

**DEAL PROFILE**

**ASSERTIO THERAPEUTICS | ZYLA LIFE SCIENCES**

**VALUES**

**\$109.3mm**

**\$20.9mm**

**1.5x**

**Implied Enterprise Value**

**Implied Equity Value**

**EV / LTM Revenue**

**Assertio Therapeutics, Inc. (NasdaqGS:ASRT)**

Assertio Therapeutics is a specialty pharmaceutical company providing neurology, orphan, and specialty medicines. The company markets three FDA-approved products for various neurological conditions, along with two products in its pipeline submitted for FDA approval. Based in Lake Forest, IL, Assertio was founded as Depomed, Inc. in 1995 and changed its name to Assertio Therapeutics, Inc. in 2018.

**TEV: \$373.0mm    LTM EBITDA: \$99.2mm<sup>1</sup>    LTM Revenue: \$229.5mm<sup>1</sup>**

**Zyla Life Sciences (OTCPK:ZCOR)**

Zyla Life Sciences is a commercial-stage life sciences company focused on the development, manufacturing, and marketing of treatments for pain and inflammation. The company currently markets six FDA-approved products for pain and inflammation including nasal sprays, suppositories, oral suspensions, and tablets. Formerly known as Egalet Corporation, Zyla Life Sciences was founded in 2010 and is based in Wayne, PA.

**TEV: \$101.6mm    LTM EBITDA: (\$29.9)mm<sup>2</sup>    LTM Revenue: \$70.5mm<sup>2</sup>**



**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 March 16, 2020, Assertio Therapeutics, Inc. and Zyla Life Sciences announced that they have entered into a definitive merger agreement approved by the boards of directors of both companies. The newly-formed holding company will keep the Assertio name and trade on Nasdaq under the ticker ASRT. Upon close of the merger, Zyla shareholders will be entitled to receive 2.5 shares of common stock of the merged entity, which has projected a non-GAAP adjusted EBITDA margin greater than 25%. The merger is expected to close in the second quarter of 2020.

**HIGHLIGHTS**

Assertio, the new holding company, was established to be a leading specialty pharmaceutical company focused on commercial execution with a robust portfolio of neurology, inflammation, and pain treatments. The merged entity will have the platform, profitability, and financial strength to organically grow its existing portfolio as well as acquire additional assets to complement its current medicines. The company is also positioned to take advantage of the trend towards non-opioid products. Todd Smith, current president, CEO, and director of Zyla, said, "We believe the merger of Zyla and Assertio will create a stronger company with a robust differentiated portfolio." Mr. Smith will become president, CEO and director of the merged entity. "The new holding company's revenues, EBITDA margin and expected combined company net debt to EBITDA leverage of two times will be notable among the specialty pharmaceutical companies of our size," Mr. Smith added.

Source(s): S&P CapitalIQ, March 2020; GlobalNewswire

<sup>1</sup>LTM values as of FY 2019

<sup>2</sup>LTM values as of 9/30/2019