

Pharma M&A: Reflections on the First Quarter and Beyond

What happened in Pharma in the first quarter and what is the outlook for 2023?

In terms of the acquisitions of pharma companies, there were 5 deals worth \$2.4 billion completed in the first quarter of 2023 versus 42 deals completed worth \$59.9 billion for all of 2022. This represents a major decrease in the dollar volume and the number of deals on an annualized basis. This decline was accentuated by the fact that volume had surged in 2022.

Although Pharma deals with a strong strategic rationale or a theme around adding new and growing technologies and products are being pursued, the pharma companies continue to mainly focus on small to medium sized pharma acquisitions and biotech company assets via acquisitions, strategic partnerships and in licensing to achieve pipeline growth. Mega deals that merge existing mature bio pharma companies are not being pursued because the strategic and financial value is not strong enough.

Looking forward, Young & Partners expects deal activity through the end of 2023 to be modest in terms of the number of deals, but strong in terms of dollar volume due to the announced Pfizer acquisition of Seagen for \$44.5 billion and Amgen's acquisition of Horizon Therapeutics for \$30.2 billion.

As of March 31, 2023, the dollar value of deals announced but not closed was \$76.4 billion (5 deals).

Young & Partners

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Save the Date

The 19th Annual Young & Partners Pharmaceutical Executive Summit will be held on November 9 at the Yale Club of New York. The speakers will be leading experts covering important strategic and financial issues. It will be hybrid, with both in person and virtual participation. Please save the date. Invitations will be sent out in mid-June.

Regards,

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