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Brocair Partners, founded in 2004, is a financial advisor to businesses serving the healthcare, wellness, and pharmaceutical industries. We provide mergers & acquisitions, corporate finance, and strategic advisory services to companies worldwide.

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Sell-Side M&A for French Private Company

Groupe Novasep
December 2016
M&A Sell-Side Advisory

Our Client
Groupe Novasep SAS

Industry/Sector
Healthcare: Life Science Technologies

Business Description

Groupe Novasep, based in Lyon, France, is a global provider of cost-effective and sustainable manufacturing solutions for life sciences molecules and fine chemicals. Novasep's unique offering includes process development services, purification equipment and turnkey processes, contract manufacturing services and complex active molecules to serve pharmaceutical, biopharmaceutical, fine chemical, food and functional ingredients as well as fermentation and chemical commodities industries.

TangenX Technology Corporation, based in Shrewsbury, Massachusetts, produces the single-use Sius™ line of tangential flow filtration ("TFF") cassettes and hardware used in downstream biopharmaceutical manufacturing processes.

Single-use Sius TFF cassettes are used in the filtration of biological drugs and are designed to deliver superior performance to traditional (reusable) TFF cassettes in a cost-competitive

format that provides user-ready convenience and flexibility.

Transaction

Brocair Partners acted as the exclusive M&A advisor to Novasep in the divestiture of their majority-owned subsidiary, TangenX, to Repligen Corporation. The sale was completed for €37.0 million (\$39.0 million).

Brocair assisted Novasep in their communications and negotiations with a number of interested parties, and coordinated and managed Novasep and TangenX's responses during the due diligence process. In addition, Brocair worked to coordinate Novasep's efforts with the minority shareholders, and was heavily involved with internal and external negotiations especially throughout the LOI and definitive agreement stages of the process.

Repligen, a NASDAQ-listed life sciences company focused on bioprocessing technology, stated that the acquisition strengthened its position as a leader in single-use bioprocessing technologies

and extended its reach into downstream processes, where disposables are increasingly being adopted by biopharmaceutical manufacturers for the convenience, flexibility and cost advantages that they offer.

Notable Aspects

Novasep acquired a majority stake in TangenX in 2006. Over the past few years prior to this transaction, TangenX grew rapidly, with a strong demand for their single-use cassettes. The performance of the business generated a high level of interest from strategic parties worldwide, and the process was highly competitive.

What Difference Did We Make?

Brocair facilitated communication with all the interested parties, and organized management presentations to a short list of buyers. In addition to the formal presentation setting, Brocair also communicated with the buyers informally to address questions and gauge interest, and to refine strategic fit. We also maintained a structured auction process with all of the various parties, each of which had different internal constraints, levels of approval, and timing issues.

We also helped organize and coordinate the data room and responded to information requests, looping in the appropriate parties to get answers to questions as they were posed.

Brocair helped Novasep and the other owners to assess the offers and craft their negotiating strategy, and counseled the ownership on how to respond. We also stepped in to diffuse any issues during the negotiation of the letters of intent and the definitive agreement.

In the end the valuation exceeded the sellers' expectations and was a great endorsement of the past several years of work of the entire management teams at Novasep and TangenX.

Jean Bléhaut, who led the divestment project for Novasep, said: "I am delighted with the contribution of Brocair Partners to this project. They were able to efficiently jump into a fast track project and were instrumental in entertaining excellent communication between the different stakeholders, which is an essential ingredient in a successful deal recipe."