

DEAL PROFILE

ROYAL DSM | GLYCOM

VALUES

\$826mm

10.3x

20.6x

TRANSACTION VALUE

LTM REVENUE MULTIPLE

LTM EBITDA MULTIPLE



Koninklijke DSM N.V. (ENXTAM:DSM)

Koninklijke DSM N.V. (Royal DSM) is a global, science-based company active in Nutrition, Health, and Sustainable Living. DSM delivers innovative solutions for human nutrition, animal nutrition, personal care and aroma, medical devices, green products and applications, and new mobility and connectivity. The company was founded in 1902 and is headquartered in Heerlen, Netherlands.

TEV: \$22.1bn

LTM EBITDA: \$1.7bn

LTM Revenue: \$9.7bn



Glycom A/S

Glycom A/S (Glycom) engages in the development, synthesis, and commercialization of Human Milk Oligosaccharides (HMOs). The company is the only HMO player with its own product development, preclinical and clinical development, regulatory and large-scale production. Its products are sold in Europe and the United States. The company was founded in 2005 and is based in Hørsholm, Denmark.

TEV: NA

LTM EBITDA: \$40.1mm

LTM Revenue: \$80.0mm

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

On February 21, 2020, Royal DSM, the world’s leading supplier of Human Milk Oligosaccharides, announced the acquisition of Glycom for €765mm (\$826mm). With the acquisition, DSM adds HMOs to its portfolio, a novel high-growth ingredient for next generation Early Life Nutrition solutions. Glycom achieved €74mm (\$80mm) of Sales in 2019, mostly generated with Nestlé, who will continue to be an important customer. This transaction represents an EV / EBITDA multiple of 20.6x based on 2019 reported EBITDA, and ~15x based on the estimated 2021 EBITDA. The transaction is expected to close in Q2 2020.

HIGHLIGHTS

This acquisition by DSM will be highly synergistic for both companies. DSM can accelerate the growth of Glycom by offering HMO products to DSM’s broad global customer base and integrate it in its full solutions offering for Early Life Nutrition customers, as well as accelerating HMO development of Glycom by leveraging its strong R&D platform and clinical competencies. Geraldine Matchett and Dimitri de Vreeze Co-CEOs of Royal DSM commented: “...Our companies have a great fit together, with a shared passion for purpose-led and science-based solutions in Nutrition & Health. This acquisition is an attractive and logical next step for DSM enabling us to provide our customers with innovative Early Life Nutrition solutions in our Human Nutrition Business.”