

# Ascendis Health adds two acquisitions bringing investment to R1bn

Bringing its investment over the last 18 months to R1bn, Ascendis Health has acquired Solal Technologies and a majority stake in Marltons for approximately R300m. It has made two appointments in these companies.



It simultaneously raised R850m of capital, with a R500m 'bridge to bond' loan from Standard Bank and Sanlam, to consolidate its debt into a single facility and R350m equity from its shareholders.

Ascendis has four divisions being phyto-vet, consumer brands, pharma and medical devices. The company has signed a large pharmaceutical deal closing next month ahead of a planned listing on the main board of the JSE in late 2013. With these acquisitions, the company will employ close to 800 people with annual sales of around R1.5bn.

It has also begun the process to list a corporate bond by the end of this year to replace the R500m bridge loan facility and already has Sanlam as its anchor bond investor with R75m in the current bridge loan which rolls into the bond.

## Solal adds to consumer brand

Solal will form the core of its consumer brand division and is the leading South African health player specialising in preventive and anti-aging medicine, using nutraceuticals, hormones and functional foods. It is recognised for its innovative and premium products and its strong positioning in the preventative and consumer health market. It also has an integrated medical centre (IMC) division that offers anti-aging and regenerative medical consultations, specialising in the early detection and reversal of aging processes in the human body. The company is excited about the synergies with its other brands, especially Nimue Skin and about the planned roll out of further IMCs.

## New appointment at consumer

Marion Burgess has joined as MD of the company's Consumer Health Brands division. She brings a wealth of experience having a BSc in Dietetics, an MBA and years of experience in the consumer and health care industry. Solal has grown significantly since its launch 14 years ago and its products can be found in most retailers, pharmacies, health stores as well as many medical practitioners and professionals.

"The acquisition will open up many new opportunities; from a backwards integration point of view and even taking this local brand into international health markets," says Brent Murphy, a pharmacist and key partner in the Solal business. "We will strive to remain leaders in the industry and continuously work with scientists, customers and regulatory authorities to make this great brand even better."

## Adding pet health, personnel

Marltons provides a key addition to Efekto and Avima in the Phyto-Vet division. Owned by the present management for 25 years, Marltons is the leading pet health and accessories company in Southern Africa. The acquisition is subject to the approval by the Competition Commission, which is expected by the end of July 2013.

"It has a strong distribution network in chain retail, pet and vet shops in South Africa. The plant and animal (Phyto-Vet) division currently focuses mainly on plant care with the Efekto and Avima brands. It is also a major supplier to about 2,000 of Efekto's 4,000 customer nationally, offering significant synergy opportunities," says Dr Karsten Wellner, CEO of Ascendis Health.

In order to address and extract this synergy, the company recently hired Jayen Pather to head the Phyto-Vet division. With his background in supply chain and consumer products, he will provide a strong focus on brands and their channels to market.

The key executive managers and shareholders of both companies will join the Ascendis team in line with its emulation of Warren Buffet's strategy to keep great management as partners after investing into their brands and companies.

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