

- ❖ Context Setting comments
- ❖ Venture capital
- ❖ Patents
- ❖ Publicly traded
- ❖ **M&A transactions**
- ❖ Business Collaborations



## M&A data:

Important part of how  
Large Firms are drawing  
down the value of what  
SBIR has created

# Extent of M&A Transactions involving SBIR-STTR firms June 2017

To date, we have record in our systems of 2,052 M&A transactions\* involving SBIR-STTR firms

- ❖ 24,128 SBIR awardees
  - ❖ 1,231 acquiring entities
- see next slides

**8.51%\*\***  
SBIR awardees acquired

*397 M&A transactions have involved a buyer that either is/has been SBIR involved: total of 274 players*

\* Actually involving only 1977 SBIR Awardees: 77 firms involved being acquired more than once

\*\* For almost two decades, though the number of M&A has increased substantially, percentage of transactions has shifted only marginally with thin mid 8% range

# Corporations having acquired multiple SBIR-involved *Italics=SBIR involved firms* June 2017

L3 Communications Recently, L3 divesting several	L3:41	25
<i>Titan Corporation</i> (acquired by L3)		16
SAIC; General Electric Company		13
Raytheon Company, Lockheed Martin Corporation		11
Agilent Technologies Inc.; BAE Systems; ECO Corporation; General Dynamics Corporation; <i>Invitrogen Corporation</i>		10
JDS <i>Uniphase Corporation</i> ; Philips		9
Johnson & Johnson; Northrup Grumman Corporation (Litton); PerkinElmer, Inc., Pfizer Inc.; Teledyne Technologies, Inc; Thermo Fisher Scientific, Inc		8
Becton, Dickenson & Company; <i>Sierra Nevada Corporation</i>		7
<i>Amgen</i> ; ATK Inc.; Beckman Coulter, Inc; Boeing Company, BristolMyers Squibb; Charles River Laboratories; Corning, Inc.; Danaher Corporation, <i>Genzyme Corporation</i> ; ICx Technologies, Inc.; ManTech International Corporation; Novartis AG; Medtronic, Inc.: Qiagen NV; Roche Holdings AG; Ultra Electronic Holdings		6

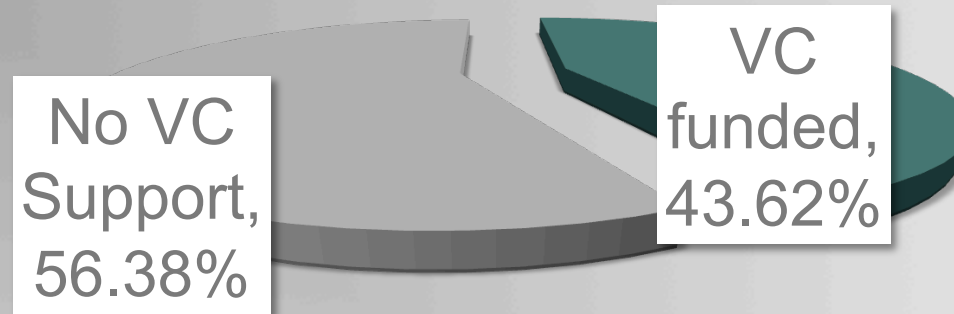




# Corporations having acquired multiple SBIR-involved *Italics=SBIR involved firms* June 2017

3M; <i>Affymetrix, Inc.</i> ; BASF; CACI International, Inc.; <i>Cubist Pharmaceutical, Inc.</i> ; <i>Flir Systems, Inc.</i> ; <i>Gilead Sciences Inc.</i> ; GlaxoSmithKline; Microsoft Corporation; Siemens AG; SRA International, Inc.; Tyco International Ltd; WL Gore & Associates, Inc.		5
Abcam, plc.; Alion Science & Technology; Allergan Inc.; <i>Argon ST</i> ; Bayer AG; <i>Corixa Corporation</i> ; DRS Technologies; E I du Pont de Nemours & Co.; Eli Lilly & Company; Goodrich Corporation; Honeywell International; <i>II-VI, Inc.</i> ; <i>Integra Life Sciences</i> ; Intel Corporation; <i>Intermagnetics General Corporation</i> ; Inverness Medical Innovations; ITT Corporation; Merck & Company Inc.; Monsanto; Moog Inc.; MSC Software Corporation; OSI Systems, Inc; QuintetiQ Group; Sanofi-Aventis SA; Shire, plc; Sigma-Aldrich Corporation; Smiths Group plc; Takeda; Thermo Electron Corporation; Veeco Instruments, Inc.		4
43 Firms – to include 17 SBIR-involved - have acquired 3 firms		3
153 Firms – to include 40 themselves SBIR-involved - have Acquired TWO (2) SBIR Awardees	1119 Firms - to include 204 themselves SBIR-involved - have acquired ONE SBIR Awardee:	

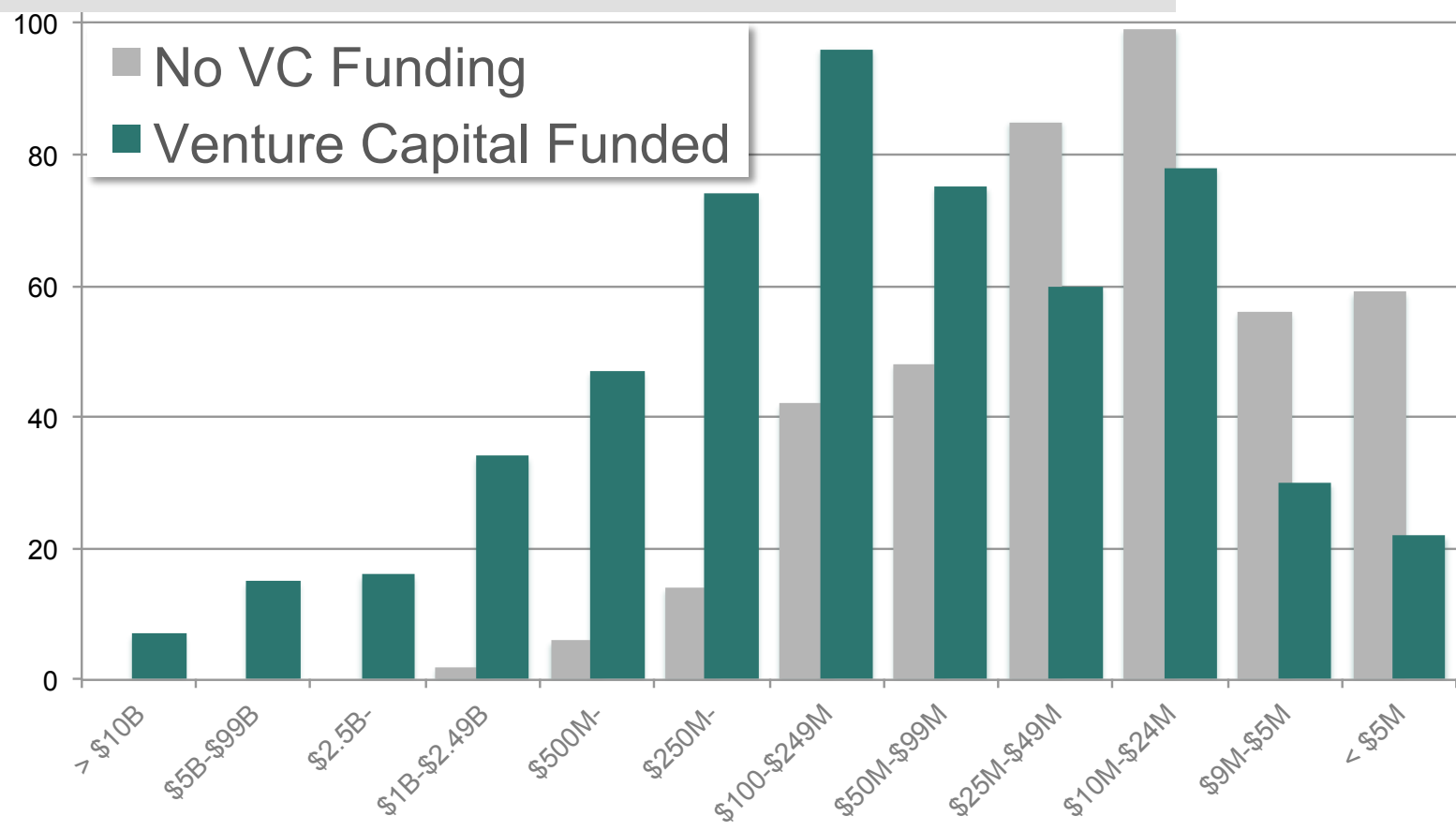
## Percentage distribution of M&A transactions among SBIR-STTR involved firms by whether or not firm VC funded



### Changing times:

- ❖ Though on rare occasion it may happen, rarely do acquisitions come out-of-the-blue. The major percentage of M&As involve players having previously been working together. *See Working relationship data*
- ❖ Shift in form of transaction; Rarely seen previously, in the recent past several parties are being reported as acquiring particular assets versus acquiring whole firm. This represents a (1) far simpler transaction and (2) avoids the almost inevitable issue of disposing of the (often large volume of) assets for which the acquiring has no use.
- ❖ While the very large dollar transactions are almost always VC funded entities and major corporations, the prices paid for non-VC funded firms is often far higher than many SBIR-interested assume while VC funded entities can be quite small dollars -- and even fire-sales -- enabling VC to recover some part of their investment
- ❖ Smaller firms -- often growth-oriented SBIR Awardees -- are a strong and ongoing presence in the acquisition space.

## Distribution by Price Paid in Acquisition of SBIR Awardees: VC Funded and Non-VC Funded



## M&A SBIR transactions VC funded & non-VC funded: distribution by year

