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Paine & Partners buys Scanbio from Verdane

By Viktor Lundvall

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Paine & Partners has acquired fish oil and protein concentrate producer Scanbio Marine Group from Scanbio AS, part-owned by Verdane Capital IV.

The value of the transaction has not been disclosed. Paine & Partners was attracted to the deal because the investor believes Scanbio has a strong positioning in the market as well as providing increasingly sustainable operating practices. The investor also has experience of owning similar companies through its investment in US-based Iccle Seafoods. A deal was agreed following a limited auction process that was arranged by ABG Sundal Collier.

Paine & Partners will support the company's growth and expansion strategy, with a focus on broadening the application of Scanbio's products and geographic reach. Equity for the transaction was provided by Paine & Partners Fund III, which raised \$1.2bn at final close in 2007.

Debt

A Scandinavian bank provided a debt package to support the transaction.

Previous funding

SND Invest first backed Scanbio in 1997. In 2003, SND Invest became Verdane Capital IV through a secondary direct transaction. The sale of Scanbio Marine Group represents a full exit for Verdane.

Over the past seven years, the company's annual EBITDA has grown by nearly 30% on average, while revenue grew from NOK 106m to NOK 330m in the same period. The investor supported the company's growth by rationalising operations and reducing prices on production components.

The key driver behind the sale was said to be strategic interest in the company. A return on investment has not been disclosed.

Company

Scanbio Marine Group is headquartered in Trondheim and produces fish protein concentrate, fish oil and fish meal from fish by-products. The company's products are sold to the fish feed, animal feed and bio-fuel markets.

The company was established in 1984 and has production plants in Norway and Scotland.
In 2010, Scanbio generated revenue of NOK 330m.

People

Andrew Freeman, David Buckeridge and W Dexter Paine III worked on the deal for Paine & Partners. Atle Søvik managed the deal for Verdane Capital Advisors. Following the transaction, Carl Eide will step in as new CEO of the company while outgoing CEO Per Arne Eide will remain involved in the company and has taken a seat on its board of directors.

Advisers

Equity – Markó Partners (Corporate finance); Thommessen (Legal).

Vendor – ABG Sundal Collier (Corporate finance).