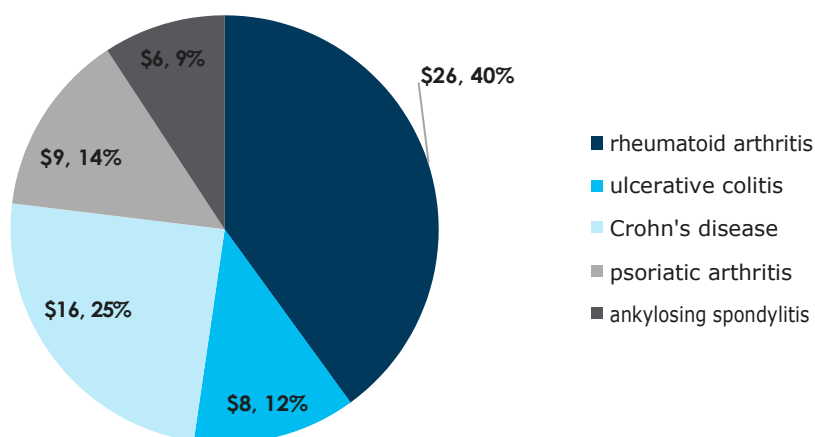


## Why we are bullish on filgotinib in IBD

Unlike in rheumatoid arthritis, where filgotinib will be the fourth JAK to market (behind tofacitinib, baricitinib and upadacitinib), GILD/GLPG will likely be 2<sup>nd</sup> to market in UC and 1<sup>st</sup> to market in CD. All else being equal, this in and of itself would be a commercial advantage for the drug, but coupling this with the higher unmet need/rates of patient dissatisfaction with current therapies in UC/CD and compelling phase 2 data in CD from both a safety and efficacy perspective, we think the opportunity in IBD for the drug is particularly significant, and we currently model ~\$3bn of unadjusted peak sales for filgotinib across UC and CD. GLPG projects that ~60% of future market growth across inflammation will be in indications outside of RA.

### Global inflammation market 2027 – est. size of 5 largest indications (\$bn, %)



## NPV output

### Galapagos – Barclays NPV output

NPV Summary (EUR)			
	Risk Weight	PV/_ share EUR	PV bn EUR
<b>In-line disclosed assets</b>			
filgotinib - RA	95%	60.68	3.97
filgotinib - CD	75%	18.24	1.19
filgotinib - UC	80%	20.32	1.33
GLPG 1690	40%	44.03	2.88
GLPG 1972	25%	7.04	0.46
<b>Pipeline</b>		<b>150.32</b>	<b>9.83</b>
<b>Other &amp; R&amp;D terminal</b>		<b>101.30</b>	<b>6.63</b>
<b>Total portfolio</b>		<b>251.61</b>	<b>16.46</b>
Restructuring (net)		-	-
R&D (net)		(90.37)	(5.91)
Capex		(8.60)	(0.56)
<b>EV (Healthcare)</b>		<b>152.64</b>	<b>9.99</b>
<b>Associates &amp; Investments</b>			
Net cash position		82.87	5.42
Pensions		-	-
Minorities		-	-
<b>Debt and other</b>		<b>82.87</b>	<b>5.42</b>
<b>Group MV</b>		<b>235.50</b>	<b>15.41</b>
<b>WACC:</b>	<b>10.0%</b>		
<b>Terminal growth:</b>	<b>0.0%</b>		

Source: Barclays Research estimates