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Oggetto : GVS: Haemonetics Whole Blood Acquisition

Testo del comunicato

Vedi allegato



PRESS RELEASE

GVS BOLSTERS ITS PRESENCE IN TRANSFUSION MEDICINE THROUGH THE ACQUISITION OF HAEMONETICS' WHOLE BLOOD BUSINESS

A FURTHER STEP FORWARD IN TRANSFUSION MEDICINE AFTER STT AND HAEMOTRONIC ACQUISITIONS

Key Highlights

Consolidation of a vertically integrated strategy, from membrane production to the medical device

Completion of GVS product portfolio, adding critical solutions for blood collection, processing, filtration and transfusion

Global geographical reach, combining existing GVS' presence in emerging markets with Target's established positioning in developed markets

Attractive global whole blood market dynamics supported by secular growth trends

Significant synergies from manufacturing efficiencies, through production insourcing and increase of GVS' plants saturation

Value-accretive deal economics, offering strong return on invested capital

Zola Predosa (BO), 3 December 2024 - GVS S.p.A. (the "Company", "GVS" or the "Group"), a leading provider of advanced filtration solutions for highly critical applications, announced today it has entered into a binding agreement with Haemonetics Corp. (the "Seller" or "Haemonetics") to acquire certain assets (the "Transaction" or the "Deal") pertaining to Haemonetics' whole blood business.



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Massimo Scagliarini, CEO of GVS, commented as follows:

“Following the acquisition of STT and Haemotronic, this transaction marks another step in our expansion strategy in the transfusion medicine market, that sees today only one player with a fully vertical business model. With Haemonetics’ business, GVS becomes a global and fully vertically integrated actor, adding complementary and highly synergic assets to its existing product offering and further reinforcing its leadership in the Healthcare filtration sector”.

BUSINESS OVERVIEW

The Transaction envisages the acquisition of Haemonetics’ complete portfolio of proprietary whole blood collection, processing and filtration solutions, along with Haemonetics’ manufacturing facility in Covina, California and part of the Haemonetics’ operations in Tijuana, Mexico, where these products are currently produced (the “Target”).

The acquired operations in Tijuana only consist in the production assets currently located in Haemonetics’ facility with respect to the whole blood business and will be transferred to the existing GVS’ facilities.

DEAL RATIONALE

The Transaction represents the strategic evolution of GVS’ presence in the transfusion medicine market, started in 2020 with the acquisition of Puerto Rico-based manufacturing operations of Haemonetics, dedicated to the production and the supply of blood filters, and further emphasized in 2022 with the acquisition of Shanghai Transfusion Technology (“STT”), active in the production and sale of blood management related products in China and other emerging markets, and with the acquisition of Haemotronic, a worldwide leader in manufacturing technology of medical bags and set components for haemodialysis and fluid management.

The acquisition will allow GVS to consolidate its positioning of global and vertically integrated player in transfusion medicine, through:

- the consolidation of a vertically integrated product offering, from membrane production to the final medical device, adding critical solutions for blood collection, processing, filtration and transfusion to the current GVS portfolio;
- global geographical reach, combining existent GVS’ presence in emerging markets with Target’s established positioning in developed markets;
- the expansion into the B2C channel, with 85% of Target’s sales achieved with blood banks and hospitals as final customers.

The Deal will also offer GVS the opportunity to increase its presence in the sizeable and attractive global whole blood market, characterized by:

- a total addressable market of approximately EUR 3.6 billion, with focus on the collection and processing market segments;



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- the support of secular growth trends, including the expected structural increase of donor blood demand from growing population, better access to hospitalizations/surgeries as well as increase of donor blood filtration-based best practices for collection and processing in emerging countries.

Finally, the Transaction will offer to GVS significant synergies from:

- the transfer of the acquired production assets to GVS' plants, increasing plants saturation and benefitting from economies of scale;
- the complete verticalization of production and insourcing of membranes and components, significantly optimizing costs;
- the implementation of a global commercial strategy, combining Target's product offering with the existing STT portfolio to increase the penetration of both developed countries and attractive emerging markets, leveraging the existing GVS international commercial and manufacturing platform;
- the combination of Haemonetics' and GVS' filter and blood bags technology, to develop new generation blood transfusion solutions.

TRANSACTION HIGHLIGHTS AND KEY METRICS

The purchase price is equal to USD 44.6 million (the "Purchase Price"), corresponding to EUR 42.4 million at today's exchange rate, on a cash free / debt free basis, subject to customary price adjustment mechanisms.

In addition to the Purchase Price, an amount of maximum USD 22.5 million is payable by February 2029 in different yearly tranches and includes:

- an amount up to USD 17.5 million payable by February 2028 in different yearly tranches and contingent on the achievement of certain revenue targets for the FY 2025, 2026 and 2027 (the "Base Contingent Purchase Price");
- an amount up to USD 5.0 million payable by February 2029 in different yearly tranches and contingent on the achievement of certain profitability targets with respect to anticoagulant and preservative solutions ancillary to blood collection procedures for the FY 2026, 2027 and 2028 (the "Additional Contingent Purchase Price").

The acquired perimeter is expected to generate revenues in FY 2025 above USD 50 million.

The acquisition is structured as an asset deal and includes the real estate property of the Covina manufacturing facility, with a third-party assessed market valuation of USD 19.5 million.

The Transaction Enterprise Value (including both Purchase Price and Base Contingent Purchase Price, but not including the Additional Contingent Purchase Price) net of the value of the Covina real estate, is equal to USD 42.6 million, corresponding to an EV/EBITDA multiple of approx. 6x, based on the Target's adjusted EBITDA for the 12 months ending March 2024.



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The Transaction is expected to close in the first quarter of calendar year 2025, subject to the satisfaction of customary closing conditions.

ACQUISITION FUNDING

The Transaction will be funded using available cash resources.

In the context of the Transaction, with the aim of avoiding any deviation from GVS' ongoing de-leverage trend and of simplifying the Group's capital structure, the existing EUR 75 million shareholder loan, originally granted by the Company's controlling shareholder GVS Group S.r.l. in March 2023, will be utilised for the subscription of a non-pre-emptive capital increase.

Please refer to the separate press release for the details of the conversion of the shareholder loan.

ADVISORS

In the context of the Transaction, Sella Investment Banking acted as sole financial advisor and Cleary Gottlieb Steen & Hamilton LLP acted as legal counsel to GVS.

ORGANIZATIONAL CHANGES

In order to reflect the Company's strengthened presence in the whole blood market as well as to maximise the commercial effort and address new and existing customer needs, starting from January 1st, 2025 GVS' Healthcare and Lifesciences division will be reorganised into the following three sub-divisions:

- **Transfusion Medicine**, including the newly acquired Haemonetics' whole blood business and STT product lines;
- **Healthcare B2B**, combining the existing Liquid and Air & Gas segments;
- **Life Sciences**, replacing the existing Laboratories segment.

The organizational change will be reflected in GVS' segment reporting starting from Q1 2025.

CONFERENCE CALL

The Transaction will be presented today, 3 December 2024 at 12:00 CET during a webinar/conference call held by the Group's Senior Management.

The event can be followed in webinar or telephone mode by registering at the link below:

[CLICK HERE TO REGISTER FOR THE CONFERENCE CALL & WEBINAR](#)



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The presentation given by the Senior Management will be available before the beginning of the conference call on the authorised storage mechanism eMarket Storage, managed by Teleborsa Srl, as well as on the Company's website www.gvs.com (in the section Investor Relations/Financial Presentations).

This press release is available on the regulated information dissemination system eMarket SDIR, managed by Teleborsa Srl, as well as on the Company's website www.gvs.com (in the Investor/Press releases section).

About GVS:

GVS is one of the world's leading manufacturers of advanced filtration solutions for critical applications in highly regulated markets. GVS technology supports life and guarantees safety within the Healthcare & Life Sciences, Energy & Mobility and Health & Safety sectors.

GVS has a worldwide presence, serving its international customer base through a vertically integrated business model, from design to delivery. For more information please visit www.gvs.com

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DISCLAIMER

This press release contains forward-looking statements concerning future events and operating, economic and financial results of GVS. These forecasts have by their very nature a component of risk and uncertainty, as they depend on the occurrence of future events and developments. Actual results may deviate even significantly from those announced in relation to a multitude of external factors not necessarily under GVS's control.



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