

## GE to sell Biopharma business for \$21.4B to Danaher

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**The BioPharma business being divested is part of GE Life Sciences. In 2018, the BioPharma business generated revenues of approximately \$3 billion.**



GE has announced a definitive agreement to sell its BioPharma business to Danaher Corporation for a total consideration of \$21.4 billion, including \$21 billion in cash as well as Danaher's assumption of certain pension liabilities. GE expects to use the proceeds from the transaction to reduce leverage and strengthen its balance sheet. The transaction is expected to close in the fourth quarter of 2019, subject to regulatory approvals and customary closing conditions.

GE Chairman and CEO H. Lawrence Culp, Jr. said, "Today's transaction is a pivotal milestone. It demonstrates that we are executing on our strategy by taking thoughtful and deliberate action to reduce leverage and strengthen our balance sheet. We are retaining full flexibility for growth and strategic optionality with one of the world's leading healthcare companies, and we are pleased that our BioPharma colleagues will join a strong, established team at Danaher. A more focused portfolio is the right structure for GE, and we have many options for maximizing shareholder value along the way."

GE Healthcare President and CEO Kieran Murphy said, "The BioPharma business has been a strong contributor to our success, and I am confident this agreement represents a great opportunity for our valued colleagues to flourish under the ownership of Danaher. GE Healthcare has unsurpassed scale and scope and we will continue to focus on our investments so that we deliver better outcomes and more capacity to a world striving for Precision Health."

The BioPharma business being divested is part of GE Life Sciences. In 2018, the BioPharma business generated revenues of approximately \$3 billion. It is a leading provider of instruments, consumables and software that support the research, discovery, process development and manufacturing workflows of biopharmaceutical drugs. The business comprises process chromatography hardware and consumables, cell culture media, single use technologies, development instrumentation and consumables, and service.

Pharmaceutical Diagnostics, currently part of GE Life Sciences, will remain within the GE Healthcare portfolio. This business supplies contrast media and molecular imaging consumables for radiology customers around the world and is highly

complementary to GE Healthcare's medical imaging business. GE's pharmaceutical imaging agents are used in approximately 90 million patient procedures each year.

GE Healthcare has a global installed base of more than 4 million imaging, mobile diagnostic and monitoring units. In 2018 this business, excluding BioPharma, generated approximately \$17 billion of revenue with mid-teens operating profit margins. The business is a leader in imaging, monitoring and diagnostics, and also provides services, accessories, consumables, education, training and consulting.

The transaction is not subject to a financing condition or a shareholder vote.

PJT Partners LP, J.P. Morgan Securities LLC, Citigroup Global Markets Inc. and Goldman Sachs acted as financial advisors and Paul, Weiss, Rifkind, Wharton & Garrison LLP acted as legal advisor to GE on the transaction.