

Business Strategy

Vindevogel on the hunt for opportunities

Healthcare companies can “no longer fool the consumer”. Products need to be backed by evidence that they work and offer real benefits, and it is those type of products that investment fund Damier is looking for, according to Yvan Vindevogel, OTC industry stalwart and chief executive officer of the recently-established fund.

Speaking to *OTC bulletin*, Vindevogel said Damier planned to seek out “well-established brands or innovative technologies in the consumer healthcare, beauty, personal care and medical devices sector” and build a “portfolio of small-to-mid-size companies and brands throughout Europe”.

To do this, Damier would acquire outright – or take minority or majority stakes in – established firms to help them grow even further, Vindevogel explained.

Damier is Vindevogel’s third major venture in Europe’s consumer healthcare field. He co-founded Omega Pharma and built Vemedia into a €100 million-plus firm, but his entrepreneurial spirit is undimmed. He believes there are still plenty of opportunities to make a splash in the established, mature markets of Europe.

“Damier will operate in two ways,” Vindevogel explained, “and invest up to €50 million in several kinds of businesses.”

“On the one hand, we will build up a healthcare group. By that, I mean we will try to buy brands, companies, distribution platforms and bring them together,” he maintained.

“On the other hand, we will operate our own small private equity fund, where co-investors can come along and co-invest with Damier in minority or majority stakes in companies.”

To help build a healthcare group, Damier would focus on more “traditional” consumer healthcare brands and businesses, Vindevogel noted. In contrast, on the private-equity side, the firm would consider “more disruptive innovation or innovative companies”.

However, although Damier’s private-equity arm was ready to embrace new ideas, it was not looking for “start-up companies, in the strict sense”, Vindevogel insisted.

Instead, the firm wanted to find companies that had “existed for three, four or five years”, Vindevogel said, and were “generating sales of €3 million to €5 million, but which now want to take the step into geographical growth or line-extensions, or which need commercial or marketing help”.

“Eventually, these companies – under strong management and guided by Damier – may dev-

elop to the point where we integrate them into the group fully,” Vindevogel explained.

Equally, it may benefit the business more to be independent, and in that case Damier would take a minority stake, but still be available to provide some funding or strategic help, he added.

Damier was willing to invest for longer than traditional private-equity firms might, Vindevogel said, to “ensure the company or brand reached its potential.”

Financial help would be only one side of Damier’s remit, he added, pointing out that many newer companies driven by entrepreneurs would need management experience to help them grow larger.

“We could, for example, put new management in alongside the entrepreneurs,” Vindevogel said. “Drawing on my own experiences, I am an entrepreneur and I always try to team up with good managers. I did it at Vemedia and I did it at Omega Pharma.”

“At a certain size you need managers to run the business and you will also need access to funding,” Vindevogel pointed out, “and we can help with both.”

Healthcare market has broadened

Turning to the healthcare categories Damier was interested in, Vindevogel said that the consumer healthcare market had broadened over the past decade and the firm was determined not just to focus on OTC medicines or food supplements, but also adjacent categories such as cosmetics and cosmeceuticals.

However, the firm would only look at products that had a pharmacy-retail presence, or in some cases, a mass-retail presence, he insisted.

“We are looking for science-backed cosmeceuticals for skin conditions, but not vanity cosmetics,” Vindevogel revealed, “and not just interesting ingredients but also innovative delivery methods and formats.”

Damier would not be entering the same categories as Vemedia, Vindevogel said. “If I find something that leans into Vemedia’s core categories – calming and sleep aids, medicated footcare and urinary tract infections – I will send it to Vemedia,” he added.

Looking at investments from a geographic perspective, Vindevogel said that Damier would focus primarily on Europe.

“Big companies often forget that there is value to be found in the big established markets,” Vindevogel insisted. “And when you are starting up, it is a lot easier to grow in markets where the infrastructure is in place and the



Yvan Vindevogel said his Damier Investment fund was looking for innovative brands and firms across Europe

consumer base is experienced in buying consumer healthcare products.”

“But you have to offer something new to the consumer; you have to have a point of difference,” Vindevogel warned, “and that is what we are looking for.”

However, although Damier was seeing a “steady flow of opportunities – some interesting, some not”, the market was very tough, Vindevogel acknowledged.

The prices for healthcare assets were now very high, he said. “It is the first time in 10 years that I am asking myself whether it is worthwhile to buy things at such a high premium.”

Although a lack of attractive assets was one reason for the tough environment, there was also a lot of cash floating around, Vindevogel said.

“Big pharmaceutical and consumer companies have a lot of cash on their balance sheets and want something to buy,” Vindevogel claimed, “and this is driving up prices for assets that a decade ago they wouldn’t have been interested in.”

“So as soon as there is something that is good – even if it is not at a good price – they buy it,” he pointed out. “A private-equity company or a firm like Vemedia, may not have a problem financing the deal, but they find it hard to justify the price.”

“So, I’m looking into smaller deals and trying to put things together like I did with Vemedia,” Vindevogel said.

“But we will not rush,” he insisted, “the opportunity has to be good and it has to be at a fair price.”

“I will wait a while if needs be as I will not make the wrong deal. We are cautious,” Vindevogel admitted.