

## Sanofi Translates its mRNA interest into big bucks



[Madeleine Armstrong](#)



### **Sanofi's \$3.2bn move for Translate Bio leaves Arcturus as one of the few affordable independent mRNA players.**

Try before you buy: that seems to be Sanofi's motto. The French group, which has been working with the mRNA specialist Translate Bio since 2018, finally acquired its partner today for \$3.2bn.

A look at Sanofi's other recent purchases shows this pattern playing out several times. However, unlike some of these deals, buying Translate seems like a no-brainer. The group is relatively cheap compared with many of the other mRNA players, and there is a growing belief that this technology will be the next big thing in vaccines, and not just those for Covid-19.

The deal will make Sanofi the only large vaccine player with a wholly owned mRNA platform in house, Leerink analysts noted, although other big hitters like Pfizer and Glaxosmithkline already have high-profile partners. With Translate now off the scene, Arcturus Therapeutics, with a market cap of around \$900m, now looks like the only affordable mRNA player.

#### **mRNA revolution?**

Sanofi has no doubt been tempted by mRNA's potential to revolutionise the vaccine space, partly through the ability to develop and scale up new shots rapidly, as seen during the pandemic.

The coronavirus has helped validate mRNA, but the question now is whether impressive results in Covid-19 will translate across other infectious diseases, and indeed whether mRNA can move into areas such as oncology, which is surely where big money lies.

Following disappointing efficacy with Curevac's Covid-19 vaccine there are also [questions about the unmodified mRNA approach](#), which Translate also employs. Moderna and Pfizer/Biontech's jabs use modified mRNA.

Still, Sanofi's bet looks reasonable. Given the potential advantages of mRNA vaccines over traditional approaches, arguably any vaccine player without mRNA technology risks getting left behind.

Perhaps Sanofi could have pulled the trigger sooner and saved itself some money, particularly as it has been familiar with Translate for so long. The groups' [initial 2018 deal](#) covered five undisclosed infectious diseases; in March 2020 the companies teamed up to develop a Covid-19 vaccine, [before expanding their agreement later that year to include all infectious diseases](#).

After Covid-19, the most immediate focus is flu, where a [candidate recently entered phase 1](#). Leerink analysts have speculated that a respiratory syncytial virus project could also be in the works.

Outside infectious diseases, Translate is developing therapeutics for lung and liver diseases, but there are big question marks about this approach after the group's [inhaled mRNA against cystic fibrosis flunked a phase 1/2 trial](#). Translate has switched to a next-generation project, but this is still at the preclinical stage.

And if delivering mRNA to the lungs is a dead end, this would wipe out half of Translate's pipeline.

### Covid latecomer

Translate and Sanofi have also been slow in developing their Covid-19 shot despite their early start: the project, called MRT5500, is only just in phase 1/2, with results expected this quarter.

Perhaps being behind the likes of Pfizer/Biontech and Moderna does not matter: the pandemic is not going to last forever, and Sanofi is betting on the long-term promise of mRNA.

It is not the only big pharma to do so. Pfizer talked up its mRNA platform during its earnings call last week, [although it is unclear whether future projects will involve its Covid-19 partner, Biontech](#). Glaxosmithkline has also waxed lyrical about the potential of mRNA, and is working with Curevac on a multivalent Covid-19 vaccine and a flu jab, with further plans to develop a universal flu vaccine.

Moderna and Biontech, too, will make formidable competitors. These are too big to be bought out now, boasting valuations of \$139bn and \$82bn respectively. Perhaps some larger groups might now be taking a look at Arcturus.

### Sanofi's recent acquisitions

Target	Sector	Value	Date announced	Note
Translate Bio	mRNA vaccines & therapeutics	\$3.2bn	Aug 2021	Partnered on infectious diseases vaccines since 2018
Tidal Therapeutics	mRNA to reprogramme immune cells	\$160m upfront & \$310m milestones	Apr 2021	
Kymab	Autoimmune diseases	\$1.1bn upfront & \$350m milestones	Jan 2021	
Kiadis Pharma	NK cell therapy	\$358m	Nov 2020	Sanofi licensed Kiadis project in Jul 2020
Principia Biopharma	Autoimmune diseases	\$3.7bn	Aug 2020	Sanofi licensed Principia project in 2017
Synthorx	Immuno-oncology	\$2.5bn	Dec 2019	

Source: Evaluate Pharma.

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