

Cancer continues to dominate deal making



[Edwin Elmhirst](#)



Since 2016 drug developers have spent \$23.6bn in-licensing cancer projects, almost half of the sector's up-front bill.

A recent *Evaluate Vantage* analysis [detailed a booming licensing deal scene](#), with up-front costs jumping markedly over the last couple of years. A new cut of the data by therapy area shows where that money has been going: to cancer mostly, with therapies for orphan diseases and central nervous system conditions the other big draws.

Nothing comes close to oncology, however. The \$23.6bn spent since 2016 on cornering cancer projects accounts for almost half of the sector's total up-front bill, with orphan projects coming second with a 16% share of the pot, or \$8.6bn in cash terms. And the biopharma sector remains a motivated buyer, the first-half stats on licensing deals show.

The biggest therapy areas by up-front fees	
Disease area	Total up fronts (2016-H1'21)
Cancer	\$23.6bn
Orphan diseases	\$8.6bn
Central nervous system	\$3.0bn
Infectious-viral	\$2.4bn
Autoimmune/inflammatory	\$2.0bn
Total	\$54.1bn

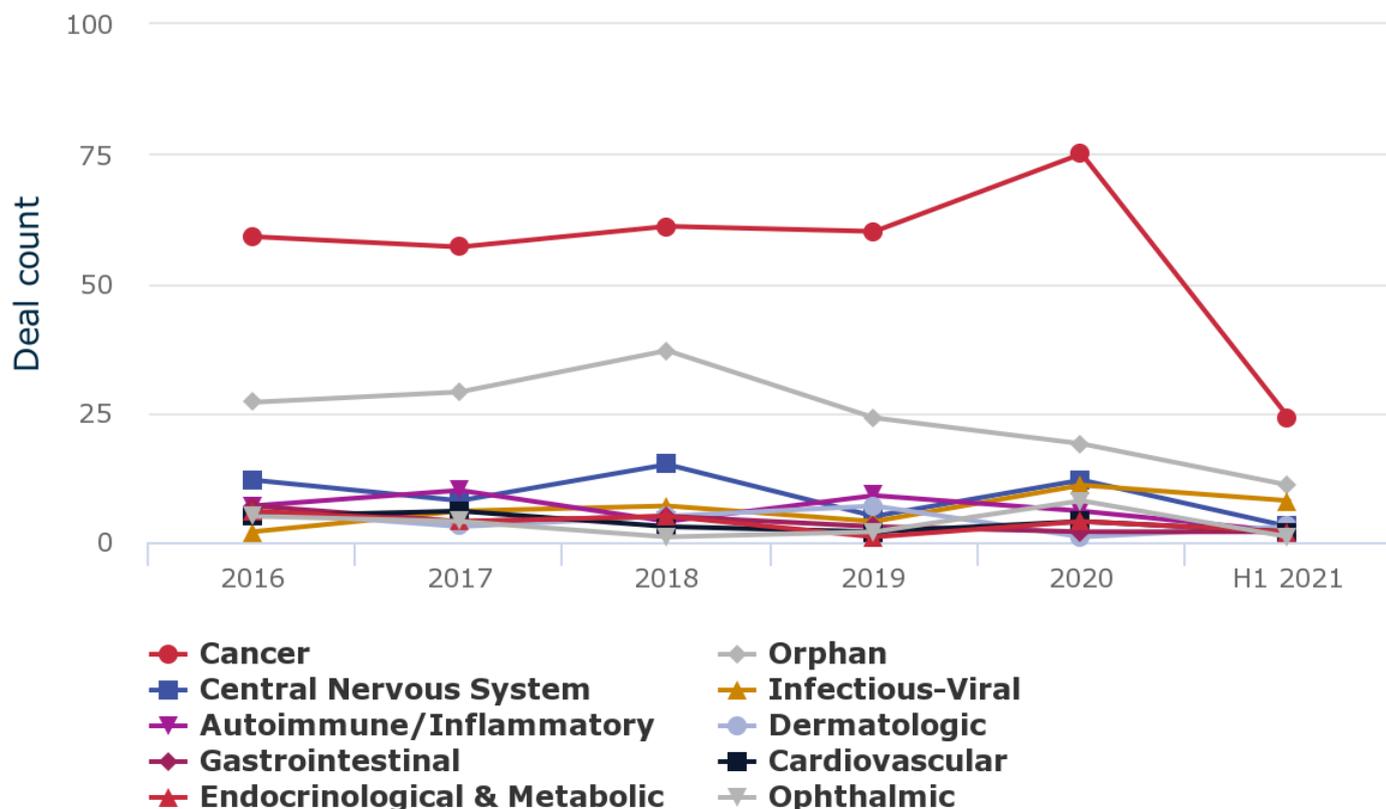
Source: BioSciDB.

These data, collated by BioSciDB, exclude collaborations involving medical devices and diagnostics. They also concern only licensing deals with a disclosed up-front value and a dominant therapeutic focus. This means the total volume of licensing deals in any year, including those that do not disclose terms, is likely to be at least three times higher than indicated here.

The interactive chart below details the 10 largest therapy areas in terms of deal count over the five and half

years of this analysis. Fields just outside this tally include psychiatric, which has seen activity tick up more recently; 2020 was that therapy area's largest year for some time with six deals, including sizeable collaborations between [Biogen and Sage](#) and between [Takeda and Neurocrine](#).

Licensing deal counts by



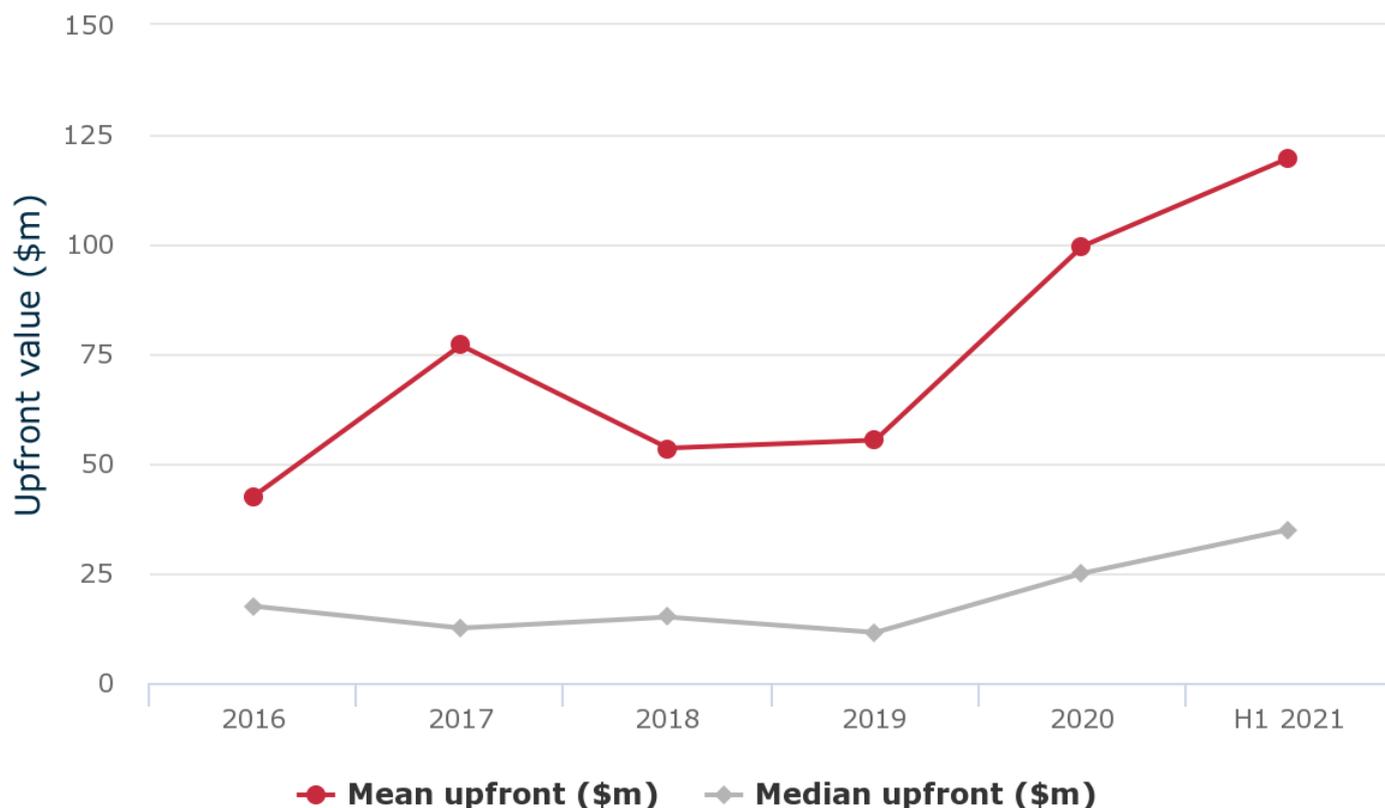
BiosciDB

Cancer's dominance is clear, and more deals should be expected this year, if recent activity is anything to go by. Demand for projects addressing rare diseases seems to have ticked down from 2018's peak, although trends are harder to call out when numbers are smaller.

A spike in interest in antiviral assets last year is apparent, with Covid-19 providing the reason for this. Activity in this area has remained high in 2021, with the number of deals at the half-year stage already higher than pre-pandemic times.

The volume of cancer deals struck allows for a more granular look at these transactions, and the chart below shows how up-front payments have increased since 2016, on both mean and median measures. These numbers refer only to these initial fees; total deal values, which include milestones payments and royalties that might never be paid out, are not considered.

The climbing cost of buying in cancer assets



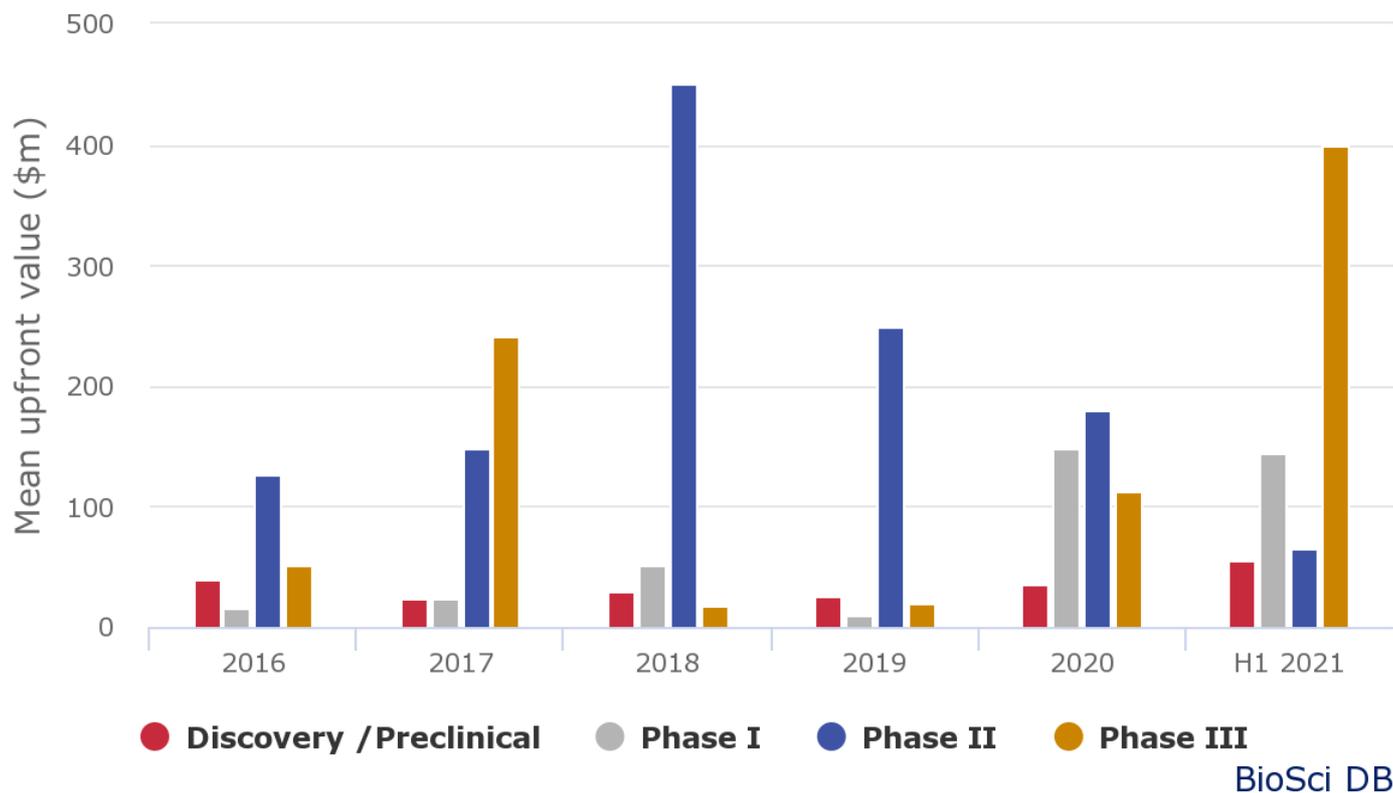
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Price inflation seems to have accelerated this year, although a full year's worth of data is needed to more reliably conclude this. The 2021 numbers are skewed by a handful of huge up fronts which include the \$650m that [Novartis paid for Beigene's checkpoint inhibitor tislelizumab](#); [Glaxosmithkline's \\$625m Tigit deal with Iteos](#); and [Bristol Myers Squibb's \\$450m purchase of an Eisai antibody-drug conjugate](#).

That first deal explains why the mean up-front cost of a phase 3 cancer asset leapt this year - the chart below shows that in most years phase 2 projects are, on average, more expensive. Prices have also travelled higher in earlier-stage deals, inflation that is not confined to oncology ([Bristol and Glaxo's oncology deals vault into the top five, June 18, 2021](#)).

Overall, this analysis suggests that climbing price tags have not tarnished biopharma's desire to in-license innovation from elsewhere. While the financing climate remains strong, this will remain a seller's market.

Mean cancer-focused licensing upfronts by phase



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