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Swedencare AB (publ) acquires European animal healthcare company

Swedencare AB (publ) (“Swedencare”) acquires the Irish animal healthcare company Ecuphar Ltd, known under the brand name NutriScience (“NutriScience”), a subsidiary to Ecuphar N.V. (“Ecuphar”). The purchase price, approx. 42,3 million SEK, consists of a cash consideration of approx. 37,4 million SEK and new shares in Swedencare. The acquisition will give Swedencare an extensive product portfolio in the Dog & Cat segment as well in the Equine segment, a production facility in Ireland and a vast distribution network in Europe, Canada, UAE and China.

Swedencare has reached an agreement to acquire NutriScience and from 16 November 2016 NutriScience is a fully-owned subsidiary to Swedencare AB.

“The acquisition give us a product portfolio in several different therapies for dogs, cats and horses. The acquisition also provides Swedencare with a production facility that will contribute to a potentiation in production and the logistics for our current products. We will increase our presence in Europe and UAE. The Swedencare offer to customers will be greatly enhanced in the dog & cat segment and we will become present in the horse segment. To put it short, we will take a major step in becoming a global animal healthcare company” says Håkan Lagerberg, CEO, Swedencare AB.

The acquisition of NutriScience

The purchase price, 4,3 million Euro or 42,3 million SEK, consists of a cash consideration of 37,4 million SEK and a non-cash issue of 195 122 shares in Swedencare, equalling a value of approx. 4,9 million SEK. The cash consideration is financed with own liquid funds, approx. 20,4 million SEK, and a bank credit of 17 million SEK.

The share price in the non-cash issue is 25,30 SEK and the issue result in a 1,3% dilution for the current shareholders in Swedencare.

NutriScience has been active in the European veterinary market since 1998. The company has developed a product portfolio in five different areas of therapy for dogs, cats and horses. The sales organization consists of a vast number of external distributors in Europe, Canada, UAE and China. The products are produced internally in the production facility in Waterford, Ireland. The annual turnover 2016 is estimated to approx. 19 million SEK whereof 15 million SEK in own products and 4 million SEK in contract manufacturing for Ecuphar. EBITDA is estimated to 4 million SEK in 2016.

Swedencare estimates that the acquisition will lead to substantial synergies, estimated to 3 million SEK in 2017. The major synergy is the transfer of the UK and Ireland distribution to Swedencares subsidiary in the UK. The NutriScience products will be introduced in Swedencares distribution network in the veterinary- and the pet shop markets in Asia and Europe. Part of Swedencares production and logistics will be taken care of by NutriScience, creating cost efficiencies.

The acquisition will give Swedencare a new, industrial, shareholder in Ecuphar N.V., one of the leading European companies in veterinary medicine. Swedencare and Ecuphar already has a co-operation regarding sales of PlaqueOff in certain markets in Europe and the parties are discussing areas for an extension of the co-operation.

“We have decided to sell NutriScience to Swedencare so Ecuphar can focus more closely on its core pharmaceutical business and markets. We are happy that the stakeholders of NutriScience will be able to join Swedencare. Swedencare’s global distribution network and focus on nutraceuticals are an excellent match with the strengths of the NutriScience team. In order to give full support to this venture, Ecuphar will become shareholder of Swedencare and where possible we will join forces” says Chris Cardon, CEO, Ecuphar N.V.

About Swedencare:

Swedencare develops, markets and sell premium products on the global, fast growing, animal healthcare market. The patented product family of *ProDen PlaqueOff* has distribution in 50 countries in all continents. With a global distribution network of four sales offices in Sweden, USA, UK and France together with a vast network of external distributors Swedencare are actively involved in expanding the product portfolio. Swedencare is growing fast with a high profitability and the company’s shares are listed on Nasdaq First North. For more information please visit us at www.swedencare.se.

About Ecuphar:

Ecuphar N.V. is a pharmaceutical animal health company focused on the development and commercialization of medically innovative therapies. Ecuphar is a fast growing company with 2016 sales of 85 m€. For more information please visit us at www.ecuphar.com.