

Amicus Therapeutics: Robust growth and exclusive position in a niche field

DESCRIPTION

Amicus Therapeutics (FOLD) develops next-generation treatments for rare metabolic diseases like Fabry and Pompe, offering superior efficacy and patient convenience. Its differentiated pipeline, strong IP, and growing adoption of therapies like Galafold and Pombiliti+Opfolda position it for durable growth and meaningful global revenue expansion.

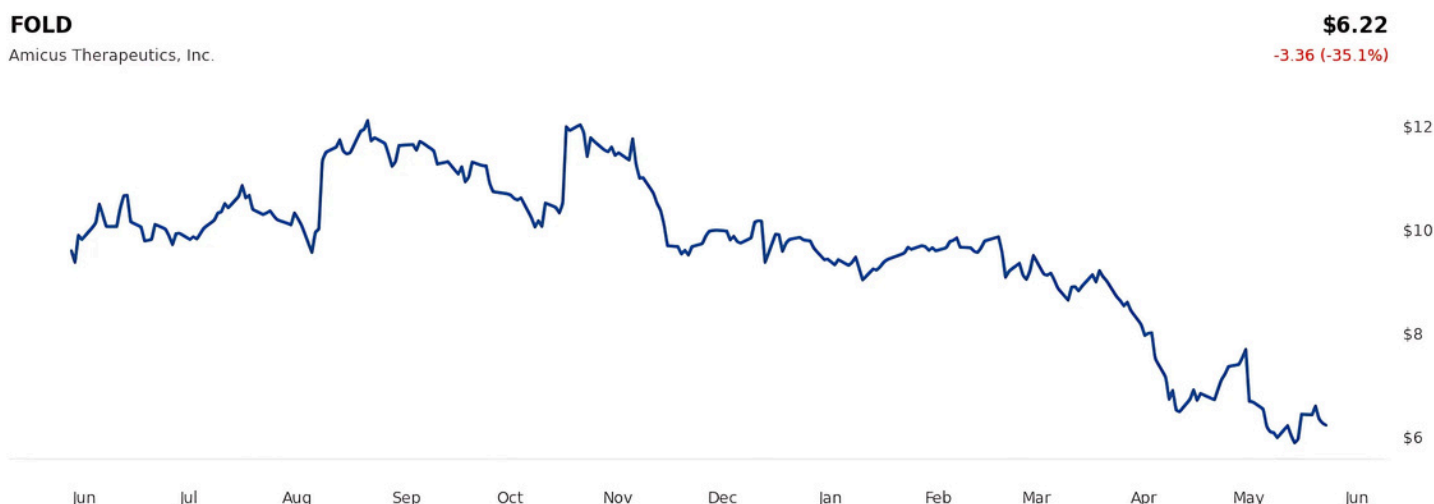
KEY INDICATORS

Current price:	\$6.11
Price target	\$10.50
Rating	Outperform
Projected upside	+71.8%

Investment Thesis

Amicus Therapeutics presents an attractive investment driven by robust growth opportunities in rare disease therapeutics, extended patent exclusivity, and imminent profitability. With leading treatments for Fabry & Pompe diseases, secured market exclusivity until 2037, potential as a strategic M&A target and current stock price below its intrinsic value Amicus is positioned for sustainable growth warranting an **Outperform** rating.

Last 12 months



Summary

- **Market Leadership:** Amicus holds a commanding market presence with two commercially successful rare-disease therapies—Galafold for Fabry disease and Pombiliti+Opfolda (AT-GAA) for Pompe disease—offering distinct clinical advantages and capturing critical market segments.
- **Resilient Demand:** Demand for Amicus's life-saving therapies remains strong regardless of economic conditions, supported by increasing diagnosis rates and patient advocacy in the rare disease community.
- **Extended Patent Exclusivity:** A critical patent litigation settlement with Teva Pharmaceuticals secures U.S. exclusivity for Galafold until Jan 2037, eliminating generic competition risks and enhancing revenue predictability.
- **Clear Path to Profitability:** Amicus anticipates achieving positive GAAP net income by the second half of 2025, driven by strong revenue growth and disciplined cost management, marking a significant financial milestone.
- **Compelling Valuation Upside:** Our DCF valuation sets an intrinsic value of \$10.69 per share, underscoring Amicus's market strength, resilient revenues, and growth trajectory, significantly higher than its current price.

Who are Amicus Therapeutics?

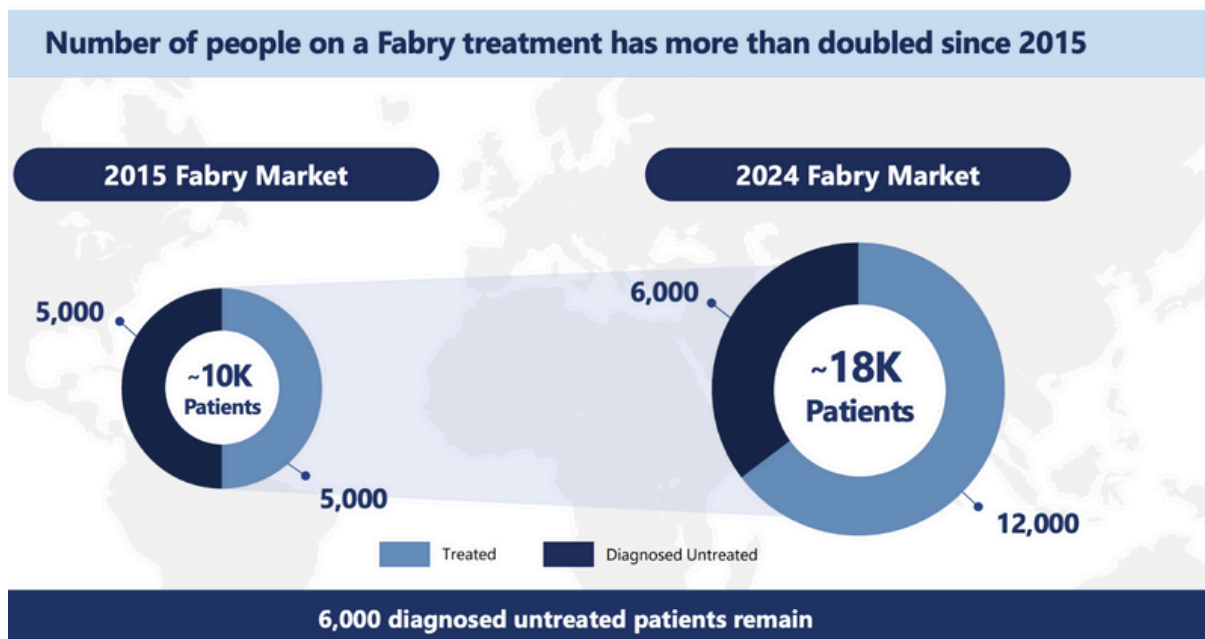
Amicus Therapeutics (NASDAQ: FOLD) is a global biotechnology company focused on developing advanced therapies for rare and orphan diseases, primarily targeting metabolic disorders such as Fabry and Pompe diseases. Founded in 2002, Amicus has since built a solid market presence through innovative treatments.

Its pioneering product, Galafold, provides an oral treatment alternative for Fabry disease, significantly improving patient compliance and outcomes compared to traditional intravenous therapies. Similarly, its recently approved combination therapy, Pombiliti+Opfolda, offers enhanced clinical efficacy for Pompe disease patients previously underserved by conventional therapies. The company's success is driven by clinical superiority, patient convenience, and secured intellectual property rights, positioning it for long-term sustainable growth and robust revenue generation. Given these strategic advantages and substantial undervaluation, **we rate Amicus Therapeutics as Outperform and set our price target at \$10.50 indicating significant valuation upside.**

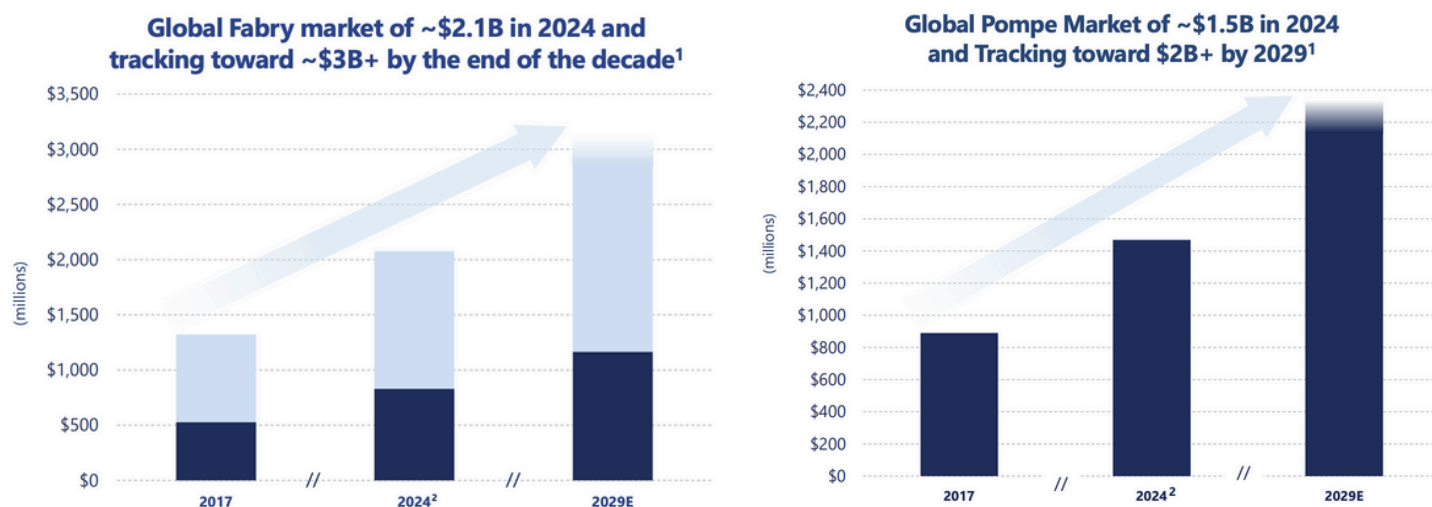
Zoom in: Key Growth Drivers and Strategic Advantages

Amicus Therapeutics is achieving robust revenue growth by establishing dominant positions in targeted rare disease markets through its innovative therapies. Galafold, the company's flagship oral precision medicine, generated \$458.1 million in revenue in 2024, representing an 18% year-over-year growth driven by strong uptake among both newly diagnosed patients and those switching from older intravenous enzyme replacement therapies (ERT). Approximately 2,730 Fabry patients globally were using Galafold by year-end 2024, up significantly from approximately 2,400 the prior year. This adoption underscores physician preference for Galafold due to its comparable efficacy and enhanced patient convenience and adherence (Amicus Investor Relations, 2024).

Meanwhile, Pombiliti+Opfolda (AT-GAA) quickly demonstrated its market potential, generating \$70.2 million in revenue in its first full year of availability (2024). By year-end, approximately 220 Pompe patients had commenced treatment, highlighting significant market acceptance and strong early traction. Amicus continues to strengthen its international presence with regulatory submissions and approvals anticipated in critical markets, including Japan, Canada, and Australia, further expanding its revenue base.



Global Fabry and Pompe markets are experiencing rapid growth



Growth broken down into lead factors

Amicus's growth is fueled by clinical innovation, expanding diagnostic reach, and global market access. Galafold, the only oral precision therapy for Fabry disease, generated \$458.1 million in revenue in 2024 (+18% YoY) and is expected to grow 10–15% in 2025. Its oral delivery continues to drive patient preference over IV-based ERTs, especially as newborn screening expands the diagnosed population. Pombiliti+Opfolda, the company's novel therapy for Pompe disease, reached \$70.2 million in its first full commercial year, with projected revenue growth of 65–85% in 2025. Over 220 patients were treated globally in 2024. As Amicus secures reimbursement across Europe and gains anticipated approvals in Japan and Canada, patient access is set to increase significantly. Backed by regulatory wins in markets like Germany, Italy, and Spain, and supported by a scalable global commercial infrastructure, Amicus forecasts over \$1 billion in annual revenues by 2028. Growth is driven by deeper market penetration, rising diagnosis rates, and broader international expansion.



Patent settlement with Teva Pharmaceuticals: Securing long-term earnings visibility

The landmark patent settlement with Teva Pharmaceuticals grants Amicus exclusive U.S. marketing rights for Galafold through 2037, substantially mitigating generic competition risks. This exclusivity protects long-term revenue potential, providing the financial predictability necessary for continued investment in product development, geographic expansion, and strategic initiatives.

Resilience against Drug Pricing & Trade Policy Developments

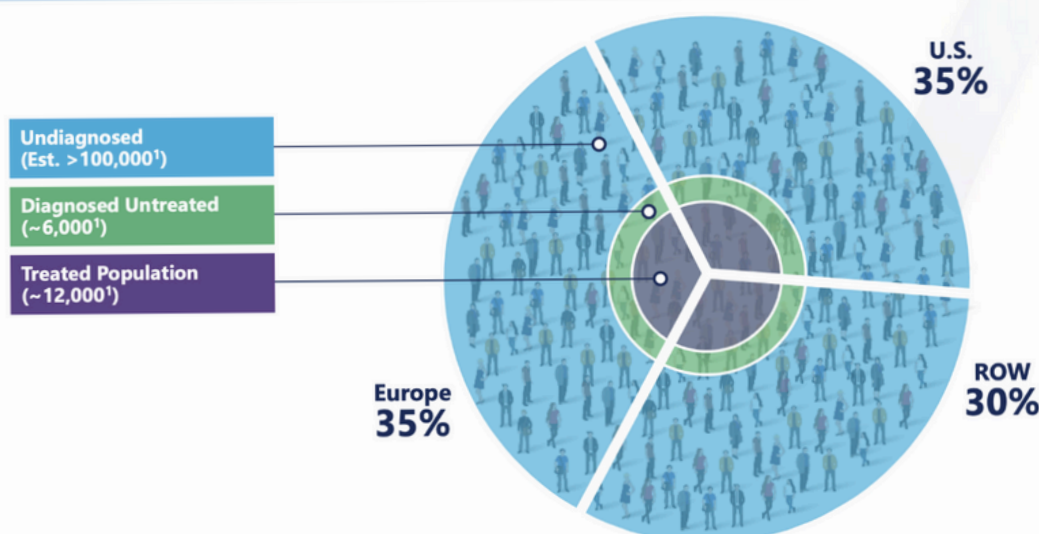
Inelastic demand, insulating from macroeconomic hits

The macroeconomic backdrop supports Amicus due to the essential and life-saving nature of rare disease therapies. Fabry disease affects between 1 in 15,000 to 1 in 40,000 individuals globally, while Pompe disease occurs in roughly 1 in 18,700 births. These patient populations, though rare, represent critical, non-discretionary treatment needs, ensuring recession-resilient revenues. The Fabry market is valued at ~\$2.1 billion in 2024 and projected to surpass \$3 billion by 2029. Pompe is a ~\$1.5 billion market, forecasted to exceed \$2 billion in the same period. Amicus's therapies—Galafold and Pombiliti+Opfolda—are positioned to lead this growth.

Significantly, these markets remain underpenetrated. In Fabry, although ~18,000 patients are diagnosed, over 100,000 are estimated to be undiagnosed, with 6,000 diagnosed patients untreated. In Pompe, while 4,000+ patients are treated with ERT, thousands more remain unaddressed due to screening limitations. This unmet demand, paired with orphan drug pricing power, regulatory protections, and strong advocacy, reinforces Amicus's long-term commercial durability and makes it an attractive asset in both macroeconomic and strategic acquisition environments.

Fabry Market: Significant Remaining Unmet Need

Research suggests there could be >100k people living with Fabry disease who remain undiagnosed



Drug Pricing and Trade Policy Developments

Recent U.S. federal initiatives under the Trump administration, including the Inflation Reduction Act (IRA) and revived Most Favored Nation (MFN) executive orders, significantly target prescription drug price reductions. For Amicus Therapeutics, these policies pose direct risks due to potential reductions in pricing flexibility in the lucrative U.S. market. Trump's 2025 MFN executive order specifically targets aligning U.S. drug prices with the lowest international benchmarks, potentially forcing significant price cuts on premium-priced, specialized therapies such as Galafold and Pombiliti+Opfolda. This could result in notable margin compression unless offset by cost efficiencies or increased volumes. Amicus must strategically consider price adjustments in international markets, potentially leading to slower market entry or increased operational complexity as negotiations intensify with payers worldwide.

In Europe, the EU Critical Medicines Act directly affects Amicus by incentivizing local manufacturing and reducing reliance on external supply chains. To comply, Amicus may need significant investments in European production capacity or strategic partnerships. These moves, while enhancing long-term supply chain resilience, will likely increase short-term operational costs and complexity. Additionally, post-Brexit regulatory divergences between the UK and EU markets introduce new logistical and compliance hurdles, potentially lengthening approval timelines, complicating product launches, and increasing resource allocation to regulatory affairs.

Compelling Valuation Upside and M&A Potential

The High Growth DCF Valuation

Our comprehensive valuation analysis indicates a compelling investment opportunity. Considering the potential impact of the MFN policy and tariffs, we have revised our near-term growth down by 3% to 13% for 2025 and 15% for 2026, subsequently adjusting to a 16% growth rate in the longer term (Average 15.3% over 10 years). Using these assumptions, alongside a discount rate of 8.2% and a terminal growth rate of 3%, we derive an intrinsic valuation of \$10.69 per share. Compared to its current value of \$6.22 per share, our valuation highlights a substantial 73% upside potential, indicating significant market underappreciation of Amicus's robust fundamentals and long-term growth prospects.

Line Items	0	1	2	3	4	5	6	7	8	9	10	Terminal Year
Revenue Growth Rate		13,00%	15,00%	16,00%	16,00%	16,00%	16,00%	16,00%	16,00%	15,00%	14,50%	3%
Revenues	\$550	\$622	\$715	\$829	\$962	\$1.116	\$1.294	\$1.501	\$1.741	\$2.003	\$2.293	\$2.362
Operating Margin	13,12%	15,47%	16,88%	17,73%	18,24%	18,54%	18,73%	18,84%	18,90%	18,94%	18,96%	19,00%
EBIT	\$72	\$96	\$121	\$147	\$175	\$207	\$242	\$283	\$329	\$379	\$435	\$449
Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$57	\$69	\$80	\$91	\$94
EBIT(1-t)	\$72	\$96	\$121	\$147	\$175	\$207	\$242	\$226	\$260	\$300	\$344	\$354
+ Depreciation	\$421	\$488	\$566	\$657	\$762	\$884	\$1.016	\$1.164	\$1.199	\$1.235	\$1.272	\$1.310
- Capital Expenditures	\$420	\$475	\$546	\$634	\$735	\$853	\$989	\$1.147	\$1.331	\$1.531	\$1.753	\$1.367
- Chg WC	\$75	\$15	\$19	\$24	\$27	\$32	\$37	\$43	\$50	\$54	\$60	\$14
FCFF	-\$3	\$94	\$121	\$147	\$175	\$206	\$233	\$199	\$78	-\$50	-\$197	\$284
NOL	\$1.000	\$904	\$783	\$636	\$461	\$254	\$12	\$0	\$0	\$0	\$0	\$0
Terminal Value												\$5.193

The Valuation	
PV of FCFF during high growth phase =	\$762,42
PV of Terminal Value =	\$2.364,81
Value of Operating Assets of the firm =	\$3.127,23
Value of Cash & Non-operating assets=	\$630,00
Value of Firm =	\$3.757,23
- Value of Outstanding Debt =	\$580,92
Value of Equity =	\$3.176,31
- Value of Equity Options =	\$0,00
Value of Equity in Common Stock =	\$3.176,31
Value of Equity per share =	\$10,69

High M&A Potential: Strategic Acquisition Target

Amicus Therapeutics stands out as a highly strategic acquisition candidate in today's consolidating biotech landscape, particularly within the rare disease segment where large pharmaceutical companies continue to invest aggressively. Recent high-profile acquisitions in the orphan drug space highlight a clear trend of premium valuations for commercial-stage companies with durable growth trajectories. **AstraZeneca acquired Alexion Pharmaceuticals for \$39 billion at a 6.4× revenue multiple, Amgen acquired Horizon Therapeutics for \$27.8 billion at approximately 7× revenue, and Sanofi acquired Bioverativ for \$11.6 billion at an estimated 9–10× revenue multiple. Currently, Amicus trades at just under 5× 2024 revenue, with a market capitalization of \$2.58 billion against \$528 million in annual revenue. Based on historical M&A revenue multiples ranging from 6× to 10×, Amicus could reasonably be valued between \$3.2 billion and \$5.3 billion in a strategic acquisition scenario. This suggests a potential premium of 24% to more than 100% over its current market value.**

Amicus's appeal is further strengthened by its patent exclusivity for Galafold through 2037, growing international presence, validated commercialization strategy, and projected GAAP profitability by the second half of 2025. For any acquirer seeking to scale its orphan drug portfolio, Amicus offers immediate entry into the Fabry and Pompe markets with best-in-class therapies and a platform primed for continued growth.

Moats & Catalysts

- **Robust IP Protection:** U.S. exclusivity for Galafold until 2037 significantly de-risks long-term revenue projections and provides competitive leverage.
- **Minimal Competitive Threats:** Limited immediate competition ensures stable market share and pricing power.
- **Clinical and Commercial Superiority:** Proven clinical efficacy, patient adherence, and effective commercialization underpin sustainable growth.
- **Global Market Expansion:** Ongoing international regulatory approvals and strategic market entry initiatives represent key revenue growth accelerators.
- **Profitability Milestone:** Expected positive GAAP net income by H2 2025 serves as a critical financial and investment catalyst.

Risks

- **Regulatory and Reimbursement Challenges:** Delays in regulatory approvals and reimbursement negotiations could impact revenue and growth timelines.
- **Emerging Competition:** Potential future therapies or eventual generic competition may erode market share and profitability over the long term.
- **Execution Risk:** Effective management of international commercialization and operational expansion is critical to achieving financial targets and market expectations.
- **Macroeconomic Risk:** Risks related to tariff-induced cost increases and supply chain disruptions due to its international manufacturing partnerships spanning Europe, China, and the U.S. Higher tariffs could elevate production costs, potentially compressing profit margins or forcing price adjustments.