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# After Bridion, time for a spot of housekeeping

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Big pharma asset swaps and divestments are all the rage, and there is no reason why Merck & Co should not get a piece of the action now that it has at last secured US approval for the intensive care anaesthesia agent Bridion.

The green light came yesterday after seven years of trying, including two US panel endorsements, and one non-approvable and two complete response letters. Merck was not wrong to persist with Bridion – after all much of the sunk cost had been incurred by predecessor companies – but now that it has got this niche asset over the finishing line it should consider divesting it.

Officially, of course, there is no suggestion that Bridion (sugammadex) is anything other than a logical part of Merck's acute hospital care business. It is approved for reversing neuromuscular blockade induced by the now generic rocuronium and vecuronium, and a fast onset of action seems to be its main advantage over acetylcholinesterase inhibitors like neostigmine.

But the drug is a hand-me-down from Organon, which also sold rocuronium and was acquired by Schering-Plough, which itself was bought by Merck. As such it has barely six years of patent life, and sales outside the US, where it has been approved since 2008, are falling; US approval has come too late for it to matter.

Merck insists that Bridion offers anaesthesiologists an important new option in the surgical setting. Neuromuscular blockade is used in intensive care as an adjunct to anaesthesia to induce muscle relaxation, for instance to allow a patient to be intubated or kept on a ventilator.

**Setbacks**

Bridion's setbacks date back to 2008, when a unanimous US panel endorsement was followed by a non-approvable letter citing hypersensitivity reactions and bleeding. A 2013 resubmission got a complete response letter, leading to a new hypersensitivity trial, but a second resubmission received a second complete response letter, in April, requesting another sensitivity analysis.

Only after a second adcom, last month, did the FDA relent. That panel voted 14-0 in favour of registration, but suggested post-approval trials to investigate the risk/benefit, focusing on hypersensitivity, anaphylaxis, dysrhythmia and coagulopathy, as well as looking at sicker patients.

True, Merck touts its hospital acute care business as a growing unit, but the key products here are antifungals and antibiotics, including Cubicin, acquired through last year's mistimed takeover of Cubist. Even in Merck's hospital unit Bridion looks like an outsider.

The drug sold $340m last year, and revenues are expected to peak at $693m in 2020 before a steep decline, according to *EvaluatePharma* sellside consensus forecasts. It might come as a surprise that this equates to as much as $2bn of net present value – an amount that could come in handy in a potential divestment.

After all portfolio rationalisation has in the past two days alone seen GlaxoSmithKline hand Prolia and Vectibix back to Amgen, Lilly and Boehringer Ingelheim swap animal and consumer health businesses, and Takeda offload its respiratory products to AstraZeneca (*Astra bets on respiratory with Daliresp deal, December 16, 2015*).

Bridion would fit much better at a speciality player like Mylan or The Medicines Company. It is time for deal bankers to get on the phone to Kenilworth, New Jersey.

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