

Thermo Fisher wraps up \$17.4 billion deal for Wilmington-based PPD



Thermo Fisher Scientific, Inc. has completed its acquisition of Wilmington-based global contract research organization PPD. The \$17.4 billion deal was finalized in December.

Thermo Fisher – which supports life sciences research by helping customers solve complex analytical challenges, improve patient diagnostics and therapies or increase the productivity of their laboratories – also has a major presence in North Carolina. Prior to the PPD acquisition, it employed about 4,000 people across seven sites in the state. That includes a center of excellence for laboratory equipment in Asheville, three life sciences and chemical manufacturing locations in Durham, pharmaceutical manufacturing plants in Greenville and High Point, and a Raleigh distribution center.

“We are very excited to officially welcome our PPD colleagues to Thermo Fisher Scientific,” said Marc N. Casper, the company’s chairman, president, and CEO. “Expanding our value proposition for our biotech and pharmaceutical customers with the addition of PPD’s leading clinical research services advances our work in bringing life-changing therapies to market, benefiting patients around the world.”

As part of the deal, Thermo Fisher paid \$47.50 per share for PPD stock – for a total of \$17.4 billion – and assumed approximately \$3.5 billion of PPD debt. Thermo Fisher said it expects to realize nearly \$125 million overall in synergies within the first three years of the acquisition. PPD will become a part of Thermo Fisher’s Laboratory Products and Services unit.

“Pharma and biotech is our largest and fastest growing end market, and our customers value us as a strategic partner and an industry leader,” Casper added. “The acquisition of PPD is a natural extension for Thermo Fisher and will enable us to provide these customers with important clinical research services and partner with them in new and exciting ways as they move a scientific idea to an approved medicine quickly, reliably and cost effectively.”

PPD is a homegrown North Carolina company founded in 1985 by Fred Eshelman as a one-person consulting firm. At the time of the acquisition, PPD had more than 26,000 employees operating in close to 50 countries, including around 1,800 in the Wilmington/Cape Fear region. The company generated \$4.7 billion in revenue in 2020.

“This is a very exciting announcement for our shareholders and will provide customers with an even better opportunity to bring meaningful innovation to the market faster and more efficiently,” said PPD Chairman and CEO David Simmons. “Thermo Fisher is a world-class company with a very similar culture and values and will provide a great foundation for our colleagues to continue to deliver for our customers and to develop their own skills and careers.”

Randall Johnson, executive director of the Southeastern Office of the North Carolina Biotechnology Center, said he’s not surprised by the PPD sale, nor is he worried by it.

“PPD spawned the significant regional cluster of CROs here, with dozens of companies now employing thousands of talented professionals who call the Wilmington area home,” he said. “This acquisition continues a consolidation trend we’ve seen in the industry for some time, with the notable examples of Labcorp’s acquisition of Covance and the more recent Icon/PRA Health megamerger.”

Thermo Fisher is headquartered in Waltham, Massachusetts – just outside Boston. The company reports annual revenue of nearly \$30 billion, with a global workforce of more than 80,000.

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