



DANNEX

The leading brand in quality healthcare delivery

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COMPANY PROFILE

- ❑ Dannex Limited is a wholly owned private limited liability company set up in May 1964.
- ❑ Located in the hub of industrial activity, Dannex Limited is recognized as an industrial leader in the manufacture of high quality pharmaceutical drugs and chemicals in Ghana with a strong distribution network across the country and beyond.
- ❑ Dannex has a wide range of products.
- ❑ The group has total staff strength of about 700
- ❑ Dannex acquired 71.33% majority shares in Starwin Product Limited in 2014
- ❑ Again Dannex acquired 51.34% of Ayrton Drug Manufacturing Company in December 2016.
- ❑ Dannex Group is now the largest local manufacturer Ghana.

STRATEGIC OBJECTIVES

- ❑ Dannex aspires to become an internationally recognized and leading brand in the delivery of health care needs.
- ❑ To be amongst the top 5 competitors in West Africa, with annual revenues of US\$ 40 to 50 million by the year 2022.
- ❑ Build a WHO, cGMP facility
- ❑ Merge the three companies in 2018 and list on the Ghana Stock Exchange (process has began)
- ❑ Align brand and organizational processes to global standards
- ❑ Seek new strategic partnership to expand product portfolio to cover new therapeutic areas currently not covered.
- ❑ Launch out into West Africa especially Nigerian.

RADICAL INTERNAL CHANGES

- ❑ The Board was reconstituted
- ❑ Major changes at the management level
- ❑ Deploy an end to end ERP
- ❑ Set up an efficient S&OP process
- ❑ Draw up a new financial model
- ❑ Develop a new growth strategy
- ❑ Change the internal organizational culture of Company.

RESTRUCTURING OF THE BALANCE SHEET

- ❑ Stock levels and turnover
- ❑ Receivables
- ❑ Refinance some hard core debts with EDIAF facility
- ❑ Payables
- ❑ Religiously sticking to budgetary plans

PROFILING OF THE FINANCIAL PARTNERS

- ❑ We critically studied the financial landscape
 - Which banks have the appetite for the level of risk in the pharma space
 - We set out to answer the 5 C's
 - . Cash Flow
 - . Collateral
 - . Capital
 - . Character
 - . Conditions

- ❑ Transparency and availability of Information
- ❑ Worked closely with financial partner to mitigate risk
- ❑ We agreed on KPIs and Covenants

CONCLUSION

- ❑ To support our growth acquisition strategy and attract the needed finance.
- ❑ We understood any due diligence would very intrusive and extensive.
- ❑ These help Dannex to greatly improve its operations and efficiency.
- ❑ Interest rates are very high in Ghana 25% –30%.
- ❑ Dannex stayed determined and aggressive in the pursuit of our vision
- ❑ Communication and networking
- ❑ The Dannex story is good – a Ghanaian acquiring 2 listed companies and financed locally.

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Thank you