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The New Rules for Biopharma M&A - 4 Trends Shaping the Landscape

(Source: An article by Gabrielle Masson for FiercePharma)

Biopharma M&A is re-accelerating after a period of relative caution, driven by a convergence of strategic necessity, capital availability, and portfolio pressures. According to an analysis by Bain Capital, four major trends are shaping deal activity this year - the need to offset looming patent cliffs, a shift toward earlier-stage and platform-oriented assets, increased selectivity around therapeutic areas and modalities, and a more disciplined, value-focused approach to integration and execution. Together, these dynamics are redefining how and why companies pursue acquisitions.

First, the industry is confronting one of the largest patent expiration waves in its history. Billions in branded revenue will erode over the next five to seven years, forcing large biopharma companies to seek external innovation at scale. Internal pipelines alone cannot fully replace these losses quickly enough. As a result, M&A is no longer opportunistic—it is a central pillar of growth strategy. Companies are actively scanning for assets that can either deliver near-term revenue replacement or strengthen long-term pipelines in priority disease areas.

Second, there is a noticeable pivot toward earlier-stage, platform-based, and technology-driven acquisitions. Rather than paying peak premiums for late-stage assets, acquirers are targeting companies with differentiated science, novel modalities, or enabling technologies that can fuel multiple programs. This reflects both valuation discipline and a desire to secure optionality. Buyers increasingly view M&A not as a single-asset play, but as a way to access engines of innovation that can produce a stream of future candidates across therapeutic areas.

Third, therapeutic focus and modality selectivity are intensifying. Companies are doubling down on core areas where they possess commercial infrastructure, clinical expertise, and regulatory experience, while deprioritizing adjacent or noncore segments. Modalities such as cell and gene therapy, RNA technologies, and precision biologics continue to attract attention, but buyers are applying greater scrutiny to technical feasibility, manufacturing scalability, and long-term commercial viability. This selectivity is leading to fewer but more strategically aligned transactions.

Finally, integration discipline and value realization are becoming central to deal strategy. The industry has learned from prior waves of large acquisitions that value is often lost in execution. Today's acquirers are placing greater emphasis on post-merger integration planning, cultural alignment, and clear governance models to ensure scientific momentum is not disrupted. There is also increased focus on retaining key talent from acquired companies and preserving the entrepreneurial environments that produced the innovation in the first place.

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In Brief...

- Global pharmaceutical solutions company, **Cencora**, today published the *Pharmacy Outlook 2026* report, which offers insights into the current state and evolving landscape of health system pharmacy. Powered by Cencora's *Accelerate Pharmacy Solutions*, the report includes trend analysis, recommended practices and findings from a survey of over 100 health system pharmacy leaders on key areas impacting performance and strategic planning, including specialty pharmacy maturity and enablement, infusion services and cell and gene therapy, as well as financial optimization and supply chain. To download the report visit *cencora.com/resources/health-systems/access-the-2026-pharmacy-outlook-report/2026-pharmacy-outlook-report*.
- **McKesson** has closed on the sale of its retail and distribution businesses in Norway to **NoresGruppen**, a privately-owned retail group. McKesson announced its plan to divest its Norway business on August 4, 2025. The transaction represents McKesson's commitment to fully exit its European operations. This will allow McKesson to fully focus strategy and capital allocation on expanding and accelerating its growth platforms within oncology and multispecialty and biopharma services.
- The **US House of Representatives** passed appropriations legislation that includes pharmacy benefit manager reforms.

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Phillips Pharma Group

Phillips Pharma Group Joins IFPW As Its Newest Wholesale Member

IFPW is pleased to announce that Phillips Pharma Group has joined IFPW as its newest wholesaler member.

Established in 1991 in Kenya, Phillips Pharma Group has offices and warehouses in Kenya, Tanzania, Uganda, Rwanda, Zambia, Nigeria, Ghana, Mauritius and Namibia. Phillips Pharma Group markets and distributes a wide range of pharmaceuticals, diagnostic equipment and medical devices from over one hundred of the world's leading pharmaceutical companies. With a customer base of over five thousand retail pharmacies, hospitals, NGOs and institutions, Phillips Pharma Group provides vital services, including state of the art warehousing/cold storage facilities, in-market distribution and medical marketing services, and provision of regulatory, technical and pharmacovigilance services to its partners.

IFPW looks forward to Phillips' insights and perspectives on the African markets, along with their participation in our CEO Roundtable General Membership Meetings.

Biopharma M&A *(cont'd.)*...

These trends signal that biopharma M&A is evolving from a volume-driven activity to a precision tool for portfolio renewal and capability building. Winning acquirers will be those that combine strategic clarity on where to play, financial discipline on what to buy, and operational rigor on how to integrate. In this environment, M&A is less about scale and more about securing the right science, in the right areas, at the right time.

The EU-India Trade Pact and Implications for the Pharma Industry.

(Source: An article by Fraiser Kansteiner for FiercePharma)

A pending EU–India trade agreement is poised to materially reshape pharmaceutical trade flows between the two regions by eliminating or sharply reducing the current 11% tariff applied to many European medicines entering India. For the pharmaceutical sector, this development carries implications well beyond pricing. It signals a potential shift in market access, competitive dynamics, supply chain configuration, and long-term strategic positioning for both European innovators and Indian manufacturers.

At its core, the agreement improves affordability and access to European-origin therapies in the Indian market. The removal of tariffs will narrow price gaps that have historically limited the uptake of imported innovative medicines. This creates new commercial opportunities for European biopharma companies, particularly in specialty and branded products where cost barriers have constrained demand. India's growing middle class, expanding healthcare infrastructure, and rising burden of chronic disease further amplify the attractiveness of this market once tariff friction is reduced.

For Indian pharmaceutical companies, the implications are more nuanced. While the agreement increases competitive pressure from European imports, it also opens doors for deeper bilateral collaboration. Indian firms—many of which are global leaders in generics and active pharmaceutical ingredient (API) manufacturing—stand to benefit from expanded export pathways to the EU, as well as potential partnerships, licensing deals, and contract manufacturing arrangements with European innovators seeking cost-efficient production and supply chain resilience.

The agreement also intersects with broader geopolitical and supply chain considerations. Both regions have been reassessing pharmaceutical supply security following pandemic-era disruptions. The trade pact can be seen as part of a broader strategy to diversify sourcing, reduce over-reliance on single geographies, and strengthen trusted trade corridors. For European companies, India represents both a major market and a critical manufacturing hub. For India, closer ties with the EU enhance its role as a global pharmaceutical production center.

Importantly, the tariff reduction may accelerate regulatory and quality alignment discussions. As trade barriers fall, pressure increases to streamline regulatory pathways, harmonize standards, and reduce administrative friction that can otherwise limit the practical benefits of tariff relief. This could lead to faster product registrations, smoother market entry, and more predictable cross-border operations over time.

The strategic message is clear--this agreement is not simply a trade story. It is a market access and supply chain story. Companies should anticipate shifts in product flow, pricing strategies, sourcing decisions, and partnership opportunities. Organizations that proactively reassess their India and EU strategies considering this agreement—across commercial, regulatory, and operational dimensions—will be better positioned to capture emerging value.

Ultimately, the EU–India trade pact represents a meaningful step toward deeper pharmaceutical integration between two major global players, creating opportunities for improved patient access, stronger industry collaboration, and more resilient supply networks.

In Brief (cont.)

The bill, which passed the House with a 217-214 vote and previously passed the Senate with a 71-29 vote, now proceeds to the President's desk for his signature. **National Association of Chain Drug Stores** president and CEO *Steve Anderson* issued a statement today following the vote, saying "Congress and the Trump Administration are delivering a historic win for the American people and for the trusted pharmacies that serve as the face of neighborhood healthcare. These PBM reforms are integral to reducing people's drug costs and keeping pharmacy care within reach, and they must be implemented swiftly, effectively, and as intended by Congress."

- **AstraZeneca (AZ)** has committed to spending US$15 billion in China through 2030 to expand its manufacturing and R&D footprint in what is already its second largest market. AZ CEO *Pascal Soriot* hailed the announcement as the start of an "exciting new chapter" for the company in the country. The planned investment will look at scale AZ's large presence in the country, which accounted for 12% of its total revenue through the first nine months of 2025. AZ has introduced 40 innovative medicines in China since entering the market in 1993 and operates two R&D centers, four manufacturing sites and maintains commercial operations across five regional hubs.
- **Takeda** is planning to revamp its organization structure effective April 1 as the company prepares for its leadership transition to its newly elected CEO, *Julie Kim* in June of 2026. The company will create a new International Business Unit, which will directly oversee all markets outside the US. Takeda's commercial operations will be split into two main groups – the US Business Unit and the International Business Unit (IBU). The existing Japan Pharma Business Unit (JPBU) will remain in place and be positioned within the IBU framework. The IBU will be led by *Giles Platford*, currently president of Takeda's Plasma-derived Therapies Business Unit. *Asuka Miyabashira* will continue to head the JPBU.
- **Lupin** announced a licensing and supply agreement (through its subsidiary **Atlantis Holdings SA**) with **Galenicum** for finished formulations of injectable *semaglutide*, a GLP-1 receptor agonist. Per the agreement, Galenicum will oversee development, manufacturing and supply while Lupin will handle regulatory submissions, approvals, commercialization and distribution of the product across 23 countries, including Canada, Europe, Southeast Asia and Latin America

(Sources: Company Press Releases, Drug Store News, FiercePharma, Pharma Japan and Scrip Intelligence)