

Kieger – Thoughts from the Street

ASCO 2016

Zurich, June 12, 2016

ASCO 2016 – IO, IO, IO...but watch out what is going on next to IO as well!

We attended the ASCO Annual Meeting from June 3-7, 2016 in Chicago. ASCO stands for the American Society of Clinical Oncology. Its annual meeting is the biggest and most important oncology conference throughout the year. More than 30000 attendees got updates on clinical trials, evolving science and just about everything else around oncology. Immunooncology (IO) was the key theme at the conference with very promising developments. However, new therapies are also needed for patients not responding to IO treatments.

ASCO 2016 confirmed it more than ever. Immunooncology (IO) is real and the name of the game in oncology. New IO drugs show durable responses and combinations of IO/IO drugs or IO/chemotherapy indicate synergistic effects - just as it was hoped for. The caveat of this very promising developments will be a dramatic increase of complexity and ever rising treatment costs. However that seems noise compared to what can be offered to at least some of the cancer patients in the future.

We are just at the beginning

IO will be big, we are just at the beginning. 1/4 of all abstracts submitted to the meeting were in IO. Results presented illustrate that IO is holding up to its expectations. Patients responding to PD(L)-1 treatment have durable responses and combination therapies, be it with another IO agent such as CTLA4 or different chemotherapy regimens, show synergistic effects (additional efficacy than compared to just one drug alone). IO also continues to show efficacy in ever new tumor types. Merck's Keytruda so far has shown activity in 20 tumor types and that within just 4 years. There is still much more to come. Also oncology cell therapies had some very positive updates during ASCO. Cell therapies use modified immune cells to fight cancer cells. Kite Pharma for example presented a clear path forward in terms of registration and manufacturing, what has not been the case not long ago. Remarkably, Kite Pharma was founded just 7 years ago and took tremendous steps in developing highly complex products.

Complexity seems to be at an inflection point

The positive results of the first combination trials and the sheer number of potential drug targets throughout the cancer immunogenicity cycle has led to an explosion potential drug combinations, many of them being explored right now. This raises questions on future cancer treatment paradigms. Personalized treatment, supported by a whole range of biomarkers and real world data, is the solution for Roche and many other companies and also for key opinion leaders. However, so far biomarker development in immuno-oncology remains in its infancy and first attempts (PDL-1 status) have not yet convinced the community. Further approaches need to be explored.

Watch out for new non-IO drugs - there has been promising improvements too

IO drugs so far only work in a fraction of patients and, although constantly expanding, only in a limited number of indications. Meaning that many patients have to rely on traditional chemo and targeted therapies. The good news is that especially also with targeted therapies big steps are being made in certain tumor types, such as lung cancer (Roche's Alecensa, Astra's Tagrisso). New approaches are being tested with the interruption of DNA repair mechanisms (Astra) or innovative antibody drug conjugates (Abbvie - Stemcentrix).

A proxy for the innovation power of the industry

The meeting was also a nice show-case of demonstrating the speed and the innovation power of the pharma and biotech industry. Being able to generate a big amount data, a better understanding of disease biology, smart trial design and favorable funding environment have triggered a strong innovation cycle in the industry. However, unmet medical needs remain really high, not only in oncology. There is still a lot to do!

Bottom line

Overall, we come back from the meeting very encouraged. The oncology industry is at an inflection point which will result in significant new and durable treatment options for an ever increasing number of cancer patients. However, also for investors attractive investment opportunities are opening up around IO and importantly also non-IO companies.

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