



BUREAU VAN DIJK

# Monthly M&A Activity Report

## Biotech, July 2016

zephyr

m&a research  
catalyst

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The following report details mergers and acquisitions activity in the biotech sector in July 2016 using data from the Zephyr database.

It focuses on deal activity by target company.

Click [here](#) to access the raw data in an Excel spreadsheet.

#### Biotech PE, VC and DC volume and value up in July

Both the volume and value of private equity, venture capital and development capital (PE, VC and DC) targeting biotech companies increased in July to 45 deals worth a combined USD 781 million, compared to 41 deals worth USD 413 million in June.

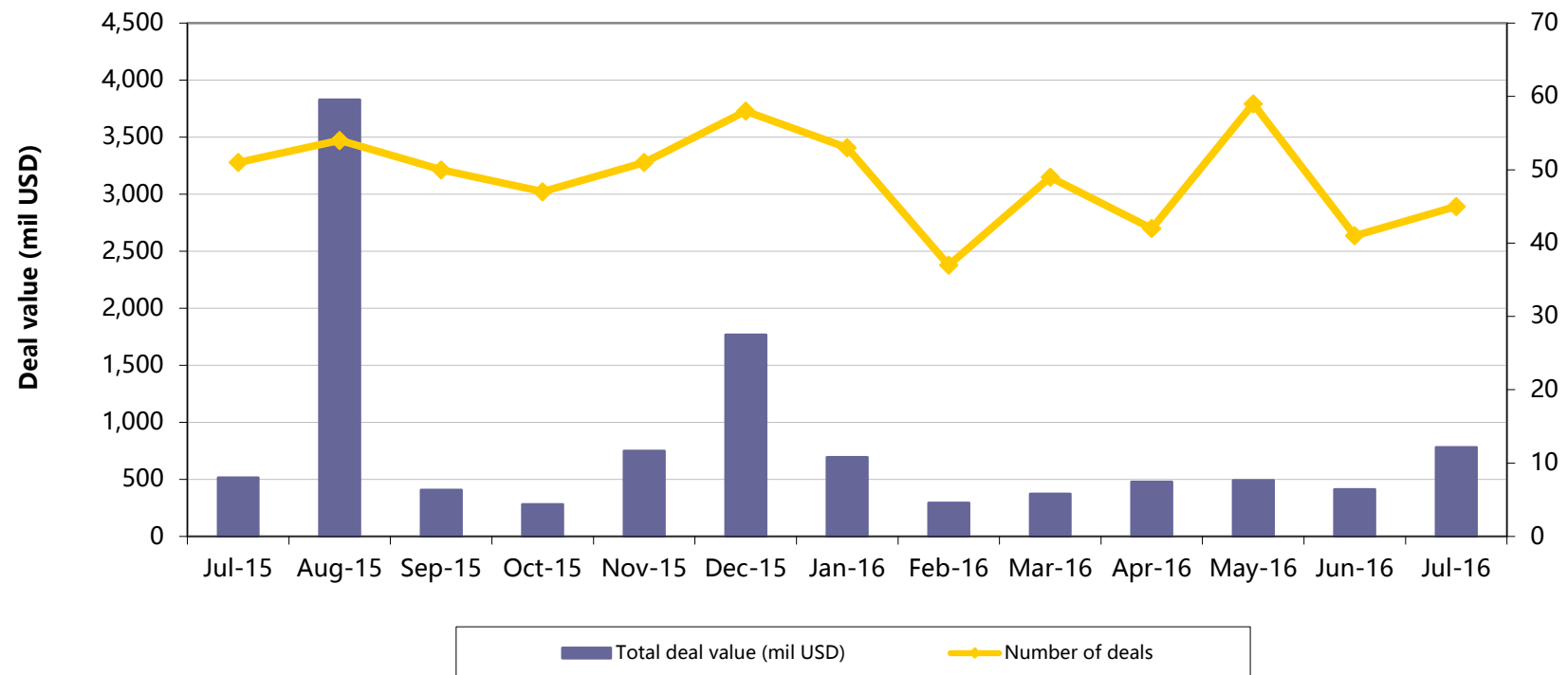
In terms of volume this represents a 10 per cent improvement while value climbed 89 per cent over the same timeframe.

Value also increased year-on-year, although volume actually declined over the period; in July 2015 there were 51 deals with a combined value of USD 515 million.

#### Private equity, venture capital and development capital deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Jul-16	45	781
Jun-16	41	413
May-16	59	493
Apr-16	42	478
Mar-16	49	373
Feb-16	37	295
Jan-16	53	695
Dec-15	58	1,769
Nov-15	51	751
Oct-15	47	281
Sep-15	50	407
Aug-15	54	3,828
Jul-15	51	515

Private equity, venture capital and development capital deals by volume and value





### Intarcia Therapeutics targeted in month's largest PE, VC and DC deal by value

Only one PE, VC and DC deal was worth more than USD 100 million in July and the transaction was in fact almost eight times larger than the second placed deal. It took the form of a USD 400 million capital increase by US biopharmaceuticals developer Intarcia Therapeutics, in which Dragon Rider participated alongside other undisclosed investors.

That was followed by the USD 55 million purchase of a 30 per cent stake in Shenzhen Xinnuo Health Industry Investment by Zhang Fan, Wang Fei, Tuspark Ventures and Tsing Innovation Capital.

The only other deal in the top 20 which did not feature a US target placed 14th as Canada-based Ceapro secured a USD 8 million funding round.

### US accounts for lion's share of PE, VC and DC investment

Biotech companies based in the US were once again the main targets of PE, VC and DC investment, bringing in USD 715 million across 38 transactions. In terms of value, China placed second with USD 55 million, although this is entirely due to the aforementioned Shenzhen Xinnuo Health Industry Investment deal. Other countries which generated investment in July include Canada, South Korea and the UK, with USD 8 million, USD 2 million and USD 1 million, respectively.

The same countries featured in the volume rankings as Canada placed second with three deals while China, South Korea and the UK all had one each, as did Spain.

Many countries actually improved month-on-month in terms of value, with the US in particular climbing significantly on the USD 368 million invested there in June 2016. China also increased from USD 9 million in June while South Korea's USD 2 million represented an improvement on June, when it recorded no investment. That being said, there were a few declines, including Canada, which slid from USD 12 million to USD 8 million in July, and the UK, which dropped from USD 16 million to USD 1 million over the same timeframe.

### Private equity, venture capital and development capital deals by value

	Deal value (mil USD)	Deal type	Target	Target business description	Target country	Equity provider	Announced date
1.	400	Capital Increase 10%	Intarcia Therapeutics Inc.	Biopharmaceuticals manufacturer, Biopharmaceuticals research and development services	US	Shandong High-Tech Venture Capital Investment Co., Ltd	14/07/2016
2.	55	Minority stake 30%	Shenzhen Xinnuo Health Industry Investment Co., Ltd	Biotechnology research and development services, Medical and health industry investment services	CN	Tsing Innovation Capital; Tuspark Ventures Co., Ltd	15/07/2016
3.	55	Minority stake	Tricida Inc.	Pre-clinical biopharmaceutical research and development services	US	OrbiMed Advisors LLC; Vivo Ventures LLC; Longitude Capital Management Company LLC; Sibling Capital LLC; Limulus Management Company LLC	25/07/2016
4.	55	Minority stake	Fulcrum Therapeutics Inc.	Gene regulation medicines research and development services	US	Third Rock Ventures LLC	19/07/2016
5.	21	Minority stake	Morphic Holding LLC	Biotechnology	US		13/07/2016
6.	20	Minority stake	Altor Bioscience Corp	Biotechnology	US		19/07/2016
7.	17	Minority stake	Fulcrum Therapeutics Inc.	Gene regulation medicines research and development services	US		22/07/2016
8.	14	Minority stake	Revaesio Corp	Biotechnology	US		01/07/2016
9.	14	Minority stake	VBI Vaccines Inc/BC	Biotechnology	US		05/07/2016
10.	12	Minority stake	KaloBios Pharmaceuticals Inc.	Human antibody therapeutic biopharmaceuticals developer, Human antibody therapeutic biopharmaceuticals manufacturer	US		14/07/2016

### Private equity, venture capital and development capital deals by value (Cont'd)

	Deal value (mil USD)	Deal type	Target	Target business description	Target country	Equity provider	Announced date
11.	10	Minority stake	McGinley Orthopaedic Innovations LLC	Biotechnology	US		21/07/2016
12.	10	Minority stake	Synthorx Inc.	Drug development use synthetic DNA bases research and development services	US	Avalon Ventures LLC; RA Capital Management LLC; Correlation Ventures LLC	19/07/2016
13.	9	Minority stake	Palleon Pharma Inc.	Biotechnology	US		06/07/2016
14.	8	Minority stake	Ceapro Inc.	Biotechnology development services, Biotechnology products manufacturer	CA		27/07/2016
15.	6	Minority stake	Biodesix Inc.	Molecular diagnostic patient care improvement test developer	US		27/07/2016
16.	6	Minority stake	MTrap Inc.	Biotechnology	US		08/07/2016
17.	6	Minority stake	Lyndra Inc.	Biotechnology	US		12/07/2016
18.	5	Minority stake	Two Pore Guys Inc.	Biotechnology	US		01/07/2016
19.	5	Minority stake	Immunome Inc.	Biopharmaceuticals developer, Biopharmaceuticals manufacturer	US		14/07/2016
20.	5	Minority stake	Synthorx Inc.	Drug development use synthetic DNA bases research and development services	US		27/07/2016



### Target countries by volume: private equity, venture capital and development capital deals

Target country	Jul-15	Jun-16	Jul-16
US	30	31	38
Canada	1	4	3
China	2	1	1
Spain	2	0	1
South Korea	0	0	1
UK	3	2	1

### Target countries by value: private equity, venture capital and development capital deals

Target country	Jul-15 (mil USD)	Jun-16 (mil USD)	Jul-16 (mil USD)
US	187	368	715
China	6	9	55
Canada	0	12	8
South Korea	0	0	2
UK	198	16	1

### Private equity, venture capital and development capital investors

	Private equity firm	Number of deals	Number with consideration	Total deal value (mil USD)	Average deal value (mil USD)
1	Shandong High-Tech Venture Capital Investment Co., Ltd	1	1	400	400
2	Tsing Innovation Capital	1	1	55	55
3	Tuspark Ventures Co., Ltd	1	1	55	55
4	Sibling Capital LLC	1	1	55	55
5	Limulus Management Company LLC	1	1	55	55
6	OrbiMed Advisors LLC	1	1	55	55
7	Vivo Ventures LLC	1	1	55	55
8	Third Rock Ventures LLC	1	1	55	55
9	Longitude Capital Management Company LLC	1	1	55	55
10	Correlation Ventures LLC	1	1	10	10
11	Avalon Ventures LLC	1	1	10	10
12	RA Capital Management LLC	1	1	10	10
13	Idea Bridge Partners	1	1	2	2
14	UTC Investment Co., Ltd	1	1	2	2
15	The Oxfordshire Investment Opportunity Network Ltd	1	1	1	1
16	Mercia Fund Management Ltd	1	1	1	1
17	Angels in MedCity	1	1	1	1
18	Charme Capital Partners SGR SpA	1	0	n.a.	n.a.
19	GHO Capital Partners LLP	1	0	n.a.	n.a.
20	Chicago Growth Partners LLC	1	0	n.a.	n.a.
21	KarpReilly LLC	1	0	n.a.	n.a.





### M&A volume and value decline for second consecutive month

It was a different story in terms of mergers and acquisitions (M&A) targeting global biotech companies in July as both volume and value declined month-on-month. In all there were 95 deals worth a combined USD 2,223 million, compared to 98 worth USD 2,382 million in June.

The decline was even steeper year-on-year when compared to the 138 transactions worth USD 11,752 million signed off in July 2015.

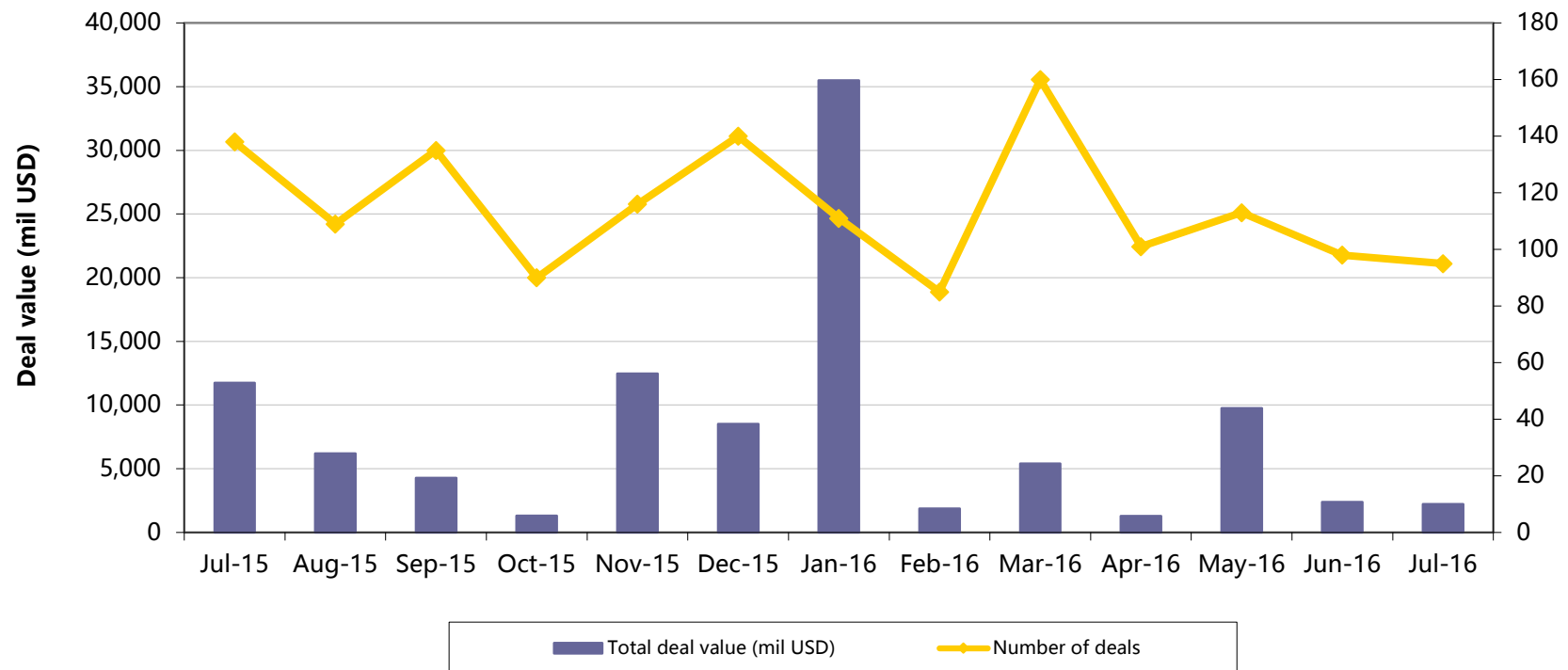
The lack of a mega deal worth more than USD 1,000 million held values down in July as the month's largest M&A transaction was worth just USD 400 million. This was the aforementioned Intarcia Therapeutics deal, which accounted for 18 per cent of total dealmaking in the biotech sector for the month.

This was followed by a USD 325 million acquisition of US diagnostic biomolecular test developer Advanced Cell Diagnostics by Bio-Techne Corporation, while a USD 160 million capital increase by South Korean gene and cell-based medicines researcher and developer Viro Med placed third.

### Deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Jul-16	95	2,223
Jun-16	98	2,382
May-16	113	9,747
Apr-16	101	1,293
Mar-16	160	5,400
Feb-16	85	1,862
Jan-16	111	35,496
Dec-15	140	8,517
Nov-15	116	12,460
Oct-15	90	1,317
Sep-15	135	4,269
Aug-15	109	6,191
Jul-15	138	11,752

### Deals by volume and value



### Top 20 deals by value

	Deal value (mil USD)	Deal type	Target	Target business description	Target country	Acquiror	Announced date
1.	400	Capital Increase 10%	Intarcia Therapeutics Inc.	Biopharmaceuticals manufacturer, Biopharmaceuticals research and development services	US	Investors; Dragon Rider Ltd	14/07/2016
2.	325	Acquisition 100%	Advanced Cell Diagnostics Inc.	Diagnostic biomolecular tests developer, Diagnostic biomolecular tests manufacturer	US	Bio-Techne Corporation	06/07/2016
3.	160	Capital Increase 10%	Viro Med Co., Ltd	Gene and cell-based medicines research and development services	KR		21/07/2016
4.	140	Acquisition increased from 25% to 100%	Shenzhen Xinnuo Health Industry Investment Co., Ltd	Biotechnology research and development services, Medical and health industry investment services	CN	Sinocare Inc.	15/07/2016
5.	132	Capital Increase 8%	Exact Sciences Corporation	Colorectal cancer tests developer, Early detection of colorectal cancer biological research services	US		28/07/2016
6.	120	Capital Increase 13%	ZIOPHARM Oncology Inc.	Anti-cancer biopharmaceuticals developer, Anti-cancer biopharmaceuticals manufacturer	US		07/07/2016
7.	110	Capital Increase 27%	Ardelyx Inc.	Mineral metabolism and metabolic disorders correction therapeutics developer	US	New Enterprise Associates Inc.; Existing Investors; New Investors; Deerfield Management Company LP; RA Capital Management LLC; Perceptive Advisors LLC; Future Fund Board of Guardians; DAFNA Capital Management LLC; EcoR1 Capital LLC; Rock Springs Capital Management LP; Cormorant Asset Management LLC; Quadrille Capital; First Manhattan Company	15/07/2016
8.	90	Acquisition 100%	MiaMed Inc.	CDKL5 disease protein replacement therapy developing services	US	Amicus Therapeutics Inc.	06/07/2016
9.	69	Capital Increase 16%	Zhejiang Garden Biochemical High-Tech Co., Ltd	Cholesterol manufacturer, Vitamin D3 manufacturer	CN	Investors	30/07/2016
10.	55	Minority stake 30%	Shenzhen Xinnuo Health Industry Investment Co., Ltd	Biotechnology research and development services, Medical and health industry investment services	CN	Mr Zhang Fan; Mr Wang Fei; Beijing Shuimu Changfeng Equity Investment Centre (LP); Beijing Hetang Tansuo Venture Investment Co., Ltd	15/07/2016

### Top 20 deals by value (Cont'd)

	Deal value (mil USD)	Deal type	Target	Target business description	Target country	Acquiror	Announced date
11.	55	Minority stake	Tricida Inc.	Pre-clinical biopharmaceutical research and development services	US	OrbiMed Advisors LLC; Vivo Ventures LLC; Longitude Capital Management Company LLC; Sibling Capital LLC; Limulus Management Company LLC	25/07/2016
12.	55	Minority stake	Fulcrum Therapeutics Inc.	Gene regulation medicines research and development services	US	Third Rock Ventures LLC	19/07/2016
13.	37	Minority stake 1%	Zhejiang Conba Pharmaceutical Co., Ltd	Biotechnology research services, Pharmaceuticals manufacturer	CN		14/07/2016
14.	34	Acquisition 100%	FirstString Research Inc.	Clinical stage biotechnology developer	US	Relief Therapeutics Holding AG	27/07/2016
15.	29	Capital Increase 15%	Poxel SA	Metabolic disease drugs manufacturer, Metabolic disease research services	FR	European Investors; Investors	13/07/2016
16.	24	Minority stake 5%	Molecular Partners AG	Targeted protein therapeutics developer	CH	BVF Partners LP	18/07/2016
17.	21	Minority stake 7%	Audentes Therapeutics Inc.	Adeno-associated virus (AAV) gene therapy research and development services, Rare muscle diseases treatment manufacturer	US	Deerfield Private Design Fund III LP	25/07/2016
18.	21	Minority stake	Morphic Holding LLC	Biotechnology	US		13/07/2016
19.	20	Capital Increase 17%	Verona Pharma plc	Chronic respiratory diseases drugs developer, Chronic respiratory diseases drugs manufacturer	GB		29/07/2016
20.	20	Capital Increase 30%	CytRx Corporation	Oncology biopharmaceuticals developer, Oncology biopharmaceuticals manufacturer	US		15/07/2016

### Target countries by volume

Target country	Jul-15	Jun-16	Jul-16
US	53	49	53
China	13	5	7
UK	9	5	6
Switzerland	2	1	5
Canada	6	15	5
Italy	1	1	4
France	7	4	3
South Korea	13	0	3
Israel	0	0	3
Japan	1	1	2
Australia	8	7	2
Germany	3	1	1
Spain	4	3	1

### Target countries by value

Target country	Jul-15 (mil USD)	Jun-16 (mil USD)	Jul-16 (mil USD)
US	8,953	1,319	1,610
China	1,217	32	305
South Korea	240	0	163
Switzerland	40	2	36
France	145	13	32
UK	349	85	26
Germany	32	25	12
Canada	25	35	12
Israel	0	0	9
Italy	0	0	8
Japan	5	3	7
Australia	25	679	2



## IPOs by volume and value

Announced date	No of deals	Total deal value (mil USD)
Jul-16	0	0
Jun-16	4	172
May-16	1	157
Apr-16	4	225
Mar-16	0	0
Feb-16	5	18
Jan-16	7	393
Dec-15	5	122
Nov-15	0	0
Oct-15	4	250
Sep-15	5	378
Aug-15	3	180
Jul-15	3	279

## Notes to editors

The search criteria uses a key word system based on the targets' business description

The key words and phrases are: "alternative energy" OR "alternative power" OR "biomass" OR "bioenergy" OR "bio energy" OR "bio-energy" OR "biofuel" OR "fuel cell" OR "hydrogen" OR "photovoltaic" OR "renewable energy" OR "reuseable energy" OR "re-usable energy" OR "solar" OR "waste to energy" OR "wind power" OR "wind farm" OR "wave power" OR "geothermal" OR "geothermal" OR "hydropower" OR "hydro-power" OR "bio-diesel" OR "biodiesel" OR "energy resource management" OR "electric vehicle" OR "water purification" OR "intelligent power" OR "air quality" OR "energy efficiency" OR "thin film energy" OR "thin-film energy" OR "energy efficiency software" OR "energy storage" OR "battery power" OR "water treatment" OR "waste management" OR "biogas" OR "anaerobic digestion" OR "wastewater" OR "green construction" OR "green buildings" OR "smart meter" OR "smart grid" OR "energy monitoring" OR "marine energy" OR "solar thermal" OR "algae" OR "green energy" OR "cleantech" OR "clean tech" OR "environmental technology" OR "greentech" OR "charging station" OR "green infrastructure" OR "clean energy" OR "tidal power" OR "tidal energy" OR "biodegradable" OR "alternative fuel"

Activity is based on the activity of the target company

Deal status is announced, completed, pending or unconditional