

Illustrina's divestment of Grail creeps closer



[Elizabeth Cairns](#)

Less than three weeks after surviving a leadership challenge, Illustrina's Francis deSouza has resigned as chief executive. The move makes the unwinding of Illustrina's contested [\\$8bn acquisition of liquid biopsy maker Grail](#) much more likely. deSouza was one of the main proponents of the Grail deal, which some felt never made a great deal of sense even before Illustrina closed it without first getting regulatory approval. Both the US FTC and the European Commission have told Illustrina to unwind the deal on the grounds that it is anticompetitive. Illustrina is appealing both decisions, but has suffered badly: its market capitalisation slumped from around \$80bn when it closed the Grail deal to around \$50bn in mid-March this year. This prompted the activist investor Carl Icahn, who has a 1.4% stake in Illustrina, to [mount a proxy battle](#); he now has one nominee on the beleaguered group's board. Illustrina's market cap now sits at just \$32bn. Following deSouza's departure the questions will be how much of this lost value can be recouped, and whether this is best done via selling Grail or spinning it off.

Timeline of a contested deal

Date	Event
10 Jan 2016	Illustrina spins Grail out as a separate company
1 Mar 2017	Grail raises a \$900m series B round , then the largest-ever VC funding deal
9 Sep 2020	Grail says it intends to float on the Nasdaq
21 Sep 2020	Illustrina announces its intention to acquire Grail
30 Mar 2021	FTC challenges the deal
16 Jun 2021	European Commission begins investigation of the deal
18 Aug 2021	Illustrina closes the acquisition , keeping Grail as a separate business unit
6 Sep 2022	European Commission prohibits deal
3 Nov 2022	Illustrina says it took a goodwill impairment charge of \$3.9bn related to the Grail segment
5 Dec 2022	European Commission outlines steps Illustrina must take to divest Grail
8 Feb 2023	Illustrina appeals the EU's order to unwind the Grail deal
13 Mar 2023	Activist investor Carl Icahn launches proxy battle and nominates three candidates for Illustrina's board
30 Mar 2023	SEC filing discloses that CEO Francis deSouza's 2022 compensation was \$26.7m, an 86% increase on 2021
3 Apr 2023	Illustrina appeals the FTC's order to unwind the Grail deal
25 May 2023	Illustrina shareholders vote for one of Icahn's nominees, but re-elect deSouza as CEO
11 Jun 2023	deSouza resigns

Source: company releases; SEC filings; the FTC; the European Commission.

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