

# DLA PIPER ASSISTS GMP WITH ITS SALE TO H2O INNOVATION

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**DLA Piper has advised Spain's Genesys Membrane Products (GMP) on its sale to USA-based H2O Innovation**



H2O Innovation Inc. has announced the acquisition of the remaining 76 per cent of the issued and outstanding shares of Madrid-based Genesys Membrane Products, S.L. (GMP) from arm's length sellers. The Corporation had taken a 24 per cent ownership stake in GMP through the acquisition of Genesys in the UK on November 15, 2019.

The valuation of GMP is based on six times earnings before interest, taxes, depreciation, and amortisation (EBITDA). The purchase price will be paid in cash over the next 3 years and will be based on two times the EBITDA of GMP for each calendar year of 2020, 2021 and 2022, multiplied by 76 per cent. At closing, the Corporation paid out from its working capital an initial amount of €1.54 M (\$2.40 M), which is subject to certain adjustments upon receipt of the 2020 audited financial statements.

GMP began as the technical service partner of Genesys, and over the years it has developed specialised membrane autopsy capabilities in its Madrid laboratory. Its business also grew through the sale of speciality chemicals, filters, and complementary products to serve the membrane industry. This unique expertise is expected to facilitate the technical sales and key account strategy of the corporation's global chemicals business lines, Genesys and PWT.

"The acquisition of GMP should be seen as the next logical step in our goal of developing the world's largest membrane speciality chemicals and associated services supplier sold through a large distribution network. GMP's laboratory is globally recognised as the preeminent membrane autopsy facility in the industry and will support our Genesys and PWT teams in their sales efforts going forward," said Frédéric Dugré, president and CEO of H2O Innovation.

DLA Piper advised Genesys and the minority shareholders on this deal with a Corporate team formed by partner Joaquín Echánove (pictured), senior associate Héctor Gómez and associate Carlos Fuerte.