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Paine sells Byram to Dutch company
By David Carey
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Dutch drug and medical supplies retailer OPG Groep NV said Tuesday, Feb. 19, it would purchase Byram Healthcare Centers Inc. from Foster City, Calif., private equity firm Paine & Partners LLC for $132 million in cash.

The deal will generate a profit of roughly 170% on the $20 million the Fox Paine Capital Fund LP invested in the company starting in 1999, said Chris Ruettgers, a Paine & Partners director. The fund acquired the Milford, Conn., distributor of disposable home medical supplies for an undisclosed amount in February 1999 and built it with follow-on acquisitions. "We had a long ownership period, but the business has increased dramatically since we owned it," Ruettgers said. The company's products are used chiefly to treat diabetes, wounds, urological conditions and incontinence.

Amsterdam-based OPG said in a statement it expects Byram to post Ebitda of $14 million on about $150 million in sales in the fiscal year ending June 2008. Byram had around $25 million in revenue when Fox Paine bought it with its first fund. The firm recently split, with Paine & Partners, a new firm led by former Fox Paine co-founder W. Dexter Paine III, taking custody of the fund's remaining investments.

OPG said the acquisition gives it a strong foothold in the U.S. and will yield $5 million a year in buying synergies. The deal is expected to close in March and will be immediately accretive to per-share earnings, OPG said.

The Dutch company's sales topped $3.3 billion last year. OPG sells drugs through its own pharmacies in Europe and distributes drugs and medical supplies to home healthcare customers, hospitals and nursing homes. OPG's shares traded down fractionally Tuesday on the Euronext Amsterdam exchange, closing at €19.25 ($28.22).

RBC Capital Markets' Marc Daniel and Tony Munoz and Skadden, Arps, Slate, Meagher & Flom LLP's Neil Stronski advised Paine & Partners.

Bank of America Corp. advised OPG, whose counsel was Orrick, Herrington & Surcliffe LLP.