

Stada bidders cave to demand of activist Elliott

LUCY WHITE

@LucyGJWhite

JUST as the battle for German generic drugmaker Stada seemed to be won, private equity firms Bain Capital and Cinven have been forced by activist investor Elliott to up their offer.

The pair have agreed to meet Elliott's demand of €74.40 per share, a huge hike from the €66.25 bid which won them control of Stada last month.

Bain and Cinven said in a statement late on Sunday night that they were "convinced that the fair value of Stada shares is below the price required by Elliott".

However, the two firms subsequently agreed to propose the increased bid to their management and supervisory boards.

Stada's share price climbed in morning trading, and at the close of business was up 2.4 per cent.

The private equity firms won support for their €66.25 bid last month from almost 64 per cent of shareholders, valuing the company at €5.3bn and making the deal the largest ever private equity-funded takeover of a German listed company.

They have since been trying to take their support up to 75 per cent of

shareholders, which would mean the pair could tap into Stada's cash flow and service their debt.

But Elliott demanded more for its stake, which recently stood at 13.3 per cent of the total shareholding, or 15.2 per cent when taking stock options into account.

The bidders had already upped their offer by €0.25, after an initial €66 per share offer failed to win the support of enough shareholders.

They had also beaten off advances from other private equity rivals, including Advent International which teamed up with Permira.

Bain and Cinven will likely be keen for the uncertainty over their bid to end, as they have already begun outlining plans for changes at the pharmaceutical company.

Last week the firms announced they would recommend Claudio Albrecht as new chief executive and Mark Keatley as new chief financial officer of Stada, after current chief executive Engelbert Willink and chief financial officer Bernhard Duttman said they would step down.

The private equity firms became interested in Stada after Active Ownership Capital, another activist hedge fund, pushed through a board reshuffle last year.



The maker of Cillit Bang is parting company with four executives as it refocuses

Reckitt Benckiser shakes board up in bid to improve business

ALYS KEY

@alys_key

CONSUMER goods company Reckitt Benckiser has shaken up its top team as the firm seeks to move on from a string of problems including low sales growth.

Four senior executives will depart the maker of Durex and Cillit Bang, a representative for the company confirmed to City A.M. yesterday.

Darrell Stein, head of information technology, will leave next month. His departure follows a cyber attack on the company which hit its finances with a cost of about £100m this year. Stein will be replaced by Pepsi executive Seth Cohen.

Deborah Yates, senior vice

president of human resources, and Roberto Funari, executive vice president of category development, are also set to leave, but will wait until the end of the year to do so.

The departure of Frederic Larmuseau, head of developing markets, was announced in July. He is set to leave at the same time as Yates and Funari to take over at coffee business Jacobs Douwe Egberts.

Shares in Reckitt Benckiser closed down more than one per cent yesterday following the news.

The group is increasingly refocusing on health and hygiene, having sold its food business in July, and completed the purchase of baby formula business Mead Johnson Nutrition in June.

Novartis chief Jimenez to step down next year

EMMA HASLETT

@emmahaslett

JOSEPH Jimenez, the chief executive of Swiss pharmaceuticals giant Novartis, will step down next year, the company said yesterday.

Jimenez, who has been in the role for eight years, will be replaced in February by Vas Narasimhan, currently Novartis' global head of drug development and chief medical officer.

However, the company said after Jimenez steps down at the end of January, he will be available for "advice and support" until he retires at the end of August.

It has been a difficult few years for Novartis, which has struggled to sell a new heart drug, and is still grappling from the fallout of its \$50bn (£38.7bn) buyout of the Alcon eyecare business, which it bought from Nestle in 2010, but which slumped to a \$120m loss at the end of last year. In January the drugmaker launched a \$5bn share buyback, and Jimenez said it was considering floating, selling or spinning off Alcon.

Yesterday, Jimenez said it was the "right moment" to hand over the reins of the company.

"Our strong pipeline and the strategic moves we have taken to focus the company have put Novartis on a strong path for the future. On the personal side, after 10 wonderful years in Switzerland, my family is ready to return to Silicon Valley and the US," he said.

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By supporting City Giving Day, Association of Certified Commercial Diplomats hopes to raise awareness of the issues affecting or facing Children in the UK, through inclusive diplomatic events. The Association would like to raise substantial fund for the Lord Mayor's Appeal and our chosen charity, NSPCC.

Which charities do you support?

Association of Certified Commercial Diplomats supports many charities, however,

for City Giving Day, we will be focusing on NSPCC, the UK's trusted charity that stands up for children in England, by influencing the government to take action while finding the best ways to prevent abuse and neglect.

How will you celebrate CGD?

On City Giving Day, Association of Certified Commercial Diplomats shall host an inclusive diplomatic event at a distinguished venue, by combining the City spirit with ACCD's focus on Commercial Diplomacy to create a productive and an entertaining event for the day.

CHARITY IN ACTION

ACCD will be supporting NSPCC who make sure that the range of support available to children in England who have been affected by abuse or neglect is improved, by working with the government and partner agencies to achieve this.



Taking part in City Giving Day to support the Square Mile, with all the opportunities involved, is a great honour that's highly appreciated.

D. Sanya Juliuson C. Dipl
(Chairman, Association of Certified Commercial Diplomats)

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Wandsworth site gets £21m loan

LUCY WHITE

@LucyGJWhite

PROPERTY developer Strawberry Star yesterday nabbed £21m from challenger bank OakNorth, to buy a site in Wandsworth to convert into luxury apartments and office units.

Along with a further £4.9m of debt from RM Secured Direct Lending, the firm will use the loan to develop 77 residential units with a combined floor area of 56,000 sq

ft. The Buckhold Road site will also include 24,000 sq ft of "flexible work space" and 2,000 sq ft to accommodate a cafe or restaurant.

"Wandsworth is one of London's most popular areas and is in desperate need of new homes – the borough requires 18,000 new homes a year until 2025 to keep up with demand," said Santhosh Gowda, Strawberry Star's property mogul founder and chairman.

The borough includes areas such as Battersea, Balham and parts of

Clapham, and has the highest proportion of green space of any London borough.

According to Strawberry Star, the average price of flats in the borough fell over the last five years, but has risen in the past 12 months to £557,882.

Gowda has overseen investment in more than 700 luxury apartments across London, including the Sky Gardens tower in Nine Elms and the Hoola block in east London's Royal Docks.

Copper prices hit three-year high as Chinese yuan surges

PETER HOBSON

COPPER prices hit their highest level in three years yesterday as signs of strong Chinese economic growth boosted the outlook for demand.

Industrial metals mostly rose, despite a nuclear test by North Korea that pushed down global stock markets and boosted safe haven assets. "Copper continues to enjoy the tailwind from the outlook in China," Saxo Bank analyst Ole Hansen said.

A recent strengthening of the Chinese yuan against the dollar

was also helping metals to rally, he added. A stronger yuan makes dollar-priced metals cheaper for China, the world's largest metals consumer.

Benchmark copper on the London Metal Exchange closed up 1.2 per cent at \$6,917 a tonne after touching \$6,924, the highest since September 2014.

Prices have been supported by a surge in speculative momentum buying, with hedge funds and money managers raising their net long position in copper to a fresh record last week.

Lloyds eyes card arm expansion

ANDREW MACASKILL

LLOYDS Banking Group has appointed the boss of a credit card business it bought to lead a push into expanding its card business in an effort to boost profit.

Elyn Corfield, who has been MBNA's managing director since Lloyds' £1.9bn takeover completed earlier this year, will take charge of the bank's overall cards operation, according to a source.

Lloyds bought MBNA to diversify the bank's mortgage-dominated balance sheet as record-low interest rates squeeze profits.

Reuters

Reuters