

Research Boom Behind HemaCare Acquisition

BIOTECH: Supplier of biologic material sold for \$380 million.

By **AMY STULICK** Staff Reporter

Following its \$380 million acquisition of Northridge's HemaCare last month, **Charles River Laboratories** has decided to keep former chief executive **Pete van der Wal** as general manager of the Southern California

operation.

Both companies are providers of biologic material for drug research, with Charles River Laboratories being in operation for more than 70 years with a global reach.

HemaCare, on the other hand, was hailed as the San Fernando Valley's top-growth public company last year. The company posted \$19.5 million in revenues for the six months ended June 30, compared to \$13.1 million for the

Please see **BIOTECH** page 38



Northridge: HemaCare lab.

Valencia Greets Galpin Porsche

AUTOMOTIVE: Club meetings, museum to attract car fans.

By **MARK R. MADLER** Staff Reporter

Galpin Motors is transforming a former Saturn dealership in Santa Clarita into a new store to sell Porsches.

But the goal involves more than just creating a place where the affluent can



Boeckmann

Please see **AUTOMOTIVE** page 39

New Details on Adler Upgrade

REAL ESTATE: \$1 billion project coming to Warner Center.

By **MICHAEL AUSHENKER** Staff Reporter

Adler Realty Investments Inc., owner of the Warner Center Corporate Park in Woodland Hills, has unveiled new details of its proposed reworking of the property in an environmental report filed with the city of Los Angeles.

The project will include 12 buildings with 1 million square feet of office space.

Please see **REAL ESTATE** page 21

Endgame for a Railcar Maker?

TRANSPORTATION: Job losses pose problem for Antelope Valley.

By **MARK R. MADLER** Staff Reporter

Railcar manufacturer **Kinkisharyo International LLC** has let go more than 100 workers at its Palmdale plant as a big Metro contract approaches completion. But both the company and its workers have options.

Please see **TRANSPORTATION** page 8



Rendering: Westfield's redesign of former Sears in Woodland Hills.

TOPANGA MAKEOVER

Westfield plans to turn former Sears store into entertainment center.

By **ANDREW FOERCH** Staff Reporter

A vacant department store in Woodland Hills could transform into the West Valley's entertainment hub, if **Unibail-Rodamco-Westfield** has its way.

The Paris-based shopping center owner estimates it will cost \$250 million to turn

the former Sears store at its Westfield Topanga & The Village mall into an entertainment venue complete with a bowling alley, movie theaters and restaurants.

Larry Green, Westfield's executive vice president of development, pointed to Westfield's Century City mall that has increased traffic since its \$160 million entertainment-focused renovation back

in 2007.

"People are drawn to great experiences and are spending more time going out to entertainment. We think this (project) is a continuation of that shift and adding an element that just has not been represented at Topanga," he told the Business Journal.

Please see **DEVELOPMENT** page 4

THE LIST

PRIVATE HIGH SCHOOLS

Ranked by students enrolled in 2019-20
See page 22



Authorship by the Numbers

A group of graduate students at a Chatsworth school, right, wrote a business book together.

p. 3

Films for Every Genre

Box office expert Paul Dergarabedian with ComScore Inc. looks forward to diverse movie output from Valley studios in 2020.

p. 14



"Mom, where does wind come from?"

"Well, consolidating balances can optimize cash flow, honey."

Our expertise is strictly financial.



PACIFIC PREMIER BANK®

PPBI.com/LosAngeles

Pacific Premier Bank is a registered trademark. All rights reserved.



Biotech: Partnership Leads to Strategic Purchase

Continued from page 1

same period in 2018. The company also jumped to a larger space in 2018, moving its headquarters from Van Nuys to Northridge.

Because of such solid growth, Charles River decided to keep the location and staff as well, according to **Colin Dunn**, senior vice president of global research models and services for Charles River. Van der Wal deferred to management at Charles River when the Business Journal reached out to him for this article.

"The Northridge facility is really integral to the growth of HemaCare, and integral to the product and the service that they're offering. Clearly, it's a very successful team of people on the Northridge site," said Dunn. "It's a very well set out space, very efficient, very attractive for employees."

HemaCare works with blood banks and clinics to create a network of tissue collection sites. The company can extract and ship blood samples needed for research projects and store samples which can be bought directly. Researchers can buy product directly on the company's website, or bioproduct can be customized for each client.

The Northridge space, located at 8500 Balboa Blvd., expanded HemaCare's capacity from 16,500 square feet to 39,892, and has four clean rooms, isolation, cryopreservation and biobanking services. At the facility, HemaCare staff doubled its tissue collections.

Within Charles River's research models and services segment, Dunn plans to cultivate HemaCare's success further.

Happy investors

For shareholders, the purchase price equates to \$25.40 per HemaCare share, representing a 27 percent premium to HemaCare's closing price on Dec. 13 and a 33 percent premium to its stock price over the last 60 trading days.

HemaCare will add an estimated \$50 million to Charles River's 2020 consolidated revenue, with an estimated 30 percent growth annually in the next five years.

For Dunn, happy clients equate to happy shareholders. If Charles River is able to accommodate more clients with the biomaterial offered through HemaCare, they in turn offer a more comprehensive solution as opposed to competitors.

"HemaCare is really allowing us to be very differentiated in the industry, because of their donors and the customization with those donors and the cell processing that comes with that. And then the exposure to the cell therapy market, that is very important. There are more and more clients in this space," explained Dunn. "All of those things combined, we'd expect that to support additional profitable growth for Charles River, and in that way, bring additional



New Headquarters: Labs, offices and storage space at 8500 Balboa Blvd. in Northridge allowed HemaCare to double its staff.

value for shareholders."

While there are no plans to replicate the Northridge facility in its entirety anywhere else, the company may open an additional site within a biotech hub in the Boston or Cambridge, Mass. region.

"We're currently working on plans with Pete on ensuring we continue the growth Northridge is generating, but having an additional site in a biotech hub," added Dunn.

Prior to the acquisition, Charles River was a strategic partner to HemaCare going back to February 2018. That relationship gave both sides the opportunity to get to know each other and test out how well everyone worked together.

From that partnership, Dunn said it came to Charles River's attention that, because they already had this strategic relationship, that they could effectively expand into the cell therapy sphere.

"We saw this as a very interesting partnership and therefore that certainly came to our attention and Charles River has been clearly active in acquiring companies in various spaces," said Dunn. "We see that (continuing) for the future of the biotech and biopharma industries and for successful patient outcomes, especially in oncology, and in due course in regenerative medicine."

Purchase history

Prior to HemaCare, Charles River acquired six companies since 2016, including CiTox-LAB for \$510 million, MPI Research for \$800 million and KWS BioTest for an undisclosed amount, according to CrunchBase.

For **Ernie Stern**, an attorney and partner at the firm **Culhane Meadows** in Dallas who specializes in mergers and acquisitions, this deal is based on the specifics of the life



Handshake: Charles River's Colin Dunn, left, with HemaCare's Pete van der Wal.

science industry.

"That's not uncommon. You've reached some sort of collaboration agreement and might support certain tests and trials," said Stern. "That gives them the opportunity to say they like what they see, and progress has been made and they understand the progress better, and the people better, so that they can assess the risk better. ... It gives them the opportunity to either make an acquisition or exclusive license, something that gives them the benefit of the risk they have undertaken."

In Charles River's case, the partnership helped the company see how HemaCare could fill gaps in its ability to support clients. This is especially true in the cell therapy space, Dunn told the Business Journal.

"We were always very impressed with the quality of the product, how they had grown their business, and the space in which they were operating, as well as the quality of the people we were interacting with," said Dunn. "We believe that it is going to be for our clients a new entry

point for working with Charles River, so we are very excited about that."

The Northridge facility's access to donor and patient cells will help Charles River. Donor cells, for example, support processes linked with developing clinical product and manufacturing actual medicines.

"What we're doing is bringing the HemaCare product and their expertise in the process to our clients and our clients are already in the cell therapy space, so it's really enabling them to move more quickly," Dunn said.

There's less of a "handoff," Dunn added, when a client deals with one rather than two suppliers of less raw material.

"We have already had tremendous interest from clients," finished Dunn. "We think it is going to bring a lot of excitement and they can see the value of Charles River and HemaCare combining expertise, teams, to really accelerate these very exciting cell therapy programs and bring new therapies for patients in areas of very high medical need."

ON THE MOVE PEOPLE & COMPANIES

ANNOUNCE YOUR HIRINGS, AWARDS, PROMOTIONS & SPECIAL ACCOMPLISHMENTS IN LOCAL BUSINESS.

Does your company have something to announce? Let the business community know more. The **San Fernando Valley Business Journal's** weekly feature **On The Move** offers your company the perfect opportunity to announce your news.

- Company Anniversaries
- New Hires
- Promotions
- Philanthropic Activities
- Opening/Moving Locations
- Recent Awards
- New Funding
- Events & Conventions
- Acquisitions & Mergers
- Special Announcements
- Board Members
- Milestones

Rosz Murray 323.549.5225 x215 ■ <http://www.sfvbj.com/people-on-the-move-form/>