

Abbott to Acquire Alere, Becoming Leader in Point of Care Testing & Advancing Global Diagnostics



ABBOTT GAINS LEADERSHIP IN THE \$5.5 BILLION POINT OF CARE SEGMENT, BROADENS DIAGNOSTICS FOOTPRINT AND ENHANCES ACCESS TO FAST-GROWING DIAGNOSTICS CHANNELS

- Transaction expected to be immediately accretive to Abbott's ongoing earnings per share upon close
- Acquisition will provide access to new product applications, channels and geographies
- Alere's complementary technologies will help Abbott provide better care for patients by meeting the growing demand for fast, accurate and actionable medical information

Abbott (NYSE: [ABT](#)) and Alere Inc. (NYSE: [ALR](#)) has announced a definitive agreement for Abbott to acquire Alere, significantly advancing Abbott's global diagnostics presence and leadership. Under the terms of the agreement, Abbott will pay \$56 per common share at a total expected equity value of \$5.8 billion. Once the transaction is completed, Abbott will become the leading diagnostics provider of point of care testing. Abbott's total diagnostics sales will exceed \$7 billion after the close.

Abbott will be able to provide new, flexible, cost-effective, high-quality products to help health systems meet growing demand in both in-patient and out-patient settings. Alere's complementary portfolio of products will provide Abbott access to new channels and geographies, including entry into fast-growing outlets, such as doctors' offices, clinics, pharmacies and at-home testing.

"The combination of Alere and Abbott will create the world's premier point of care testing business and significantly strengthen and grow Abbott's diagnostics presence," said Miles D. White, chairman and chief executive officer, Abbott. "We want to offer our customers the best and broadest diagnostics solutions. Alere helps us do that."

Upon completion of the transaction, the combined business will offer the broadest point of care menu of infectious disease, molecular, cardiometabolic and toxicology testing, expanding Abbott's platforms to include benchtop and rapid strip tests. Abbott will be able to better serve an expansive customer base around the world while also accelerating innovation in point of care diagnostics. More than half of Alere's \$2.5 billion in sales are in the U.S. Alere also has a growing presence in key international markets, where Abbott's capabilities and infrastructure will drive accelerated growth of Alere's portfolio.

"Today's announcement marks an exciting and transformative milestone for Alere and one that provides an immediate benefit for our stockholders," said Namal Nawana, president and chief executive officer, Alere. "Our leading platforms and global presence in point-of-care diagnostics, combined with Abbott's broad portfolio of market-leading products, will accelerate our shared goal of improving patient care. I'd like to thank our global workforce of nearly 10,000 employees whose hard work and dedication has enabled Alere to contribute to improved patient outcomes throughout the world."

Financial

The transaction will be immediately accretive to Abbott's ongoing earnings per share upon close and significantly accretive thereafter, with approximately 12-13 cents of accretion in 2017 and more than 20 cents in 2018.* The combination is anticipated to result in annual pre-tax synergies approaching \$500 million by 2019 and increasing thereafter, including both sales and operational benefits.

Under the terms of the agreement, Alere shareholders will receive \$56 per common share in cash at the completion of the transaction, and Alere will become a subsidiary of Abbott. Alere's net debt, currently \$2.6 billion, will be assumed or refinanced by Abbott.

The transaction, which has been approved by the boards of directors of Alere and Abbott, is subject to the approval of Alere shareholders and the satisfaction of customary closing conditions, including applicable regulatory approvals.

Evercore is acting as financial advisor and Kirkland & Ellis LLP is serving as legal counsel to Abbott. JP Morgan is acting as financial advisor and Cravath, Swaine & Moore is serving as legal counsel to Alere.

Abbott Conference Call

Abbott will conduct a special conference call today at 8 a.m. Central time (9 a.m. Eastern time) to provide an overview of the transaction. A live webcast will be accessible through Abbott's Investor Relations website at www.abbottinvestor.com.

Point of Care Testing

Point of care testing helps improve outcomes and increase the speed of care by bringing the test results to the physician and patient's side in a matter of minutes. The demand for point of care testing is accelerating as health care providers and consumers look for better ways to get fast, accurate and actionable information to guide decision-making. In fact, point of care testing is a \$5.5 billion segment and one of the fastest growing *in vitro* diagnostics segments, in part because many health care systems are increasing their reliance on these technologies to inform

patient care decisions because of their ease of use, speed and accuracy.

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