

South African firm Aspen to acquire Sandoz's China business

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Sandoz's product portfolio will expand Aspen's footprint and capabilities in China

South Africa based Aspen Pharmacare Holdings Limited, a global multinational specialty pharmaceutical company, has announced that Aspen Global Incorporated (AGI), its wholly owned subsidiary incorporated in Mauritius, has concluded two interdependent agreements with Sandoz AG concerning the acquisition of Sandoz's Chinese business and the disposal to Sandoz of four anaesthetic products in Europe.

The terms of the agreements provide for AGI to a portfolio of established products currently commercialised by Sandoz which includes key brands such as Sandostatin, Aclasta and Voriconazole; and acquire from Sandoz the entire share capital of its subsidiary, Sandoz (China) Pharmaceutical Co., together with the commercialisation rights and related intellectual property.

The terms of the agreements also provide for AGI to a pipeline of products to be launched by Sandoz in the short to medium term (the Pipeline Products); and dispose of the commercialisation rights and related intellectual property for four anaesthetic products, namely Nimbex, Tracrium, Carbocaine and Naropin, currently sold by Aspen in the European Economic Area.

The Acquisition provides the opportunity to add approximately ZAR 1.8 billion of annual sales to the Aspen Group, while the sales of the Anaesthetic Products during the financial year ended 30 June 2023 were approximately ZAR 280 million.

As consideration for the acquisition, AGI is paying up to EUR 92.6 million, with EUR 18.5 million contingent upon the sales performance of the pipeline products. For the Disposal, AGI will receive a consideration of up to EUR 55.5 million, with EUR 9.3 million contingent on the sales performance of the Anaesthetic Products. AGI will fund the net upfront cash consideration from existing debt facilities.