

Cipla agrees to divest its animal health business in South Africa and Sub-Saharan Africa

14 March 2017 | News | By BioSpectrum Bureau

Cipla agrees to divest its animal health business in South Africa and Sub-Saharan Africa



Cipla Ltd, a global pharmaceutical company announced that it has entered into agreements, through its Wholly Owned Subsidiary Inyanga Trading 386 Proprietary Limited, with the group companies of Ascendis Health Limited, South Africa for divesting its animal health business in South Africa and Sub-Saharan Africa.

Under the Agreements, Cipla will divest its 100% stake in Cipla Agrimed Proprietary Limited, South Africa and Cipla Vet Proprietary Limited, South Africa. The total consideration of transaction would be ZAR 375 million with potential revision linked to FY2017 performance along with customary adjustment (within the price band of R250m and R500m) in relation working capital and net debt/cash adjustments. The deal is subject to customary closing conditions including approval from competition commission of South Africa and is expected to close in the next 3 months.

Commenting on the development Paul Miller, CEO, Cipla South Africa said, "Cipla has taken the strategic decision to divest and sell its veterinary division. In line with this new strategy, the company will increase its focus and efforts to advancing health care for all South Africans. By doing this, Cipla will have a more intensive approach to grow our portfolio of quality and affordable products, with an aim to provide an even broader range of pharmaceutical solutions in more therapeutic areas in the South African Healthcare sector."

Ascendis Health Limited is a South Africa based health and care brands company operating in human, plant and animal health. "We have full confidence in Ascendis Health's ability to take both veterinary units to new heights," says Miller.

Cipla Agrimed operates in the farm animals segment, with sales mainly attributable to agricultural co-operatives and bulk farm purchasing organizations. Cipla Agrimed has a leading position in antimicrobials and endectocides in South Africa.

Cipla Vet operates in the companion animal segment with sales primarily to wholesalers. Cipla Vet has a strong presence in the South African market, with leading positions in Proton Pump Inhibitors, Non-steroidal Anti-inflammatory Drugs (NSAIDs) and supplements.