

Charles River to acquire Galapagos at USD 179 mn

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Singapore: Charles River Laboratories is soon to acquire CRO services division of Galapagos, which includes both Argenta and BioFocus, European companies in integrated drug discovery services, with a predominant focus on in vitro capabilities.

The acquisition is targeted to position Charles River as a full service, early-stage contract research organization (CRO), with integrated in vitro and in vivo capabilities from target discovery through preclinical development.

The initial purchase price is approximately USD179 million along in addition to the future performance payments of up to USD7 million.

Mr. James C. Foster, Chairman, President, and Chief Executive Officer of Charles River Laboratories, commented, "The acquisition of Argenta and BioFocus is precisely in line with our strategy to build a broader portfolio of essential products and services to support the drug discovery and development continuum, and the increasing virtualization of the biopharmaceutical industry. Argenta and BioFocus's upstream in vitro capabilities will be an excellent fit with our in vivo expertise, and will enable us to engage with our clients earlier in the drug discovery process. This enhances the value we can provide to our clients because it allows them to outsource integrated drug discovery and early-stage development programs to a single provider. We believe that this acquisition expands our unique drug discovery and early-stage development focus and advances Charles River's position as a market leader in the fast-growing outsourced discovery services market."

"The acquisition will enhance our sales growth rate and be accretive to non-GAAP earnings per share in 2014, and we expect increased contribution in 2015 and beyond," Mr. Foster concluded.

Located in the United Kingdom and the Netherlands, Argenta and BioFocus provide a full suite of drug discovery services from target discovery through the delivery of clinic-ready candidates to a broad range of pharmaceutical and biotechnology companies. Their deep in vitro expertise includes medicinal chemistry, target discovery, and complex in vitro biology, as well as therapeutic area expertise in respiratory, inflammation, oncology, and CNS diseases.