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Novartis to buy AveXis for $8.7B

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Novartis expects the acquisition to "strongly contribute" to core operating income and earnings per share.

Singapore – Switxerland- based Novartis AG has agreed to acquire Bannockburn, Illinois-based company AveXis for US$8.7 billion, or $218 per share, to expand its position in gene therapy. This has come after Novartis agreed to sell its stake in a consumer healthcare joint venture for $13B.

The deal would be slightly negative to its core operating income in 2018/19, mainly due to R&D investments, but by 2020, Novartis expects the acquisition to "strongly contribute" to core operating income and earnings per share.

AveXis is involved in several clinical studies for the treatment of SMA, an inherited neurodegenerative disease caused by a defect in a single gene. AveXis's lead product candidate, AVXS-101, is expected to enhance Novartis's position as a gene therapy and neuroscience leader, according to the statement.

Novartis last month agreed to sell a stake in its consumer health-care joint venture to GlaxoSmithKline Plc for US$13 billion, as the company narrows its focus on prescription medicines.