Evaluate Vantage

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Private takeouts squeezed, and here comes Gilead

Amy Brown

Evidence is mounting that small public developers are finally accepting the new valuation realities – see Amgen's move on Chemocentryx today – but there are signs that the private world is also feeling the pinch. As SVB pointed out in its latest report on investment trends, venture-backed groups' static valuations, which are based on their last financing round, could make them less open to low-ball offers than listed developers trading at recently depressed prices. The first half of 2022 was very quiet, with only two private M&A deals, which seems to bear this out. Both happened at lower multiples than the 3x-4x that venture funds like to see, SVB said. There was potentially good news for venture backers today then with Gilead's $405m move on Mirobio, a UK startup that was only founded in 2019. *Evaluate Vantage* could not dig out Mirobio's post money valuation after its $97m series B in June, but given their quick exit the group's investors cannot be too displeased. Mirobio garnered "considerable interest from several parties", the company told *Vantage*, a factor that might have pushed up the price. The developer, which is working on checkpoint agonists for autoimmune conditions, had raised $131m in total.

Venture-backed buyouts - feeling the pinch?			
Deal	**Terms**	**Target's last post-money valuation**	**Implied takeout multiple**
GSK-Affinivax	$2.1bn up front and $1.2bn milestones	$1.1bn (mid 2021)	x2
Pfizer-Reviral	Up to $525m (includes undisclosed milestones)	$203m (mid-2020)	x2
Gilead-Mirobio	$405m	?	?
Source: SVB Mid-Year 2022 report & Pitchbook.			

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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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