

Seeking Alpha

ImmunoCellular Has All the Makings of Success

By Jacob Wolinsky November 7, 2010

Ever since the approval of Provenge six months ago crowned Dendreon (DNDN) the king of cancer vaccines, investors have been browsing biotech high and low for its prince. According to seasoned healthcare stock-picker Peter Kolchinsky, PhD a portfolio manager for RA Capital Los Angeles-based ImmunoCellular Therapeutics (IMUC.OB) is one of the worthiest contenders for this position.

Last week, innovators in immunotherapy including Dendreon, Bavarian Nordic, Celldex (CLDX), Biosante (BPAX) and ImmunoCellular Therapeutics presented a wide range of products and technologies at a cancer vaccine conference organized by the consulting firm M.D. Becker. But only two stood out to Kolchinsky, who was joined by elite healthcare investors from Thomas McNerney and Orbimed on a “Wall Street Perspectives” panel moderated by Lazard healthcare equities analyst Joel Sendek.

Asked to identify the most investable cancer vaccine companies, Kolchinsky singled out Bavarian Nordic, which is developing another prostate cancer vaccine, and ImmunoCellular Therapeutics, which is about to initiate a Phase II study of a promising new vaccine for glioblastoma multiforme (GBM), the most common and aggressive form of brain cancer.

Earlier this year, ImmunoCellular reported Phase I study results showing that its lead cancer vaccine product, ICT-107, increased disease-free survival in newly diagnosed GBM patients by almost 200% compared to best standard of care. Moreover, there have been no serious side effects reported to date.

But it wasn't just the clinical data that caught Kolchinsky's attention. It was also the design of the Phase II study expected to begin this quarter, which Kolchinsky declared the best of all the Phase II designs presented that day and an example for all cancer vaccine companies to follow. Similar to Provenge, ICT-107 is made by harvesting a patient's own dendritic cells and programming them to attack cancer. But unlike Provenge whose whopping \$93,000 price tag has largely to do with its complicated manufacturing multiple doses of ICT-107 may be produced from a single batch of dendritic cells thanks to a new manufacturing method that ImmunoCellular developed with the University of Pennsylvania. According to ImmunoCellular's president and CEO Manish Singh, PhD, this proprietary manufacturing method will provide significant cost and convenience benefits over methods currently used to manufacture dendritic cell-based vaccines.

As promising as ICT-107 is, ImmunoCellular is no one-trick pony. In its pipeline is an off-the-shelf vaccine targeting multiple antigens expressed by cancer stem cells, which is expected to begin Phase I testing early next year. The company is also developing a range of monoclonal antibodies with broad therapeutic and diagnostic applications.

With strong fundamentals, bright prospects for a promising lead clinical program, a deep pipeline, and strong balance sheet, ImmunoCellular has all the makings of success. If survival data from the upcoming Phase II GBM study continue to impress, the company may earn its own throne in the kingdom of cancer vaccines.