

Impact Of Pfizer Acquisition Of Esperion Ripples Through Michigan Life Sciences Industry A Year Later

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ANN ARBOR – The impact of Pfizer Inc.'s \$1.3 billion acquisition of Esperion Therapeutics continues to be felt in the Michigan life sciences industry a year after the deal closed.

The incredibly lucrative Esperion exit was by far the biggest for any Michigan technology company this far, providing the state with a poster child to show the investing world what could be done in Michigan, experts say.

What's more, some of the scientists who built Esperion already are quietly investing in and even participating in the next wave of life sciences and biopharmaceutical companies incubating around the state.

Roger Newton, the driving force behind Esperion, has invested in several Michigan venture capital companies with biotech portfolio investments, and has taken a seat on the board of some of these same start ups.

But even after making \$19 million from the Esperion sale, Newton remains at Pfizer's Ann Arbor labs making sure his drug discovery – high density lipoprotein targeted at treatments for cardiovascular disease – rolls onto drug store shelves. Newton played a major role in commercializing another Pfizer drug, Lipitor, which has generated more than ten billion dollars in sales.

Newton said anyone who knows him, knows he likes to finish what he starts, the reason he decided to stay with what is now the Esperion division of Pfizer, rather than, as a multi-millionaire, taking up residence on a Caribbean Island.

“Our acquisition by Pfizer represents the next chapter in the story of Esperion,” Newton said. “The acquisition allows us to continue to do what we love as innovators within Pfizer. We are thriving, not just surviving. I am committed to seeing the entire life sciences industry in Michigan thrive also.”

Certainly, Newton said, the aura generated by the Esperion sale has helped create a glow around the emerging Michigan life sciences sector. Mitchell Mondry, president of the Michigan Venture Capital Association, agreed.

“One year is a short time frame, but it has elevated Michigan and showed people inside and outside the state we can have a major grand slam success in the state,” he said.

“Esperion is a home grown company with one of the largest exits ever and people know about it. The sale has received lots of press, which has become a positive sign for Michigan that we can have successes like that.”

Newton also has been very visible since the exit, Mondry said. He has been a speaker at several life sciences and private equity finance seminars. He's taken a seat on the board of small start ups around the state. He's invested his money in at least two Michigan Venture Capital companies, Apjohn Ventures and Arboretum Ventures.

Mina Sooch, a founding principal at Apjohn Group and founder & general partner at Apjohn Ventures Fund, said Esperion also has created a talent pool that has just started to filter into other life sciences and biotech start ups.

“Half of the Vice Presidents have left and they’re exploring working with other start ups in the region,” she said. “The Esperion talent is finding its way into deal as board member, consultant or full time employees. It will take a decade or decade and a half for Esperion’s talent to transform Michigan. But four or five companies may emerge by the end of this year and become more fundable by West Coast VCs.”

Still, attracting capital from the West Coast is key to keeping the momentum rolling behind Michigan life sciences and biotech companies, Newton said, at least until the Michigan Venture Capital industry grows.

“The Michigan life sciences industry is in an excellent position to attract the necessary capital to thrive,” he said. “However, until we have a vibrant, well-funded venture capital base in Michigan, companies will have to look not just to Michigan and the Midwest, but to the East and West Coasts for the operating capital they require. This is a time-intensive effort, and new technology needs to be funded in a timely manner before it becomes outdated.”