

# CONCATENO ACQUIRES *EUROMED*

*Drug and alcohol testing Group Concateno Plc recently acquired Euromed Ltd for £11.5 million, with Saffery Champness Corporate Finance acting as Lead Adviser to the vendors of Euromed*

A provider of point-of-care testing devices for the detection of drug abuse, Euromed has a number of significant clients in the criminal justice and rehabilitation sectors.

Based in Paddington, London, its wide product range provides clients with a one-step and easy-to-use test, with accurate results obtained within a rapid turnaround time. The results are often used to monitor maintenance and abstinence programmes and are particularly useful in clinical applications, where point-of-care testing can lead to faster therapeutic actions and reinforce treatment therapy.

With distribution rights for the 'Innovacon' rapid diagnostic testing kits, it provides implementation, training and consulting services to more than 1,500 customers worldwide, and numbers HM Prison Service among its major clients.

These contracts, products and Euromed's demonstrable expertise were among the reasons for its acquisition by Concateno, an acquisitive group of companies listed on the Alternative Investment Market (AIM).

Concateno also possesses a wide range of customers in Euromed's marketplace. These include North Yorkshire Police and several other police authorities in the North East of England, which use the company's products for pre-employment and random testing purposes.

As well as a strong customer book, synergies in the areas of logistics, products and service functions, and economies of scale, made this an attractive deal for both parties.



For the acquirer, Euromed offered an opportunity to significantly expand into the point-of-care testing market, as well as significant potential for customer cross-selling. Euromed, in turn, stands to benefit from the prospect of being able to further expand its product and service supply and in so doing, provide a greater depth of customisation for existing clients.

Andrew Cremin, a Director at Saffery Champness Corporate Finance, led the sell-side of the transaction as principal adviser to Euromed.

Commenting on the deal, he said, "This was an interesting deal to be involved with. It was run to a tight timetable in what is a high-value, competitive and growing market space. The management teams of both parties involved clearly believe in the strength of each other's offering and the acquisition is a positive move for both.

"Our client was happy to proceed with this deal on a part-cash and part-share consideration," Cremin concludes, "as it was clear that the excellent synergies with the existing Concateno businesses would lead to substantial growth potential. I am sure this deal will see significant realisation of long-term value for both parties in the years ahead."

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