

Pfizer, Allergan sign \$160-bn merger deal

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Global pharma major Pfizer Inc and Botox maker Allergan Plc have entered into a merger agreement for a total enterprise value of about \$160 billion in the biggest ever deal in the healthcare sector.

The combined company is expected to generate annual operating cash flow in excess of \$25 billion beginning in 2018 with broadened innovative pipeline of more than 100 combined mid-to-late stage programmes in development.

As per the definitive merger agreement that has been approved by the Boards of the two companies, Pfizer will combine with Allergan in a stock transaction currently valued at \$363.63 per Allergan share, for a total enterprise value of approximately \$160 billion, Pfizer said in a statement.

"Allergan shareholders will receive 11.3 shares of the combined company for each of their Allergan share, and Pfizer stockholders will receive one share of the combined company for each of their Pfizer share," it added.

The transaction represents more than 30% premium based on Pfizer's and Allergan's unaffected share prices as of October 28, 2015, it further said.

Ian Read, Pfizer's chairman and CEO, will serve as chairman and CEO of the combined company while Allergan CEO Brent Saunders will serve as president and chief operating officer of the combined company, the statement said.

Commenting on the development, Pfizer chairman and CEO Ian Read said: "The pro-



MEGA MERGER: Pfizer drugs Advil are pictured in this photo illustration in New York. With the acquisition of Allergan Plc, Pfizer Inc will create the world's biggest drug maker. REUTERS

Biggest-ever deal in healthcare sector

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posed combination of Pfizer and Allergan will create a leading global pharmaceutical company with the strength to research, discover and deliver more medicines and therapies to more people around the world." Through this combination, Pfizer will have greater financial flexibility that will facilitate "our continued discovery and development of new innovative medicines for patients, direct return of capital to shareholders, and continued investment in the US, while also enabling our pursuit of business development opportunities on a more competitive footing within the industry," he added.

"The combination of All-

gan and Pfizer is a highly strategic, value-enhancing transaction that brings together two biopharma powerhouses to change lives for the better," Allergan CEO Brent Saunders said.

Joining forces with Pfizer matches Allergan's leading products in seven high growth therapeutic areas and robust R&D pipeline with Pfizer's leading innovative and established businesses, vast global footprint and strength in discovery and development research to create a new biopharma leader, he added.

Under the terms of the proposed transaction, the businesses of Pfizer and Allergan will be combined under Allergan plc, which will be renamed Pfizer plc. The companies expect that shares of the combined company will be listed on the New York Stock Exchange. — PTI

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