

Majority owner ARCHIMED and partners CAPZA and Siparex finance add-on acquisition by European safety testing company - and French market leader - CARSO

CARSO's purchase of one of Italy's major food safety testers increases market share in a fragmented industry, opens new cross-selling opportunities and promises accelerated growth.

Global private equity healthcare specialist, ARCHIMED and its partners, Capza Flex Equity Mid-Market and Siparex, have fully funded through an equity injection French lab testing leader CARSO Group's acquisition of Italy's Agro.biolab Laboratory. Founded in Bari in 2011, Agro.biolab is one of Italy's largest food-safety testers, offering chemical analysis, microbiological analysis, materials analysis and pesticide analysis for the general food, water, agricultural and animal feed sectors. Leveraging its proprietary analytical systems, Agro.biolab has built one of the most recognized and respected testing brands for food products in Europe.

"Partnering with Agro.biolab gives us critical mass in a key industry and geography for European public safety testing," says CARSO CEO Eric Sarfati. "There are great opportunities for cross-selling and expansion given our now much larger Italian presence and our steadily widening European footprint." With expected annual sales growth of 6 percent through 2026, food is the fastest growing sector in European public safety testing, while Italy has some of the widest profit margins in the sector. The family of Agro.biolab founder and Managing Director, Francesco Gallone is rolling over a significant portion of proceeds from the deal into a minority stake in CARSO and will hold leadership positions in the merged group's Italian operations.

With more than €210 million in annual sales today, CARSO was spun out from France's National Center of Sciences in 1992 as a specialist in the identification of organic pollutants (dioxins). Following years of organic growth and more than a score of acquisitions, CARSO is now France's public-safety testing leader, an industry spanning pharma, healthcare, the environment, food and other fields. Public-safety testing focuses on common toxins, producing synergies and efficiencies for groups like CARSO that work across sectors. France is Europe's most consolidated market in what is otherwise a highly fragmented European public-safety testing industry. "This acquisition is totally in line with ARCHIMED and management's plan to grow CARSO organically and through add-ons into a European public-safety testing powerhouse," says ARCHIMED Partner, Antoine Faguer. "We massively invest in our partners, funding rapid expansion both organically and through acquisitions." ARCHIMED has identified a potential acquisition pipeline of more than 100 companies for CARSO and is in advanced negotiations for several future partnerships. ARCHIMED and CARSO management are also aggressively pursuing organic growth with some €35 million earmarked for internal investment over the next two years.

Majority owner ARCHIMED acquired CARSO through its now fully invested MED Platform I fund in late 2021, alongside CARSO founder Bruno Schnepf and private equity firms Siparex and CAPZA Flex Equity Mid-Market. MED Platform I closed on commitments of €1.5 billion in 2020 (€1.0 billion excluding co-investment vehicles), then a record for a European-headquartered private equity healthcare group.

The fund and its successor MED Platform II - with two investments under its belt - partner with growth companies in the European and North American mid-cap healthcare sectors, buying majority stakes for €50 million to €1 billion in association with existing owners and managers. The funds provide platform companies with the strategic, tactical and financial resources they need to broaden product lines and expand into new regions, organically and through acquisitions. MED Platform II is currently the largest healthcare private equity fund ever raised by a European-headquartered group, with over €2.5 billion committed.

About ARCHIMED - www.archimed.group - With offices in Europe, North America and APAC, ARCHIMED is a leading investment firm focused exclusively on healthcare industries. Its mix of operational, medical, scientific and financial expertise allows ARCHIMED to serve as both a strategic and financial partner to healthcare businesses. Prioritized areas of focus include Biopharma Products, Consumer Health, Healthcare IT, In Vitro

Diagnostics, Life Science Tools & Biologic Services, MedTech, and Pharma Services. ARCHIMED helps partners internationalize, acquire, innovate and expand their products and services. ARCHIMED manages €6 billion across its various funds, including the largest Healthcare-only Private Equity fund raised by a European-based General Partner. Since inception, ARCHIMED has been a committed Impact investor, both directly and through its EURÊKA Foundation.

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