

# Ecuphar doubles in size with acquisition of Esteve business

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Belgian animal health firm Ecuphar has entered the southern European veterinary products market with the purchase of Esteve's animal health unit. Ecuphar has acquired the Spanish business for an undisclosed fee. This deal provides Ecuphar with a presence in Spain, Italy and Portugal for the first time. The transaction will also create a company with annual sales of around €80 million (\$89 million).

Chris Cardon, founder chairman and chief executive of Ecuphar, told *Animal Pharm*: "We made the acquisition for three reasons: the people; the geographies; and the product pipeline."

He said Esteve's veterinary R&D pipeline is broader than that of Ecuphar's, with new chemical entities for indications such as pain relief only two or three years away from commercialization.

Mr Cardon met *Animal Pharm*'s editor Joseph Harvey at Esteve's Barcelona headquarters. Ecuphar will not only retain Esteve's Catalan workforce but aims to "invest and grow the business in Spain".

He is pictured above with Esteve's Albert Esteve, the firm's chief executive.

## **Esteve sought after business**

Ecuphar began negotiations with Esteve in November 2014 and fended off interest from around 20 other companies to secure the veterinary unit.

Esteve is shedding its animal health business as part of a strategic plan to focus on human drugs, generics and active pharmaceutical ingredients.

The firm founded its veterinary division in 1963 and had turnover of €33m in 2014. The Esteve veterinary team is 83 strong – 53 are in Spain with the rest in the firm's subsidiaries in Italy, Portugal and Germany. Esteve's products include anesthetics, sedatives, analgesics and flea treatments for pets.

Ecuphar was founded in 2002 and has 122 employees across its businesses in Belgium, the Netherlands, Germany and Ireland. Ecuphar's key markets are

vaccines, pharmaceuticals and nutritional products for companion animals, horses and cattle.

In 2014, it recorded sales of €43m. The purchase of the Esteve business is Ecuphar's largest acquisition to date.

Last year, Mr Cardon outlined the company's [history and future](#) to *Animal Pharm*.

### **Combined goals?**

Together, the combined business will have around €80m in sales this fiscal year with earnings before interest, taxes, depreciation, and amortization (EBITDA) of about 12-14%.

Mr Cardon said, over the next four to five years, the new entity aims to achieve €100m-€110m in sales with EBITDA of 14-15%. However, he also suggested Ecuphar is still on the lookout for extra acquisitions in countries such as Italy, France and the UK to further grow its horizons and top line.

### **Spanish market represents good opportunity**

In 2014, the Spanish animal health market grew by 5.9% – more than the [predicted global industry average](#) of 4-5% for 2015 and the coming years. The Spanish market's growth in sales was spurred on by a 20% increase in veterinary exports.

Esteve told *Animal Pharm* this growth would be maintained by an increasing global demand for protein and a healthy pet market in Spain.

Esteve itself grew by 12% in the first quarter of 2015. The firm said it has been tripling the average market growth rate during the last three years.