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Pfizer to acquire New Haven's Biohaven Pharmaceuticals for \$11.6B



Biohaven Pharmaceuticals CEO Dr. Vlad Coric holds a Nurtec pill box.

By Michelle Tuccitto Sullo

Pfizer Inc. announced Tuesday that it will acquire New Haven-based Biohaven Pharmaceuticals, well-known for its migraine drug Nurtec ODT, for \$11.6 billion cash.

The boards of directors of both companies unanimously approved the deal.

Under the terms of the agreement, Pfizer will acquire all shares of Biohaven which Pfizer doesn't already own for \$148.50 per share.

According to an announcement, Biohaven's common shareholders, which includes Pfizer, will also receive 0.5 of a share of New Biohaven, a new publicly-traded company that will focus on its non-migraine pipeline.

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Vlad Coric, chairman and CEO of Biohaven, said the company is excited to announce the planned acquisition.

"Pfizer's capabilities will accelerate our mission to deliver our migraine medicines to even more patients," Coric said. "We believe this transaction represents significant future value creation for patients and our collective shareholders."

The deal includes the acquisition of Biohaven's calcitonin gene-related peptide (CGRP) programs, which includes the drug rimegepant, known in the United States as Nurtec ODT for treatment and prevention of migraine. It is known as Vydura in the European Union.

It also includes Biohaven's drug zavegepant, which the company indicated is on track for acceptance in the United States as an intranasal spray against migraine in the second quarter of this year. The transaction will also include a portfolio of five pre-clinical CGRP assets.

Nick Lagunowich, global president, Pfizer Internal Medicine, said the deal builds on the company's "legacy of delivering breakthroughs for patients living with complex pain disorders and diseases that disproportionately impact women."

He noted that Nurtec is already the top prescribed migraine medicine in its class in the United States.

“We believe Pfizer is uniquely positioned to help the portfolio reach its full potential given our leading scale and capabilities,” he said.

The agreement comes just months after the two companies agreed to collaborate for the commercialization of rimegepant and zavegepant outside the United States.

The companies expect the deal to be finalized by early 2023.

New Biohaven, meanwhile, will retain Biohaven’s non-CGRP development stage pipeline compounds. The company has also been pursuing treatments for ailments such as obsessive compulsive disorder, spinocerebellar ataxia, epilepsy and amyotrophic lateral sclerosis.

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Pfizer’s acquisition of Biohaven is subject to the completion of the New Biohaven spin-off and other conditions, including regulatory approvals and approval by Biohaven’s shareholders.

Following the closing, New Biohaven will continue to operate under the Biohaven name.

Coric will lead New Biohaven as chairman and CEO, and its leadership will include other members of Biohaven’s current management team.

According to the announcement, Biohaven common shareholders will receive, for each Biohaven share, 0.5 of a share of New Biohaven distributed via a pro rata distribution of SEC-registered, publicly-listed shares. New Biohaven will be capitalized with \$275 million of cash, and it will receive tiered royalties from Pfizer on any annual net sales of rimegepant and zavegepant in the United States over \$5.25 billion, under the terms of the deal.

Biohaven’s stock (BHVN) saw a large increase Tuesday following the news, and was trading at \$142 per share Tuesday morning, compared to an opening price of \$90.21 on Monday, according to Nasdaq.

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The deal marks yet another big acquisition for a New Haven biotech, as UK-based AstraZeneca bought Elm City-born Alexion Pharmaceuticals in the summer of 2021.



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