



Ascendis HEALTH

RIGHTS OFFER OVERSUBSCRIBED BY 300%
August 2016

Press Clippings



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Ascendis set to acquire two drug giants

PRINT

TNA REPORTER

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Remedica is a generic pharmaceutical manufacturer based in Cyprus and will be acquired for R4.4bn, while Scitec International, a leading European sports nutrition company, is set to be acquired for R2.9bn.

The company said the transactions for the deal, which was concluded in March this year, would likely be completed in September.

Remedica supplies over 300 generic pharmaceutical products to 100 countries, primarily in emerging markets including the Middle East, Asia, Africa and South America.

Remedica also supplies essential medicines such as malaria treatment and antibiotics to global non-governmental organisations, including reputable institutions such as the World Health Organisation, Médecins Sans Frontières and the International Red Cross.

Scitec Nutrition, on the other hand, ranks among the leading sports nutrition brands in Europe, with a key presence in major markets like Germany, France, Spain, Italy, Hungary and Poland.

The company's products are also well represented in the Middle East, Russia, Australia and Asia, with sales recently launched in the US.

business@thenewage.co.za

THE NEW AGE



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THE NEW AGE
KZN



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THE NEW AGE
Western Cape



Ascendis's rights issue is the best medicine for investors

MARC HASENFUSS
Editor at Large

INVESTORS are dosing heavily on acquisitive healthcare conglomerate Ascendis.

On Monday the company, which listed in 2013, said its R1.2bn rights issue had been more than three times oversubscribed. This means it has comfortably secured the funding to clinch its proposed R7.3bn takeover of two international

businesses, Remedica and sports nutrition company Scitec.

Remedica is a specialist generics pharmaceutical company with a presence in more than 100 countries, and is a major supplier of pharmaceuticals to nongovernmental organisations. Scitec is a leading European sports nutrition company with sales in about 90 countries.

The deals followed hard on the heels of Ascendis's first major international foray when

it snapped up a major stake in Spanish pharmaceutical company Farmalider last year.

Ascendis has estimated that the new acquisitions, which are expected to be concluded next month, would boost the company's market capitalisation from R7.7bn to more than R10bn. That would give it a bigger market value than pharmaceutical sector stalwart Adcock Ingram.

Alpha Wealth portfolio manager Keith McLachlan, who

holds Ascendis shares in his fund, said the rights offer was well priced. "The Remidica and Scitec deals are game changers in terms of size and scale, shifting the company from a domestic business to a global player."

A company announcement showed that several Ascendis directors followed their rights — most notably CEO Karsten Wellner — for new shares worth about R9.5m. Nonexecutive directors Gary Shayne and Chris

Dillon — the founders of Coast2Coast (C2C), the controlling shareholder of Ascendis — subscribed for R171m and R33.5m worth of shares respectively via C2C and personally.

Additional support was also received from a mix of local and several international investors, including the International Finance Corporation.

Last month, Ascendis said the Public Investment Corporation — acting on behalf of the

Unemployment Insurance Fund — had funded a special purpose vehicle, Kefolile Health Investments, to participate in the Ascendis capital raise of R500m.

Ascendis's share price dropped 4.86% to R23.80 on the JSE on Monday, but the drop should be seen in context of a share price that has increased more than 35% over the past six months. The rights offer subscription price was R22/share.

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BUSINESS DAY
Companies & Markets





WOMEN POWER

It is essential that women have role models to inspire and motivate them in business

Anna Mokgokong, page 14

VOTE OF CONFIDENCE

Ascendis Health executives spend millions on buying up company shares

Companies, page 15

Ascendis Health

Share price, rand **May 9 - Aug 9**

Close: R24.40



BUSINESS REPORT
Cape Times





Ascendis has secured the funding to conclude its acquisitions of Remedica and Scitec.

FILE PHOTO: SHUTTERSTOCK

Executive team gives Ascendis thumbs up

Rights offer to raise R1.2bn for acquisitions oversubscribed

Philippa Larkin

LISTED Ascendis Health's executive team gave the company a big vote of confidence as they invested millions into buying shares as it successfully raises cash.

Of note, Karsten Wellner, the chief executive of Ascendis, as part of the rights offer bought 481 627 shares at R22 per rights offer share worth R9.49 million, with Cliff Sampson, the executive director, buying 71 175 shares for R1.5m, and Kieron Futler, the chief financial officer, buying 41 715 shares for R917 730.

Non-executive directors also showed their confidence in the company, with Chris Dillon spending R90m on stock and Gary Shayne directly and indirectly investing just more than R10m.

Confidence

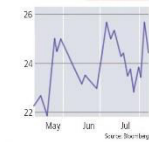
This, as Ascendis Health said to shareholders on Monday that its rights offer to raise R1.2 billion was oversubscribed, with support received for 300 percent of the offer.

It said the company had secured the required funding to conclude its recent R7.3bn acquisitions of global pharmaceutical Remedica Holdings and European sports nutrition company Scitec International.

Wellner said shares in the rights offer had been a 10 percent discount to the share price. "The market loved it. We were very surprised on Friday

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Wellner said on the rights issue: "This overwhelming support from the local and international investment community is extremely encouraging, and a continuing vote of confidence for our proposition, our delivery and focused globalisation strategy."

Ascendis had also secured an additional R2.3bn undertaking from existing and new strategic shareholders and

entered into an underwriting agreement with Absa Bank and HSBC Bank to fully underwrite the rights offer.

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Ascendis Health expects the transactions will be concluded by September, and will boost Ascendis' current market

cap from R7.3bn to more than R10bn.

Last month the Public Investment Corporation, acting on behalf of the Unemployment Insurance Fund, came out in support of about R3.8bn in investment into listed Ascendis and diversified consumer goods business Bounty Brands.

Ascendis has a return on equity which the amount of net income returned as a percentage of shareholders' equity of 14.69 percent.

Its price to earnings ratio (pre) which is the ratio for valuing a company that measures its current share price relative to its per-share earnings, is at 27.5 percent with a forward p/e of 17.18 percent.

Michael Treherne, a portfolio manager at Vedant, said Ascendis' rights issue was from a position of strength and investors would want to be part of its positioning.

The management buy in showed the conviction of where they saw the company in the future. "Treherne said the p/e was not out of line with general pharmaceutical stocks. It was a fast-growing industry, with people being more health conscious.

It was also not overly expensive as Ascendis was expanding globally and was not so South Africa focused, he said.

Ascendis shares fell 2.71 percent on Tuesday to close at R24.40.

BUSINESS REPORT Cape Times





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BUSINESS REPORT
Mercury





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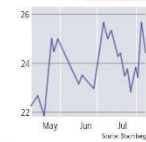
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BUSINESS REPORT Mercury





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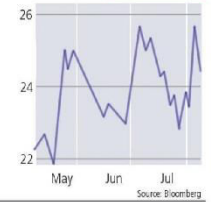
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BUSINESS REPORT
Pretoria News





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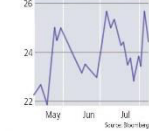
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BUSINESS REPORT Pretoria News





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BUSINESS REPORT
The Star





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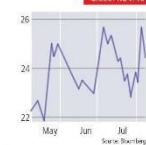
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BUSINESS REPORT The Star



DIRECTORS' DEALINGS

The GP's choice

The co-founders of Ascendis Health, Cris Dillon and Gary Shayne, are still aggressively gulping their own medicine. They are putting their money behind their vision of creating privately owned and managed businesses.

Through Coast2Coast, a private investment vehicle, the founders of Ascendis paid about R200m to acquire more of the company's stock in a R1.2bn rights offer that was three times oversubscribed last week.

Shayne owns 85% of Coast2Coast. Dillon has a 15% interest. They are both non-executive directors in Ascendis. Their appetite for Ascendis stock seems insatiable. The founders also put in a further combined R5m to buy additional stock for their personal accounts.

Ascendis CEO Karsten Wellner also prescribed some of the Ascendis stock for himself. He subscribed for R9.5m worth of shares while executive director Cliff Sampson acquired R1.6m in a dose of shares.

The rights offer raised funding for the acquisitions of Cyprus-based pharmaceutical company Remedica and European sports nutrition company Scitec International. This corporate action came soon after Ascendis' acquisition of a 49% share in Spanish pharmaceutical company Farmalider in August last year. It also agreed on an option to buy the remaining 51% of the Spanish drug maker.

The executive participation in the rights offer is not without merit. There have been significant benefits.

Having acquired shares at the rights offer price of R22/share, the investors are already in the money. The share is trading at R25, giving the eight-year-old company a mar-

ket capitalisation of R8.8bn.

(Struggling industry stalwart Adcock Ingram, on the other hand, is valued at R7.9bn.)

This has not escaped the market's attention. The four analysts who cover the stock have given the company a unanimous "buy" recommendation.

That, too, is not unwarranted. Since coming onto the JSE in November 2013, the share has jumped nearly three-fold from a low of just under R10, to the current price.

Over the same period, Adcock Ingram shares have fallen by 6% while those of Aspen Pharmacare returned 7.34%.

Ron Traill, CEO of the SA division at Mondi, disposed of 30,000 shares last week at a price of £16/share. He took home a not insignificant £480,000. That is a little more



Karsten Wellner
Prescribed himself a R9.5m dose of shares

Trevor Sampson

than R8m. This follows his other sale of 40,000 shares in late June, for a take-home of about R9m. Traill remains mum as to why he's cashing out.

The strong rand has depressed Mondi's foreign-generated revenue in recent months. Even though interim

revenue in the period to June fell slightly against the previous year, pre-tax profit rose.

While the traditional paper industry is no doubt in decline, Mondi increased its cash generated from operations by 15%.

The past two years have not been the MTN Group's best. The stock has come crashing down from more than R260/share, to the current R130. That, however, presents some opportunities for investors.

Sandile Ntsele, executive director of MTN subsidiary

Mobile Telephone Networks, is among those who see the opportunity in the firm's current misfortunes. He spent R242,000 buying 2,000 MTN shares.

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FINANCIAL MAIL

DIRECTORS' DEALINGS

Company	Date	Director	Transaction	Volume	Price (C)	Transaction value (R)
Afrimat	11 Aug	A van Heerden	Exercise of options	203,831	2,223	453,063
Afrimat	11 Aug	A van Heerden	Sale	83,571	2,223	185,783
Ascendis Health	5 Aug	Coast2Coast Capital**	Purchase	9,090,909	2,200	199,999,998
Ascendis Health	5 Aug	K Wellner	Purchase	7,175	2,200	1,565,850
Ascendis Health	5 Aug	K Futter	Purchase	4,175	2,200	917,730
Ascendis Health	5 Aug	Bharti Harie Trust**	Purchase	14,600	2,200	30,200
Ascendis Health	5 Aug	G Shayne	Purchase	39,417	2,200	86,714
Ascendis Health	5 Aug	C Dillon	Purchase	167,253	2,200	3,459,566
Ascendis Health	5 Aug	C Sampson	Purchase	7,175	2,200	1,565,850
Dipula Income Fund	5 Aug	Dijalo Property Services*	Sale	273,772	1,000	273,770
Equities Property Fund	5 Aug	The Junkin Trust*	Sale	232,000	1,400	324,800
Mondi	10 Aug	R Traill	Sale	30,000	£1,600	£480,000
NITN	10 Aug	SSB Ntsele	Purchase	2,000	12,101	24,202
Newpark Reit	10 Aug	S Ffrench	Purchase	125,000	576	720,000
Prescient	11 Aug	Rockjumper Investments***	Transfer of shares	8,518,520	96	817,779
Prescient	11 Aug	Adriaan Murray Louw***	Transfer of shares	1,289,237	96	1,231,668
Raubex	5 Aug	LA Maxwell	Sale	16,000	2,034	32,544
Raubex	8 Aug	TG Wiese	Sale	200,000	2,000	4,000,000
TFG	10 Aug	M Friedland**	Sale	11,641	15,674	182,418
Vodacom	8 Aug	MM Mubungela	Sale	3,330	15,804	52,628
Vodacom	10 Aug	ADJ Delport	Sale	3,956	15,778	62,418
Vodacom	10 Aug	V Jorana	Sale	5,496	15,778	86,713

*Garcia or Landman is a trustee and a beneficiary of The Junkin Trust **Bharti Harie is a indirect beneficiary of the Bharie Harie Trust *** Gary S Irvine has a 89% holding while Cris Dillon has a 15% holding in Coast2Coast Capital
** Michael Buckman in his personal capacity to sold shares to Rockjumper Investments, which is the beneficial owner of *** President Empowerment Trust transferred shares held within the trust to non-executive chairman of President Adriaan Murray Louw ** David Ffrench is the spouse of the associate M Ffrench *Saul Burnside owns 40% of Dipulo Property Services



ASCENDIS HEALTH RIGHTS OFFER OVERSUBSCRIBED

ASCENDIS HEALTH HAS announced that its R1.2 billion rights issue, which closed last week, has been more than three times oversubscribed. The company has also secured the required funding to conclude its recent R7.3 billion acquisitions of global pharma company, Remedica and European sports nutrition company, Scitec.

Notwithstanding the conclusion of a successful rights offer to fund the deals, Ascendis secured additional irrevocable undertakings from existing and new strategic shareholders to the total value of R2.3 billion at the time of the release of the circular. It then entered into an underwriting agreement with Absa Bank and HSBC Bank to fully underwrite the rights offer.

This underwriting of the rights offer was however not required as the 54 million rights offer shares were snapped up by supportive shareholders. Additional support, via the irrevocable undertakings, was received from a mix of local and several international investors, including the International Finance Corporation, a division of the World Bank.

Ascendis CEO, Dr Karsten Wellner, comments: 'This overwhelming support from the local and international investment community is extremely encouraging, and a continuing vote of confidence for our proposition, delivery and focused globalisation strategy.'

It is expected that the transactions will be concluded by the beginning of September, and will boost Ascendis' current market cap from R7.3 billion to more than R10 billion, supporting the vision of becoming a leading global player in the health and care sector.

Dr Wellner concludes: 'We are extremely grateful to Absa and HSBC, our equity partners and the management of Remedica and Scitec, not to mention the outstanding deal team from Coast2Coast for their great support in securing these transformative deals. A rights issue which is significantly oversubscribed is surely an indication of the trust the market has in Ascendis, its management and its growth strategies.'



▲ Dr Karsten Wellner

SA PHARMACEUTICAL & COSMETIC REVIEW





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Ascendis Health rights offer oversubscribed

Aug 09 2016 11:25 Carin Smith



Johannesburg - Ascendis Health [JSE:ASC] announced on Monday that its R1.2bn rights issue, which closed last week, has been more than three times oversubscribed.

The company said it had secured the required funding to conclude its recent R7.3bn acquisitions of global pharma company Remedica, based in Cyprus, and European sports nutrition company Scitec. Remedica is a specialist generics pharmaceutical company with a presence in over 100 countries and a major supplier of pharmaceuticals to non-governmental organisations active in medical relief. Scitec is a European sports nutrition company that sells its products in nearly 90 countries globally.

About half of Ascendis' sales will now be generated by foreign operations and products will be sold in about 144 countries. Founded in 2008 and listed on the JSE since 2013, the group's strategy is based on organic, acquisitive and synergistic growth locally and internationally.

"Notwithstanding the conclusion of a successful rights offer to fund the deals, Ascendis secured additional irrevocable undertakings from existing and new strategic shareholders to the total value of R2.3bn at the time of the release of the circular, and entered into an underwriting agreement with Absa Bank and HSBC Bank to fully underwrite the rights offer," Ascendis said on Monday.

This underwriting of the rights offer was, however, not required as the 54 million rights offer shares were snapped up by supportive shareholders. Additional support, via the irrevocable undertakings, was received from a mix of local and several international investors, including the International Finance Corporation (IFC), a division of the World Bank.

"This overwhelming support from the local and international investment community is extremely encouraging, and a continuing vote of confidence for our proposition, our delivery and focussed globalisation strategy," said Ascendis CEO Dr Karsten Wellner.

He explained that the products and distribution networks offered by Remedica and Scitec and the Spanish pharma company Farmalider, which was acquired during 2015, complement each other, making it possible for the combined group to offer a broader range of health products, while at the same time driving organic growth synergies.

"It is expected that the transactions will be concluded by the beginning of September, and will boost Ascendis' current market cap from R7.3bn to more than R10bn," said Wellner.

"A rights issue which is significantly oversubscribed is surely an indication of the trust the market has in Ascendis, its management and its growth strategies."

According to Wellner, Ascendis' strategy is to complement growth in the domestic health and care market through international expansion and by acquiring platform businesses offshore. The latest acquisitions in the European Union will be game changing for Ascendis, in his view, and position the group as an international health and care business of scale.



Dr Karsten Wellner, CEO of Ascendis Health (Supplied)

COMPANY DATA

ASCENDIS HEALTH LIMITED [JSE:ASC]

Last traded	24
Change	0
% Change	-2
Cumulative volume	406628
Market cap	0

Last Updated: 11-08-2016 at 04:18. Prices are delayed by 15 minutes. Source: McGregor BFA

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Ascendis directors plug millions into stock

COMPANIES / 08 Aug '16, 12:33am

Nicola Mawson, IOL Business Editor

Johannesburg - Top executives in listed health product provider Ascendis have plugged millions into buying shares as it successfully raises cash.

CEO Karsten Wellner on Friday bought shares worth R9.5 million as part of the rights offer, while CFO Kieron Futter bought almost R1 million-worth.



Non executive directors also showed their confidence in the company, with Chris Dillon spending R30 million on stock and Gary Shayne, directly and indirectly, investing just more than R170 million.

The company said in a statement to shareholders on Monday that its rights offer to raise R1.2 billion was oversubscribed, with support received for 300 percent of the offer. Ascendis is home to products such as Solal.

Ascendis had undertaken the rights offer to partially fund its purchase of Remedica Holdings, a pharmaceutical company based in Cyprus, as well as Scitec International, a European sports nutrition company.

Both these purchases will cost Ascendis at least 430 euros, or about R6.5 billion at the current rate.

In a statement issued in May, Ascendis explained it wanted to invest in these companies because it wants to complement its growth in the domestic health and care market with international expansion through the acquisition of platform businesses and bolt-on acquisitions.

Read also: **Ascendis: Acquisitions worth R7.3bn on track**

Shares in Ascendis Health, which operates in plant, animal and human health, were down 2.59 percent by lunch to trade at R24.43. It has gained 60.77 percent year-on-year, the bulk of which was during the last four months of 2015.

In the year to June 2015, it grew revenue 74 percent to R2.8 billion and headline earnings came in 53 percent higher at R209 million.

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Companies and Deals

Ascendis Health is still making inroads into Europe

The company sets the ball rolling on its two mega deals.

Ray Mahlaka | 8 August 2016 15:32



Ascendis Health CEO Dr Karsten Wellner

Fast-growing branded healthcare conglomerate **Ascendis Health** is a step closer to entrenching its position in Europe, with the acquisition of two chunky deals in the region nearly completed.

On Monday, Ascendis – which was assembled by Cape-based private equity group Coast 2 Coast – announced that it has raised R1.2 billion through an oversubscribed rights offer. The company placed about 54.5 million shares at R22 per share.

The proceeds will support its acquisitions of Cyprus-based generic pharmaceutical manufacturer Remedica Holdings and European sports nutrition company Scitec International, which have a collective value of R7.3 billion.

The two deals follow Ascendis' first offshore deal in 2015, when it acquired a 49% stake in Spanish pharmaceutical group Farmalider for R210 million.

Remedica has over 300 generic pharmaceutical products in emerging markets including the Middle East, Asia, Africa and South America. Scitec has a key presence in major markets such as Germany, France, Spain, Italy, Hungary and Poland.

The successful completion of acquisitions, which is due in September, will be a game changer for Ascendis – with the price tag of both acquisitions being marginally below its market capitalisation of R7.6 billion at the time of writing. When the deal was initially announced in May, the acquisition price of the two deals was more than its then-market capitalisation of R6.4 billion.

The game changer aspect of the deals is that Ascendis' market capitalisation is to swell to more than R10 billion. Early in 2015, Ascendis set an offshore revenue target of 30% of its total turnover in the medium- to long term.

At the time, Ascendis CEO Dr Karsten Wellner signalled that reaching its target might require acquisitions and not only organic growth. With its latest acquisitions, its expected revenue derived from offshore markets will be more than 50%.

The deal also offers the company critical mass to introduce some of its wellness and sports brands such as Solal, Nimue Skin Technology, Evox Advanced Nutrition, Scientific Sports Nutrition and more, to international markets.

In addition to the oversubscribed rights issue, Ascendis secured additional funding through irrevocable undertakings from existing and new shareholders to the value of R2.3 billion.

The company also entered into an underwriting agreement with Absa Bank, HSBC Bank, International Finance Corporation (a division of the World Bank) to fully underwrite the rights offer.

Ascendis recently secured investment from the Public Investment Corporation, acting on behalf of the Unemployment Insurance Fund, which funded Kefollie Health Investments – a special purpose vehicle set up to participate in the Ascendis equity capital raise. Kefollie will invest about R1.4 billion into Ascendis over a period of four years.

Wellner said the support of local and international investors is a vote of confidence for the company's proposition and its globalisation strategy.

Much of Ascendis' focus since listing on the JSE in 2013, has been on building scale globally and shifting the business to offer a rand hedge component to the local business.

The market didn't warm up to the announcement, with investors sending Ascendis' share price down by 3.95% at 15:50 to R24.09.

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BRIEF-Ascendis Health says rights offer oversubscribed by more than 300 pct

Mon Aug 8, 2016 9:00am GMT

 [Print](#) |  [Single Page](#)

[\[-\] Text \[+\]](#)

Aug 8 (Reuters) - Ascendis Health Ltd :

* Ascendis Health rights offer oversubscribed by more than 300 pct

* Secured additional irrevocable undertakings from existing and new strategic shareholders to total value of 2.3 bln rand at time of release of circular

* Says transactions will be concluded by beginning of September

* Had secured required funding to conclude its recent 7.3 bln rand acquisitions of global pharma company Remedica and European sports nutrition company Scitec

* Underwriting of rights offer was however not required as 54 mln rights offer shares were snapped up by supportive shareholders Source text for Eikon: Further company coverage:

REUTERS.COM

Business > Companies

Executive team gives Ascendis thumbs up

COMPANIES / 10 Aug '16, 07:30am

Phillippa Larkin

Johannesburg - Listed Ascendis Health's executive team gave the company a big vote of confidence as they invested millions into buying shares as it successfully raises cash.

Read also: Ascendis directors plug millions into stocks



Dr Karsten Wellner, the chief executive of Ascendis Health. File picture: Supplied. Credit: SUPPLIED

Of note, Karsten Wellner, the chief executive of Ascendis, as part of the rights offer bought 431 527 shares at R22 per rights offer share worth R9.49 million, with Cliff Sampson, the executive director, buying 71 175 shares for R1.5m, and Kieron Futter, the chief financial officer, buying 41 715 shares for R917 730.

Non-executive directors also showed their confidence in the company, with Chris Dillon spending R30m on stock and Gary Shayne, directly and indirectly, investing just more than R170m.

Confidence

This as Ascendis Health said to shareholders on Monday that its rights offer to raise R1.2 billion was oversubscribed, with support received for 300 percent of the offer.

It said the company had secured the required funding to conclude its recent R7.3bn acquisitions of global pharma company Remedica Holdings and European sports nutrition company Scitec International.

Wellner said shares in the rights offer had been a 10 percent discount to the share price.

"The market loved it. We were very surprised on Friday when we found out the amount of shares sold," he said. "I believe in my management and the investment story. I want to be a big shareholder and don't want my shares to be diluted going forward."

Wellner said on the rights issue: "This overwhelming support from the local and international investment community is extremely encouraging, and a continuing vote of confidence for our proposition, our delivery and focused globalisation strategy."

Ascendis had also secured an additional R2.3bn undertaking from existing and new strategic shareholders and entered into an underwriting agreement with Absa Bank and HSBC Bank to fully underwrite the rights offer.

Remedica is a generic pharmaceutical company with a presence in more than 100 countries and a major supplier of pharmaceuticals to NGOs active in medical relief.

Scitec is a leading European sports nutrition company that sells its products in almost 90 countries globally.

Globalisation

The European acquisitions cushioned the company against its biggest risk - rand volatility and are in line with the company's acquisitive growth strategy.

The products and distribution networks offered by the Remedica, Scitec and Ascendis complement each other and will make it possible for the combined group to offer a broader range of health products to more people.

Ascendis said the underwriting of the rights offer was not required as the 54 million rights offer shares were taken up by shareholders.

Additional support, via the irrevocable undertakings, was received from a mix of local and international investors, including the International Finance Corporation, a division of the World Bank.

Ascendis Health expects the transactions will be concluded by September, and will boost Ascendis' current market cap from R7.3bn to more than R10bn.

Last month the Public Investment Corporation, acting on behalf of the Unemployment Insurance Fund, came out in support of about R1.8bn in investment into listed Ascendis and diversified consumer goods business Bounty Brands.

Ascendis has a return on equity, which the amount of net income returned as a percentage of shareholders equity of 14.69 percent.

Its price to earnings ratio (p:e), which is the ratio for valuing a company that measures its current share price relative to its per-share earnings, is at 27.5 percent with a forward p:e of 17.18 percent.

Michael Treherne, a portfolio manager at Vestact, said Ascendis's rights issue was from a position of strength and investors would want to be part of its positioning.

The management buy-in showed the conviction of where they saw the company in the future.

Treherne said the p:e was not out of line with general pharmaceutical stocks. It was a fast-growing industry, with people being more health conscious.

It was also not overly expensive as Ascendis was expanding globally and was not so South Africa focused, he said.

Ascendis shares fell 2.71 percent on Tuesday to close at R24.40.

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Business / Healthcare

Ascendis's rights issues is the best medicine for investors

BY MARC HASENFUSS, 10 AUGUST 2016, 06:14

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Picture: ISTOCK

INVESTORS are dosing heavily on acquisitive healthcare conglomerate Ascendis.

On Monday the company, which listed in 2013, said its R1.2bn rights issue had been more than three times oversubscribed. This means it has comfortably secured the funding to clinch its proposed R7.3bn takeover of two international businesses, Remedica and sports nutrition company Scitec.

Remedica is a specialist generics pharmaceutical company with a presence in more than 100 countries, and is a major supplier of pharmaceuticals to nongovernmental organisations. Scitec is a leading European sports nutrition company with sales in about 90 countries.

The deals followed hard on the heels of Ascendis's first major international foray when it snapped up a major stake in Spanish pharmaceutical company Farmalider last year.

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Ascendis has estimated that the new acquisitions, which are expected to be concluded next month, would boost the company's market capitalisation from R7.7bn to more than R10bn. That would give it a bigger market value than pharmaceutical sector stalwart Adcock Ingram.



Alpha Wealth portfolio manager Keith McLachlan, who holds Ascendis shares in his fund, said the rights offer was well priced. "The Remidica and Scitec deals are game changers in terms of size and scale, shifting the company from a domestic business to a global player."

A company announcement showed that several Ascendis directors followed their rights — most notably CEO Karsten Wellner — for new shares worth about R9.5m. Nonexecutive directors Gary Shayne and Chris Dillon — the founders of Coast2Coast (C2C), the controlling shareholder of Ascendis — subscribed for R171m and R33.5m worth of shares respectively via C2C and personally.

Additional support was also received from a mix of local and several international investors, including the International Finance Corporation.

Last month, Ascendis said the Public Investment Corporation — acting on behalf of the Unemployment Insurance Fund — had funded a special purpose vehicle, Kefolile Health Investments, to participate in the Ascendis capital raise of R500m.

Ascendis's share price dropped 4.86% to R23.80 on the JSE on Monday, but the drop should be seen in context of a share price that has increased more than 35% over the past six months. The rights offer subscription price was R22/share.

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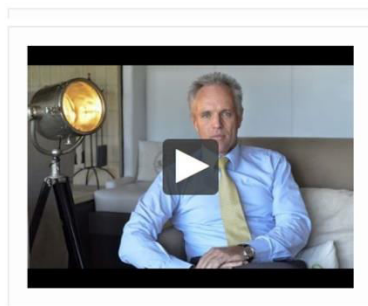
Business / Healthcare

BUSINESS DAY TV: Both organic and acquisitive growth are vital to strategy

BY TRANSCRIPT SERVICE, AUGUST 10 2016, AUGUST 10 2016, 18:50

SOURCE:
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KARSTEN Wellner is CEO at Ascendis Health.

BUSINESS DAY TV: Ascendis Health shareholders have overwhelmingly backed the Pharma group's R1.2bn rights offer, which was oversubscribed to the tune of 300%. The cash call is a key step in its up to R3.7bn acquisition of two new businesses, and CEO Karsten Wellner joins us now on the line.

Karsten ... you must have been really tempted to take advantage of that exuberance — why did you restrain yourselves and restrict yourselves to the original R1.2bn?

KARSTEN WELLNER: Yes, first we actually told the market that was what we wanted to raise, and as a rights offer we went through the process of doing the rights offer with the JSE and you can't just take advantage and decide at the end of the process you want to do more rights, but you also have to take the discount into consideration.

And we were quite pleased actually looking at the rights offer, being so oversubscribed because at that time we had an approximate discount to the VWAP (volume weighted average price) of around 10% off it. So that shows there's a lot of trust of our shareholders and new potential shareholders in our share and in our business.

BDTV: Yes ... you say that it wouldn't be the right thing but all the property groups if they have an oversubscribed book build they often tend to increase the amount, but I suppose it's expensive capital if you raise fresh equity, and I guess my question is, what else do you have to raise in the process of concluding these two acquisitions which will cost you up to R7.3bn?

KW: Yes, the R7.3bn has to be paid over three years, what we have to raise now is R5.4bn and we raised the equivalent of around R3bn via debt and we actually needed around R2.4bn via equity and then we realised that there is more interest, so we actually moved this a little bit bigger, in total to between R2.4bn to R2.7bn, of which R1.2bn came as a rights offer for existing shareholders, and the remaining part, approximately R1.2bn to R1.5bn, which we got via new investors like the IFC from the World Bank or other international investors.

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So we raised a little bit more than we wanted, but of course you don't want to have too much cash lying around, which also doesn't look good on your balance sheet and of course, we have now spent the money for these two big acquisitions. And until we find a new acquisition, there is some time to go and from there we first have to focus on integrating these businesses, extracting synergies and making happen what we have been telling the market.

So even if we could raise more equity at the moment it wouldn't be right to let it be idling around until we can deploy it in another acquisition.

BDTV: Sure ... just on your acquisitive path over the last couple of years, all the acquisitions that you've made seem to have been very well received by your shareholders, they've been integrated well, this is a big deal for you, two companies. Is there also the temptation there that you just get on to an acquisitive roll and you kind of can't stop yourselves and that's when mistakes happen?

KW: Yes, of course if you are too acquisitive mistakes can happen but we always said, when you go back in our history and we went to the market in 2013, we always said we want to do international growth in order to have a natural hedge against rand volatility and imported inflation in SA, and these two deals do that for us.

So we have to see of course, that it does match according to the strategy and we always said we are looking for platform companies. So acquisitions are not coming left, right and centre where we just find potential targets because we have to stick to our recipe. And the recipe was always that we said that we don't want to overpay for these acquisitions, they should be aligned with our strategy, should be strong cash-flow generating companies. So we are ticking all the arithmetic with these two acquisitions.

One year ago we had a very nice target in Australia, which we could have bought, but it was too expensive so we let it go. So sometimes you also have to say no to certain acquisition opportunities and as we have a big deal team scanning the markets in Europe and Australia for potential acquisitions, there are many targets coming to our investment committees, where we then look at it and decide if it the right acquisition or not.

These two acquisitions make sense from a deal metrics point of view because they have large amounts of deferrals, like you mentioned, R7.3bn, but we need at the moment only R5.4bn. So R1.9bn is deferred and this is quite a nice amount of actually getting extra lee-way in your financing arrangements.

And then the second thing is that these businesses, besides the metrics of the deals, you also need management being involved. In both businesses the sellers are actually ... in one case the seller stays on and the other one, it's a private equity company, but the top management always stays in the business. So all these points we ticked off and from that side, it's not really that we are doing acquisitions just for the sake of acquisitions, it must be the right mix between organic growth and acquisitive growth.

BDTV: Remedica and Scitec are both European businesses essentially — are you still convinced of the health of European economies? Because you have betted quite big, Farmalider being the other big deal in Spain that you announced last year.

KW: The one business is based in Europe, Remedica and it has its production side in Europe, but the majority of its business goes into developing markets and that's the reason why they showed a compounded average growth rate over the last four years of 13% in sales and even a bigger number in gross profit and ebitda. So from that side their story is going to developing market economies in order to take part on this stronger healthcare market growth in these markets, like East Africa, Northern Africa, the Middle East and parts of Asia and a little bit in South America.

Scitec is based in Europe and yes, the European economies are not growing in percentage-wise like the developing-market economies in general but in the healthcare sector, the sports nutrition, it's still growing by double digits in some areas.

So even if it's based in Europe I wouldn't actually say it is low growth opportunities because these markets are growing, and in Scitec's case we had a compounded average growth rate of around 10% in the last years and we hope that we can still achieve this 10% even in an inflationary environment in Europe, which is currently around 0% to 1%.

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MAATSKAPPYE

Beleggers raap Ascendis se aandele op



Die farmaseutiese maatskappy Ascendis Health se regte-uitgif van R1,2 miljard is meer as drie keer oorskryf, het die groep bekend gemaak.

Deur **Francois Williams** | 08 Augustus 2016 13:51

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Ascendis Health Rights Offer oversubscribed by more than 300%

8TH AUGUST 2016

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Ascendis Health announced today that its R1.2 billion rights issue which closed last week has been more than three times oversubscribed, and that the company had secured the required funding to conclude its recent R7.3 billion acquisitions of global pharma company [Remedica](#) and European sports nutrition company [Scitec](#).

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[Remedica](#) is a specialist [generics pharmaceutical](#) company with a presence in over 100 countries and a major supplier of [pharmaceuticals](#) to non-governmental organizations active in medical relief. [Scitec](#) is a leading European sports nutrition company that sells its products in nearly 90 countries globally. The products and distribution networks offered by these companies (including the Spanish pharma company [Farmalider](#) which was acquired during 2015) complement each other, making it possible for the combined group to offer a broader range of health products, while at the same time driving the organic growth synergies.

It is expected that the transactions will be concluded by the beginning of September, and will boost [Ascendis'](#) current market cap from R7.3 billion to more than R10 billion, supporting the vision of becoming a leading global player in the [Health](#) and Care sector.

Dr Wellner concluded, "We are extremely grateful to [Absa](#) and [HSBC](#), our equity partners and the management of [Remedica](#) and [Scitec](#), not to mention the outstanding deal team from [Coast2Coast](#) for their great support in securing these transformative deals. A rights issue which is significantly oversubscribed is surely an indication of the trust the market has in [Ascendis](#), its management and its growth strategies." ■

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MARKETING SPREAD

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➔ Ascendis Health Rights Offer oversubscribed by more than 300%

Posted: August 10, 2016 in Business Spread
Tags: Ascendis Health

Ascendis Health announced today that its R1.2 billion rights issue which closed last week has been more than three times oversubscribed, and that the company had secured the required funding to conclude its recent R7.3 billion acquisitions of global pharma company Remedica and European sports nutrition company Scitec.



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Dr Karsten Wellner, Ascendis CEO

- 📅 Aug 9, 2016
- ✍️ Bontle Moeng
- 💬 No comments yet
- 📁 Business
- 👁️ 143 Views

Ascendis Health announced today that its ZAR1.2 billion rights issue which closed last week has been more than three times oversubscribed, and that the company had secured the required funding to conclude its recent ZAR7.3 billion acquisitions of global pharma company Remedica and European sports nutrition company Scitec.



Notwithstanding the conclusion of a successful rights offer to fund the deals, Ascendis secured additional irrevocable undertakings from existing and new strategic shareholders to the total value of ZAR2.3 billion at the time of the release of the circular, and entered into an underwriting agreement with Absa Bank Limited and HSBC Bank plc to fully underwrite the rights offer.

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"This overwhelming support from the local and international investment community is extremely encouraging, and a continuing vote of confidence for our proposition, our delivery and focussed globalisation strategy," says Dr Karsten Wellner, Ascendis CEO.

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"We are extremely grateful to Absa and HSBC, our equity partners and the management of Remedica and Scitec, not to mention the outstanding deal team from Coast2Coast for their great support in securing these transformative deals. A rights issue which is significantly oversubscribed is surely an indication of the trust the market has in Ascendis, its management and its growth strategies," concludes Dr Wellner.

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Health Rights

Ascendis Health Rights Offer oversubscribed by more than 300%

August 8th, 2016

Tags: health, rights, organizations, nutrition, ascendis, growth

Ascendis Health announced today that its R1.2 billion rights issue which closed last week has been more than three times oversubscribed, and that the company had secured the required funding to conclude its recent R7.3 billion acquisitions of global pharma company Remedica and European sports nutrition company Scitec.

Notwithstanding the conclusion of a successful rights offer to fund the deals, Ascendis secured additional irrevocable undertakings from existing and new strategic shareholders to the total value of R2.3 billion at the time of the release of the circular, and entered into an underwriting agreement with Absa Bank Limited and HSBC Bank plc to fully underwrite the rights offer.

This underwriting of the rights offer was however not required as the 54 million rights offer shares were snapped up by supportive shareholders. Additional support, via the irrevocable undertakings, was received from a mix of local and several international investors, including the International Finance Corporation (IFC), a division of the World Bank.

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Wednesday, 10 August 2016 11:40 Written by Super User font size - +
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2



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Ascendis health receives green light for R345 million Akacia deal



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Ascendis Health Rights Offer oversubscribed by 300%

NATIONAL - ONLINE, South Africa - Aug. 8, 2016 - PRLog -- Ascendis Health announced today that its R1.2 billion rights issue which closed last week has been more than three times oversubscribed, and that the company had secured the required funding to conclude its recent R7.3 billion acquisitions of global pharma company Remedica and European sports nutrition company Scitec.

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Ascendis Health

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Ascendis Health of South Africa Makes 2 Strategic Acquisitions

August 7, 2016

Ascendis Health, a health and care company based in Johannesburg which sells brands for animals, plants, and people, recently announced it will be acquiring Cyprus-based Remedica Holdings, a producer and reseller of pharmaceutical products, and Scitec International, a sport nutrition company with a strong base in Germany, France, Spain, Italy, Hungary and Poland.

Remedica will be acquired for R4.4 billion (€260 million) including a deferred payment of R1.5 billion (€90 million) after 3 years. Scitec International, a leading European sports nutrition company will be acquired for R2.9 billion (€170 million) including a deferred payment of R340 million (€20 million) after 1 year.

In commenting about the acquisitions, Ascendis CEO Dr. Karsten Wellner said, "We are pleased to announce that all conditions precedent to the R1.2 billion rights offer have been fulfilled with the JSE approving the circular to shareholders and the application for the listing of the letters of allocation and the rights offer shares required to implement the rights offer. We are also excited that both the rights offer and the vendor consideration placement are well supported by investors in the form of excess irrevocable undertakings provided."

Ascendis has secured irrevocable undertakings from certain existing shareholders and new strategic investors to the total value of R2.3 billion to participate in the R1.2 billion rights offer and the subsequent R1.2 billion - R1.5 billion vendor consideration placement.

Ascendis has also entered into an underwriting agreement with Absa Bank Limited and HSBC Bank plc to underwrite any Rights Offer Shares not subscribed for pursuant to the Rights Offer.

Coast2Coast Capital Proprietary Limited, which currently directly or indirectly owns approximately 41% of the issued share capital of Ascendis, has committed to follow its rights under the rights offer, and/or successfully allocate any portion of its rights not taken up under the rights offer pursuant to back-to-back commitments, with the combined value thereof being up to R520 million.

Ascendis Health CEO Dr Karsten Wellner concluded; "This unequivocal support for the Ascendis business model across all sectors of the investment community is a clear vote of confidence in the growing value that we are adding to local and international shareholders, and confirmation of our prudent business practices to grow Ascendis into a global health and care company."

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Ascendis Health rights offer oversubscribed



Aug 08



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BRIEF-Ascendis Health says rights offer oversubscribed by more than 300 pct

REUTERS | Stock Markets | Aug 08, 2016 11:10



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Aug 8 (Reuters) - Ascendis Health Ltd [ASCJ.J](#) :

- * Ascendis Health rights offer oversubscribed by more than 300 pct
- * Secured additional irrevocable undertakings from existing and new strategic shareholders to total value of 2.3 bln rand at time of release of circular
- * Says transactions will be concluded by beginning of September
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- * Underwriting of rights offer was however not required as 54 mln rights offer shares were snapped up by supportive shareholders Source text for Eikon: Further company coverage: ASCJ.J



BRIEF-Ascendis Health says rights offer oversubscribed by more than 300 pct

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By: Reuters.com - 3 days ago

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by FIN24.COM on 8 AUGUST 2016 · [LEAVE A COMMENT](#)



Ascendis Health says its R1.2bn rights issue, which closed last week, has been more than three times oversubscribed.

Read the full article [here](#).

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GLOBALADVISORS.BIZ

Ascendis Health gets \$83m for European expansion

Ascendis Health, the South African manufacturer of diet supplements, garden pesticides, and medical equipment, has raised R1.2bn (\$83m) through an oversubscribed rights issue that will enable it to buy two European subsidiaries.

By Aidan Gregory 08 Aug 2016

Absa Bank and HSBC were global co-ordinators and underwriters, while Investec was a sponsor.

The company offered 54.5m primary shares at R22 each, giving rights holders a 13.3% discount from the closing price of R25.37 on Monday, July 11, before the deal was launched.

Rights holders were ...

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WORLD NEWS REPORT

Thursday, August 11, 2016

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Ascendis Health is still making inroads into Europe

Aug 9, 2016

The company sets the ball rolling on its two mega deals. Ascendis Health CEO Dr Karsten Wellner Fast-growing branded healthcare conglomerate Ascendis Health is a step closer to entrenching its position in Europe, with the acquisition of two chunky deals in the region nearly completed. On Monday, Ascendis – which was assembled by Cape-based private equity group Coast 2 Coast – ... ([continue reading](#))

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Ascendis Health rights offer oversubscribed

By Staff Writer

Published on 29 August 2016



Ascendis Health has announced that its R1.2 billion rights issue, which closed last week, has been more than three times oversubscribed. The company has also secured the required funding to conclude its recent R7.3 billion acquisitions of global pharma company, Remedica and European sports nutrition company, Scitec.

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Expanded product offerings and organic growth

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