



Ascendis
HEALTH



**Investec
Healthcare Conference
4th of March 2016**





Ascendis HEALTH

INVITATION TO ASCENDIS HALF YEAR RESULTS PRESENTATION



Dr Karsten Wellner, CEO of Ascendis Health, invites you to the company half year results for the six months ended 31 December 2015

CAPE TOWN

DATE

Wednesday 9 March 2016

TIME

10:30

VENUE

Cape Town Stadium
Fritz Sonnenberg Road
Green Point | Cape Town
(Complimentary, underground parking)



YES TO CAPE TOWN

JOHANNESBURG

DATE

Thursday 10 March 2016

TIME

09:30

VENUE

Ascendoplex
22 Sloane Street | Bryanston



YES TO JOHANNESBURG

Healthy snacks will be served before and after the presentations when there will be an informal opportunity for questions and discussion with the Ascendis management team.

The results presentation at Ascendoplex on 10 March will also be available via live streaming

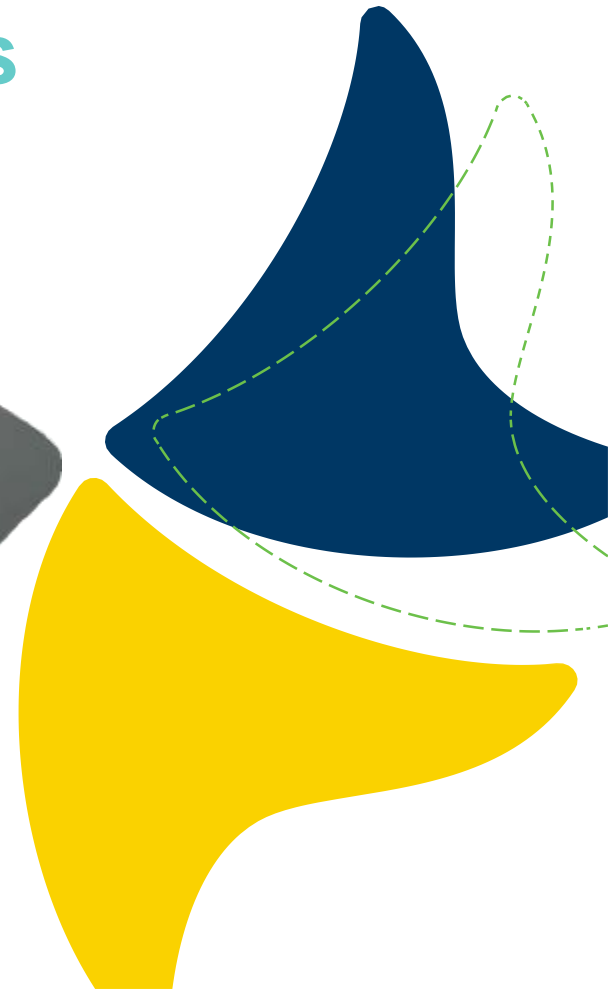
(Link will be published on www.ascendis.co.za)

Kindly note the presentations will commence promptly at the time indicated.

THE RESULTS WILL BE RELEASED ON SENS AT 08:00 ON WEDNESDAY 09 MARCH 2016.

**Currently in closed
period – until next
week Wednesday**

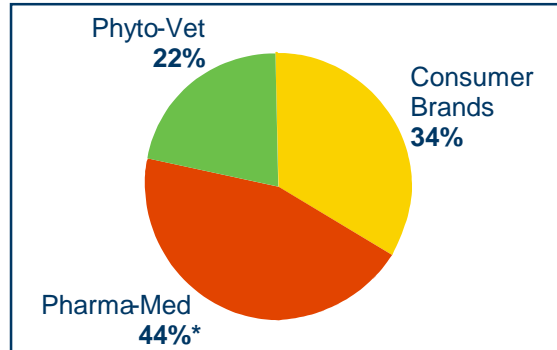
**Ascendis resilient business
model based on platforms,
complementary acquisitions
and strong brands**





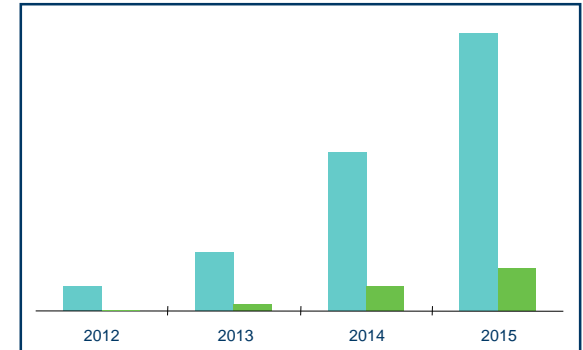
Who are we?

A South African-based health and care brands company that owns and develops strong brands



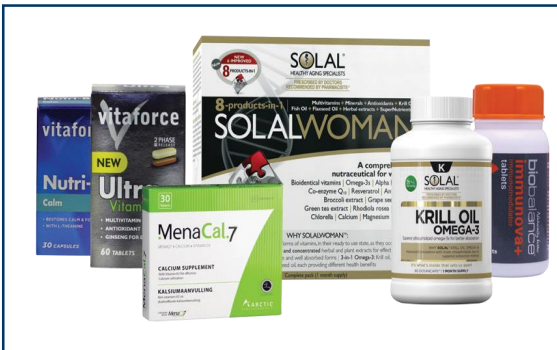
Diverse revenue streams

Health and care products for people, plants and animals



Growth strategies

Organic, acquisitive, synergistic and international



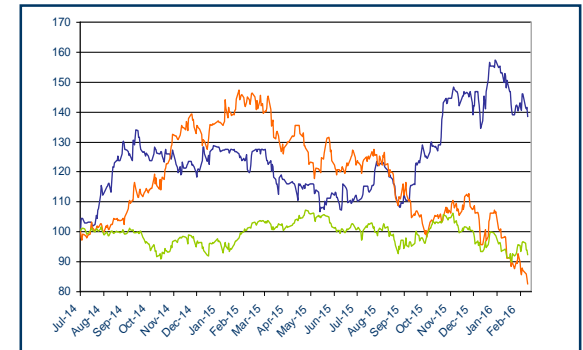
Brands

Resilient, market-leading brands



Management

Strong and experienced management team with a proven track record



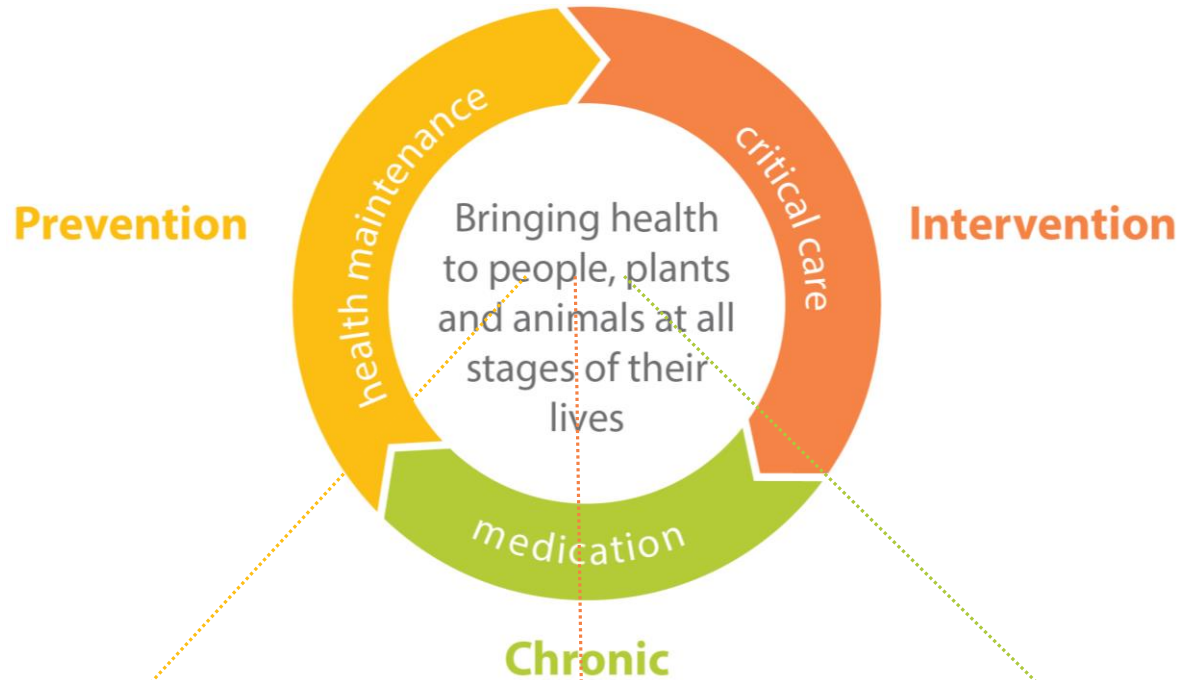
Current market capitalisation

R5 billion (approx 300m Euro)

* Numbers shown based on FY 2015, end of June 2015
ASCENDIS HEALTH | Investec Conference March 2016



VISION – A HOLISTIC VIEW ON HEALTH



CONSUMER BRANDS



PHARMA-MED



PHYTO-VET



WHO ARE WE? EXECUTIVE BOARD MEMBERS



**Dr. Karsten Wellner
(CEO)**

PhD Economics,
20+ yrs. pharma, exports,
MD Switzerland,
MD Fresenius
South Africa



**Cliff Sampson
(MD South Africa)**

Dip IMM, MBA, 20
yrs. as MD,
7yrs as MD Foodcorp
(R 7 bill)



**Kieron Futter
(CFO)**

CA, GSK Consumer
Healthcare,
TransUnion Group,
Nandos





GROUP STRUCTURE



HEALTH & CARE BRANDS



Consumer



Pharma-Med



Phyto-Vet



GROUP SERVICES:

Finance, Treasury, IT, HR, Marketing, Legal, Regulatory, Supply Chain



BUSINESS UNITS



PhytoVet



Skin



Sports Nutrition



Wellness



Direct Selling



Medical



Pharma

BRANDS

► **Wellness: SOLAL, VitaForce, Bettaway, Foodstate, Junglevites, Arnica, Homeoforce, Dr Reckeweg, Similasan, Menacal, Chela range, Biobalance**

STRENGTHS

- Solal - established healthy ageing brand (>10 years)
- IP in 200 products
- Premium brands
- Mid- high LSM
- Similasan – strong homeopathic eye care range
- Market-leading vitamin and mineral brand dossiers
- Own API
- Long established brand with GMP manufacturing site for Vitaforce and Bettaway





WELLNESS: CORE BRANDS



PRIMARY & SECONDARY PRODUCTS

- ▶ **Vitamin Supplements Portfolio:** (for general, daily health solutions): capsules, soft gels, powders and liquids
- ▶ **Specialist Portfolio:** condition specific OTC solutions driven by doctor and pharmacist prescription recommendation
- ▶ **Herbals and Homeopathic Portfolio:** natural, safe solutions for easy self-treatment of day-to-day ailments

MARKET COVERAGE & KEY DATA



Solal is the biggest premium branded range of vitamins in the Dischem channel



Ascendis Health is Dischem's biggest supplier of wellness products



Wellness have over 450 SKUs, providing multiple solutions and creating great market-coverage



BRANDS

► **Wellness:** SOLAL, VitaForce, Bettaway, Foodstate, Junglevites, Arnica, Homeoforce, Dr Reckeweg, Similasan, Menacal, Chela range, Biobalance

► **Skin:** Nimue, SOLAL, & pH formula

► **Sports Nutrition:** Evox, SSN & Muscletech, Bolus & Supashape

► **Direct Selling:** Sportron & Swissgarde

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- Nimue - established dermo-cosmeceutical brand in salons
- Own IP
- Premium brand
- High LSM
- Sold in 20 countries

- Established sports nutrition brands (>15 years)
- IP in most products
- Large shelf-presence
- Number 2 in SA market

- Established nutraceutical and personal care brands (>20 years)
- Direct selling networks
- Strong brand loyalty
- Defensible
- Access to high growth emerging and international markets



BRANDS

► Ascendis Pharma

- Trusted, long-established generic medicines
- Access to doctor and pharmacy network
- Strong position in self-dispensing doctors' market
- Ability to compete for government tenders
- Strong pipeline off new dossiers



► Farmalider

- Established Spanish pharmaceutical group
- Strong presence in Spain and opportunities in Europe
- Own GMP accredited manufacturing site
- Strong cross licensing opportunities with Ascendis Pharma
- Product offering includes generic drugs, OTC, ethical products, dermocosmetics and dietary supplements



BRANDS

► **Surgical
Innovations**

- Medical equipment for surgery
- Strong in private hospitals
- Exclusive agency agreements in place with respected international brands including Olympus, Maquet, Medrad, Applied Medical and Merit

► **RCA**

- Medical equipment for ICU and trauma
- Focus on state and private hospitals
- Exclusive agency agreements with international principals like CareFusion, Hill-Rom, Mindray, Fisher & Paykel

► **The Scientific
Group**

- Complementary diagnostics product range
- Strong export footprint
- Exclusive agency agreements with Horiba ABX, Becton Dickinson, Ortho Capital Diagnostics, Sakura Finetek and Corning
- Biggest clients are NHLS (National Health Laboratory Service), the three largest private pathology service providers in SA (Ampath, Lancet and Pathcare), Botswanan Ministry of Health and the Zambian Ministry of Health.



BRANDS

STRENGTHS

Home & Garden:

▶ **Efekto**

- Established home and garden protection business (>45 years)
- IP in more than 800 products
- Premium brands
- Defensible 3-year registration process

▶ **Wonder**

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

Crop Protection & Public Health:

▶ **Avima**

- Agri-chemical business for crop protection and public health
- Defensible 3-year registration process (70 registered products) (>50 years)
- 55% of sales to 21 other African countries
- Vertical integration with Efekto

Pet & Vet:

▶ **Marltons, Koi Country**

- Market leading pet care brand (>25 years)
- Synergies with Efekto (1 500 common customer doors)
- Sales are 60% retail chain stores and 40% pet/vet stores
- Koi Country - complementary bolt-on business



BUSINESS MODEL





BUSINESS MODEL

Consumer

Pharma-Med

Phyto-Vet

ROUTE TO MARKET

Pharmacies, retailers, beauticians, doctors, direct selling, exports

Pharmacies, private hospitals, dispensing doctors, government

Nurseries, exports, retailers, pet and vet shops

BRANDS

Evox, Muscletech, SSN, Nimue, Solal, Sportron, Arctic, Swissgarde, Atka Pharma

Pharmachem, Surgical Innovations, RCA, The Scientific Group

Efekto, Marltons, Avima

MANUFACTURING

Manufacturing (GMP plant: PharmaNatura)

Manufacturing (GMP plant: PharmaNatura)
In future: Akacia

Manufacturing (Avima)

RAW MATERIALS

Raw materials supply (Chempure)

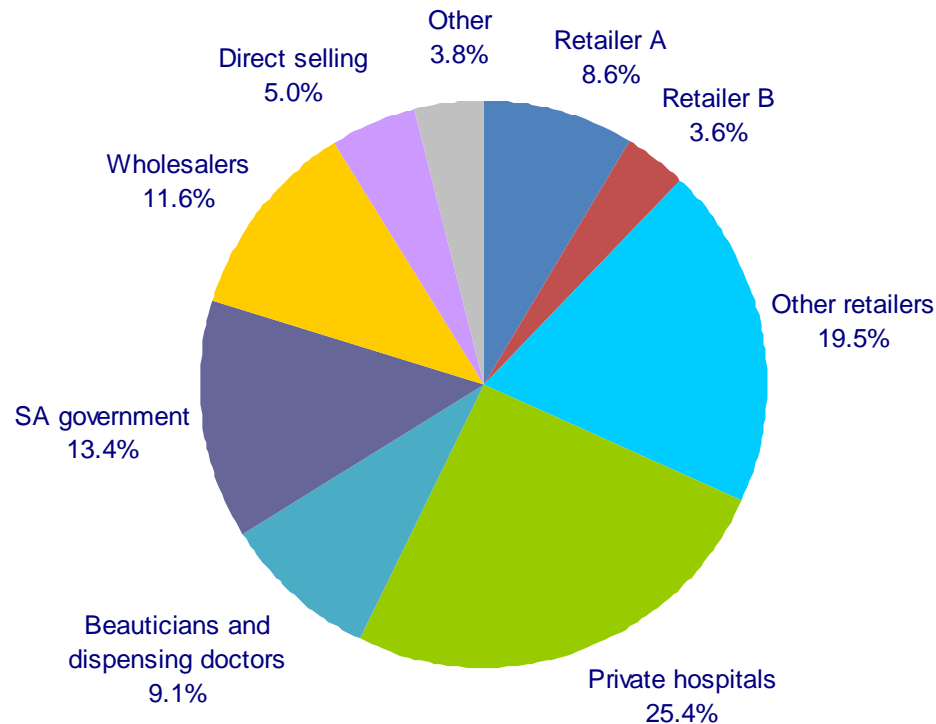
Raw materials supply (Chempure)

Raw materials supply (Avima)

GROUP SERVICES:

Finance, Treasury, IT, HR, Marketing, Legal, Regulatory, Supply Chain

Turnover breakdown by customer



Total revenue for 2015: **R2 817m (207m Euro*)**

- At fx rate end of FY 2015
- (30th of June 2015)

MARKET-LEADING BRANDS






WELLNESS

SPORTS NUTRITION

SKIN

DIRECT SELLING

No 1 in SA market segment

<p>Solal (healthy ageing)</p> 			<p>Ascendis Direct Selling (nutraceuticals)</p> 
<p>PharmaNatura</p> 	<p>Ascendis Sports Nutrition</p> 	<p>Nimue (beauty salon market)</p> 	

No 2 in SA market segment

**No 1 in SA
market
segment**

PHARMA

Pharmachem
(dispensing doctor
market)
Akacia* Reuterina



**MEDICAL
DEVICES**

**Surgical
Innovations**
(surgery)



**HOME AND
GARDEN**

**Efeko and
Wonder**



**PET AND
VET**

**No 2 in SA
market
segment**

**Ascendis
Medical Devices**



Marltons
(pet care)



* Currently waiting for last CP, finalisation expected 3/2015/2015



ASCENDIS BUSINESS MODEL



FINANCIALS



- Revenue **+74%** to R2.8bn
- EBITDA **+71%** to R422m
- Operating profit **+69%** to R362m
- Normalised HEPS **+31%** to 94 cps
- Total dividend **+27%** to 19 cps

* July 2014 to June 2015

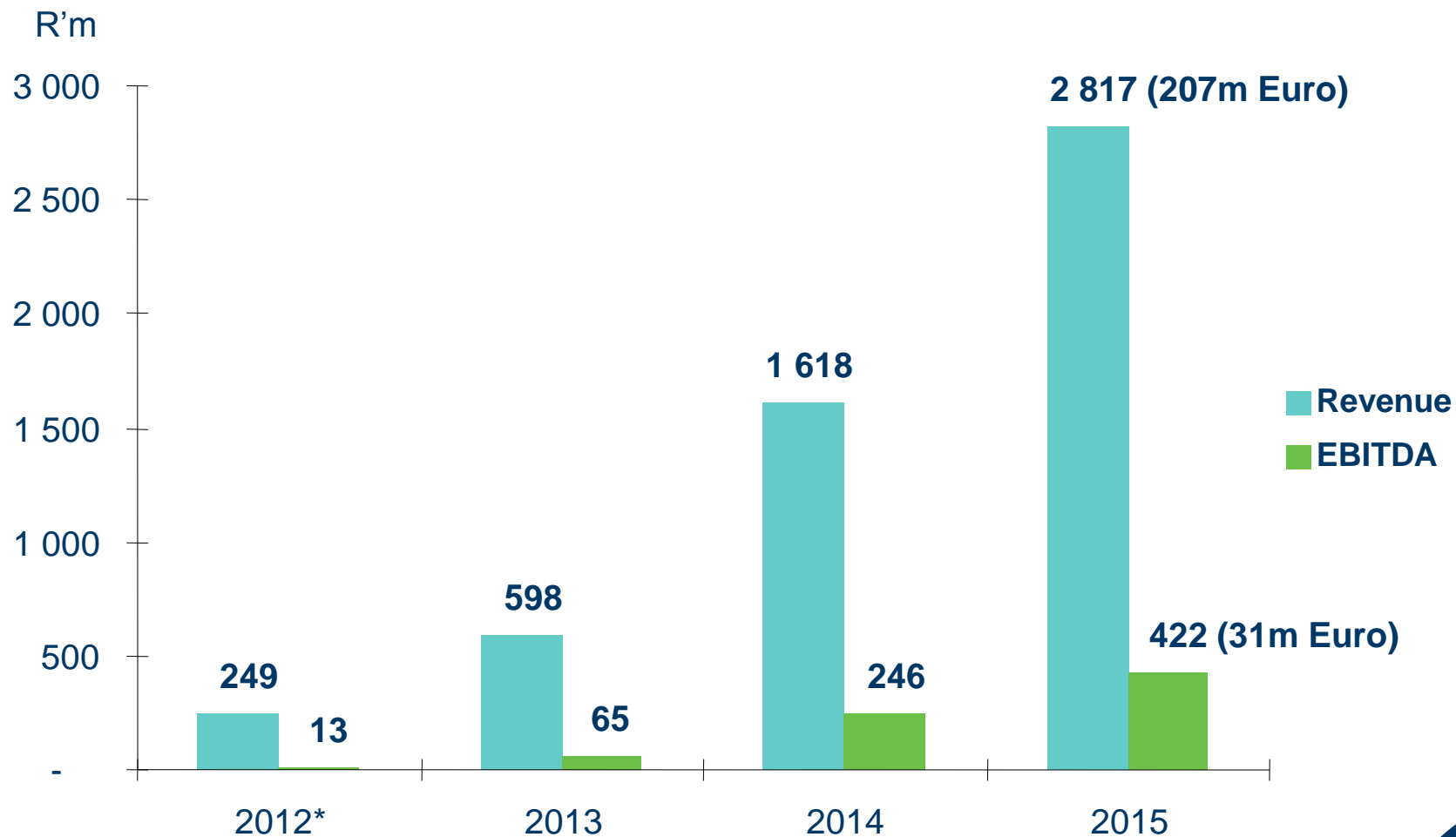
INCOME STATEMENT (Rand:Euro, end of FY 2015: 0.073)



R'm	June 2015	June 2014	% change
Revenue	2 817	1 618	74.1
Cost of sales	1 588	890	78.4
Gross profit	1 229	728	68.8
Gross profit margin	43.6%	45.0%	
Other income	27	68	(59.8)
Operating expenses (excl D&A)	834	550	51.6
EBITDA	422	246	71.5
EBITDA margin	15.0%	15.2%	
Depreciation	23	10	>100
Amortisation	37	22	65.0
Operating profit	362	214	69.4
Operating profit margin (excluding amortisation)	14.2%	14.6%	
Net finance costs	69	30	>100
Profit before tax	293	184	59.0
Taxation	83	45	82.1
Profit after tax	210	139	51.5



REVENUE AND EBITDA GROWTH

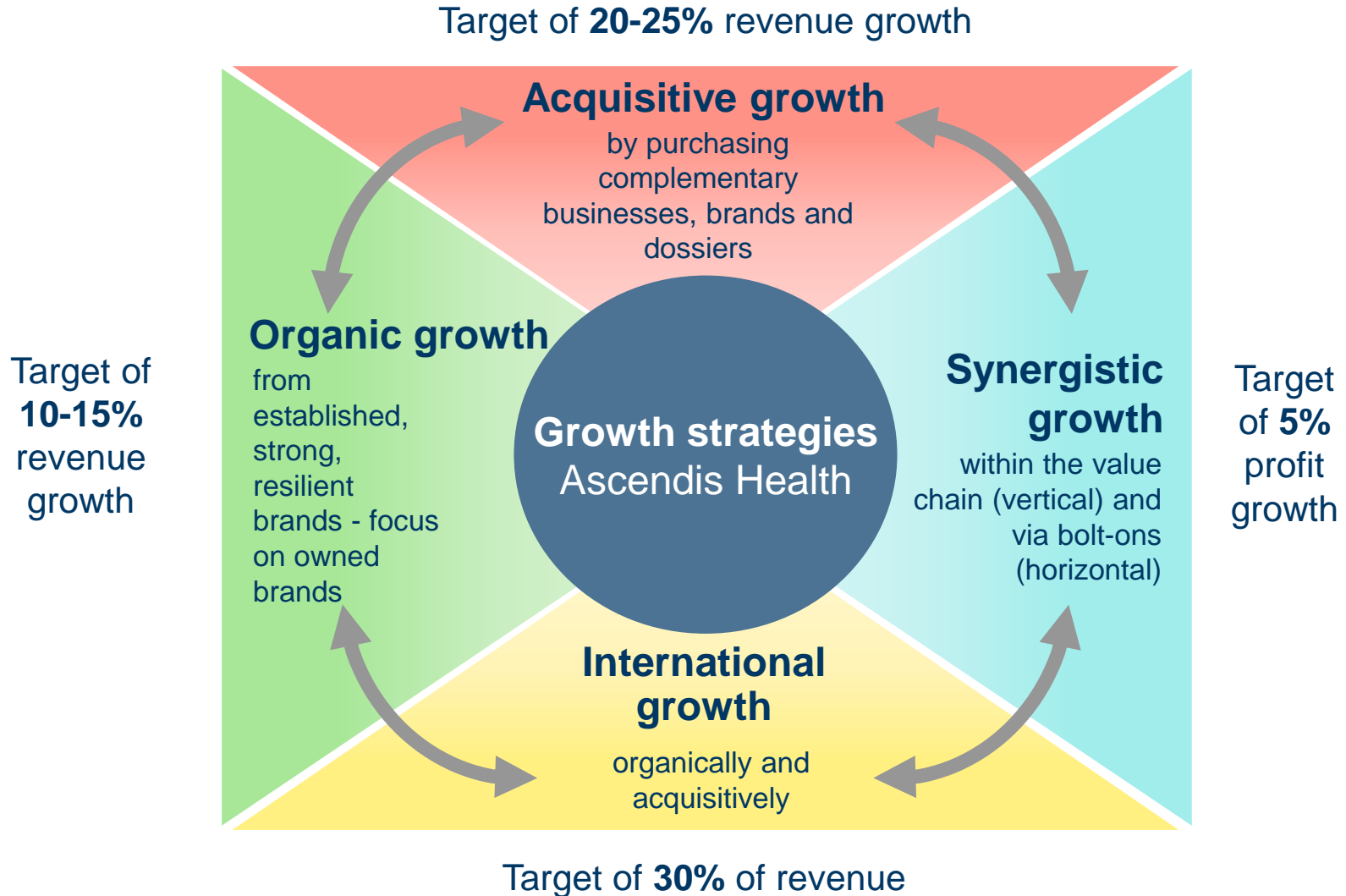


* Pro forma and not audited due to change in year end



STRATEGIC FOCUS







SYNERGIES & OPTIMISATION PROJECTS



- **Matrix implementation** for Finance & Legal (Nov 2014), Supply Chain (Jan 2015), Marketing (Jul 2015), IT (August 2015)
- **Various synergy projects**
 - Warehouses finalised and joint production project for Sports Nutrition
 - Merging of three sports nutrition businesses into one
 - Direct selling warehousing and offices combined
 - Organisational changes in admin, sales, key account management
 - Merchandising, marketing and ad-agencies
 - Regulatory departments (wellness, skin, sports nutrition, direct selling & pharma)

OUTLOOK



EVOLUTION OF THE GROUP



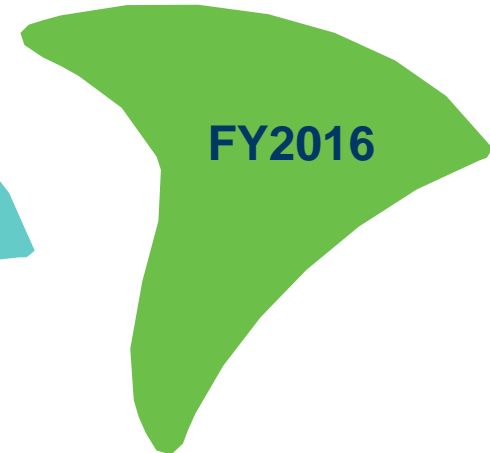
Foundations
and
platforms in
South Africa



Listing
Integration
of
acquisitions



New product
development
**Restructuring &
integration**
Upscaling of
talent



**Further cost
efficiencies**
Product
innovation
International
platforms

ORGANIC AND ACQUISITIVE GROWTH



- Focus on efficiencies and cost control to **improve margins** at all levels (Increased local and/or in-house production)
- Continue **new product** development and innovation
- Strong focus on **internationalisation** of all three divisions



Continue exciting growth path based on great:

HEALTH & CARE BRANDS





Leading Health and Care Brands Company

Healthy Home. Healthy You.

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CONTACT DETAILS



Contact	Designation	Office	Mobile	Email
Dr. Karsten Wellner	CEO	+27 (0)11 036 9433	+27 (0)83 386 4033	karsten@ascendis.co.za
Kieron Futter	CFO	+27 (0)11 036 9480	+27 (0)83 678 6250	kieron.futter@ascendis.co.za
Pieter van Niekerk	Deputy CFO	+27 (0)11 036 9477	+27 (0)83 228 4708	pieter.vanniekerk@ascendis.co.za