Drug Deals Discovery

Examining and evaluating mergers, acquisitions, licensing agreements, and partnerships to uncover strategic opportunities and trends within the market

Deal flow | In-licensing orphan drug deal flow relatively stable L10Y (~70-90%) with number of product acquisitions decreasing over time

SAMPLE

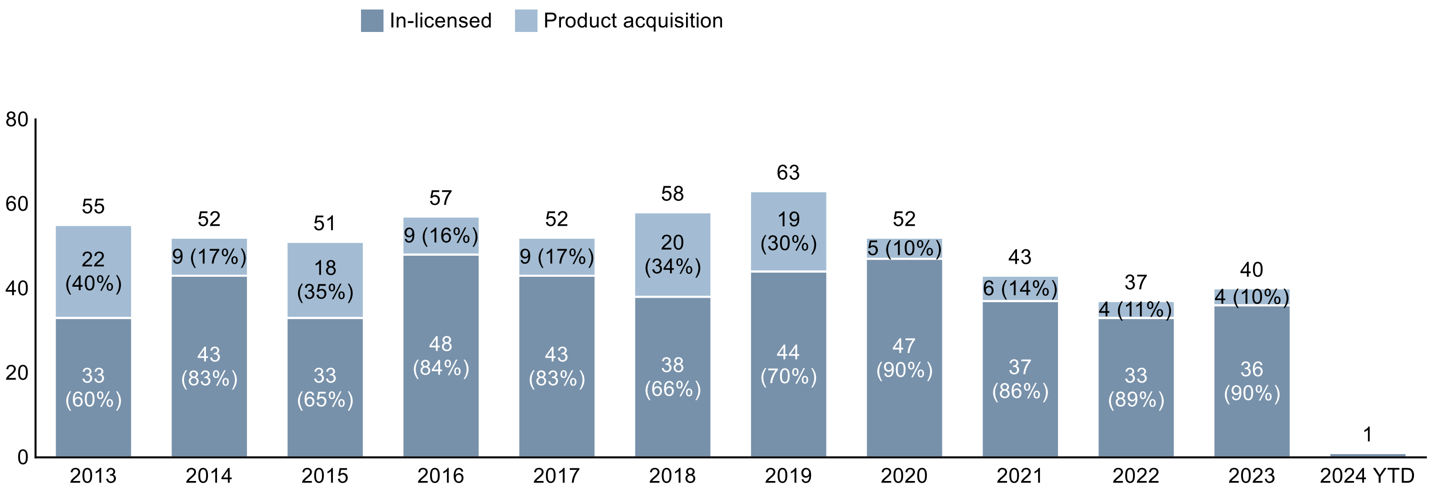
DRUG DEALS DISCOVERY

/SAMPLE OUTPUT /NOT-EXHAUSTIVE

Orphan In-licensing drug deals by transaction type

Note: **Highly directional analysis for assessment of trends**

Orphan drug deals by transaction type[1]
(#, 2013-2024 YTD)



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
Avg deal value ($M) (In-licensed)	135	613	160	109	794	747	536	600	463	152	179	279
Total deal value ($M) (In-licensed)	1,892	9,801	1,602	2,397	11,112	9,711	11,250	13,189	9,266	2,130	3,213	279
Avg. deal value ($M) (Product acquisition)	362	1,174	521	387	102	256	109	69	27	-	198	-
Total deal value ($M) (Product acquisition)	1,085	7,046	4,169	1,160	307	1,281	219	276	80	-	595	-

Commentary

- **In-licensing accounts for majority** of orphan drug deals over years
  - The share of In-licensing has increased over time, especially 2020 onwards, going from ~75% to ~90%
  - Accounted for ~90% of deals in 2023
- **Number of orphan drug deals have been on decline since 2020** mostly due to a fall in # of product acquisition deals, while in-licensing deals have held up relatively well
- **Avg. value of in-licensing deals has surpassed those of product acquisition deals** since 2017

Note: (1) Data includes duplicate products e.g. due to involvement of different companies, markets and product status on deal date etc.; (2) Avg deal value has been calculated by excluding all deals with a value of 0 or no value at all; (3) Only showing deals for drugs in phase 3 and beyond (filed, approved or being marketed) at the time of deal date
Source: Evaluate Ltd, Market participant interviews

Deal flow – In-licensing: Phase | Number of in-licensing deals has remained steady, with a slight increase from 2016-2020; majority deals during phase 3

DRUG DEALS DISCOVERY

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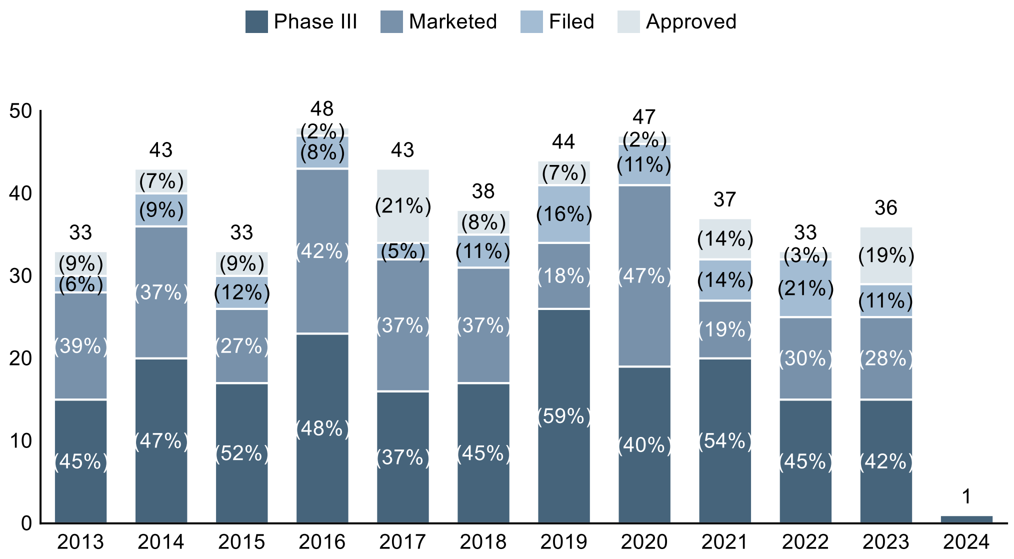
Orphan In-licensing drug deals by phase

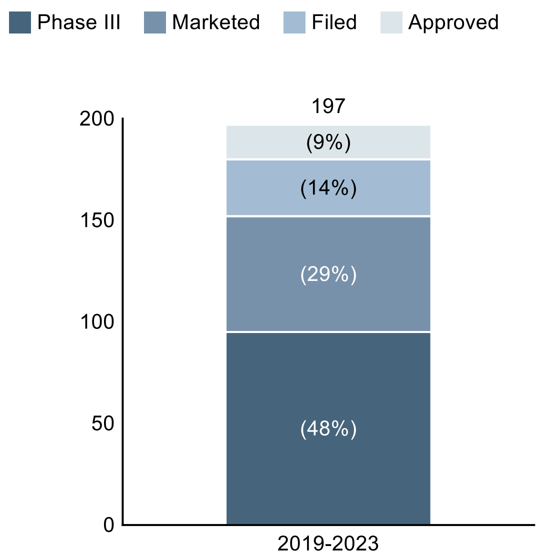
Note: Highly directional analysis for assessment of trends

Orphan in-licensing drug deals by phase[1]
(#, 2013-2024)



Avg deal value ($M)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Phase III	171	438	222	71	119	253	656	548	554	171	99	279
Marketed	38	1,354	5	199	3,330	2,881	182	440	278	84	303	-
Filed	-	0	22	15	1	702	466	966	365	128	220	-
Approved	75	7	-	-	48	75	390	-	71	-	264	-

Sum of the past 5 years of in-licensed deals by phase



	2019-2023
Avg deal value (Phase III)	445
Marketed	309
Filed	430
Approved	242

Commentary

- **Majority of in-licensed orphan drugs have been in phase 3 clinical trials or being marketed** to customers when the deal took place
  - Over the past 5 years, ~50% orphan drugs were in phase 3 at the time of deal completion
- Limited in-licensing deal activity takes place at time when the drug application has been filed or it has been approved
  - Over the past 5 years, ~25% orphan drugs were at filing stage or approved at the time of deal
- In-licensing deals for orphan drugs in **filing or phase 3 trials stage** have had **the highest average value over the last 5 years**

Note: (1) Data includes duplicate products e.g. due to involvement of different companies, markets and product status on deal date etc.; (2) Avg deal value has been calculated by excluding all deals with a value of 0 or no value at all
Source: Evaluate Ltd, Market participant interviews

Deal flow – In-licensing: Summary | Orphan drug in-licensing has shown most deal activity in Oncology with a Global/ EU focus

DRUG DEALS DISCOVERY

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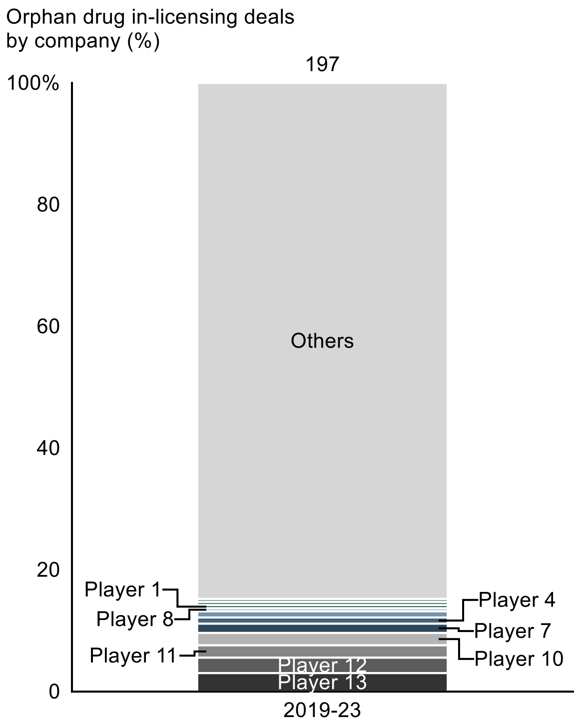
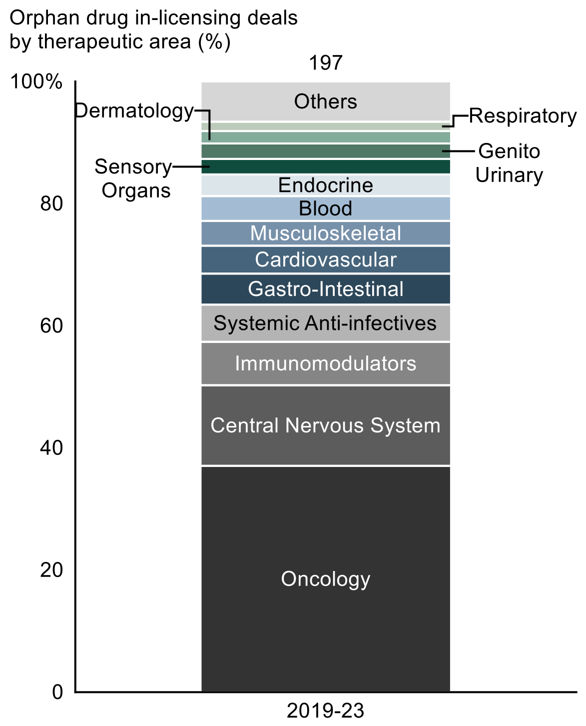
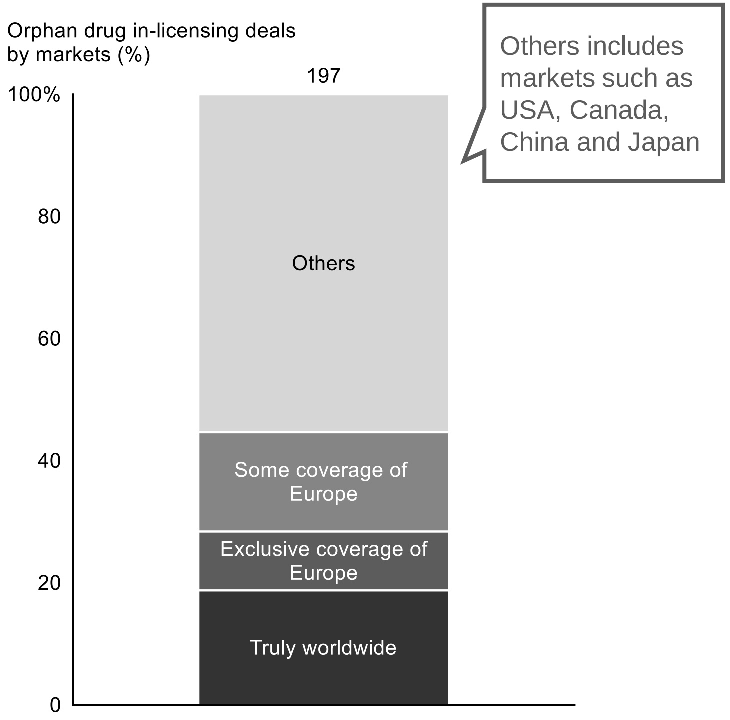
Segmentation of orphan drug in-licensing market by company, therapeutic area and markets



- The overall orphan drug in-licensing market by company is quite fragmented with most companies having 1 deal in the last 5 years
- Player 13 showed most deal activity (6 deals from 2019-23); followed by Player 12 with 5 deals



- The deals market is consolidated in the top 4 therapeutic areas (Oncology, Central Nervous System, Immunomodulators and Systematic Anti-infectives
- ~40% deals were in Oncology, followed by >10% deals in the Central Nervous System space



- ~20% deals had global exposure; additionally, ~25% of the deals focused on Europe
- Majority of the deals occurred in other geographies such as North America and APAC

Note: (1) Data included is for in-licensed deals from 2019 to 2023, with Phase III/ Filed/ Approved/ Marketed deal status | Source: Evaluate Ltd

Deal flow – Competitors | Over the last 5 years, orphan drug deals have remained steady, with slight dip in 2022; Player 1 & Player 2 lead across most years

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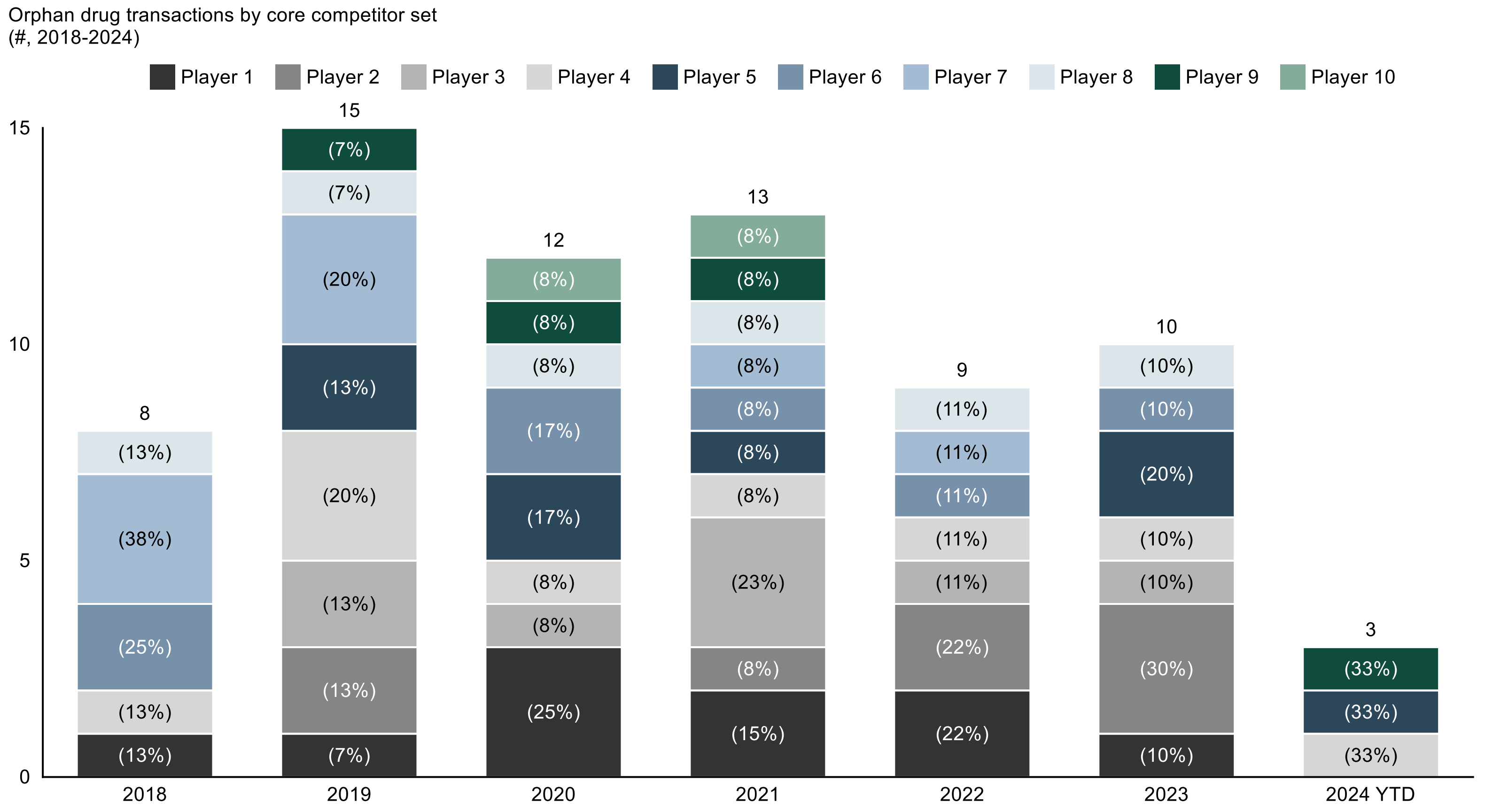
Orphan drug transactions by core competitor set



Commentary

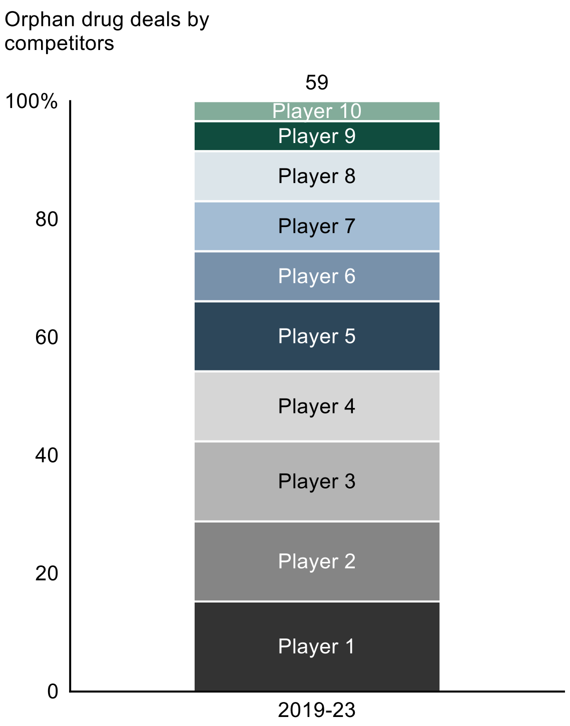
- The overall number of orphan drug deals is broadly consistent across years; however, individual company deals have fluctuated
- Some companies, such as **Player 2**, have displayed varying levels of dealmaking appetite, with a **gradual increase over the last 3 years**. In contrast, companies like **Player 8 and Player 4 have consistently executed ~1 deal every year**
- Over the last 5 years, **Player 1 led** in deal numbers, securing 9 deals, closely followed by Player 2 and Player 3, with 8 deals each; Player 10 lagged peers, with 2 deals over the period

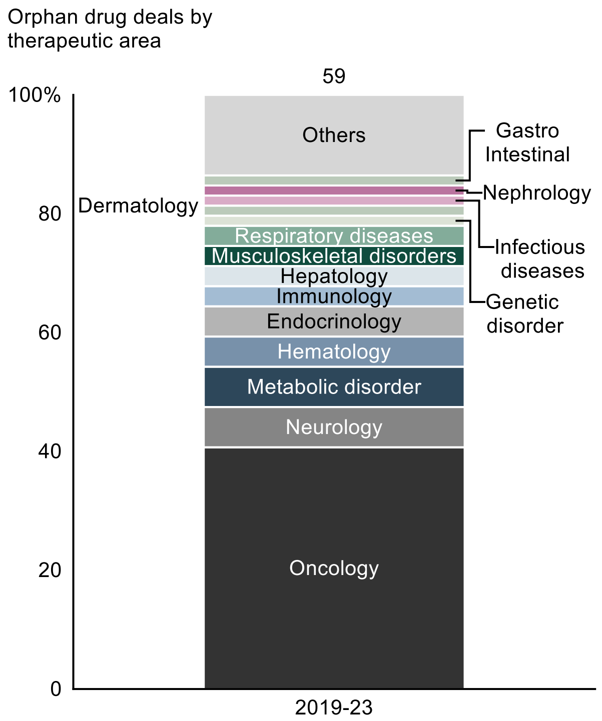
Source: Bottom-up deal flow analysis from company websites

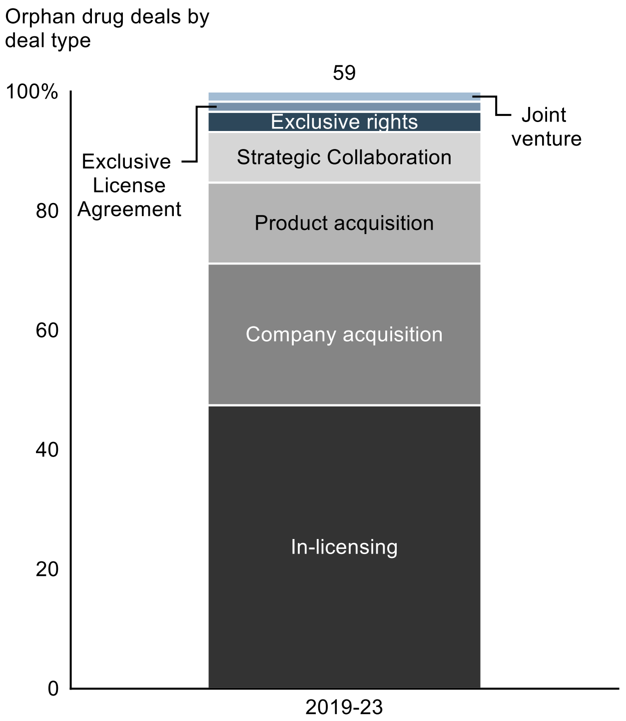
Deal flow – Orphan Drug Deals: Summary | Orphan drug deals have shown most activity in Oncology with focus on In-Licensing and company acquisitions

/SAMPLE OUTPUT /NOT-EXHAUSTIVE

Segmentation of orphan drug deals market by competitor, therapeutic area and deal type







- The overall orphan drug industry is quite fragmented with most of the companies accounting for <15% of deals in the last 5 years
- Player 1 showed most deal activity with 9 deals from 2019-23; followed by Player 2 & Player 3 with 8 deals each

- The deals market is consolidated in the top 4 therapeutic areas (Oncology, Neurology, Metabolic disorder & Endocrinology)
- ~40% deals were in Oncology, followed by ~20% in Neurology, Metabolic disorder & Endocrinology combined

- The deals market is consolidated in the top 3 deal types (In-Licensing, company acquisition and product acquisition)
- ~50% deals were In-Licensing arrangements followed by ~25% deals being company acquisitions

Source: Bottom-up deal flow analysis from company websites