

## Acquisitions at Novartis

*Dr Alexander Ressos, TEP  
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),  
Solicitor (England & Wales)*

Mergers and acquisitions are the area in which the corporate finance of the Basel groups becomes most visible to the outside world. Novartis has used acquisitions repeatedly to reshape its portfolio. The largest of them was the acquisition of the eye-care company Alcon, which took place in two steps. In 2008 Novartis bought a stake of about 25 per cent from Nestlé for about USD 10.4 billion and obtained an option to acquire Nestlé's remaining majority holding. It exercised this option in 2010, paying about USD 28 billion for a further stake of roughly 52 per cent. In 2011 it merged Alcon into Novartis after negotiations with the minority shareholders. The total cost of the acquisition amounted to roughly USD 50 billion.<sup>1</sup>

The Alcon transaction was financed largely from cash flow and with bond issues in the United States, which Novartis placed in several tranches in 2010. The fact that a company could pay about USD 50 billion over three years without a capital increase shows the scale of the cash flows generated by the pharmaceutical business. It also shows the advantage of the staged structure, which allowed Novartis to spread payments over several financial years and to integrate the business gradually. The minority shareholders of Alcon, among them several American hedge funds, contested the terms of the final merger, which led to a public dispute and an improvement of the exchange ratio before the transaction was completed.<sup>2</sup>

The second major transformation was the asset swap with GlaxoSmithKline, announced in April 2014 and completed in March 2015. Novartis acquired the oncology business of GSK for up to USD 16 billion. In return it sold its vaccines business, excluding influenza vaccines, to GSK for up to about USD 7 billion and contributed its consumer health business to a joint venture with GSK, in which Novartis held 36.5 per cent. In a separate transaction, Novartis sold its animal health division to Eli Lilly for about USD 5.4 billion. In 2018, Novartis sold its stake in the consumer

## *Acquisitions at Novartis*

health joint venture to GSK for USD 13 billion. These transactions show how a portfolio can be rebuilt through a combination of purchases, sales and joint ventures without large net borrowing.<sup>3</sup>

In the years that followed, Novartis concentrated on innovative medicines and acquired companies that offered new technology platforms. In 2018 it bought AveXis, a gene therapy company developing a treatment for spinal muscular atrophy, for about USD 8.7 billion. In 2019 it agreed to acquire The Medicines Company, whose cholesterol-lowering compound inclisiran later became Leqvio, for about USD 9.7 billion, a transaction that closed in January 2020. More recent acquisitions have included MorphoSys in Germany in 2024 and, according to announcements in 2025, Avidity Biosciences in the United States. None of these acquisitions, which were financed from cash and with bond issues, required a capital increase.<sup>4</sup>

### 1 Notes

1. On the acquisition of Alcon by Novartis in several steps (purchase of about 25 per cent from Nestlé in 2008 for about USD 10.4 billion, purchase of a further stake of about 52 per cent in 2010 for about USD 28.1 billion and the merger with the minority in 2011), see the Novartis annual reports 2008–2011 and the press releases of Novartis and Nestlé. Figures to be verified. ↩
2. On the financing of the Alcon acquisition through bond issues of Novartis Capital Corporation in 2010 and cash flow, and on the dispute with the Alcon minority shareholders and the independent committee of the Alcon board, see the Novartis annual reports 2010 and 2011 and contemporary reports in the financial press. To be verified. ↩
3. On the transactions with GlaxoSmithKline announced on 22 April 2014 and completed on 2 March 2015, the sale of the animal health division to Eli Lilly for about USD 5.4 billion and the sale of the 36.5 per cent stake in the consumer health joint venture to GSK for USD 13 billion in 2018, see the Novartis press releases and the annual reports 2014, 2015 and 2018. Figures to be verified. ↩

4. On the acquisitions of AveXis (about USD 8.7 billion, 2018), The Medicines Company (about USD 9.7 billion, announced November 2019, completed January 2020), MorphoSys (2024) and Avidity Biosciences (announced 2025), see the Novartis press releases and annual reports. Amounts and completion dates of recent transactions to be verified. Status to be verified. ↩

---

*For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.*

Online version: [helveticaregister.com/basel-acquisitions-at-novartis](https://helveticaregister.com/basel-acquisitions-at-novartis)