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Takeda sells select non-core assets to Chinese firm for $322 M

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Takeda Pharmaceutical Company, headquartered in Japan, has announced that it has entered into an agreement to divest a portfolio of non-core prescription pharmaceutical products sold in China to Hasten Biopharmaceutic Co., Ltd. (China), a company funded by Feidong County of Hefei City, China and established by Ray Capital Management Limited. Takeda will receive $322 million, subject to customary legal and regulatory closing conditions.

The portfolio to be divested to Hasten includes cardiovascular and metabolism products sold in mainland China. The portfolio generated FY2019 net sales of approximately $109.5 million, driven by strong sales of cardiovascular products such as Ebrantil®. While the products included in the sale continue to play important roles in meeting patient needs in the country, they are outside of Takeda's chosen business areas – Gastroenterology (GI), Rare Diseases, Plasma-Derived Therapies, Oncology and Neuroscience – that are core to its global long-term growth strategy.

“China is an important market for Takeda in our efforts to accelerate the availability of our highly innovative medicines to patients living with complex and rare diseases,” said Ricardo Marek, President, Growth & Emerging Markets Business Unit, Takeda. “This sale will further sharpen Takeda’s focus and resources in fast-tracking innovation in China, and the Emerging Markets. At the same time, we are confident that under Ray Capital, Hasten will be well-positioned to provide continued patient access to these trusted products in China.”

“This announcement marks continued progress on our commitment to simplify our global portfolio and remain focused on investing in our growth drivers, and research and development pipeline,” said Costa Saroukos, Chief Financial Officer, Takeda. “We remain committed to expansion in China with more than 15 planned approvals over the next five years. By continuing to execute and deliver on Takeda’s financial commitments, including paying down debt and focusing on our highly innovative portfolio, we can sustain our long-term growth and continue to deliver life-transforming treatments for patients worldwide.”

Takeda intends to use the proceeds from its divestitures to continue to reduce its debt and accelerate deleveraging toward its target of 2x net debt/adjusted EBITDA within FY2021 – FY2023.

Takeda has sustained momentum in its divestiture strategy in 2020 and exceeded its $10 billion non-core asset divestiture target, announcing 10 deals since January 2019 to date for a total aggregate value of up to ~$11.3 billion, including agreements to divest:

- Takeda Consumer Healthcare Company Limited to Oscar A-Co KK, a company controlled by funds managed by The Blackstone Group Inc. and its affiliates for a?total value of approximately JPY 242.0 billion ($2.3 billion USD).
- Other non-core portfolio assets within the Growth & Emerging Markets Business Unit, totaling up to approximately ~$2 billion with four separate buyers.[2]
- Select OTC and non-core assets in Europe to Orifarm for up to approximately $670 million.
- Non-core assets in Europe and Canada to Cheplapharm for approximately $562 million.
- The TachoSil Fibrin Sealant Patch to Corza Health, Inc. for €350 million.

Transactions still pending are expected to close by March 31, 2021, subject to customary legal and regulatory closing conditions.