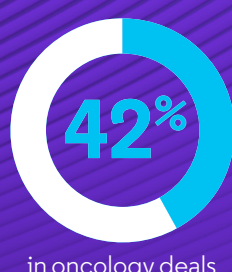


# Understanding the oncology investment landscape

Still on top, but room to grow

## Oncology remains the most active and fastest growing area for licensing, M&A and VC funding deals

2018



Q4 18 and Q1 19



**\$4.4B**  
in VC funding received  
by 108 companies



**160**  
drug licenses  
totaling \$37B+



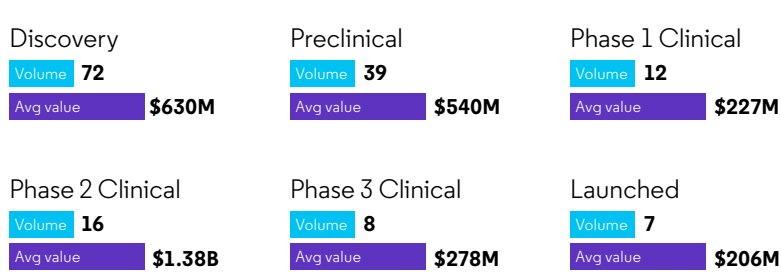
**38**  
M&A transactions with an  
average value of \$4.4B

## Q4 2018 – Q1 2019 trends: Licensing, mergers and acquisitions, and venture capital funding

### Licensing

Oncology-related licensing deals vary by clinical phase, regulatory designation and indication.

#### Oncology deals by clinical phase – values vs. transactions



**\$1.38B**  
average deal size  
for Phase 2

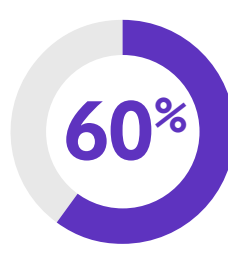
**72**  
discovery phase  
deals; highest  
volume

**39**  
preclinical phase  
licensing deals

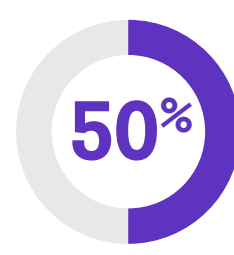
#### Regulatory impact



**2.5x**  
faster approval  
time for drugs  
with designations

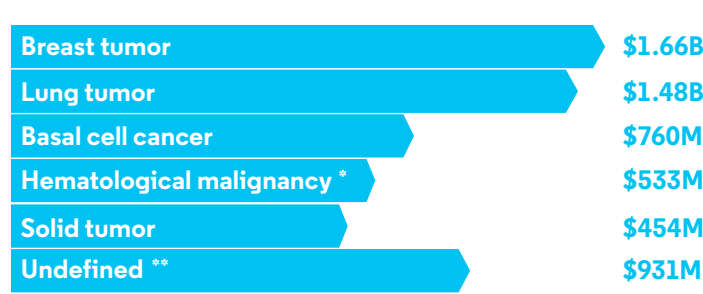


of all blockbuster drugs  
launched in the last five  
years had at least one  
FDA designation



of Phase 2 oncology  
deals had an Orphan  
Drug designation

#### Average deal size by indication



\* Greatest value represented by discovery and Phase 2 \*\* Very early stage in which target has not been defined yet

### Mergers and acquisitions

Significant pipeline activity in oncology fueled unprecedented M&A volume – and value.

#### Deal volume from Q4 18/Q1 19 vs. Q4 17/Q1 18



**72%**  
increase in volume



**169%**  
increase in value

#### Investments in discovery assets in 2018 vs. 2017

**\$160M**  
increase in investments  
in discovery assets

**14%**  
decrease  
in volume

#### 2018 M&A and licensing deals in immuno-oncology



**\$408M**  
increase from 2017 –  
breaking the billion dollar mark



3 of 6 M&A deals  
valued at \$1B+

### Venture capital funding

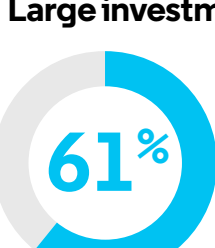
Oncology is not only the highest-funded therapy area, it's also the fastest growing. Over the last three to five years, oncology has received the most VC funding in the US, with a notable increase between 2017 and 2018.

In 2018

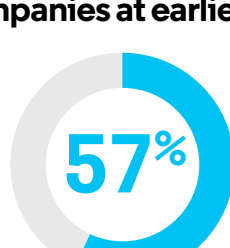
**\$1.4B**  
increase in oncology  
VC funding

**3X+**  
funding in oncology vs. #2  
funded therapy area (neurology)

#### Large investments in fewer companies at earlier phases



increase in funding values;  
volume down 4%



of oncology VC funding in  
discovery/preclinical in 2018

### Key oncology trends for capturing value

Although oncology has dominated the deals space, room for growth remains. This is evident by the increasing deal value and volume over the last few years, especially the recent spike in investments in early phase and novel research.



Larger investments  
in fewer companies/  
assets



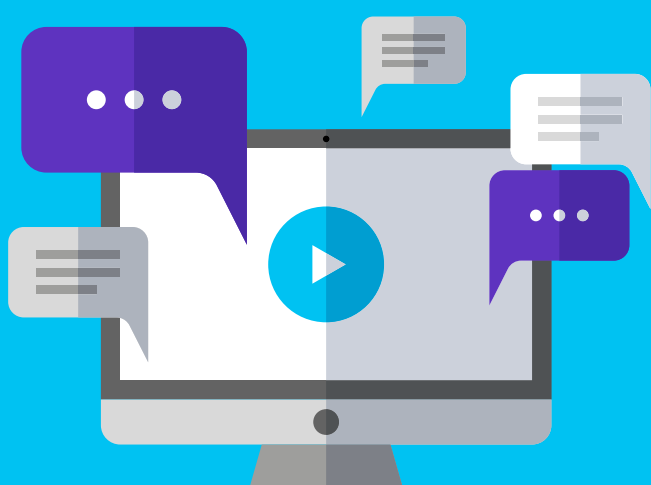
Focus on discovery  
and preclinical  
phases as well  
as Phase 2 trials



Focus on novel assets,  
technologies, and targets –  
immuno-oncology,  
CRISPR, AI

## Get optimal value from your oncology investments

Gain an edge and negotiate the best possible deal in the hyper-competitive oncology space using Cortellis Deals Intelligence, the industry's highest quality and largest deals database. Visit our [website](#) to learn more.



Webinar:  
**Oncology investment  
and partnering trends –  
today and tomorrow**

Watch the on-demand webinar to get  
a deeper understanding of the most  
important trends in oncology investment.

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