

Valeant to acquire Bausch + Lomb for \$8.7 bn cash

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Singapore: Valeant Pharmaceuticals is going to acquire Bausch + Lomb Holdings for \$8.7 billion in cash. Under terms of the agreement, approximately \$4.5 billion will go to an investor group led by Warburg Pincus and around \$4.2 billion will be used to repay Bausch + Lomb's outstanding debt.

Valeant expects to achieve at least \$800 million in annual cost savings by end of 2014. Bausch + Lomb expects to have revenues of approximately \$3.3 billion and adjusted EBITDA in 2013 of approximately \$720 million. The transaction will be financed with debt and approximately \$1.5-to-\$2 billion of new equity. Valeant has secured fully committed debt financing for the transaction from Goldman Sachs, US. Taking into account the anticipated equity raise, Valeant's debt to pro forma adjusted EBITDA ratio will be approximately 4.6 times.

Bausch + Lomb will retain its name and become a division of Valeant. Valeant's existing ophthalmology businesses will be integrated into the Bausch + Lomb division, creating a global eye health platform with estimated pro forma 2013 net revenue of more than \$3.5 billion.

Following the closing, Bausch + Lomb's CEO, Mr Brent Saunders, will join Valeant in an advisory role to help ensure a seamless transition and integration and Mr Fred Hassan, chairman, Bausch + Lomb's board of directors, will join Valeant's board of directors. In addition, Mr Dan Wechsler, executive vice president and president of Bausch + Lomb's global pharmaceuticals, will join Valeant as executive vice president and company group chairman, ophthalmology and eye health. Bausch + Lomb's chief medical officer Dr Calvin W Roberts will also join Valeant as its chief medical officer, ophthalmology and eye health.

Skadden, Arps, Slate, Meagher & Flom and Osler, Hoskin & Harcourt served as Valeant's legal counsel, and Bausch + Lomb was advised by Cleary Gottlieb Steen & Hamilton. Goldman Sachs and J P Morgan Securities acted as financial advisors to Bausch + Lomb.