

Perkinelmer sells rather than spins



[Elizabeth Cairns](#)

While the trend for diversified healthcare companies to spin out various parts of their businesses has [gained pace](#) – and was recently [added to by Labcorp](#) – another pattern is also becoming apparent. Several groups have decided to streamline not by floating units on the public markets but by selling them to private equity. The latest such company is Perkinelmer, which has sold its analytical, food and enterprise services businesses to New Mountain Capital for \$2.5bn. When the deal closes Perkinelmer will have a 60-40 split between diagnostics and life sciences, and will be capable of high growth and high margins, it says. It will also have a new name, yet to be announced – the Perkinelmer brand will belong to the group owned by New Mountain. The units that are to be divested are expected to generate around \$1.3bn in revenue in 2022, whereas the life sciences and diagnostics units are set to bring in sales of around \$3.3bn this year. But this top line could be boosted by M&A, Stifel analysts write, with the company’s immunodiagnostics segment a possible area of focus.

Selected healthcare divestments to private equity, 2021-2023

Parent	Unit	Buyer	Date closed	Deal value (\$bn)
Cardinal Health	Cordis (interventional cardiology)	Hellman & Friedman	Aug 2, 2021	1.0
Roper Technologies	Civco Radiotherapy	Blue Wolf Capital Partners	Expected Q4 2021 but close has not been announced	Undisclosed
Pfizer	Meridian Medical Technologies (autoinjectors)	Altaris Capital Partners	Jan 24, 2022	Undisclosed
Bayer	Environmental science professional business	Cinven	Expected H2 2022	2.6
Perkinelmer*	Applied, food and enterprise services businesses**	New Mountain Capital	Expected Q1 2023	2.5

**Perkinelmer will change its name once the divestment is complete. **To be renamed Perkinelmer. Source: Evaluate Medtech & company communications.*

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Evaluate HQ
[44-\(0\)20-7377-0800](tel:44-020-7377-0800)

Evaluate Americas
[+1-617-573-9450](tel:+1-617-573-9450)

Evaluate APAC
[+81-\(0\)80-1164-4754](tel:+81-080-1164-4754)

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