

8th July 2016

Healthcare

**Ablynx**

Price EUR12.95

**Conf call on voba's phase IIb: this is just the beginning**

**Fair Value EUR18 (+39%)**

**BUY**

Bloomberg	ABLX.BB
Reuters	ABLX.BR
12-month High / Low (EUR)	16.1 / 10.4
Market Cap (EURm)	788
Avg. 6m daily volume (000)	191.1

#### ANALYSIS

- Main point of concern following the issuance of first phase IIb data was the high score of tocilizumab, Roche's IL-6 (brand name Actemra). Recall that the tocilizumab group was an open-label one which might have positively influenced results. Indeed, no such scores have already been observed for the product so far in the same patient population (*study I* and *II* which supported filing of the drug). Management mentioned that plateau effect was not reached yet. This bodes well with the efficacy trend observed in phase IIa with plateau reached at 24w instead of 12w (30-50% improvement in ACR50 responder rate seen in phase II from 12 to 24w).
- Safety profile is good, better than other IL-6 compounds, either in development or commercialized, in our view. Decrease in Neutrophil counts (which can trigger serious infection) happened after the first SC injections and stabilized over time. Hence, we would not expect a worsening of the condition at 24w. Let's not forget that Roche's Actemra carries a black box warning for decrease in neutrophil count. Elevation in liver enzyme in a patient in the vobarilizumab group was not linked to the treatment administered for RA condition. Out of the 187 patients randomized in the three different voba dose groups, one TEAE (0.5%) was recorded (skin infection leading to hospitalisation).

	1 M	3 M	6 M	31/12/15
Absolute perf.	-3.4%	-5.2%	-11.8%	-18.6%
Healthcare	0.5%	5.3%	-1.8%	-5.3%
DJ Stoxx 600	-7.0%	-1.8%	-7.0%	-11.9%

  

	2015	2016e	2017e	2018e
P/E	NS	NS	NS	NS
Div yield (%)	NM	NM	NM	NM

#### VALUATION

- We reiterate our BUY rating and EUR18 fair value
- Following yesterday's share price reaction, we would highlight that the latter still does not take into account the full value of vobarilizumab.

#### NEXT CATALYSTS

- Q3 2016: vobarilizumab 24w placebo controlled phase IIb data. These results should kick off AbbVie's opt-in period. We would expect potential opt-in before year-end.
- August 25<sup>th</sup>: H1 results

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## Stock rating

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## Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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