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Ligand Pharma readies $650M convertible debt offering

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Singapore- Ligand Pharmaceuticals, a biopharmaceutical company focused on developing or acquiring technologies announced that it intends to offer $650 million aggregate principal amount of convertible senior notes due 2023 in a private offering to qualified institutional buyers. In connection with the offering of the notes, Ligand expects to grant the initial purchasers a 13-day option to purchase up to an additional $100 million aggregate principal amount of the notes, solely to cover overallotments, if any. Price, yield and terms will be negotiated with the buyers.

Ligand intends to use a portion of the net proceeds from the offering of the notes to pay the cost of certain convertible note hedge transactions, taking into account the proceeds to Ligand of certain warrant transactions, each as described below, and to repurchase up to $50 million of shares of Ligand's common stock from purchasers of notes in privately negotiated transactions, which could increase the market price of Ligand's common stock prior to, concurrently with, or shortly after the pricing of the notes, and could result in a higher effective conversion price for the notes. Ligand expects to use the remainder of the net proceeds from the offering of the notes to acquire or invest in complementary businesses, companies, products and technologies and for working capital and other general corporate purposes, including, without limitation, research and development activities to maintain Ligand's platform technologies and for development of Ligand's product candidates being developed internally. Ligand has no current commitments or obligations with respect to any acquisitions or other strategic transactions.