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Brocair Partners, founded in 2004, is a financial advisor to businesses serving the healthcare, wellness, and pharmaceutical industries. We provide mergers & acquisitions, corporate finance, and strategic advisory services to companies worldwide.

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Sell-Side M&A for Swedish Privately-Held Company

Biomain AB
February 2012
M&A Buy-Side Advisory

Our Client
Biomain AB

Industry/Sector
Healthcare: Dental Products

Business Description

Biomain was a privately-owned Swedish company that develops, manufactures, and markets customized dental prosthetics. Biomain competed in the CAD/CAM customized prosthetics segment, offering products with higher precision at lower prices than its competition. The company was also a reseller of standard (off the shelf) products such as dental implants, biologics and prosthetic components. At the time of the project, Biomain was the second largest player in the combined U.S. and European CAD/CAM screw-retained implant bridge market with a 16% market share.

Transaction

Brocair Partners acted as M&A advisor to Biomain, in which Brocair ran a controlled auction and structured and negotiated the successful sale of the company to Heraeus Kulzer. Heraeus Kulzer was the dental business of Heraeus, a global, private, precious metals and technology group

headquartered in Hanau, Germany, with 160 years of tradition. Its fields of competence include precious metals, materials and technologies; sensors; biomaterials; and medical products, as well as dental products, quartz glass, and specialty light sources. Heraeus product revenues were €4.1 billion and precious metals trading revenues were €17.9 billion. The company had more than 12,900 employees in over 120 subsidiaries worldwide. The Heraeus Kulzer business was subsequently acquired by Mitsui.

The Brocair team worked with management to prepare marketing materials to solicit interest from a carefully targeted group of strategic buyers worldwide, while carefully preserving confidentiality. Brocair facilitated the execution of confidentiality agreements, and provided information to parties so they could assess their interest and develop their valuation proposals. Upon the receipt of indications of valuation, those parties over a certain threshold were invited to management presentations and site visits, and

provided access to further information on the business.

Senior partners of Brocair worked closely with the Chairman and management team to negotiate the price and terms of the transaction, and participated in the negotiation of commercial and financial items in the definitive agreement. The purchase price was not disclosed, but Swedish press reports indicate the valuation was in excess of SEK 200 million, representing a very positive outcome for both purchaser and seller.

Notable Aspects

Due to the fact that the company was small, and operated within a very specific niche in the dental industry, the board of directors decided only to invite strategic buyers to participate. Buyer candidates in this process had various internal constraints that made it challenging to keep all parties on the same time frame. Brocair was successful in managing these competing timing issues in order to preserve a competitive process which ended in a valuation to the sellers that substantially exceeded their expectations at the outset of the process.

What Difference Did We Make?

Brocair had followed the dental products industry for several years, and was able to leverage its knowledge and relationships in the dental industry to include many parties of whom the board of directors was not aware. Analysis of these parties by Brocair helped to identify strategic reasons for the parties' interest that were not communicated to us during the process but which, during the course of negotiations played a role in increasing the valuation to the benefit of our client.

Anders Williamsson, Chairman of Biomain, remarked "As Chairman of the business, I was impressed with the speed and quality of the investment banking effort, and the transaction value was an exceptional endorsement of the quality of the business. The Board and owners were extremely pleased with the whole process, and the outcome was a classic win-win situation for both the company and the buyer."