ChromaDex Could Get A Lot For Billionaire’s $25M

Ingredients Maker Nabs Dose of Wall Street Cred

ChromaDex Corp.’s recent coup—a planned $25 million investment by Hong Kong billionaire Li Ka-Shing—looks to boost the Irvine-based ingredients maker’s work in the wider world in at least two ways:

- Li runs, among other things, CK Hutchison Holdings Ltd., which is said by Forbes to be the biggest health and beauty retailer in Asia and Europe.

ChromaDex’ lead ingredient, Niagen, is a patented proprietary additive for, among other things, anti-aging products. Products that contain Niagen have already hit retailer shelves in the U.S.—including those of Pittsburgh, Penn.-based GNC Holdings Inc. and Bentonville, Ark.-based Walmart Stores Inc.

It also has distribution deals in Europe, Asia and South Africa.

- Li made the buy via his Horizon Ventures, a “disruptive-innovation,” technology-focused vehicle that ChromaDex said has held stakes in firms that include Facebook and Spotify—former disruptors, now multi-billion-dollar ventures.

That could bring ChromaDex innovator street credibility—and Wall Street cred, since Forbes in February said Li is the richest man in Asia and worth more than $31 billion.

ChromaDex shares vaulted 18% the day the deal was announced—closing at $2.96 on 15 times average volume. Shares traded recently at $3.60, for a $137 million market cap.

New common stock is to be sold in three parts totaling up to $25 million, regulatory filings show. The first $3.5 million was funded in April. ChromaDex lost about $3 million on revenue of $27 million last year and was scheduled to report first-quarter results on May 11.

Chief Executive Frank Jaksch told the Business Journal last year that ChromaDex has spent millions to establish scientific bona fides for Niagen’s source, a vitamin B3 metabolite called nicotinamide riboside.

The company says Niagen boosts energy-making by mitochondria—organelles that take in nutrients, break them down and create energy-rich molecules to power cells.

ChromaDex is also developing nicotinamide riboside to treat Cockayne’s syndrome, a rare pediatric disease that involves premature aging, short stature and impaired nervous system development. Life expectancy for children with the illness is about seven years.

Documented Integration

Auxilio Inc. named Michael Mathews chief operating officer in addition to his duties as president. He co-founded Synergis-Tek in Austin, Texas, which Auxilio bought this year for $34.4 million.

“Document workflow” provider Auxilio has recently bulked up its information security work. It bought two other tech-focused firms in 2015 after starting life as a print-focused company for hospitals.

Chief Executive Joseph Flynn said the COO role is about integrating Auxilio’s “service delivery and day-to-day operations … we continue to see cross-selling among our cybersecurity and [print] … groups.”

Mission Viejo-based Auxilio now works with more than 375 hospitals, and moved from over-the-counter trading to the New York Stock Exchange in February. It has about a $49 million market cap.

Ingram to Nonprofit Board

Doug Ingram recently joined the board of Miracles for Kids in Tustin.

He was chief executive of Chase Pharmaceuticals Corp. in Irvine when it sold to Allergan PLC last year for $125 million and was previously president of the former Allergan Inc. before its 2015 sale, which helped create Allergan PLC.

Chase was a drug firm working on treatments for neurodegenerative disorders, including Alzheimer’s disease.

Miracles for Kids gives about $2.5 million annually to a hundred families in OC and Los Angeles who are below the federal poverty line and have kids with chronic illness. Hospitals that include Children’s Hospital of Orange County in Orange refer recipients.

One of Ingram’s first moves after joining the board was to open his Corona del Mar home for a “cocktail and conversation” gathering that included Miracles for Kids co-founder and Chief Executive Autumn Strier, Latham & Watkins partner Cary Hyden and Republican rainmaker Scott Baugh.

The group’s annual gala is at Monarch Beach Resort in Dana Point this fall.

Bits & Pieces

Environmental sustainability group Practice Greenhealth recognized Kaiser Permanente for reducing waste and using solar and wind power, among other actions. Kaiser’s medical centers in Anaheim and Irvine were among 13 facilities praised. … Irvine-based Sabra Health Care REIT Inc. will present at a nondeal roadshow hosted by investment firm Cantor Fitzgerald on May 17 and 18 in Boston and New York.