

HOLOGIC TO CLOSE FACILITY, PUT 200 OUT OF WORK



Hologic is not a name that many of us know, even if you are using one of their products, so before we can talk about the loss of jobs to this organization we have to begin by defining what exactly it is that they do. Here is a look at how the company describes itself (<http://www.hologic.com/en/>), "In 2012 Hologic celebrates 27 years of focusing on women's health and 22 years as a public company. We are on a mission to help women everywhere lead longer, healthier lives. It is our reason for being and the single focus of every breakthrough we pursue, every investment we make." Like many companies in the current long term economic crisis the company has been experiencing some fiscal issues. The company recently put out its third quarter results, which **showed some decline**, "Third quarter fiscal 2012 revenues totaled \$470.2 million, an increase of 4.2% compared to revenues of \$451.1 million in the third quarter of fiscal 2011. This increase primarily resulted from: (i) growth in Breast Health revenues of \$6.3 million, or 3.1%, driven by a \$6.6 million, or 9.5%, increase in service revenue related to Hologic's increased installed base of digital mammography systems; and (ii) an increase in Diagnostics revenues of \$15.3 million, or 10.6%, with the majority due to an increase in international ThinPrep revenues. GYN Surgical and Skeletal Health revenues declined slightly year-over-year by \$1.7 million, or 2.1%, and \$0.7 million, or 3.1%, respectively. The impact on revenues from changes in foreign currencies from the third quarter of fiscal 2011 was a reduction of approximately \$4.3 million. For the third quarter of fiscal 2012, Hologic reported net income of \$23.6 million, or \$0.09 per diluted share, compared with net income of \$36.2 million, or \$0.14 per diluted share, in the third quarter of fiscal 2011." In order to deal with that the company is closing a facility in Zionsville and relieving 200 workers of their jobs. The company is making these closures in order to consolidate its operations. The company has made a couple of purchases of other companies in the last couple of years and those purchases have left the company with a number of redundant assets. This particular asset came from an acquisition of Suros Surgical Systems Inc. In a more recent acquisition the company managed to buy out Gen-Probe Incorporated at the beginning of this month. Here is an excerpt from [that release](#), "Hologic, Inc. (NASDAQ: HOLX) ("Hologic") today announced that it has successfully completed its acquisition of Gen-Probe Incorporated ("Gen-Probe"), for a total net purchase price of approximately \$3.8 billion. Gen-Probe is now a wholly-owned subsidiary of Hologic...s previously announced, the transaction delivers a strong growth profile with attractive economics and is expected to be \$0.20 accretive to Hologic's non-GAAP adjusted earnings per share in fiscal 2013 and significantly more accretive on a non-GAAP basis thereafter. Hologic also expects the transaction to accelerate growth rates. The combined company expects to realize approximately \$75 million in cost synergies within three years following the close of the transaction. In addition, the combined company expects to have strong free cash flows, which will be used primarily to reduce debt with the expectation to return to pre-transaction leverage levels within three years." For the time being the company has not said anything about the severance benefits they are offering soon to be displaced workers.