M&A Activity

- After Global M&A witnessed a record setting 2021, buoyed to some extent from delayed deals related to COVID-19, 2022 deal making snapped back to reality. 2022 witnessed geopolitical tension, inflation, rising interest rates, an increase in the cost of capital, and souring equity markets which suppressed deal value, though deal count and overall activity remained fairly healthy by historical standards. The M&A outlook for 2023 remains encouraging, despite some political and economic pressures, as private buyers remain motivated to capture value with over $1.0 trillion of dry powder. Megadeals and the use of leverage can be expected to come under some pressure in 2023 as borrowing becomes more expensive. Additionally global real GDP is expected to slow from 3.1% in 2022 to approximately 2.0% in 2023, the lowest level since the global financial crisis in 2008.

- On January 16, 2023, AstraZeneca completed the acquisition of Neogene Therapeutics Inc., a global clinical-stage biotechnology company pioneering the discovery, development and manufacturing of next-generation T-cell receptor therapies, for approximately $320 million.

- On December 1, 2022, Eli Lilly and Company announced the successful completion of its $225 million acquisition of Akouos, Inc. The acquisition expands Lilly’s efforts in genetic medicines to include Akouos’s portfolio of potential first-in-class adeno-associated viral gene therapies for the treatment of inner ear conditions.

Notable M&A Deals

- On February 24, 2023, AstraZeneca announced the successful completion of the acquisition of CinCor Pharma, Inc., a US-based clinical-stage biopharmaceutical company, focused on developing novel treatments for resistant and uncontrolled hypertension as well as chronic kidney disease, for approximately $1.6 billion.

- On January 3, 2023, Viatris Inc., a global healthcare company, announced that it closed its acquisitions of Oyster Point Pharma and Famy Life Sciences to establish a new Viatris Eye Care Division. The transactions were first announced on November 7 as part of Viatris’ strategic update and will total approximately $754 million.

- On December 22, 2022, Johnson & Johnson, the world’s largest, most diversified healthcare products company, announced it completed the $18.9 billion acquisition of Abiomed, Inc., which engages in the research, development, and sale of medical devices to assist or replace the pumping function of the failing heart.