

November 11, 2025

Biotechnology**CytomX Therapeutics, Inc.**

Targeting Adhesion Molecules With ADC's: The Relevant Approach of CytomX.

Overweight
Price Target: \$6

Our Analysis

We think interim results of CX-2051, one of the lead product of CytomX reflects its potential in improving late line colorectal cancer outcomes. We believe Phase 1 top-line results will be in line with the interim ones.

Antibody drug conjugates (ADC) are antibodies that bind a specific protein while carrying an active agent. ADC are mostly used in cancer therapy: While targeting a specific protein expressed by the cancer cells, ADC allows the delivery of a highly toxic drug such as chemotherapy. This way, a high dose of a unspecific but effective drug becomes precisely active in the tumor cells, thus maximizing efficacy while limiting toxicities.

Proteins targeted by ADC are vast but crucial in the efficacy of the therapy. Among the possible targets, adhesion molecules (AM) are becoming an interesting candidate. AM are a large family of proteins which ensure the binding of cells to other cells. In the cancer setting, AM are mostly used for the migration and spreading of the tumor. Studies also point out the relative specificity of AM for cancer cells: Tumors are known to express significantly more specific AM than healthy tissues, making them a suitable target for ADC.

CytomX (NASDAQ:CTMX) is a biopharmaceutical company investigating this approach in the clinical stage. Their component dubbed CX-2051 targets EpCam, an AM widely expressed in epithelial tumor, and delivers CAMP59, a camptothecin-based topoisomerase-1 inhibitor, which is a highly potent cytotoxic molecule. Here we will review in depth the science behind CytomX CX-2051 candidate and see, when combined with its financials, why the company is a Buy.

CAMP59 and EpCAM: Two ideal compounds for CX-2051

CAMP59 is a camptothecin-based topoisomerase-1 inhibitor which stabilizes DNA cleavage complex. Put simply, CAMP59 increases errors during cells replications leading to their death. We are confident CAMP59 presents higher cytotoxic effects compared to the current 3L/4L drugs used in colorectal cancer. First, VEGF pathway inhibitors such as Fruquintinib or Regorafenib are not comparable to CAMP59: Indeed, targeted therapies did not carry a direct cytotoxic effect but act less directly, here acting on the vascularization of the tumor. It is in part why such therapies are historically more effective in early lines providing a great efficacy on sensitive cells while allowing for a favorable side effect profile. A good candidate comparable to CAMP59 can be Trifluridine/Tipiracil. It also carries a direct cytotoxic effect by incorporation into the DNA thus leading to disruption of the cell. However, we believe CAMP59 can overcome the killing effect of Trifluridine: A misincorporation into the DNA as seen with Trifluridine induces a slower and reparable replication of the cell. On the other hand, CAMP59 causes irreparable double-strand breaks in the DNA leading to a faster apoptosis.

Targeting AM with ADC has already moved to clinics with enfortumab vedotin, which is targeting NECTIN-4 in urothelial cancers. EpCAM is an AM expressed on most epithelial cells. In colorectal cancer, EpCAM is one of the most well-described AM expressed by the cancer cells. It is widely expressed at their surface and even used as a diagnostic tool. Thus, it makes it an ideal target for colorectal cancer.

Ticker	CTMX
Upside to Target	65%
Price (2025.11.10)	\$3.62
52 Week Range	0.40-4.62
Market Cap. (MM)	\$597
Enterprise Value (MM)	\$503
Dividend Yield	0.0%

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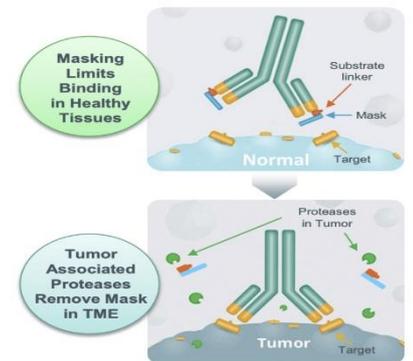
Historically, EpCAM has been used as a target alone or in combination. At ELAM1, we like to understand why previous trials failed and why a new technology can overcome these issues. In the case of EpCAM targeting, previous therapies such as edrecolomab were used in EpCAM expressing tumor, including in colorectal cancer. While these drugs demonstrated anti-tumor effects, their mechanism of action was based on antibody-dependent cellular toxicities. It was therefore expected for them to underperform compared to highly cytotoxic agents such as chemotherapy. In the case of CX-2050, the drug is exploiting the successful binding to EpCAM but this time delivers a toxic payload. This is expected to deliver unprecedented results in EpCAM targeting.

However, one can argue that EpCAM is also strongly expressed in healthy tissues, thus potentially leading to side effects. To tackle this, CytomX plans to use a proprietary technology called PROBODY.

PROBODY technology to prevent side effects

A limitation regarding the targeting of EpCam is that protein is also expressed in normal tissue. While specifically and significantly more expressed in cancer cells in epithelial tumor or circulating tumor cells, it is still highly present at the surface of normal cells. Thus, we cannot exclude a potential high side effect profile of such drugs. To overcome this issue, the company uses a proprietary technology: The binding part of the ADC is constitutively masked in healthy tissues, while proteases (proteases) expressed in the tumor microenvironment will remove this mask, ensuring the proper location of ADC binding. We believe this technology is promising. The only point would be the specificity of the cleavage site by the protease: Protease are also expressed in healthy tissues, while specific proteases are only found in the tumor. A proper targeting of a protease specifically expressed in the tumor should be able to overcome off-target side effects.

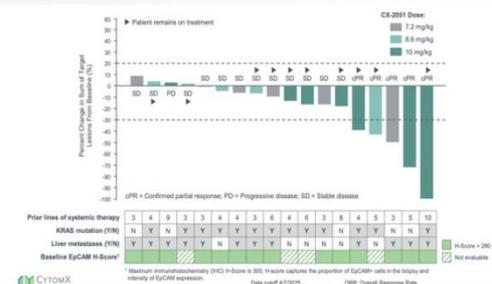
With a solid cytotoxic payload, a well defined target and a safety proposed by PROBODY, we believe CX-2051 holds great chances to perform in clinics.



CX-2051: Current clinical results

In May 2025, the company presented interim data for the phase 1 of CX-2051. The drug was evaluated in 25 patients presenting refractory colorectal cancer. Median number for previous treatment lines was 4 and 100% were previously treated with irinotecan. Results were interesting with 5 patients over 18 presenting a response, putting the overall response rate (ORR) at 28%. It is well above the existing therapies reporting an ORR of less than 10%. A dose response trend also seemed to appear, with more patients at the highest dose responding to the drug. Median progression-free survival was of 5.8 months, compared to 2 to 3 months for the other therapies. Regarding the safety profile, serious adverse events were reported in 20% of patients, with recently a grade 5 event reported by the company. While all these results are encouraging, the number of patients remains low for such conclusions. A dose expansion phase 1 enrolling 60 patients is currently ongoing with results expected in Q1 2026.

CX-2051 Anti-Tumor Activity at Doses Selected for Expansion
Confirmed ORR: 28% (5/18) overall, 43% (3/7) at 10 mg/kg



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Financial Analysis and Valuation

In its last quarterly report, the company disclosed \$143.6M of cash in hand. It is expect to fund operations until the second quarter of 2027. Looking at its balance sheet, the company presents \$158M of assets for \$50M of liabilities. Together this represents \$107M of shareholder equity.

Our Valuation

Colorectal cancer is affecting 1.5M patients in the U.S annually. Among them 15% will progress to late lines including 4th line treatment and willing to be treated. Given the promising efficacy of CX-2051, we expect a strong penetration at around 20%. Average annual price for ADC therapy reaches \$200,000. We therefore obtain a potential peak revenue of \$9.9B. When discounted by the probability for an oncological drug to reach market from phase 2 (10%), we obtain a target valuation of \$990M in case of success in the first phase.

The company is currently valued around \$600M of market capitalization, reflecting the pricing of the potential held by CX-2051. Thus, future negative results could sink the share price, close to levels before CX-2051 success press release, e.g around \$1. On the other hand, in case of positive results, CytomX would be a promising asset and more generally an interesting technology. We could easily see the stock trading in the billions-of-dollars market value. From our computations, we reached \$1B as the target in case of success in phase 1.

Given our scientific analysis we attribute a 70% probability of positive outcomes at the readout of the phase 1. In addition, late-line colorectal cancer have virtually no viable treatment options. Thus, we believe the level of efficacy to see an improvement satisfying investors is low, thus favoring a higher probability of positive read-out. If we input our projected values, we roughly have 70% of probability for a 65% upside and 30% for a 75% downside. Computing expected value, we obtain a value of 1.230. In conclusion, scientific analysis and projected market value support a Buy rating for the stock.

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