

2024 DEALMAKERS OF THE YEAR



MATTHEW HURD

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By David Gialanella

In summoning the extraordinary effort required to help close complex deals, finding real meaning behind the work never hurts.

Such was the case for the Sullivan & Cromwell team advising biotechnology company Seagen in its \$43 billion acquisition by Pfizer last year—the largest known all-cash pharma acquisition in history, according to the firm, which allowed Pfizer to acquire Seagen’s antibody-drug conjugate (ADC) technology capabilities.

“When you work with life sciences clients, their enthusiasm for what they do, their ultimate commitment to the patient—it runs from the bottom of the organization to the very top,” said partner Matthew Hurd, who worked the deal along with Melissa Sawyer, global head of the M&A practice, and antitrust co-head Renata Hesse.

“That enthusiasm rubs off on us, and allows us to confidently redouble our efforts in acting for these companies,” Hurd continued. “Innovative and successful companies get innovative and successful results in the transactions that they do, and this was a good example of that.”

Perseverance pervaded the work. Seagen, long represented by Sullivan & Cromwell, failed to close a deal with Merck in 2022. Pfizer entered the scene early last year, and possessed the capital necessary to make the deal.

Still, there were challenges. When the deal was announced in March 2023, “it was a year when M&A was down, the markets were very challenging,” Sawyer said. “There was talk at that time of regional banks collapsing across the country. ... It wasn’t just a dynamic regulatory environment, but a dynamic macro environment.”

That regulatory piece—two rounds of inquiry from the Federal Trade Commission, as well as interest from EU regulators—is where Hesse entered. Having previously served as antitrust counsel to Amgen in its \$27.8 billion acquisition of Horizon Therapeutics, Hesse brought “a pretty unique window into navigating that process” and “an advantage over our peers,” she said. “The process with the FTC went quite smoothly. We worked very hard to comply with the second request quickly, with the goal being to do that as expeditiously as we could, without the commission feeling like they weren’t being given enough time to do their review.”

To smooth the regulatory path, Pfizer agreed to donate its royalty stream earnings from cancer drug Bavencio to cancer research. (Pfizer, previously in partnership with Merck on Bavencio, had sold its interest to Merck).

Hesse, a former section chief in the Justice Department’s antitrust division, credited Pfizer for the solution, and said her team worked very well with the pharma giant’s antitrust counsel at Arnold & Porter Kaye Scholer.

In the end, per Sawyer, the ultimate success came down to Seagen’s mission, which she said is capable of surviving any regulatory or economic climate.

Hurd agreed.

Seagen’s ADC technology is “like a rocket with a payload—it kills cancer cells,” he said. “This deal is really about Pfizer investing \$43 billion in the fight against cancer.”