

Virgin Active merger with Kauai group gets the green light

South Africa's Competition Tribunal has approved the merger between fitness chain Virgin Active and Kauai's parent company Real Foods Group. The deal was approved without conditions.



Source: Kauai

Real Foods Group provides a healthy food and beverage offering through retail stores, as well as inside Virgin Active clubs. The merger will see Virgin Active combine the nutrition assets of Real Foods Group with Virgin Active's established fitness business to form one enlarged wellness group trading as Virgin Active.

The R581m takeover by Virgin Active includes Nu Health Café, Kauai Juice and Kauai Smart Meals.

"The Tribunal has concluded that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market in South Africa. Furthermore, the proposed transaction raises no public interest concerns," the Competition Tribunal stated.



New Virgin Active CEO named, as company merges with Kauai parent 9 Mar 2022



Shared vision

When Virgin Active shared news of the planned acquisition <u>back in March</u>, it also announced that Dean Kowarski, founder of Real Foods Group, was appointed group CEO of Virgin Active with immediate effect, succeeding Matthew Bucknall.

Kowarski's Real Foods Group has had a close association with the Virgin Active business. Real Foods has been operating its store-within-a-store concept throughout Virgin Active's sites in South Africa for 18 years, in addition to its standalone and franchised sites.

"After implementation of the Real Foods acquisition, Virgin Active and Real Foods will operate with a shared vision, under the guidance of a single leadership group, which will help create opportunities and commercial efficiencies to build a broader well-being offering. It will enable the group to align fitness and nutrition around a single goal and provide shared data and personalised nutrition in concert with curated, accessible exercise programmes," the merging companies said in a statement in March.

New Virgin Active MD

Last month, Jessica Spira was appointed as Virgin Active South Africa's new managing director, effective from 1 October 2022.

"With Jessica as MD and a strong team, Virgin Active South Africa will be able to capitalise on the fast-growing health, wellness and fitness market, and will enable Virgin Active to deliver new and innovative experiences to the South African consumer," commented Kowarski.

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