

Investment Banking Update



Transaction Details

- On May 18, 2018, Ligand Pharmaceuticals Inc. (Nasdaq: LGND) announced the pricing of a private offering of \$650 million aggregate principal amount of 0.75% convertible senior notes due 2023 (the "Notes")
 - The Notes were offered in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended
 - The Notes will bear interest at a rate of 0.75%, payable semiannually in arrears on May 15 and November 15 of each year, beginning on November 15, 2018
- The initial conversion rate for the Notes is 4.0244 shares of LGND common stock per \$1,000 principal amount of Notes (equivalent to an initial conversion price of approximately \$248.48 per share of common stock)
 - The initial conversion price of the Notes represents a premium of approximately 30% to the \$191.14 per share closing price of Ligand's common stock on May 17, 2018
- Ligand intends to use net proceeds to pay the cost of convertible note hedge transactions, to repurchase approximately \$50 million of shares of LGND common stock from purchasers of the Notes in privately negotiated transactions, and for general corporate purposes, including future acquisitions and research and development
- Stephens Inc. served as Co-Manager for the offering

According to the Transaction Press Release

Ligand is a biopharmaceutical company focused on developing or acquiring technologies that help pharmaceutical companies discover and develop medicines. We have a diversified portfolio of biotech and pharmaceutical product revenue streams that are supported by an efficient and low corporate cost structure. Ligand's Captisol® platform technology is a patent-protected, chemically modified cyclodextrin with a structure designed to optimize the solubility and stability of drugs. OmniAb® is a patent-protected transgenic animal platform used in the discovery of fully human mono- and bispecific therapeutic antibodies. Ligand has established multiple alliances, licenses and other business relationships with the world's leading pharmaceutical companies including Novartis, Amgen, Merck, Pfizer, Celgene, Gilead, Janssen, Baxter International and Eli Lilly.

Sources: Transaction press release.

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