BIOPHARMA DIVE

Agenus to lay off 25% of staff, trim pipeline in cancer drug push

The biotech has joined a list of more than 100 companies to cut jobs this year, according to BioPharma Dive data.

Published Aug. 23, 2023

Delilah Alvarado
Associate Editor

An empty laboratory Ozankutsal via Getty Images

Agenus has become the latest biotechnology company to turn to layoffs this year, announcing Wednesday a plan to reduce its workforce by 25% and significantly dial back its cancer drug research.

The Lexington, Massachusetts-based biotech plans to cut just over 85 jobs in the restructuring, a move that is expected to save the company about $40 million by the end of the year. It's also temporarily suspending all of its preclinical and clinical-stage research so it can pool its resources towards its most advanced work, a combination of two cancer immunotherapies known as botensilimab and balstilimab.

The medicines make up a regimen that is being studied in multiple tumor types. Agenus could seek an approval in colorectal cancer next year.

"By zeroing in on [botensilimab and balstilimab], we expect to expedite regulatory approval and availability for healthcare providers and patients in need," said Chairman and CEO Garo

Armen, in a statement. “Our decision to streamline operations reflects our commitment to the success of these programs while optimizing shareholder value.”

The company had $175 million in cash at the end of the second quarter, enough to fund operations for about a year.

Agenus has been working on cancer medicines for nearly three decades. The company was co-founded in 1994 and has been publicly traded since 2000. Over that time, it’s churned through a variety of cancer drug approaches and established a lengthy list of partners, among them Merck & Co., Gilead Sciences and Bristol Myers Squibb. But the company has also changed course multiple times and, in 2021, pulled a drug application after Merck beat it to market with a similar medicine. It doesn’t have any approved products, and shares are currently worth less than $2 apiece.

Agenus is now pinning its hopes on botensilimab and balstilimab, which go after two well-known cancer immunotherapy targets: CTLA-4 and PD-1, respectively. Agenus has argued that botensilimab may be superior to older, similar CTLA-4 inhibitors, like Bristol Myers’ Yervoy, and is testing it alongside balstilimab in a variety of settings. But Agenus’ dwindling cash reserves have left it without the resources to fund other work.

”We believe the prioritization is prudent to ensure successful development of [the drug combination],” wrote Matt Phipps, an analyst with William Blair, in a note to investors on Wednesday.

The company’s partnered research isn’t affected by the restructuring. But after speaking with management, Phipps added that other in-house programs will be reevaluated in six to 12 months to determine which might be restarted “following what the company assumes will be a potential influx of capital” in the coming months.

In announcing the layoffs, Agenus joins a list of over 100 drugmakers that have cut jobs in 2023, according to BioPharma Dive data.