

## M&A activity accelerates as Shaxalta deal completes



[Madeleine Armstrong](#)

It has been a long time coming, but Shire's acquisition of Baxalta has finally closed – which will be a relief to those who feared it might go the same way as Pfizer's doomed takeover attempt of Allergan.

The \$32bn Shaxalta deal is still the biggest of the year so far, but there has been an uptick in the number of megadeals this quarter (see table below). This could reassure industry watchers after a poor Q1, which would have looked even less healthy if the Shaxalta transaction had not gone through ([M&A – without Shaxalta a meagre quarter](#), April 11, 2016).

Five biggest pharma and biotech M&A deals announced in 2016				
Date	Acquirer	Target	Status	Value (\$m)
January	Shire	Baxalta	Closed	31,968
April	AbbVie	Stemcentrx	Open	9,800
February	Mylan	Meda	Open	7,200
May	Pfizer	Anacor Pharmaceuticals	Open	5,200
May	Jazz Pharmaceuticals	Celator Pharmaceuticals	Open	1,500

Since Shire first went hostile last August, Baxalta has struck some deals of its own, buying genome editing specialist Precision Biosciences and getting an option on checkpoint inhibitors through a collaboration with Symphogen.

Both throw Baxalta – and therefore now Shire – into the hot immunotherapy space, well out of both company's comfort zones. The deals also seem at odds with Shire's stated mission of becoming a leader in haemophilia and other rare diseases.

Elsewhere in oncology, Baxalta's partnership with CTI Biopharma means Shire is also lumbered with pacritinib, the subject of an FDA clinical hold ([CTI's déjà vu is now Shire's problem](#), February 9, 2016). Chief executive Flemming Ornskov must now be regretting highlighting the drug as a jewel in Baxalta's crown when the Shaxalta tie-up was finally hammered out in January.

He might be relieved that Baxalta did not buy Biogen's haemophilia business, in which it was rumoured to be interested when Biogen spun it off last month. At least it would be on-brand – and it is not too late for Shire to acquire the unit itself.

The recent increase in general M&A activity raises hopes that more deals are on the cards. Companies looking to acquire could include Pfizer, which found itself with an unexpected \$160bn after the Allergan buy fell through, an amount that was barely dented by its \$5.2bn purchase of dermatology player Anacor.

And these acquisitions might not just be bolt-ons. Pfizer chief exec Ian Read recently said that he is still open to megamergers, although he drew the line at another attempt at a tax inversion.

Allergan itself is already back on the acquisition trail, buying fat reduction drug developer Topokine Therapeutics in April for \$85m.

After a relatively quiet Q1, investors will be hoping that M&A activity will keep picking up, and it seems likely – especially if the depressed stock market starts to make valuations more realistic.

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