

03 Oct 2023 | Interviews

Podcast: How Will Greater FTC Scrutiny Affect Biopharma M&A Activity?

by Joseph Haas

Scrip's Joseph Haas and Jessica Merrill discuss the US FTC's oversight of the Amgen/Horizon deal and what it might portend for biopharma M&A with Leerink Partners' Dan Lepanto and ZS partner Cody Powers.

Biopharmaceutical business development professionals looked on uneasily this summer as the drama of the US Federal Trade Commission's review of the proposed [Amgen, Inc./Horizon Therapeutics plc](#) merger led to Amgen pledging to not bundle Horizon products with its own, the FTC rejecting Amgen's proposal and filing a lawsuit to block the merger, and then the parties agreeing to a settlement on 1 September in which Amgen signed a written commitment restricting bundling of Horizon's top sellers – Tepezza (teprotumumab) and Krystexxa (pegloticase) – with its own products.

With the even-larger [Pfizer Inc./Seagen Inc.](#) merger still pending, the industry is wondering if the FTC/Amgen disagreement means a tougher environment going forward for biopharma M&A. The FTC and the US Department of Justice issued revised draft merger guidelines in July that led the Biotechnology Industry Organization to claim that some of the provisions would be “catastrophic” for the industry. (Also see “[FTC Merger Guidelines Cast ‘Perilous Shadow’ Over Biopharma](#)” - Pink Sheet, 26 Sep, 2023.)

For now, the Pfizer/Seagen combination

Amgen's FTC Settlement To Allow \$27.8bn Horizon Deal Closure Sets New M&A Precedent

By Mandy Jackson

01 Sep 2023

Amgen agreed not to include Horizon's Tepezza and Krystexxa in rebate bundling deals with payers, among other terms, so the FTC would clear the companies' merger, giving pharma firms a new consideration in future dealmaking.

appears to be on a smoother path to closing, projected before the end of 2023.

(Also see "[Pfizer/Seagen Merger Seems Set To Clear As US FTC Sticks To Traditional](#)

[Review](#)" - Pink Sheet, 29 Apr, 2023.) But questions around potential future deals remain, especially with the FTC also warning biopharma companies about potential enforcement actions for "improper" Orange Book patent listings. (Also see "[FTC Set To Take Enforcement Action Against Drugmakers Over Orange Book Patent Listings](#)" - Pink Sheet, 14 Sep, 2023.)

[Read the full article here](#)

Scrip recently took the opportunity to discuss these issues with two biopharma industry observers who follow M&A transactions and trends closely – Dan Lepanto, senior managing director, health care mergers and acquisitions at Leerink Partners, and Cody Powers, a partner at the consulting firm ZS Associates.

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