

03 Jan 2019 | Opinion

In Vivo's Top M&A Of 2018: Cast Your Vote!

by [Lucie Ellis-Taitt](#)

It is time for *In Vivo's* 11th annual Deals of the Year contest. We've selected 18 nominees in three categories – Top Alliance, Top Financing and Top M&A – and you get to pick the winners. (It's free.)

In Vivo's editors have selected our top six picks for the most significant M&A deals of 2018. Vote for your favorite.

1. Roche Buys Flatiron

Details: In February 2018, [Roche](#) announced the acquisition of cancer data specialist Flatiron Health Inc., in which the Swiss firm previously held a 12.6% stake, for \$1.9 billion. Launched in 2012, Flatiron Health operates as a technology platform providing oncology-specific electronic health record software and a suite of software products for advancing real-world evidence of cancer research. Flatiron made sense given Roche's therapeutic focus. And although Flatiron will remain autonomous, Roche's owning it outright could give the big pharma a big advantage, as regulators and the biopharma industry increasingly grapple with demands for evidence-based outcomes to justify approval of increasingly expensive new medicines.

2. Takeda Acquires Shire

Details: On May 8, [Takeda Pharmaceutical Co. Ltd.](#) announced its intention to acquire [Shire PLC](#) for \$62.4 billion; the deal represents the industry's only mega-merger of 2018 and is the fifth largest biopharma deal in history. The deal is expected to close in the first quarter of 2019. It will bring further financial stability to Takeda and will see R&D investment raised by at least \$1 billion – a 33% increase from the current base. The main change to Takeda will be the added capability around rare diseases. Geographically, the main benefits will be a strengthening of Takeda's presence in the US, while Shire meanwhile is seen gaining from Takeda's stronger existing positions in Japan, Asia and the emerging markets. Together, the merged group will have major research hubs in Boston, Switzerland and Singapore, along with Japan. The combined

company will have roughly \$30 billion in revenues, based on 2017 sales.

3. GSK Acquires Tesaro

[GlaxoSmithKline PLC](#) threw its hat back into the oncology ring, specifically into the PARP inhibitor space, when it made a \$5.1 billion bid to acquire Tesaro Inc. in December 2018. The offer, which has been unanimously approved by Tesaro's board of directors, valued the firm at \$75 per share. The attraction of the Waltham, Mass.-based company, which has been rumored to be up for sale for some time, is its PARP inhibitor *Zejula* (niraparib), which is currently approved for second-line maintenance treatment of platinum-sensitive ovarian cancer, regardless of BRCA mutation status. There are a number of growth areas for *Zejula*, which will benefit from GSK's clout. GSK will explore *Zejula*'s efficacy beyond ovarian cancer into multiple tumor types. It is currently being investigated for use as a possible treatment in lung, breast and prostate cancer, both as a monotherapy and in combination with other medicines, including Tesaro's own anti-PD-1 antibody dostarlimab.

4. Cipla Brings In Avenue

Details: InvaGen Pharmaceuticals Inc., a subsidiary of [Cipla Ltd.](#), announced its plans to acquire Nasdaq-listed [Avenue Therapeutics Inc.](#) in November 2018.

InvaGen was attracted to the company because of its late-stage asset, intravenous (IV) tramadol, which could address a significant gap in the US post-operative pain management market against the backdrop of the opioid crisis there. The two-stage deal will initially see

InvaGen or its affiliates acquire, through the issuance by Avenue of new shares, a 33.3% stake in the US firm for \$35 million. Cipla's holding is expected to comprise about 5.83 million shares of Avenue issued at \$6 each. Alongside the closing of the stock issuance, InvaGen or its affiliates will appoint three members (including an independent member) on Avenue's seven-member board of directors. At the second stage, InvaGen or its affiliates will acquire the remaining shares of Avenue for up to \$180 million in the aggregate – currently expected to represent about \$13.92 per share. IV tramadol could potentially fill a gap in the acute care space between IV acetaminophen/NSAIDs and conventional narcotics; it also provides a “convenient bridge” to oral tramadol that has established efficacy and safety and is currently approved and marketed in

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the US for moderate to moderately severe pain in adults. There is currently no approved intravenous formulation of tramadol in the US.

5. Celgene Acquires Juno

Details: Cast your mind back to January 2018, [Celgene Corp.](#) diversified its portfolio without really diversifying its focus with the \$9 billion acquisition of chimeric antigen receptor T-cell (CAR-T) therapy pioneer Juno Therapeutics Inc., increasing its footprint in cell therapy and hematology while taking a step into new solid tumor territory. The transaction, announced Jan. 22, gave Celgene full ownership of programs that it was developing with Juno under a 2015 partnership agreement – a deal through which Celgene had already invested a lot of money in Juno, including the acquisition of a 10% stake in the CAR-T specialist. Celgene based the acquisition price for Juno on a peak sales estimate of \$3 billion for its lead product candidate JCAR017 in non-Hodgkin's lymphoma and other indications, as well as on the value of the Seattle-based company's CAR-T technology platform, manufacturing capabilities and pipeline of additional candidates.

6. Boston Scientific Acquires BTG

In November 2018, [Boston Scientific Corp.](#) reached an agreement to acquire [BTG PLC](#), a company developing products used in minimally-invasive procedures targeting cancer and vascular diseases, as well as acute care pharmaceuticals. The transaction has been unanimously approved by the boards of directors of Boston Scientific and BTG. The total cash consideration for 100% of BTG's equity is approximately £3.3 billion (\$4.2 billion). The acquisition's benefits include: a stronger offering in cancer treatment with the addition of BTG's highly differentiated interventional oncology segment; a positive effect on Boston's "category leadership" strategy in peripheral interventions; expansion of Boston venous portfolio offering, with BTG's pulmonary embolism franchise, and other highly-differentiated vascular products; a two to three cents of accretion to Boston's adjusted earnings per share in 2019; and significant revenue and cost synergies through enhanced global manufacturing capabilities and combined geographic footprint.

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