

Private equity firm acquires fintech e4 for R1bn

E4, a fintech company based in South Africa, has revealed that a group of private equity investors, headed by independent fund manager Infinite Partners, will acquire the company. This deal, which includes 27four, will provide e4 with the funds required to progress to the next phase of its growth.



Edward Pitsi, Infinite Partners CEO | image supplied

e4 Group CEO, Grant Phillips, says the investment is a natural fit for e4's broader strategy.

"The e4 Group has been on a successful journey of sustainable growth and expansion over the past several years. This has involved expanding our relationships and value creation with our local strategic partners as well as focusing on revenue diversification and geographic expansion.

"With some of these initiatives being in their infancy, the timing of this new partnership comes at an opportune time for the business. The entire consortium is aligned to the organisation's strategy, supportive of the team tasked with executing it and have already started providing input on additional opportunities that we have jointly identified," says Phillips.

Edward Pitsi, Infinite Partners CEO, notes:

“e4’s strongest growth potential lies in continuing to do what it does very well and thus growing the penetration of its current products and following its well-established ‘blueprint adoption’ in its customers. We are very excited by the growth opportunities for e4 to grow into other adjacent areas whilst retaining a strong market position in the current verticals it services.

“Finally, the business has recently expanded to the UK which has a TAM in excess of 10x the SA market – we will be supporting management through this expansion as it can have a material impact on ultimate outcomes. Our experience in managing growth agendas, providing strategic input and growth capital will be fundamental in supporting delivery on the opportunity set.”

Chad Potter, group executive and private markets principal at 27four, says:

“e4’s SaaS business model aligns with their investment strategy of focusing on mid-market businesses with potential for growth and social impact. The investment will support e4 in diversifying its SaaS offering, expanding globally, and improving its B-BBEE credentials.”

He also notes e4’s highly defensive and resilient nature and sees the depth and experience of its management team as key strengths for driving innovation, as well as forming and leveraging existing customer relationships.

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