

Vantage Capital invests in Servest

Vantage Capital, Africa's mezzanine fund manager, recently announced that it has provided R356 million (\$28 million) of funding to over 30 Servest managers.



The funding was used to increase management's shareholding in the company as part of the recently-announced Kagiso Tiso Holdings (KTH) buyout of the business. KTH is a leading black-owned South African investment holding company. With the KTH acquisition, Servest becomes the largest majority black-owned facilities management company in Africa with over 45,000 employees providing integrated facilities management solutions to more than 6,500 clients on 24,000 sites across nine African countries and the United Kingdom. Servest provides diverse service offerings including facilities management, catering and remote camp management, security, parking, cleaning, hygiene and pest control services, landscaping and turf construction and maintenance, indoor plants and office services for corporate clients seeking a comprehensive outsourcing solution.

Warren van der Merwe, Chief Operating Officer of Vantage Capital said, "We are proud to support Servest's management team in the deepest and most cohesive share ownership structure we have seen. The Servest business is a high quality business combining strong defensive and growth characteristics and we look forward to partnering with the company as it executes an exciting growth strategy."

Johnny Jones, Associate Partner at Vantage Capital said, "The investment highlights the unique benefits of mezzanine funding which allows management shareholders to use our funding to increase their equity participation. This type of transaction is at the heart of our firm's investment strategy of supporting strong management teams of Pan-African businesses."

Kenton Fine, the founder and Chairman of Servest added, "The Servest management team sought a capable and strong funding partner to support the robust growth momentum that the group has enjoyed thus far. Vantage was selected due to its speed of execution, innovative and flexible approach, as well as its alignment with the vision of management and KTH."

The Servest investment is Vantage Capital's thirteenth transaction in Fund II, which is now fully invested. Vantage Capital is soon to complete fund raising for its Fund III, which is targeted to be over R2.5 billion (\$200m), with a 50% allocation to investments outside South Africa. Addcapital Africa was the lead corporate advisor to this transaction.

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