

HSBC Maintains Sirnaomics (2257.HK) at Buy Rating with Target Price of HKD90.00; 61% Upside

HSBC initiates coverage of Sirnaomics, lowers the target price to HKD90.00 (from HKD118.00) as HKSC raises its discount rate to 9% from 7% for clinical-stage biotechs, considering they are riskier than biopharmas under the current financing environment and as their commercialisation capabilities have not yet been validated. HSBC thinks 47% of its valuation comes from the Company's key product STP705 (from 44%), 36% from the Company's another key product STP707 (from 34%), and the rest from other pipeline candidates, platform value, and net cash. HSBC's target price implies c61% upside from the current share price; HSBC maintains its Buy rating on the stock.

Potential share price catalysts

- Positive data read-outs for STP705 and STP707
- IND filing for STP122G, STP369, and STP355
- Potential new business development (BD), collaboration and license-out project announcements