



## Why Trillium Therapeutics Is Jumping 188%!

### Description

Canadian stock **Trillium Therapeutics** (TSX:TRIL)(NASDAQ:TRIL) absolutely exploded Monday. The cancer-treatment company saw shares jump by an astounding 188% in early morning trading. This came after the [announcement](#) that **Pfizer** ([NYSE:PFE](#)) would be acquiring the stock.

### What happened?

Pfizer announced Monday it would be buying Trillium and all its shares for about US\$2.26 billion. This comes out to about \$18.50 per share in a cash transaction. That alone was a huge premium of 118% based on the last 60 days of the average price of Trillium stock.

The company ended Friday at a share price of just \$7.80. As of writing this article, those shares are up 188% to trade at around \$22.40 per share! While it's not the highest share price Trillium has ever seen, it's a 20% improvement from where the stock was at the beginning of the year. The announcement from Pfizer stock came at the perfect time, with shares trading around 52-week lows.

### So what?

The deal with Trillium stock isn't exactly new. Back in September 2020, Pfizer announced it would include Trillium in the company's Pfizer Breakthrough Growth Initiative (PBGI). Pfizer stock therefore announced it would be investing US\$25 million in Trillium stock. The goal of PBGI is to "provide funding for scientific research as well as access to Pfizer's experts to ensure the continuity of clinical programs that could be of potential strategic interest for Pfizer."

Moving away from its success due to COVID-19, Pfizer stock is seeking new opportunities. The PBGI alone committed to providing around US\$500 million in funding. In the case of Trillium, Pfizer stock is interested in the company's developments that "enhance the ability of patients' innate immune system to detect and destroy cancer cells."

## Now what?

Motley Fool investors may be wondering why Trillium seems like such a [great investment](#) if it hasn't been performing well. However, this is based on the COVID-19 response. Companies that weren't involved with a COVID-19 vaccine didn't receive funding. This caused a stoppage to all research, including with Trillium.

But now, Pfizer stock also recognizes there will be a world beyond the pandemic. So, it's time to start thinking about the future. In the case of Trillium, it's done well, despite the share performance. The company had cash of \$264.5 million during the last quarter, with a net loss of \$29.3 million — an improvement from the year before. Where it struggled was expenses — something Pfizer will now cover.

This acquisition shows that Pfizer wants more than just a piece of the action; it wants the whole pie. Trillium is the only known company with a monotherapy that seems to be working. With Pfizer's help, this could allow Trillium's therapies to "advance more quickly," creating a stellar opportunity for not just patients but, of course, shareholders.

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