

BIGGEST PHARMA DEAL IN THE MAKING

Allergan's Evolution and Pfizer's \$150-billion Gambit

Vikas.Dandekar@timesgroup.com

Mumbai: US drug giant Pfizer is reportedly moving closer to sign a deal to buy Botox maker Allergan for \$150 billion, or about ₹9,88,000 crore, in what would be the biggest transaction in drug industry so far.

The deal, if concluded, will eclipse Pfizer's \$90-billion buyout of Warner Lambert in 2000.

It would mark a peaking point for Irish firm Allergan's history of tens of acquisitions and selloffs and provide the \$45-billion Pfizer the tax benefits of an Irish domicile.

Experts noted that the moves of the US Treasury department to clamp

DEAL STREET

Last year, Allergan had fended off a hostile and determined acquisition bid from Valeant, before getting acquired by Actavis in a \$70.5-billion transaction

down on inversion deals are unlikely to scuttle the deal currently under negotiations between the two sides in what appears to be friendly settings.

Last year, Allergan had fended off a hostile and determined acquisition bid from Canadian drug maker Valeant, before getting acquired by Actavis in a \$70.5 billion transaction.

Pfizer has been on the prowl for the last two years after failing in its \$118 billion attempt to buy Anglo-Swedish drug maker AstraZeneca.

Industry experts see Allergan as a company addicted to doing deals. Led by CEO Brent Saunders, who is seen as an aggressively transformation expert, Allergan has morphed from being an ophthalmic-focused drug firm to a serious multiproduct branded industry heavyweight through a series of deals over the past three years.

M&A Champion

Allergan's Recent Deals

2012

US generic drug maker Watson acquires rival Actavis for \$5.9 billion. Watson adopts the name of Actavis for future operations



2013

Actavis acquires Warner Chilcott for \$6.5 billion, helping it to domicile in Ireland and pay lower corporate tax rates as compared to the US

2014

Valeant and hedge fund manager William Ackman of Pershing Square Capital Management agree on a plan to buy Allergan



Jul 2015

Allergan, minus the generics business, acquires Ocularve for \$125 million



Jul 2015

Allergan sells generics business to Teva for \$40.5 billion

Jun 2015

Actavis changes name to Allergan

2014

Actavis buys Allergan for \$70.5 billion

2014

Actavis acquires Forest Labs for \$25 billion

Jul 2015

Allergan buys two late stage drugs from Merck for \$250 million

Aug 2015

Allergan acquires Naurex Inc for \$560 million to bolster mental health business

Sept 2015

Allergan acquires ophthalmic drug startup Acuesys for \$300 million

Nov 2015

Allergan buys Northwood Medical Innovation, an aesthetic device maker



Allergan Over the Years

1948

Founded by Gavin Herbert, who owned a chain of drug stores in Los Angeles. The company marketed its first nasal drop branded as Allergan

1950

Allergan Pharmaceuticals launched into eye care

1988

Allergan acquired rights to Botox. US FDA had originally approved the product to treat lazy eye

1990s

Botox injection was used to treat tight eyelid conditions, later it was found to remove wrinkles near the eyes. Botox was extensively used by skin specialists for off-label use

2002

US FDA approved Botox for its use in removing wrinkles, leading to a strong pick-up in demand for the product. Botox is also used to treat chronic headaches, overactive bladder and obesity



M&A