

**DEAL PROFILE**

RECKITT BENCKISER | MEAD JOHNSON

**VALUES**

**\$19.7bn**

**19.5x**

**4.8x**

**TRANSACTION VALUE**

**LTM EBITDA MULTIPLE**

**LTM REVENUE MULTIPLE**



**RECKITT BENCKISER GROUP PLC (LSE: RB)**

Reckitt Benckiser Group plc (“Reckitt”) was founded in 1823 and is based in Slough, UK. The company manufactures, markets, and sells health, hygiene, and home products, with operations across the globe. A few notable brands include Durex, Scholl, Mucinex, Clearasil, Finish, Lysol, Woolite, and Air Wick.

**TEV: \$51.04bn**

**LTM EBITDA: \$2.65bn**

**LTM Revenue: \$9.89bn**



**MEAD JOHNSON NUTRITION COMPANY (NYSE: MJN)**

Mead Johnson Nutrition Company (“Mead Johnson”) manufactures, distributes, and sells infant formulas, children’s nutrition, and other nutritional products. The company sells its products to mothers, health care professionals, and retailers in approximately 50 countries in Asia, North America, Latin America, and Europe. Mead Johnson Nutrition Company was founded in 1905 and is headquartered in Glenview, Illinois.

**IEV: \$19.7bn**

**LTM EBITDA: \$918m**

**LTM Revenue: \$3.74bn**

**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**

Reckitt announced on February 10th, 2017, that it has agreed to acquire Mead Johnson, maker of infant formula Enfamil, for \$16.6 billion. The deal will almost double the size of Reckitt’s consumer-health business, bringing in China as the company’s second biggest market behind the U.S. Including debt, the deal is valued at \$19.7 billion.

**HIGHLIGHTS**

Reckitt will fund the acquisition with debt, paying \$90 a share in cash for the Glenview, Ill.-based company. This values the target at 17 times earnings, with similar transaction multiples coming in at 3 to 5 marks higher. With Reckitt’s organic revenue growth at a mere 3% for 2016, the company needed a deal to jump-start sales. Reckitt projects that the transaction will boost per-share earnings by a double-digit percentage by the third year after closing, with a forecasted cost savings of \$249.9 million. Update: the transaction closed on June 15, 2018.