

Case study | Cortellis Deals Intelligence

Identifying critical licensing and M&A deal terms

With the right data, this CEO is ready to make more deals and smarter deals

The CEO of a small company that focuses on business development on behalf of its biopharma customers was under constant pressure to help them enter the best possible deals for assets in various phases of development.

The CEO and his team needed to understand comparable deals for valuations by stage and locate the best partners for each deal. They needed to determine the best timing to sell the asset. And they needed to be aware of trends in deal structures and see how changes might affect up-front payments, total payments and the associated risks of each.

The CEO found that it was difficult to find comprehensive data that was structured in a way that was suitable for a business development and licensing professional.

He had tried various subscription products, but found that the scope of deals presented for some was not robust enough – causing him to miss opportunities. Other deal profiles were missing critical information, such as unredacted contracts.

The alternative was sorting through voluminous U.S. Securities and Exchange Commission records and sites that collect and collate press releases – tasks that would take staff an unreasonable amount of time and still could result in gaps. In addition, the CEO realized that he, himself, was spending too much time doing analysis and creating presentations in response to clients' many questions, which changed frequently.

The CEO could look at a deal and then quickly grasp the pipeline of drugs and the ongoing clinical trials in that space. Who was competing with his client in a particular therapeutic area and how far along were they?

Finding the right partner

While in some cases, promising drug candidates were being bought or licensed quickly, many of his client companies struggled to identify the right potential partners. To help his customers, the CEO needed immediate access to current and historical deals in a database that could be searched in multiple ways and which provided quick comparable valuations. He also needed to be able to easily export overviews and numbers into presentations.

Industry news was readily available, and featured relevant content, particularly regarding deal structures and alternatives, but he needed to know what the changes meant to him in his target market and how a new deal structure might open doors for his customer with new partners. Additional analysis was necessary, and required a deeper diving into deal structures beyond just the high-level deal terms to understand the true value. This required looking at the details of actual unredacted deal contracts.

The CEO turned to Cortellis for help. With 95,000+ deals in the database, Cortellis Deals Intelligence™ is the industry's largest database of biopharma licensing and M&A deals.

The solution highlighted deals that previously had not been on his radar and were missed – including international and smaller deals.

Missing data means lost opportunities

Cortellis Deals Intelligence includes more than 32,000 contracts. The other services used by the CEO included far fewer deals or were missing unredacted contracts. He knew that missing this data could result in lost opportunities that could have been on the table otherwise.

The deeper he got into the data, he discovered things that he didn't even know he was missing! He could look at a deal and then quickly grasp the pipeline of drugs and the ongoing clinical trials in that space. Who was competing with his client in a particular therapeutic area and how far along were they? He was also able to see who was funding biotechs, like his clients, and how much money these investors were spending. He could dig into what the brokers and analysts were saying about a client's competitors and potential partners. He could see disease populations for sizing markets.

All this offered a much larger, more holistic view of the deal environment. With Cortellis Deals Intelligence, he can now quickly identify suitable partners and assets, see threats previously not considered and understand the urgency and timing for each. He has more confidence about his valuations and market size estimates. And when changes in deal structures come up during deal discussions, he knows what it means to his customer's bottom line.

In short, he's now prepared to make more – and smarter – deals.

For more information on how Cortellis Deals Intelligence can help you better identify and negotiate deals, visit our website at:

clarivate.com/cortellis

