

Amgen's Largest-Ever
M&A Transaction *Arranged
Quickly, Closed Seamlessly,
And Post-Close Cash
Concentration and Integration
Automated Effectively*

Client case study



Amgen discovers, develops, manufactures, and delivers life-saving medicines to help millions of patients in their fight against some of the world's most life-threatening conditions. For more than 40 years, Amgen has been a leader in the biotechnology industry and remains on the cutting-edge of innovation, using science to push beyond what is known today to deliver better health outcomes for patients around the globe.

The Challenge

As part of Amgen's global growth strategy, the company looked to expand its therapeutic focus in the rare disease space, with a goal of broadening its portfolio of innovative treatments. Horizon Therapeutics, an Irish company best known for its leading thyroid eye disease treatment, TEPEZZA, was identified as an ideal acquisition

candidate given its leadership in rare disease. In December 2022, Amgen announced it would acquire Horizon Therapeutics for \$28.5bn.

One significant hurdle Amgen faced was to comply with Irish takeover regulations, which required having committed financing for the full value of the acquisition in place at the time of announcement. Amgen needed a global banking partner and merger and acquisition (M&A) advisor that could also serve as lead arranger for the financing. This partner would be required to move at lightning speed, be incredibly flexible to accommodate the transaction across multiple time zones, help to hedge the planned permanent financing to reduce risk, ensure complete confidentiality, and make the complex simpler.

Thinking ahead, Amgen also needed a banking provider that could help to integrate the two companies' treasury operations seamlessly at the end of the process.

The Solution

Amgen selected Citi as a financial advisor, its lead financing bank, and closing/settlement bank on the Horizon transaction, as well as its global cash and liquidity management bank for the Horizon Therapeutics business post-close.

To comply with Irish regulations, Citi arranged committed financing for Amgen in just a few weeks prior to the formal acquisition announcement. Citi ultimately underwrote the majority of the required \$28.5bn senior unsecured bridge loan facility. Following Amgen's transaction announcement on



December 12, Citi quickly syndicated the bridge loan facility to Amgen's key relationship banks prior to the end of the year banking slowdown.

In parallel, Citi worked with Amgen to develop a permanent financing and risk mitigation plan strategy as well as helping to communicate with the rating agencies and public investors. In February 2023, Citi served as lead left bookrunner on \$24.5bn of fixed income securities that would replace the committed financing and fund the acquisition.

On October 6, 2023, Citi and Amgen worked to close the transaction at 10:00 a.m. Ireland time, moving more than \$25bn through its network before the sun rose in New York.

In the weeks following the acquisition's close, Citi worked with Amgen as their primary international bank to automatically concentrate funds from the Horizon legal entities into the Citi-run Amgen cash pool in EMEA. To accomplish this, Citi put in place multi-bank automated sweeps between Horizon's banks and Citi to centralize all cash into the Amgen pool based in Europe to increase visibility without manual intervention.

The Result

As lead arranger and a financial advisor, Citi worked with Amgen to successfully complete the acquisition of Horizon quickly and smoothly. The bridge loan facility was one of the largest investment grade healthcare loans since November 2019 and the third biggest healthcare loan on record. At the time, the investment grade bond deal was the ninth largest of all time and the biggest of 2023.

Despite the size and scope of the M&A process, Citi was able to conduct due diligence and get financing in place in record time. Amgen trusted Citi to meet the tight time constraints and do so with the utmost confidentiality. In the end, Amgen is now well-positioned to expand its business into a highly attractive growth space.

Because Citi served as both the lead on Amgen's financing and on Horizon's legacy financing, the bank was able to net funds flows on close day to ensure increased visibility and speed while reducing risk to the closure process—all of which were important to Amgen. In addition, the transactions were completed at 5:00 am in New York, highlighting Citi's global network and a best-in-class outcome for Amgen from an investor relations perspective.

Citi's dedicated project manager helped ensure all aspects of the integration – from making sure file formats were consolidated, getting cash accounts open, signers changed, and liquidity moved – were handled without fail.

Citi was also able to automate much of Amgen's post-close cash concentration, thus allowing the team to free up resources to focus on optimizing global pooling and cash structures across the world.

Citi is very proud to support Amgen in its continued leadership in improving patient lives.