

## Agri-Vie Fund acquires 36% of local FMCG manufacturer

Avril Stassen, a senior partner at Exeo Capital, has announced that their Agri-Vie Fund II - a private equity fund focused on food and agribusiness investments in sub-Saharan Africa - has concluded a subscription to 36,5% of South African FMCG manufacturer, Jumbo Brands in December 2018.



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"Exeo Capital has had its eye on investment into the FMCG industry for some time now. The continued long-term growth potential of the sector, its defensive character, sound exit potential and scope to scale businesses to a regional level all bode well for a good investment opportunity.

"We believe that Jumbo Brands is the perfect partner in this regard, having shown very strong growth in the last few years, particularly within the South African middle and upper-middle market segments," says Stassen.

He goes on to note that this partnership is in line with Agri-Vie's value proposition of commitment to grow current products and brands as well as acquire similar businesses where synergies and scale can unlock value.

### Jumbo Brands

Jumbo Brands, founded in Durban in 1985 by the Kraaij family and relocated to Gauteng in 2006, has a strong focus on the manufacturing of fruit juice concentrates, squash, cordials, coffees, hot chocolate, and lemon juice. The company also manufactures corn and pellet style chips and has brands that include Boston, Fruity Treat, Jolly Jumbo, Boost-A-Bag, and Fiesta's.

It has most recently acquired the Café Enrasta instant coffee brand from a global manufacturer and will begin manufacturing it in-house in its Johannesburg factory in early 2019.

Fanie Venter, chairman of the Jumbo Brands Group says that they look forward to the future growth opportunities resulting from the partnership with Exeo Capital. "While we are experienced with all aspects of operations, growth strategy and synergy extraction, Exeo Capital will play a major role in helping to identify and acquire compatible businesses as part of the company's platform growth strategy."

## **Social impact**

Despite the country's relatively stagnant economic state and political uncertainty, Stassen believes that South Africa is still one of the more stable countries in sub-Saharan Africa and one of the more attractive investment destinations in Agri-Vie's investment universe. "This is particularly true for local companies that are combining their business success while actively working to make a positive social impact in the country.

"Jumbo Brands, for example, employs well over 100 people – a significant number of which are women – and has set specific BEE contribution targets for itself as well. The company is also involved with several charities to which it regularly donates products."

Gustav Kraaij, CEO of Jumbo Brands says that the transaction with Exeo Capital has also facilitated the transition of the Kraaij family ownership to the current generation. "We are excited to include Exeo Capital in the very successful partnership that we have had with Fanie Venter and Jose Frazao as we jointly pursue the growth opportunities of the beverage and snack markets."

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