

# Swedencare AB (publ) acquires leading North American Animal Health CDMO-group and plan to initiate a new share issue

**Swedencare AB (publ) ("Swedencare") acquires the US-based Vetio. Vetio is the leading Animal Health Contract Development Manufacturing Organization (CDMO) in North America within contract manufacturing and development of dermatology and supplements liquids together with Veterinary Drug development and manufacturing of solid dose and non-sterile liquids. The purchase price amounts to 181.5 million USD (approximately SEK 1 543 million) and consists of a cash amount of 179 million USD (approximately SEK 1 524 million) and an issue in kind of 184 190 shares in Swedencare, representing 2.3 million USD (approximately SEK 19 million), to the selling management at closing, which is expected to take place July 1, 2021. Through the acquisition Swedencare will receive a strong presence within manufacturing and development of premium products and brands for the animal health market in the US and Canada.**

## About Vetio

Vetio operates a pharma services business model, providing contract drug development and manufacturing for the leading animal health companies around the world. Customer relationships are long term, and based on extensive capabilities, intellectual property, know-how, and capacity designed specifically for veterinary drugs. Vetio has built a strong backlog for drug development, technical transfers, and manufacturing after completing an FDA facility expansion in Montreal two years ago.

Vetio is characterized by high growth and is in the final stages of completing another large investment in the fall of 2021 for their site in Jupiter, Florida with new capabilities to manufacture nutritional pet supplements, and to improve operating efficiency to meet the increasing customer demand and investment in novel product offerings.

Vetio's sales were 32.3 million USD full year 2020 with an adjusted EBITDA of 6.5 million USD (20%). Corresponding sales for TTM April 2020 – March 2021 were 35.0 million USD and an adjusted EBITDA of 7.6 million USD (22%). Corresponding sales for TTM June 2020 – May 2021 were 37.9 million USD and an adjusted EBITDA of 8.6 million USD (23%).

The purchase price of 181,5 million USD, on a cash- and debt free basis, correlates to approximately 21 times the adjusted EBITDA of TTM June 2020 – May 2021.

*" Through the acquisition of Vetio, by far our largest to date, we take a big leap towards our goal to become the leading global animal health group within nutraceutical and dermatology premium products to pets and companion horses. Through the acquisition we increase our group's inhouse production for both our own brands and partners within white label together with solidifying product development and a portfolio of proprietary palatants and technical know-how of e.g., Soft chews (with IP) perhaps the fastest growing product category in the business. Together with Vetio and their excellent management we create a stronger and wider product offering together with significantly scaling up our presence in*

*North America and receives a business relationship with many new interesting customers. Vetio has grown fast and accelerates further with the expansion and inauguration of the new production facility this fall in Florida.” says Swedencares CEO Håkan Lagerberg.*

Vetio will continue to be led by CEO, John Kane, together with his highly skilled and experienced management team whom all will become shareholders in Swedencare through their current minority holding of Vetio which partly is settled in the purchasing settlement through shares in Swedencare.

*“Swedencare’s acquisition of our company validates the Vision for Vetio and what we have built. Vetio’s reputation as a leading CDMO in Animal Health is based on the hard work and our mission to Actualizing Animal Health, a mission that aligns well with Swedencare. We are committed to the development and manufacturing of products that improve the lives of animals, while assuring the safety, quality, and compliance of our products to the highest industry standards, a commitment that we are eager to realize together with Swedencare”. says John Kane.*

Thompson Street Capital Partners (TSCP) has been the majority owner of Vetio, and, Matt Scherrer, Managing Director at TSCP, added;

*“ Vetio has been a ‘buy and build’ platform for TSCP. Via two acquisitions and a close partnership with a talented management team led by John, Vetio has become a significant player in animal health drug development and manufacturing. We are very pleased to see Vetio partner with Swedencare and realize the strategic initiatives that have been effected by Vetio and TSCP.”*

### **The Swedencare Group**

The group, after the acquisition of Vetio, had TTM April 2020 – Mars 2021 (pro forma) sales of approximately 100 million USD (865 MSEK) with an EBITDA of approximately 26 million USD (221 MSEK), corresponding to an EBITDA of 26%.

Further information in regard to the acquisition can be found on the website of Swedencare [www.swedencare.se](http://www.swedencare.se). Further information about Vetio can be found at [www.vetio.com](http://www.vetio.com)

### **Financing**

The board of Swedencare has decided to investigate the possibility to initiate a directed new share issue of 1 150 MSEK to a limited number of Swedish and international investors which together with an acquisition bank credit of 400 MSEK from Handelsbanken, will finance the acquisition of Vetio. The outcome of this will be published before the market opens on the 29th of June 2021.

### **Advisors**

The Law firm Advokatfirman Lindahl KB and Grant Thornton LLP have assisted Swedencare with advice in the transaction.

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TSCP was advised by Sidley Austin and Stifel Investment Banking.

**For more information, please contact:**

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**About Swedencare**

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Swedencare, a listed company on NASDAQ First North Growth Market, is specialized in pet healthcare and produces partly in own factories, markets and sells premium products on the global and fast-growing market. The company has a wide range of strong brands and products within most therapy areas, which includes, to mention some, Animal Pharmaceuticals®, nutravet®, NutriScience, PetMD®, Stratford®, VetWELL® as well as ProDen PlaqueOff® for oral health to dogs and cats. Swedencare's headquarter is situated in Malmö, Sweden with twelve subsidiaries located in seven countries and the products are sold in approximately fifty markets. Swedencare's sales have increased significantly over the last few years with strong margins and profits.

**About Symrise**

Symrise is headquartered in Lower Saxony, Germany and a global supplier of flavors, fragrances, functional ingredients. The group is a leader in the pet food industry with an impressive portfolio of pet food applications that are based on natural ingredients and proprietary R&D. Symrise has unique expertise in sensorial and functional ingredients as well as substantial capabilities in oral care. Symrise's solutions serve to improve palatability of pet food and support cardiovascular and cognitive health of animals. The group is a supplier to global, regional and local customers and generated sales of € 3.5 billion in fiscal year 2020. Symrise's operational knowhow complements our own expertise and allows to jointly explore opportunities for collaboration and additional growth.

Press Release  
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*This information is information that Swedencare is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2021-06-28 18:40 CEST.*

### **Attachments**

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[Swedencare AB \(publ\) acquires leading North American Animal Health CDMO-group and plan to initiate a new share issue](#)