

# Danaher pays \$2.2 bn for dental implant group Nobel Biocare: firms

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US healthcare group Danaher aims to buy Swiss Nobel Biocare, the world's biggest dental implant specialist, for \$2.2 billion, they said on Monday, sending the Swiss company's shares spiralling.

The agreement will see the US conglomerate Danaher offer 17.10 Swiss francs (\$18.25, 14.15 euros) per Nobel Biocare share, the two companies said in a statement.

That marks a 23-percent premium on the Swiss company's share price at the end of July, when the first rumours of the deal began emerging.

It is however lower than the 18.10-franc price tag on Nobel Biocare's shares at the close of trading on Friday.

"We believe that the offer recognises the strategic value of Nobel Biocare and delivers a considerable cash premium to our shareholders," Nobel Biocare chairman Rolf Watter said in the statement.

Investors did not seem to agree however, sending Nobel Biocare's shares plunging 5.8 percent to 17.05 Swiss francs a piece in midday trading as the Swiss stock exchange's main index slipped 0.07 percent.

The deal will be final once Danaher obtains at least 67 percent of Nobel Biocare's shares, the companies said.

The Swiss company, the world leader in implant-based dental

restorations, said its board had recommended that Nobel Biocare shareholders accept the deal, which is expected to be completed by the end of this year or early 2015.

With the acquisition, Danaher will become the globe's biggest dental equipment provider, with annual sales approaching \$3.0 billion.

Nobel Biocare would meanwhile continue to operate as a standalone entity within Danaher's dental platform, with its own brand and identity, and will remain headquartered in Switzerland, the statement said.

Dental implants alone make up a \$3.5-billion market, the companies said, stressing the sector's "attractive long term growth drivers", like an ageing population.

J. Safra Sarasin analyst Chi Tran-Braendli said the bid seemed to be "rather at the low end of what is acceptable from a company like Danaher," adding that the deal would benefit the shareholders of the US group more than those of the Swiss firm.

Sybille Bischofberger, a ZKB analyst, disagreed, insisting the price was "fair", deeming it unlikely there would be a bidding war for the Swiss company.

Case in point, at the end of August, Nobel Biocare's main rival in Switzerland, Straumann, said it had looked into making a bid but had decided against it.

Nobel Biocare has seen its profits slip since the onset of the global financial crisis in 2008, as cash-strapped consumers put off pricey dental work often not covered by public healthcare systems and insurers.

Since peaking at 90.73 Swiss francs in 2007, the company's share prices

has been slashed by more than five.

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