

20th January 2016

Healthcare

UCB

Price EUR76.06

EU approval for Brivaracetam in Epilepsy patients

Fair Value EUR75 (-1%)

NEUTRAL

Bloomberg	UCB BB
Reuters	UCBBt.BR
12-month High / Low (EUR)	85.6 / 61.5
Market Cap (EURm)	14,794
Avg. 6m daily volume (000)	288.3

	1 M	3 M	6 M	31/12/15
Absolute perf.	-6.2%	9.5%	6.4%	-8.6%
Healthcare	-7.0%	-5.9%	-16.4%	-8.8%
DJ Stoxx 600	-9.0%	-9.5%	-19.0%	-10.2%

	2014	2015e	2016e	2017e
P/E	45.1x	36.2x	29.1x	20.5x
Div yield (%)	%	%	%	%

ANALYSIS

- UCB has announced the European approval of brivaracetam, under the brand name BRIVIACT, as an adjunctive therapy in patients suffering from epilepsy with partial onset seizures (POS). We would expect an effective launch in coming weeks and EUR120m at peak in the region. UCB filed the product in the US and in Europe in January 2015, such that we would expect US approval shortly with EUR271m in sales at peak in the region.
- Positioning of brivaracetam is likely to target patients not responding to one or two anti-epileptic drugs (AED) or needing a high dosage i.e. last line of treatment. As a reminder, the product has a strong safety profile demonstrated through three phase III. The N0152 trial did not meet its primary endpoint to increase prevalence of patients undergoing treatment with Keppra in some subgroups, which affected results.

VALUATION

- We would wait for US approval to raise our PoS from 90% to 100%. Note that this would add EUR1 to our fair value

NEXT CATALYSTS

- 26th February : FY2015 results

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Distribution of stock ratings

BUY ratings 57,9%

NEUTRAL ratings 33,1%

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