

Piramal: M&A shopping for strategic fit and value

Mumbai, Sept 1, 2012: Piramal Healthcare Chief Operating Officer Vijay Shah will be thinking about shopping during his stay in Madrid for CPhI 2012 - but mainly for companies. He heads a dedicated M&A team looking to grow the Piramal CRAMS business (Stand 4F16) to get inside the world top five within the next five years.

“One side of the CRAMS coin shows a bright and shiny picture of continuing steady growth in the outsourcing market, but the other side is much more complicated”, he says.

“The market remains fragmented, and with big pharma customers looking to focus on just a few CRAMS partners, consolidation across surplus capacity will accompany the trend of overall growth”.

Piramal has clear ideas about candidate additions to its family. Capabilities and strategic fit to its business model are much more critical than discounted company valuations in the current buyer’s market.

“Scale-up via organic growth and acquisition must continually reflect the crucial combination to the customer of technical distinction, value and partner reliability”, Mr. Shah notes.

Piramal is especially interested to add technology platforms from large multinationals, formulation technologies for early-phase and R&D work and more capacity to provide contract manufacturing for leading brands.

Since the last CPhI Worldwide in Frankfurt, Piramal has looked closely at six contract manufacturers in Europe and the US, which qualified for attention based on their niche products and/or technical capabilities. Shah confirms that some opportunities have been discounted, while various other conversations: “remain live and active”.

Piramal is of course no stranger to growth via acquisition.

Its widening global presence in the CMO space essentially began with the 2005 acquisition of Avecia Pharmaceuticals, bringing key production facilities in the UK – notably at Morpeth and Grangemouth – and in North America.

At last year’s CPhI Worldwide it announced the re-branding to Piramal Discovery Solutions of the discovery chemistry and services business O2h, which joined the Piramal family in early 2011.



Reflecting expansion upstream into the discovery segment, the business logically complements Pharma Solutions three primary business units – Formulation Services, API Services and API Generics.

In the UK, Piramal marked the formal opening earlier this year of its upgraded antibody drug conjugate (ADC) development and production facility at Grangemeouth. The site gained FDA approval in June 2011 – becoming the world’s first contract supplier of ADCs at commercial scale.

With a quickening development pace in ADC-based anti-cancer drugs, Piramal is planning to expand capacity at Grangemouth

About Piramal Healthcare

Piramal Healthcare is a part of the Piramal Enterprises Ltd. Led by Ajay G. Piramal, the Piramal Group is one of India’s foremost business conglomerates. Emerging from a rich textile industry lineage, the Piramal Group has exemplified diversification by foraying into a myriad of industries that encompass healthcare, drug discovery and research, glass, real estate and financial services.

Piramal Enterprises, Piramal Life Sciences, Piramal Glass and Piramal Realty are the flagship companies that operate within these sectors. The Piramal Group truly demonstrates a global footprint with its products and services being exported to over 100 countries, its international income contributing to greater than 70% of the Group’s revenues and more than 15 nationalities being represented amongst its employees.