

Thermo Fisher acquires Life Technologies for \$13.6 billion

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Thermo Fisher Scientific and Life Technologies Corporation have signed a definitive agreement under which Thermo Fisher will acquire Life Technologies for \$13.6 billion, plus the assumption of net debt at close (\$2.2 billion as of year end 2012).

A statement from both the companies has said that this acquisition will strengthen technology and innovation leadership through complementary offerings that broaden Thermo Fisher's industry-leading portfolio. The combined company will also build on its strong foothold in Asia-Pacific, particularly in China, to meet increasing customer demand in life sciences and healthcare. The combination will build on both companies' technological strengths to accelerate results for life sciences customers working in proteomics, genomics and cell biology.

"We are extremely excited about this transaction because it creates the ultimate partner for our customers and significant value for our shareholders," said Mr Marc N Casper, president and chief executive officer of Thermo Fisher Scientific. "The acquisition of Life Technologies enhances all three elements of our growth strategy: technological innovation, a unique customer value proposition and expansion in emerging markets.

He added, "Our customers in research and applied markets will now be able to achieve even higher levels of innovation and productivity by working with the combined company. We're especially excited about the new opportunities we will have to leverage our complementary offerings, fueled by a shared commitment to continuous innovation."

Mr Gregory T Lucier, chairman and chief executive officer of Life Technologies, said, "This transaction brings together two companies intent on accelerating innovation for our customers and achieving greater success in a highly competitive global industry. Further, this combination delivers immediate and significant cash value to our stockholders and represents a successful conclusion to the board's strategic review to enhance stockholder value and develop an even stronger future for Life Technologies."

Life's leading technologies are protected by approximately 5,000 patents and licenses, and it builds on this position through a strong commitment to innovation. With 2012 revenues of \$3.8 billion, its comprehensive offering includes a broad range of reagents, consumables, instruments and systems. It is well-known for its next-generation sequencing capability, and also has a range of technologies for bioproduction and forensics applications. These strengths, combined with Thermo Fisher's leading offerings in analytical technologies and specialty diagnostics, create new opportunities to support the convergence of life sciences tools and diagnostics. Life has an expansive commercial presence and global footprint as well, with more than 10,000 employees serving its customers around the world.

It is expected that Life Technologies' president and chief operating officer, Mr Mark P Stevenson, will have a significant leadership role in the combined company. Thermo Fisher will acquire Life for \$76.00 in cash per fully diluted common share. The transaction, which is expected to close early in 2014, is subject to a Life shareholder vote and satisfying customary closing conditions, including regulatory approvals.

The acquisition of Life presents the opportunity for \$275 million of adjusted operating income synergies in year three following the close, consisting of \$250 million of cost synergies and \$25 million of revenue synergies. In addition, Thermo Fisher expects the transaction to be significantly and immediately accretive to adjusted EPS.