

Thermo Fisher buying PPD in deal worth \$17.4 billion

April 15 2021



This April 26, 2007, file photo, shows the exterior of Thermo Fisher Scientific Inc., in Waltham, Mass. Thermo Fisher is buying clinical research company PPD in a deal valued at \$17.4 billion. (AP Photo/Stephan Savoia, File)

Thermo Fisher is buying the clinical testing company PPD for \$17.4 billion with the global pandemic creating a surge in demand.

Activity in healthcare testing has gone into overdrive over the past year and Thermo Fisher accelerated its entry into that field with the deal announced Thursday.

Shares of the Waltham, Massachusetts, [company](#) rose almost 2% at the opening bell.

PPD, based in Wilmington, N.C., is a contract-research company, which tests experimental drugs being pursued by pharmaceutical companies. The company provides services to emerging biotech firms as well as global [pharmaceutical companies](#). It booked revenue of \$4.7 billion last year.

Thermo Fisher makes [scientific research](#) and testing equipment and has been engaged in efforts to quell the pandemic. It has processed COVID-19 tests and supplied the scientists developing treatments and vaccines. It also created a molecular diagnostic business to support COVID-19 testing.

Revenue climbed to \$6.63 billion from company divisions last year that dealt in products tied to COVID-19 diagnosis and treatment.

It said this week that U.S. regulators granted emergency use authorization for a new automated system for processing COVID-19 tests.

Booming sales in goods and services related to the pandemic has provided Thermo Fisher with a buffer against other parts of its business that suffered as businesses shut down and people sheltered.

Thermo Fisher Scientific Inc. will pay \$47.50 per PPD share. The transaction also includes approximately \$3.5 billion in debt.

PPD will be folded into Thermo Fisher's laboratory products and services unit.

Shares of PPD, based in Wilmington, North Carolina, rose nearly 7% Thursday.

The deal is expected to close by the end of the year.

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Citation: Thermo Fisher buying PPD in deal worth \$17.4 billion (2021, April 15) retrieved 3 May 2024 from <https://techxplore.com/news/2021-04-thermo-fisher-ppd-worth-billion.html>

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