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ASIA EDITION

Korea's Celltrion buys Eli Lilly plant in US for KRW 460 B

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To strengthen Celltrion's US manufacturing footprint and eliminate potential tariff-related risks for its products in the US market



South Korea-based Celltrion has signed an agreement with Eli Lilly to acquire a biopharmaceutical drug substance (DS) manufacturing facility in Branchburg, New Jersey, through its US subsidiary. The move strengthens Celltrion's US manufacturing footprint and eliminates potential tariff-related risks for its products in the US market.

The Branchburg site spans approximately 37 acres and includes four buildings, with 10 acres of vacant land available for future expansion. The acquisition is valued at approximately KRW 460 billion, or about KRW 700 billion when including operational funds.

Celltrion has already implemented a comprehensive US tariff response plan, including transferring two years of inventory to the US and expanding contracts with local CMO partners. Once the Branchburg facility completes validation, expected within 12–18 months, Celltrion products will be manufactured and supplied directly from the site. This ensures long-term tariff protection and supply chain stability.

By acquiring an existing facility, Celltrion avoids the cost and time of new construction, enabling immediate operations. Full employee retention ensures continuity of expertise and production, while ongoing CMO contracts provide immediate revenue streams.

Localised production will reduce logistics costs associated with US shipments and lower external CMO expenses. The site enables full-cycle integration, covering drug substance production through finished product manufacturing, packaging, logistics, and sales within the US.

Preparations are underway to transfer operations and complete closing procedures by year-end, subject to required regulatory approvals, including US merger control filings. The transaction is expected to be finalized before the end of 2025.