



BioCryst Pharmaceuticals

July 11 2018

BioCryst Pharmaceuticals and Idera call it quits on merger

BioCryst Pharmaceuticals Inc (NASDAQ:BCRX) has called it quits on its previously announced plan to merge with Idera Pharmaceuticals Inc (NASDAQ:IDRA) and create a company focused on rare diseases.

The deal was killed on Tuesday after shareholders in BioCryst, which is based in Durham, North Carolina, voted to torpedo the merger. Nearly 51mln shares of BioCryst were cast against the deal of some 83.4mln shares represented, according to a filing with the Securities and Exchange Commission.

A sizeable majority of shareholders of Exton, Pennsylvania-based Idera, meanwhile, backed the merger in its special meeting, which was also held July 10.

"The Board and shareholders of Idera overwhelmingly supported the proposed merger with BioCryst based on the strategic rationale, operating synergies and opportunity to create a stronger and more diversified rare-disease, focused organization," said Vincent Milano, Idera's CEO, in a statement.

READ: BioCryst Pharmaceuticals and Idera to merge and advance clinical programmes

Idera and BioCryst agreed to a merger last January in a bid to combine forces in the battle against rare diseases and focus together on their late-stage clinical trials.

In the wake of the derailed merger, Milano said Idera would remain focused on the development of its drug tilsotolimod, which targets anti-PD-1 refractory melanoma as well as solid tumor cancers.

Under the deal's terms, BioCryst owes Idera \$6mln for transaction expenses.

Analysts weigh in

Analysts were not surprised by the failure of the tie-up, with Lisa Bayko of JMP Securities suggesting BioCryst's shareholders had doubts about the Phase 2 trial failure of Idera's treatment IMO-8400 for dermatomyositis, a rare inflammatory skin and muscle disease.

JMP's Bayko is keeping an Outperform rating and \$12 price target on BioCryst shares as she is bullish on its lead drug BCX7353, which is in Phase 3 studies for the treatment of hereditary angioedema, a rare inherited disorder characterized by recurrent episodes of severe swelling.

Michael Ulz, a senior research analyst with Baird Equity Research, also said "termination of the agreement is not surprising".

Ulz argues that Idera's focus will shift back to tilsotolimod, which he views as "promising." Baird has an Outperform rating and a US\$4 price target on the stock.

Price: US\$7.15

Market Cap: US\$782.5M

Share Information

Code: BCRX

Listing: NASDAQ

52 week	High	Low
	8.13p	4.125p

Sector: Pharmaceuticals

Website: www.biocryst.com

Company Synopsis:

BioCryst Pharmaceuticals, Inc. (BioCryst) is a biotechnology company that designs, optimizes and develops novel drugs that block enzymes involved in cancer, viral infections and autoimmune diseases.

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