
Pierrel could consider future acquisitions, after takeover of 3M's assets - CEO

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Pierrel [BIT: PRL], an Italian provider of services for the pharmaceutical industry, could consider new acquisitions going forward, following the take-over of a dental local anaesthesia portfolio from tech company 3M [NYSE:MMM], CEO Fulvio Citaredo said.

The company has decided to boost organic growth with M&A to aide expansion, he said. Having started off this double growth path, Pierrel could evaluate potential acquisitions with an industrial rationale, he said, adding that it would listen to approaches regarding new opportunities.

In this scenario, it would consider niche bolt-ons in the dental anaesthetics space rather than transformational deals, he noted. The company does not have a time frame for potential new deals, as it is now fully concentrating on the integration of the recent German acquisition, he added.

Earlier this month, Pierrel [entered](#) into agreements with 3M for the takeover of a number of assets associated with its dental local anesthetic portfolio, based in Seefeld, Germany, for USD 70m.

The deal, which is expected to be closed by 31 July, has strong strategic rationale as it will help the company saturate its production capacity within the next three years, as well as increase its market share worldwide and create synergies on the sourcing side, he said.

Besides this, the acquisition will allow Pierrel to enter a different market segment, helping it to complement its product offering, he added. The production will be moved from Seefeld to Pierrel's Italian sites at a later stage, he said.

Given the size of the deal, Pierrel approved an ad-hoc capital increase to finance it, he said.

For future potential acquisitions the company does not expect to tap the capital markets, but could consider using its internal resources, he said.

Pierrel ended 2022 with EUR 25m in revenue, and for this year it forecasts a turnover of EUR 30m with 20%-25% EBITDA margin, he said. Factoring in the German acquisition, the company expects to double its revenue to EUR 60m, he said.

Since 2019, the company has been implementing a self-financed organic investment programme – which saw around EUR 40m investment to date – to increase production at its Capua production site and bring technological innovations, he said.

It has also invested to enhance its product commercialisation worldwide, he said. To give an extra boost, it decided to aim for a production triplication, and the German acquisition will also help it achieve this objective, he noted.

by Valentina Caiazzo in Milan

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