

Jacobs Capital, Vulindlela Holdings invest in Summit

Jacobs Capital and Vulindlela Holdings have purchased a majority stake in mobile crane hire company, Summit for an undisclosed sum.



L-R Clint Correia (Summit financial director), Nonfobe Ndzelani (Summit HR manager), Leonard Openshaw (Summit operations director), Michael Grant (Summit CEO) & Tyrone Bricknell (Jacobs Capital investment manager)

Summit provides mobile cranes, trained operators and related vehicles and rigging services to clients as part of short- to medium-term contracts or one-off projects. The company has a presence in the Western Cape, as well as the Eastern and Northern Cape. It currently focuses on the oil and gas, mineral and logistical support, civil infrastructure, industrial and construction sectors.

The inclusion of new private equity partners will enable it to realise a number of major growth opportunities in key areas such as the oil and gas sector and wind turbine electricity generation industry, explained Jacobs Capital chief executive Wesel Jacobs.

In terms of this transaction, the Vulindlela / Jacobs Capital consortium will hold a majority stake in the business with chief executive and company founder, Mike Grant, chief financial officer, Clint Correia, and chief operations officer, Leonard Openshaw, each owning a share in the company.

Maintaining growth

CEO Mike Grant, who launched the company mid-2010, said that he realised that there was a need to take on private equity partners to maintain Summit's steep growth curve earlier this year and to involve partners with the right BEE credentials.

During its first four years in operation, Summit has had double digit growth in turnover year-on-year, and with the new partners expects to carry on this growth. Last year, Summit Crane Hire invested over R50m in growing its fleet, adding forklifts, trucks and mobile cranes. It has a staff of 100, including rigging crews, project managers and health and safety officers.

Grant, who has turned down at least 10 offers to purchase the company, said that because the company was operating at capacity and needed even more additional equipment, it had been forced to pass up a number of lucrative contracts.

Strong track record

Jacobs Capital's investment manager Tyrone Bricknell said that the investment in Summit Crane Hire was an exciting one.

The business had a strong track record and the investment was supported by a strong and experienced management team that now included shareholder partners.

“The management shareholders are highly experienced and we see this as an opportunity to partner with them for the long term. We would like to use our investment in Summit Crane Hire as the foundation for further growth in this sector. We would like to grow the company either through acquisition of similar businesses or organically and we believe that it will be the market leader not just in the Cape but throughout the country in the near future,” he said.

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