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Baxter finds a \$4.3bn biopharma solution



[Elizabeth Cairns](#)

Having announced the spinout of its renal care and acute therapies units in January, Baxter now plans to slim further with the sale of its biopharma solutions business to private equity for \$4.3bn in cash. The buyers, Warburg Pincus and Advent International, will get a company specialising in sterile contract manufacturing and parenteral drug delivery systems that is expected to bring revenues of around \$600m this year. This is down from the \$644m the unit turned over last year – around 4% of Baxter’s total sales. Baxter will get \$3.4bn in net proceeds, which ought to alleviate concerns over its ability to meet sizable near-term debt payments, Stifel analysts write. Overall, Baxter has outstanding debt of around \$16bn. Following the three planned divestments Baxter’s revenues will shrink by around a third, with its largest remaining businesses being medication delivery, which largely deals with IV administration, and pharmaceuticals, which covers oncology drug platforms, inhaled anaesthesia and pharmacy compounding services. Beyond Baxter, divestments are also on the cards for five more healthcare groups, including Medtronic and Novartis. And PerkinElmer today relaunched itself under a new name – Revvity – having sold off its applied, food and enterprise services two months ago.

Healthcare divestment in 2023 and beyond

Parent	Unit/new company	Type of deal	Focus	Date
General Electric	GE Healthcare	Spinout via IPO	Medtech	4 Jan 2023
Revvity*	Perkinelmer	Sale to private equity (New Mountain Capital)	Applied, food and enterprise services businesses	13 Mar 2023
Medtronic	Mozarc Medical	Spinout into joint venture with Davita	Renal care	1 Apr 2023
Olympus	Evident	Sale to private equity (Bain Capital)	Microscopy	3 Apr 2023
Johnson & Johnson	Kenvue	Spinout via IPO	Consumer care	4 May 2023
3M	As-yet unnamed	Spinout via IPO	Medtech	Expected 2023
Labcorp	Fortrea	Spinout via IPO	Clinical development	Expected mid-2023
Novartis	Sandoz	Spinout via IPO	Generics	Expected H2 2023
Danaher	Veralto	Spinout via IPO	Environmental	Expected Q4 2023
Medtronic	As-yet unnamed	Spinout via IPO	Patient monitoring and respiratory interventions	Expected late 2023 to early 2024
Baxter International	BioPharma Solutions business unit	Sale to private equity (Warburg Pincus/Advent Investment)	Contract manufacture and drug delivery	Expected H2 2023
Baxter International	Renal Care and Acute Therapies business units	Spinout via IPO	Renal and acute therapies	Expected H1 2024

*Perkinelmer sold its applied, food and enterprise services, with the divested unit taking the Perkinelmer name; Revvity is the new name for the remnant of Perkinelmer. Source: Evaluate Medtech & company communications.

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