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ASIA EDITION

Australia's Telix Pharma buys RLS (USA) for $230 M to build next gen radiometal production network

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The acquisition significantly expands Telix's North American manufacturing footprint

Australia-headquartered Telix Pharmaceuticals and RLS (USA) Inc., America's only Joint Commission-accredited radiopharmacy network distributing PET, SPECT and therapeutic radiopharmaceuticals, have announced an agreement by Telix to acquire RLS from its parent company, RLS Group Ltd.

The acquisition significantly expands Telix's North American manufacturing footprint and establishes the basis of a next generation radiometal production network to benefit Telix and select strategic commercial partners.

Telix will leverage RLS' 31 licensed radiopharmacies located in major metropolitan areas across the US to build a radiometal production and distribution network for key therapeutic and diagnostic isotopes alongside last-mile delivery of finished unit doses in relevant markets.

The RLS footprint includes over 100,000 square ft of appropriately licensed expansion space that can be utilised to meet rapidly growing production demand. The acquisition also provides a clear pathway to extensively deploy Telix's ARTMS QUANTM Irradiation System (QIS) cyclotron technology, enabling standardised, high-efficiency and cost-effective production of radiometals.

The purchase price comprises upfront cash consideration of $230 million before adjustments for cash and cash equivalents (net of restricted cash); debt and debt equivalents; transaction expenses; and working capital, and deferred cash consideration up to a maximum of $20 million, contingent on achievement of certain milestones related to demonstration of accretive financial and operational performance during the four-quarters following closing.