

# Libstar to sell controlling stake in household and personal care business

JSE-listed consumer packaged goods group Libstar, which owns brands including Denny mushrooms, Lancewood and Goldcrest, has entered into a deal to sell a 70% controlling stake in its household and personal care business to Pape Fund Managers and Kanaka Chemicals for R174.6m.



Source: [Pexels](#)

Libstar's household and personal care business comprises the Contactim and Chet Chemicals divisions.

Pape Fund Managers and Kanaka Chemicals have also been given the option of full control of Libstar's household and personal care business, which would increase the transaction total to R217.32m, including a 20% discount.

Additionally, Libstar said the transaction envisages a new company being established to acquire the entirety of the household and personal care businesses as going concerns from Libstar.

## Greater focus on food

Explaining the rationale behind the deal, Libstar pointed to a strengthened focus on its core food offerings.

"The transaction serves to amplify Libstar's strategic intent to focus and grow its existing food categories whilst transitioning

its non-food division to a sustainable, transformed standalone business in partnership with the purchasers," the company said in a Sens announcement on Monday, 21 February.



## Libstar's earnings hit by forex loss

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Libstar's extensive product portfolio consists of more than 9,000 products, with over 90% of group revenue generated from food, which includes dairy and value-added meat products, fresh produce, convenience food, groceries, baking and baking aids, snacks and confectionery. Its household and personal care range includes products such as household cleaning, laundry care, and bath & body products.

"Implementation of the transaction is subject to the fulfilment or waiver, as the case may be, by no later than 30 June 2022..." Libstar said.

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