

# Four buyouts bring Bounty nearer listing

By [Marc Hasenfuss](#)

13 Jun 2016

Bounty Brands, the fast-growing consumer products distributor controlled by investment company Coast 2 Coast, has taken a big step towards securing foreign and local listings by snagging acquisitions worth a collective R1.2bn.



Bounty CEO Stefan Rabe.

Picture: [Financial Mail](#)

On Friday, Bounty CEO Stefan Rabe confirmed the company had made four acquisitions — food supplier Rieves Food Imports, refuse and carrier bag manufacturer Tuffy, household-cleaning products distributor Goldenmarc, and fashion brands distributor Footwear Trading.

Rabe said the deals would bring Bounty closer to its pre-listing goal of generating R5bn in annual turnover and R1bn in operating profit.

The company, which is less than three years old, already pulls in revenues of R3.2bn and operating profit of R500m.

Acquisitive Bounty has signalled an intention to list on the London Stock Exchange as well as the JSE in 2017.

Coast 2 Coast has experience in taking new ventures to the market, having listed health-care brands conglomerate Ascendis — which also followed a rapid growth-by-acquisition strategy — on the JSE in late 2013.

Rabe said it was important to achieve the revenue and profit targets to appeal to international investors.

"We have been preparing for listing almost since inception and most of the necessary controls and structures are in place. Although we are big enough to list locally, a few international acquisitions in our target categories will make us more

attractive to international investors."

He added that Bounty had raised R300m in a placement of shares to private investors in May. "The share placement went very quickly, and we might look at doing another one before we list next year."

Bounty's investment focus is on food, personal care and home care. Its portfolio includes Sonko, a Polish food business, Liberty Foods, a local food distributor; fashion brands businesses Chappers Sports Direct and Musgrave Agencies; as well as direct selling specialist, Table Charm; and cosmetics businesses Cosmetix and Annique.

Rabe said Rieses Food Imports would increase the food division's revenue to more than R1.2bn. Rieses supplies brands such as Serena, Offenau, Jemz and Sea Queen to the domestic retail market, along with international brands such as Sonko, Pietro Coricelli, Real Foods and Fantico. He said the Tuffy and Goldenmarc deals would add revenue of about R1bn to Bounty. "Both are leaders in their ... categories, and supply most of the large retailers in SA."

Footwear Trading adds Levi's and Diesel to the fashion brands including Vans, Hurley and Jeep, distributed by Bounty. Footwear Trading would push the revenue contribution from apparel and footwear brands to more than R1bn.

Rabe said numerous acquisition opportunities were still available to Bounty, but it would be selective in pursuing deals.

"We are now of a size that we need acquisitions of companies that can generate earnings before interest, tax, depreciation, and amortisation of at least R50m to move the needle."

He said Bounty had secured acquisitions on an average earnings multiple of just more than six times. "Some we've done at lower multiples — as low as three times — and some, like the Tuffy deal, at slighter higher-than-average multiples."

**Source:** Business Day

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