

Consort Medical goes to Sweden



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Four years of solid share price growth from Consort Medical came to an abrupt end this time last year, when demand fell for the inhaler used with partner Mylan's generic version of the asthma drug Advair; an explosion at one of its plants earlier this year only made matters worse. Presumably the UK company now believes that a full recovery will be a long time coming: it has today agreed to a buyout from Recipharm pitched at £10.10 per share, a 39% premium to Friday's close but substantially below where the stock was trading for most of 2018. The private Swedish pharmaceutical manufacturer's offer values Consort at £505m (\$646m) or £626m including its debt. Recipharm's opportunistic move is driven by a desire to grow its sales to SEK8bn (\$817m) by 2020: Consort is forecast to have revenues of \$386m that year, according to *EvaluateMedTech's* sellside consensus. The pharmaceutical services sector has seen much consolidation in the past few years, so it was perhaps inevitable that a weakened Consort would fall prey to a bid; still, shareholders who remember the heady days of 2018 might be disappointed.

Consort's business

Segment	Global sales (\$m)				CAGR
	2019	2020e	2022e	2024e	
Bespak - drug delivery devices	161	166	183	201	+5%
Aesica - pharma CMO	209	220	234	248	+3%
Total revenues	370	386	417	449	+4%

Source: *EvaluateMedTech*.