

# ETHOS

PRIVATE EQUITY



Ethos brings in the big guns.

## **Ethos and management's build strategy turns Sentry into an international target.**

How was Ethos able to secure a quality exit during a depressed small cap equity market in South Africa? The exit from Sentry by sale to an offshore buyer, NYSE-listed Tyco International Ltd., the world's largest electronic security services company, highlights the quality of the business as it stands today.

Sentry is a highly focussed security group dominating its sector nationally and has what is widely regarded as the most professional management team in the industry. It generates high quality, sustainable annuity-based cash earnings and shows strong profit growth.

In July 1997, Ethos' investment thesis was based on the increasing need for home security services in South Africa. This trend was foreseen to be a key driver of growth in the private security industry. Ethos backed a niche regional player to lead the process of industry consolidation in South Africa through a 'build-up' strategy. Strategic national acquisitions and the ultimate reverse listing into another large regional operator, Paramed, resulted in Sentry becoming the leading armed response company in South Africa. Cutting edge technology, a highly professional management team and a sustainable quality customer base contributed to turning Sentry into an attractive strategic investment for Tyco International.

The growth capital provided by Ethos, as well as the strategic and management input delivered by our team, is a major factor behind the success of this investment and exit.

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