

DEAL PROFILE

PROCARE PHARMACY/ CVS | PREMIER

VALUES

\$42.5mm

NA

NA

TRANSACTION VALUE

LTM REVENUE MULTIPLE

LTM EBITDA MULTIPLE



PROCARE PHARMACY LLC

ProCare Pharmacy LLC (“ProCare”), a subsidiary of CVS, retails pharmaceutical products in Pennsylvania. The company also offers pharmacy services such as blood pressure screening, specialty prescription service, weight loss programs, and supplements. ProCare was founded in 2007 and is headquartered in Monroeville, PA.

TEV: NA

LTM EBITDA: NA

LTM Revenue: NA



PREMIER

PREMIER, INC. (NASDAQ:PINC)

Premier, Inc. (“Premier”) is a healthcare improvement company. The company operates through two segments: Supply Chain Services – offers members access to services and products such as medical/surgical products, pharmaceuticals, lab supplies, etc. and engages in the integrated pharmacy business; and Performance Services – helps customers address existing cost and quality imperatives, manage a value-based care reimbursement model, etc. This transaction included the Specialty Pharmacy Business Assets of Premier. Premier was founded in 2013 and is headquartered in Charlotte, NC.

TEV: \$2.4bn

LTM EBITDA: \$552.6mm

LTM Revenue: \$1.7bn

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 May 7, 2019, Premier announced that it is selling its specialty pharmacy business to ProCare Pharmacy, a subsidiary of CVS Health, due to challenges in the specialty pharmacy landscape. Premier will receive \$22.5mm for certain assets related to its specialty pharmacy business, plus up to an additional \$20mm for inventory. The business unit currently serves 367 hospitals across 66 health systems.

HIGHLIGHTS

When asked about the transaction, Michael Alkire, President of Premier, stated “Although specialty pharmacy continues to be an important component in health care, today’s market dynamics are challenging and have resulted in new pressures across the industry. Exiting the business better positions Premier to capitalize on [its] strengths and enhance [its] focus on core, growing business lines encompassing [its] supply chain, enterprise analytics, and performance capabilities.” Premier anticipates an increase in the company’s adjusted EBITDA margin to ~45%, while reducing Net Revenue by ~\$470mm and increasing Pre-Tax Income by ~\$6mm. The deal is expected to close by June 30, 2019.