

Long4Life acquires Inhle Beverages for R360m

Long4Life, an investment holding company with a lifestyle focus, has agreed to acquire 100% of Inhle Beverages for up to R360 million in cash and shares.



©Aleksandr Kurganov via [123RF](#)

Inhle is a contract packaging (co-packaging) business located in Heidelberg, Gauteng, and specialises in the canning and bottling of carbonated soft drinks, energy drinks and natural mineral water, using cans and polyethylene terephthalate (PET).

A family business, established in 2003 with one production line, today it is the second largest beverage co-packaging business in South Africa with seven production lines, and with considerable scope for expansion. It employs around 300 staff and undertakes co-packaging on behalf of an established client base, which have been growing respective volumes at a steady pace over the last few years.

The existing shareholders, the Botha family, and its management team will continue to be employed in the business.

The purchase consideration will be settled by way of a combination of cash and Long4Life shares, the latter based on Long4Life's traded volume weighted average price (VWAP) in the five days prior to the closing date.

Long4Life chief executive, Brian Joffe, commented, "This acquisition fulfils the broad definition of our investment criteria in

the leisure space. It presents a strategic opportunity from which we can build a beverage business of scale, through both organic growth and bolt-on acquisitions.

“Immediate access to the largest market in the country, as well as its proximity to surrounding territories, positions the company well from an expansionary point of view.”



Brian Joffe's Long4Life acquires Sorbet beauty chain

17 Jul 2017



Liquor licence adds to growth potential

Inhle recently secured a liquor licence (for packaging purposes), which represents another industry opportunity for Long4Life to expand its interests in this sector. The co-packaging on behalf of clients will initially be focused on canned, already-mixed beverage products, which has seen strong growth over the last few years.

Inhle director, Chris Botha, added, “The benefit of this acquisition is that it positions Inhle for its next exciting growth chapter. As a family-owned business, we have certain constraints but partnering with Long4Life and being able to access its funding capability, as well as the vast entrepreneurial knowledge and experience of its team, allows us to better position ourselves for the future and, therefore, take advantage of the significant opportunity that exists in the rapidly growing beverage industry in South Africa.”

The concept of co-packaging on behalf of beverage manufacturers is a growing international trend, which ultimately reduces risk for the packaging supplier.

Long4Life’s chief operating officer, Kevin Hedderwick concluded, “We share a common growth objective with the company’s existing shareholders and management and we recognise the value of entering a market with a partner that is already well-known and highly regarded in its industry. We are excited about the opportunities that this partnership will bring as part of a larger, ambitious entity.”

The deal is subject to the completion of a due diligence and obtaining certain regulatory approvals, including the Competition Commission.

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