



Current Agreements

Dealdoc

Acquisition agreement for Gambro

Baxter International
Gambro

Dec 04 2012

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Companies:	Baxter International Gambro
Announcement date:	Dec 04 2012
Deal value, US\$m:	4000 : sum of purchase in cash and debt financing
Related contracts:	Debt financing for \$3.5 billion

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Details

Announcement date:	Dec 04 2012
Industry sectors:	Bigpharma Pharmaceutical
Therapy areas:	Gastrointestinal

Financials

Deal value, US\$m:	4000 : sum of purchase in cash and debt financing \$1 billion : sum of purchase price in cash
More details:	\$3 billion : sum of debt financing

Termsheet

6 September 2013

Baxter International announced that the company has successfully completed the acquisition of Gambro AB, a privately held global medical technology company and leader in dialysis products based in Lund, Sweden.

The transaction further enhances Baxter's global renal leadership and provides the company with a comprehensive product and therapies portfolio to meet the needs of patients in the large and growing dialysis market.

4 December 2012

Baxter International agreed to buy Swedish Gambro AB for about \$4 billion.

Baxter will fund the deal with \$1 billion in cash generated by the company's overseas operations and roughly \$3 billion in new debt.

Press Release

6 September 2013

Baxter Completes Acquisition of Gambro AB and Enhances Global Leadership in Renal Therapies

DEERFIELD, Ill.--Baxter International Inc. (NYSE: BAX) today announced that the company has successfully completed the acquisition of Gambro AB, a privately held global medical technology company and leader in dialysis products based in Lund, Sweden. The transaction further enhances Baxter's global renal leadership and provides the company with a comprehensive product and therapies portfolio to meet the needs of patients in the large and growing dialysis market.

"The combination of these two respected renal leaders – Baxter and Gambro – will enable Baxter to better serve healthcare providers and patients through a collective offering of innovative renal products and therapies," said Robert L. Parkinson, Jr., chairman and chief executive officer of Baxter. "Together, we will advance the state of dialysis care for patients with kidney disease worldwide."

The acquisition provides a number of long-term growth opportunities for Baxter around the world. With a broad and complementary dialysis product portfolio and global footprint, Baxter can accelerate product sales in established markets such as Europe, where Gambro has an extensive presence. Baxter will also expand Gambro's reach in high-growth regions of Latin America and Asia-Pacific, where Baxter has steadily grown its peritoneal dialysis (PD) business. In addition, Baxter will build upon its core portfolio and pipeline of investigational home hemodialysis (HD) and automated PD systems by adding Gambro's dialyzers, devices and dialysis solutions, highly innovative and next-generation monitors, and acute therapies to treat patients with serious kidney, liver and lung conditions.

Brik Eyre has been named president of the combined Renal business and has been elected a corporate officer of Baxter by the company's Board of Directors. In his role, he will report to Robert M. Davis, president of Baxter's Medical Products business. Eyre joined Baxter in 2008 and previously served as the general manager of U.S. Medication Delivery. Prior to this role, Eyre served as general manager for Baxter's BioPharma Solutions business.

The total cash consideration for the transaction was approximately \$3.9 billion USD. The transaction was financed through a combination of cash generated from overseas operations and debt issuances. The impact of the acquisition was included in Baxter's third quarter and full-year 2013 guidance.

About Baxter

Baxter International Inc., through its subsidiaries, develops, manufactures and markets products that save and sustain the lives of people with hemophilia, immune disorders, infectious diseases, kidney disease, trauma, and other chronic and acute medical conditions. As a global, diversified healthcare company, Baxter applies a unique combination of expertise in medical devices, pharmaceuticals and biotechnology to create products that advance patient care worldwide.

This release includes forward-looking statements concerning Baxter's acquisition of Gambro AB and outlook for 2013. The statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those in the forward-looking statements: the company's ability to successfully integrate Gambro, realize the anticipated benefits from the acquisition in the amounts and at the times expected and generate the sales included in the company's outlook for 2013; demand for and market acceptance of new and existing products; actions of regulatory bodies and other governmental authorities; changes to applicable laws and regulations; product development risks; product quality or patient safety concerns; the impact of global economic conditions on the company and its customers and suppliers; and other risks identified in Baxter's most recent filing on Form 10-K and other SEC filings, all of which are available on Baxter's website. Baxter does not undertake to update its forward-looking statements.

13 August 2013

China approves Baxter's \$4 bln bid for Gambro

China's Ministry of Commerce has approved Baxter International Inc's \$4 billion bid for Sweden's Gambro AB provided Baxter sells its global continuous renal replacement therapy (CRRT) business, among other conditions.

The U.S. dialysis equipment maker must also end an outsourcing production deal in China with Japan's Nipro Corporation by March 31, 2016. The approval is subject to corporate monitors as well, the ministry said.

The conditional nod from China comes after Baxter secured EU regulatory approval on July 22, having pledged to sell off the CRRT business, including supply deals and intellectual property rights. The CRRT division accounts for about 2 percent of Baxter's renal product sales.

The deal, which Baxter announced in December last year, would make it the second-biggest manufacturer in the dialysis market, a sector set to expand in line with rising obesity and diabetes.

Baxter and Gambro compete against U.S.-based DaVita Healthcare Partners Inc and Germany's Fresenius Medical Care AG & Co, the biggest player in the hemodialysis market.

Baxter is buying Gambro from Swedish investment holding company Investor AB and its partly owned private equity company EQT.

China has approved mergers with conditions in many cases, but has only blocked one deal since its anti-monopoly law came into force in 2008. That was Coca-Cola's CCE.N attempt to purchase juice maker Huiyuan in 2009.

4 December 2012

Baxter wins EU sign-off for \$4B Gambro deal

Baxter (\$BAX) is well on its way to the top spot in the kidney dialysis market, getting a green light from the European Commission on its planned \$4 billion acquisition of competitor Gambro.

The EU's antitrust authority ruled that Baxter can proceed with its buyout provided it sells off its renal replacement therapy segment, which includes devices to treat acute kidney failure, Reuters reports.

Baxter said in an email Tuesday that the conditional approval is just one aspect of its ongoing efforts to close the Gambro acquisition this quarter. And while the company isn't providing any specifics on a future sale of any business units, a spokeswoman wrote that "Baxter remains committed to offering and advancing acute renal replacement therapy, and it will be part of the future integrated portfolio that will result from the acquisition of Gambro."

No matter what Baxter ends up keeping, a divestiture would assuage the EU's monopoly worries and clear the way for the company to buy out the world's third-largest dialysis maker, vaunting it ahead of current market leader Fresenius Medical (\$FMS).

Baxter is still piecing together the cash it needs to get the deal done, last month announcing plans to raise \$3.5 billion by selling senior notes between three and 30 years in length.

The company is already well-situated in dialysis, last quarter raking in \$654 million from its renal devices, a 3% jump over the previous year. But integrating Gambro and its strong foothold in Latin America and Asia would make Baxter an unquestioned leader, CEO Robert Parkinson has said, folding in the Swedish company's \$1.6 billion and solid position in hemodialysis.

Meanwhile, Fresenius is struggling to keep pace, especially in the U.S., as ;personnel costs and currency problems dragged profits down 39% to \$225 million last quarter.

4 December 2012

Baxter to buy Gambro for \$4B

In a bid to stake a dominant position in the growing global market for kidney dialysis equipment, Baxter International on Tuesday said it agreed to buy Swedish Gambro AB for about \$4 billion, the biggest acquisition in the Deerfield-based company's 82-year history.

Baxter has long eyed Gambro, the world's third-largest manufacturer of dialysis equipment, to help it round out its kidney business, which has focused in recent years on peritoneal dialysis, a form of treatment that can be performed at a patient's home. Privately held Gambro, with roughly \$1.6 billion in annual sales, manufactures equipment for a type of dialysis that is performed in a hospital or health clinic called hemodialysis.

More than 2 million people worldwide receive some form of dialysis, a figure that is growing by a rate of more than 5 percent a year, Baxter said Tuesday in a statement.

Baxter Chief Executive Robert Parkinson told analysts in a conference call that the acquisition would allow it to grow Gambro's business in emerging and high-growth markets in countries like Brazil and China, where many patients with kidney failure go untreated.

"This is a big market; it's going to continue to grow for a long time," Parkinson said. "We're seeing the incident rate of end-stage renal disease in emerging markets start to accelerate as a result of lifestyle choice, sedentary lifestyle, diet and so on. This is the kind of market you want to be in."

Baxter will fund the deal with \$1 billion in cash generated by the company's overseas operations and roughly \$3 billion in new debt. Analysts praised the deal as an astute use of cash generated overseas. Baxter, Abbott Laboratories and other multinationals have resisted re-patriating cash held in foreign currencies as a way to avoid paying U.S. taxes for bringing it back into the country.

"Strategically, we think the deal makes sense," Deutsche Bank analyst Kristen Stewart said in a note to clients.

Morgan Stanley's David Lewis also lauded the deal, saying the "strategic rationale is sound, and longer term this will create a stronger, more diversified business." Baxter said the deal will help the company achieve \$300 million in annual sales by 2017 through combined manufacturing and marketing initiatives. Shares were trading down 46 cents, or 0.7 percent, at \$65.34, Tuesday afternoon. Baxter shares jumped 4.1 percent on Nov. 23 after the Wall Street Journal reported the companies were considering a deal. Baxter manufactured its own line of hemodialysis equipment until 2005, when it shifted its focus to peritoneal dialysis. It continued to distribute hemodialysis products made by other manufacturers.

Filing Data

Not available.

Contract

Not available.