

Novocure's new partner takes it to China



[Elizabeth Cairns](#)

The \$15m up front Novocure received from Zai Lab for a Chinese licence to [its Optune device](#) is less important than the strategic advantages the deal produces. Zai Lab will pay a 10-15% royalty on Chinese sales of the device, which is already approved in Europe, the US and Japan for glioblastoma. Zai Lab will help accelerate China-based trials in other cancers - Optune is in phase III trials in pancreatic and non-small cell lung cancers, and a phase III pivotal study in ovarian cancer is planned for later this year. Zai Lab will also start a Chinese phase II trial of the device in gastric cancer. Wells Fargo analysts say that Optune's approval in mainland China is likely in the second half of next year. The product is expected to be priced more cheaply in China than in the US, where it goes for \$21,000, but since the Chinese glioblastoma market is three times the size of the US opportunity it could still do well. With Zai Lab on side Novocure could break the \$1bn sales mark ahead of the currently forecast date of 2023.

Novocure' forecast sales

| Segment | WW annual sales (\$m) | | | | | | | CAGR |
|-------------------------|-----------------------|------|------|------|------|-------|-------|------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | |
| Glioblastoma multiforme | 377 | 531 | 675 | 799 | 922 | 1,045 | 1,167 | +21% |
| Brain metastases | - | - | - | 25 | 51 | 77 | 104 | N/A |
| Total company revenues | 377 | 531 | 675 | 824 | 973 | 1,122 | 1,271 | +22% |

Source: EvaluateMedTech.

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