

Bristol and Glaxo's oncology deals vault into the top five



[Amy Brown](#)



Two huge up-front fees this week, for an anti-Tigit MAb and an antibody-drug conjugate, show that early-stage oncology assets are still hot.

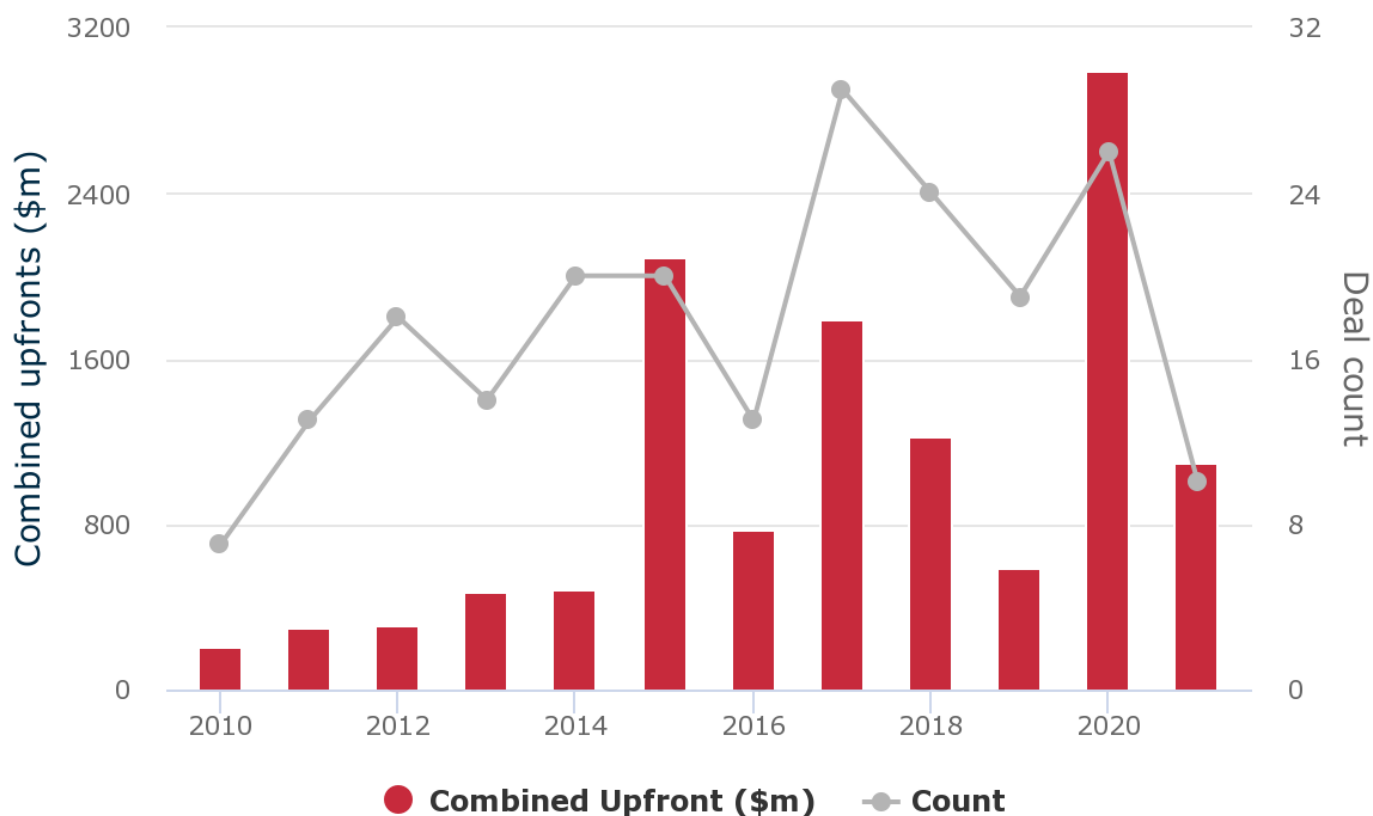
Glaxosmithkline's desire to catch up in oncology helped persuade the company to part with a \$625m up-front fee earlier this week for Iteos's anti-Tigit MAb EOS-448, a huge amount to pay for a single phase 1 project. Proving that cancer is still an incredibly competitive space, Bristol Myers Squibb followed today with a deal over an early-stage Eisai asset, involving \$650m in initial fees.

Phase 1 projects rarely go for such sums, a search of deals database BiosciDB shows, with only one single-asset transaction commanding a bigger up-front fee: Daiichi Sankyo's Trop2 antibody-drug conjugate DS-1062, which cost Astrazeneca \$1bn on signing. That was one of several huge early-stage transactions struck in 2020, a year that saw \$3.6bn in up fronts change hands in deals over phase 1 assets.

The graph below shows that 2020 was a clear outlier, the culmination of a big jump in deal activity over the back half of the last decade. The BiosciDB data point to an uptick in both the volume of licensing deals concerning phase 1 assets and the sums involved. [Today's Bristol and Eisai tie-up](#) means that 2021 is already on track to be another big year.

This analysis only includes deals that contained a disclosed up-front element.

Licensing upfronts for phase I assets



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Surging valuations in oncology have been a big driver behind these numbers. When looking at the top five up-front fees, below, all but one concerns a cancer asset. Today's deal over Eisai's folate receptor α ADC knocked another Bristol deal out of fifth place: last year's licensing of Dragonfly's IL-12 project DF6002, for \$475 up front.

It is important to note that these five transactions are not entirely comparable; Abbvie's deal, on top of the three named projects, also involved a discovery research collaboration with Genmab. But this makes the sums paid for single projects all the more remarkable.

An interesting aside is that Biogen's deal with Denali is the last of three substantial transactions that the big biotech struck in the last two years that is still standing. The other two, the [acquisition of Nightstar](#) and licensing of [Sage's depression assets](#), all but collapsed this week.

A big price tag does not improve a project's chance of success, of course, and all the deals below have some time to run before judgement can be made.

Big early-stage bets				
Buyer	Partner	Lead project(s)	Up-front fee (\$m)	Deal date
Astrazeneca	Daiichi Sankyo	DS-1062 (Trop2 targeted ADC for cancer)	1,000	Jul 2020
Abbvie	Genmab	Epcoritamab, DuoHexaBody-CD37 and DuoBody-CD3x5T4 (cancer bispecifics)	750	Jun 2020
Bristol Myers Squibb	Eisai	MORAb-202 (folate receptor α targeted ADC for cancer)	650	Jun 2021
Glaxosmithkline	Iteos	EOS-448 (Anti-Tigit MAb)	625	Jun 2021
Biogen	Denali	DNL151 (LRRK2 inhibitor for Parkinson's, plus options over other projects)	560	Aug 2020

Source: BiosciDB.

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