

Deal of the Week: Allergan to Buy Kythera Biopharma for \$2.1B

Announcement Date	<ul style="list-style-type: none"> • June 17, 2015 	
Acquirer	<ul style="list-style-type: none"> • Allergan plc (NYSE: AGN) 	
Acquirer Description	<ul style="list-style-type: none"> • Develops, manufactures, and distributes generic, branded, biosimilar, and over-the-counter (OTC) pharmaceutical products • Maker of Botox • Founded in 1983 and headquartered in Parsippany, New Jersey 	
Acquirer Financial Statistics	<ul style="list-style-type: none"> • Mkt Cap: \$117.3 billion • EV: \$159.5 billion • LTM Revenue: \$14.6 billion 	<ul style="list-style-type: none"> • LTM EBITDA: \$4.7 billion • LTM EV / Revenue: 10.9x • LTM EV / EBITDA: 33.9x
Target Company	<ul style="list-style-type: none"> • Kythera Biopharmaceuticals, Inc. (NASDAQ: KYTH) 	
Target Description	<ul style="list-style-type: none"> • Focuses on the discovery, development, and commercialization of prescription products for the aesthetic medicine market in the United States and internationally • Founded in 2004 and headquartered in Westlake Village, California 	
Target Financial Statistics	<ul style="list-style-type: none"> • Mkt Cap: \$1.9 billion • EV: \$1.7 billion • LTM Revenue: None 	<ul style="list-style-type: none"> • LTM EBITDA: None • LTM EV / Revenue: NM • LTM EV / EBITDA: NM
Price / Consideration	<ul style="list-style-type: none"> • Price: \$2.1 billion 	<ul style="list-style-type: none"> • Consideration: Cash and stock
Acquirer Advisor	<ul style="list-style-type: none"> • J.P. Morgan 	
Target Advisor	<ul style="list-style-type: none"> • Goldman Sachs 	
Rationale	<ul style="list-style-type: none"> • The deal is expected to expand Allergan’s product lines for cosmetic facial treatments, particularly by adding Kythera’s double-chin treatment, Kybella, which was recently approved by the FDA • “The acquisition of Kythera is a strategic investment that strengthens our leading global position in aesthetics and continues to position us for long-term growth,” said Brent Saunders, CEO and President of Allergan. “KYBELLA™ is an exciting new product that offers patients the first and only clinically-proven, non-surgical treatment for submental fullness (excess fat under the chin). As a leader in aesthetics, we know our customers are looking to offer their patients new options beyond traditional facial aesthetics” • “Allergan’s world-class medical aesthetics, global footprint, history and commitment to developing leading aesthetic products makes them ideally suited to realize the maximum commercial potential of KYBELLA™,” said Keith Leonard, CEO and President of Kythera 	
Deal Points	<ul style="list-style-type: none"> • Allergan would pay \$75 per share, ~80% in cash and ~20% in shares 	
Of Note	<ul style="list-style-type: none"> • Kythera has not generated revenue from product sales so far, but it has done so through licensing agreements • Allergan remains committed to de-levering to below 3.5x debt to Adjusted EBITDA by the end of the first quarter of 2016 	