

Our investments continued

Healthcare



Sebia

www.sebia.com

Activity	In-vitro diagnostics – Protein testing
Location	France (global operations)
Acquired	June 2010
Transaction value	Undisclosed
Sales*	€129 million
Employees	Approximately 400
Cinven representatives	Nicolas Paulmier, Stuart McAlpine, Pierre Estrade
Senior management	<i>Chairman and CEO</i> Benoît Adelus <i>CFO</i> Jean-Louis Bernet

*to end December 2010 (pro-forma)

Company description

Sebia is the global leader in clinical electrophoresis equipment and reagents. The company's systems analyse proteins in order to detect various diseases and conditions, primarily multiple myeloma, which is a severe form of blood cancer that typically affects people who are more than 50 years old.

Cinven origination

Cinven's Healthcare team has been targeting investments in high-value diagnostic categories for a number of years, leading to its investments in Phadia and in 2010, in Sebia. Cinven's French team and Healthcare team began to build a relationship with Benoît Adelus, Sebia's CEO, in 2002 and monitored the business closely from 2005. Based on Cinven's relationship with the management team, its diagnostics expertise from the successful Phadia investment, and the significant emerging markets potential

identified by its Portfolio team in Asia, Cinven was able to submit an offer for Sebia after receiving privileged access to carry out extensive proprietary due diligence before any sales process was initiated. Cinven's Financing team subsequently arranged an all-senior debt structure, the first underwritten facility in Europe since Lehman Brothers collapsed.

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sebia

Investment rationale and strategy

Cinven was attracted to Sebia for similar reasons to those that have been core to Phadia's success. Sebia is a global market-leader in an expanding segment, and it operates a 'razor/razorblade' business model whereby an installed base of equipment leads to regular and predictable income and cash flows from reagent sales each time a test is carried out.

Cinven's strategy for Sebia includes:

- taking full advantage of the growth opportunities presented by an expanding market;
- upgrading customers to improved, higher-value systems;
- further increasing its market share in countries such as Germany and the US through superior technology and customer service;
- accelerating growth in emerging markets, taking advantage of the opportunities identified by Cinven's Portfolio team in Asia; and
- launching new detection tests for abnormalities in proteins such as Hb (haemoglobin) that can be run on its installed base of machines.

Although Phadia and Sebia will remain separate, the similarities in the businesses allow for both businesses to benefit from the sharing of best practice under Cinven's ownership.

Cinven value creation

Since the transaction was completed in June 2010, Cinven has been working closely with the management team to execute the objectives set out in the strategy, including:

- capitalising on the opportunity in emerging markets such as India, China and the rest of Asia, with the help of Cinven's Portfolio team that is advising on appropriate distribution models. These are markets which are expected to grow faster than the global market and where Sebia has an opportunity to significantly increase its market share;
- executing on the development and roll-out of new markers and diagnostic tests, notably Hb and HbA1c (for diabetes), and the next generation of instruments;
- devising a strategy to win market share in the US from its principal competitor, based on experience gained from Cinven's investment in Phadia;
- introducing best practice reporting and performance management processes; and
- sharing of best practice across the Sebia and Phadia management teams.