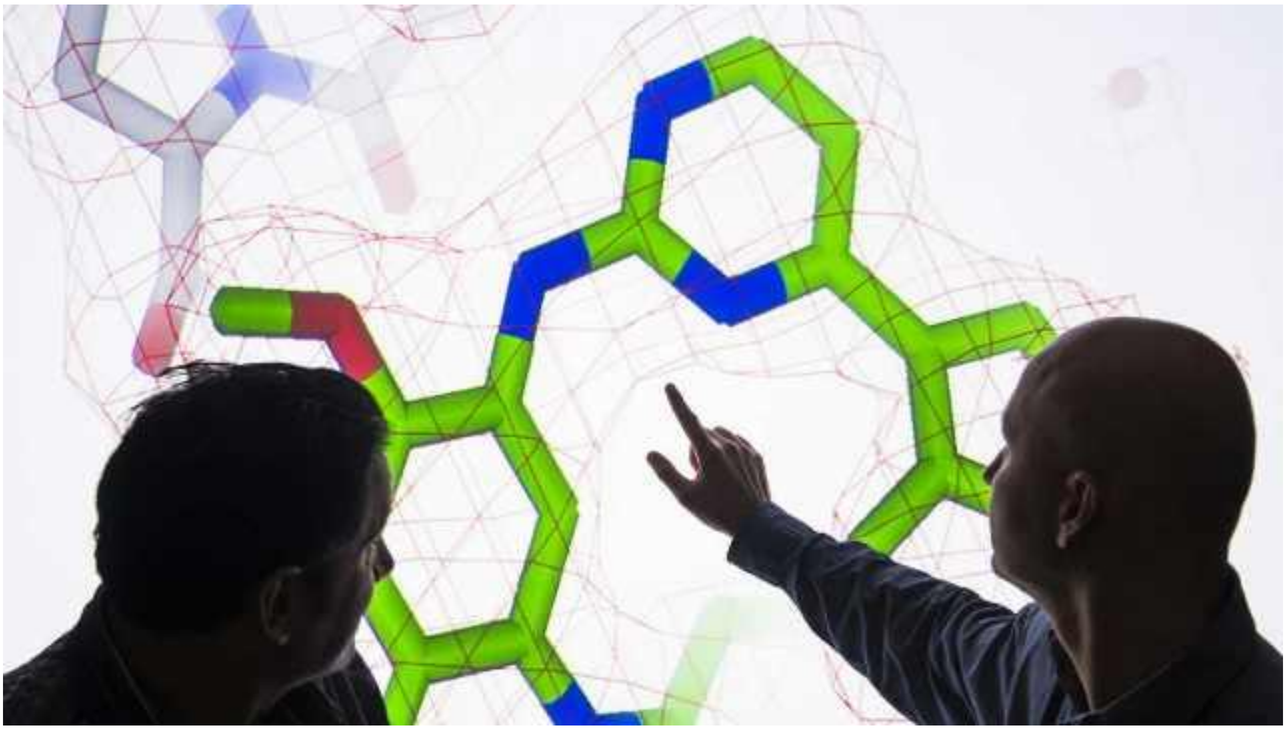
AstraZeneca plc isn't the only pharma star that could make you rich

Royston Wild | Wednesday, 27th September, 2017 | More on: AZN IMM



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I have always been a fan of medicines mammoth **AstraZeneca** (LSE: AZN), and I'm not ashamed to admit it.

Share price trouble is part and parcel of investing in pharmaceuticals and the Cambridge company has been no stranger to this in recent months. It took a dive in July after trialling showed its *Imfinzi* drug had failed to meet its endpoints, in fact revealing that it was no better at stemming lung cancer growth than traditional chemotherapy.

As if this wasn't problem enough, the ongoing battle with patent losses was underlined by news that revenues in the US continue to be hit heavily by exclusivity losses on its *Crestor* and *Seroquel XR* treatments. This caused global turnover at its Product Sales division to tank 11% in January-June to $9.78bn.

Newsflow has been more promising since then, however, with it announcing earlier this month that its Phase III PACIFIC trial showed that *Imfinzi* had illustrated an improvement in progression-free survival in patients by more than 11 months. The oncology treatment is still seen by many as a terrific revenues spinner in future years, but this is just one potential star in the company's bubbling pipeline.

A star for patient investors

Development setbacks in the pharmaceuticals industry arguably make the likes of AstraZeneca poor choices for those with a low risk tolerance, with patchy R&D results often leading to a fortune in lost revenues and extra lab costs.

Having said that, the revenues opportunities created by rising healthcare investment across the globe are vast, and with AstraZeneca zoning in on fast-growth areas like respiratory and oncology treatments, it is putting itself in the frame for exceptional profits growth ahead.

The City expects the company to endure some earnings woe in the near term with an 11% bottom-line decline currently predicted for 2017. But the East Anglian firm is expected to get firing again from next year, a modest 1% rise being predicted at the moment.

While far from spectacular, current figures leave the company trading on a forward P/E ratio of 17.2 times, very decent value in my opinion given the potential for explosive earnings growth. And with AstraZeneca also sporting giant dividend yields of 4.3% and 4.4% for this year and next, I reckon the firm is a great buy right now.

On the right track

Immupharma (LSE: IMM) is another drugs developer I believe offers plenty of investment opportunity.

The company's share price rose 4% on Wednesday after the release of an encouraging market update. It advised: "*The first half of 2017 saw the continued progression of our lead program* Lupuzor*, for the treatment of lupus, through significant milestones in its pivotal Phase III trial*." All patients had passed through the six-month stage, while just over a quarter had completed the full 12 months of the study.

Accordingly Immupharma announced that it was preparing the relevant regulatory papers for the US Food and Drug Administration and the European

Medicines Agency. It hopes to have Phase III testing on *Lupuzor*completed by quarter one of 2018.
City analysts are forecasting a positive outcome and they expect Immupharma to finally break into the black in 2018 with earnings of 9p per share. With the company subsequently dealing on a corresponding P/E ratio of 5.9 times, I reckon it could be considered too cheap to miss at the moment.

This single stock could make you rich

But Immupharma and AstraZeneca aren't the only great growth shares waiting to turbocharge your stocks portfolio.

Indeed, the Motley Fool's ***A Top Growth Share*** report looks at a brilliant **FTSE 250** stock that has already delivered stunning shareholder returns, and whose sales are expected to top the magic £1bn marker in the near future.