

Stryker to acquire China orthopedic player Trauson

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Singapore: US-headquartered Stryker will make a voluntary general offer to acquire all the shares of Trauson, a manufacturer of orthopedic products in China, for HK\$7.50 per ordinary share for a total consideration of \$764 million in an all cash transaction, representing an enterprise value of approximately \$685 million.

Trauson's controlling shareholder, Luna Group, has undertaken to accept the offer from Stryker by tendering 61.7 percent of the Trauson shares towards the offer. Founded in China in 1986 by Mr Fuqing Qian, chairman of the company, Trauson had sales in 2011 approximating \$60 million and is the leading trauma manufacturer in China and a major competitor in the spine segment. Stryker and Trauson have maintained a relationship under an OEM agreement for instrumentation sets since 2007. With this acquisition, Stryker will expand its presence in a key emerging market with a product portfolio and pipeline that is targeted at the large and fast growing value segment of the Chinese orthopaedic market.

"The acquisition of Trauson is a critical step toward broadening our presence in China and developing a value segment platform for the emerging markets through a well established brand," said Mr Kevin A Lobo, president and chief executive officer. "The acquisition of a leading player in the Chinese trauma and spine market underscores our commitment to strengthening our presence globally. With its research and development expertise, manufacturing capabilities and strength of its distribution network, Trauson is a compelling opportunity for Stryker to drive growth in China and other emerging markets for years to come."

"I am very proud to have worked with everyone associated with Trauson to build the company from its beginning 27 years ago into the largest orthopedic products producer in China," said Mr Fuqing Qian. "The orthopedics market in China has great growth potential. The combined scale, local and global expertise, complementary product offerings and market breadth of Trauson and Stryker will create significant competitive advantages in the increasingly dynamic orthopedic industry and provide a platform to fully realize the future growth opportunities in China and globally."

The transaction is expected to close by the end of the second quarter of 2013.