

Roche buys US Foundation Medicine for \$2.4 bn

19 June 2018



Roche, which was founded in 1896, is the world's top cancer drug maker

Swiss pharmaceutical giant Roche said Tuesday it had reached an agreement to purchase the remaining shares of US lab Foundation Medicine, of which it already holds a majority stake, for \$2.4 billion.

Roche said it had agreed to pay shareholders in the US company, which is specialised in molecular analysis and [genomic profiling](#) aimed at transforming cancer care, \$137 per [share](#).

This represents a 29-percent premium on the closing price for Foundation Medicine (FMI) Monday evening and a 68-percent premium on the company's 90-day weighted average share price, Roche said.

The overall transaction thus amounts to \$2.4 billion, with FMI, of which Roche already held a 57-percent stake, valued at \$5.3 billion, the statement said.

The boards of both companies have unanimously approved the merger agreement.

Roche, the world's top cancer drug maker, said it aimed to close the deal by the end of the year.

"This is important to our personalised healthcare strategy," said Daniel O'Day, head of Roche's pharmaceutical unit.

"We believe molecular insights and the broad availability of high quality comprehensive genomic profiling are key enablers for the development of, and access to, new cancer treatments," he said in the statement.

FMI, which is based in Cambridge, Massachusetts, will continue to function as an autonomous entity, he said.

Analysts hailed the deal, with Stefan Schneider of Vontobel saying it "fit very well with Roche's personalised healthcare strategy."

He pointed out in an investment note that the Swiss company was an "early leader in the field".

Investors too appeared pleased with the move.

Following the announcement, Roche saw its share price rise 0.79 percent in midday trading to 211.65 Swiss francs a piece, as the Swiss stock exchange's main SMI index slipped 0.66 percent.

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APA citation: Roche buys US Foundation Medicine for \$2.4 bn (2018, June 19) retrieved 23 September 2021 from <https://medicalxpress.com/news/2018-06-roche-foundation-medicine-bn.html>

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