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ASIA EDITION

Merck buys SpringWorks Therapeutics for $3.9 B to accelerate sustainable growth of healthcare biz

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To strengthen the presence of the healthcare business of Merck KGaA, Darmstadt, Germany, in the United States

Merck KGaA, Darmstadt, Germany, a leading science and technology company, and SpringWorks Therapeutics, Inc., a US-based commercial-stage biopharmaceutical company focused on severe rare diseases and cancer, have entered into a definitive agreement for Merck KGaA, Darmstadt, Germany, to acquire SpringWorks.

The purchase price of $47 per share in cash represents an equity value of approximately $3.9 billion, or an enterprise value of $3.4 billion (€3.0 billion) based on SpringWorks' cash balance as of December 31, 2024, and a premium of 26% to SpringWorks' unaffected 20-day volume-weighted average price of $37.38 on February 7, 2025, the day prior to the first market speculation of a potential transaction between Merck KGaA, Darmstadt, Germany, and SpringWorks.

Upon closing, the business combination will immediately contribute to the revenues of Merck KGaA, Darmstadt, Germany, and is expected to be accretive to the company's earnings per share pre (EPS pre) in 2027. The acquisition will be funded with available cash and new debt.

Beyond this planned transaction, Merck KGaA, Darmstadt, Germany, will retain the ability to pursue larger transactions and continue to evaluate opportunities across its three sectors, with Life Science a priority. Merck KGaA, Darmstadt, Germany is committed to preserving its strong investment grade credit rating.

SpringWorks' rare tumour portfolio, including a marketed first-in-class, systemic standard-of-care therapy for adults with desmoid tumours and the first and only approved therapy for adults and children with neurofibromatosis type 1 (NF1) who have symptomatic plexiform neurofibromas (PN) not amenable to complete resection, will accelerate immediate and sustainable revenue growth for Merck KGaA, Darmstadt, Germany.

SpringWorks' portfolio complements the progress of Merck KGaA, Darmstadt, Germany, in rare tumours, with Merck KGaA, Darmstadt, Germany, recently exercising an option for worldwide commercialization rights for pimicotinib, an investigational therapy developed by Abbisko Therapeutics Co., for patients with tenosynovial giant cell tumour (TGCT).