



PRIVATE EQUITY IN ACTION - CASE STUDY

Terapia



Country	Romania
Region	Vest
Investor	Advent International

When Advent acquired Terapia in 2003, the Romanian pharmaceuticals market showed considerable high-growth potential. A household name with an 80-year heritage, state-owned Terapia was the second-largest pharmaceuticals manufacturer in Romania but needed to revamp its product portfolio and adopt a stronger commercial focus.

Advent's investment in the company provided the catalyst for the company's growth through a programme of operational and management change. By the time of exit, the company had substantially grown and gained international stature.

What did the business need?

- Revitalisation and development of Terapia's product portfolio
- Sales increase and geographical expansion
- Creation of an effective commercial department

How did private equity backing create lasting value?

- Supported and strengthened the management team
- Product development: 23 new products launches, acquisition of two smaller generics manufacturers
- Boosting sales activity: five-fold increase in the sales team
- Significant investment in R&D
- Adoption of international operational and cleantech standards, first-of-their-kind in Romania (Decommissioning and decontamination of environmentally damaging chemicals manufacturing facilities)

23
product launches

\$75m
sales, up from \$33.2m in 2006



The partnership between management and Advent in defining and implementing the Terapia vision was key to the success of the transaction, and access to Advent's supporting network played a

significant part in achieving the final result.

What outcomes did private equity investment achieve?

- Improved competitiveness
- Strategically significant regional expansion into Russia and Ukraine
- By the time of exit in 2006, sales had grown to \$75m from \$33.2m and EBITDA (earnings before deductions like tax) to \$26m from \$11m in 2002

More information

[Advent International](#)

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