



Intelligent Life Science

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Uptick in M&A Activity and Investor Cash Expected to Re-invigorate Pharma and Biotech in 2018

EP Vantage's Annual Pharma and Biotech Preview explores what's in store for 2018

LONDON, BOSTON, TOKYO, SAN FRANCISCO (December 6, 2017) — The upward momentum seen in the pharma and biotech sectors during 2017 looks set to continue into 2018, with more novel medicines set to hit the market and investor support for the industry remaining strong. According to EP Vantage, the editorial arm of Evaluate Ltd., the current business friendly stance at the FDA is unlikely to change next year, while M&A could see an uptick, driven by big pharma and big biotech's need to re-stock pipelines and U.S. tax reforms.

The coming year will also test the commercial expectations that have been hung on novel therapies like CAR-T and gene therapy, which are being launched into increasingly cost-sensitive markets. Important clinical read-outs from the field of immuno-oncology, where asset values remain very high, will be closely watched - all of which will help set the tone for investors throughout the year.

“Venture capital funds are very well stocked going into 2018, and both public and private investors look set to remain supportive of innovative, early-stage drug developers,” says Amy Brown, report author. “However there is evidence that expectations have got ahead of themselves in certain areas – particularly in immuno-oncology. To keep investors on side

next year the industry needs to deliver some big pipeline wins, and important new drug launches need to perform.”

“Pharma & Biotech 2018 Preview”- Analysis Highlights:

- Gilead’s new HIV triplet is the biggest potential new drug launch of 2018, with 2022 sales seen reaching \$5bn
- Abbvie’s Humira will be biggest selling drug in 2018, with global sales topping \$20bn
- Merck’s Keytruda will add the most new sales next year, \$2.3bn
- M&A activity expected to climb after slow 2017 – US tax reform could be a deciding factor for big deals
- Another big year predicted for venture financing, as crossover funds return and push 2017 towards a record
- IPO window expected to remain open to cashed-up private companies
- Another strong year expected for licensing transactions in 2018, with a pick-up in activity in 2017 set to continue
- Focus on immuno-oncology set to continue with new checkpoint targets moving through the clinic
- Drug pricing debate in US expected to ease, but keep an eye on the states

The report can be downloaded at

<http://www.evaluategroup.com/PharmaBiotech2018Preview>.

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