

Sun Pharma to acquire Ranbaxy

07 April 2014 | News | By BioSpectrum Bureau

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Sun Pharmaceutical Industries and Ranbaxy Laboratories have announced that they have entered into definitive agreements pursuant to which Sun Pharma will acquire 100% of Ranbaxy in an all-stock transaction. Under these agreements, Ranbaxy shareholders will receive 0.8 share of

Sun Pharma for each share of Ranbaxy. This exchange ratio represents an implied value of 457 rupees for each Ranbaxy share, a premium of 18% to Ranbaxy's 30-day volume-weighted average share price and a premium of 24.3% to Ranbaxy's 60-day volume-weighted average share price, in each case, as of the close of business on April 4, 2014.

The combination of Sun Pharma and Ranbaxy creates the fifth-largest specialty generics company in the world and the largest pharmaceutical company in India. The combined entity will have operations in 65 countries, 47 manufacturing facilities across 5 continents, and a significant platform of specialty and generic products marketed globally, including 629 ANDAs. On a pro forma basis, the combined entity's revenues are estimated at US\$ 4.2 billion with EBITDA of US\$ 1.2 billion for the twelve month period ended December 31, 2013. The transaction value implies a revenue multiple of 2.2 based on 12 months ended December 31, 2013.

Mr Dilip Shanghvi, managing director of Sun Pharma said, "Ranbaxy has a significant presence in the Indian pharma market and in the US where it offers a broad portfolio of ANDAs and first-to-file opportunities. In high-growth emerging markets, it provides a strong platform which is highly complementary to Sun Pharma's strengths. We see tremendous growth opportunities and are excited with the prospects to create lasting value for both our shareholders through a successful combination of our franchises."

"We believe this transaction brings significant value to all Ranbaxy shareholders. Sun Pharma has a proven track record of creating significant long-term shareholder value and successfully integrating acquisitions into its growing portfolio of assets. We are confident that Sun Pharma is the ideal partner to help us realize our full potential and are excited to participate in future value creation opportunities," stated Mr Arun Sahwney, managing director and chief executive officer of Ranbaxy.

The proposed transaction has been unanimously approved by the Boards of Directors of Sun Pharma, Ranbaxy, and Ranbaxy's controlling shareholder, Daiichi Sankyo. Ranbaxy's board and Sun Pharma's board have recommended approval of the transaction to their respective shareholders.