

DATE

September 01, 2013

SECTORS

Healthcare

DEAL TYPE

M&A Advisory
Asia Access

DEAL LOCATIONS



DEAL TEAM



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DC Advisory advised Sysmex on the acquisition of Inostics Inc.



Background:

- Inostics, headquartered in Hamburg (Germany) and Baltimore (USA), is a molecular in vitro diagnostics company providing solutions and services for the detection and quantification of low abundant mutant tumor DNA molecules in biological samples for clinical trials, companion diagnostics and research in oncology
- Inostics utilizes clinically established proprietary technologies such as digital sequencing and highly sensitive and selective BEAMing Digital PCR, one of the most precise technologies available today
- Inostics was established by various researchers involved in the development of the proprietary and valuable patent and license portfolio, especially in the oncology subsector
- In April 2013, Daiwa Corporate Advisory was mandated by Sysmex Corporation, a leading diagnostics manufacturer of laboratory testing solutions and reagents for clinical laboratories, with revenues of JPY 145.6 billion (USD 1.5 billion) for the fiscal year 2012, to lead the transaction process

Challenges:

- The shareholders of Inostics were aiming to close a transaction within Q3 2013 and generated a competitive environment amongst the competing bidders within a very short time frame
- During the process, DC successfully bridged the cultural and communication gap between a highly innovative German growth company and Sysmex, a publicly quoted Japanese company
- The research-focused nature of an IP-based business led to a very complex transaction

environment, in particular with regard to the due diligence and valuation of the existing contracts as well as pipeline projects

- DC exclusively advised Sysmex throughout the entire acquisition process including due diligence support, valuation, and support in the final contract negotiations

Outcome:

- The transaction was signed in August 2013 and closed in October 2013 – DC managed to fully meet Sysmex’s expectations with regard to a well-organized buy-side mandate in a highly competitive, short time frame
- Going forward, Sysmex plans to integrate Inostics into Sysmex Europe Group – the integration of Inostics will allow Sysmex to utilize synergies with their molecular diagnostics products and offer patient testing services in oncology in Germany and the United States