

Kirkland, Wachtell Steer Bristol-Myers' \$74B Celgene Buy

By **Chelsea Naso**

Law360 (January 3, 2019, 7:57 AM EST) -- Bristol-Myers Squibb, led by Kirkland & Ellis LLP, said Thursday it will take over New Jersey-based Celgene, advised by Wachtell Lipton Rosen & Katz, in a \$74 billion cash-and-stock deal aimed at creating a top specialty biopharmaceutical company.

By acquiring Celgene Corp., Bristol-Myers Squibb Co. expects to take a leading position in the cancer, inflammatory and immunologic disease and cardiovascular spaces. The combined company will boast a top five immunology and inflammation franchise and the top cardiovascular franchise, according to a Bristol-Myers Squibb statement.

"Together with Celgene, we are creating an innovative biopharma leader, with leading franchises and a deep and broad pipeline that will drive sustainable growth and deliver new options for patients across a range of serious diseases," Dr. Giovanni Caforio, Bristol-Myers Squibb chairman and CEO, said in a statement. "As a combined entity, we will enhance our leadership positions across our portfolio, including in cancer and immunology and inflammation."

The deal will see each Celgene share swapped for one Bristol-Myers Squibb share, \$50 in cash and one tradable contingent value right tied to future regulatory milestones. Celgene investors are expected to hold about 31 percent of the combined company.

Bristol-Myers Squibb plans to finance the deal with a combination of cash on hand and debt financing, the pharmaceutical company said. It has already locked down fully committed debt financing from Morgan Stanley Senior Funding Inc. and MUFG Bank Ltd.

The combined company will be helmed by Bristol-Myers Squibb's Caforio, who will hold onto his role as chairman and CEO. Two of Celgene's board members will be added to Bristol-Myers Squibb's board of directors, the companies said.

Celgene Chairman and CEO Mark Alles lauded the deal as a way for shareholders to tap into Celgene's current value while also participating in its future growth.

"For more than 30 years, Celgene's commitment to leading innovation has allowed us to deliver life-changing treatments to patients in areas of high unmet need. Combining with Bristol-Myers Squibb, we are delivering immediate and substantial value to Celgene shareholders and providing them meaningful participation in the long-term growth opportunities created by the combined company," Mark Alles, Celgene chairman and CEO, said in a statement.

For Celgene, the takeover comes about a year after the biopharmaceutical player agreed to shell out \$9 billion for rival Juno Therapeutics. The January 2018 deal came just weeks after the New Jersey-based company inked a deal worth up to \$7 billion, including contingency payments, for Impact Biomedicines.

The deal, which is not subject to a financing condition, requires approval from both company's shareholders as well as regulatory approval. Bristol-Myers Squibb expects the deal to close during the third quarter of 2019.

Once the deal closes, Bristol-Myers Squibb plans to launch a \$5 billion share buyback, assuming market conditions remain favorable and its board signs off on the move, it said.

Bristol-Myers Squibb is represented by a Kirkland team led by corporate partners Daniel Wolf, Jonathan Davis and Ryan Brissette, along with David Fox; capital markets partner Sophia Hudson; debt finance partners Linda Myers and Jessica Woolf; intellectual property partner Lisa Samenfeld, antitrust partners Matthew Reilly and Paula Riedel; tax partners Dean Shulman and Sara Zabloutney; and executive compensation partner Scott Price.

Mayer Brown LLP also advised Bristol-Myers Squibb on intellectual property matters with a team led by partners Lisa Ferri and Brian Nolan and associate Elliot Choi.

The Bristol-Myers Squibb in-house legal team is led by Sandra Leung, executive vice president and general counsel, and Joseph Campisi, senior vice president and deputy general counsel, transactions.

Morgan Stanley & Co. LLC is acting as lead financial adviser for Bristol-Myers Squibb, with Evercore and Dyal Co. LLC also acting as financial advisers.

Celgene is represented by a Wachtell team led by corporate partners Steven A. Cohen, David K. Lam and Edward J. Lee and including corporate associates Oliver J. Board, Helen Diagama, Brian H. Junquera, and Michael Ye; executive compensation and benefits partner Andrea K. Wahlquist and associate Erica E. Bonnett; restructuring and financing partners Michael S. Benn and John R. Sobolewski, associate Benjamin S. Arfa, and law clerk Elyssa Eisenberg; antitrust partner Nelson O. Fitts, counsel Franco Castelli, and associate Emily E. Samra; and tax partner Joshua M. Holmes.

A Jones Day team led by Anthony Insogna, John Normile and Scott Lyne is advising Celgene on intellectual property matters.

J.P. Morgan Securities LLC is acting as lead financial adviser for Celgene, with Citi also acting as financial adviser.

--Editing by Rebecca Flanagan.

Update: This story was updated with additional information about the deal, both companies and counsel information.