

Thermo Fisher to buy Life Technologies for \$13.6B (Update)

April 15 2013, by Tom Murphy

Thermo Fisher Scientific Inc. has offered to pay about \$13.6 billion to buy genetic testing equipment maker Life Technologies in a cash deal that will create a giant company serving research and specialty diagnostics.

The Waltham, Massachusetts, company said Monday it has agreed to pay \$76 in cash for each share of Life Technologies, which is based in Carlsbad, California.

Shares of both companies jumped after they announced the deal before markets opened.

Life Technologies Corp. shareholders and regulators still need to approve the acquisition, but the boards of both companies have already backed it. Thermo Fisher, which makes scientific instruments and laboratory supplies, said it has obtained financing commitments for the deal from JP Morgan and Barclays.

The companies expect the deal to close early next year. The \$13.6 billion price does not include \$2.2 billion in debt that will be assumed as part of the deal.

Life Technologies offers more than 50,000 products and delves into genetic analysis and engineering, stem cell therapies and chemicals used in forensics and food safety. It owns or licenses more than 5,000 patents.

The company was formed in November 2008 through the combination of Invitrogen Corp. and Applied Biosystems Inc. and has about 10,000 employees. It earned about \$430.9 million, or \$2.40 per share, last year on \$3.8 billion in revenue. Its earnings climbed 18 percent in the fourth quarter.

The company's stock price has shot up more than 38 percent so far this year and set several record highs. Much of that climb started after Life Technologies said Jan. 18 that it had retained Deutsche Bank Securities and Moelis & Co. to help conduct a strategic review of its business, but it had not decided on a course of action.

Its shares then climbed again last month after The Wall Street Journal reported that investment manager KKR & Co. was thinking about pairing up with other private equity firms to pursue Life Technologies. The report, citing anonymous sources, also named Thermo Fisher as a possible bidder.

Life Technologies shares jumped \$5.21, or 7.7 percent, to \$73.21 in premarket trading about 45 minutes ahead of the market opening while Thermo Fisher rose \$3.56, or 4.5 percent, to \$83.15.

Copyright 2013 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Thermo Fisher to buy Life Technologies for \$13.6B (Update) (2013, April 15) retrieved 24 April 2024 from

<https://phys.org/news/2013-04-thermo-fisher-life-technologies-136b.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.