

## What makes the best pharma deal?

How do you know if your drug target, medical device or company is positioned to achieve maximum return on investment? Regardless of the type of deal being made, there are six common elements that, when pursued in part or in combination, will drive the greatest value.



Overall 2018 deal values rose 9% to \$428B

Fewer deals, but greater dollars

**\$428B**

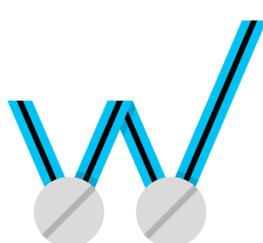
↓ 11%

Volume down

↑ \$30B

Value up

## Go for a true win-win



The lure of big money always grabs attention, but how can partners ensure a genuine win-win in the fast-paced and competitive biopharma deals space? Start planning early – and revise often – through careful assessment of timelines, risk-sharing and assessment of early phase assets.

Dealmakers are increasingly seeking out discovery phase assets:

**13**

of the top 20 2018 licensing deals

**2/3**

of all 2018 oncology deals

## Pursue cool science, but with some caveats



Science alone can't get you to the finish line. Numerous safety nets must be in place to steer the research toward a more predictable and favorable outcome. Injecting greater accuracy into the development process will enable more confident decision-making – and help to hone in on potential pitfalls along the way.

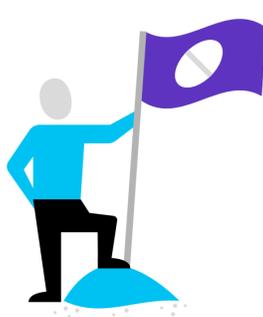
**40%**

of 2018 oncology deals were for cell therapies, fueled by the first CAR-T therapy approvals

**25%**

more accurate pipeline forecasting vs. traditional methods is possible when applying machine learning & statistical modeling

## Be bold



Deals get noticed when partners take on an intractable disease or make a bold stroke. The willingness – or urgency – to take an educated risk often delivers a compelling deal. Being bold may involve going after a big indication like Alzheimer's or one addressed by microbiome research or immunotherapies.

Drug failures and lack of approvals didn't cool neuroscience deals in 2018:

↑ 9%

Licensing

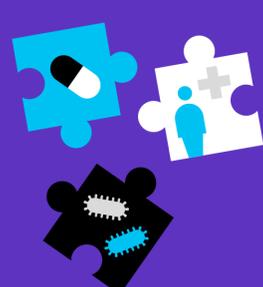
↑ 50%

M&A

**10/10**

of 2018's top oncology licensing deals were in immuno-oncology

## Get creative



Has the deal been uniquely or originally structured? Are there multiple ways it could play out across indications and rights? Creativity could mean bringing artificial intelligence (AI), biomarkers or drug combinations into the discussion, or invoking a greater effort to involve patients in research.

\*Use of AI in drug discovery is growing:

**18**

of the top 20 pharma

**125+**

pharma start-ups

## Cast a wide net



Competition is more intense than ever – dealmakers can't afford to overlook opportunities. There's huge growth in China and other markets, demonstrating how essential it is to incorporate every opportunity into analytic models. Strategies must consider an array of factors, including local regulatory constraints and the regional variations of the competitive and patent landscape.

China experienced significant growth in 2018:

↑ 50%

Licensing

↑ 115%

Private investment

**3X**

more deals completed by small vs. large biopharmas in 2018: **246 vs. 95**

## Consider manufacturing capabilities



Historically, manufacturing took a back seat to science. Now deals are built, at least in part, around this capability. Competition with biosimilar developers for capacity brings challenges to ramping up production once targets are approved. Understanding how a potential partner or target can meet demand enables a more strategic approach.

Record-breaking FDA NME approval numbers

↑ 46

in 2017

↑ 59

in 2018

## Are you using data-driven decisions to generate maximum ROI?

Cortellis can help you find and evaluate opportunities, monitor potential partners, and negotiate the best deals possible.

To learn more or schedule a demo, visit [clarivate.com/cortellis-deals-intelligence](http://clarivate.com/cortellis-deals-intelligence)