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2023 DEALMAKERS OF THE YEAR



EMILY OLDSHUE

ROPES & GRAY

Ropes & Gray M&A partner Emily Oldshue led a more than 100-lawyer team that guided Pfizer through an \$11.6 billion acquisition of the part of Biohaven Pharmaceutical Holding Co. it didn't already own. The complicated transaction closed within five months and featured a pre-closing public spinoff and negotiation of a unique royalty payment stream.

"The whole thing was announced on May 10 and closed on Oct. 3, which I think no one thought was possible, given the complexity," she says.

The transaction could have a lasting impact if the royalty structure is used in other transactions. Oldshue sees potential when valuation of assets is an issue, and she said it could be used most commonly in deals in the life sciences and technology sectors.

"Time will tell whether we see more of these SpinCos to solve valuation issues. For the royalty structure to work, you need a spinoff entity," the Boston-based partner explains.

Pfizer initially negotiated a licensing agreement with Biohaven to sell its migraine therapy outside of the U.S. The migraine treatment and preventative is sold as Nurtec ODT in the U.S. But Pfizer ultimately decided in early 2022 it wanted to negotiate a deal to acquire Biohaven's migraine assets, and to separate them from the company's early-stage assets, Oldshue says.

At that point, Oldshue notes, the Ropes team she led concentrated on two components—antitrust and the spinoff of Biohaven's early-stage assets into a new company. To make the spinoff work, they negotiated the novel royalty structure, which will provide shareholders in the spinoff the right to receive tiered royalties from Pfizer on annual net sales of the migraine treatment in the U.S. in excess of \$5.25 billion.

That royalty structure provides the new spinoff entity, a public company, with royalty payments over a 10-year period. The spinoff occurred right before the acquisition closed, and Biohaven and its migraine assets became a wholly owned subsidiary of Pfizer.

Lawyers at Ropes had worked on the licensing agreement for Pfizer, but Oldshue says she got involved in March of 2022. She built a team of more than 100 Ropes lawyers from 10 offices working on structuring, M&A, capital markets, licensing, regulatory, litigation and enforcement. They were in constant contact, Oldshue says, to solve issues as they came up.

Oldshue led the negotiation of the definitive agreements for the acquisition and the spinoff, and the negotiation of the novel royalty structure. It's the kind of work she enjoys.

"I love the subject matter of these pharmaceutical deals," she says. "That's what I love being good at—building the right team, and how to execute on the big vision."

—Brenda Sapino Jeffreys