



Current Agreements

Dealdoc

Acquisition agreement for SSP

Boehringer Ingelheim
SSP

Feb 10 2010

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Companies:	Boehringer Ingelheim SSP
Announcement date:	Feb 10 2010
Deal value, US\$m:	913.0 : acquisition price

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Details

Announcement date:	Feb 10 2010
Industry sectors:	Bigpharma Pharmaceutical Consumer health

Financials

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Termsheet

10 February 2010

Boehringer Ingelheim to buy the rest of SSP for about 82 billion yen (\$913 million) to expand in the world's second-biggest pharmaceutical market.

Press Release

Boehringer to Buy Japanese Consumer-Drug Producer SSP

10 February 2010

Boehringer Ingelheim GmbH agreed to buy the rest of Japan's SSP Co., a producer of over-the-counter drugs, for about 82 billion yen (\$913 million) to expand in the world's second-biggest pharmaceutical market.

Boehringer, which owns 60 percent of SSP, will offer 710 yen a share for the rest, the companies said in a statement today. That's 34 percent higher than the closing price of 530 yen yesterday. The drugmaker, which generates more than 80 percent of revenue in Japan, sells the painkiller Eve and constipation medicine Detofiber.

"They're already an important business arm," said Tetsu Owari, a Tokyo-based spokesman for Boehringer. "If we acquire them, we can expand our consumer health-care business globally."

Revenue from SSP makes up about a quarter of Boehringer's 1.2 billion-euro (\$1.65 billion) consumer-health business, Owari said. The deal gives Ingelheim, Germany-based Boehringer access to SSP's formulation technologies and experience from the Japanese market and will enable the company to develop over-the-counter products from Boehringer's pharmaceutical ingredients, he said.

SSP climbed 6.8 percent to 566 yen on the Tokyo Stock Exchange before it was suspended from trading. The stock had gained 7.1 percent this year as of yesterday, while Japan's benchmark Nikkei 225 Stock Average had fallen 5.8 percent.

Higher Profit

The offer by Boehringer will start Feb. 15 and end April 13, according to the statement. Nomura Holdings Inc. and KPMG FAS advised Boehringer and Tokyo-based SSP respectively. The Nikkei newspaper reported the purchase earlier today.

Separately, SSP said today net income more than doubled to 1.65 billion yen in 2009 after the company cut costs and reorganized its business. Revenue fell 2.2 percent to 47.5 billion yen.

The maker of painkillers and cold remedies forecast profit will fall 11 percent to 1.6 billion yen this year on increased spending for human resources and research and development. Sales will probably rise 0.6 percent to 47.8 billion yen, it said.

SSP began operations as a drugmaker in Tokyo in 1765. The company's Drewell pill is Japan's first over-the-counter insomnia medicine, according to SSP.

Boehringer began buying SSP shares in 1996, when it acquired 9.2 percent of the Japanese company, Owari said.

Filing Data

Not available.

Contract

Not available.