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General Electric to sell its gene technology arm Dharmacon to a British firm Horizon

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British gene editing company Horizon Discovery Group (HDG) has agreed to acquire General Electric's (GE) gene technology business Dharmacon for $85 million.

According to media reports, Dharmacon generated revenues of $36.7 million in 2016 with an EBITDA of $5.4 million. Dharmacon is a global leader in RNAi products, which can be used to suppress problematic genes, and has a fast growing gene editing product portfolio especially in CRISPR reagents and arrayed libraries. Horizon says the company's brand is instantly recognizable and trusted in the academic research community for quality, cost, delivery and support.

It is hoped the new combined company will create a leading global player in the application of gene-editing and gene modulation in life science research and strengthens Horizon's 'cell builders' model, where gene editing and modulation platforms are used to design, engineer and apply cells for the advancement of human healthcare.

Darrin Disley, CEO of Horizon, said: "Through the combination of complementary technology, product portfolios and manufacturing capabilities, the acquisition of Dharmacon by Horizon creates an emerging leader in the application of gene modulation technologies in life science research. We expect that the brand recognition, and sales, marketing (including eCommerce) and distribution channel particularly in the academic community as well as intimate relationships in Biotech and Pharma that Dharmacon will bring to Horizon, will transform the opportunity for Horizon's product portfolio as well as generate attractive cost-base synergies."

Disley added that the acquisition will create immediate market access for Horizon's next generation research product and service offerings through a robust eCommerce platform and established global distribution channels, especially in Asia-Pacific. Dharmacon delivered revenues of $36.7m in the year ended 31 December 2016 and EBITDA of $5.4m.

GE will receive about £38m ($50m) in cash as part of the deal, as well as Horizon shares worth £27m ($35m). The money will come from the funding round, which will raise £76.4m after expenses, and 39m new ordinary shares issued at a price of 205p each.

Kieran Murphy, president and CEO of GE Healthcare, said: "We are pleased to reach an agreement that combines the strong Dharmacon brand and technologies with the industry leading gene editing technologies, products and services of Horizon. We believe that the combination creates a global leader in gene modulation and are excited to retain a meaningful stake in the combination."