

## Snippet roundup: Infinity sells duvelisib, Celldex buys Kolltan and Zimmer Biomet has supply woes



[Edwin Elmhirst](#)

Welcome to your weekly roundup of EP Vantage's snippets – short takes on smaller news items.

This week, October 24-28, 2016, we had thoughts on the following: from Infinity to zero, PI3K valuations plumb new depths; Celldex pins revival hopes on Kolltan tie up; Zimmer Biomet rattled by supply chain; Sanofi's Halloween weekend seriously lacking in treats; Now worth just \$5m: another reason for PI3K fans to scream with terror.

### From Infinity to zero, PI3K valuations plumb new depths

**November 2, 2016**

If you thought that after Monday's sale of Roche's RG7666 to Novogen for just \$5m up front the prices of PI3K inhibitors could not fall any further you would have been wrong. Step forward Infinity Pharmaceuticals, which today offloaded duvelisib – the asset initially licensed to but then abandoned by Abbvie – to Verastem in a deal with no up-front fee at all. This could bode ill for a key PI3K pipeline asset, TGR-1202, which is still unpartnered and in the hands of TG Therapeutics. True, TG bulls can still cling to the fact that, unlike duvelisib and RG7666, TGR-1202 is a pure PI3K-delta inhibitor, a fact it shares with Incyte's INCB50465. And to be fair, PI3K-delta-specific inhibitors have a chance of avoiding the toxicity that reduced the only approved PI3K inhibitor, Gilead's Zydelig, to a bystander. However the value of this once-promising drug class has taken yet another serious knock.

Selected PI3K inhibitor licensing deals

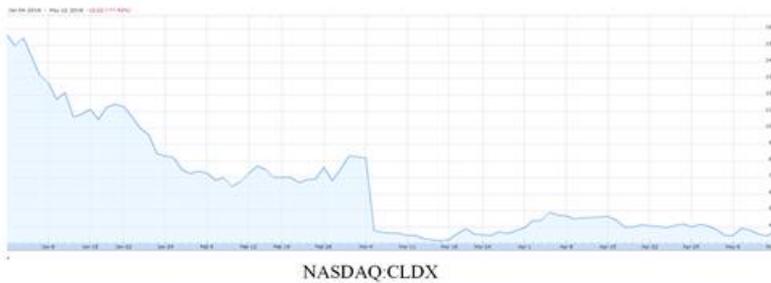
Project	Company	Licensed to	Date	Up-front (\$m)	Total deal value (\$m)
Duvelisib	Infinity	Abbvie*	3 Sep 2014	275**	805
RG7666	Roche	Novogen	31 Oct 2016	5	Not disclosed
Duvelisib	Infinity	Verastem	2 Nov 2016	0	28

Notes: \*deal terminated 28 June 2016; \*\*Infinity also assumed an R&D funding obligation.

### Celldex pins revival hopes on Kolltan tie up

**November 2, 2016**

Celldex Therapeutics is attempting to rise from the ashes, after its painful fall from grace, with a takeout of Kolltan Pharmaceuticals, which could value the private company at up to \$235m. Celldex needed to do something after its lead, rindopepimut, imploded in March by failing to outperform placebo in the Act IV trial. Kolltan too has had its own disappointments to nurse, failing to get an IPO away, withdrawing its filing in January 2015 without explanation. As such, the stock and earnout deal with Celldex is a neat way for Kolltan shareholders to get that elusive listing. It is anybody's guess how the two will fare together. Kolltan's pipeline is very early, with one of the more interesting assets being a Her3 antibody licensed from AstraZeneca in 2013. A plan to explore combinations of the two's portfolio, including Celldex's varlilumab and Kolltan's KTN0158, is certainly in step with the current fashions in immuno-oncology. If this strategy comes off Kolltan shareholders might have a chance of seeing some of the \$172.5m in future payments promised as part of the \$235m deal.



## Zimmer Biomet rattled by supply chain

**November 1, 2016**

It takes time for a company to absorb a large acquisition, and that can have consequences. Zimmer Biomet has posted a profit warning after difficulties in integrating its supply networks meant it could not keep up with demand for products including artificial hips and knees. Zimmer said its full-year 2016 revenue would hit \$7.63-\$7.65bn rather than the \$7.68-\$7.72bn it had previously forecast; investors showed their disappointment by sending its shares down 14%. The company pledged to fix the supply chain issues, but said this could take several months, and the problems would therefore continue to depress sales in the coming quarter and even into the first quarter of next year. Third-quarter sales did not actually fall, at least: at \$1.83bn they were 4% higher than in Q3 2015, thanks to better-than-expected sales from its sports, extremities and trauma division.

Zimmer Biomet: currently number one in both hips and knees

Hip replacement				Knee replacement			
Company	WW sales (\$m)			Company	WW sales (\$m)		
	2015	2022	CAGR		2015	2022	CAGR
Zimmer Biomet	1,537	2,096	5%	Zimmer Biomet	2,277	3,284	5%
Johnson & Johnson	1,332	1,701	4%	Stryker	1,403	1,907	4%
Stryker	1,263	1,554	3%	Johnson & Johnson	1,496	1,846	3%

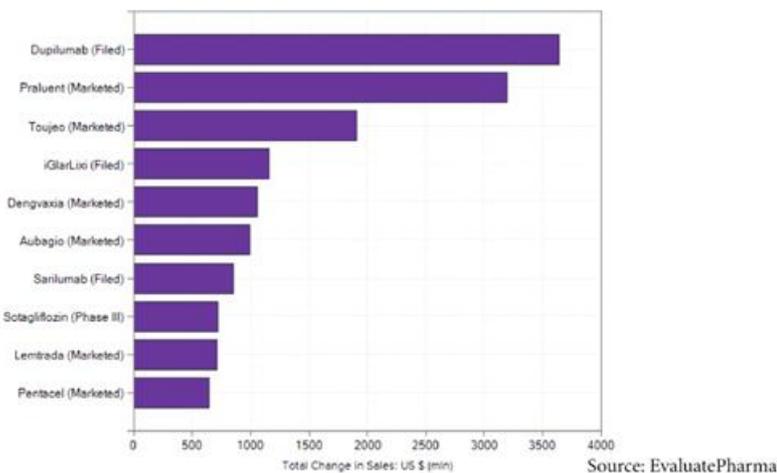
Source: EvaluateMedtech as of 31/10/16

## Sanofi's Halloween weekend seriously lacking in treats

**October 31, 2016**

The fact that Sanofi's hopes for sarilumab were dealt a blow owing to manufacturing issues has a ring of irony about it. It was manufacturing that not only brought Genzyme to its knees, but also enabled Sanofi to snap it up for \$20bn in 2011. Last Friday it looked like Sanofi was continuing to be haunted by the ghost of bad old Genzyme, as the complete response letter Sanofi and Regeneron received for sarilumab was due to problems at a Genzyme Specialty Therapeutics fill-finish site in France. Sanofi is now looking down the barrel of a minimum three-month delay to approval. This in itself should represent a relatively minor setback, even if sarilumab is one of the group's biggest growth drivers over the next six years. What will, however, rock the boat is if the manufacturing issues drag on, an outcome Leerink analysts believe could hit the timing of approval for dupilumab, Sanofi's most valuable pipeline asset, conjuring up a real nightmare scenario.

Sanofi Growth Drivers: Change in Product Sales from 2015 to 2022



## Now worth just \$5m: another reason for PI3K fans to scream with terror

**October 31, 2016**

The damp squib that Gilead's Zydelig became has had analysts questioning the value of PI3K inhibition for some time, and today's deal between Roche and the tiny Australian group Novogen shows that the writing is on the wall. This is because Roche, arguably the world's most important oncology player, has let its PI3K-targeting asset RG7666/GDC-0084 go for a mere \$5m up front, to a micro-cap biotech without a significant cancer presence. As well as licensing RG7666 Novogen has paid Aus\$2.1m for a private neuro-oncology company called Glioblast, which it says will support development of the Roche asset. Companies including Infinity Pharmaceuticals and TG Therapeutics are have an increasingly tough battle on their hands with their PI3K inhibitors in haematological cancers at a time when consensus estimates for 2022 sales of Zydelig have fallen from \$1.3bn two years ago to \$369m currently, according to EvaluatePharma. True, Novogen is positioning RG7666 against glioblastoma, and cites its ability to cross the blood-brain barrier as a distinguishing feature, but EvaluatePharma shows several other PI3Ks that have followed such a strategy, without a major success.

PI3K inhibitors in glioblastoma multiforme

Project	Company	Pharmacology class	Status
Buparlisib	Novartis	PI3K inhibitor	Phase II
Voxtalisisib	Exelixis	PI3K & mTOR inhibitor	Phase I
RG7666/GDC-0084	Roche/Novogen	PI3K inhibitor	Phase I
Carboxyamidotriazole orotate	Tactical Therapeutics	VEGF-1 & PI3K inhibitor	Phase I
Archexin	Rexahn Pharmaceuticals	mTOR, PI3K, PKB/Akt 1 inhibitor	Preclinical
RES-529 Oral	Diffusion Pharmaceuticals	PI3K, mTORC1/C2 & Akt inhibitor	Preclinical
PX-866	Cascadian Therapeutics	PI3K inhibitor	Abandoned - phase II
Pilaralisib	Exelixis	PI3K inhibitor	Abandoned - phase I
ONC-201	Oncalis	PI3K inhibitor	Abandoned - preclinical

Source: EvaluatePharma

These snippets were previously published daily [via twitter](#).

To contact the writers of this story email [news@epvantage.com](mailto:news@epvantage.com) or follow [@EPVantage](#) on Twitter