



## PRESS ANNOUNCEMENT

### PHATISA BACKS KANU'S VISION TO BUILD AFRICA'S LEADING EQUIPMENT BUSINESS

6 JULY 2017

Phatisa has reached an agreement with JSE-listed Torre Industries Limited (Torre), whereby Phatisa and Kanu management buy Torre's remaining shareholding in Kanu Equipment Limited (Kanu). The purchase takes Phatisa's shareholding to 85%, with Kanu management increasing their stake to 15%.

Established in 2012, Kanu is a leading African heavy-equipment supplier of purpose-fit equipment, providing quality maintenance and on-the-ground service teams, operating in nine countries across Africa, servicing the agriculture, construction and mining industries. The business has demonstrated strong year-on-year growth by securing new customers attracted to Kanu's internationally recognised equipment brands and its superior levels of customer service and support.

'Phatisa has supported our growth aspirations and shares Kanu's vision of becoming the foremost equipment dealer in Africa. The management team has invested significantly alongside Phatisa, which demonstrates our shared commitment and confidence in the business, and we look forward to continuing our journey with Phatisa as Kanu grows from strength to strength,' commented Stephen Smithyman, Chief Executive Officer of Kanu.

Since the initial investment in June 2016, Phatisa has supported Kanu's ambitious expansion plans by using its sector expertise and African network to source new growth opportunities. The most recent transaction reinforces the partnership between Phatisa and Kanu, enabling Kanu to pursue its strategic objectives of extending its African footprint and expanding its network of loyal customers across the continent.

Joseph Bergin, Senior Partner at Phatisa commented, 'today's announcement reflects Phatisa's confidence in both the business and the management team. Kanu's success is attributed to its customer service excellence and a comprehensive product offering. We believe in management's vision and support their growth objectives, both organically and through acquisitions in selected markets.'

#### Ends

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**Phatisa** is a sector-specific African private equity fund manager located in and operating across sub-Saharan Africa. The firm currently has two funds under management, totalling more than US\$ 285 million, focused on food and affordable housing. Phatisa comprises a team of over 30 dedicated staff with more than 500 years of collective experience, and a solid track record of managing private equity funds and commercial businesses throughout the continent. We speak 29 languages and represent 12 nationalities.

- Phatisa's African Agriculture Fund (AAF) – a US\$ 246 million fund – commenced operations in January 2011 and has committed investments from Sierra Leone in West Africa to Mauritius in East Africa. This reflects a total of nine portfolio companies across a diverse range of agri and food-related businesses.
- The Pan African Housing Fund (PAHF) is an Eastern and Southern African investment initiative, launched in response to the ever-increasing housing shortage in this region. The US\$ 41.95 million fund commenced operations in early 2013 and the Phatisa property team has successfully concluded six investments to date, located in Kenya, Rwanda and Zambia.

Phatisa's vision is to be the leading sector-focused **development equity** fund manager in Africa. This philosophy finds expression in the unique formula of **DevEq = PAT \* x + i<sup>2</sup>™**; a balanced blend of private equity and development finance, striving to build sustainable assets and communities, while ensuring the best possible returns for investors. [www.phatisa.com](http://www.phatisa.com)

Website [www.phatisa.com](http://www.phatisa.com)

> Private Equity Fund Managers

> African Agriculture Fund

> Pan African Housing Fund