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M&A

Thermo Fisher Bolsters Pharma Services Business With Brammer Bio

The deal for the Ampersand Capital-backed contract development and manufacturing organization followed a competitive process, according to spokespeople for Thermo Fisher and Brammer Bio.

By Armie Margaret Lee

🕒 Updated on March 25, 2019, 12:07 PM ET



As gene therapy attracts increasing focus from its pharmaceutical and biotech clients, **Thermo Fisher Scientific Inc.** (TMO) on Sunday, March 24, unveiled a deal to buy **Ampersand Capital Partners**-backed contract development and manufacturing organization **Brammer Bio** for about \$1.7 billion in cash following a competitive process.

Brammer Bio, located in Cambridge, Mass. and Alachua, Fla., offers development and manufacturing services for companies that seek to develop and commercialize gene therapies.

The deal resulted from a competitive process, according to spokespeople for Thermo Fisher and Brammer Bio in emailed comments.

The two companies have had a long relationship and know each other well, the spokespeople wrote.

Brammer Bio is on pace to produce revenue of \$250 million this year and expects to continue to surpass the projected market growth rate of 25% over the mid-term, according to the news release.

"It is no secret that gene therapy is considered to be the next frontier within drug development and Brammer's broad exposure to the development stage pipeline provides TMO a strong foothold in the space," wrote **Evercore ISI** analysts Ross Muken and Luke Sergott in a research note. "We believe management will leverage TMO's already broad touch to gene therapy drug development on the tools and consumables side, and scale the technology on the CDMO side."

Brammer Bio was created in 2016 from the merger between Ampersand-backed **Florida Biologix** and **Brammer Biopharmaceuticals**. Florida Biologix, formed in 2006 as a component of the University of Florida Center of Excellence for Regenerative Health Biotechnology, spun off from the university in 2015 with Ampersand's backing.

The transaction with Thermo Fisher is expected to close by the end of the second quarter. Brammer Bio will become part of the pharma services business within Thermo Fisher's laboratory products and services segment.

"Brammer Bio will be an exciting addition to our pharma services business and will further strengthen Thermo Fisher's leadership in serving pharma and biotech customers," said Thermo Fisher president and CEO **Marc N. Casper** in the announcement. Gene therapy, Casper said, is "an area of increasing focus for our customers and is fast-evolving given its potential to treat a range of genetic disorders."

Thermo Fisher said it expects Brammer Bio to be accretive to adjusted earnings per share by \$0.10 in the first full year of ownership.

Shares of Thermo Fisher were trading at \$268.19 on Monday, up 1.6%.

Morgan Stanley & Co. LLC's Arek Kurkciyan, Richie Jain, Tedd Smith and Dennis Crandall provided financial advice to Brammer Bio.

Goodwin Procter LLP's John LeClaire, James Barrett and Adam Small served as legal counsel to Brammer Bio and Ampersand.

Wells Fargo Securities LLC's Omid Ahdieh and Adam Berger provided Thermo Fisher with financial advice. **Foley Hoag LLP** served as Thermo Fisher's legal counsel.

--David Marcus contributed to this report

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