

Roche deal fails to Repair the licensing scene



[Madeleine Armstrong](#)



Few sizeable transactions have emerged so far this year, with small licensing deals looking like the norm.

Roche's move for Repare Therapeutics' cancer candidate camonsertib earlier this month was quickly eclipsed by [Bristol Myers Squibb's \\$4.1bn purchase of Turning Point](#) and the Asco meeting. However, the \$125m signing fee that Repare received was the fourth-largest up-front payment that 2022 has seen so far, according to an analysis by *Evaluate Vantage*.

The biggest was the \$300m that Gilead handed over to Dragonfly, showing how this year has yet to see a really sizeable "blockbuster" licensing transaction, based on the up-front sums at least. The acquisition scene has also been quiet, and it does not look like licensing is picking up the slack.

Going early and small is perhaps a sign of the times, as biopharma waits for tumbling valuations to hit a floor. Even the once-hot area of gene editing does not seem to be able to command big bucks any longer: just outside the top 10 are Sarepta's deal with Genedit and [Bayer's tie-up with the next-gen Crispr player Mammoth](#), at \$57m and \$40m respectively.

By putting on lots of small bets, big pharma is hoping to make something stick. And, in any case, paying out more for late-stage assets does not guarantee success. This was neatly illustrated by Novartis, which opted to license Molecular Partners' Covid project ensovibep, paying this year's second-largest up-front just months before the [FDA asked for a phase 3 study to support emergency use authorisation](#)

Top 10 licensing deals of 2022 so far*

Licenser	Deal partner	Up-front value	Total value	Details
Gilead	Dragonfly	\$300m	Undisclosed	Gilead to develop DF7001, a 5T4-targeting NK cell engager for solid tumours, plus options on additional programmes
Novartis	Molecular Partners	\$162m (Sfr150m)	Undisclosed	Novartis to develop ensovibep as Covid therapy
Sanofi	IGM Biosciences	\$150m	\$6.2bn	Collaboration on IgM antibody agonists against 3 oncology targets and 3 immunology/inflammation targets
Roche	Repare Therapeutics	\$125m	\$1.3bn	Roche to develop camonsertib, ATR inhibitor, in cancer
Bristol Myers Squibb	Century Therapeutics	\$100m (plus \$50m equity)	\$3.2bn	Collaboration on up to 4 iPSC-derived NK/T-cell programmes in cancer
Sanofi	Exscientia	\$100m	\$5.3bn	Collaboration on 15 novel small molecules for cancer/immunology using Exscientia's AI tech
Bristol Myers Squibb	Bridgebio	\$90m	\$905m	Bristol to develop BBP-398, a Shp2 inhibitor, in cancer
Pfizer	Biontech	\$75m (plus \$150m equity)	\$425m	Collaboration on mRNA-based shingles vaccine
Sanofi	ABL Bio	\$75m	\$1.1bn	Collaboration on ABL301, bispecific antibody targeting alpha-synuclein and IGF1R, in Parkinson's
Acadia Pharmaceuticals	Stoke Therapeutics	\$60m	\$967m	Collaboration on RNA-based medicines for neurodevelopmental diseases

*As of June 14, 2022; Source: Evaluate Pharma & company announcements.

In the wake of some expensive M&A moves that are looking like flops, Gilead is perhaps treading more cautiously now. Still, the deal over Dragonfly's preclinical NK cell engager DF7001 is far from cheap.

Sanofi, meanwhile, has stepped up its deal-making activity, appearing three times in the table above. The French group has had [limited success from its M&A efforts so far](#), although it still seems keen to put the cash from its Regeneron stake sale to work.

Combo, not mono?

As for Roche, it is now in charge of camonsertib (RP-3500), a small-molecule ATR inhibitor being tested in cancers with synthetic lethal genomic alterations.

Camonsertib monotherapy [has failed to impress](#), but Stifel analysts have noted that a combination with Parp inhibitors could provide a path forward - adding that Roche has presumably seen combo data.

At least the deal is relatively affordable from Roche's standpoint, and hefty milestones will only kick in if camonsertib defies expectations and becomes a success.

Bristol Myers Squibb has been similarly cautious in its step into Shp2 inhibition, another mechanism that has so far failed to live up to expectations.

In cases such as these, perhaps small and early is the sensible way to go.

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Evaluate HQ

44-(0)20-7377-0800

Evaluate Americas
+1-617-573-9450

Evaluate APAC
+81-(0)80-1164-4754

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