

INVESTOR'S EDGE

Fight against cancer will help patients, can benefit investors

Innovations help people live longer, achieve remission

"Cancer may have started the fight, but we will finish it."



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Contributing columnist

Twenty years ago my father passed away from lung cancer. He was a non-smoker, both a runner and a golfer, and died only eight months after his initial diagnosis at 68 years of age. A little more than 10 years later, my mother also died of lung cancer. Needless to say, cancer has significantly affected both my family and life experiences.

Today, we are witnessing truly remarkable innovations in cancer therapies and treatments. These are enabling people to live longer, enhancing their overall quality of life, and for some patients, helping achieve full remission. I follow these advancements with excitement as a human being and an investor, but also with some sadness, as I know my parents would have lived much longer had these dynamic new treatments been around for them.

Currently, there are a number of publicly traded companies that are leading the fight against cancer. Some develop and market cancer prevention products, others create cancer diagnostics, and the largest number focus on cancer treatments and therapies. In fact, the Institute for Human Data Science projects that spending on cancer-related medications, treatments, and therapies will soar to as much as \$250 billion by 2023, up from \$150 billion in 2018.

And with three major hospitals and a large research University in the Syracuse area, our community is on the front lines of

the cancer fight. I wanted to share with you about three of the companies that are leading the way for the cure for cancer and that I believe will generate a very “healthy” return on investment.

Merck (ticker symbol MRK): Merck is one of the largest pharmaceutical companies in the world, providing a variety of healthcare solutions including prescriptions, vaccines, biologic therapies, and animal health products. In recent years, however, the company has perhaps been best known for its blockbuster drug Keytruda, a cancer medicine that helps block the growth and spread of cancer cells in the body and able to treat most solid tumors.

Additionally, Merck has a strong cancer pipeline and is in the process of rolling out new drugs to combine with Keytruda, which will allow doctors to more specifically target different types of tumors that result from different cancers.

A Dow Jones Industrial component, Merck sports a market cap of over \$220 billion and pays a healthy 2.5% dividend yield. I believe Merck and Keytruda will continue to be a major factor in our race to eradicate cancer along with many other healthcare innovations.

Novocure Limited (ticker symbol NVCR): An exciting company in the cancer space is Novocure. Unlike traditional forms of cancer treatment like chemotherapy, radiation, or surgery, Novocure’s primary focus has been on pioneering a revolutionary form of cancer treatment called Tumor Treating Fields. In essence, TTFs use electromagnetic fields to inhibit cell division in cancerous tumors. Novocure’s TTF treatments are delivered through a wearable device called Optune, which is both portable and non-invasive.

Up until recently, Optune was only used to treat glioblastoma, a common form of brain cancer. After strong documented success in reducing or preventing the spread of brain tumors, Optune was specifically developed and FDA approved for the use of treating mesothelioma, with the device worn on a patient’s chest.

Now, keep in mind, Novocure’s stock is up over 175% year to date on recent mesothelioma approval. Nevertheless, we know Optune is effective in treating two major cancers, and I believe it is likely to work for a lot more. In the next few years we will certainly find out, as the company has several late stage clinical trials for other cancers including lung, pancreatic, breast, and ovarian cancer.

Exact Sciences (ticker symbol EXAS): Briefly, one final company that you probably know about without realizing is Exact Sciences, which focuses on developing products for the early detection and prevention of various cancers. The company is perhaps best known for Cologuard, which is a noninvasive DNA screening test for colorectal cancer that you can use in the privacy of your own home. It is covered by Medicare and most private health insurance plans. Colorectal cancer is the second largest killer among cancers in the U.S. but also one of the most preventable, making Exact Sciences a vital player in the space. Exact Sciences also has several pipeline products for liver, pancreatic, lung, breast, and esophageal cancer testing.

Many of you, if not all, have been impacted by cancer in some way. I miss my parents very much, but I take solace knowing that over the next several years, 21st century cancer treatments will help people live a longer life, and for many, a life that is cancer free.

Jim Burns, a chartered financial analyst, is president of J.W. Burns & Co. The opinions expressed here are his and do not necessarily reflect those of The Post-Standard. Readers should do research before deciding on an investment. Contact him at jburns@jwburns.com.

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