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Novartis to acquire Endocyte in $2.1B deal

19 October 2018 | News

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Novartis AG will acquire U.S.-based cancer drugmaker Endocyte Inc for $2.1 billion in cash as the Swiss drugmaker expands its radiopharmaceuticals business.

The $24-per-share offer represents a premium of 54 percent to Endocyte's Wednesday closing price.

Endocyte said the deal will help develop a broader role for radioligand therapies in cancer treatment.

The deal will also enable Novartis to investigate the potential development of a drug candidate for use in earlier lines of prostate cancer therapy.

Endocyte will be merged with a newly formed Novartis subsidiary. The transaction is expected to be completed in the first half of 2019 and Endocyte will continue to operate as a separate and independent company until then.

Novartis said in September that it will cut 2,550 jobs in Switzerland and Britain over four years, as it strives to boost profits and focus on new medicines.