PNC PHARMA & LIFE SCIENCES
Monthly News Brief

M&A

After a Lengthy Drought, Could Biotech M&A be on The Upswing? (BioPharma Dive)
M&A activity in the pharmaceutical industry was more abundant in Q2 than in years past, with at least 14 biopharma acquisitions worth $50MM or more. Analysts anticipate the pace of biopharma dealmaking to increase with the increase in cash on hand by major players in the market.

SD Biosensor Agrees to Buy Meridian Bioscience for $1.53B in Bid to Enter U.S. In Vitro Diagnostics Market (MedTech Dive)
SD Biosensor and S&J Partners agreed to acquire Meridian Bioscience in an all cash deal valued at $1.53B. The goal of the transaction is to enhance SD Biosensor’s ability to navigate the decline in COVID-19 testing demand and develop new products. The plan is to use SD Biosensor’s research and development capabilities alongside Meridian’s U.S. distribution network and its expertise in the regulated U.S. In Vitro Diagnostics (“IVD”) market.

Novartis, Staring Down Tough Market for M&A, Leans Toward $25B Sandoz Spinoff (Fierce Pharma)
In the fall of 2021, Novartis began a strategic review of its generics drug subsidiary Sandoz to determine whether to retain or divest the business. Staring down a tough market for a PE sale, the company is thought to be leaning towards a spinoff.

Other News

Crunching the Numbers on 1H22 Drought for Biotech IPOs (BioPharma Dive)
Through 1H22, newly priced biotech stock offerings are off to their slowest pace in years as an economic downturn continues to chill investor interest in the market. 14 drug developers have raised ~$1.7B so far compared to 61 that raised ~$9.5B in the H21. Many biotech stocks have been in freefall, with only 12 of the 118 biotech IPOs since the start of 2021 trading at or above their offering price. The market disruption has lead to companies delaying filing for new IPOs.

Decentralized Clinical Trials, Patient Experience and the Role of Supply Chain Management (Fierce Biotech)
Decentralized clinical trials, which have soared in response to COVID-19, have significantly expanded the complexity of clinical trials. The rise in hybrid trials has disrupted the supply chain with the need for compliance and regulatory guidance at depot-to-site shipments as well as having clinical drug products sent directly to patients’ homes. This is occurring as demand for clinical trials is rising, leading to a need for partners to source, store and distribute the required ancillary supplies along with drug delivery.

Semiconductor Shortage Leaves MedTech Industry ‘More Pessimistic’ as Customers Leave (MedTech Dive)
In 2021 and again in April 2022, Deloitte surveyed MedTech manufacturers about the semiconductor shortage and found that almost 80% of respondents are experiencing extended lead time and that hospitals and health systems are looking into alternative products as a result. More than half of the polled companies stated they used to rely on a single source for 75% of their semiconductor supply and now all of the respondents have multi-source strategies.

Illumina’s Grail quest likely over as EU ups legal ante (Fierce Biotech)
The European Union alleged that Illumina and Grail had breached regulations by closing their deal while the Commission is still carrying out its in-depth investigation. This can result in fines which could reach up to 10% of Illumina and Grail’s revenue that was over $4.5B in 2021 and is expected to surpass $5B this year. A decision is expected by Mid-September as officials collect feedback from Illumina’s rivals about the transaction.

Teva Reaches Deal in Principle to Settle Opioid Lawsuits for Over $4B (BioPharma Dive)
Teva stated that they reached an agreement in principle with a group of states and Native American tribes to settle years of litigation over opioid drug marketing. In the agreement, Teva would pay as much as $4.25B and about $100MM to the tribes over a 13-year period. The settlement will also include a supply of as much as $1.2B of Narcan, a drug which can reverse the effects of an opioid overdose. The settlement needs to be finalized and will require certain participation thresholds to move forward.

AstraZeneca, Daiichi Breast Cancer Drug Set for Speedy FDA Review (BioPharma Dive)
The FDA has agreed to quickly review AstraZeneca and Daiichi’s drug Enhertu for treating metastatic breast cancer that expresses low levels of a protein known as HER2. If approved, the therapy would become the first targeted option for this type of tumor, with the potential to reshape how doctors categorize and treat advanced breast cancer. The FDA’s review is 2 months after researchers presented trial results showing Enhertu halved the risk of breast cancer progression versus chemotherapy.

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