1Q16—the biotech bear grows

Walter Yang

The BioCentury 100 index ended the Q1 down 26%, the worst performance in nearly 14 years. Excluding partnership monies, the industry raised only \$8.3 billion. Only ten initial public offerings closed, while follow-on money declined by 84% to \$1.8 billion (from

\$11.4 billion a year ago). Debt financings dropped to \$1.3 billion from \$19.4 billion in 1Q15. One bright spot was \$4 billion raised by private companies, up 25% from 1Q15.

Stock market performance

The BioCentury 100 and NASDAQ Biotechnology indices both were down ~25% in 1Q.

Global biotech industry financing

Excluding partnerships, biotechs raised \$8.3 billion in 1Q16, down 78% from \$36.8 billion in 1Q15.

Source: BCIQ: BioCentury Online Intelligence

Notable 1Q16 deals

IPOs			
Company (lead underwriters)	Amount raised (\$ millions)	Change in stock price since offer	Date completed
BeiGene (Goldman Sachs; Morgan Stanley; Cowen)	182	22%	2-Feb
AveXis (Goldman Sachs; Jefferies)	95	36%	10-Feb
Editas (Morgan Stanley; JPMorgan)	94	116%	2-Feb
Corvus (Credit Suisse; Cowen)	71	-3%	22-Mar
Syndax (Morgan Stanley; Citigroup)	53	11%	2-Mar
Proteostasis (Leerink Partners; RBC Capital)	50	21%	11-Feb

Venture capital

Company (lead investor)	Amount raised (\$ millions)	Round number	Date closed
Grail Bio ^a	>100	1	11-Jan
Zai Lab (Advantech Capital)	>100	2	8-Jan
Mission Therapeutics (Imperial Innovations; Woodford)	86	3	2-Feb
Forty Seven (Lightspeed; Sutter Hill)	75	1	24-Feb
C4 Therapeutics (Cobro Ventures)	73	1	7-Jan

Mergers and acquisitions

Target	Acquirer	Value ^b (\$ millions)	Date announced
Baxalta	Shire	32,000	11-Jan
Affymetrix	Thermo Fisher	1,300	8-Jan
SkyePharma	Vectura	634	16-Mar
Tensha	Roche	535	11-Jan
IOmet	Merck	400	11-Jan

Licensing /collaboration

Researcher	Investor	Value ^b (\$ millions)	Deal description
DICE Molecules	Sanofi	2,258	Co-develop small molecules against up to 12 undisclosed Sanofi targets using DNA-directed fragment optimization
Seres	Nestle	1,880	Ex-US/ex-Canadian rights to microbiome-based therapies for <i>Clostridium difficile</i> and inflammatory bowel disease
Symphogen	Baxalta	1,775	Develop cancer therapeutics against six undisclosed checkpoint targets
Precision Bio	Baxalta	1,705	Develop allogenic chimeric antigen receptor T cell therapies for up to six undisclosed cancer targets
Blueprint	Roche	1,010	Develop up to five small molecules targeting undisclosed kinases "believed to be important in cancer immunotherapy"

^aLead investor not disclosed; ^bvalues include milestones. Source: BCIQ: BioCentury Online Intelligence

Walter Yang is Research Director at BioCentury.

Global biotech initial public offerings

Ten IPOs raised \$668.6 million in 1Q16, down from 22 raising \$1.9 billion in 1Q15.

	1Q15	2Q15	3Q15	4Q15	1Q16
Americas	10	19	11	10	6
Europe	9	5	4	8	2
Asia-Pacific	3	3	-	3	2

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

Global biotech venture capital investment

Private biotechs raised \$4 billion in 1Q16, up 25% from \$3.2 billion in 1Q15.

	1Q15	2Q15	3Q15	4Q15	1Q16
Americas	89	88	65	77	91
Europe	36	28	33	33	37
Asia-Pacific	9	6	3	7	11

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