

Mylan acquires Strides Arcolab's injectibles unit, Agila

28 February 2013 | News | By BioSpectrum Bureau

Mylan acquires Strides Arcolab's injectibles unit, Agila



Mylan has announced that it has signed a definitive agreement to acquire Agila Specialties, a developer, manufacturer and marketer of high-quality generic injectable products, from Strides Arcolab for \$1.6 billion in cash. The acquisition of Agila will create a global injectables leader, significantly expanding and strengthening Mylan's global injectables platform and providing Mylan entry into new high-growth geographic markets. The acquisition is expected to be immediately accretive to Mylan's adjusted diluted earnings per share following closing. The transaction is expected to close in the fourth quarter of 2013, subject to regulatory approvals and certain closing conditions. Previously, news reports suggested that Pfizer was interested in the acquisition of Agila, as well.

Mylan CEO Heather Bresch commented, "The addition of Agila to our existing injectables platform will immediately create a new, powerful global leader in this fast-growing, attractive market segment and accelerate our target of becoming a top-three global player in injectables. Agila's broad product portfolio and pipeline, which is very complementary to Mylan's, is the result of best-in-class research and development and an industry-leading track record of securing product approvals. Importantly, Agila will bring us one of the most state-of-the-art, high quality injectables manufacturing platforms in the industry."

Agila, headquartered in Bangalore, India, will bring Mylan a broad product portfolio of more than 300 filings approved globally and marketed through a network covering 70 countries, including 61 abbreviated new drug applications (ANDAs) approved by the U.S. Food and Drug Administration (FDA). Agila has a global pipeline of approximately 350 filings pending approval, including 122 ANDAs pending FDA approval. Agila's research and development and regulatory track record are reflected in its industry-leading number of approvals and fast approval timeframes. The company currently produces products across

nine high-quality manufacturing facilities in India, Brazil and Poland, eight of which have been approved by the FDA. Agila's manufacturing capabilities include vials, pre-filled syringes, ampoules, lyophilization, cytotoxics, and antibiotics. Agila's manufacturing base represents one of the largest sterile capacity in India and one of the largest lyophilization capacities in the world. In addition to its established presence in developed markets, Agila has a strong position in high-growth emerging markets, including Brazil.

Mylan President Rajiv Malik added, "By combining Agila's strong injectables capabilities with Mylan's powerful global engine, we will catapult our injectables business to a new level. Agila will bring Mylan one of the deepest and broadest global injectables portfolios in the industry, and together we will have more than 700 marketed injectables products and a global pipeline of more than 350 injectables products pending approval. In addition, Agila will further expand Mylan's geographic footprint, providing us with entry into key growth markets, such as Brazil, and position us to leverage our global portfolio in these exciting markets, in line with our mission of providing the world's 7 billion people access to high quality medicine."

Mylan CFO John Sheehan said, " We anticipate that the acquisition will immediately enhance our revenue and earnings growth upon closing, and nearly double our business from injectables in the first full year. Further, this transaction will significantly accelerate achievement of our \$1 billion target for our institutional business. "

Commenting on the transaction, Arun Kumar , executive vice chairman and group CEO of Strides Arcolab said, "Our investments in the Agila business, together with the operational excellence of our employees, have led to the creation a global, high-quality specialty injectables business with an industry-leading pipeline and best-in-class infrastructure. We believe Agila, its partners, customers and employees across all of its markets will benefit significantly from Mylan's global reach and strong position in the global generic and specialty pharmaceutical sector."

Agila's capabilities complement Mylan's existing injectables platform of more than 500 products marketed globally, including 55 ANDAs, and its high quality sterile manufacturing facilities in Ireland and India.

The global generic injectables market is expected to grow at a compound annual growth rate of 13%^[1] from 2011-2017 driven by patent expiries, outpacing most other dosage forms. The combined Mylan/Agila portfolio will represent approximately 70% of regulated market demand for injectables and the combined R&D platform and manufacturing capabilities will position Mylan to be a significant participant in advanced new technologies to drive future growth.