

Press Release  
Paris & Milan, May 13<sup>th</sup>, 2020

## Gioconda, the Italian subsidiary of LBO France, has acquired a majority stake in the Demas group, Italy's leading distributor of veterinary products for pets

**Paris & Milan, May 13<sup>th</sup>, 2020** - Gioconda, the Italian subsidiary of LBO France, announced today it has taken a majority stake, through its Small Caps Opportunities fund, in Italian group Demas, a specialist distributor of veterinary products for pets. The transaction was done alongside two Italian co-investors, the Banca IFIS group (an Italian specialty finance institution) and the Giovanni Ambrosetti group, as well as Demas' management team including Fabrizio Foglietti, who remains Chairman. The Foglietti family, hitherto sole owner, remains heavily invested alongside the new shareholders.

Demas is a family company founded in 1969 by Remo Foglietti. Over time, it has gradually come to specialise in pet products. This focus was enhanced by the signing of a commercial agreement in 1996 with one of Italy's leaders in the distribution of drugs to pharmacies, and in 2010 by the acquisition of Foschi, a small distributor of products and equipment for vets which then rapidly expanded to become number 2 in the Italian market. To strengthen its presence in the pet sector, the Demas group also developed Giulius, an innovative pet shop concept which now has 7 outlets in the Rome region.

These developments have made the Demas group an undisputed leader in the Italian market today. The company now consists of three complementary divisions:

- **Demas**, the parent company, which runs wholesale distribution of veterinary products (medicines, anti-parasitic products, food supplements, etc.) to pharmaceutical wholesalers.
- **Foschi**, a subsidiary dealing directly with vets, offering a comprehensive range of veterinary equipment and products: healthcare products, disposables, equipment, diagnostic tools, IT applications, etc.
- **Giulius**, a retail pet store chain focused on veterinary care products, food and accessories.

Based in Rome, the Demas group currently has 160 employees and has grown significantly since its foundation. Revenue was €126 million at end-2019, compared to €50 million in 2009 and €100 million in 2016. The group plans to keep expanding with the help of LBO France subsidiary Gioconda on two fronts: organic growth, including via the extension of its product range, and through M&A in Italy and abroad.

**Arthur Bernardin, Managing Director of Gioconda, subsidiary of LBO France**, said: *"We are delighted to be able to support the Demas group in its new development phase. In the course of our discussions with the Foglietti family, which stretch back four years, we were impressed by the way the company established itself as leader in Italy's veterinary products market by simultaneously targeting pharmaceutical distributors, vets and retail customers. Its footprint in these three segments is a real asset in this resilient market, which is growing at a 5% rate annually, driven by the increasing medicalisation of pets."*

**Fabrizio Foglietti, Chairman of the Demas group** added: *"The equity investment by Gioconda, the subsidiary of LBO France, is excellent news for the Demas group. They will provide essential support as we go through this major transition, both internally, by helping restructure what has long been a family*

*firm in its governance, and externally, by ramping up the group's scale in the Italian and international markets. Together, we will continue to develop the company I joined in 1995 and which I am delighted to see grow further with the help of this first-class partner."*

LBO France has been active in the Italian market via its subsidiary Gioconda since 2010. It invests in France and Italy via its Small Caps Opportunities fund. Demas is the fund's eighth investment and the third in Italy, following Bluclad at the end of 2018.

**Main parties involved in the transaction:**

Gioconda team: Arthur Bernardin, Chiara Venezia, Franck Abadia

Group Banca IFIS – Corporate & Investment Banking: Cataldo Conte, Mennato Longo

Giovanni Ambrosetti: Hans Christian Lüders, Dario Reano

Financial DD: Deloitte (Marco Bastasin, Mariapia Tummolo)

Strategic DD: GoetzPartners (Giovanni Calia, Michele Zanin)

Operational DD: KPMG (Maurizio Castello, Luca De Caprio, Silvia Nakos, Andrea Stella, Giacomo Barsotti, Matteo Baldini)

Gioconda Legal counsel & financing: NCTM Studio Legale (Matteo Trapani, Giovanni de' Capitani, Alice Bucolo, Barbara Aloisi)

Foglietti family M&A counsel: Alberto De Vecchi

Foglietti family legal counsel: Orrick (Andrea Piermartini Rosi, Riccardo Troiano)

Financing: BPER Banca SpA (Roberta Morini, Stefania Garofalo), Banco BPM SpA (Federico Born, Daniele Silva), Intesa SanPaolo SpA (Laura Airoidi, Luca di Luciano)

Banking legal counsels: Simmons & Simmons (Davide D'Affronto, Alessandro Elisio)

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**About LBO France & Gioconda**

As a key player in private equity with €6.2bn of commitments, LBO France is an independent company that has been supporting French and Italian companies in their growth for more than 30 years. Its investment strategy is built on 4 distinct segments managed by dedicated teams: (i) Mid Cap Buyout through the White Knight funds and Small Cap Buyout through the Hexagone/Small Caps Opportunities funds, (ii) Venture Capital through the SISA/Digital Health funds, (iii) Real Estate through the White Stone and Lapillus funds, (iv) Debt. Historically focused on Institutional and Family Office investors, LBO France has recently launched the FCPR White Caps Selection, a private equity fund

accessible to individuals through multi-strategy funds. LBO France is 100% owned by its management and employs nearly 60 professionals. It operates in Italy through its subsidiary Gioconda.

Find out more: [www.lbofrance.com](http://www.lbofrance.com)

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