

**DEAL PROFILE**

LABCORP / COVANCE | CHILTERN

**VALUES**

**\$1.2bn**

**12.6x**

**2.2x**

**TRANSACTION VALUE**

**LTM EBITDA MULTIPLE**

**LTM REVENUE MULTIPLE**



**LABCORP OF AMERICA HOLDINGS (NYSE: LH) / COVANCE, INC.**

Laboratory Corporation of America Holdings (“LabCorp”) is a worldwide independent clinical laboratory company. It operates through two segments, LabCorp Diagnostics and Covance Drug Development, offering a range of clinical laboratory tests and procedures. Covance Inc., a subsidiary of LabCorp, is a drug development services company, providing a range of early-stage and late-stage product development services to the pharmaceutical and biotechnology industries worldwide.

**TEV: \$21.8bn**

**LTM EBITDA: \$1.86bn**

**LTM Revenue: \$9.76bn**



**CHILTERN INTERNATIONAL LIMITED (PRIVATE COMPANY)**

Chiltern International Limited (“Chiltern”) is a contract research organization (CRO) providing clinical development, scientific services, and collaborative technologies for pharmaceutical and biotech companies in North America, Central/Eastern Europe, Western Europe, Latin America, the Middle East, Africa, and the Asia Pacific

**IEV: \$1.2bn**

**LTM EBITDA: \$95m**

**LTM Revenue: \$550m**

**BOURNE PARTNERS MARKET RESEARCH**

**Bourne Partners provides strategic and financial advisory services to clients throughout the business evolution life cycle. In order to provide the highest level of service, we routinely analyze relevant industry trends and transactions. These materials are available to our clients and partners and provide detailed insight into the pharma, pharma services, OTC, consumer health, and biotechnology sectors.**

**OVERVIEW**

On July 29, 2017, Covance Inc., a subsidiary of LabCorp, entered into a definitive agreement to acquire Chiltern International Limited from Galaxy Limited Partnership and others for \$1.2 billion. The acquisition, an all-cash transaction, is expected to be funded with a combination of bank financing and bonds. Chiltern will become a part of LabCorp’s Covance division. Covance was acquired by LabCorp in 2015.

**HIGHLIGHTS**

Chiltern has a forecasted 2017 revenue and adjusted EBITDA of approximately \$550 million and \$95 million. LabCorp expects the transaction to be accretive to adjusted earnings per share and free cash flow in year one, and anticipates the transaction will strengthen their position as a global life sciences company and enhance their oncology expertise. Update: the transaction closed on August 31, 2017.