

Business case

Performing an Industrial Due Diligence with a CDMO as a Target Company

PRACTICE

Operations

SECTOR

Private Equity

MISSION DURATION

1 Month

Our client, an investment fund, positioned as a potential buyer of a pharmaceutical subcontractor.

KEPLER carries out an industrial and supply chain diagnostics with a teams maturity assessment and a challenge of the considered CAPEX in the context of the Business Plan.

Context

- A pharmaceutical group wants to carry out a carve-out operation for a CDMO activity (pharmaceutical subcontractor)
- Several potential buyers among which investment funds

Objective

Securing the Business Plan

Building an industrial and supply chain report allowing:

- Fund management to validate the industrial maturity of the target company and its development plan
- Financial advisors to build the business plan & validate the OPEX / CAPEX strategy
- Different banks to finance the operation

The report should contain:

- Industrial and supply chain diagnostics
- Team maturity assessment
- CAPEX challenge planned in the coming years
- Improvement areas
- Assessment of potential gain sources (EBITDA, CASH, CAPEX)

Methodology

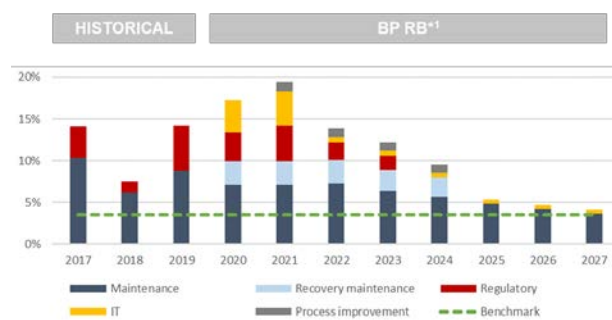
Industrial Report

- Analysis of recurrent CAPEX ratios according to their typology vs. the benchmark
- Analysis of the current capacity vs. the capacity according to BP and alignment with projected CAPEX
- Analysis of the consistency of other CAPEX: warehouses, ...
- Analysis of the distribution of ETP vs. benchmark
- Analysis of physical flows and identification of dysfunctions
- OPEX analysis of non-quality vs. benchmark and definition of the action plan
- Lead Time analysis vs. benchmark analysis and definition of the action plan
- Identification of dysfunctions in the S&OP process and definition of the action plan
- Identification of improvement areas in maintenance
- Roadmap and risk management plan

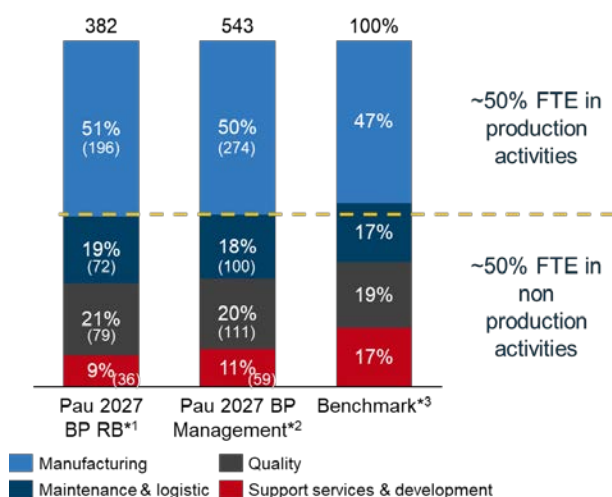
Levers and Tools

- **Benchmark**
- **Capacity Analysis**
- **PIC / PDP Analysis**
- **Continuous Improvement Analysis**

CAPEX benchmark



OPEX benchmark (ETF)



Dashboard

1

Industrial Report



Risk Identification



Definition of an Initiative Macro Planning to be Implemented



Identification of Potential Improvements in EBITDA

“Our role as an operating partner allowed investment funds to secure their acquisition while identifying sources of additional gains.

After that, our support allowed to achieve ambitious objectives.

”

Lionel Muller
President

Our Offices



Visit Us | [Kepler-consulting.com](https://www.kepler-consulting.com)



■ USA

159 N. Sangamon Street, Suite 200
Chicago, IL 60607-2201 USA

usa@kepler-consulting.com

Tél : + 1 (708) 969 1963

■ EUROPE

32 boulevard Haussmann
75009 Paris – France

info@kepler-consulting.com

Tel.: + 33 (0)1 44 75 05 35

■ INDIA

#312, Cathedral Roadn
Nungambakkam,
Chennai – 600034 – India

india@kepler-consulting.com

Tel.: + 91 (0) 44 40 50 92 00

■ CHINA

Room 351, 3F, No.135 Yanping Road,
Jing'An District,
Shanghai, 200042, China

china@kepler-consulting.cn

Tel.: + 86 (0)21 38 75 10 85



Contact the Author

Lionel Muller

lionel.muller@kepler-consulting.com