

## Autolus slams on the brakes in its Car



[Jacob Plieth](#)



### **Blaming manufacturing delays and competitive pressure, Autolus asks investors to reset expectations.**

Nursing a 55% year-to-date share price decline Autolus probably thought it had little to lose from a bit of kitchen-sinking. On its second-quarter financials call today the company, once the darling of the UK cell therapy sector, revealed delays to most of the Car-T projects in its pipeline.

At issue appears to be a mix of competitive pressure and a delay in getting manufacturing up and running at lab space it had licensed from Cell and Gene Therapy Catapult, a UK taxpayer-funded body. This is hardly the start that the Catapult, whose cell therapy production site was [unveiled with much fanfare last year](#), will have wanted.

Autolus had [signed a deal](#) to license a lab suite at the Catapult facility in Stevenage, UK, back in 2016. This was to produce its cell therapies for use in clinical trials, with Autolus separately putting in place capacity for commercial supply in Maryland, US.

Today the group said it had received a licence to use the Catapult lab in March, but site qualification was delayed by five months, causing a knock-on effect to its plans to start patient recruitment into several trials. Most importantly, this has delayed studies of Auto4 and Auto5, two of the most promising and innovative assets in Autolus's pipeline.

A separate issue has led to Auto2, a BCMA and Taci-targeting Car for multiple myeloma, being discontinued. The reason here is competitor developments, which have forced Autolus to look into developing a more durable, next-generation version of Auto2, which it hopes to put into phase I next year.

The developments are a reference to Bluebird's bb2121, Celgene's JCARH125 and Johnson & Johnson/Nanjing Legend's JNJ-68284528. The BCMA space is notoriously crowded, and Autolus stated: "Auto2 is not differentiated from more advanced competitor programs." In a similar move [Gilead recently axed KITE-585](#).

## Autolus resets expectations

Project	Target	Status
Auto1	CD19 (CAT13.1E10 binder)	Primary focus on adult ALL; next-gen version to add novel anti-CD22 Car and be tested in paediatric ALL
Auto2	BCMA & Taci (April binder)	Discontinued for competitive reasons; next-gen version delayed by manufacturing problems, starting phase I H1 2020
Auto3	CD19 & CD22	Manufacturing problems delayed phase II DLBCL decision to mid-2020; ALL development discontinued in favour of Auto1; next-gen version to start phase I in DLBCL H1 2020
Auto4	TRBC1	Delayed by manufacturing problems; phase I data H2 2020
Auto5	TRBC2	Delayed by manufacturing problems; phase I starting H2 2020
Auto6	GD2	Next-gen version starting phase I H2 2020

*Source: analyst presentation.*

Meanwhile, the first iteration of Auto3, a dual-Car-T therapy targeting CD19 and CD22, is being scrapped in paediatric acute lymphocytic leukaemia owing to poor persistence and efficacy that looks inferior to the company's CD19-targeting project Auto1.

The idea now is to target paediatric ALL with a new version of Auto1 that would additionally incorporate a novel anti-CD22 Car. The primary focus for Auto1 itself is changing from paediatric to adult ALL, a setting with no approved Car-T therapies.

### The Woodford problem

As if this was not enough, Autolus faces the broader question of its haemorrhaging share price. This is largely the result of the company counting among its top investors the beleaguered UK financier Neil Woodford's Patient Capital Trust.

Mr Woodford's investment empire faces the threat of collapse after his flagship Equity Income Fund was frozen following a surge in demands from clients to withdraw their money. An across-the-board fire sale of Woodford investee companies is feared to allow the fund to meet redemptions when it eventually reopens.

As such, other investors in Woodford-owned companies like Autolus have likely been [cutting their positions](#) before Mr Woodford's own sales drove down the stock prices.

On today's call the issue – now a massive overhang on Autolus's stock – was barely addressed, the company stating merely that it was “working through the challenges” and “supporting the fund in its next steps”.

This and the pipeline delays cut little ice with investors, who drove Autolus's stock down a further 5% in early trade.

*This is an updated version of an earlier story.*