

Novartis to acquire The Medicines Company for \$9.7 B

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Transaction expected to create significant value with soon-to-launch, potentially first-in-class product that could become one of the largest products by sales in Novartis portfolio, leveraging significant synergies with existing global cardiovascular commercial capabilities



Novartis has announced that it has entered into an agreement and plan of merger with The Medicines Company (MDCO) to acquire the US-based biopharmaceutical company for USD 85.00 per share in cash, valuing the company at approximately USD 9.7 billion on a fully diluted equity basis.

The offer price represents a premium of approximately 41% over The Medicines Company's 30-day (to November 22, 2019) volume weighted average price of USD 60.33 and approximately 24% premium over The Medicines Company's closing share price of USD 68.55 on November 22, 2019 which represented a fully diluted equity value of approximately USD 7.7 billion when including the impact of outstanding stock options and convertible debt. The transaction has been unanimously approved by the Boards of Directors of both companies.

Novartis CEO Vas Narasimhan said: "We are excited about entering into an agreement to acquire The Medicines Company as inclisiran is a potentially transformational medicine that reimagines the treatment of atherosclerotic heart disease and familial hypercholesterolemia. With tens of millions of patients at higher risk of cardiovascular events from high LDL-C, we believe that inclisiran could contribute significantly to improved patient outcomes and help healthcare systems address the leading global cause of death. The prospect of bringing inclisiran to patients also fits with our overall strategy to transform Novartis into a focused medicines company and adds an investigational therapy with the potential to be a significant driver of Novartis' growth in the medium to long term."

The transaction is expected to close in the first quarter of 2020, subject to the satisfaction or waiver of all closing conditions. Until closing, Novartis and The Medicines Company will continue to operate as separate and independent companies.

Under the terms of the agreement and plan of merger, Novartis will, through a subsidiary, commence a tender offer to purchase all outstanding shares of The Medicines Company for USD 85.00 per share in cash. Following completion of the tender offer, Novartis expects to merge the acquiring subsidiary with The Medicines Company, resulting in The Medicines

Company becoming an indirect wholly-owned subsidiary of Novartis. The transaction is subject to customary closing conditions, including antitrust clearance.

Novartis plans to finance the transaction through available cash and short- and long-term borrowings.