

M&A in life sciences and health care

Current trends

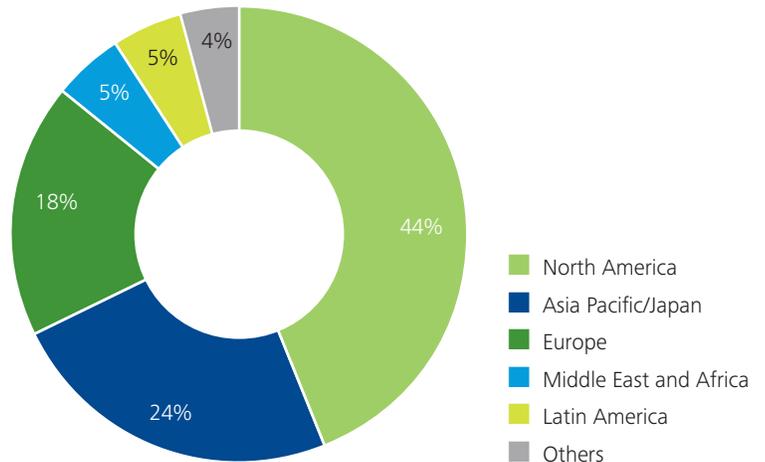
Pharmaceutical firms, health care companies and other life science enterprises are increasingly expanding into new markets in their search for growth, driven by a combination of shrinking pipelines, more rigorous regulatory scrutiny, patent expirations, and competition from generic manufacturers. While high-profile M&A deals have grabbed headlines, some of the more subtle aspects of this expansion are less understood.

The Economist Intelligence Unit, in collaboration with Deloitte, surveyed 240+ senior life sciences and health care executives for their insights into the forces underlying the current M&A trends in the life sciences and health care industry.

Survey findings

What markets are companies focusing on?

Global respondents indicated that North America will continue to be a priority market for acquisitions followed by Asia Pacific



Factors motivating M&A activity?

Health reform
Revenue/reimbursement pressures
Increased **scale**
Patent expirations
Competitiveness pressures
Portfolio diversification

Factors that are expected to lead to company growth?



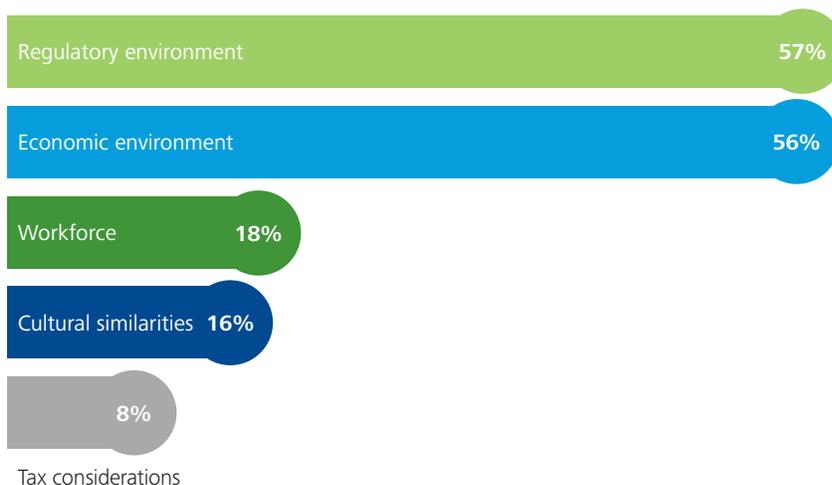
Organic growth, especially in existing markets



M&A in new geographic markets

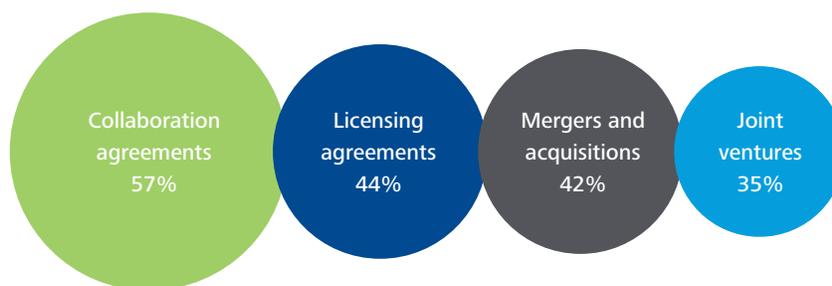
What encourages/discourages investment?

• Leading issues focused on regulatory and economic issues; tax considerations were surprisingly low, although 21% of the most experienced acquirers (deals > 10 over last three years) see it as important.



Types of transactions

Companies anticipate that collaboration agreements and licensing agreements to be the primary types of transactions over the next three years.



Learn more

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