

Turning Point and Libtayo steal some pre-Asco thunder



[Jacob Plieth](#)



On the eve of Asco two deals show that the current biotech market malaise might be focusing some chief executives' minds.

Last year Turning Point's valuation peaked at around \$6.5bn. Also last year Sanofi's chief executive, Paul Hudson, famously declared that Libtayo was in a position to challenge Merck & Co's Keytruda in its most important use, front-line non-small cell lung cancer.

But the era of hype is over, to be replaced by a mood of austere reality: Turning Point was today snapped up by Bristol Myers Squibb for \$4.1bn, a day after Sanofi ceded control of Libtayo to its partner Regeneron for just \$900m up front. It seems that management teams are accepting the inevitable - something essential to ensuring that deals can still happen.

This is not to say that Bristol is necessarily getting a bargain with Turning Point, even at \$4.1bn. The target company's lead asset, repotrectinib, is vying for a slice of a small and apparently already competitive niche of the NSCLC market - Ros1-mutated disease.

Durability

Still, it is possible that recent repotrectinib data focused Bristol's mind. In April Turning Point's project showed remission data comparable with Roche's marketed Ros1 drug Rozlytrek, but with [suggestions of cross-trial superiority in terms of durability of those remissions](#).

Interestingly, Turning Point and Bristol both refer to repotrectinib as an anti-Ros1 and NTRK project - the same mechanistic attributes as Rozlytrek's. They omit its activity at the related tyrosine kinase Alk, which [early papers had cited as a mechanism](#), and which is the separate target of such approved drugs as Xalkori and Alecensa.

Instead, Turning Point's pipeline boasts an early-stage pure Alk-targeting asset, TPX-0131, in phase 1. Whatever the reasons behind this subtle shift, Bristol is buying into not just repotrectinib but also Turning Point's broader expertise in targeted cancer drugs, including assets against Met, Ret, Kras G12D and Claudin18.2 (through a [recent deal with Lanova](#)).

NSCLC therapy landscape for Alk & related mutations

Project	AKA	Company	Target	Status/study
Approved				
Xalkori	Crizotinib	Pfizer	Alk & Ros1	Approved for Alk+ or Ros1+
Zykadia	Ceritinib	Novartis	Alk	Approved for Alk+
Alecensa	Alectinib	Roche	Alk	Approved for Alk+
Alunbrig	Brigatinib	Takeda	Alk	Approved for Alk+
Lorbrena	Lorlatinib	Pfizer	Alk	Approved for Alk+
Rozlytrek	Entrectinib/ RXDX-101	Roche (ex Ignyta)	Ros1 & NTRK	Approved for Ros1+ & NTRK+
Vitrakvi	Larotrectinib/ Loxo-101	Bayer/Lilly (ex Loxo)	NTRK	Approved for NTRK+ (tumour agnostic)
Investigational				
Repotrectinib	TPX-0005	BMS (ex Turning Point)	Alk, Ros1 & NTRK	Trident-1 (filing due 2022)
SIM1803-1A		Jiangsu Simcere	Alk, Ros1 & NTRK	NCT04671849
Taletrectinib	AB-106/ DS-6051b	Anheart/Daiichi Sankyo	Alk, Ros1 & NTRK	NCT04395677
Sitravatinib	MGCD516	Mirati	NTRK & various others	Sapphire
SAF-189		Fochon Pharmaceuticals	Ros1	NCT04237805
Selitrectinib	Loxo-195	Bayer/Lilly (ex Loxo)	NTRK	NCT03215511
FCN-011		Fochon Pharmaceuticals	NTRK	NCT04687423
PBI-200		Pyramid Biosciences	NTRK	NCT04901806
Ensartinib		Xcovery	Alk	exalt3
TPX-0131		BMS (ex Turning Point)	Alk	Forge-1
<i>Source: company filings.</i>				

And, however unproven the Ros1 opportunity is, sellside enthusiasm has resulted in repotrectinib [featuring among biotech's biggest unpartnered assets](#). Its 2028 consensus forecast sales of \$895m, according to *Evaluate Pharma*, will of course also include the tumour-agnostic indication of NTRK-mutated cancers.

Libtayo

Meanwhile, Sanofi relinquishing control of Libtayo yesterday looks like an acceptance that the French group missed the boat in PD-(L)1 inhibition – notwithstanding [Mr Hudson's earlier bluster](#).

For \$900m up front, plus a \$100m milestone and an 11% royalty – terms Wells Fargo analysts reckon amount to a \$2.7bn deal value – rights now pass from Sanofi to Regeneron. The two companies had collaborated on Libtayo's development since 2015, and on the discovery of other antibodies for many years before that.

But the discovery deal expired in 2017 without being extended, and Sanofi sold off its \$13bn equity stake in Regeneron two years ago. Yesterday's deal seems a logical extension of those moves; Sanofi is known to be keen on new business development, and perhaps Regeneron offered it a sum it could not turn down.

Indeed, however much hype Sanofi had whipped up around Libtayo, Regeneron stock fell 4% yesterday. Investors see Regeneron as overpaying, and some on the sellside agree: Wells Fargo analysts wrote in a note to clients that they did not like the deal, saying Libtayo was still a “show-me story”, and that Regeneron would now be less attractive as a buyout target.

Such considerations are important given that Regeneron is one of the few biotechs to have weathered the market downturn well.

Libtayo global forecast sales by indication (\$m)

	2021	2022e	2023e	2024e	2025e	2026e	2027e	2028e
NSCLC	49	207	421	643	873	1,099	1,305	1,460
Squamous cell carcinoma	384	427	484	531	566	608	650	694
Basal cell carcinoma	26	71	95	116	135	153	169	186
Total	459	705	999	1,290	1,575	1,861	2,124	2,340

Source: Evaluate Pharma sellside consensus.

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