

# ETHOS

PRIVATE EQUITY



Star maker

## A recipe for success

A good cook knows it is not only the finest ingredients that make a great dish, but a combination of skill, patience, creative flair and timing.

At Ethos we understand that the same goes for private equity partnerships and building better businesses.

Ethos has sold its interest in First Lifestyle Holdings, the high-value food group with a focus on the convenience food market, after a six year investment period that saw the business grow to new heights. Lifestyle comprises high-end niche businesses such as Pieman's Pantry, Seemann's Meat Products, Astoria and Fifers Bakeries, and Gull Foods, the leading supplier of convenience foods to South Africa's top end private label retailer.

The right mix of growth potential, stability, strong management and entrepreneurial spirit identified Lifestyle as a group with immense potential; all key ingredients resulting in Ethos acquiring the business in 2000 for R492 million.

Supported by Ethos' strategic insight, financial and intellectual capital, and firm commitment to retain the entrepreneurial flair of management, important value creation was generated. Over the investment period Ethos contributed to the emergence of a rapidly growing business which is future orientated and innovative, culminating in operating profit growth of circa 25% over the past 6 years.

With growth expected to continue, the exit was driven by a need for further capacity creation. This was best achieved by merging Lifestyle's activities with food manufacturer and distributor, Foodcorp. The combined company will have a turnover of about R4,5 billion, as Lifestyle will contribute approximately R1,4 billion to Foodcorp's annual revenues.

This transaction valued at R1,2 billion demonstrates Ethos' proven ability to partner with attractive companies, enable growth and unlock value without compromising entrepreneurial spirit.

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