

Private equity deals

The private equity deal space in 2015 was a hotbed of activity. *InvestSA* took a quick look at some of the bigger deals that took place.



The sectors that seemed to dominate the private equity transactions during the course of last year included: food and beverage, manufacturing, telecoms and logistics. Lydia Shadrach-Razzino, director at ENSAfrica, says if a comparison is made to previous years, there was a definite increase in investment activity in small and medium enterprises. "While the average deal size typically ranges between \$25 million and \$50 million, we have seen deals in excess of \$50 million over the past year," she says.

1. Actis Capital

Over the last year, this private equity player has financed various deals in Southern Africa.

- Actis invested R760 million (\$54 million) in Food Lover's Market; a deal that is expected to fund the company's growth both in South Africa and in other countries within sub-Saharan Africa. To date, the company has more than 120 stores as well as more than 200 FreshStop convenience stores located at Caltex garages and a presence in 11 countries. David Cooke, director at Actis, says the deal made economic sense seeing that Food Lover's Market has carved a niche for itself in the South African retail food landscape. "We look forward to working together to continue the group's growth

story and expand further within Africa," he says.

- In the third quarter of last year, Actis purchased a minority stake in popular furniture retailer, Coricraft. The financial details of the deal were not disclosed at the time, although Coricraft Group chief executive Kevin Utian went on record saying that the deal would place the Coricraft brand in a strong position to "capitalise on the macro-shift from a credit-oriented home retail market to a cash model with the focus on the customer".
- In November last year, Actis invested \$62 million in Sigma Pensions, a pension fund administrator in Nigeria. Natalie Kolbe, partner at Actis, says the group had identified Sigma as a well-managed, "solid business with excellent customer service, IT and operational systems".

2. Old Mutual Private Equity

Old Mutual Private Equity (OMPE) concluded three different deals in 2015. The private equity player kicked off the year with the 100 per cent acquisition of TiAuto, which owns the well-known Tiger Wheel & Tyre brand, in a joint deal with The Carlyle Group.

The next deal for OMPE was the purchase of MoreCorp, which owns popular sports

"Food Lover's Market has carved a niche for itself in the South African retail food landscape. We look forward to working together to continue the group's growth story and expand further within Africa."

brands like The Pro Shop, World of Golf, Cycle Lab and Playmoregolf, for the sum of more than R300 million (\$20.7 million). Jacci Myburgh, head of OMPE, says the MoreCorp deal cost more than R300 million (\$20.7 million) for a 70 per cent majority stake in MoreCorp. Myburgh adds that the private equity players sees scope for growth as a number of South African consumers transition into the high net worth market.

Finally, OMPE bought a minority stake in In2food for an undisclosed amount. In2food is a South African-based convenience food offering.