

Sanofi's third Translate collaboration sees big bucks at last



[Jacob Plieth](#)



The deal-hungry French big pharma gives Translate's mRNA vaccine technology a massive boost.

When in March a Covid-19 vaccine deal between Sanofi and Translate Bio included no up-front fee some eyebrows were raised. Doubts over Sanofi's commitment were surely blown away today when a broad new transaction between the companies saw the senior partner hand across \$300m on signing, plus \$125m for a 7% equity stake in Translate.

Today's tie-up has a broad focus on developing mRNA vaccines for infectious diseases, including Covid-19 and beyond. The deal effectively formalises and updates the first collaboration between the companies, struck back in 2018, before Translate was a Nasdaq-listed entity.

That 2018 deal had an initial three-year term, and included \$45m up front, with a focus on mRNA vaccines for up to five undisclosed infectious disease pathogens. The March pact added one year to the timeline and Covid-19 to the focus; a lead vaccine is to enter human trials in the fourth quarter.

Closer ties

Now Sanofi has seen enough to focus those earlier efforts in a transaction that ties it closer still to its partner.

However, little has been disclosed about the assets involved. In addition to the Covid-19 vaccine Sanofi singled out work on an influenza candidate now in preclinical trials, saying this should enter the clinic in mid-2021. Other mRNA vaccines in the works target "another viral pathogen and a bacterial pathogen".

At close of play yesterday Translate was trading a modest 25% above its mid-2018 IPO price. With the equity stake Sanofi is buying priced at a 50% premium the stock this morning surged 54%, giving Translate a \$1.6bn market cap.

Some might ask why, if Translation's approach is so promising, Sanofi has not simply bought out its partner.

Coronavirus

While the new deal clearly has a broad, largely undisclosed focus, investor attention will no doubt continue to fall on efforts to tackle the new coronavirus.

A clinical trial for a Covid-19 vaccine might not be starting until late this year, but the project is being fast-tracked for a possible launch in the second half of 2021, assuming positive data, Sanofi said today. The group also highlighted Translate's established mRNA manufacturing, which could have capacity to supply 90-360 million doses a year.

Various technology approaches are being taken to develop a coronavirus vaccine, but mRNA "is considered among the most promising", Sanofi said. One of its advantages is that it can be manufactured more easily than traditional egg-based vaccines, though of course no mRNA vaccine has yet reached the market.

Sanofi and Translate have been working together for years, but they will find themselves behind Moderna, whose Covid-19 mRNA vaccine mRNA-1273 has brought huge amounts of funding and already yielded anecdotal snippets of clinical data ([Moderna reminds the markets of biotech's dual purpose](#), May 19, 2020).

Other companies developing mRNA vaccines against Covid-19 include: Biontech/Pfizer, whose four vaccines coded [BNT162 have entered a volunteer study](#); Arcturus; and Curevac, in which the [German government recently bought a 23% stake](#).

Sanofi today claimed that through Translate it had the only large-scale mRNA manufacturing capacity. Perhaps in time this will allow it to catch up to the sector's leaders.

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