

Mylan offers about \$29B for rival generic drugmaker Perrigo

April 8 2015, by Marley Jay



This Oct. 10, 2013 file photo shows an EpiPen epinephrine auto-injector, a Mylan product, in Hendersonville, Texas. In a deal that would combine two generic drugmakers that recently left the U.S. for Europe, Mylan says it wants to buy Perrigo for \$205 per share, or \$28.86 billion. (AP Photo/Mark Zaleski, File)

In a deal that would combine two generic drugmakers that recently left the U.S. for Europe, Mylan says it wants to buy Perrigo for \$205 per share, or \$28.86 billion.

Shares of both companies climbed to all-time highs on the news. If they combine, Mylan and Perrigo would be one of the world's largest makers of generic and over-the-counter medicines.

Mylan said the combined company would have had \$15.3 billion in revenue in 2014 and would be a leader in specialty drugs and nutritional products. It said the combined company would be able to grow even further with additional acquisitions.

Mylan's cash-and-stock offer comes at a premium of 24 percent to Tuesday's closing price for Perrigo shares. Mylan says it delivered a proposal to Perrigo on Monday. Perrigo confirmed that it received the offer and said its board will discuss the proposal.

Mylan said it wants the combined company led by Mylan executives including Chairman Robert Coury and CEO Heather Bresch.

Shares of Perrigo jumped \$39.04, or 23.7 percent, to \$203.75 in afternoon trading after trading as high as \$215.73. Mylan shares advanced \$7.75, or 13 percent, to \$67.34. Earlier they peaked at \$69.45.

Mylan NV relocated to the Netherlands in February after it paid \$5.3 billion to buy a unit of Abbott Laboratories that sells specialty drugs and generic drugs that are marketed under brand names. Mylan had been based in Pennsylvania.

Perrigo Co. moved from Michigan to Ireland in December 2013 after it bought Elan Corp. for \$8.6 billion.

The moves slashed both companies' tax bills.

In 2014 a spate of U.S. companies acquired foreign companies and then reincorporated in their target's home country. The move, called a

corporate inversion or tax inversion, allowed the companies to move to nations with lower taxes than the U.S. The tactic was criticized by President Obama and others, and in September the U.S. Treasury Department changed some of its rules to make the tactic less attractive. Some companies that had been considering inversions backed away from the move.

Last month Perrigo bought Omega Pharma of Belgium for \$4.48 billion including debt. Omega was one of the largest makers of over-the-counter drugs in Europe, and Perrigo said the deal made it one of the five largest OTC product companies in the world.

Mylan and Perrigo: About the companies

Drugmaker Mylan has offered \$205 a share, totaling nearly \$30 billion, for fellow drugmaker Perrigo. Here's a look at the companies and products that would be combined under a Mylan-Perrigo deal:

NAME: Mylan N.V.

LOCATION: The company is organized in the Netherlands following a corporate inversion. U.S. headquarters is in Canonsburg, Pennsylvania.

EMPLOYEES: About 25,000.

NET INCOME: \$929.4 million in 2014.

REVENUE: \$7.72 billion in 2014.

PRODUCTS: The company has over 1,400 drugs, but the overwhelming bulk of its business is generic drugs with sales of \$6.46 billion in 2014. The company's specialty segment makes EpiPen Auto Injector emergency treatment for allergic reactions, which had sales of \$1.19

billion in 2014.

NAME: Perrigo Co.

LOCATION: Dublin. U.S. headquarters is in Allegan, Michigan.

EMPLOYEES: About 10,000.

NET INCOME: \$205.3 million in fiscal 2014, which ended June 28.

REVENUE: \$4.06 billion in fiscal 2014, which ended June 28.

PRODUCTS: The consumer health care unit sells over-the-counter diabetes and animal health products. It is the most lucrative section of the company with sales of \$2.22 billion in the last fiscal year. The nutrition products unit includes store-brand infant formula, baby cereals, and vitamins. It had sales of \$551.7 million. Pharmaceutical products, with sales of \$927.1 million, include the testosterone gel Androgel, along with dermatology and women's health products.

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