

Lonsa acquires majority stake in fibre cement manufacturer Everite

Lonsa Group Limited (Lonsa), a Mauritian principal investment entity investing in the energy, industrials, logistics and property sectors in Africa, has acquired majority and controlling shareholding in Everite for approximately R600m. Everite is an industrial manufacturer of a range of building products for the commercial, industrial and residential markets.



Source: Everite.co.za

The deal, which was effective 1 May 2021, includes Everite Group's assets, businesses, and companies (including Sky Sands Pty Limited and Sheet-rite Pty Limited) as well as the purchase, from a third party of the freehold property from which Everite operates. It was partially debt-financed by Nedbank Limited.

Lonsa Everite, the special purpose vehicle incorporated to execute the acquisition – made up of Lonsa (55.49%), Everite Management Pty Limited (14.5%), Legacy Africa Capital Partners Pty Limited (25.01%) and Muvhango Netshitangani (5.0%) – emerged as the successful bidder following a highly competitive auction.

Everite was put up for sale by construction and engineering group Group Five as part of its business rescue process. Everite and its various related businesses and subsidiaries employ over 500 people.



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80-year track record

Robin Vela, chairperson of Lonsa, says it acquired Everite because of, among other reasons, its 80-year track record of profitability and cash generation as well as its significant tangible growth prospects into the rest of Africa, which is currently underserved; its consistent growth amid challenging economic conditions prior to and during Covid – earnings before interest, taxes, depreciation, and amortization (EBITDA) was in excess of R100m per year for FY16 – FY19, increasing to

R130m plus in FY2021; and strong management team.

Vela says Lonsa's primary goal with the purchase is to increase the fibre cement production of Everite.

"Everite has some 50% excess production capacity on a new idle plant that is yet to be installed. Working with management, Lonsa would like to see the expansion of the Everite brand into the African continent, which to date only accounts for 10% of Everite's sales. Lonsa would also like to more aggressively position Everite as an enabler and delivery agent for UN SDGs – infrastructure, housing, employment, poverty alleviation – and by so doing making it an attractive participant for the \$500bn of capital committed to infrastructure in Africa by the G7 and leading economies," says Vela.

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