

Amgen agrees to buy Otezla rights for \$13.4 bn: Bristol-Myers Squibb

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The deal was linked to Bristol-Myers Squibbs' merger with the Celgene Corporation, which is selling its rights to Otezla to gain regulatory approval for the merger; pictured is Bristol-Myers Squibb CEO Giovanni Caforio

Amgen has agreed to acquire the global rights to Otezla, a drug used for

the treatment of psoriasis and psoriatic arthritis, for \$13.4 billion in cash, Bristol Myers Squibb said Monday.

The deal was linked to Bristol-Myers Squibbs' merger with the Celgene Corporation, which is selling its rights to Otezla to gain regulatory approval for the merger.

The Otezla sale to Amgen "is contingent on Bristol-Myers Squibb and Celgene entering into a consent decree with the Federal Trade Commission (FTC) in connection with their pending merger," Bristol-Myers Squibb said in a statement.

"This agreement represents an important step toward completing our pending merger with Celgene," Giovanni Caforio, Bristol-Myers Squibb chairman and CEO, said.

The company said it now expects its merger with Celgene—valued at \$74 billion in cash and stocks—to close by the end of 2019.

It said it would use proceeds of the Otezla sale to reduce debt. It also announced that it is increasing a share buy-back from \$5 billion to \$7 billion.

Under the Otezla agreement, Celgene employees dedicated to Otezla would transfer to Amgen as would related patents and intellectual property.

Caforio said Amgen "has the capabilities and infrastructure to continue to support this important medicine and ensure a seamless transition for patients and healthcare providers."

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