

Ascendis confirms R400 million investment in acquisitions

After receiving Competition Commission approval, Ascendis Health has acquired 100% of specialist medical company Surgical Innovations and Atka Pharma, an investment of close to R400 million.

These two targeted acquisitions follow on the successful listing of the company on the main board of the JSE in the pharmaceutical sector in November last year.

Group chief executive, Dr Karsten Wellner, says, "These acquisitions are aligned to our clearly stated growth strategy and bring our total investment in the last two years to over R1.5 billion, delivering on our deliberate strategy of combining mature, well managed, resilient and complementary brands with exciting growth potential in South Africa and globally.

"Surgical Innovations complements the Pharma-Med division alongside Pharma-Chem and is a fast growing medical device distributor, specialising in state of the art high-tech surgical device needs of South African surgeons. It employs more than 135 staff and has achieved compound annual growth in revenue of over 20% over the last three years."

The company holds international key agencies for surgical and other medical equipment on an exclusive basis, which further enhances the company's positioning to service hospitals and clinics.

Atka Pharma products are mainly marketed in retail pharmacy on recommendations from medical practitioners and include the compound Carbohydrate Derived Fulvic Acid (CHD-FA). The products are marketed under the fast growing BioBalance trademark owned the company. It will join well-known brands Nimue, Solal, Sportron, SSN and Evox in Ascendis's Consumer Brands division.

It has been growing in excess of 50% per annum in the last three years. "The company is a very attractive proposition as it is a proudly South African company, based on a locally produced API (active pharmaceutical ingredient) offering a sought after range of scientifically well documented products."

The new acquisitions provide multiple opportunities to develop cross product synergies within the group as well as benefiting from the economies of scale. Route to market for all products is well developed with experienced personnel in place targeting hospitals, GPs and pharmacies, which provide efficient channels for most current and future products.

Dr Wellner concludes, "We are excited about this addition to our group, as the companies reflect the kind of well known, well managed brands, with excellent growth potential. We also have a very strong deal pipeline and expect several deals to be announced soon, allowing us to develop a strong market position and become a leading player in the local and

international health and care sector."

Ascendis consists of three core divisions catering for preventive as well as interventionist healthcare requirements. The three divisions are consumer brands (over-the-counter medicines, vitamins, sports nutrition and specialist skin care products), Pharma-Med (prescription drugs and medical devices) and Phyto-Vet (plant and animal health and care).

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