Evaluate Vantage

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Abbvie’s low-risk bet could challenge Vertex on price

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The big pharma’s cystic fibrosis deal with Galapagos is greeted with surprise, but the gamble might actually make sense.

After the takeovers of Stemcentrx and Pharmacyclics Abbvie can hardly be accused of shying away from deals that cause puzzlement. A similar response greeted yesterday’s announcement that the group would pay $45m to take over its partner Galapagos’s cystic fibrosis work – on the same day that a key test of this programme underwhelmed.

However, there is method in the madness. If anyone can compete with the Vertex cystic fibrosis powerhouse it is a big player like Abbvie, and Galapagos is far better off focusing on work outside this area. And the bargain basement price means that Abbvie is making a virtually risk-free bet on some kind of later success.

It is a long shot, but the group can well afford it. Add to the mix the fact that cystic fibrosis drugs carry pretty weighty price tags and it is just possible for a company with the muscle of Abbvie to challenge Vertex on cost, even if its drugs end up looking no better than Vertex’s market leaders.

Falcon flops

Right now, after disappointing results from part one of the phase I Falcon trial, it looks likely that Abbvie’s CF offering will fall short of Vertex’s in terms of efficacy. This study was the first test of a Galapagos in-house triplet.

The initial portion of the trial, in 10 patients homozygous for the F508del mutation, tested two weeks of therapy with the potentiator GLPG2451 and the C1 corrector GLPG2222, followed by two weeks of treatment with the triplet, which added the C2 corrector GLPG2737.

The initial doublet therapy led to a reduction in sweat chloride of around 25mmol/l and a mean increase in ppFEV1, a measure of lung function, of around 3%.

The triplet did not confer any extra efficacy on top of this, Galapagos said.

The results look lacklustre compared with phase II data with Vertex’s triplets, recently published in the *New England Journal of Medicine*.

The story so far: CF triplet trial results in F508del homozygous patients			
		Change from baseline	
Project	**Company**	**Sweat chloride (mmol/l)**	**ppFEV1 (%)**
GLPG2451 + GLPG2222 +/- GLPG2737	Galapagos	-25.0	+3.0
VX659 + tezacaftor/ivacaftor	Vertex	-42.2	+9.7
VX445 + tezacaftor/ivacaftor	Vertex	-39.6	+11.0
Source: Company press releases.			

Stifel analysts, covering Vertex, said these efficacy data appeared “very much inferior” to Vertex’s triple, adding that Abbvie’s decision to go all in was “perplexing”.

But what was the alternative? Discontinuing all work would leave both companies, which have collaborated on cystic fibrosis since 2013, looking foolish. The outcome achieved allows Galapagos in particular to save face, the Belgian company having earlier probably overplayed its hand in this indication.

Bigger and better?

Perhaps Abbvie thinks it can do a better job on trial design; there had been doubts about whether Falcon was long enough, or whether it used a high enough dose (*Upcoming events – Galapagos needs Falcon to fly, but Abbott risks having its wings clipped, September 14, 2018*).

It is unclear whether part two of Falcon will now go ahead. That was due to test a higher dose of the same doublet for two weeks, followed by two weeks of the triplet, in a new cohort of eight patients, including those homozygous for F508del and those with one copy of the F508del mutation plus a minimal function mutation.

The Stifel team covering Galapagos, while agreeing that the triplet data were underwhelming, said the group looked more attractive without cystic fibrosis, and investors could now see it as more of a pure play on filgotinib. Galapagos does retains rights to GLPG2737, a C2 corrector, in indications outside cystic fibrosis, though what these might be is a mystery.

The companies’ deal has already hit one bump in the road. Earlier this year disappointing data from the Pelican study, of GLPG2737 plus Vertex’s approved CF drug Orkambi, came at the same time as Abbvie ditched another Galapagos in-house triplet comprising GLPG2737, GLPG2222 and GLPG3067, which had once been thought to be more promising than the Falcon regimen (*Abbvie flips Galapagos the bird, again, 29 June 2018*).

Abbvie will have its work cut out. As well as lacklustre efficacy data, it is well behind Vertex in terms of development. The latter is set to report its first phase III triplet data later this year.

But, with Vertex attracting criticism for the high prices of its existing CF drugs like Kalydeco and Orkambi, maybe Abbvie believes that there is a place for cheaper – even if not more effective – therapies.