Healthcare dealmakers head to San Francisco hoping for mega-mergers

NEW YORK — Healthcare dealmakers are heading to San Francisco this weekend betting on a new wave of mega-mergers in 2026 that could eclipse the industry's standout years of 2019 and 2021 when such tie-ups approached half a trillion dollars, according to more than a dozen top bankers and lawyers.

Ahead of the week-long annual JPMorgan Healthcare Conference, dealmakers said more forgiving antitrust scrutiny under US President Donald J. Trump has given large pharmaceutical companies confidence to consider acquisitions worth $30 billion or even merging with equally big companies.

Fresh industry agreements with the White House on tariffs and drug prices are also helping, they said.

"Across a number of different industries, we have seen deals get approved in the last year that could have had more regulatory risk in the past," said Jeremy Meilman, global co-head of healthcare investment banking at JPMorgan. "So that has made people dust off the playbook on the art of the possible."

That is a sharp contrast in sentiment to 2024 when there wasn't a single biopharma deal worth more than $5 billion, and marks a rise in activity from last year, when several transactions exceeded $10 billion, according to LSEG.

SETTING THE TONE FOR DEALMAKING

The run-up to the annual gathering, which pulls thousands of investors, bankers, lawyers and companies into San Francisco, often sets the tone for healthcare dealmaking for the year with deals getting announced at and around the meetings.

Eli Lilly announced plans on Wednesday to buy Ventyx Biosciences for $1.2 billion.

Speculation that AbbVie was close to buying Revolution Medicines ahead of the conference and that Merck was also interested, lifted the cancer-drug developer's market value by 34% to about $20 billion — even though AbbVie denied the talks and the company remains six months away from clinical trial results that are key for its valuation.

Chief executive officers are running models to test how their portfolios would look under transformational deals, anticipating a potential window to win regulatory approval through 2026, before the US midterm elections could reshape Washington. — *Reuters*

Boeing's biggest 737 MAX model moves to next step in certification

SEATTLE — The Federal Aviation Administration (FAA) has approved Boeing's largest variant of its best-selling 737 MAX jet, the MAX 10, to move to the second phase of flight testing on the plane's long-delayed certification campaign, according to a source familiar with the program.

The company and FAA declined to comment.

Boeing executives have previously said they expect to finish certification this year for the MAX 7 and 10, the smallest and largest variants of the popular single-aisle jet. The company has more than 1,200 orders for the MAX 10 in its backlog, according to aviation data analytics firm Cirium.

Boeing has faced delays in the certification of its MAX 7 and MAX 10 models due to an engine deicing issue. The US planemaker has also faced delays in certifying its widebody 777X jet. In October, the FAA gave Boeing approval to raise 737 MAX production to 42 planes per month, ending a 38-plane cap in place since January 2024.

The MAX 7 is a shortened version of the two types already in service, the MAX 8 and 9, which have accumulated tens of thousands of flight hours.

Beginning deliveries of the MAX 10 is widely seen by industry analysts as critical to increasing Boeing's revenue and cash flow.

DEICING ISSUE UNRESOLVED

The FAA approval did not apply to the MAX 7, according to the source.

Phase two of the FAA flight testing involves the aircraft's avionics, propulsion and other parts of the design, but the deicing issue has not been resolved.

The MAX 10 competes with Airbus' A321neo and risks losing more market share the longer it is delayed. This week, Alaska Airlines ordered 105 MAX 10 airplanes and Alaska Chief Executive Officer Ben Minicucci said he is confident the MAX 10 will be certified this year.

"It's progress, but until (the MAX 10) is certified, it's not," said Scott Hamilton, an aerospace analyst and principal with the Leeham Company. Until there is a clear path to certification, Boeing cannot start production at its Everett, Washington plant, he said. — *Reuters*

Musk's X sues music publishers over alleged licensing conspiracy

WASHINGTON — Elon Musk's X Corp. sued 18 major music publishers and a leading US music industry trade association on Friday, alleging they conspired to block competition and force the social media platform to purchase licenses for musical works at inflated rates.

The lawsuit, filed in federal district court in Texas, accused the National Music Publishers' Association, Sony Music, Universal Music, Warner Chappell and other music publishers of violating federal antitrust law by refusing to negotiate individual licensing deals with X.

"X has been denied the ability to acquire a US musical-composition license from any individual music publisher on competitive terms," the lawsuit said.

David Israelite, the president and chief executive officer of the National Music Publishers' Association, said in a statement that X is the only major social media company that does not license the songs on its platform.

"We allege that X has engaged in copyright infringement for years, and its meritless lawsuit is a bad faith effort to distract from publishers' and songwriters' legitimate right to enforce against X's illegal use of their songs," Mr. Israelite said.

Sony Music referred Reuters to the association's statement and declined further comment. Universal Music and Warner Chappell did not immediately respond to requests for comment. X did not immediately respond to a similar request.

The lawsuit alleges that publishers representing more than 90% of US copyrighted music joined forces through the National Music Publishers' Association in conspiring against X.

X said the publishers have flooded the platform with weekly takedown notices targeting thousands of posts containing copyrighted music — including content from high-profile accounts — to pressure the platform into accepting industrywide licensing terms.

The complaint said X has removed thousands of posts and suspended more than 50,000 users, harming its user base and advertising revenue. It asked the court to restore competitive conditions in music licensing and compensate X for lost advertising revenue. — *Reuters*