

DEAL PROFILE

PERMIRA | CAMBREX

VALUES	\$2.4bn	LTM REVENUE MULTIPLE	LTM EBITDA MULTIPLE
		4.3x	16.4x
		RR ² REVENUE MULTIPLE	RR ² EBITDA MULTIPLE
		3.4x	12.7x



PERMIRA

Permira is a global private equity fund that supports market-leading businesses with strong growth potential in the Technology, Consumer, Financial Services, Industrial Tech and Services, and Healthcare sectors, specifically. Permira’s current fund, P6, is investing €7.5bn with a firm-wide total committed capital of €33bn. Permira was founded in 1985 and employs more than 250 people in 14 offices across Europe, the US, and Asia.

Total Healthcare Investments: 13 Current Healthcare Investments: 5



CAMBREX CORPORATION (NYSE:CBM)

Cambrex Corporation is the leading fully integrated small molecule contract development and manufacturing organization (CDMO) across the entire drug lifecycle. The company offers Active Pharmaceutical Ingredients (APIs), finished dosage forms, advanced intermediates, and enhanced drug delivery products for branded and generic pharmaceuticals. Cambrex was founded in 1981 and is based in East Rutherford, NJ.

TEV: \$1.9bn	LTM Revenue: \$560.8mm	LTM EBITDA: \$146.6mm
	RR Revenue: \$699.6mm	RR EBITDA: \$189.6mm

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 August 7, 2019, Cambrex announced that it was entering into an agreement to be acquired by Permira with an implied enterprise value of approximately \$2.4bn. Cambrex shareholders are to receive \$60.00 in cash for each share of common stock, representing a 47.1% premium to the August 6, 2019 closing price. Cambrex may actively solicit proposals from third parties during a 45-day “go-shop” period starting from the day of the agreement. The deal is expected to close in Q4 2019.

HIGHLIGHTS

This is Permira’s second CDMO portfolio company. It purchased sterile injectables manufacturer, LSNE, in late 2017. Permira’s acquisition of Cambrex underscores the continued frothiness of values and M&A activity in the CDMO sector. Cambrex’s 2018 and 2019 acquisitions of Halo Pharma and Avista Pharma Solutions, respectively, emphasize management’s desire to offer services across the entire drug lifecycle. Permira will likely continue to pursue M&A opportunities post close in order to continue to expand Cambrex’s reach and capabilities as they seek to become a global full service CDMO. It will be interesting to see if Permira has any plans to eventually combine Cambrex and LSNE.

1) Implied Enterprise Value of \$2.4bn taken from Cambrex press release
2) Run Rate Multiples taken from CapitalIQ and calculated as annualized Cambrex 2Q EBITDA and Revenue (first quarter including operations from Avista acquisition)
Source(s): Cambrex Corporation; S&P CapitalIQ, August 2019; BioPharma Dive