

Why Glaxo should buy Biohaven



[Madeleine Armstrong](#)



And four other potential targets that could make sense for the beleaguered group.

Biohaven showed yesterday that not all launches by small companies end in disaster. And [impressive second-quarter sales](#) of its oral migraine therapy, Nurtec ODT, will only have increased speculation that the group could be a takeover target.

One company that might do well to consider buying Biohaven is Glaxosmithkline, which needs some fresh blood to placate the activist investor Elliott Management. Biohaven would be a good fit with Glaxo's primary care focus, and the UK group already has a presence in migraine with the triptan Imitrex. However, having doubled in value in the past 12 months, Biohaven might now be considered too expensive.

Glaxo could still afford to digest Biohaven, but the question is whether it would be worth it: Nurtec ODT's net present value, as calculated by *Evaluate Omnium*, is \$3bn, versus Biohaven's market cap of \$7bn. Still, Glaxo has shown before that it is open to controversial deals; witness [the acquisition of Tesaro](#), which now appears to be paying off.

mRNA M&A?

If not Biohaven, what other groups might tempt Glaxo? The company has made no secret of its desire to pursue mRNA vaccines, and the only real option here is Germany's Curevac. The companies are already working together on a multi-valent Covid-19 vaccine and a flu jab, with plans also to develop a universal flu vaccine.

Competition is already shaping up to be fierce, with Moderna and Sanofi/Translate Bio recently taking flu candidates into the clinic.

However, the German government's stake in Curevac could prevent a buyout. Furthermore, there are now doubts about the group's technology following [poor results with its first-generation Covid-19 vaccine](#). Curevac's stock has plunged, but the group is still not cheap.

Perhaps surprisingly, there might be some better bargains to be had in oncology, an area in which Glaxo wants to build a presence.

What could Glaxo buy next?

Company	Area	Notable product/project & status	Market cap
Curevac	mRNA vaccines	CVnCoV, ph2/3 data reported	\$11.2bn
Biohaven	CNS	Nurtec ODT, approved for prevention & treatment of migraine	\$7.3bn
Turning Point Therapeutics	Oncology	Repotrectinib, ph2 data reported	\$3.5bn
Adaptimmune	Oncology	Letetresgene-autoleucel, ph2*	\$624m
Alpine Immune Sciences	Oncology	ALPN-202, ph1 data reported	\$206m

*Partnered with Glaxo. Source: Evaluate Pharma.

A takeout of Turning Point Therapeutics would give Glaxo the Ros1/NTRK-targeted project repotrectinib and set up a battle with Roche and Pfizer. [Updated data from the Trident-1 trial](#) of repo, presented in January at the World Lung meeting, might have addressed [concerns about durability](#); however, patient numbers are still small.

Less expensive still are Adaptimmune and Alpine Immune Sciences. Glaxo already has a deal with the former over the NY-ESO-targeting T-cell receptor therapy letetresgene-autoleucel, which received a vote of confidence recently when [Glaxo discontinued another NY-ESO asset from Immunocore](#).

What is more, [data presented at Asco suggested](#) that Adaptimmune has found a way around toxicity previously seen with its lead solo project, afamitresgene autoleucel, positioning this to become the first approved engineered TCR therapy.

Alpine, meanwhile, is the only small group with an unpartnered clinical-stage CD28-targeting asset - [a mechanism on which Regeneron is going big](#).

As for other areas of interest for Glaxo, infectious diseases is an obvious one given the success of the group's HIV joint venture, Viiv. A functional cure for hepatitis B is the next frontier in infectious diseases; however, here Glaxo is collaborating with Ionis, a takeout of which seems unlikely given its various other big pharma partners.

Of course, Glaxo could go off piste, and it is notable that its [most recent deal, with Alektor](#), came in neurodegenerative diseases, not an area where it has existing expertise.

With Glaxo [highlighting business development](#) as a top priority during its recent investor day, the group will likely be striking more deals soon. Who's next?

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