mar 31, 2020. This means lower financial risk. Also, the company's total debt (current and long-term debt) was approximately $305 million as of March end but ithas no debt as of June 30 2020. The company's cash, cash equivalents, and marketable securities totaling approximately $1.93 billion, at the end of June 2020, should be sufficient to pay the debt in case of insolvency.

Reasons To Sell:

Alnylam relies highly on collaborators for funding. Any development/regulatory setback would be a negative for the company. Stiff competition remains a threat as well.

- **Pipeline Setbacks:** Although we are pleased with Alnylam's broad and promising pipeline, we note that most candidates are in their early or mid stages of development. These candidates still have a long way to go before hitting the market. Currently, Alnylam depends heavily on Onpattro for growth. We also note that gaining approval for pipeline candidates has become more difficult now. With several data read-outs expected over the next few quarters, an unfavorable outcome will be a huge setback for the company and hamper its prospects.

  We note that Alnylam is no stranger to pipeline setbacks. In October 2016, Alnylam discontinued the phase III ENDEAVOUR study on revusiran for the treatment of hereditary ATTR amyloidosis with cardiomyopathy (hATTR-CM). The decision followed the recommendation of a Data Monitoring Committee which suggested that the benefit-risk profile of the candidate did not support continued dosing in patients.

  During the third quarter of 2018, the company announced that due to recruitment challenges, it has discontinued a phase II study of cemdisiran in atypical hemolytic uremic syndrome (aHUS). Alnylam will now focus its cemdisiran clinical efforts on a phase II study in IgA nephropathy.

- **High Reliance on Partnerships & High Competition:** Alnylam derives a substantial amount of revenues from strategic partnerships with companies like Sanofi, Takeda, Monsanto and Novartis. Therefore, Alnylam is heavily dependent on its partnerships for supporting operations and pipeline development activities. The company expects to continue deriving revenues from the existing and new strategic alliances, which may include license and other fees, funded R&D and milestone payments over the next several years. If any of the company's partners fails to fund a program or terminate collaboration agreement, Alnylam's prospects would be hampered.

  Moreover, Alnylam is not the only company working on the development of RNAi-based therapeutics. Companies like Ionis, Sarepta Therapeutics and Roche Innovation Center are involved in the development of RNA-based drugs. Some of the companies including Takeda, Wave Life Sciences and Dicerna Pharmaceuticals are even looking to develop chemically synthesized siRNAs as drugs. While Alnylam's candidates that are currently under development target lucrative markets, they will face intense competition too, if approved. The hemophilia and bleeding disorders market has several players like Bayer, Pfizer, Biogen, CSL Behring and Shire. Meanwhile, the market for complement-mediated diseases has players like Alexion Pharmaceuticals. The cholesterol management market represents huge commercial potential and with companies like Ionis operating in it. Competition in this space intensified with the introduction of PCSK9 inhibitors – Amgen's Repatha and Regeneron/Sanofi's Praluent. Also, Ionis is developing IONIS-TTRRx, to treat all forms of ATTR amyloidosis, FAP, FAC, and wild-type TTR amyloidosis.

Last Earnings Report

Alnylam (ALNY) Beats on Q2 Earnings, Narrows Sales Guidance

Quarter Ending	06/2020
Report Date	**Aug 06, 2020**
Sales Surprise	**5.34%**
EPS Surprise	**12.85%**
Quarterly EPS	**-1.56**
Annual EPS (TTM)	**-7.57**

Alnylam incurred a loss of $1.56 per share in the second quarter of 2020, narrower than the Zacks Consensus Estimate of a loss of $1.82. The loss includes stock-based compensation expenses and unrealized gains on equity securities and gainsfroma contractual settlement. Excluding these items, adjusted loss was $1.67 per share, narrower than the adjusted loss of $1.83 in the year-ago quarter.

The company recorded revenues of 103.9 million, which beat the Zacks Consensus Estimate of $99 million. In the year-ago quarter, revenues were $44.7 million. Net product revenues were $77.5 million, up 102.8% year over year, driven by higher sales of Onpattro (patisiran) and the U.S. commercial launch and initial European launch of Givlaari (givosiran). Net revenues from collaborators were $26.4 million due to revenues recognized under collaborations with Regeneron Pharmaceuticals and Vir Biotechnology.

Quarter in Detail

Onpattro is a lipid complex injection, which was approved for the treatment of polyneuropathy of hereditary transthyretin-mediated (hATTR) amyloidosis in 2018. The injection recorded sales of $66.5 million in the second quarter, up 74% year over year driven by patient growth and expansion in new markets.

Givlaari (givosiran) is Alnylam's second product and was approved for the treatment of acute hepatic porphyria (AHP) in the United States in November last year and Europe in March 2020. In the second quarter, Givlaari received marketing authorization approval in Brazil for the treatment of AHP in adults. It recorded sales of $110 million in the second quarter of 2020. Alnylam said it is witnessing impressive demand for the drugin the United States and launchedit in Germany.

Adjusted research and development expenses (R&D) reduced to $139.2 million from $148.6 million in the year-ago quarter.

Adjusted selling, general and administrative expenses (SG&A) rose to $109.6 million from $97.4 million in the year-ago quarter. The increase was due to increased investments in commercial and medical affairs activity to support the ongoing launches of Onpattro and Givlaari and initial launch preparation activities for lumasiran.

2020 Guidance

Alnylam narrowed its revenue expectations for Onpattro from $280-$315 million to $270-$300 million.

Pipeline & Collaboration Updates

The company is developing inclisiran for hypercholesterolemia in partnership with The Medicines Company, which was acquired by Novartis in January 2020. Alnylam has submitted regulatory applications for inclisiran to the FDA and the EMA. The applications are under review.

The company is also evaluating several other candidates. In April, Alnylam completed a rolling submission of the NDA, seeking approval for lumasiran as a treatment for primary hyperoxaluria type 1 (PH1) in the United States. The company also filed a marketing authorization application (MAA) seeking approval for the candidate in Europe. Both applications are now accepted. The FDA also granted Priority Review tothe NDA and set an action date of Dec 3, 2020. The EMA granted an accelerated assessment for the lumasiran MAA.

Recent News

Submits CTA Application for ALN-HSD, For Treatment of Nonalcoholic Steatohepatitis –Aug 3

Alnylam announced that the company has submitted a clinical trial authorization (CTA) application to The Medicines and Healthcare Products Regulatory Agency (MHRA) in the United Kingdom to initiate a phase I study of ALN-HSD, an investigational RNAi therapeutic targeting HSD17B13 for the treatment of nonalcoholic steatohepatitis (NASH). The company plans to initiate a phase I study in late 2020, upon obtaining MHRA approval

United Kingdom's MHRA Grants Early Access to Lumasiran-July 13

Alnylam announced that the UK's Medicines and Healthcare Products Regulatory Agency (MHRA) has granted lumasiran, an investigational RNAi therapeutic in development for the treatment of primary hyperoxaluria type 1 (PH1), a positive scientific opinion through the Early Access to Medicines Scheme (EAMS). With this decision, eligible PH1 patients in the United Kingdom, many of whom are children, can gain access to lumasiran before the drug is granted marketing authorization by the European Commission (EC).

The MHRA's decision is based on the evaluation of the effects of lumasiran in PH1 patients and its safety profile, including data from the ILLUMINATE-A phase III study.

A marketing authorization application (MAA) for lumasiran has been submitted to the European Medicines Agency (EMA) in April 2020 and was granted Accelerated Assessment. Lumasiran previously received Priority Medicines (PRIME) designation. The EC decision, which will apply to the UK, is expected in late 2020. In addition, Alnylam filed a new drug application (NDA) with the FDA. The FDA has granted a Priority Review for the NDA and has set an action date of Dec 3, 2020.

Inks Deal with Taiba Group to Commercialize RNAi Therapeutics in the Gulf States-July 8

Alnylam and taiba Middle East, a leading rare disease company based in the United Arab Emirates and covering the Middle East region, announced that they have formed a Distribution Agreement for both Onpattro and Givlaari, the first-ever commercialized RNAi therapeutics, as well as another late-stage therapy in development for Primary Hyperoxaluria Type 1 (PH1).

The Agreement between Alnylam and taiba will initially cover the Gulf states, including the Kingdom of Saudi Arabia, Kuwait, Bahrain, Qatar, Oman and the United Arab Emirates. It includes Onpattro, approved in the European Union (EU) in August 2018 for the treatment of hATTR amyloidosis in adults with stage 1 or stage 2 polyneuropathy; Givlaari, approved in the EU in March 2020 for the treatment of acute hepatic porphyria (AHP); and lumasiran, a late-stage investigational RNAi therapeutic for the treatment of PH1.

Reports New 12-Month Interim Data From the ENVISION Phase III Study of Givlaari

Alnylam announced the presentation of new data from the open-label extension (OLE) period of the ENVISION phase III study, reinforcing the long-term therapeutic benefit of Givlaari (givosiran) in patients with acute hepatic porphyria (AHP)—an orphan disease that can be life threatening. In an interim analysis of the OLE period, Givlaari demonstrated sustained efficacy and safety through 12 months of treatment, with evidence for potentially improved efficacy over time.

The ENVISION phase III study evaluated the efficacy and safety of Givlaari in patients with AHP. As previously reported and Givlaari met the primary endpoint in the 6-month double-blind (DB) period, with a 74% mean reduction in the annualized rate of composite porphyria attacks (AAR) that required hospitalization, urgent healthcare visit or intravenous hemin administration at home, and a median AAR of 1.0. Givlaari also demonstrated an acceptable safety and tolerability profile in this high unmet need indication.

Upon completion of dosing in the DB period, all eligible patients (enrolled in the OLE period of the trial to receive monthly Givlaari at either 2.5 mg/kg or 1.25 mg/kg. Results at 12 months showed that continued givosiran treatment led to sustained AAR reduction in the OLE period (6-12 months) with a median AAR of 0.0.

Valuation

Alnylam's shares are up 18.6% in the year-to-date period and 72.9% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 3.9% while the stocks in the Zacks sector are up 1.4%, in the year-to-date period. Over the past year, stocks in the sub-industry and the sector are up 18.4% and up 11.1%, respectively.

The S&P 500 Index is up 3.3% in the year-to-date period and up 17.5% in the past year.

The stock is currently trading at 11.68X trailing 12-month book value, which compares to 2.87X for the Zacks sub-industry, 4.42X for the Zacks sector and 4.64X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 14.14X and as low as 2.65X, with a 5-year median of 5.88X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $144.00 price target reflects 12.30X trailing 12-month book value.

The table below shows summary valuation data for ALNY.

Valuation Multiples - ALNY

		Stock	Sub-Industry	Sector	S&P 500
	Current	11.68	2.87	4.42	4.64

P/B TTM	5-Year High	14.14	6.01	5.07	4.68
	5-Year Low	2.65	2.06	2.94	2.83
	5-Year Median	5.88	3.87	4.3	3.74
	Current	45.5	3.41	3.11	3.79
P/S TTM	5-Year High	224.15	4.98	3.99	3.79
	5-Year Low	41.09	2.24	2.29	2.43
	5-Year Median	104.73	3.21	3.18	3.21

As of 08/12/2020

Industry Analysis **Zacks Industry Rank:** Bottom 35% (164 out of 253)

Top Peers

Company (Ticker)	Rec	Rank
Alexion Pharmaceuticals, Inc. **(ALXN)**	Neutral	3
Amgen Inc. **(AMGN)**	Neutral	3
Bayer Aktiengesellschaft **(BAYRY)**	Neutral	3
Ionis Pharmaceuticals, Inc. **(IONS)**	Neutral	3
Regeneron Pharmaceuticals, Inc. **(REGN)**	Neutral	2
Roche Holding AG **(RHHBY)**	Neutral	3
Sanofi **(SNY)**	Neutral	3
WAVE Life Sciences Ltd. **(WVE)**	Neutral	3

Industry Comparison Industry: Medical - Biomedical And Genetics

	ALNY	X Industry	S&P 500	ALXN	AMGN	REGN
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	2
VGM Score	F	-	-	A	A	B
Market Cap	15.85 B	261.38 M	23.75 B	22.53 B	141.57 B	67.37 B
# of Analysts	9	2.5	14	15	12	10
Dividend Yield	0.00%	0.00%	1.68%	0.00%	2.65%	0.00%
Value Score	F	-	-	A	B	B
Cash/Price	0.08	0.22	0.07	0.13	0.08	0.05
EV/EBITDA	-17.80	-3.77	13.35	8.41	13.00	24.33
PEG Ratio	NA	1.93	2.98	0.69	2.05	1.60
Price/Book (P/B)	11.27	3.99	3.20	2.15	13.28	7.44
Price/Cash Flow (P/CF)	NA	16.95	12.97	8.80	12.78	25.28
P/E (F1)	NA	25.34	22.17	9.36	15.45	21.61
Price/Sales (P/S)	45.92	16.08	2.54	4.07	5.83	8.42
Earnings Yield	-4.90%	-13.50%	4.31%	10.68%	6.47%	4.63%
Debt/Equity	0.20	0.01	0.77	0.24	3.20	0.08
Cash Flow ($/share)	-7.46	-1.07	6.94	11.68	18.91	24.22
Growth Score	D	-	-	A	B	B
Hist. EPS Growth (3-5 yrs)	NA%	17.80%	10.41%	27.70%	9.69%	32.23%
Proj. EPS Growth (F1/F0)	17.33%	15.46%	-6.32%	4.32%	5.55%	14.86%
Curr. Cash Flow Growth	11.46%	14.65%	5.22%	28.27%	-2.47%	10.30%
Hist. Cash Flow Growth (3-5 yrs)	NA%	7.73%	8.55%	20.68%	5.06%	23.75%
Current Ratio	5.62	5.69	1.33	4.79	2.18	2.12
Debt/Capital	16.75%	3.38%	44.59%	19.13%	76.20%	7.33%
Net Margin	-245.14%	-201.60%	10.13%	15.28%	30.04%	37.30%
Return on Equity	-58.41%	-59.21%	14.59%	22.57%	91.98%	26.71%
Sales/Assets	0.13	0.18	0.51	0.33	0.40	0.54
Proj. Sales Growth (F1/F0)	107.68%	5.03%	-1.40%	13.24%	8.78%	8.16%
Momentum Score	C	-	-	D	B	C
Daily Price Chg	0.06%	0.00%	0.67%	1.52%	3.01%	2.25%
1 Week Price Chg	-1.53%	3.55%	2.30%	0.77%	-1.63%	-1.88%
4 Week Price Chg	-13.50%	-1.64%	4.87%	-7.51%	-4.58%	-3.22%
12 Week Price Chg	-4.71%	2.66%	13.54%	-1.09%	6.08%	6.15%
52 Week Price Chg	72.92%	12.67%	6.06%	-4.52%	21.55%	108.62%
20 Day Average Volume	504,300	346,642	2,006,991	1,649,041	2,023,856	650,931
(F1) EPS Est 1 week change	2.38%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-8.15%	0.00%	1.95%	0.79%	0.57%	19.93%
(F1) EPS Est 12 week change	-7.63%	1.47%	2.72%	0.59%	0.55%	18.12%
(Q1) EPS Est Mthly Chg	2.34%	0.00%	0.84%	-4.63%	-3.91%	55.81%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	F
Growth Score	D
Momentum Score	C
VGM Score	F

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock.The EPS and revenue forecasts are the Zacks Consensus estimates, unless indicated otherwise on the reports first page. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment.This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time.ZIR is not a broker-dealer.ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients.Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.