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BLACK TORO CAPITAL

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Black Toro seals first deal from maiden fund

The deal comes after the firm held an undisclosed first close in October

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Spain-based Black Toro Capital has made its first distressed-for-control investment in Antibioticos, one of the largest pharmaceutical ingredients (APIs) manufacturing facilities in Europe.

The fund manager made the investment from its maiden fund Black Toro Capital Fund I which has a target of €350 million and which held a “substantial first close” in October, a source familiar with the situation said. The hard-cap on the fund is €500 million.

Black Toro Capital will invest €35 million in the company through a combination of debt and equity, in a deal which will ensure the continued employment of 170 people. Allstate Investments, Black Toro Capital’s anchor investor, is the lead investor in the transaction.

Black Toro Capital acquired Antibioticos at a sizeable discount. It’s understood the plant was sold for €800 million in 1987. The new company will start operating today under the name Antibioticos de Leon and will base its headquarters and working centres at the current facilities.

Ramon Betolaza, Black Toro Capital’s partner, said in a statement: “We are proud of our strategic commitment with Leon and with the Spanish industry. We certainly know that with our energy, financial support and this excellent team, Antibioticos will return to its leadership position in the pharmaceutical sector”.

The sale marks the first time a production unit in Leon, a region in the northwest of Spain, has been sold through judicial liquidation, or “Venta de Unidad Productiva”, the equivalent to a 363 sale under US Bankruptcy Code with no legacy liabilities or prior bank debt assumed by Black Toro.

The plan for the company is to bring it back to full operating capacity in the next 36 months with expected sales of more than €100 million, the firm said.

Black Toro Capital has offices in Barcelona, Madrid and London. Fund I is being used to make distressed-for control investments in Spanish companies with between €100 million and €1 billion in sales, seeking to take advantage of a funding gap since that has emerged since the crisis.