



PAMODZI

AGRI

Agri-Food Investment and Management

Dr Chris van der Merwe
10 June 2014

Who are we?



- ❑ **Black controlled, Diversified Investment Company**
- ❑ Formed in **1996** by leading business people under leadership of **Mr. Ndaba Ntsele**
- ❑ **Mr. Ndaba Ntsele:** (Executive Chairman)
- ❑ Currently the President of the **Black Business Council of South Africa**
- ❑ Co-Chair for **South Africa-India Business Forum**
- ❑ Co-Chair for **Russia-South Africa Business Council**
- ❑ Former Chairman of **South African Agricultural Processors Association**
- ❑ **Board Member** of numerous large corporate companies

Strengths



- ❑ Broad and influential shareholder base
- ❑ Proven experience in managing funds and businesses
- ❑ Extensive business and government networks
- ❑ Experienced, qualified and proven management team
- ❑ Raised funding in excess of **US\$2 billion** in debt and equity for various investments to date, most notably to acquire **Foodcorp**

Fund raising history

- ❑ **US\$238m** Foodcorp buy-out, raising **US\$51m** equity (51%) from **ABN AMBRO**, Amsterdam
- ❑ **US\$85m** from **Landbank, RSA** for Foodcorp buy-out
- ❑ **US\$263m** raised for secondary buy-out of Foodcorp from five major **South African Institutions**
- ❑ **US\$1.3bn** Pamodzi Resources Fund1 with ancor funders **First Reserve** and **AMCI Capital** from the USA and UK respectively
- ❑ **US\$138m** First Lifestyle acquisition by Foodcorp, through high yield Eurobond, **Citi Bank**, London
- ❑ **US\$325m** buy-out of the highly prospective high-grade uranium deposit from Harmony Gold acquiring 60% of Rand Uranium

The Foodcorp Story

- ❑ **1998: Pamodzi** acquires 51% through **delisting of Foodcorp** from the JSE
- ❑ **2002: Pamodzi** obtains **full control of Foodcorp** with management and staff, through a secondary buy-out
- ❑ **2009: Pamodzi** exits successfully from Foodcorp

The Foodcorp Story

❑ **Foodcorp:**

- ❑ **Fully vertically integrated, South African based, multi-national Agri-Food Business:**
- ❑ Farming, Agri-Trading, Logistics, Processing, Marketing and Sales
- ❑ From Agriculture to highly branded Retail Products

Foodcorp Divisions

- ❑ **Kanhym:** Farming
 - ❑ 10 000 ha **maize/soy** farming
 - ❑ 80 000 head **cattle feedlot**,
 - ❑ 150 000 **pigs** produced/sold per annum,
 - ❑ 250 000t of **animal feed** produced/sold per annum
 - ❑ Four animal **feed mills**, cattle and pig **abattoir**, meat **wholesale** and **retail** outlets

- ❑ **Zamhort:** Tomato Paste Processing
 - ❑ Based in Zambia
 - ❑ Tomato dehydration, paste and canning plant

Foodcorp Divisions

- ❑ **Ruto**: Maize and Wheat Mills
- ❑ **360 000t wheat** milled, packed and sold per annum
- ❑ **200 000t maize** milled, packed and sold per annum
- ❑ Supplier to **Industrial, Bulk** and **Retail** Customers

- ❑ **Sunbake**: Factory Baking
- ❑ **350 million loafs** of bread baked and sold per annum
- ❑ Supplier of branded **bread rolls and specialist** baking products to retail industry

Foodcorp Divisions

- ❑ **Nola:** FMCG Grocery Division

- ❑ **6 000t** of **baked rusk biscuits** No 1 national brand
- ❑ **8 000t** of **peanut butter** No 1 national brand
- ❑ **18 000t** of **sorghum flour** No 2 national brand
- ❑ **36 000t** of **mayonnaise** No 2 national brand
- ❑ **72 000t** of **cooking oil** 3rd Largest processor
- ❑ **76 000t** of **pet food** Largest manufacturer nationally

Foodcorp Divisions

- ❑ **Glenryck** : Deep Water Fishing, South Africa
 - ❑ **Pelagic fishing:** No 2 Pilchard brand
 - ❑ **Anchovy fishing:** No 2 Fishmeal producer
 - ❑ **White fish:** Hake deepwater fishing, exclusively exported to Spain
 - ❑ **Abalone:** Breeding/farming 50 ton per annum, exported to Japan

- ❑ **Pescador del Nortre** : Deep Water Fishing, Chile
 - ❑ Deep water pelagic fishing, Chile
 - ❑ Sold to Food Corp S.A, Chile

- ❑ **Glenryck U.K.** :
 - ❑ Marketing and sales of Glenryck and other fish products to the United Kingdom

Foodcorp Divisions

- ❑ **First Lifestyle:** On-the-go Foods
- ❑ **Pieman's Pantry,** supplying **80%** of pies in SA
- ❑ **Gull Foods,** supplying sandwiches, pre-cooked meals, desserts etc. to Woolworths and other retailers
- ❑ **Seamann's Deli,** specialist meat and deli processors and retail outlets

- ❑ **Simba:** Snack Division
- ❑ **No1 branded chips and salty snacks** business in Africa (later sold to Pepsi/Frito-Lay)

The Foodcorp Success

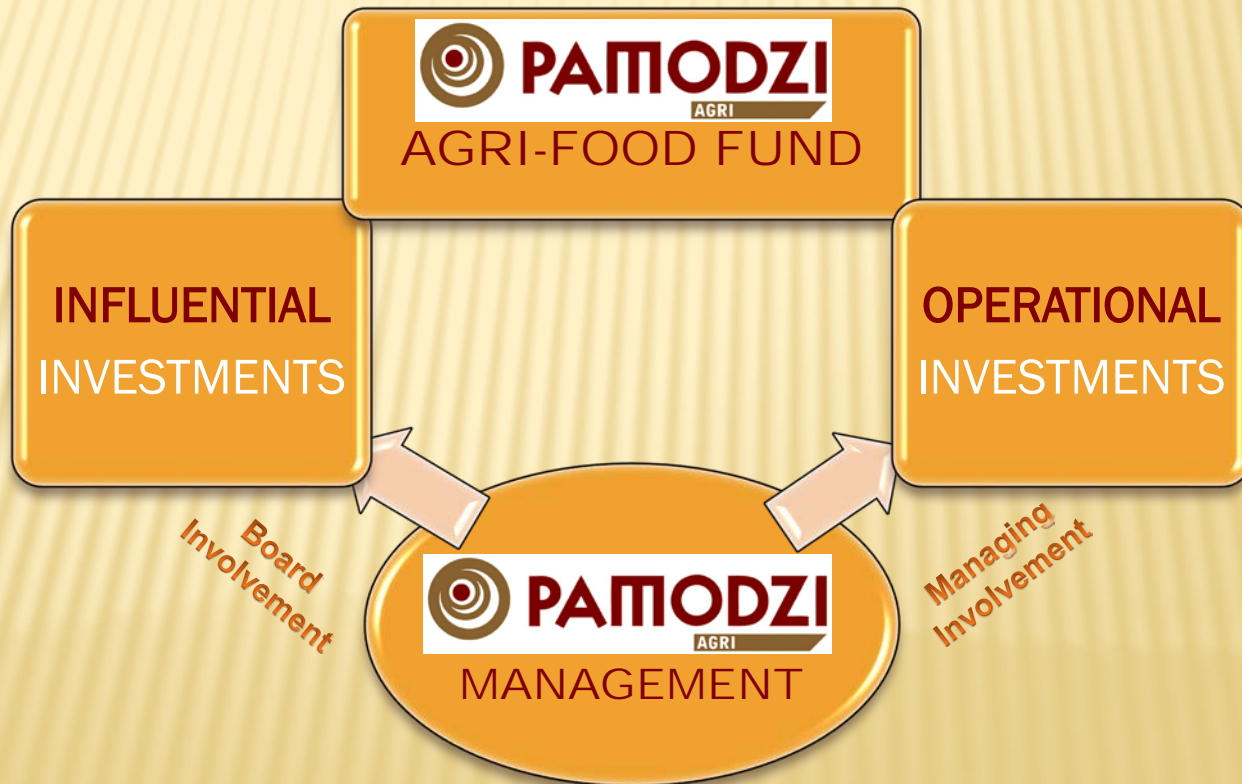
- ❑ **2009: Pamodzi** exits from **Foodcorp**
- ❑ **3rd largest** South African Agrifood group
- ❑ **PE Funds** excited with **IRR** of **over 25%**
- ❑ **3200 staff** empowered through shareholding in Workers Trust
- ❑ Workers Trust paid out **>R300m** to its members



PAMODZI

AGRI

Strategy and Structure



Agri-Success In Africa in 2020

Operational Fundamentals

- **Integration** - Vertical and Horizontal (Farm-to-Fork)
- **Scale** - Necessary for Competitive Advantage
- **Technology** - 1st World / Best Practice / International Partners
- **Management** - Local Management with Expertise and Experience

Socio-Economic Fundamentals

- **Empower** - Local Communities
- **Include** - Local Aspirations
- **Align** - With Government and National Objectives
- **Protect** - Environment and Resources

Agri-Success In Africa in 2020

Investor Fundamentals

- **Risk Mitigation** - Safe Ownership of Investments
- **Food Security** - Exports to Investor Countries
- **Environment** - Carbon credits and off-set to Investor Countries
- **Trustworthy** - Transparent Corporate Governance, Inclusive Management

Africa : The Last Agri-Frontier

“ Given the enormous investments by other Asian Countries in securing food supply from Africa, Pamodzi Agri invites you to utilise our Experience, Expertise and Proven Track Record, to ensure that Japan obtains it’s rightful share of the Lucrative Agri-Potential in Africa ”



THANK YOU

