

Rand Pharmaceuticals on their way to rapid growth

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Vumela announces an exciting investment in healthcare

The Vumela Fund, established by FNB Business and Edge Growth, announced a new partnership with Rand Pharmaceutical Distributors that will see the expansion and growth of this innovative 100% Black-owned-and-managed company that services independent pharmacies, private practices and small clinics.



RandPharm
PHARMACEUTICALS

Responsive, Reciprocal, Resourceful

Rand Pharm was purposely based in a historically disadvantaged township area and provides employment to over 45 residents in the locality. All of their employees – including senior management – live in the same township area and the company actively promotes and invests in the local community and its social development. However, despite 20 years of industry experience, Rand Pharm was struggling with the availability of growth capital to expand their business.

Company MD Sylvester Mokwele shares: “We identified the Vumela Fund as the ideal funding partner due to their deal structuring flexibility which allows PDIs to participate in industries with high barriers to entry. The turnaround time to deal close was exceptionally quick and we really look forward to this relationship, which will empower Rand Pharm for the future. Vuyiswa and the team were very helpful and offered us terms that will see us grow our footprint in pharmaceutical distribution.”



Rand Pharm operates from one warehouse that serves the independent retail pharmacy market, dispensing to doctors, hospitals and clinics, as well as emerging markets in the townships (spaza shops and small supermarkets). They offer a complete range of generic medicine from pharmaceutical companies including Aspen, Adcock Ingram, Cipla, Sun Pharma, Pharmadynamics, Biotech Labs and more, currently supplying clients in Gauteng, Free State, Limpopo, Mpumalanga and North West Province. The time was right for a strategic investment.

“Vumela sees an opportunity to support an acquisition that will boost capacity and create new partnerships that will result in sustained long-term growth,” says Vuyiswa Nzimande, Edge Growth principal and lead dealmaker. “Rand Pharmaceutical Distributors have a longstanding history in the wholesale sale and distribution of pharmaceuticals, and we are excited to support a company that invests in its people and local community.”



FirstRand's Vumela Fund and ProfitShare Partners assist SMEs in supplying essential items for Covid-19

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“FNB’s SME Development strategy has allowed us to play an important role in creating jobs across various industries. In light of the global efforts to respond to the Covid-19 pandemic, supporting SMEs in the healthcare industry can only serve to ensure job creation is achieved in a pandemic affected, and post-pandemic world. We believe this investment in Rand Pharm is relevant to the needs of both the healthcare sector and SMEs in South Africa and look forward to the growth this is bound to unlock for them,” says Heather Lowe, SME development head for FNB Business.

The Vumela Fund was established in 2009 by FNB Business Banking and Edge Growth to help alleviate poverty in South Africa by creating jobs through supporting the growth of SMEs. Vumela has R454m under management, from FirstRand and the Jobs Fund, and to date has deployed R348m to more than 20 early-stage businesses, creating almost 2,000 permanent jobs, primarily for low to middle income individuals.

Edge Growth is a leading SME and Venture Fund Manager, specialising in developing small businesses and creating jobs and real transformation by connecting corporates and entrepreneurs, growing SMEs by addressing their key constraints: Access to finance, markets and skills. Our offering consists of three services areas, designed to achieve maximum **impact**:

- ESD Strategy for corporates and building SMEs in their value-chain
- Investing in and growing SMEs through fund management
- Scaling businesses to full potential through accelerator programmes

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