

Charles River Laboratories acquires MPI Research for \$800 M

14 February 2018 | News

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Charles River Laboratories International announced that it has inked an agreement to acquire MPI Research for approximately \$800 million in cash. MPI is a premier non-clinical contract research organization (CRO) providing comprehensive testing services to biopharmaceutical and medical device companies worldwide.

The deal will help enhance Charles River's position as a leading global early-stage CRO by strengthening its ability to partner with clients across the drug discovery and development continuum.

"MPI is an exceptional strategic fit for Charles River because it incorporates the key attributes we require in an acquisition: access to growing end markets, high-quality services, scientific expertise, and complementary capabilities. MPI'S one-million-square-foot, single-site facility in Michigan will provide needed capacity to meet current and future demand, said Mr James C. Foster, CEO, Charles River Laboratories."

For the past few months, Charles River laboratories is on an acquisition spree. The company recently acquired two leading contract research organization (CRO) and Brains On-line. The acquisition of MPI will add ototoxicity and abuse liability capabilities to Charles River's services, and will expand, said the company in a press release.

"In addition to enhancing our value proposition for clients, we believe that the acquisition of MPI will generate value for shareholders, driving profitable revenue growth and non-GAAP earnings per share accretion of approximately \$0.25 in 2018 and approximately \$0.60 in 2019. We greatly respect MPI's employees, its scientific capabilities, and the reputation it has built over the nearly 25 years since its founding, and look forward to welcoming MPI to the Charles River family," Mr. Foster concluded.

The transaction is expected to close early in the second quarter of 2018, subject to regulatory approvals and customary closing conditions. The acquisition is expected to add \$170 to \$190 million to Charles River's 2018 consolidated revenue based on the anticipated timing of the close, and \$260 to \$280 million to 2019 consolidated revenue. MPI is expected to be reported as part of Charles River's Discovery and Safety Assessment segment.