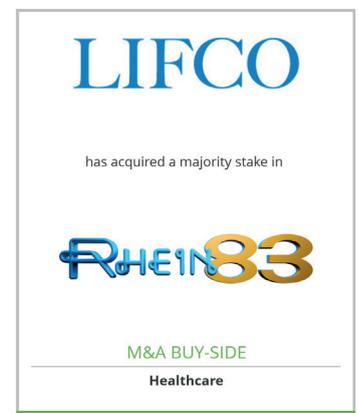


INTERNATIONAL INVESTMENT GROUP ENTERS THE ITALIAN DENTAL MARKET

Deal snapshot

- Lifco AB, a Swedish investment group, has acquired a majority stake in the Italian dental company Rhein83 Srl.
- Established in 1983 and located in Bologna, Italy, Rhein83 has innovated the dental market with the introduction of elastic spherical attachments (previously only metallic) for dental implants. The company's technology is very well known and valued worldwide.
- Lifco acquires and develops market-leading niche operations with the potential to deliver sustainable profit growth and strong cash flow. The group is listed on Nasdaq Stockholm and has three business areas: dental, demolition and tools, and systems solutions. Lifco follows a clear corporate strategy characterized by a long-term perspective, a focus on profits and a highly decentralized organization.
- Rhein83's owners will remain in charge of the long-term management of the business.



What our client said



Ingvar Ljungqvist, Head of Acquisitions, Lifco AB, Sweden

"Italy has many prominent companies active in niche markets. Rhein83 is one of them. We are very excited to have completed this first acquisition in Italy, and we hope this will be the first of many in the dental or in other industrial sectors where we are discovering outstanding companies with great performance."

Our role in the transaction

Oaklins' Italian team advised Lifco in this acquisition.



Market trends and deal drivers

- Italy has a large number of family-owned SMEs in the US\$5–30 million turnover range that are national, European or even global players in very specific market niches.
- In the global market, all these companies probably perform below their true potential and are exposed to significant risks by remaining isolated, with limited resources and too strongly tied to a family business outlook.
- Groups such as Lifco allow these smaller firms to access very significant resources depending on their size and financial and management structure. At the same time, these SMEs can maintain an entrepreneurial approach with a greatly reduced risk. This approach is quite different from private equity firms, which tend to have a short-term perspective and limited investment.
- The dental market has experienced healthy growth over the last decade, mainly driven by an increasing aging population, growing demand for cosmetic dentistry, and a high incidence of dental caries and other periodontal diseases.
- Rhein83's solid profitability, its advanced product portfolio and its strong, reliable and growing customer base are the key deal drivers that motivated Lifco in this acquisition.

M&A valuation aspects

- Financial figures have not been disclosed for this transaction but companies in this sector in Italy are valued at EBITDA multiples that could reach 10x or more.
- For this type of transaction, where the target company is a leader in a very specific niche, valuation multiples can easily include a significant premium compared with the sector average.

Oaklins industry specialist



✉ Enrico Arietti, Partner, Oaklins, Italy

“Investment companies such as Lifco are a great opportunity in fragmented markets with small ‘champions’ like Italy. They are the perfect partner for entrepreneurs seeking a safer and more profitable future for themselves and their businesses in the long term.”

OAKLINS HAS CLOSED 318 DEALS IN HEALTHCARE

Oaklins is the world's most experienced mid-market M&A advisor, with 700 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.