Bayer agrees to buy US firm Vividion Therapeutics for up to $2bn

Munich-based pharmaceutical giant Bayer has agreed to buy US biotech company Vividion Therapeutics, valued at up to $2bn.

The deal, which is subject to customary closing conditions, is expected to close in the first half of 2022. 

“Vividion’s platform addresses the major failure rate in drug discovery, a critical and rapidly growing market for Bayer. The deal is expected to strengthen our portfolio in the field of synthetic biology, with a focus on autoimmune and oncology indications,” said Bayer’s CEO Werner Baumann.

The acquisition will further strengthen Bayer’s capabilities in the area of drug discovery and development, particularly in oncology.

The deal is expected to add approximately $2bn to Bayer’s 2022 revenue.

Bayer’s share price surged to a record high of 119.45 euros, up 3.5% on Tuesday, following the announcement.
Bayer to Buy Vividion Therapeutics for $2bn

Bloomberg (2021)

Bayer said it would entertain the offer to inject $2 billion in cash and about $1 billion in stock, valuing the company at about $3 billion. The company said it would use the proceeds to reduce its debt, fund research and development, and pursue acquisitions. Vividion Therapeutics is a clinical-stage biopharmaceutical company focused on the discovery and development of small molecule drugs for cancer and other diseases.

For Vividion, the deal provides a major boost to its financial prospects. The company has been working to develop small molecule drugs that can target specific protein complexes, which are involved in a variety of diseases, including cancer. The deal will give Vividion access to Bayer's vast drug discovery and clinical development resources, which could help to accelerate the development of its pipeline.

The deal is expected to close by the end of 2021, subject to regulatory approvals and the satisfaction of other customary closing conditions. Bayer said it would provide regular updates on the progress of the transaction.

Bayer is a German pharmaceutical company that is one of the world's largest drugmakers. It is known for its diverse portfolio of products, which include prescription drugs, over-the-counter medicines, and healthcare products. The company is also involved in a range of other activities, including agricultural products and consumer goods.

Vividion Therapeutics is based in the United States and was founded in 2016. It has raised $214 million in venture capital funding so far. The company has a small pipeline of drugs in development, with a focus on oncology and immunology.

The deal is part of Bayer's broader strategy to expand its pipeline of cancer drugs and to reduce its debt. The company has been working to increase its profitability and to reduce its exposure to the volatility of the prescription drug market, which has been hit by increased competition and lower prices.

Bayer said it would use the proceeds from the deal to reduce its debt, fund research and development, and pursue acquisitions. The company has been looking to bolster its pipeline of drugs in cancer and other diseases, and the deal with Vividion will provide it with a new source of drugs in these areas.
Most Asian markets fall as US data, China trump recovery hope

Indonesia exits recession with 7% GDP growth in Q2

Governments face in bringing the virus under control, with the uneven rollout of Covid-19 vaccines raising concerns about the uneven recovery. The ultra-accommodative monetary policies, which some economists warn could push up debt in the annual growth.
The number of Americans filing new claims for unemployment benefits declined further last week, while layoffs dropped to their lowest level in over 30 years in July as companies held on to workers and cut off excess labor in a tightening labor market. It is the fourth straight week that the number of new claims has declined from a peak.

The US trade deficit surged in June, as jobless claims decline in unexpected developments.

**US trade deficits surge in June; jobless claims decline**

**Bloomberg**

**Bank of England sets out plans to wean UK economy off stimulus**

**Reuters**

The Bank of England set out how it would unwind its bond-buying programme and remove its emergency interest rate of 0.1%, as it warned that growth in the economy could slow as inflation rises higher than expected.

The central bank said it would consider letting longer-term bond yields rise if inflation pressures were stronger than expected. It also said it would start reducing its stock of bonds when the rate policy rate reached 0.1% or the BoE thought that was appropriate.

The Bank of England's (BoE) executive director Jon Cunliffe said the pace at which the bond-buying programme would wind down would be determined by inflation and interest rate developments.

The BoE said it expected Britain's inflation rate to hit 4% by the end of the year, compared to its last forecast of 2.1%, and that growth this year would be 7%, down from its previous projection of 8%.

The MPC is due to return to its full meeting in September and investors typically take a signal that rates may rise relatively more than expected when a member of the MPC votes alone.

The BoE has suggested that trends for inflation are better than expected for the economy. It also said it would remain on hold until it makes further progress on reducing the size of its balance sheet.

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