

Johnson & Johnson sets new standard for hep B dealmaking



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Data from eight patients were seemingly enough for Johnson & Johnson to part with \$250m today for ARO-HBV, Arrowhead Pharmaceuticals's RNAi project for hepatitis B. The New Jersey-based big pharma signed over \$175m in cash and made a \$75m investment in exchange for the project plus three additional RNAi therapeutics to be named later. The deal is hugely backend-loaded – it includes \$3.5bn of milestones – perhaps suggesting that J&J might not have all that much faith in the asset; this is likely why Arrowhead's shares were down 12% in early trading today. *EvaluatePharma's* consensus of sellside analysts credits Arrowhead with \$369m in royalties from ARO-ABV sales, but no firm sales forecasts exist. The data so far suggest that ARO-HBV can suppress serum hepatitis B surface antigen, and Arrowhead expects to report results from more patients at the AASLD meeting in November, perhaps giving J&J an incentive to sign now ([Looking for new mechanisms to cure hepatitis B, September 13, 2018](#)). Arrowhead's rival Arbutus Biopharma now has a figure to strive for in its partnering talks. Six-week data from ARB-1467 will be closely watched to see how they match up.

Selected mid-stage novel hep B projects

Project	Company	Mechanism of action	Ongoing trial(s)	Primary completion
ARO-HBV	Arrowhead	Hep B polymerase RNAi therapeutic	NCT03365947	Reported
ARB-1467	Arbutus Biopharma	Hep B polymerase RNAi therapeutic	Ascending dose study; no trial ID	End 2018
Inarigivir	Spring Bank/ Gilead	RIG1 agonist	NCT03434353, NCT02751996	End 2018
REP 2139	Replicor	Hep B surface antigen inhibitor	NCT02565719	Sep 2018
REP 2165	Replicor	Hep B surface antigen inhibitor	NCT02565719	Sep 2018
IONIS-HBV-LRx	Ionis/Glaxosmithkline	HBV ligand conjugated antisense	NCT03020745	Nov 2018
IONIS-HBVRx	Ionis/Glaxosmithkline	HBV antisense	NCT03020745, NCT02981602	Nov 2018, Dec 2018
ABI-H0731	Assembly Biosciences	Capsid assembly modulator	NCT03576066, NCT03577171	Mar 2019, Apr 2019
GS-9688	Gilead Sciences	TLR 8 agonist	NCT03491553, NCT03615066	Apr 2019, Oct 2019
JNJ-6379	Johnson & Johnson	Capsid assembly modulator	NCT03361956	Oct 2019
Myrcludex B	Myr Pharma/ Hepatera	Viral entry inhibitor	NCT02888106	Dec 2019

Source: *EvaluatePharma*.

