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Carlyle Group acquires major stake in SeQuent Scientific

12 May 2020 | News

CA Harbor Investments proposes to acquire a majority stake in SeQuent via private share purchase agreements, for a purchase price of INR 86 per share.



Global investment firm The Carlyle Group and the existing promoters of SeQuent Scientific Limited today announced that CA Harbor Investments, an affiliated entity of CAP V Mauritius Limited and The Carlyle Group (together, “Carlyle”), has agreed to acquire an equity stake of up to 74% in SeQuent Scientific Limited (“SeQuent”), the largest pure-play animal healthcare company in India.

CA Harbor Investments proposes to acquire a majority stake in SeQuent via private share purchase agreements, for a purchase price of INR 86 per share. Pursuant to the Securities and Exchange Board of India (SEBI)’s Takeover Regulations, the proposed transaction will trigger a mandatory open offer by CA Harbor Investments and CAP V Mauritius Limited for the purchase of up to 26% equity shares of SeQuent from public shareholders to be identified in the open offer documents[1]. The transaction is expected to close in the third quarter of 2020, subject to customary closing conditions and regulatory approvals. Following the completion of this transaction, CA Harbor Investments will become the new promoter of SeQuent.

Headquartered in Mumbai, SeQuent is the largest Indian pure-play animal healthcare company with global operations. SeQuent provides animal health Active Pharmaceutical Ingredients (“API”), formulations, and analytical services in over 100 countries, with more than 1,700 employees and manufacturing operations in India, Spain, Turkey, Germany and Brazil.

Arun Kumar, on behalf of the current promoter group of SeQuent, said, “We are pleased to have achieved this strategic outcome for SeQuent and its investors through this divestment. Our investment in this niche sector of the industry has played out as intended thanks to the leadership of Manish Gupta, his leadership team and employees, who have collectively created this world-class Indian animal health company. We are confident that Carlyle’s global network and resources will be a catalyst for SeQuent’s next stage of growth and innovation. We thank the Board of Directors, our employees, investors, banks and other stakeholders for their support in building SeQuent to what it is today and wish the SeQuent team the very best.”

Neeraj Bharadwaj, Managing Director of the Carlyle Asia Partners team, said, “SeQuent is led by an experienced management team, and has built strong API and formulation businesses that are poised for continued growth in the evolving animal health industry. We will draw on our global network, industry knowledge and operating expertise in healthcare to advise SeQuent on its business expansion strategy, enhance its operations, and help the company drive sales and product innovation.”

“We see strong growth potential in the global animal health industry, including the livestock segment where SeQuent is operating, thanks to increasing demand for animal protein, rising awareness of food safety, and growing disposable income,” he added.

Manish Gupta, CEO of SeQuent, said, “SeQuent emerged as India’s leading animal healthcare company within six years, completing phase one of SeQuent’s growth journey. On behalf of the entire management team, I would like to thank Mr. Arun Kumar for his vision and support in building a global animal healthcare company. We look forward to a new phase of development, where we together with Carlyle will work to grow the company into one of the top global animal healthcare companies.”

The Carlyle Group has a well-established history of investing in the healthcare sector, both in India and globally, fueled by a deep understanding of the market and an ability to create value through its operational expertise and close partnerships with

management. Its investments in the Indian healthcare sector include Medanta Medicity Hospital, a leading hospital in the National Capital Region of Delhi, and Metropolis Healthcare, which operates a chain of diagnostic centers and laboratories.

The Carlyle Group is a long-standing global investment firm in India, making investments in India since 2000. With global resources, deep industry expertise and strong local knowledge, Carlyle has invested more than US$2.5 billion in India as of March 31, 2020. Its other notable investments include SBI Life, SBI Card, HDFC, India Infoline, Delhivery and PNB Housing Finance.