



# Ascendis

ASCENDIS HEALTH LIMITED

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## Introducing Ascendis and the investment opportunity

NOVEMBER 2013



*Dr Karsten Wellner - CEO (52)*

PhD Economics

Over 20 years' experience in health markets

Former MD, Fresenius Kabi SA



*Robbie Taylor - CFO (44)*

CA (Zim)

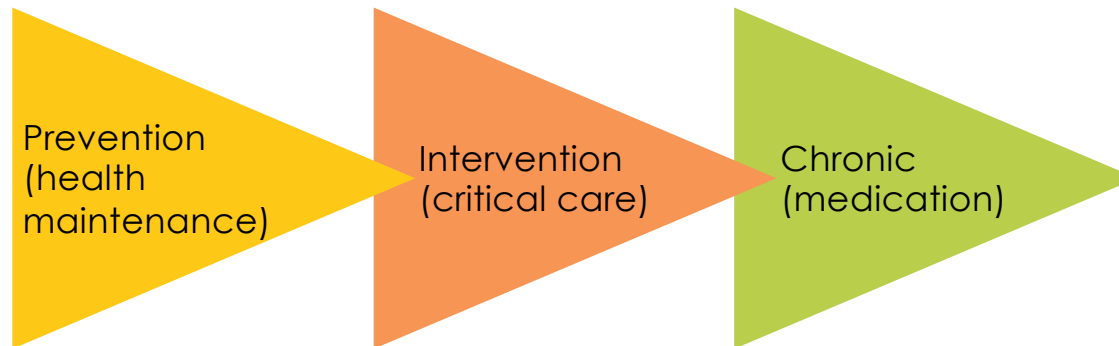
17 years' experience as FD

Former CFO, Country Bird Holdings

“Healthy home, healthy you.”



Bringing health to people, plants and animals at all stages of their lives



Sector profile	<ul style="list-style-type: none"> <li>Health and care brands, pharmaceuticals, medical devices</li> </ul>
Estimated market cap.	<ul style="list-style-type: none"> <li>R2.5bn (after private placement)</li> </ul>
Divisions (sales mix <sup>1</sup> )	<ul style="list-style-type: none"> <li>Consumer Brands (45%), Pharma-Med (23%), Phyto-Vet (32%)</li> </ul>
Brands	<ul style="list-style-type: none"> <li>Strong, owned brands and IP across all LSMs</li> </ul>
International sales	<ul style="list-style-type: none"> <li>45 countries</li> </ul>
Staff	<ul style="list-style-type: none"> <li>933</li> </ul>
Forecast	<ul style="list-style-type: none"> <li>Sustainable – June '14</li> </ul>
Turnover (R'm)	<ul style="list-style-type: none"> <li>1914</li> </ul>
PAT (R'm)	<ul style="list-style-type: none"> <li>165</li> </ul>

1. Based on forecast to 30 June 2014 (sustainable)



DIVISIONS:

**CONSUMER BRANDS**



**SOLAL**  
HEALTHY AGING SPECIALISTS

**foodstate**  
nutritional intelligence

**SSN**  
SCIENTIFIC SPORTS NUTRITION

**EVOX**  
ADVANCED NUTRITION

**nimue**  
SKIN TECHNOLOGY

**SPORTRON**  
INTERNATIONAL  
THE WELLNESS COMPANY

**PHARMA-MED**



**Ascendis**  
PHARMA

**Ascendis**  
DEVICES

**PHYTO-VET**

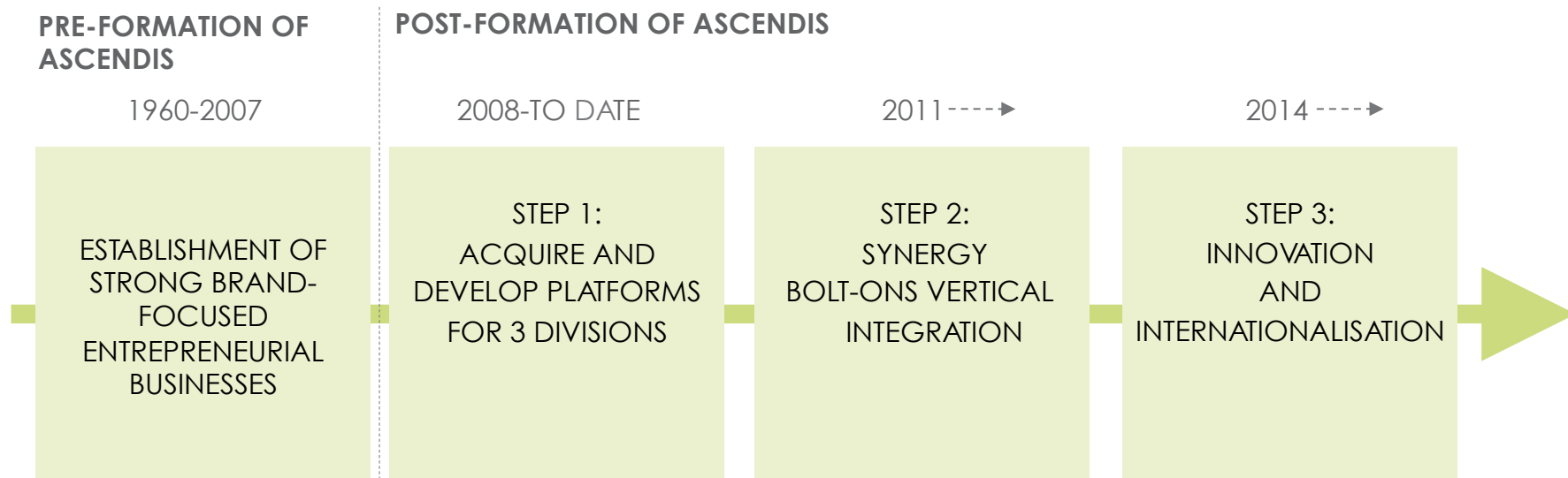


**EFEKTO**  
care

**AVIMA**

**MARLTONS**  
Your pet's choice

- ▶ Will be 3<sup>rd</sup> largest JSE-listed, pharmaceutical sector company
  - **Objective:** Top-two industry player within the next five years
- ▶ The strategy is to invest in the whole value chain:
  - **Horizontal Integration (Bolt-ons):** Leverage off divisional platforms and acquire **complementary businesses and brands** for synergistic growth
  - **Vertical Integration:** Improve the value chain via **vertical integration** within these divisions
  - **Innovation and Internationalisation:** Organic growth generated from **innovative brands** and supported by a **strong management team** (operational excellence)





DIVISIONS:



Richard Crouse

Chief Operating Officer  
B.Com. (Honours)  
Former MTN Head of  
Strategy and Business  
Planning  
MD Chempure



Marion Burgess

MD Consumer Brands  
B.Sc. Dietetics, MBA  
Former MD K. Storz J&J,  
3M



Immy Mohamed

MD Pharma-Med  
B. Pharm.  
20 years' experience



Jayen Pather

MD Phyto-Vet  
B.Compt.  
Former CEO & CFO  
Incolabs, Unitrans, DHL





## CONSUMER BRANDS (45% OF FORECAST REVENUE)

### DIVISIONAL HIGHLIGHTS



- Long-established, well-known, owned brands
- Pricing power
- Opportunity to leverage off brands to expand product range
- Export opportunities



## BRAND

Solal



Nimue



Evox, SSN and Muscletech



Sportron and Swissgarde



## STRENGTHS

- Established brand (12 years)
- IP in 200 products
- Premium brand
- High LSM
- Prescribed by doctors
- Management retained and invested in Ascendis

- Established brand (15 years)
- IP in 200 products
- Premium brand
- High LSM
- Sold in 20 countries
- Management retained and invested in Ascendis

- Established brands (15 years)
- IP in products
- Large shelf-presence
- Complementary sports nutrition brands

- Established brands (24 years)
- Direct selling networks
- Strong brand loyalty
- Defensible
- Access to high growth emerging market

## DIVISIONAL HIGHLIGHTS



- Generic pharmaceuticals and medical devices (SA market over R37bn)
- Over 100 dossiers registered with MCC
- Further 100 dossiers in process with MCC
- Won recent Government tender (for next 2 years, sales of R400m)
- Management retained as part of acquisition

## SEGMENT

Pharmaceutical



Medical devices

## STRENGTHS

- > 100 dossiers
  - 5 year registration process
  - Access to doctor and pharmacy network
  - Strong position in self-dispensing doctors' market
  - Ability to compete for Government tenders
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- In advanced stage of negotiations

### DIVISIONAL HIGHLIGHTS



- Strong, market-leading brands owned in Efekto, Wonder and Marltons
- Chemical products require registration with Department of Agriculture (approx. 3 years)
- Over 240 registered products with good pipeline in registration process
- Avima exports 50% of sales to 25 African countries – provides platform for other brands into Africa
- Supply Chain / Sales & Marketing: horizontal and vertical integration projects between businesses in implementation enabling best practice

BRAND

STRENGTHS

Efekto



- Established business (45 years)
- IP in more than 800 products
- Premium brands
- 3 year registration process
- Management invested in Ascendis

Wonder



- Number 1 brand in plant nutrition (45 years)
- Strong shelf-presence and track record

Avima

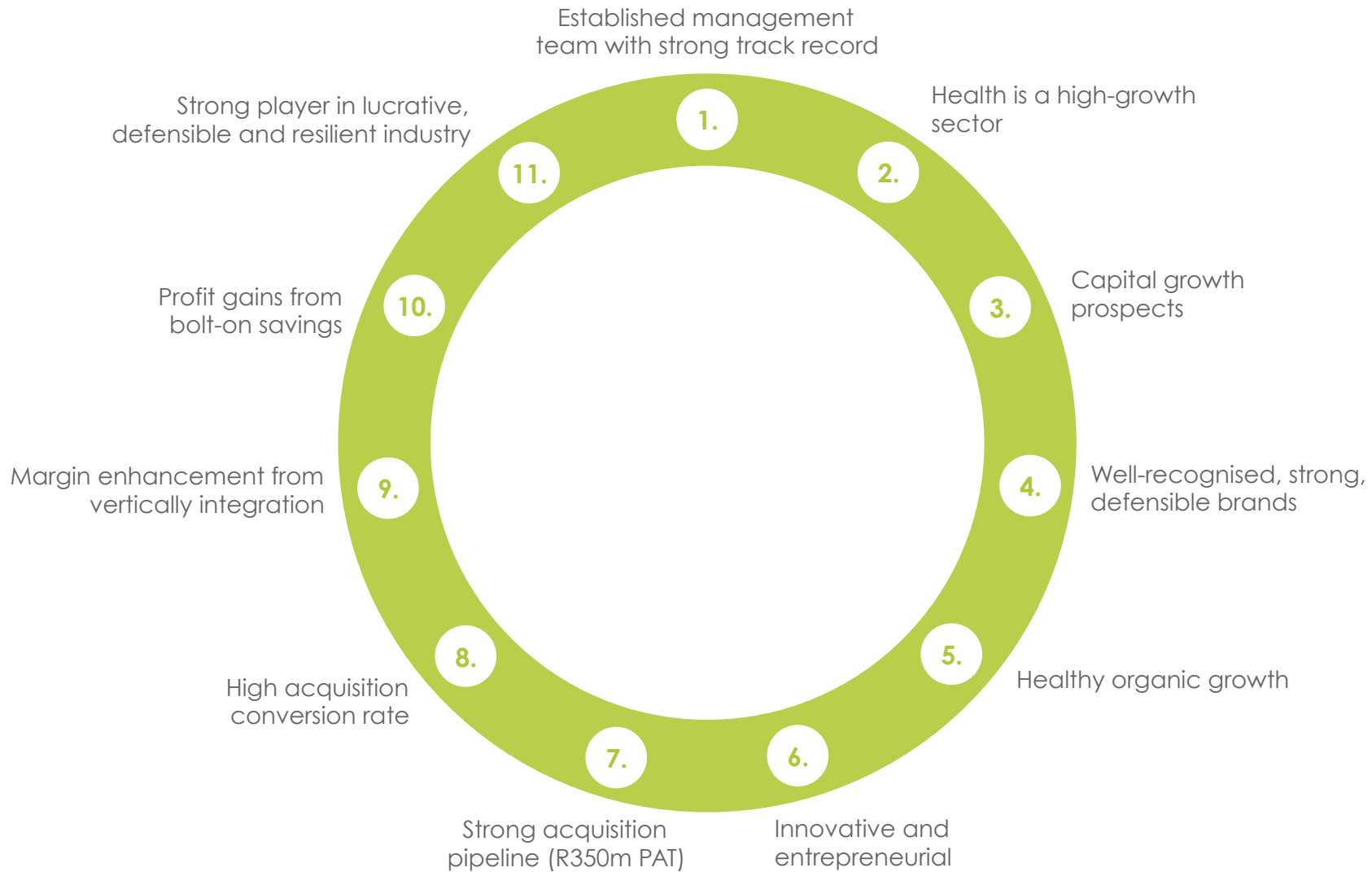


- Defensible 3 year registrations (70 registered products) (52 years)
- 50% of sales to 25 other African countries
- Vertical integration with Efekto

Marltons



- Market leading pet care brand (25 years)
- Synergies with Efekto (1500 common customer doors)
- Sales are 60% retail chainstores and 40% pet/vet stores





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## CONTACT DETAILS

**Ascendis**

Contact	Designation	Office	Mobile	Email
Dr Karsten Wellner	CEO	+27 (0)21 701 2232	+27 (0)83 386 4033	<a href="mailto:karsten@ascendis.co.za">karsten@ascendis.co.za</a>
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# ANNEXURE A: DIRECTORS' CVs



## DIRECTORS OF ASCENDIS

Independent non-executive  
Chairman



John Bester (67)  
*CA(SA), CTA (Wits), BCom Hons (Wits), CMS (Oxon)*

John spent 16 years in the accounting profession, including serving as a partner of Ernst & Young for 10 years. He has been involved in commerce and industry for a further 32 years, holding a number of financial directorships during this time. He is a non-executive director of Clicks Group, Personal Trust International, HomeChoice Holdings, Sovereign Food Investments, Tower Property Fund and Western Province Rugby, as well as a trustee of the Children's Hospital Trust.

Chief Executive Officer



Karsten Wellner (52)  
*PhD Economics*

Dr Karsten Wellner, the Company's chief executive officer, has worked for more than 20 years in international and South African health markets. Prior to joining Ascendis, Dr Wellner headed Fresenius Kabi South Africa for 8 years, the South African subsidiary of the EUR 15bn multinational company, Fresenius SE & Co KGaA, which is listed on the Frankfurt Stock Exchange in Germany. Karsten's product focus included, *inter alia*, clinical nutrition, generics and medical devices. Under Dr Wellner's leadership, Fresenius Kabi South Africa achieved strong business growth in sales from R120m to R1bn over his 8-year tenure as the managing director.

Before that he worked for several years in export and ran the Swiss subsidiary of Fresenius.

Karsten is also a part-time lecturer at the University of Stellenbosch Business School on International Management and an independent board member at Alpha Pharm East Cape Holdings.

## DIRECTORS OF ASCENDIS (CONT.)

Chief Financial Officer



Robert Taylor (44)  
*CA(Zim), B.Com (UCT)*

Robbie qualified as a Chartered Accountant with Deloitte in Zimbabwe in 1995. Thereafter, Robbie joined Crest Breeders International (Private) Limited, and fulfilled the role of Group FD until 2002, whereafter he immigrated to South Africa. Robbie joined Hall and Sons as the financial director, and was also appointed to all of the subsidiary company boards. In 2006 Robbie joined Country Bird Holdings Limited, an entity that listed in 2008 on the Main Board of the JSE, and fulfilled the role of CFO from 2008 for a period of 5 years. Robbie joined Ascendis in 2012 as the chief financial officer.

Independent non-executive  
director



Philip Cunningham(43)  
*B.AgrMan (Natal)*

Phil is the founder and managing director of Sunrise Productions, a Cape Town-based animation studio and media company. After graduating from university and building a successful international trading company, Phil formed Sunrise Productions and Jungle Beat – a series of high-quality animated short episodes that have become popular world-wide, having been broadcast in over 170 countries and across a range of media platforms.

In 2010, Phil partnered with SA Rugby to launch a marketing, merchandise and communications program driven by Bokkie, an animated super-hero embodying everything great about the Springbok brand. The success of Bokkie led to on-going campaigns with Cricket SA and The Sharks Rugby brand in South Africa, launching their characters Zac and Sharkie. This domestic success was soon followed by campaigns with two of Europe's leading sports brands – the England RFU and Wales Rugby.

Non-executive director



**Cris Dillon (43)**

*BSc Hons Chemical Engineering (UCT), MBA (UCT)*

Cris has spent six years in the investment banking industry, including three years with Standard Bank's corporate finance team, and the last seven years as a founding partner of Coast2Coast Investments, the controlling shareholder of Ascendis. He has been involved in commerce and industry for a further ten years, holding a number of directorships during that time. He is an executive director of the Coast2Coast group of companies, as well as a trustee of the Ubuntu Football Academy. Cris currently chairs the remuneration committee of Ascendis and heads up the Group's innovation council.

Independent non-executive  
director



**Bharti Harie (43)**

*BA LLB (Natal), LLM (Wits), admitted attorney, notary and conveyancer*

Bharti holds a BA LLB (Natal) and an LLM (Wits). She is an admitted attorney, notary and conveyancer. She presently serves as an independent director on the boards of three companies, namely Bell Equipment Limited (appointed in November 2010 and a member of the Audit and Social, Ethics and Transformation Committees); Lenmed Investments Limited (appointed in September 2010, a member of the Audit and Risk Committee and chairs the Remuneration Committee) and Mineworkers Investment Corporation (appointed in April 2013 and chairs the Social and Ethics Committee). Her previous directorships include the Charities Aid Foundation and the Ethekwini Hospital and Heart Centre.

Bharti worked at the IDC for 14 years until 2010. Her career at IDC started in the legal department and she moved to the International Finance department in 2000. She headed the Corporate Funding department from 2003 to 2006 and subsequently headed the International Finance department from 2006 to 2010.

Non-executive director



Gary Shayne(43)  
*CA(Zim), BCom*

As chief executive officer and co-owner of Coast2Coast he is responsible for the overall strategy and management of the company. Zimbabwean-born, Gary has a successful history in both private equity and entrepreneurial ventures. Among his successes are the listing of Celsys Limited, one of Zimbabwe's leading telecom companies and the founding of Shayne Accounting Services which went on to become one of the country's largest single- owned accountancy practices. Gary was involved in a number of other Zimbabwean ventures, including Milpal Chemicals. This group sold all of their Zimbabwean interests to Lonrho plc in late 2007 in order to concentrate on the South African market.