



## Press Release

Odense, 24th April, 2020

# Orifarm Group announces signing of large multi-million Euro acquisition from Takeda

Orifarm Group (“Orifarm”), one of the leading pharmaceutical companies in the Nordic countries, has entered into an agreement to purchase a portfolio of select over-the-counter (OTC) and prescription pharmaceutical products sold in Europe from Takeda Pharmaceutical Company Limited (“Takeda”) for a purchase price of up to €615 million. Orifarm has acquired the rights for approximately 110 pharmaceuticals as well as 2 production sites.

**The acquisition is the largest in the company’s history and represents a key milestone in the company’s business strategy. The acquisition allows Orifarm to future-proof its business by strengthening the company’s core business areas: parallel imported pharmaceuticals, over-the-counter pharmaceuticals, and prescription generic pharmaceuticals.**

The acquisition from Takeda will reinforce Orifarm’s position in its key markets and expand its geographic reach to exciting new markets, strengthening Orifarm’s position for the long-term from Orifarm’s heritage, where parallel import of pharmaceuticals has been the principle part of the company, the future sales and production of over-the-counter and prescription pharmaceuticals will become equally important. The products acquired from Takeda are a well-known and recognized portfolio across their key geographies, with significant brand recognition amongst pharmacists and consumers.

*-Orifarm Group’s progress and record-breaking annual accounts in the recent years enables us to take this decisive step for the company’s future. It is a gigantic transaction for Orifarm and a game changer for Orifarm as a company. We will grow to a greater extent into a much more traditional manufacturing pharmaceutical company, and with the acquisition of both the line of products and two further manufacturing sites, we will be able to control a larger part of our value chain, says Erik Sandberg, CEO, Orifarm Group.*

The record-breaking acquisition includes approximately 110 pharmaceuticals and dietary supplements, including well-known brands like Pamol, Kodimagnyl, and Zymelin. It is anticipated that approximately 600 employees from the manufacturing sites, sales and marketing, and other select professionals supporting the portfolio and manufacturing sites, will transition to Orifarm at closing of the transaction.

The two highly modern manufacturing sites are based in Hobro, Denmark and Łyszkowice, Poland. Both sites produce a significant number of the pharmaceuticals, which Orifarm has acquired. The portfolio generated FY 2018 net sales of approximately €210 million.

## **The acquisition will future-proof Orifarm**

Hans Bøgh-Sørensen, who is owner of Orifarm Group together with his family, considers the acquisition to be a giant step towards the long-time vision to build a company less exposed to fluctuations.



*-This transaction will always be a milestone in Orifarm's history. During the company's entire history we have focused on differentiation and development of the business from the beginning of Orifarm with parallel import in Denmark. At first, expansion to several countries, subsequently the business area of generic pharmaceuticals, and now the company will obtain its third business area with this large portfolio of over-the-counter pharmaceuticals, says Hans Bøgh-Sørensen, who is also Vice Chairman of Orifarm Group's Board of Directors.*

As the largest parallel importer of pharmaceuticals in Europe, parallel import represents 90% of Orifarm Group's current turnover of close to €1 billion, but several acquisitions have now equalised this balance.

During summer 2019, Orifarm Group acquired the London-based company Pilatus, which added new business areas like comparator sourcing and unlicensed medicines. The acquisition of Pilatus also included a small division in the US which is expanding.

The large multi-million sized acquisition from Takeda will triple the production and sales of generic pharmaceuticals to approx. 25% of the total turnover with an expected increased part of the earnings as well. At the same time, Orifarm Group will become one of the largest producers of over-the-counter pharmaceuticals in the Nordic countries.

*- The transaction has been in the pipeline for several months, and we now look forward to pushing forward to closing the acquisition and initiating the integration of the new employees and manufacturing sites to Orifarm's existing organization, and to gain the full benefit of these new assets", says Erik Sandberg, CEO, Orifarm Group.*

The anticipated approximately 600 employees that will transition to Orifarm at closing of the transaction are divided between the manufacturing site in Hobro, Denmark, the manufacturing site in Łyszkowice, Poland, a sales force allocated to 8 different sales countries with large offices in Belgium and Poland, and other select professionals supporting the portfolio and manufacturing sites. After the acquisition from Takeda, Orifarm Group will employ around 1,800 employees, including close to 370 at the head office in Odense, Denmark.

The transaction is expected to close by the end of Takeda's Fiscal Year 2020 (ending March 2021) subject to the satisfaction of customary closing conditions, receipt of required regulatory clearances and, where applicable, compliance with local works council requirements.

Orifarm is being advised by Danske Bank, Corporate Finance as our financial advisor and Kromann Reumert as our legal advisor in this transaction.

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**Facts about Orifarm Group**

Orifarm Group is the largest parallel importer of pharmaceuticals in Europe and the largest supplier of pharmaceuticals in Denmark. The Group comprises a number of companies engaged in the import, production, re-packaging, distribution, registration, and sales of pharmaceuticals. The Group is engaged in parallel importing of pharmaceuticals from EU countries, which are sold in Denmark, Norway, Sweden, Finland, Germany, Holland, Austria, United Kingdom, and Belgium.



Additionally, the Group is engaged in the sales of generic pharmaceuticals in the Nordic countries. A generic drug contains the same active ingredients as the original drug. The active ingredients are, however, no longer patented, and the generic drug can therefore be produced and sold at a lower price than the corresponding original.

Orifarm Group is headquartered in Odense, Denmark, and employs approx. 1,200 employees until the acquisition from Takeda.