

Most valuable unpartnered assets reveal a changing of the guard



Jacob Plieth



Annual analysis shows a new crop of biotech assets with ballooning valuations and no major partners.

As the biotech bull market gathers pace the sellside has to pedal ever faster to stay ahead of the valuation curve. Forecasts for biotech assets that have yet to attract partner interest have surged accordingly, *EvaluatePharma* reveals, prompting a changing of the guard from when this analysis was run a year ago (see tables below).

As ever, there is a risk that such egregious forecasts will not be met; if the bullishness had legs, the logic goes, a big partner would have stepped in by now. However, a look back at last year's list of unpartnered assets reveals three that did deliver, and investors will hope that there will be winners in 2018 too.

The obvious unpartnered winner from 2017 was Kite Pharma's Yescarta; while this CAR-T therapy is still a long way off showing whether it can deliver annual sales of over \$2bn investors hit the jackpot when Kite was bought by Gilead for \$11.9bn ([The sector's most valuable unpartnered assets - up for grabs or on the shelf?](#), August 22, 2017).

This year's analysis, generated from *EvaluatePharma's* NPVs of a consensus of sellside forecasts, not only shows Argenx topping the list of assets that remain wholly owned in major European and US markets, but also has the Belgian group featuring twice in the top 10.

Its two respective assets, efgartigimod and cusatuzumab, carry a combined NPV of \$9.5bn. This is over three times bigger than Argenx's market capitalisation, so the sellside probably sees the company as ripe for the takeover fate enjoyed by its Belgian neighbour Ablynx.

The sellside's most valuable unpartnered R&D assets

Project	Company	Status	Pharmacology class	Today's NPV (\$bn)	NPV as % of share price
Efgartigimod	Argenx	Phase II	Anti-FcRn antibody fragment	6.4	217%
LentiGlobin	Bluebird Bio	Phase III	Beta-globin gene therapy	6.1	72%
Elafibranor	Genfit	Phase III	PPAR alpha & delta agonist	5.5	632%
APL-2 Intravitreal	Apellis Pharmaceuticals	Phase III	Complement factor C3 inhibitor	4.6	169%
MGL-3196	Madrigal Pharmaceuticals	Phase II	TRb agonist	3.9	113%
Voxelotor	Global Blood Therapeutics	Phase III	HbS polymerisation inhibitor	3.5	150%
CX-072	Cytomx Therapeutics	Phase II	Anti-PD-L1 probody	3.3	304%
Tipifarnib	Kura Oncology	Phase II	Farnesyl transferase inhibitor	3.2	423%
SPK-8011	Spark Therapeutics	Phase II	Factor VIII gene therapy	3.1	139%
Cusatuzumab	Argenx	Phase II	Anti-CD70 MAb	3.0	101%
Selinexor	Karyopharm Therapeutics	Phase III	XPO/CRM 1 inhibitor	2.9	262%
Waylivra	Ionis Pharmaceuticals	Filed	ApoC 3 antisense	2.8	41%
Pamrevlumab	Fibrogen	Phase II	Anti-CTGF MAb	2.7	54%
Avapritinib	Blueprint Medicines	Phase III	c-KIT & PDGFr D816V inhibitor	2.6	87%
AR101	Aimmune Therapeutics	Phase III	Immunomodulator	2.6	158%

Source: EvaluatePharma.

This year's analysis is also notable in marking the return of sellside appetite for Nash. This therapy area is entering a year of pivotal trial readouts, which include the Resolve-It trial of Genfit's risky asset elafibranor; Madrigal's MGL-3196 has already wowed in phase II.

Meanwhile, sellside enthusiasm for novel technologies in the absence of big biopharma deal making is evident in forecasts for Spark's SPK-8011 and Ionis's Waylivra. The latter could, along with Alnylam's Onpattro, soon find a solo existence difficult commercially; Spark already has Pfizer's backing for a separate asset, SPK-9001.

Similarly, Cytomx counts Bristol-Myers Squibb as a partner for an anti-CTLA-4 probody, and sellside enthusiasm for CX-072 is hard to understand; presumably the prospect of being the 20th anti-PD-(L)1 drug to market does not cut much ice with prospective partners.

Resounding success

Those hoping to learn from the past will note that only two other assets from last year's top 15 were resounding successes: Loxo's larotrectinib attracted an important deal with Bayer, and Avexis was sold to Novartis.

On the other hand a 20% success rate is not bad in biotech, and in a bull market companies can legitimately claim that lack of a partner is not always down to lack of interest.

And of course some of the 2017 entrants are still in play a year later, including Bluebird's Lentiglobin – now boasting an NPV of roughly \$400m per patient treated so far in trials – Karyopharm's selinexor, Aimmune's AR101 and Kura's tipifarnib. The last is particularly surprising as its first filing was refused all the way back in 2005, and it will likely have no composition patents when launched.

Aimmune's peanut allergy competitor Viaskin Peanut, from DBV, still has no partner and is still valued at some \$2.6bn (slightly down on last year), but in the current climate this is no longer enough to put it in the top 15 of biotech's unpartnered assets.

The fact that the top 15 of last year contained such spectacular blow-ups as Incyte's epacadostat, Axovant's intepirdine and Prothena's NEOD001 could give investors pause. Most will hope that 2018's crop does not suffer a similar fate.

Sellside scorecard: the most valuable unpartnered R&D assets in 2017

Product	Company	Aug 2017 NPV (\$bn)	Result
Yescarta	Kite Pharma	7.8	Company bought by Gilead for \$11.9bn
Epacadostat	Incyte	5.9	Trial failed
AndexXa	Portola Pharmaceuticals	2.9	Product launched, but company has disappointed
Viaskin Peanut	DBV Technologies	2.7	Still in play
Intepirdine	Axovant Sciences	2.6	Trial failed
AVXS-101	Avexis	2.5	Company bought by Novartis for \$8.7bn
MPC-150-IM	Mesoblast	2.4	Still in play
LentiGlobin	Bluebird Bio	2.3	Still in play
Brexanolone	Sage Therapeutics	2.1	Still in play
Selinexor	Karyopharm Therapeutics	2.1	Still in play
NEOD001	Prothena	1.9	Trial failed
LN-144	Iovance Biotherapeutics	1.8	Still in play
AR101	Aimmune Therapeutics	1.7	Still in play
Tipifarnib	Kura Oncology	1.7	Still in play
Larotrectinib	Loxo Oncology	1.6	Licensed to Bayer for \$400m up front

Source: EvaluatePharma.

[More from Evaluate Vantage](#)

Evaluate HQ
[44-\(0\)20-7377-0800](tel:44-020-7377-0800)

Evaluate Americas
[+1-617-573-9450](tel:+1-617-573-9450)

Evaluate APAC
[+81-\(0\)80-1164-4754](tel:+81-080-1164-4754)

