

News release

July 2017

Graphite Capital acquires medical animation producer, Random42

Graphite Capital, a leading mid-market private equity firm, has acquired Random42, one of the largest global medical animation producers, from Vespa Capital. Medical animation provides a graphic representation of disease mechanisms and the ways in which medical and pharmaceutical products interact with the human body.

Random42 provides high-quality medical animation and digital media services to the healthcare and pharmaceutical industry. It has expertise in 2D and 3D animation, Virtual and Augmented Reality production, interactive services and mobile application development.

As medical and pharmaceutical products become progressively more complicated, animations are needed more frequently to explain their function clearly and to emphasise the specific value of individual products by showing their complexity and uniqueness.

Such animations are increasingly seen as a critical component of the marketing programme surrounding new drug development, as well as having wider corporate uses. Winner of more than 150 industry awards, Random42 has worked with 22 of the top 25 global pharmaceutical companies, including Novartis, Roche, Merck, Sanofi, GSK and AstraZeneca who value the unique combination of scientific expertise, creative skills, consistent delivery and high-quality output that it provides.

The medical animation market is forecast to continue to grow strongly over the next few years with Random42's core pharmaceutical market expected to grow by over 20 per cent p.a., reaching more than £100 million by 2021. The overall healthcare animation market is forecast to rise at a similar rate to more than £260 million in this period.

Random42 is well placed to increase its market share, building on its expertise and strong track record. The group is looking to increase its geographic coverage further by expanding in Europe and the Far East while continuing to grow its core North American sales. The company is also exploring opportunities in new markets such as educational materials, corporate promotions, animal health, over-the-counter drugs and medical devices. It has just launched an educational Augmented Reality smart phone app.

Graphite is backing a strong team led by Ben Ramsbottom, a PhD of molecular and cell biology, who has overseen a period of rapid growth since being appointed CEO in 2014. The management team combines specialist medical expertise with a range of marketing and production skills. They have re-invested a significant proportion of their sale proceeds in the transaction.

Humphrey Baker, Graphite partner, said: "Random42 is an exciting company which leads the field in the fast-growing medical animation market. We look forward to working with Ben Ramsbottom and the team as they develop new routes to growth."

Ben Ramsbottom commented: "We were impressed by the Graphite team's enthusiasm and the firm's track record of successfully growing innovative businesses. They share our vision for developing the company and their expertise will be invaluable as we expand Random42 internationally, enter new markets and work with new and existing customers."

Senior partners Andy Gray and Markus Golser worked with Humphrey Baker on the transaction, with support from Liam McGivern, John Western and Sophie Davies.

Crescent Capital Group and HSBC provided the debt financing package for the transaction.

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