

Walmart's R6.4bn buyout of Massmart a done deal

American multinational retail corporation Walmart has concluded [the R6.4bn deal](#) to secure full ownership of African retail giant Massmart. As of this week, Massmart has been delisted from the Johannesburg Stock Exchange and is now a fully-owned Walmart subsidiary.



Source: Massmart

Massmart, which owns prominent local retailers Game, Makro and Builder's Warehouse, said the deal provides it with the financial and operational support to reach its growth objectives. "It is also an overwhelmingly positive vote of confidence in South Africa by the world's leading retail group," Massmart said.



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Fred Razak 20 Sep 2022



A cash price of R62 per share was proposed through a scheme of arrangement or a general offer, presenting an opportunity for minority shareholders to realise immediate value in an environment where there are no near-term catalysts for a Massmart re-rating.

"Walmart is excited to be able to build on the long-term commitment we have already made to our South African customers, associates, and partners. Most importantly, this transaction represents a positive vote of confidence in Massmart and in South Africa, which will allow us to continue to contribute meaningfully to future economic growth in the region," said Judith McKenna, Walmart International CEO.



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Standard Bank Group acted as the sole financial advisor and transaction sponsor for Massmart.

“Massmart is a key component of South Africa’s retail sector which employs thousands of people and contributes to economic growth on the continent. As a bank committed to Africa and her people, we recognise the value of this transaction in building Massmart’s resilience in an intensely competitive and challenging economic environment,” said Clive Potter, head of client coverage SA at Standard Bank.

Michael Dempster, executive, advisory at Standard Bank Group, added, “Walmart’s expertise and support will unlock significant growth opportunities for Massmart, which in turn have the potential to create jobs and develop local economies across the region.”

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