

22nd April 2016

Healthcare

Galapagos

Price EUR38.50

20w data in Crohn's disease supportive for phase III trial

Fair Value EUR62 (+61%)

BUY

Bloomberg	GLPG BB
Reuters	GLPG.BR
12-month High / Low (EUR)	58.5 / 32.0
Market Cap (EURm)	1,510
Avg. 6m daily volume (000)	218.7

	1 M	3 M	6 M	31/12/15
Absolute perf.	4.4%	-18.7%	-14.6%	-32.2%
Healthcare	6.3%	2.2%	-4.4%	-7.8%
DJ Stoxx 600	2.6%	8.8%	-3.3%	-4.1%

	2014	2015e	2016e	2017e
P/E	NS	82.5x	NS	NS
Div yield (%)	NM	NM	NM	NM

ANALYSIS

- Galapagos has reported 20w phase IIb data for filgotinib in Crohn's disease. Note that the primary endpoint of the FITZROY trial has already been met at 10w with 1/ 48% of patients in the filgotinib arm achieving clinical remission (i.e. CDAI score lower than 150) vs. 23% in the placebo arm (p=0.0067). Please see our comment [here](#) for a detailed review of 10w data. The second part of the trial which evaluated continued treatment through 20w was not powered for statistical significance. Clinical response has been maintained in the 200mg active arm and improvement in clinical remission was seen in non-responder patients from the placebo group switched to active the 100mg dose at 10w. Safety profile was consistent with previous findings.
- Completion of the trial and subsequent results are supportive for the initiation of a phase III trial in Crohn's Disease which is expected to begin in 2016.

VALUATION

- We reiterate our BUY rating and Fair Value
- Our FV already included positive results from the trial communicated in December 2015 (i.e. 60% PoS)

NEXT CATALYSTS

- 29th April: Q1 results

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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

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