

3rd October 2016

## Healthcare

### UCB

Price EUR68.83

### phase III results in psoriasis

Fair Value EUR80 (+16%)

NEUTRAL

Bloomberg	UCB BB
Reuters	UCBBt.BR
12-month High / Low (EUR)	85.6 / 62.3
Market Cap (EURm)	13,388
Avg. 6m daily volume (000)	286.7

	1 M	3 M	6 M	31/12/15
Absolute perf.	-6.5%	2.4%	2.4%	-17.3%
Healthcare	-0.8%	-4.3%	4.1%	-9.3%
DJ Stoxx 600	-0.2%	4.0%	1.6%	-6.3%

  

	2014	2015e	2016e	2017e
P/E	40.8x	31.7x	22.0x	15.6x
Div yield (%)	1.3%	1.6%	2.4%	3.3%

### ANALYSIS

- UCB and Dermira reported results from the first out of three clinical trial evaluating Cimzia in 227 moderate to severe plaque psoriasis patients, CIMPASI-2, over a 16 week period. Note that patients were randomized to either **1)** Cimzia 400mg Q2W, **2)** 400mg at week 0, 2 and 4 followed by 200mg Q2W or **3)** placebo Q2W. Co-primary endpoints were PASI-75 and the percentage of patients achieving  $\geq 2$ pt improvement on PGA scale (5 points).
- At week 16, 82.6% and 81.4% of patients in the 400mg and 200mg dose active arms achieved PASI-75 vs 11.6% for the placebo group. Also, 71.6% and 66.8% of patients achieved 2 points improvement on the PGA scale in the 400mg dose and 200mg dose groups which compares to 2% for the patients in the placebo group.
- Note that CIMPASI-1 and CIMPACT trials, led by Dermira, should readout in late Q1 2017. While the design of CIMPASI-1 is similar to the one of CIMPASI-2 which just reported results, CIMPACT phase III trial should focus on the onset of action by measuring PASI-75 at week 12 in 559 patients. And includes one arm of patients under Enbrel (secondary endpoint)
- We believe that Cimzia compares well with results achieved by current SoC, Stelara (anti IL-12/IL-23), within the same timeframe. While this should enable Cimzia to broaden its patient's base, it is important to note that any sales from this indication would come on top of the company's EUR1.5bn sales guidance for the product. However, we would remain cautious as **1)** these first results might be too low to threaten Cosentyx' ramp-up. Note that in the CLEAR trial evaluating Cosentyx head-to-head against Stelara, Cosentyx achieved a 79% (vs. 57.6%) PASI-90 response as well a 44.3% PASI-100 response (vs. 28.4%) at week 16; **2)** Dermira as a limited negotiating clout and retains the exclusive marketing rights to dermatologists in the US and Canada.

### VALUATION

- We do not move our fair value and would wait for the results from the CIMPASI-1 and CIMPACT trials in late Q1 2017.

### NEXT CATALYSTS

- October, 25<sup>th</sup> : Q3 results

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## Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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