Biotech weathers 2Q12 slump

Walter Yang

Biotech stocks weathered a tumultuous 2Q12—including Europe's debt crisis and the aftermath of the bungled initial public offering (IPO) by social media bellwether Facebook—ending the quarter up 5% compared with the general indices. Fundraising was down in all categories compared

Stock market performance

The BioCentury 100 and NASDAQ Biotechnology indices were up 5-6% in 2Q12 versus a 3% drop in general markets.

Global biotech initial public offerings

Two firms (see Notable Deals) raised a total of \$133.2 million in IPOs in 2Q12 versus seven companies raising \$454.2 million last quarter.

	2Q11	3Q11	4Q11	1Q12	2Q12
Americas	2	2	2	4	2
Europe	2	0	0	2	0
Asia-Pacific	0	1	3	1	0

Source: BCIQ: BioCentury Online Intelligence. Table indicates number of IPOs.

Notable 2Q12 deals

Mergers and acquisitions

Target	Acquirer	Value ^d (\$ millions)	Date announced
Amylin ^a	Bristol-Myers Squibb	7,000	29-Jun
Human Genome ^b	GlaxoSmithKline	3,600	19-Apr
Ardea Biosciences	AstraZeneca	1,260	23-Apr
URL Pharma	Takeda	800	4-Jun
EUSA Pharma	Jazz Pharmaceuticals	700	26-Apr

Licensing/collaboration

Researcher	Investor	Value ^d (\$ millions)	Deal description
FivePrime	Glaxo SmithKline	1,191	Use FivePrime's platform to identify and validate drug targets and candidates for asthma and chronic obstructive pulmonary disease
Endocyte	Merck	1,000	Exclusive rights to develop and commercialize cancer compound vintafolide
Inhibrx	Celgene	>500	Exclusive option to preclinical antibody program against an undisclosed target
AC Immune	Roche	>418	Develop/commercialize antibodies against microtubule-associated protein tau for neurodegenerative diseases
Basilea Pharmaceutica	Stifel	304	Exclusive rights to eczema drug Tactino alitretinoin
Ambrx	Merck	303	Design and develop biologic drug conjugates based on Ambrx's site-specific protein chemistry technology
Savira Pharmaceuticals	Roche	302	Exclusive rights to a small-molecule program targeting the 'cap-snatching' mechanism of influenza polymerase

^aValue includes debt and other obligations. ^bRaised bid in July to \$3.6 billion. ^cRaised additional amount in series G round. ^dValue includes milestones.

with a year ago, with \$7 billion raised in total (excluding partnership monies). Money raised from IPOs was down 29% to \$133.2 million, with only two companies—Supernus and Tesaro—going public. Venture capital pumped in \$1.2 billion last quarter, down from \$1.5 billion a year ago.

Global biotech industry financing

Excluding partnerships, biotechs raised \$7 billion in 2Q12, down from \$8.6 billion in 1Q12 and \$8.9 billion a year ago.

Source: BCIQ: BioCentury Online Intelligence, Burrill & Co.

Global biotech venture capital investment

Private biotechs raised \$1.26 billion in 2Q12, up from \$1.15 billion in 1Q12 but down from \$1.53 billion a year ago.

	2Q11	3Q11	4Q11	1Q12	2Q12
Americas	60	66	59	64	58
Europe	29	25	30	32	29
Asia-Pacific	4	4	3	0	4

Source: BCIQ: BioCentury Online Intelligence. Table indicates number of VC investments and includes rounds where the amount raised was not disclosed.

IPOs

Company (lead underwriters)	Amount raised (\$ millions)	Change in stock price since offer	Date completed
Supernus (Citigroup; Piper Jaffray)	52	87%	1-May
Tesaro (Citigroup; Morgan Stanley; Leerink)	81	4%	27-Jun

Venture capital

Company (lead investors)	Amount raised (\$ millions)	Round number	Date closed
Agendia (Debiopharm)	65	ND	31-May
Oxford Nanopore (existing investors)	51	ND	3-May
Sangart (Leucadia) ^c	50	7	24-May
Global Blood Therapeutics (Third Rock)	41	1	14-Jun
Astute Medical (MPM Capital)	40	3	7-Jun

Source: BCIQ: BioCentury Online Intelligence. mAbs, monoclonal antibodies.

Walter Yang is Research Director at BioCentury.