IGUAKO CAPITAL · Case study

Tarralleen Veterinary Biologics

Control of a Queensland vaccine producer bought for US$26 million, with forty-six product registrations moved onto a single licensed site in thirty-one months.

YEAR	SECTOR	DIVISION
2020	Animal Health & Veterinary Biologics	Private Equity

JURISDICTION

Australia

Situation

Tarralleen Veterinary Biologics held forty-six marketing authorisations for cattle and sheep vaccines across four markets. One family had owned the company since 1974 and there was no successor inside the business. Sales were steady at about US$31 million a year. The plant ran at under half of its licensed capacity and had done so for six years.

Three problems sat behind the steady figures. Production was split between two sites and a contract filler. Batch release ran eleven weeks behind schedule. A dossier for a second species had been drafted in 2016 and never funded. The founding partnership had covered the sector from Brisbane since 2019 and had watched the file for nine months before it moved.

Approach

The firm bought seventy-four per cent of the equity for US$26 million in September 2020 and left the balance with the family. Private Equity wrote the purchase agreement around one question: which buyer would want this company in five years, and what would that buyer pay for. The answer was a larger producer seeking cattle registrations, so the plan was built around the dossier rather than around the plant.

Consolidation came first. The contract filler was released, the second site closed in 2021, and every authorisation was transferred to the licensed facility outside Toowoomba. Each transfer required a variation filed with the supervisory authority in the market concerned, and two of the four markets re-inspected the site before clearing the change of control.

Working capital came from the proprietary balance sheet rather than from a bank facility, so the batch-release backlog could be cleared without a covenant test falling due in the middle of the transfer programme. The Investment Committee set the loss the firm was prepared to accept at US$9 million and measured the position against that number every quarter.

Outcome

All forty-six registrations sat on one licence by April 2023. Batch release moved to a four-week cycle. Capacity utilisation reached seventy-one per cent and revenue reached US$44 million in the year to June 2026. The second-species dossier was filed in two markets in 2024 and approved in one of them the following year.

The position is still held at 30 June 2026, sixty-eight months after completion, and is carried at 2.4 times cost. Two approaches from larger producers have been declined because neither priced the second species. Distributions taken since 2022 were redeployed into information infrastructure, not into a second veterinary producer.

Figures

Measure	Value
Equity commitment	US$26 million
Registrations on one licence	46
Carrying value at 30 June 2026	2.4 times cost