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ASIA EDITION

Eli Lilly’s deal with Loxo to get quick return of investment

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Eli Lilly’s acquisition of Loxo Oncology marks the second multibillion-dollar deal in 2019 following the recent BMS and Celgene merger

Volkan Gunduz, PhD, Senior Oncology and Hematology Analyst at GlobalData, a leading data and analytics company, offers his view on the acquisition:

“Eli Lilly’s choice of Loxo is highly strategic due to Loxo’s unique oncology portfolio as well as its potential for quick return of investment. To this end, Lilly will immediately collect sales revenues from Loxo’s recently branded first-in-class tropomyosin receptor kinase (TRK) inhibitor Vitrakvi (larotrectinib).

“Vitrakvi’s strength comes from its first-to-market advantage, as well as its label, as it is approved based on the presence of a biomarker, neurotropic receptor tyrosine kinase (NTRK) fusion in tumors rather than location of the tumor. This means that the drug can be readily used in more than 17 different types of advanced cancers that are driven by NTRK fusions.

“Loxo’s follow up second generation TRK inhibitor, LOXO-195, is designed to address the potential acquired resistance that could emerge in patients receiving Vitrakvi. The two agents will therefore allow Lilly to dominate the treatment paradigm in NTRK fusion driven cancers.

“A second gem in Loxo’s clinical pipeline is LOXO-292, an inhibitor of rearranged during transfection (RET) kinase. Already granted a breakthrough therapy designation in RET-fusion positive NSCLC and RET–mutation positive medullary thyroid cancer, LOXO-292 will soon be Lilly’s second brand inherited from Loxo. Similar to Vitrakvi, LOXO-292 is first in its class and is expected to become the first branded RET inhibitor.

“Ultimately, the deal will help Lilly replenish and diversify its oncology portfolio, which is losing ground due to the impending patent expiration and increasing market competition facing its leading oncology brands Alimta, Cyramza, and Verzenio.”