


PRESS COVERAGE

MEDIA: MERGERMARKET ONLINE
DATE: 1 JUNE, 2015

Headline: Inuvance seeks investors to raise EUR 5m - chairman
 **Proprietary Intelligence**

Inuvance, the private Italian distributor of OTC drugs and consultant to pharmacies, is seeking to raise up to EUR 5m from industry investors for growth capital, chairman and majority shareholder Luigi Caterino said.

Proceeds will be reinvested in financing expansion of Inuvance's marketing operations and distribution network, Caterino said.

The company has appointed Palazzari & Turries as financial advisor to evaluate strategic options to ramp up the business. Suitable investors include both industry players and financial sponsors, Caterino said, adding that a full sale could also be considered.

Industry investors are likely to be French or Southern European distributors – in particular from Spain, Portugal, Turkey – that are seeking to enter the Italian market. However, it might also attract interest from Chinese players that have a portfolio of complementary products and are seeking to establish a foothold in Europe, Caterino said.

Sinopharm Group [HKG:1099] the largest Chinese state-owned drug distributor, is very likely to be interested in the target as it is considering expanding into the European market, said a source close to the Chinese company. In terms of value, the Italian pharmaceutical market is the fourth largest in Europe, an industry source added.

Main body : Established in December 2011, Inuvance posted revenue of EUR 1.7m during its first year of operations and is expected to clock revenue of EUR 25m in 2015. Pharmacies make up for 80% of its revenue, while infant product specialists and mass-retail distributors account for the rest, Caterino said. The company has about 10 employees and more than 50 agents across Italy.

Inuvance has clinched distribution deals with pharmaceutical companies such as **Bayer Healthcare**, **Bruno Farmaceutici**, **Garofalo**, **Johnson & Johnson** [NYSE:JNJ] **Novartis** [VTX:NOVN], **Servier Group** and **Thea Farma**. It has launched proprietary brands such as *Actimagra* (slimming products), *Mrz* (insect repellent), *Lieeve* (*hemorrhoid relief*), *Viva plus* (probiotics) and *Irimedi* (single use syringes and blood pressure monitors,

among other products), according to the Italian Chamber of Commerce.

Inuvance also secured exclusive worldwide rights to use a patent for a new series of functional health foods called *Dolce Vita*. These foods are made from an active ingredient derived from an Icelandic shellfish that has the ability to reduce the absorption of lipids (triglycerids, fatty acids, cholesterol) and to reduce body weight, Caterino said.

The patent is held by an Italian research centre, which invested EUR 8m over nine years to develop the active ingredient. Last month, Inuvance launched its first *Dolce Vita* product, (pasta) and it expects to launch *Dolce Vita* breadsticks, rice, bread and snacks very soon. *Dolce Vita* is expected to generate revenue of EUR 1.5m in its first seven months, Caterino said.

Target: Inuvance Srl

Financial advisor: Palazzari & Turries

Other: Sinopharm Group Co Ltd [国药控股股份有限公司]

Source : Proprietary Intelligence
Size : 50m < (USD)
Value : 27 m USD (expected turnover in 201
Stake Value : more than 30% inclusive
Grade : Confirmed
Alert : Italian M&A Activity
Intelligence ID : 2030567