

Deal of the Week: Thermo Fisher Scientific to Buy QIAGEN N.V. for \$11.5B

Announcement Date	<ul style="list-style-type: none"> March 3, 2020 	
Acquirer	<ul style="list-style-type: none"> Thermo Fisher Scientific Inc. (NYSE: TMO) 	
Acquirer Description	<ul style="list-style-type: none"> Provides analytical and other instruments, laboratory equipment, software, consumables, reagents, instrument systems, chemicals, supplies, and services worldwide. Markets include pharmaceutical, biotechnology, agricultural, clinical, academic, and government Founded in 1956 and headquartered in Waltham, MA 	
Acquirer Financial Statistics	<ul style="list-style-type: none"> Mkt Cap: \$112.9 billion EV: \$128.3 billion LTM Revenue: \$25.5 billion 	<ul style="list-style-type: none"> LTM EBITDA: \$6.5 billion LTM EV / Revenue: 5.0x LTM EV / EBITDA: 19.6x
Target Company	<ul style="list-style-type: none"> QIAGEN N.V. (NYSE: QGEN) 	
Target Description	<ul style="list-style-type: none"> Provides sample to insight solutions that transform biological materials into molecular insights worldwide. Its customers include molecular diagnostics, applied testing, pharma, and academia Provides solutions to more than 500,000 customers around the world As of 12/31/19, QIAGEN employed ~5,100 people in 25+ countries Founded in 1986 and headquartered in Venlo, The Netherlands 	
Target Financial Statistics	<ul style="list-style-type: none"> Mkt Cap: \$9.3 billion EV: \$10.3 billion LTM Revenue: \$1.5 billion 	<ul style="list-style-type: none"> LTM EBITDA: \$483.1 million LTM EV / Revenue: 6.7x LTM EV / EBITDA: 21.3x
Acquirer Advisors	<ul style="list-style-type: none"> J.P. Morgan and Morgan Stanley 	
Target Advisors	<ul style="list-style-type: none"> Goldman Sachs and Barclays 	
Price / Consideration	<ul style="list-style-type: none"> \$11.5 billion 	<ul style="list-style-type: none"> Cash
Rationale	<ul style="list-style-type: none"> The combined company will accelerate the development of higher-specificity, faster and more comprehensive tests that may improve patient outcomes and reduce the cost of care. It will also be able to provide research customers with broader capabilities to accelerate discovery and enable scientific breakthroughs Thermo Fisher will be able to leverage its extensive commercial reach, including its customer channels and comprehensive e-commerce platforms, to expand customer access to QIAGEN's product portfolio The transaction is expected to be immediately accretive to Thermo Fisher's adjusted EPS after close. It expects to realize total synergies of \$200 million by year three following the close, consisting of \$150 million of cost synergies and \$50 million of adjusted operating income benefit from revenue synergies "We are excited to bring together our complementary offerings to advance our customers' important work, from discovery to diagnostics," said Marc N. Casper, chairman, president and chief executive officer of Thermo Fisher Scientific. "This acquisition provides us with the opportunity to leverage our industry-leading capabilities and R&D expertise to accelerate innovation and address emerging healthcare needs. For shareholders, we expect the transaction to be immediately accretive and to generate significant cost and revenue synergies." 	
Deal Points	<ul style="list-style-type: none"> €39 per share cash offer represents a premium of ~23% to the closing price of QIAGEN's common stock on the Frankfurt Prime Standard on March 2, 2020 The transaction values QIAGEN at approximately \$11.5 billion at current exchange rates, which includes the assumption of approximately \$1.4 billion of net debt Thermo Fisher has obtained committed bridge financing. Permanent funding is expected to come from cash on hand and the issuance of new debt 	
Of Note	<ul style="list-style-type: none"> The announcement makes it one of Thermo Fisher's largest deals after the 2014 acquisition of Life Technologies Corp. for \$13.6 billion 	