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Cell therapy flotations could follow Kite and Juno buyouts



[Jacob Plieth](#)

After Gilead and Celgene bought Kite and Juno respectively excitement surrounding cell therapies was turned down a notch. Investors who are still keen will therefore note with interest that Unum Therapeutics and Autolus, biotechs also focused on this space, might soon be welcomed onto the public markets.

Still, the markets might treat these businesses with greater scrutiny than they did when Kite and Juno were floating in 2014, especially now that the tricky dynamics of pricing and selling cell therapies are known. And there are aspects of the two proposed floats that could give pause for thought.

Autolus's offering is still at the "proposed IPO" stage, with the company refusing to disclose anything about its potential size. While news of Autolus filing with the US SEC for a potential IPO was disseminated far and wide, the group's PR advisers told *EP Vantage*: "The registration document itself is not made public."

Risky business

As such there is still no detailed, publicly accessible regulatory document going into Autolus's business in depth. As those following the fate of Unum found out on Friday, detailed disclosure can be risky.

Unum's problems emerged on close inspection of its [S-1 filing, proposing a Nasdaq float](#) to raise up to \$86.3m: apparently its lead asset, ACTR087, has only just come off US clinical hold after its second dose level caused two patient deaths due to CAR-T-like side effects – cytokine storm and neurotoxicity.

This was the first time Unum had disclosed treatment-related patient deaths, let alone a clinical hold. A [presentation at last year's Ash meeting](#) related to the first dose level, which resulted in "no serious adverse events or deaths related to ACTR087".

Of course, ACTR087 is not a CAR-T therapy, but it is based on a similar principle, using an antibody-coupled T-cell receptor. This binds any appropriately designed antibody, with the specificity determined by that antibody, which in ACTR087's case is Rituxan ([Another endorsement as Unum goes beyond the CAR-T, June 9, 2015](#)).

Given Juno's problems, the sorts of toxicities Unum has seen could ring alarm bells. And investors following Autolus will hope that similar disclosures do not await whenever that company decides to make public its IPO document.

All that is known for now is that Autolus has submitted a draft Form F-1, detailing a potential flotation on Nasdaq, with the SEC. The form itself remains confidential – something usually done to test a possible market valuation without disclosing what this is, *EP Vantage* understands.

As such it is not even known which banks might handle an IPO. Syncona, a major Autolus holder, last year floated another portfolio company, Nightstar Therapeutics, using Jefferies, Leerink and BMO as joint book-running managers, and Wedbush and Chardan as co-managers, so it would not be surprising for these to be involved.

Timing?

It is undeniable that Autolus is the brightest cell therapy hope to have emerged from the UK ([Interview - Next from Autolus, cracking tolerance and solid tumours, September 27, 2017](#)). But it only recently started clinical trials and closed an \$80m series C raise, so going public now seems strange.

Indeed, one source who met Autolus at January's JP Morgan meeting tells *EP Vantage* that there was no talk of flotation then.

One possibility is that a key shareholder wants to push for an exit sooner rather than later. One such investor might be Woodford Patient Capital Trust, which after heavy losses [came bottom of all biotech-focused investment trusts last year](#).

At any rate, investors who participated in Autolus's latest raise will need to pick their moment carefully: that round was done at £231m (\$321m) – a significant valuation for what was practically a preclinical-stage company – and a step down at IPO will surely not be tolerated.

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