

# Sasfin wants to invest in small businesses

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Sasfin Private Equity plans to invest in small- and medium-sized enterprises, to the tune of R50m a year on businesses with an enterprise value of between R50m and R350m.



Sasfin Private Equity's Neil Eppel says the company is looking to invest R50m a year in small- and medium-sized businesses in South Africa. Image: [Musa Capital](#)

Sasfin Private Equity, a division of Sasfin Capital, said it preferred co-investing in businesses with a strategic partner in addition to management.

"We are looking to secure at least two deals a year, spending about R50m. We are actively seeking acquisitions for our existing portfolio, as our investment model is to grow and optimise the business platforms in which we have invested," Sasfin Private Equity Head Neil Eppel said.

"We generally have an orientation towards manufacturing and distribution businesses. That said, we have a diverse pipeline in which we are evaluating businesses in the information technology and medical sectors, and are also tackling the fast-food markets and insurance sectors," Eppel said.

Sasfin Private Equity's portfolio includes the clothing sector and manufacturing.

In clothing, its investments include Jumbo, a retailer based in the Eastern Cape, Wizard, a wholesale promotional clothing and gift business and the Kit Group, which is a work-wear and business uniform distributor.

## **Smaller businesses create jobs**

Eppel said the division had ambitions to take Jumbo national and grow the footprint beyond the 40 stores in the Eastern Cape and 10 in the Western Cape and KwaZulu-Natal.

Jumbo is focused on providing affordable clothing.

In the past year, Sasfin Private Equity said it had made two acquisitions in the manufacturing sector. It bought a stake in MCG Plastics, a producer of rigid plastics, which are supplied across the beverage, catering, dairy and agricultural industries.

It also invested in Veref Shaped through a leveraged buyout. The deal was concluded in the first quarter of this year. Veref manufactures clay bricks used in smelters in the mining and steel industries.

Other Sasfin Private Equity investments include Tecsa, a white-goods parts distributor in the domestic and industrial sectors; Terrafirma, an energy efficiency solutions provider; and Innovent, which rents out business equipment and related IT infrastructure.

Small and medium enterprises are seen as the key to job creation in SA, and capital extension to them is critical to job creation. A 2006 FinScope survey found that between 1998 and 2005, 90% of jobs created were from small- and medium-sized enterprises.

Source: Business Day via I-Net Bridge

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