

Grohe buys 51% of Dawn for R880m

By [Mark Allix](#)

3 Jul 2014

Grohe, said to be Europe's largest single-brand manufacturer and supplier of sanitary fittings, will buy 51% of JSE-listed building materials and fixtures group Distribution and Warehousing Network's (Dawn) Watertech subsidiary for R880m in cash.



Dawn's Derek Tod has confirmed that Grohe will buy 51% of the Watertech businesses for R880m
Image: Dawn

The group said the effective date of the transaction would be no later than 30 November, or an extended date no later than 20 April next year.

Dawn said the transaction would be structured within a newly created joint venture company, Grohe Dawn Watertech Holdings, 51% owned by Grohe and 49% by Dawn.

"The proceeds of the transaction would be used by Dawn to repay debt and buy businesses that fit in with its core competencies," the group said.

The acquisition would involve all of Dawn's Watertech Companies, consisting of Cobra Watertech, Apex Valves South Africa, Expiro Manufacturing, Vaal Sanitaryware, Isca and Libra Bathrooms.

Major step for Dawn

"We are extremely excited about this major step in the group's strategy," Dawn's Chief Executive Derek Tod said. "We have for a number of years sought to globalise our manufacturing operations."

But he said that to be a globally competitive product manufacturer it was necessary to have full access to global technology, global manufacturing expertise and global distribution networks.

"As southern Africa cannot always provide the volumes to factories to warrant the investment in technologically advanced high-volume equipment Dawn decided to bring globalisation to its southern Africa through Grohe," he said.

The management teams in the operating companies would remain unchanged. The executive committee of the new joint venture would be led by Tod and Julian Henco, previously Vice-President of Emerging Markets at Grohe.

"For us, acquiring Dawn's Watertech businesses is another major step. As part of our sustainable growth, we are excited to be expanding our activities in Africa's southern region," Grohe Group's Chief Executive and Chairman, David Haines, said.

Dawn would benefit from Grohe's expertise in research and development, design and exclusive distribution agreements that allowed Watertech Companies to distribute Grohe's products in agreed African territories.

Grohe would distribute Dawn's Watertech products in all global territories other than the agreed African territories.



Grohe's David Haines says the group is excited to be involved in the African market where opportunities abound. Image: [David Haines](#)

For more, visit: <https://www.bizcommunity.com>