



Expansion in the pharmaceutical outsourcing manufacturing market

DEAL FLASH | HEALTHCARE | NOVEMBER 2019

DEAL SNAPSHOT

Enterprises ImportFab Inc. has been acquired by Labomar S.p.a, a leading Italian contract development manufacturing organization.

Founded in 1990 by Sylvain Renzi, ImportFab is a well-established Canadian firm that specializes in the manufacturing and packaging of pharmaceutical, cosmetics and nutraceutical products. Since its inception, the company has built an excellent reputation in the market along with a loyal and diversified customer base. ImportFab serves mostly blue-chip clients based in Canada and the US.

Established in 1998 in Italy, Labomar operates five state-of-the-art labs and production facilities across Italy, from which it delivers products to 180 customers. Labomar is a research, development and manufacturing company focused on food supplements, medical devices, food for special medical purposes, functional food and cosmetics. The company has strong R&D capabilities, delivering 800 new formulas per year.

This acquisition represents a significant change of pace in Labomar's growth strategy and will allow the company to take on further growth challenges in the coming years. With this operation Labomar serves two main goals: it complements its offering in the various segments of healthcare and brings in around 50% of the revenue generated in international markets, with a significant share in the North American area.

“I am very happy with the deal we closed and I don't think I could have expected a better outcome. The company I have built will continue to grow and my employees are protected. The Oaklins team did an amazing job. Their professionalism and dedication were beyond my expectations. I would highly recommend them to anyone looking for a financial advisor you can trust.”

SYLVAIN RENZI

FOUNDER

ENTERPRISES IMPORTFAB INC.
CANADA

OAKLINS FOUND THE BEST PARTNER TO EXPAND THE BUSINESS

Oaklins' team in Canada advised the seller, contacting more than 100 potential buyers, supported by Oaklins' offices worldwide and negotiated the terms of the transaction. The Italian team introduced the buyer.



MARKET TRENDS & DEAL DRIVERS

Over the past two decades, pharmaceutical companies have been outsourcing more activities to contract development manufacturing organizations (CDMO) in order to focus on R&D, marketing and distribution.

As a result, the global pharmaceutical outsourcing manufacturing market is expected to keep growing faster than the pharmaceutical industry over the coming years.

Overall, the participants in the outsourced manufacturing market are diverse in size and scope of operation. They range from multi-billion-dollar pharmaceutical companies with side businesses in outsourcing to much smaller family/private owned enterprises.

Although the industry remains highly fragmented, there is a strong trend towards a consolidation of the market. In recent years, big industry players as well as smaller ones have been acquisition targets in order to increase market share in an attempt to expand capacity, enhance capabilities in more complex areas and to differentiate business in a highly competitive environment.

M&A VALUATION ASPECTS

Financial details of the transaction have not been disclosed, but due to the potential synergies between the two companies, the deal value reflects a valuation premium.

After successfully running ImportFab for the past 30 years, the founder and shareholder will support the development of the business during the next three years together with the new General Manager and CFO.

OUR INDUSTRY SPECIALIST

✉ SÉBASTIEN NADEAU

Managing Partner
Canada
T: +1 514 954 0070 x521

Sébastien has more than 20 years of experience in debt and equity financing, mergers and acquisitions and project finance. High-profile mandates he has advised on include Stageline, Cad Railway Industries, Groupe St-Hubert, Fruits & Passion, HydroSolution and Première Moisson. He has also worked on buy-side mandates for companies in a variety of highly specialized sectors.



“The pharmaceutical outsourcing industry is experiencing brisk M&A activity as sellers are capitalizing on favorable dynamics and rich valuations. Consolidation is expected to continue as growth-oriented outsourced providers strive to offer more integrated capabilities and acquire firms to expand services, geographic presence, client relationships and technical expertise.”

SÉBASTIEN NADEAU
MANAGING PARTNER
OAKLINS, CANADA

OAKLINS HAS CLOSED 355 DEALS IN HEALTHCARE

Oaklins is the world’s most experienced mid-market M&A advisor, with 800 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.

Oaklins

© 2019 Oaklins. All rights reserved.

Oaklins is the collective trade name of independent member firms affiliated with Oaklins International Inc. For details of the nature of affiliation, please refer to www.oaklins.com/legal.