

ETHOS

PRIVATE EQUITY



Tastes good. Does good

Ethos gives Tsebo the strength to transform

The right environment is essential for growth to flourish. The same can be said of empowerment.

Ethos has sold its stake in the Tsebo Outsourcing Group (Tsebo) in a deal which showcases how empowerment linked with private equity creates value.

Tsebo, one of the largest black empowered hospitality and facilities management companies in Southern Africa, comprising Fedics, Equality, Tsebo Cleaning Services and Drake & Skull was initially acquired by Ethos in a leveraged buyout in 2000.

During the investment period, Tsebo underwent a dramatic transformation driven by a focused strategy: resulting in the divestment of non-core businesses, the introduction of a new CEO and enhanced Black Economic Empowerment credentials. Substantial growth in turnover created value for all stakeholders, while staff complement increased by over 60%.

Subsequently, Tsebo became an attractive asset, drawing significant attention from potential trade and financial buyers. Ultimately, Absa Capital acquired the business in partnership with existing management and empowerment partner Nozala Investments. A new empowerment partner Leroko Investment Holdings has also joined the acquiring consortium; the empowerment groups now hold 30% in Tsebo.

We are proud of the role we play in enabling not only significant and widespread direct black ownership but also in delivering quality skills transfer to the empowerment groups we partner. The businesses into which we invest are stronger, more robust and more sustainable on exit than they were when we first invested. In this vein, Ethos firmly believes that we build better businesses which have a positive economic and social impact on the South African economy.

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Ethos is an Authorised Financial Services Provider



tsebo
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