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Mallinckrodt Acquires Sucampo

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Mallinckrodt to Acquire Sucampo Pharmaceuticals for Approximately $1.2 Billion



Mallinckrodt, a leading global specialty pharmaceutical company has acquired Sucampo Pharmaceuticals, a global biopharmaceutical company.

Sucampo's Commercial Assets includes AMITIZA® (lubiprostone), a leading global product in the branded constipation market.

It is approved by the U.S. Food and Drug Administration (FDA) for treatment of chronic idiopathic constipation (CIC) in adults.

The drug is promoted through commercial agreements in the U.S., the United Kingdom and Switzerland and in Japan.

An Investigational New Drug Application for the product has been accepted in China.

RESCULA® (unoprostone isopropyl ophthalmic solution) 0.15%, is indicated for ocular hypertension and open-angle glaucoma, and marketed in Japan.

Mallinckrodt will acquire global rights to the product, with annual net sales of approximately $9 million.

Mallinckrodt expects to build on the limited commercial infrastructure Sucampo has built for both VTS-270 and CPP-1X/sulindac with its sales organizations currently focused on rare diseases.

At launch, patient access to these unique treatment options would also be supported and enhanced by Mallinckrodt's strong relationships with insurance companies and group purchasing organizations.

Mallinckrodt's existing infrastructure of clinical and medical affairs experts will also support approval and launch of both products.

The acquisition is expected to be funded through borrowings under Mallinckrodt's existing revolving credit facility, a new secured term loan facility and/or cash on hand.

Following the transaction, Mallinckrodt intends to utilize its significant cash generation to focus on reducing outstanding debt over time.

Sucampo stockholders holding approximately 32% of the outstanding Sucampo shares have entered into a tender and support agreement for this transaction.

Mallinckrodt expects accretion from the acquisition to adjusted diluted earnings per share of at least $0.30 in 2018 and at least double that amount in 2019, assuming a first quarter 2018 close.