ACATIS GANÉ Value Event Fonds (WKN A0X754)

Investment Report August 2020 **Aschaffenburg, 5th September 2020**

We invest in winners. This means we invest in strong companies that create value for their shareholders with sustainable business models, solid balance sheets and high margins. We keep the risks low and invest when our position is fuelled by a positive event. We refer to that as the combination of value and event.

Qiagen N.V.

Friendly takeovers rarely fail. An isolated exception is the German-Dutch biotech group Qiagen, with Hakan Björklund, who resigned from the supervisory board a few days ago, at the centre of the group’s activities. He had chaired the board since 2018 and won the internal power struggle in 2019 against CEO Peer Schatz. Schatz spent 15 years at the helm of the company and developed Qiagen into a major global diagnostics company with 5,200 employees and more than 500,000 customers. Björklund worked on a sale using all his power. He thought he had reached his goal on 3 March 2020. Qiagen announced the conclusion of a business combination agreement and the announcement of a takeover bid by Thermo Fisher. Both were “in the best interests of the company” and it was “decided to support the public bid and […] recommend that it be accepted”. The bid was 39 euros per share. This is too low, because Qiagen is a winner of the Covid-19 pandemic. Earnings forecasts have already been revised upwards on several occasions in the course of the year. Hedge funds consequently pushed for an increase in supply. Thermo Fisher subsequently raised the price to 43 euros per share and lowered the minimum acceptance threshold to 67%. To put pressure on shareholders, Björklund agreed to pay USD 95 million in compensation for Thermo Fisher if Qiagen shareholders rejected the 11 billion euro offer. Prior to this, he also had a top-up option approved at the annual general meeting to issue as many Qiagen shares to Thermo Fisher at the offer price after exceeding a simple offer majority until the squeeze-out threshold of 95% for the complete squeeze-out of the remaining shareholders is reached. We took this unseemly action as an indication of the undervaluation of the Qiagen share and acquired a position at an average price of 41.75 euros. If the offer had been successful, we would have generated an arbitrage yield of 3%. But the offer failed and the price climbed to 45 euros for a short time. This is not surprising, given that the hedge fund DavidsonKempner, which publicly led the shareholder protest at www.unlockthevalueofqiagen.com and demanded 48-52 euros per share, expects adjusted earnings of USD 2.55 per share for 2020. Qiagen issued a press release shortly after the takeover was cancelled, in which it underscored the significance of molecular testing and the significantly improved business prospects. In addition, the investment in US diagnostics company NeuMoDX, which has a high-throughput platform for PCR tests, will now be expanded from 20% to 100% via a call option and preparations will be made for the market launch of a multiplex test (influenza, RSV and Sars-CoV-2). As a result, we continue to regard Qiagen as a promising takeover candidate with the prospect of inclusion in the DAX and operational tailwind.

Sincerely yours

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