

Q3 2018—The beat goes on

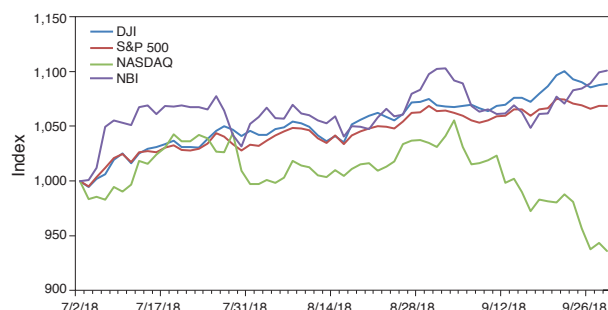
Laura DeFrancesco

The third quarter saw a continuation of recent trends in biotech financing. There was a constant stream of IPOs (except in Europe) and venture capitalists continue to invest more into fewer companies. Valuations of IPOs remain high, even though six of the top ten companies that went

public in the quarter have no data. The biotech NASDAQ index held its own compared to the other indices. The sector in Asia continues to grow, but with the vaccine scandal and growing tension due to tariffs, it displayed some volatility.

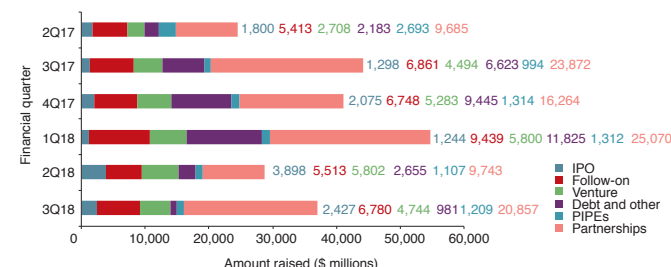
Stock market performance

Biotech stocks ended the quarter on a high note.



Global biotech financing

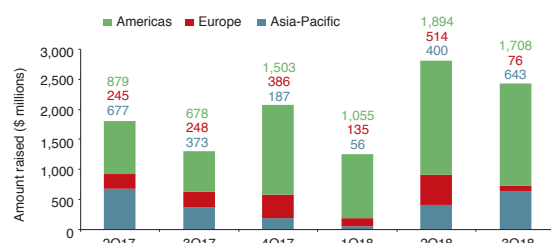
Partnerships up, debt down, overall a robust quarter.



Source: BCiQ: BioCentury Online Intelligence.

Global biotech initial public offerings

IPO market in all regions except Europe remained stable.

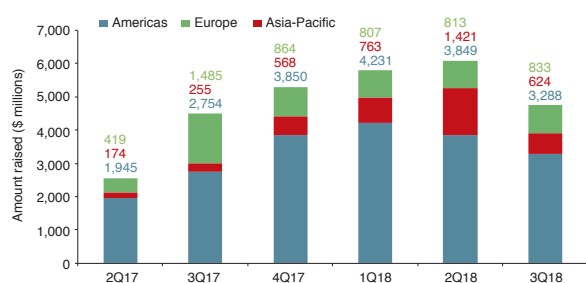


Number of IPOs	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Asia-Pacific	5	5	3	4	4	5
Europe	7	5	6	2	6	1
Americas	10	8	12	11	17	18

Source: BCiQ: BioCentury Online Intelligence.

Global biotech venture capital investment

Venture capital interest in biotech goes on unabated.



Number of financings	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Asia-Pacific	11	8	14	16	20	12
Europe	24	26	32	32	25	27
Americas	73	88	94	105	95	79

Source: BCiQ: BioCentury Online Intelligence.

Notable Q318 deals

IPOs

Company name	Date completed	Amount raised (\$ millions)	Change in stock since offer (as of 10/16/2018)
Ascleptis Pharma	26-Jul	340	-54%
Rubius Therapeutics	17-Jul	277	-23%
Allakos	19-Jul	148	18%
Urovant Sciences	27-Sep	140	17%
Principia Biopharma	13-Sep	122	-22%
Arvinas	26-Sep	120	-4%

Venture capital rounds

Company name	Date completed	Amount raised (\$ millions)	Round number
Samumed	06-Aug	438	A
Gossamer Bio	23-Jul	230	B
Orchard Therapeutics	13-Aug	150	C
Rakuten Aspyrian	23-Aug	150	C
Curon Biopharmaceutical	27-Jul	150	A
Ascentage Pharma Group	17-Jul	150	C
Alector	25-Jul	133	E

Mergers and acquisitions

Target	Acquirer	Value (\$ millions)	Date announced
Syntimmune	Alexion Pharmaceuticals	1,200	26-Sep
Agilis Biotherapeutics	PTC Therapeutics	945	19-Jul
Ziyo	Novo Nordisk	800	17-Aug
Visterra	Otsuka Pharmaceutical	430	11-Jul
CeleneX	Amicus Therapeutics	377	20-Sep
Zavante Therapeutics	Nabriva Therapeutics	125	24-Jul

Deals

Researcher	Investor	Upfront cash (\$ millions)	Deal description
GlaxoSmithKline	Roivant Sciences	200	GlaxoSmithKline grants Roivant Sciences' Dermavant Sciences dermatology unit rights worldwide, excluding China, to tapinarof (GSK2894512, WBI-1001) to treat atopic dermatitis and plaque psoriasis
Exact Sciences	Pfizer	167	Exact Sciences partners with Pfizer to copromote Exact's Colguard in the US
Galapagos, MorphoSys	Novartis	110	MorphoSys and Galapagos grant Novartis exclusive, worldwide rights to MOR106 to treat atopic dermatitis
Affimed	Roche/Genentech	96	Affimed partners with the Genentech unit of Roche to develop and commercialize NK cell engager-based immunotherapies to treat cancer
Sutro Biopharma	Merck	60	Sutro Biopharma partners with Merck to discover and develop modulators to treat cancer and autoimmune diseases
Immatics Biotechnologies	Genmab	54	Immatics Biotechnologies grants Genmab exclusive, worldwide rights to develop bispecific T cell-engaging immunotherapies against three targets to treat multiple cancer indications
Revolution Medicines	Sanofi	50	Revolution Medicines grants Sanofi exclusive, worldwide rights to inhibitors of src homology protein tyrosine phosphatase 2 (SHP-2; SHPTP2; PTPN11), including Revolution's RMC-4630, to treat cancer
MannKind	United Therapeutics	45	MannKind grants United Therapeutics exclusive, worldwide rights to develop and commercialize pulmonary arterial hypertension candidate treprostinil Technosphere and enters research agreement for other products

Source: BCiQ: BioCentury Online Intelligence.

Laura DeFrancesco is Senior Editor at Nature Biotechnology.