Regeneron Pharma (REGN)

$610.89 (As of 08/13/20)

Price Target (6-12 Months): **$642.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 04/06/20) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**2-Buy**
	Zacks Style Scores:	VGM:B
	Value: B | Growth: B | Momentum: B	

Summary

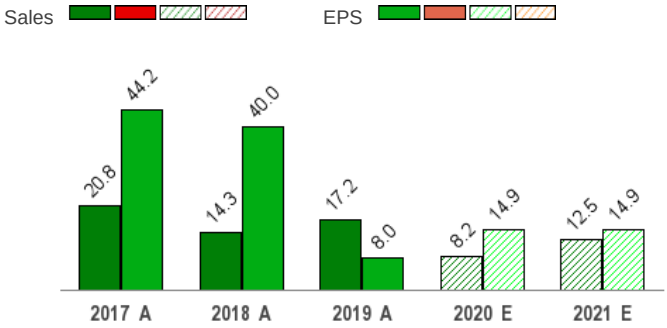
Regeneron's second-quarter results beat on both sales and earnings, driven by strong Dupixent growth. However, the overall demand for Eylea in the United States was lower. Nevertheless, the company's efforts to expand the label of its approved drugs and concurrently develop the pipeline are encouraging. Its efforts to develop REGN-COV2 for coronavirus are impressive and a positive outcome should drive growth, given the need for COVID-19 treatments. Shares have outperformed the industry in the past year. However, Eylea's performance was disappointing in the first half. Moreover, the drug is likely to face stiff competition from the recently-approved therapies. Further, even though Dupixent's uptake has been solid, Regeneron still is dependent on Eylea for a major chunk of revenues. Pipeline setbacks are concerning as well.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$664.64 - $271.37**
20 Day Average Volume (sh)	**649,327**
Market Cap	**$67.2 B**
YTD Price Change	**62.7%**
Beta	**0.56**
Dividend / Div Yld	**$0.00 / 0.0%**
Industry	**Medical - Biomedical and Genetics**
Zacks Industry Rank	**Bottom 34% (167 out of 252)**
Last EPS Surprise	**14.9%**
Last Sales Surprise	**9.1%**
EPS F1 Est- 4 week change	**19.9%**
Expected Report Date	**11/03/2020**
Earnings ESP	**1.0%**
P/E TTM	**21.9**
P/E F1	**21.6**
PEG F1	**1.1**
P/S TTM	**8.4**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	2,142 E	2,197 E	2,295 E	2,406 E	9,571 E
2020	1,828 A	1,952 A	2,118 E	2,205 E	8,505 E
2019	1,712 A	1,934 A	2,048 A	2,170 A	7,863 A

EPS Estimates

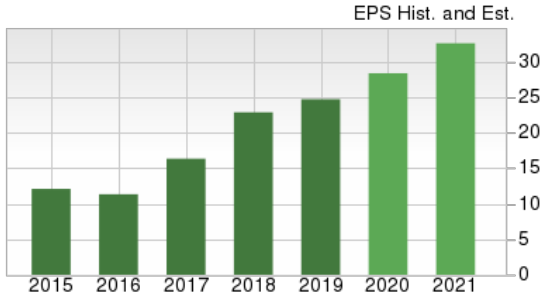
	Q1	Q2	Q3	Q4	Annual*
2021	$7.37 E	$8.06 E	$8.26 E	$8.79 E	$32.55 E
2020	$6.60 A	$7.16 A	$7.41 E	$7.51 E	$28.34 E
2019	$4.45 A	$6.02 A	$6.67 A	$7.50 A	$24.67 A

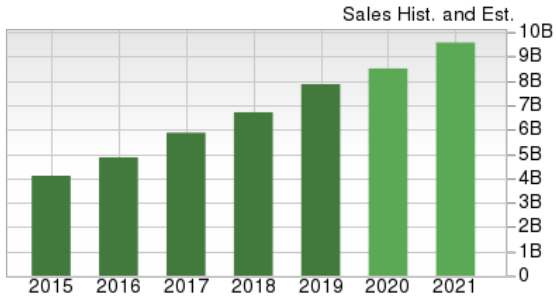
*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 08/13/2020. The reports text is as of 08/14/2020.

Overview

Tarrytown, NY-based Regeneron is a biopharmaceutical company focused on the discovery, development and commercialization of treatments targeting serious medical conditions. The company's portfolio boasts about seven marketed drugs — Eylea (for several eye diseases), Dupixent (asthma, atopic dermatitis, and chronic rhinosinusitis with nasal polyposis), Praluent (heterozygous familial hypercholesterolemia), Kevzara (moderately-to-severely active rheumatoid arthritis), Libtayo (metastatic or locally advanced cutaneous squamous cell carcinoma), Arcalyst and Zaltrap.





While Regeneron has co-developed Eylea with Bayer's HealthCare unit, Praluent was co-developed with Sanofi. Recently, the company restructured its agreement with Sanofi for the development of two candidates.In the United States, Regeneron is now solely responsible for the development and commercialization of Praluent and records net product sales.

Regeneron has been actively collaborating with other companies to fortify its portfolio. It collaborated with Bayer for the joint development and commercialization of co-formulated combinations of Eylea, rinucumab and nesvacumab for the treatment of ocular diseases or disorders outside the United States. Also, Regeneron has an immuno-oncology agreement with Sanofi. In September 2016, Regeneron and Teva announced a global agreement for the development and commercialization of the former's experimental nerve growth factor (NGF) antibody, fasinumab. Regeneron recently initiated an underwritten public secondary offering of its common stock, whereby its long-standing partner Sanofi will offload its stake in the former. Sanofi held approximately 23.2 million shares and plans to sell approximately 12.8 million. Regeneron will also repurchase approximately $5 billion of common stock directly from Sanofi, following the close of the secondary offering.

Regeneron's revenues comprise collaboration revenues, net product sales and technology licensing and other revenues. Total revenues of $7.9 billion in 2019 were up 17% from that in 2018. Eylea sales came in at $4.6 billion in the United States.

Reasons To Buy:

Regeneron's Eylea and Dupixent have been performing well. Label expansion into additional indications should further increase the commercial potential of the drugs.

- **Share Price Performance**: Regeneron's stock has outperformed the industry in the past year. Price has surged in the past few days as the company is one of the few biotech companies working on drugs and vaccines for coronavirus, as more and more cases are being reported every day. Regeneron expanded its agreement with the U.S. Department of Health and Human Services (HHS) to develop new treatments combating the novel coronavirus.

- **Impressive Performance by Eylea**: Regeneron's key growth driver, Eylea, continues to generate revenues for the company. Eylea is approved in the United States, EU, Japan and other countries for the treatment of neovascular age-related macular degeneration (wet AMD), diabetic macular edema (DME), and macular edema following retinal vein occlusion that includes macular edema following central retinal vein occlusion and macular edema following branch retinal vein occlusion. Growth in the U.S. markets is being driven by demographic trends with an aging population and an overall increase in the prevalence of diabetes. Meanwhile, Regeneron is working on expanding the drug's label into additional indications. The FDA recently approved a 12-week dosing interval of Eylea injection in patients with wet AMD based on physician's assessment. Consequently, it is now the only anti-VEGF drug for the treatment of wet AMD that offers the flexibility to optimally treat patients, regardless of whether they require fixed-interval dosing of 4, 8 or 12 weeks. The FDA also approved the drug for the treatment of diabetic retinopathy on the basis of encouraging results from the phase III PANORAMA study. The FDA has also approved Eylea Injection in a prefilled syringe. The company has also initiated a phase II study exploring less frequent dosing intervals using a high-dose formulation in wet AMD. A phase III study in retinopathy of prematurity was initiated. Label expansion into additional indications would give Eylea access to a higher patient population and increase its commercial potential.

- **Strong Uptake of Dupixent**: The approval of Dupixent injection for the treatment of adults with moderate-to-severe atopic dermatitis (AD) was a significant boost for the company. Per the company, this is the first and only biologic medicine approved for the treatment of adults suffering from AD. The uptake has been strong for both AD and asthma. The drug is now annualizing more than $1billion in net product sales in the United States alone. The drug was approved in Europe as well. Continued label expansion of the drug has boosted sales further. The FDA approved the drug as an add-on maintenance therapy in patients aged 12 years or older with moderate-to-severe asthma with an eosinophilic phenotype or oral corticosteroid-dependent asthma. Dupixent is also approved in the United States for adolescent patients aged 12-17 years with moderate-to-severe atopic dermatitis. The FDA also approved the drug as an add-on maintenance treatment for adults with inadequately-controlled severe chronic rhinosinusitis with nasal polyps (CRSwNP). The drug was also approved in Europe for the same. Regeneron is also working to expand Dupixent's label. The FDA recently approved Dupixent for the indication of moderate-to-severe AD in children aged 6-11 years. In May 2020, Regeneron and Sanofi announced positive results from Part A of the phase III study in patients 12 years and older with eosinophilic esophagitis (EoE). The trial met both of its co-primary endpoints, as well as all key secondary endpoints. A phase III study in pediatric patients with EoE was initiated. In June 2020, the FDA approved a 300 mg single-dose pre-filled pen for Dupixent. An ongoing phase III study in chronic obstructive pulmonary disease (COPD) patients with evidence of Type 2 inflammation met a blinded, stringent early efficacy threshold for continuation. Based on this result, a second confirmatory phase III study in COPD was initiated.

  Dupixent has also been approved for various indications in Europe — add-on maintenance treatment for severe asthma with type 2 inflammation and add-on maintenance treatment for severe asthma. The EC also approved the drug for use in adolescents aged 12-17 years with moderate-to-severe AD, who are candidates for systemic therapy. The drug is also being evaluated for the chronic obstructive pulmonary disease (COPD) indication.

- **New Drug Approvals To Boost Sales**: We are impressed by Regeneron's efforts to bring additional products to the market following its success with Eylea. Kevzara (sarilumab), an anti-interleukin (IL)-6 receptor monoclonal antibody was approved in the United States for the treatment of adult patients with moderate to severely active rheumatoid arthritis, who have an inadequate response to or intolerance to one or more biologic or non-biologic Disease-Modifying Anti-Rheumatic Drugs. In September 2018, the FDA approved Libtayo for the treatment of patients with metastatic or locally advanced cutaneous squamous cell carcinoma (CSCC) who are not candidates for curative surgery or curative radiation. The initial uptake of the drug is strong and Regeneron is working to expand its label further which should further boost sales. It is also being developed for non-small cell lung cancer (NSCLC). The primary endpoint was met in the phase III study of Libtayo as monotherapy in first-line NSCLC. Libtayo also demonstrated clinically-meaningful and durable responses in a pivotal, single-arm, open-label study in patients with advanced basal cell carcinoma. A possible approval will be a significant boost, given the market potential.

- **Developing Treatments For Coronavirus**: Regeneron initiated studies on REGN-COV2, a novel investigational antibody "cocktail" treatment designed to prevent and treat the SARS-CoV-2 virus. A phase III study to evaluate REGN-COV2's ability to prevent infection among uninfected people who have had close exposure to a COVID-19 patient (such as the patient's housemate) was initiated following review of the REGN-COV2 phase I safety results by the Independent Data Monitoring Committee (IDMC). The study is being run jointly with the National Institute of Allergy and Infectious Diseases (NIAID). In addition, REGN-COV2 moved into the phase II/III portion of two adaptive phase I/II/III studies testing the cocktail's ability to treat hospitalized and non-hospitalized patients with COVID-19. Regeneron plans to report initial virology and biomarker results from the REGN-COV2 treatment trials next month. The successful development and commercialization of the candidate will be a great boost for the company, given the widespread outbreak. Meanwhile, Regeneron has signed an agreement with the Biomedical Advanced Research and Development Authority (BARDA) of the U.S. Department of Health and Human Services (HHS) and the U.S. Department of Defense, whereby the company was awarded a $450-million contract to manufacture and supply filled and finished REGN-COV2 to the U.S. government. Per the agreement, the company will manufacture a fixed number of bulk lots beginning the summer of 2020 and perform fill/finish and storage activities starting the third quarter of 2020.

- **Pipeline Looks Promising**: Regeneron has a deep pipeline including fully human monoclonal antibodies generated using the Velociumune technology. Promising candidates in the pipeline include fasinumab (osteoarthritis pain and phase III for chronic low back pain), and evinacumab (homozygous familial hypercholesterolemia and severe forms of hyperlipidemia and HoFH). In August, Regeneron announced positive top-line results from the phase III study of evinacumab in patients with homozygous familial hypercholesterolemia (HoFH). Regeneron plans to submit a BLA in mid-2020. In December 2019, Regeneron announced positive top-line results on pozelimab from a phase II study in

paroxysmal nocturnal hemoglobinuria (PNH).

Meanwhile, a randomized, controlled trial evaluating four investigational therapies for the Ebola virus infection was stopped early because REGN-EB3 was superior to ZMapp (the control arm of the trial since it was considered standard-of-care) in preventing death. The successful development and commercialization of these candidates will be a significant boost for the company.

- **Deals and Collaborations***:* We are encouraged by Regeneron's strategy of signing deals to boost its portfolio and pipeline. The company is collaborating with Bayer for the global development and commercialization of Eylea outside the United States. Bayer markets and records revenue on sales of Eylea outside the United States, and in countries other than Japan, the companies share profits and losses equally from Eylea's sales. Regeneron has a global strategic collaboration with Sanofi for the discovery, development and commercialization of fully human monoclonal antibodies. Under the agreement, Regeneron has exercised the option to co-promote Praluent, Dupixent and Kevzara in the United States. While profits and losses on sales within the United States will be shared equally, Regeneron is entitled to receive sales milestone payments.

  Moreover, Regeneron expanded its agreement with the U.S. Department of Health and Human Services ("HHS"). Per the new agreement, the company will develop treatments for the coronavirus, named 2019-nCoV, found in China.

  The company also collaborated with Alnylam Pharmaceuticals, Inc. to discover, develop and commercialize new RNA interference (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 collaboration with Alnylam will give Regeneron an option to have a pipeline based on RNAi technology. The company recently restructured its agreement with Sanofi for the development of two candidates. In September 2016, Regeneron and Teva struck a collaboration agreement for the development and commercialization of fasinumab globally. The deal saw Regeneron receiving an upfront payment of $250 million. Regeneron is further eligible to receive development and regulatory milestone payments, plus additional payments based on net sales.

  The company also expanded its existing collaboration with Intellia Therapeutics, Inc. Per the terms, the companies will co-develop potential hemophilia A and B treatments using their jointly-owned targeted transgene insertion capabilities. Regeneron will gain rights to develop products for additional in vivo CRISPR/Cas9-based therapeutic targets. The company will also get non-exclusive rights to independently develop and commercialize ex vivo gene-edited products. In exchange, Intellia will receive an upfront payment of $70 million. Regeneron will make an additional equity investment in Intellia of $30 million at $32.42 per share.

- **Praluent Holds Long-Term Potential**: Regeneron received a major boost when Praluent became the first PCSK9 inhibitor to be approved (July 2015) in the United States. The drug has also been approved in the EU (September 2015). The FDA has also approved Praluent to reduce the risk of heart attack, stroke and unstable angina requiring hospitalization of adults with an established cardiovascular disease. The phase III study in adult patients with homozygous familial hypercholesterolemia (HoFH) met its primary endpoint and Regeneron plans to submit an sBLA in mid-2020.

- **Favorable Debt Profile**: As of Mar 31, 2020, Regeneron's total debt to total capital ratio stood at 19.7X, which compares favorably to the industry's 50.9X. A lower ratio indicates lower financial risk and vice versa. The company has a sound cash position too with cash, equivalents and marketable securities of $5.7 billion and long-term debt of $1.5 billion.

Reasons To Sell:

- **Overdependence on Eylea***:* With Eylea accounting for the majority of revenues, Regeneron relies heavily on the drug for growth. Moreover, it is likely to face stiff competition from Novartis' Beovu. Sub-par performance of the product will hurt the stock as Eylea is Regeneron's key growth driver.

> Regeneron depends heavily on Eylea for sales growth. Pipeline setbacks are a concern too.

- **Pipeline Setbacks***:* Regeneron is no stranger to pipeline setbacks and has in fact suffered a string of pipeline setbacks. In Sep 2016, Regeneron reported disappointing top-line data from a phase II study (CAPELLA) evaluating Eylea, in combination with rinucumab, in patients with wet AMD. In Oct 2016, Regeneron and Sanofi suffered a regulatory setback with the FDA issuing a complete response letter (CRL) for sarilumab. Similar setbacks will weigh on the company's shares.

- **Competition May Affect Sales***:* Regeneron's key product, Eylea, faces competition from other drugs like Novartis/Roche's Lucentis and Roche's Avastin (off-label). Competitors are also developing eye-drop formulations, oral therapies and gene/cell therapies for various indications that, if approved, may weigh on Eylea sales in the future. Although Praluent is the first PCSK9 drug for hypercholesterolemia to get FDA approval, Amgen's Repatha is also approved in the United States, the EU and Japan. Dupixent faces competition from Eucrisa, Xolair and Fasenra, among others. Kevzara faces competition from Actemra and Orencia, among others.

- **Praluent Sales Disappointing***:* Prospects of PCSK9 inhibitors, a new class of cholesterol-lowering treatments with blockbuster potential, gained instant popularity even before hitting the market, However, sales of Praluent have failed to impress as the drug is facing significant payer utilization management restrictions in the United States. and limited market access in Europe, which is resulting in a low volume of prescriptions being dispensed.

Last Earnings Report

Regeneron's Q2 Earnings & Sales Surpass Estimates

Quarter Ending	06/2020
Report Date	**Aug 05, 2020**
Sales Surprise	**9.05%**
EPS Surprise	**14.93%**
Quarterly EPS	**7.16**
Annual EPS (TTM)	**27.93**

Regeneron reported earnings of $7.16 per share in the second quarter, comfortably beating the Zacks Consensus Estimate of $6.23 and increasing from $6.02 in the year-ago quarter.

Total revenues in the reported quarter increased 24% year over year to $1.9 billion and comfortably beat the Zacks Consensus Estimate of $1.8 billion. The year-over-year growth was driven by strong Dupixent sales.

Quarterly Highlights

Net product sales increased to $1.22 billion in the quarter under review, up from $1.2 billion in the year-ago quarter. Lead drug Eylea's sales in the United States were $1.114 billion compared with $1.160 billion in the year-ago quarter. Sales in the United States were negatively impacted by the COVID-19 pandemic.

Total revenues also included Sanofi and Bayer's collaboration revenues of $513 million compared with $353 million in the year-earlier quarter. The increase was primarily owing to higher net product sales of Dupixent.

Notably, Regeneron records net product sales of Libtayo in the United States. Sanofi records net product sales of Libtayo outside the country and global net product sales of Dupixent, Kevzara and Zaltrap. Regeneron records its share of profits/losses in connection with sales of Libtayo outside the United States, and global sales of Dupixent and Kevzara, within collaboration revenues.

Dupixent's sales summed $945 million, up from $557.3 million in the year-ago quarter. Kevzara recorded sales of $68.3 million, up from $58.5 million in the year-earlier quarter.

Praluent's global net sales totaled $86.6 million in the reported quarter, up from $73.7 million in the prior-year quarter.

Libtayo sales in the quarter totaled $80 million, up from $40.8 million in the prior-year quarter.

R&D expenses increased to $580 million from $426 million, while SG&A expenses grew to $301 million during the quarter from $252 million in the year-ago quarter.

COVID-19 Update

Regeneron initiated studies on REGN-COV2, a novel investigational antibody "cocktail" treatment designed to prevent and treat the SARS-CoV-2 virus. A phase III study to evaluate REGN-COV2's ability to prevent infection among uninfected people who have had close exposure to a COVID-19 patient (such as the patient's housemate) was initiated following review of the REGN-COV2 phase I safety results by the Independent Data Monitoring Committee (IDMC). The study is being run jointly with the National Institute of Allergy and Infectious Diseases (NIAID). In addition, REGN-COV2 moved into the phase II/III portion of two adaptive phase I/II/III studies testing the cocktail's ability to treat hospitalized and non-hospitalized patients with COVID-19. Regeneron plans to report initial virology and biomarker results from the REGN-COV2 treatment trials in September 2020.

Regeneron and partner Sanofi reported that the U.S phase III study of Kevzara 400 mg in COVID-19 patients requiring mechanical ventilation, led by the former, did not meet its primary and key secondary endpoints. Based on the results, the U.S.-based trial has been stopped.

Pipeline Update

Phase III studies evaluating frequent dosing intervals, using a high-dose formulation of Eylea in neovascular age-related macular degeneration (wet AMD) and diabetic macular edema (DME), were initiated.

In May 2020, the FDA approved Dupixent as the first biologic medicine for children aged 6 to 11 years with moderate-to-severe atopic dermatitis. Results from Part A of the phase III studies in patients 12 years and older with eosinophilic esophagitis (EoE) were also announced. The study met both co-primary endpoints as well as all key secondary endpoints. A late-stage study in pediatric patients with EoE was initiated.

In June, the FDA approved a 300-mg, single-dose, pre-filled pen for Dupixent.

Recent News

BLA for Cholesterol Drug Accepted by the FDA – Aug 7

Regeneron announced that the FDA has accepted for Priority Review a Biologics License Application (BLA) for pipeline candidate, evinacumab. The company is seeking FDA approval for the candidate as an adjunct to other lipid-lowering therapies in patients with homozygous familial hypercholesterolemia (HoFH).

The agency has set a target action date of Feb 11, 2021.

The BLA was supported by positive results from a late-stage study, which evaluated the efficacy and safety of evinacumab in patients with HoFH.

Evinacumab is an investigational fully-human monoclonal antibody that binds to and blocks the function of ANGPTL3 and currently being studied in patients with HoFH (ongoing phase III extension trial), refractory hypercholesterolemia (phase II) and severe hypertriglyceridemia (phase II).

Meanwhile, regulatory submissions for evinacumab are also progressing in the European Union. In June 2020, the European Medicines Agency's Committee for Medicinal Products for Human Use (CHMP) recommended an accelerated assessment for the candidate based on the high unmet medical need and therapeutic innovation demonstrated by the product.

BARDA Procures Ebola Treatment – July 29

Regeneron announced that the Biomedical Advanced Research and Development Authority (BARDA), part of the Office of the Assistant Secretary for Preparedness and Response within the U.S. Department of Health and Human Services (HHS), has entered into an agreement to procure REGN-EB3 as part of the HHS's goal of building national preparedness for public health emergencies.

REGN-EB3 is Regeneron's investigational triple antibody cocktail treatment for Ebola virus infection. It is currently under Priority Review in the United States with a target action date of Oct 25, 2020.

Contingent on FDA approval, Regeneron expects to deliver an established number of treatment doses over the course of six years and receive compensation of approximately $10 million in 2021 and an average of $67 million per year for each of the next five years (2022-2026).

Manufacturing and Supply Agreement – July 7

Regeneron announced that, as part of Operation Warp Speed, the Biomedical Advanced Research and Development Authority (BARDA), part of the Office of the Assistant Secretary for Preparedness and Response at the U.S. Department of Health and Human Services, and the Department of Defense Joint Program Executive Office for Chemical, Biological, Radiological and Nuclear Defense have awarded the company a $450-million contract to manufacture and supply REGN-COV2.

REGN-COV2 is Regeneron's investigational double antibody cocktail that is currently in two phase II/III clinical trials for the treatment of COVID-19 and in a phase III study for the prevention of COVID-19 infection.

Regeneron began scaling up manufacturing of REGN-COV2 at business risk in spring 2020.

Initiates Studies on Experimental Coronavirus Drug – Jul 6

Regeneron announced the initiation of late-stage studies on experimental coronavirus candidate, REGN-COV2.

REGN-COV2 is Regeneron's investigational double-antibody cocktail, which is being evaluated both for the treatment and prevention of COVID-19.

A phase III study will evaluate REGN-COV2's ability to prevent infection among uninfected people who have had close exposure to a COVID-19 patient (such as the patient's housemate).

The study is being run jointly with the National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH).

The phase III prevention trial is being conducted at approximately 100 sites and expected to enroll 2,000 patients in the United States. The trial will assess SARS-CoV-2 infection status. The two phase II/III treatment trials in hospitalized (estimated enrollment =1,850) and non-hospitalized (estimated enrollment =1,050) patients are planned to be conducted at approximately 150 sites in the United States, Brazil, Mexico and Chile, and will evaluate virologic and clinical endpoints, with preliminary data expected later this summer.

The decision to initiate these late-stage studies followed a positive review from the Independent Data Monitoring Committee (“IDMC”) of phase I safety results on REGN-COV2 in an initial cohort of 30 hospitalized and non-hospitalized patients with COVID-19.

The candidate is also being evaluated in phase II/III studies to treat hospitalized and non-hospitalized (or "ambulatory") patients with COVID-19.

Kevzara Fails in COVID-19 Study – Jul 2

Regeneron and partner Sanofi announced that the phase III study evaluating their IL-6 inhibitor, Kevzara (sarilumab), in hospitalized patients with severe COVID-19 failed to meet its primary endpoint. The drug also showed negative trends in a subgroup of critical patients who were not mechanically ventilated at baseline. The study was stopped following the recommendation of IDMC based on these results.

Valuation

Regeneron’s shares are up 63.9% in the year-to-date period and 109.9% over the trailing 12-month period. Stocks in the Zacks sub-industry and

sector are up 4.2% and 1.3%, respectively in the year-to-date period. Over the past year, the Zacks sub-industry is up 19% while the sector is up 11%.

The S&P 500 Index is up 4.6% in the year-to-date period and up 18.5% in the past year.

The stock is currently trading at 20.04X forward 12-month earnings per share which compares to 48.33X for the Zacks sub-industry, 22.21X for the Zacks sector and 22.87X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 60.85X and as low as 13.74X, with a 5-year median of 23.76X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $642.00 price target reflects 23.76X forward 12-month earnings per share.

The table below shows summary valuation data for REGN

Valuation Multiples -REGN

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	20.04	48.33	22.21	22.87
	5-Year High	60.85	66.15	23.17	22.87
	5-Year Low	13.74	22.12	15.89	15.25
	5-Year Median	23.76	37.67	18.97	17.58
P/S F12M	Current	7.87	2.78	2.84	3.7
	5-Year High	13.55	3.23	3.41	3.7
	5-Year Low	3.69	1.93	2.22	2.53
	5-Year Median	6.63	2.75	2.89	3.05
P/B TTM	Current	7.42	2.88	4.42	4.7
	5-Year High	18.53	6.01	5.07	4.71
	5-Year Low	2.87	2.06	2.94	2.83
	5-Year Median	6.69	3.86	4.3	3.74

As of 08/13/2020

Industry Analysis **Zacks Industry Rank:** Bottom 34% (167 out of 252)

Top Peers

Company (Ticker)	Rec	Rank
Alexion Pharmaceuticals, Inc. **(ALXN)**	Neutral	3
Amgen Inc. **(AMGN)**	Neutral	3
BioMarin Pharmaceutical Inc. **(BMRN)**	Neutral	3
CSL Limited Sponsored ADR **(CSLLY)**	Neutral	3
Incyte Corporation **(INCY)**	Neutral	3
SINO PHARMACEUT **(SBMFF)**	Neutral	NA
Vertex Pharmaceuticals Incorporated **(VRTX)**	Neutral	3
Illumina, Inc. **(ILMN)**	Underperform	5

Industry Comparison Industry: Medical - Biomedical And Genetics

Industry Peers

	REGN	X Industry	S&P 500	ALXN	AMGN	VRTX
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	2	-	-	3	3	3
VGM Score	B	-	-	A	B	A
Market Cap	67.21 B	275.98 M	23.58 B	22.33 B	140.84 B	69.58 B
# of Analysts	10	3	14	15	12	12
Dividend Yield	0.00%	0.00%	1.68%	0.00%	2.66%	0.00%
Value Score	B	-	-	A	B	C
Cash/Price	0.05	0.22	0.07	0.13	0.08	0.08
EV/EBITDA	24.27	-3.96	13.34	8.34	12.95	41.44
PEG Ratio	1.13	1.93	2.99	0.69	2.04	1.41
Price/Book (P/B)	7.42	4.03	3.20	2.13	13.21	9.25
Price/Cash Flow (P/CF)	25.23	17.28	12.83	8.72	12.72	56.06
P/E (F1)	21.63	25.36	21.99	9.28	15.37	27.99
Price/Sales (P/S)	8.40	15.40	2.53	4.03	5.80	12.88
Earnings Yield	4.64%	-13.46%	4.35%	10.78%	6.50%	3.57%
Debt/Equity	0.08	0.01	0.77	0.24	3.20	0.07
Cash Flow ($/share)	24.22	-1.07	6.94	11.68	18.91	4.77
Growth Score	B	-	-	A	B	A
Hist. EPS Growth (3-5 yrs)	32.23%	17.80%	10.41%	27.70%	9.69%	183.54%
Proj. EPS Growth (F1/F0)	14.86%	16.33%	-6.32%	4.32%	5.55%	79.08%
Curr. Cash Flow Growth	10.30%	14.65%	5.20%	28.27%	-2.47%	52.02%
Hist. Cash Flow Growth (3-5 yrs)	23.75%	7.73%	8.55%	20.68%	5.06%	31.70%
Current Ratio	2.12	5.77	1.33	4.79	2.18	3.72
Debt/Capital	7.33%	3.30%	44.59%	19.13%	76.20%	6.49%
Net Margin	37.30%	-199.98%	10.13%	15.28%	30.04%	38.51%
Return on Equity	26.71%	-60.52%	14.51%	22.57%	91.98%	28.55%
Sales/Assets	0.54	0.19	0.51	0.33	0.40	0.62
Proj. Sales Growth (F1/F0)	8.16%	2.26%	-1.43%	13.24%	8.78%	42.86%
Momentum Score	B	-	-	D	C	A
Daily Price Chg	-0.24%	0.00%	-0.44%	-0.87%	-0.52%	-1.37%
1 Week Price Chg	-1.88%	3.55%	2.30%	0.77%	-1.63%	0.36%
4 Week Price Chg	-3.37%	-1.70%	4.38%	-6.92%	-5.78%	-8.06%
12 Week Price Chg	8.90%	3.35%	13.59%	0.74%	6.98%	-6.14%
52 Week Price Chg	108.42%	13.28%	5.75%	-6.56%	20.65%	47.50%
20 Day Average Volume	649,327	352,563	1,984,154	1,642,081	2,015,444	1,365,751
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	19.93%	0.00%	2.08%	0.73%	0.64%	11.98%
(F1) EPS Est 12 week change	18.12%	1.44%	2.66%	0.59%	0.55%	10.61%
(Q1) EPS Est Mthly Chg	55.81%	0.00%	0.94%	-4.76%	-4.28%	9.57%

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.

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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	B
Growth Score	B
Momentum Score	B
VGM Score	B

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.

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