

Imperial buys Nigerian pharmaceutical distributor

Eco Health, a leading pharmaceutical distributor in Nigeria, has sold 53% of its company for US\$74 million in cash to Imperial Logistics, a wholly owned division of Imperial Holdings.



Hubert Brody, Outgoing Chief Executive Officer for Imperial Holdings Ltd.

Hubert Brody, CEO of Imperial, comments, "The company complements our group's prior acquisitions of Imperial Health Sciences and MDS (a leading logistics provider in Nigeria), and enables us to enhance our service offering to our customers."

Based in Lagos, Nigeria, Eco Health also has operations in Ghana and Dubai. It collaborates with pharmaceutical companies to distribute, sell and market their products and has longstanding contracts with leading multinational principals.

"The company can now offer customers the competitive advantage of an end-to-end capability that encompasses warehousing, logistics, distribution and brand building in this high growth industry and region. In one move, it has become a full service provider in one of the world's fastest growing economies in terms of pharmaceuticals - with a Nigerian footprint that now represents all three pillars of the company's 'get me there, sell my product, build my brand' strategy."

He notes that the acquisition also provides it with an excellent base and platform for future growth in Nigeria and other African markets. "We now have a strategic and predetermined route into the French West African market, in particular."

Eco Health handles around 30% of all of the pharmaceuticals sold and distributed throughout Nigeria and has an 80% market share of the ethicals (branded products) market. The business has an extensive distribution network and footprint - supplying 4 200 hospitals, 8 000 pharmacies, 2000 clinics and 40 000 patent medicine vendors with ethical and over-the-counter pharmaceuticals. It is currently poised to enter the generics market, which holds enormous potential.

Cross-selling opportunities

This acquisition is in line with the company's Africa strategy, which is to focus on the FMCG and pharmaceutical space. "In 2012, pharmaceutical expenditure in Nigeria amounted to US \$951 million. We are confident that Eco Health's strong growth will continue and be further augmented by its entry into the generics market."

The large blue chip customer base will also benefit from the cross-selling opportunities that exist between territories of the current Imperial Africa footprint (11 countries). A number of the principles are already current customers of its distributorship businesses in the FMCG space.

The Nigerian purchase adds 10 facilities in Nigeria and 2 in Ghana, in addition to warehouses totalling 5100 square meters, cold stores totalling 250 square meters and an outsourced fleet. Through the acquisition, the company has secured a specialist management team, which strengthens, and complements the group's existing skills set in the African logistics industry.

For more information, go to www.imperiallogistics.co.za.

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