



# OncoMed Pharmaceuticals Soars in IPO Debut



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The stock market can't seem to get enough of **biotech IPOs** these days, and OncoMed Pharmaceuticals is the latest company to cash in.

Redwood City, CA-based **OncoMed Pharmaceuticals** (NASDAQ: **OMED**) sold 4.8 million shares to IPO investors last night at \$17 apiece, for a total fundraising haul of \$81 million. But once the company first started trading this morning, it really took off, seeing its shares shoot as high as \$31, before settling down to \$29 at 1:42 pm Eastern time. At that stock price, OncoMed is being given a market valuation of more than \$770 million.

OncoMed, led by CEO Paul Hastings, has raised more than \$325 million from investors, partners, and grant agencies since its founding in 2004, according to its **IPO prospectus**. It has burned through more than \$157 million of cash, and has gotten five product candidates into clinical trials that have enrolled a total of about 235 patients. The big idea at OncoMed is to develop targeted antibodies against cancer stem cells, sometimes called tumor-initiating cells. These are the cells that scientists believe resist conventional treatment, and allow cancer to bounce back even after chemotherapy appears to wipe out most of a bulky tumor.

OncoMed, which has 83 employees, is getting help in this quest from a couple of Big Pharma partners, Bayer and GlaxoSmithKline. OncoMed's competitors in the cancer stem cell field include New York-based Stemline Therapeutics (NASDAQ: **STML**) and Cambridge, MA-based Verastem (NASDAQ: **VSTM**).

The OncoMed IPO is the 24th for a biotech company this year, according to my review of data compiled by Renaissance Capital. With several other companies in the IPO

queue for later this month, this year is shaping up as the busiest for biotech IPOs since the genomics-fueled craze of 2000.

If OncoMed can maintain its lofty valuation, it will end up making sizable returns for its venture backers that got it this far. Following the IPO, the company's biggest shareholders listed in the IPO prospectus are U.S. Venture Partners (14 percent); Latterell Venture Partners (10 percent); GlaxoSmithKline (9.6 percent); the Vertical Group (9.2 percent); Morgenthaler Partners (9 percent); Phase 4 Ventures (7.6 percent); Delphi Ventures (5.7 percent); and Adams Street Partners (4.6 percent).

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