

# Case Example: Licensing Deal Valuation

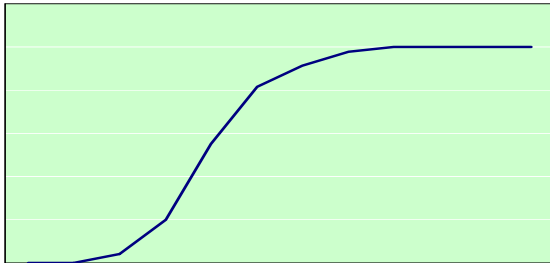
## Situation

- A small R&D focused company was entering deal negotiations with its Ph IIb asset and needed a deeper commercial understanding of the asset's value proposition. Additionally, in order to optimize deal terms, including elements of upfront payments, royalties, and milestones, they sought a tool that would allow the comparison of multiple deal structures on the fly.

## Approach

- Trinity designed this project in four phases:
  - Landscape overview** of the target markets to understand key drivers and current and future market value
  - KOL interviews** to determine unmet needs and product positioning
  - Product forecast and financial model** to calculate potential returns of several deal structures
  - Recommendations for different strategies** balancing the need for upfront value with future returns based on the company's risk tolerance

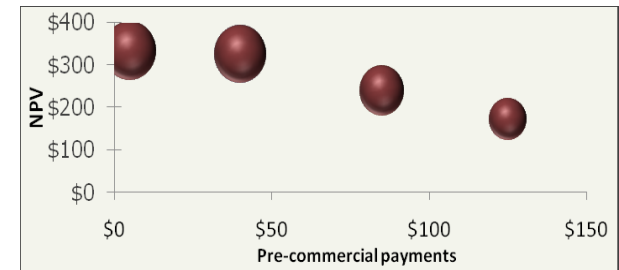
Forecast: Flexible Excel based model



Deal Valuation: Detailed Excel based tool

DEAL TERMS		REGION			
Terms	Input	USA	Europe	Japan	ROW
Upfront	Yes				
R&D Milestones	Yes				
R&D Shared Expenses	Yes				
Sales Milestones	Worldwide	No	No	No	No
Profit Split	Off	No	No	No	No
Royalties	Regional	Yes	Yes	Yes	No

PLUS: Framework for decision making



## Result

- The client entered deal negotiations with a confident grasp of their product's value in the future market. Additionally, they have a tailored but simple tool to evaluate revenue, cost, and deal scenarios during negotiations with potential partners. The client is currently negotiating with several potential partners to ensure optimal deal value.