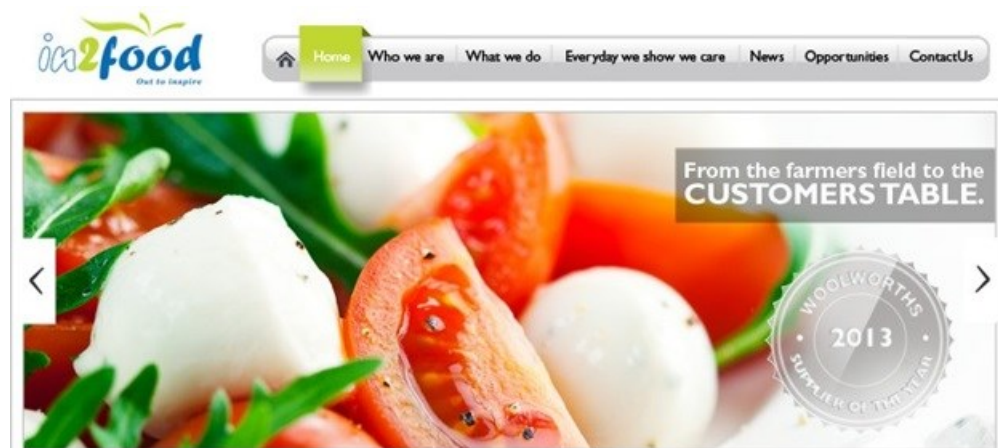


Old Mutual buys stake in food producer

By [Colin McClelland](#)

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Old Mutual's private equity unit has bought a stake in In2Food, a South African maker of ready-made meals and snacks, as the investor bets on an increasing appetite for convenience products among SA's growing middle class.



In2Food.co.za

The asset manager had paid between R200m and R600m for a "significant minority stake" in the company that makes private-label products for grocery chains, Jacci Myburgh, Old Mutual's head of private equity, said on Wednesday. He said he could not be more specific because of confidentiality agreements.

The investment took spending by Old Mutual's R4bn Fund IV to just beyond the halfway mark, Mr Myburgh said.

The deal follows the purchase last month of a majority stake in MoreCorp, SA's largest golf-equipment retailer, as the unit focuses on an expanding higher-end consumer class. Old Mutual has already profited from the food industry, buying and selling stakes in Foodcorp and Libstar.

A further attraction of In2Food was the management team led by CEO Richard Cooper, who had 30 years of consumer industry experience, Mr Myburgh said.

The food company, which already sells to the UK, should benefit as a weaker rand boosted exports, even as a severe drought drove up production costs, he said.

"The sector will benefit from a tailwind driven primarily by a cash-rich, but time-poor and health-conscious consumer,"

Mohsin Cajee, a private equity investment principal, said.

In2Food was founded in Johannesburg in 2007 and employs 4,000 people in production plants across the country. It sells items ranging from packaged produce to soups and pizzas, according to its website.

Source: Business Day

For more, visit: <https://www.bizcommunity.com>