

Business Strategy

Diepharmex reveals plan

Swiss consumer healthcare specialist Laboratoires Diepharmex is targeting geographic expansion across Europe's OTC market as part of its "ambitious" three-year growth plan.

The Geneva-based firm – which offers products such as the MicroH haemorrhoids treatment and the Audispray ear-care line – said it had identified three "strategic goals" which it would work towards implementing by 2021.

Firstly, Diepharmex said it would look to "extend its product portfolio with new specialities" within its core Consumer Healthcare business.

The company would also work to "transform" its business model in its European markets, Diepharmex noted, while seeking to expand its global footprint "through business development in key geographical regions".

To support its ambitious growth strategy, the company said it was looking to recruit a brand and product manager to oversee its marketing activities globally.

Founded in 1996, family-owned Diepharmex claims to be a "leader" in Europe's ear hygiene market, thanks to the Audispray range, which is marketed in "more than 20 countries" across the region.

The firm has continually expanded its portfolio over the past few years, adding in 2016 the MicroH line – which Diepharmex claimed was the first disposable haemorrhoid treatment available OTC in France (*OTC bulletin*, 8 April 2016, page 14) – and acquiring last year the Kenergon premature ejaculation spray and the Rhinocure nasal decongestant brand. **OTC**

Business Strategy

Dermapharm floats to finance growth

German OTC and generics specialist Dermapharm is looking to raise around €100 million through an initial public offering (IPO) on the Frankfurt Stock Exchange during the first half of this year.

The move comes as Dermapharm is poised to grow significantly its OTC portfolio, having struck deals in 2017 to acquire fellow Germany-based firms Trommsdorff and Strathmann, as well as Riemser's medical devices business.

Through the IPO, the family-owned company intends to offer about 25% of its capital to investors in return for funds that it said would be used to "further expand its leading market position in selected therapeutic areas and to increase its international footprint".

Dermapharm hoped to generate around €400 million in total from the IPO by selling shares at a price ranging from €26 to €30 per share.

If the IPO is successful – the offer period is expected to end on 8 February 2018 – the family will hold 75% of the company's share capital and have generated from the remaining 25% between €100 million and €115 million from the sale of just under 4 million new shares.

Elaborating further on its plans, the firm added that it would be upgrading its existing production facilities in Brehna near Leipzig, Germany; building a new plant in Neumarkt am Wallersee near Salzburg, Austria; extending its international commercial presence; funding recent acquisitions, including Trommsdorff and Strathmann;

and refinancing existing debts.

Serving the German market from its headquarters in Grünwald, south of Munich, Dermapharm also operates in Austria and Switzerland, and has recently established sales subsidiaries in Italy and the UK. The 'Benelux' markets of Belgium, the Netherlands and Luxembourg are also in the group's sights for expansion, as are the Czech Republic, Slovakia and Spain.

Acquires Strathmann

In line with its expansion plans, Dermapharm confirmed it had at the start of this year completed the takeover of Strathmann, which manufactures and distributes the Ebenol range of OTC hydrocortisone creams and sprays in Germany.

Meanwhile, the purchase of Trommsdorff – which markets the OTC Keltican Forte uridine monophosphate (UMP) supplement in Germany – was expected to close in the first quarter of 2018, Dermapharm confirmed, subject to approval by the German federal cartel office, the *Bundeskartellamt*.

The deals for Strathmann and Trommsdorff are the latest fruits of Dermapharm's recent acquisition spree, which began in September when the firm grabbed Riemser's medical devices business (*OTC bulletin*, 6 October 2017, page 4).

All three deals, Dermapharm noted, were in line with the firm's strategy to "continuously expand" its product offering through "successful acquisitions". **OTC**

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