

## Tiso Blackstar Group sells media, broadcast and content businesses

Tiso Blackstar Group has announced selling its media, broadcast and content businesses in South Africa, Ghana, Nigeria and Kenya to Lebashe Investment Group for R1,5bn.



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The sale, which is expected to be completed after seeking certain regulatory and other approvals, will unlock significant value for TBG shareholders while also ensuring that the media business has a strong and committed shareholder in Lebashe to take it forward.

The business offers a diverse reach unmatched in the South African and broader African market, spanning print, digital, TV, radio and films. It holds leading market positions in the sectors in which it operates and is home to SA's most iconic news brands such as *Sunday Times*, *Sowetan* and *Business Day*. It operates the leading independent film distribution business in Africa and has investments in market-leading broadcast businesses in Ghana and Kenya.

“As long-term investors, we are quite excited about this transaction which complements our current portfolio and growth trajectory. We anticipate that our newly acquired media assets will play a critical role in our ambition to create a significant investment company on the continent,” said Lebashe chairman, Tshepo Mahloele.

### **Distinctive value proposition**

“Whilst the media industry, in general, is undergoing disruption, we believe that the assets we are acquiring are generating sustainable revenues to withstand the change in the medium term. Moreover, we are acquiring leading brands supported by a good team. It is our plan to support the editorial team with an advisory council made up of eminent local and international persons. Our long-term approach to investing also enable us to focus on the growth of quality journalism which should add to the positive experience of our customers and the country in general,” said Mahloele.

“We look forward to working with the management team to take the business to the next level in this highly

competitive media landscape. We are cognisant of the fact that we are acquiring mature, but quality media assets with a rich heritage built on the back of quality journalism supported by discerning and loyal readers. We plan to maintain and enhance the distinctive value proposition offered by these various platforms to the readers and advertisers, as we explore new growth areas for the business including creating a Pan-African wide media platform using technology as an enabler,” Mahloele said.

Tiso Blackstar Group has helped to stabilise and grow the media, broadcasting and content assets since its acquisition of an initial stake in the then Times Media Group in 2012, and the subsequent outright purchase in 2015.

It has successfully integrated BDFM following the acquisition of the 50% of the business it did not own, cleared out a significant number of underperforming and non-core businesses, significantly grown its audience - especially in digital - and worked hard to ensure it has the right talent in place to take the business forward.

### **Modernising media business**

It has put the films and television businesses on a strong footing to grow in their market segments and established strong positions in the Ghanaian and Kenyan broadcasting markets.

“We have worked hard to ensure we modernise the media business from its legacy structures into an agile and forward-looking company with a sustainable future. This is a perfect opportunity for a new owner to take it to greater heights,” Tiso Blackstar Group CEO, Andrew Bonamour said.

It will also allow Tiso Blackstar Group to focus on its remaining businesses and investments, specifically H&C (H&C) which has grown significantly in recent years and operates in a unique market segment. Tiso Blackstar will retain Gallo Music Group and develop it further as the music industry continues to evolve. The Group remains committed to ensuring it unlocks value in its Kagiso Tiso Holdings’ (KTH) stake in the short to medium term.

It will also ensure continuity with the retention of key management in the business and has confidence that the current business strategy is sound and viable. Mahloele believes there will be further opportunities to grow the business through both acquisition, and by growing market share.

Lebashe is an unlisted investment holding company focusing on Financial Services, ICT and Industrial Technology and Complementary Sectors. The Company has grown significantly since inception and holds stakes in various well-known businesses such as Capitec, EOH, Rainfin and others.