

Cancer summit presses toward treatments in shadow of COVID-19

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The year's biggest meeting of cancer researchers was subjected to a coronavirus overhaul this year, but even in scaled-back form it forced

investors to recalibrate their expectations for some closely watched medicines.

The American Society of Clinical Oncology meeting is the field's most important gathering each spring, providing a stage for major pharmaceutical companies to unveil major findings and tout promising treatments. It's also an annual opportunity for all kinds of researchers, doctors, executives and investors to rub elbows.

With COVID-19 making travel uncomfortable and splashy conferences impossible this year, the summit was mostly a virtual affair. Still, it delivered many of the kinds of important victories and stinging setbacks it often does. And the meeting showed that even as the drug industry races to identify virus treatments and vaccines, [cancer](#) remains perhaps its most important business overall.

"When the coronavirus wanes and we have a vaccine, and this infectious disease is brought under control, we will still have cancer and the need for new treatments," said Richard Schilsky, ASCO's chief medical officer, in an interview. "We have millions of patients around the world who need new and improved treatments for cancer."

Among the most noteworthy winners was U.K. pharmaceutical giant AstraZeneca Plc, which reported that its blockbuster Tagrisso reduced the risk of dying from lung cancer or relapse by four-fifths over three years. The drug is already AstraZeneca's biggest product, bringing in \$982 million in sales in the first quarter alone.

Some smaller drug companies also logged what looked like significant victories: Trillium Therapeutics Inc. said that a second patient taking its experimental lymphoma therapy responded to the treatment. Shares of Trillium, which has a market value of about \$560 million, surged more than 17% on Friday

And as ASCO played out, other big cancer-research news also roiled drugmaker stocks.

Pfizer Inc. shares fell 6% late Friday after the U.S. drug bellwether said a late-stage study of its treatment for [metastatic breast cancer](#), Ibrance, was unlikely to show a statistically significant improvement in invasive disease-free survival for patients with early breast cancer.

Though the COVID-19 pandemic has been the defining story of the health care business this year, the ASCO meeting was a reminder that most of the world's pharmaceutical companies remain keenly focused on finding new cancer treatments to generate profits. And that focus has paid off for patients: The U.S. death rate from cancer has been falling at a record pace, thanks largely to big advances in treating lung tumors.

Data presented at the meeting showed progress in combating the second leading cause of death worldwide, Schilsky said. Researchers found medicines used for patients with advanced disease can have an even bigger benefit for those with recently diagnosed tumors, while medicines are emerging that are effective against a wide range of tumors that are driven by specific gene mutations.

Large drugmakers have remained on the prowl for promising cancer therapies that they can acquire through mergers or other transactions. Even Gilead Sciences Inc., which has been in the headlines because of its potential coronavirus treatment remdesivir, has been getting cancer-focused deals done against the backdrop of the pandemic.

Last week, Gilead agreed to work on immunotherapy drugs with biotech Arcus Biosciences Inc. And earlier this year it agreed to buy cancer-drug maker Forty Seven for \$4.9 billion. Gilead has been pressured by investors to find new drugs that can take the place of some of its aging blockbusters. It made another big bet on cancer when it bought Kite

Pharma and its drug Yescarta, though sales of the highly priced genetic therapy have so far failed to live up to expectations.

At ASCO, Gilead presented encouraging new data on magrolimab, an immunology drug that was developed by Forty Seven, a sign that the company's wager could pay off. Gilead's management is successfully building a pipeline of potential new therapies, Jefferies & Co. analyst Michael Yee said in a note sent to clients.

Gilead shares climbed 3.3% to \$77.83 on Friday and now have gained 20% so far this year, in part because of excitement over remdesivir.

Breakthroughs at ASCO could make smaller companies enticing to Gilead and to other giants looking to add to their rosters of experimental therapies. Adaptimmune Therapeutics Plc's U.S.-traded shares more than doubled in value after the company presented early studies for therapies that could treat a number of cancers, including lung and head and neck tumors.

Allogene Therapeutics Inc., which is developing a CAR-T therapy similar to Yescarta, gained 3.5% Friday after it said its treatment benefited 63% of patients with blood cancer in an early-stage trial. Allogene's founders ran Kite Pharma before selling it to Gilead for \$11 billion in 2017.

Like Gilead, Bristol-Myers Squibb Co. has also sought to refashion itself into a cancer-fighting juggernaut, most notably with its \$74 billion takeover of Celgene Corp. last year. Even before that transaction, the company was locked in a battle with rival Merck & Co. for supremacy in the market for lung-cancer immunotherapies.

Merck's Keytruda and Bristol-Myers's Opdivo are blockbusters for each company, and the drugmakers have raced to expand their use in a range

of tumor types. But at ASCO, a study of Opdivo in combination with another Bristol-Myers drug, Yervoy, supported what JPMorgan Chase & Co. analyst Chris Schott said in a note was a "niche role" in treating certain [lung-cancer](#) patients—not one that will upset Keytruda's dominance.

Bristol-Myers shares declined 0.2% on Friday, while Merck advanced 2.1%.

Last year, Opdivo generated \$7.2 billion in revenue for Bristol-Myers, while Yervoy brought in \$1.5 billion. Together, the two drugs accounted for roughly a third of the company's sales. Meanwhile, Keytruda generated \$11 billion for Merck, about 24% of its sales.

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