

The Times
\$300 - \$400m potential China sales
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Buy, sell or hold: today's best share tips



HUTCHISON CHINA MEDITECH

\$300-\$400m potential China sales

If Hutchison China MediTech was listed on Nasdaq, few would blench at the earnings multiple of about 90 that the shares sell on. The shares have been spectacular performers since the start of 2012, although this has been based more on the hope that one day the company will produce a blockbuster drug than on actual achievements.

That day may be getting closer. Half of its business is selling established drugs into the Chinese market, half developing new ones there in partnership with Big Pharma. Chi-Med gets stage payments as those drugs get closer to market and one of those has just triggered, because its fruquintinib colorectal cancer treatment, developed with Eli Lilly, has just achieved a successful result in phase-II trials.

Indeed, so confident was Chi Med that it committed to phase-III trials early. This means that it could reach the Chinese market by the end of next year and, if it succeeds in subsequent global trials, elsewhere a couple of years later.

There are two other phase-II trials taking place, but fruquintinib is the most advanced. Chi Med shares, up 25p at £13.15, are not cheap, but they are worth locking away long term.

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MY ADVICE Buy long term
WHY Shares are a good play
for the patient investor