

# Starboard Value takes stake in Bristol-Myers

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Activist investor Starboard Value has taken a stake in one of the world's largest pharmaceutical companies, Bristol-Myers Squibb, according to sources close to the matter cited by Bloomberg News. Bristol announced a massive \$74 billion deal for Celgene just last month.

There is no indication yet on the size of Starboard's stake. Both companies have kept quiet on the matter so far, with a representative of Bristol-Myers indicating that it had no comment to make at this time.

The purchase of Celgene has been considered a coup for Bristol-Myers, as it allows the company to take control of the top-selling blood-cancer therapy Revlimid. With a course of treatment in the medicine being worth over \$100,000 annually, this alone is worth millions to Bristol-Myers.

However, the fact that this treatment could be opened up to generic competition due to recent patient litigation has impacted on the value of the company, and Bristol-Myers stock fell 14% on January 3 when the Celgene deal was originally announced.

Nonetheless, market observers believe that Starboard could be attempting to push for a sale at Celgene. There are a handful of drug companies that could be interested, including AbbVie, Pfizer and Novartis.

Starboard has been highly visible in shareholder activism in recent weeks, being linked with action at the online retailer eBay, and pushing for a merger of Cars.com. There has also been previous activist interest in Bristol-Myers, with the legendary Carl Icahn having declared a stake in the company back in February 2017.

Shares in Starboard decreased appreciably in the latter months of 2018, falling from nearly \$63 in October, to begin 2019 at just over \$46.

