

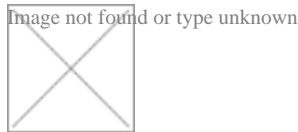


Weekly Checkup

Pharmaceutical Mergers at a Ten Year High

CONOR RYAN | APRIL 1, 2015

In 2014, twenty mergers between two pharmaceutical companies were valued at over \$1 billion.^[1] This wave of pharmaceutical mergers sets a ten year high for acquisition activity roughly equal to the total number of billion dollar deals in the three years prior. Mergers among health care companies raise red flags for policy makers who worry that market power will lead to higher prices and abet rising health care spending. In part, this consolidation may be evidence that companies are hedging against a large set of blockbuster drugs with looming patent expirations. The high number of mergers is also likely a response to increasingly burdensome health care regulations in the United States and a convoluted tax code that incentivizes companies to shift headquarters abroad.



^[1] Data is retrieved from <https://www.levinassociates.com/dealsearch>