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Antin's INICEA planning clinic acquisitions

Antin Infrastructure Partners is planning to expand the INICEA business it acquired last Tuesday (12 April) by buying additional psychiatric clinics.

Lyon-based INICEA, which Antin acquired from French investment funds LFPI and Azulis Capital for an undisclosed price, currently owns 10 private psychiatric clinics across France, the bulk of which are based in the Paris, Lyon and Bordeaux areas.

The private psychiatric care sector in France, which comprises a total of 182 private clinics, is reasonably fragmented with the majority being owned and managed by doctors. INICEA itself was founded in 1982 by two individuals. This fragmentation – combined with Antin's financial backing – allegedly provides INICEA with a good opportunity for acquiring extra clinics and helping to consolidate the sector.

INICEA is ranked third in France by number of private psychiatric clinics after Ramsay Healthcare, the large multi-national private healthcare provider, and Euronext Paris-listed Orpea, a long-term care and post-acute care specialist provider.

Antin's precise growth plans for INICEA have not been disclosed. However, Paris-based fund manager LFPI, which acquired stakes in INICEA in 2010 and 2013 before selling them to Antin last week, states on its own website that INICEA plans to double its capacity through the acquisition of other clinics in the short-term.

INICEA, which has 1,000 employees and 50 private psychiatrists, acquired the psychiatric activities of French healthcare facilities operator Korian in 2013.

Antin hopes to reach financial close on its purchase of INICEA in mid-May with bank debt. The fund manager regards the psychiatric clinic sector as infrastructure – rather than private equity – as, it claims, it is an essential service and is insulated from economic cycles. Also, the sector provides high cashflow visibility and high customer occupancy rate. Furthermore, Antin claims, there are high barriers to entry into the sector as licenses provided by local authorities are required to operate psychiatric clinics in France.

INICEA's financial accounts are not public, although a source with knowledge of the business said it has experienced strong growth over recent years.

