

No big bang for biopharma buyouts



[Edwin Elmhirst](#)



Pfizer's Covid cash keeps the M&A scene alive, but few other developers dug deep in a quiet third quarter.

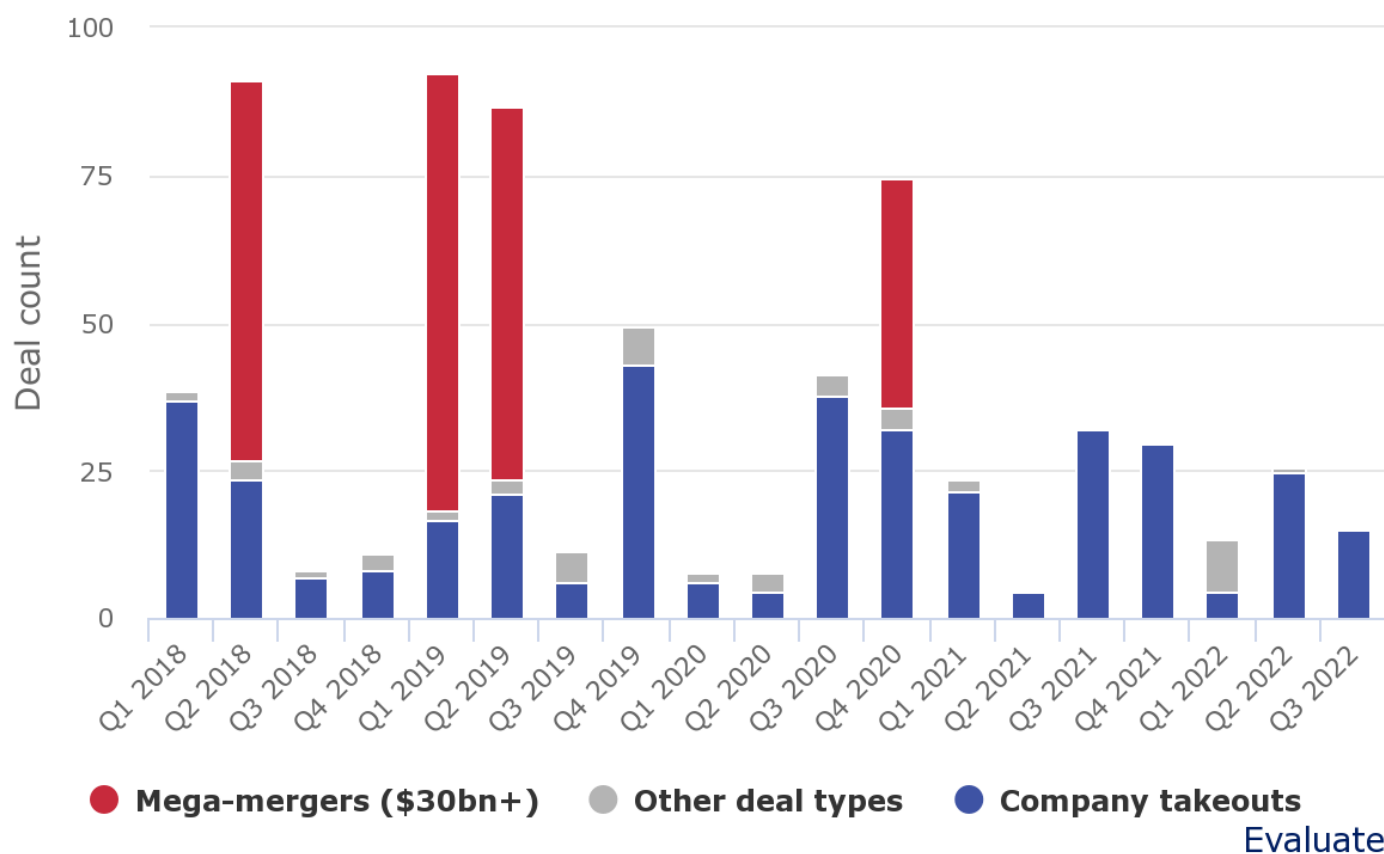
Deep-pocketed buyers held their fire in the third quarter, with a relatively pedestrian \$14bn deployed on biopharma M&A over the period. Pfizer's Covid cash continues to keep the scene alive, with the drug maker's \$5.4bn takeout of Global Blood the period's biggest deal.

The volume of transactions dipped slightly on the previous quarters but largely held up, so the buyout scene is far from dead. But the prospect of [a \\$30bn move on Seagen](#) was dangled in front of investors earlier this year, a deal that would transform 2022 into a year to remember.

Merck & Co's interest in Seagen has never been officially confirmed, of course, even after the way was cleared by [the conclusion of an arbitration process](#). The biotech's stock is now trading lower than before the Wall Street Journal triggered the speculation, meaning that the market considers the prospect of any approach to be low.

Perhaps Merck is playing hardball on valuation, a strategy that could pay dividends in the current market. A number of small developers have had to accept the new reality this year, with [the likes of Epizyme, F-Star and Radius](#) agreeing to lowball takeouts.

Quarterly M&A combined deal value



As things stand, 2022 is shaping up to be a slow year for M&A spend, with just \$53bn committed in the first three quarters. Excluding the megamergers highlighted in the chart above, 2018 is the low bar to beat, when \$84bn was pledged on buyouts.

One sobering statistic is that Pfizer is responsible for a third of the M&A cash deployed this year, via its acquisitions of Biohaven, Global Blood, Reviral and a stake in Valneva.

For this analysis, which is based on data collected by *Evaluate Pharma*, *Evaluate Vantage* includes only M&A deals struck by pure-play drug developers, with sectors like medtech or diagnostics excluded. Other deal types refers to majority and minority stake purchases and business unit buys; licensing deals are not counted.

Biggest biopharma M&A deals announced in Q3 2022

Acquirer	Target	Status	Deal value (\$m)
Pfizer	Global Blood	Open	5,400
Amgen	Chemocentryx	Open	3,700
Novo Nordisk	Forma	Open	1,100
Alcon	Aerie	Open	770
Gilead	Mirobio	closed	405

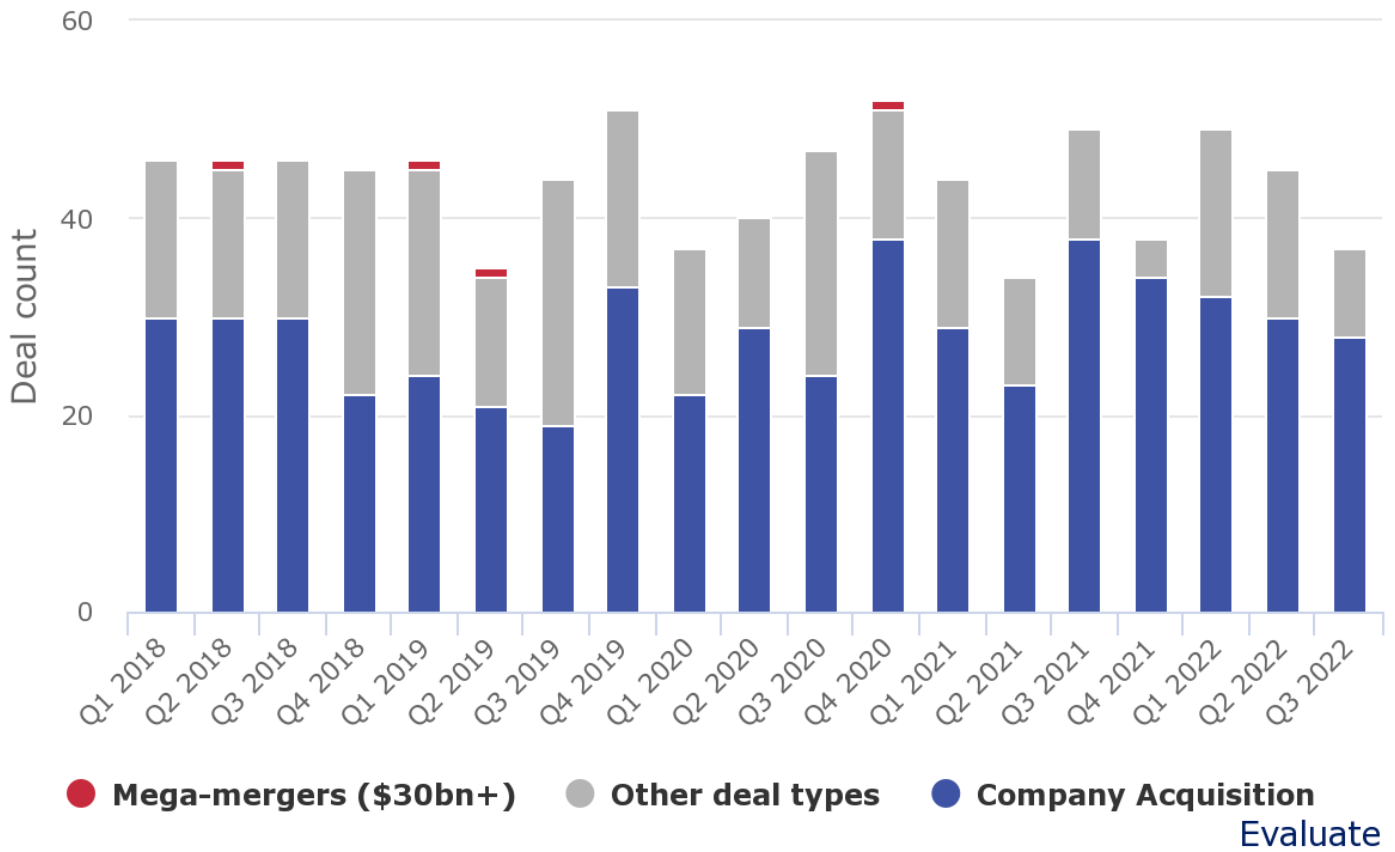
Source: Evaluate Pharma.

A look at the biggest deals of the quarter finds only three that breached the \$1bn mark. In some ways 2022 is shaping up a bit like last year, when small takeouts dominated ([The year of the small buyout, January 28, 2022](#)).

In 2021, however, the quiet M&A scene was blamed on stretched valuations, which were apparently deterring buyers. That cannot be said this year.

True, desirable assets in biopharma will always attract a big premium, whatever the market cycle. But it is increasingly feeling like buyers are biding their time.

Quarterly M&A deal counts



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