

**DEAL PROFILE**

**BRISTOL-MYERS SQUIBB | CELGENE**

**VALUES**

**\$74.0bn**

**12.6x**

**5.0x**

**TRANSACTION VALUE**

**LTM EBITDA MULTIPLE**

**LTM REVENUE MULTIPLE**



**BRISTOL-MYERS SQUIBB COMPANY (NYSE:BMY)**

Bristol-Myers Squibb Company (“BMS”) discovers, develops, licenses, manufactures, markets, and distributes biopharmaceutical products worldwide. BMS offers drugs across various therapeutic areas including oncology, cardiovascular, immunoscience, and virology. BMS was founded in 1887 and is headquartered in New York, NY. BMS is the US’s 8<sup>th</sup> largest pharmaceutical company by revenue.

**TEV: \$86.2bn**

**LTM EBITDA: \$6.3bn**

**LTM Revenue: \$22.0bn**



**CELGENE CORPORATION (NasdaqGS:CELG)**

Celgene Corporation (“Celgene”) is a biopharmaceutical company that engages in the discovery, development, and commercialization of therapies for the treatment of cancer and inflammatory diseases worldwide. Celgene was founded in 1980 and is headquartered in Summit, NJ. Celgene is the US’s 9<sup>th</sup> largest pharmaceutical company by revenue.

**TEV: \$62.5bn**

**LTM EBITDA: \$5.9bn**

**LTM Revenue: \$14.7bn**

**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 January 3, 2019, Bristol-Myers Squibb (“BMS”) announced that it was entering into an agreement to buy Celgene Corporation (“Celgene”) for \$74.0bn in a mixed consideration transaction (cash and stock). The deal will still need the approval of shareholders and regulators as the combined company could become the fourth largest pharmaceutical company in the US. The \$102.43 per share purchase price represents a 53.7% premium to Celgene’s January 2<sup>nd</sup> close.

**HIGHLIGHTS**

Following deal approval and closing, Celgene shareholders will receive one share of BMS stock and \$50 in cash for each share owned. In total, BMS shareholders will hold approximately 69% of the new company and Celgene shareholders are expected to own the remaining 31%. In the press release, many strategic benefits were mentioned, including complementary product portfolios, near-term launch opportunities representing ~\$15.0bn in revenue potential, sustainable growth platform from early-stage pipeline, and added discovery capabilities. Due to meaningful cost-synergies (~2.5bn in run-rate savings by 2022), the transaction is expected to be ~40% accretive to EPS in the first full-year and will allow for an increased focus on innovation. The transaction is expected to close in Q3 2019.