

DEAL PROFILE

Thermo Fisher Scientific | PPD

VALUES

\$17.4bn

24.2x

4.5x

Cash purchase price

LTM Adj. EBITDA Multiple

LTM Revenue Multiple


Thermo Fisher Scientific Inc. (NYSE: TMO)

Thermo Fisher provides analytical and other instruments, laboratory equipment, software, consumables, reagents, instrument systems, chemicals, supplies, and services worldwide. Thermo Fisher operates through four segments: Life Sciences Solutions, Analytical Instruments, Specialty Diagnostics, and Laboratory Products and Services.

TEV: \$203,917mm¹ LTM EBITDA: 10,203mm¹ LTM Revenue: \$32,218mm¹


PPD, Inc. (NASDAQ: PPD)

PPD is a leading global clinical research organization providing broad, integrated drug development, laboratory and lifecycle management services. Their customers include pharmaceutical, biotechnology, medical device, academic and government organizations. With offices in 47 countries and more than 26,000 professionals worldwide, PPD applies innovative technologies, therapeutic expertise and a firm commitment to quality to help customers bend the cost and time curve of drug development and optimize value in delivering life-changing therapies to improve health.

TEV: \$21,234mm² LTM Adj. EBITDA: 876mm² LTM Revenue: \$4,681mm²

BOURNE PARTNERS MARKET RESEARCH

Bourne Partners provides strategic and financial advisory services to clients throughout the business evolution life cycle. In order to provide the highest level of service, we routinely analyze relevant industry trends and transactions. These materials are available to our clients and partners and provide detailed insight into the pharma, pharma services, OTC, consumer health, and biotechnology sectors.

OVERVIEW

Thermo Fisher has entered into a definitive agreement to purchase PPD for approximately \$17.4bn in cash with an anticipated Q4 2021 close. In exchange for each share of PPD stock, shareholders will receive \$47.50 in cash, a ~24% premium to the PPD closing share price² and 32% premium to the 60-day VWAP. In addition to the cash consideration paid to shareholders, Thermo Fisher will assume ~3.5bn of net debt from PPD. This transaction results in an implied LTM EV/EBITDA multiple of 24.2x and an implied LTM EV/Revenue multiple of 4.5x.

HIGHLIGHTS

Upon acquiring PPD, Thermo Fisher plans to add the business to its Laboratory Products and Services Segment. This acquisition will establish Thermo Fisher as one of the global leaders in the \$50bn CRO services industry while adding both emerging biotech and top pharma companies as customers. Marc Casper, chairman and CEO of Thermo Fisher, said regarding the acquisition, "Pharma and Biotech is our largest and fastest growing end market, and our customers value us as a strategic partner and an industry leader. The acquisition of PPD is a natural extension for Thermo Fisher and will enable us to provide these customers with important clinical research services." This transaction is also expected to be accretive to Thermo Fisher's adjusted EPS, adding \$1.40 in the first 12 months after close and bringing \$125mm of cost and revenue synergies within 3 years.

¹As of April 20th, 2021

²As of April 15th, 2021

Source(s): S&P CapitalIQ; Thermo Fisher Scientific; PPD