

RMB Corvest in Management Buyout and BEE Transaction

RMB Corvest in partnership with Zico Capital has acquired a significant holding in local catering service provider, Feedem Pitseng.

RMB Corvest invests in established businesses across Sub-Saharan Africa with proven track records. "We focus on creating long-term profitable partnerships that are both stable and supportive," says Mike Donaldson, director: RMB Corvest. "By partnering with and co-funding Zico Capital and the management team, we have facilitated the creation of a Black-owned services enterprise and an empowered Management Team. More than 30% of the business is now specifically owned by Black Women."

Feedem Pitseng (Feedem) is one of the largest independently owned service providers within the local outsourced catering industry, with more than 3000 employees managing over 200 sites. "Feedem has a national footprint with offices in all major South African cities," notes Genevieve Alberts: a senior executive at RMB Corvest. "All this contributes to Feedem serving over 50 000 meals per day."

Founded by Jeremy Webb in 1975 and later joined by Andrew Constandakis, Feedem currently operates throughout South Africa across diverse sectors including industrial catering, corporate and education, private and public healthcare, mining, sports and leisure.

"This is an established national brand with extensive infrastructure that holds several blue-chip client contracts," continues Alberts. "Additionally, Feedem enjoys a leading position in the Western Cape across key sectors, particularly the institutional catering space."

"The founders have reached retirement age and have chosen to realise a portion of their investment," explains Andrew Constandakis, founder: Feedem. "The founders feel strongly that the management team should be included in shareholding whilst maximising BEE ownership."

"The enhanced Black Economic Empowerment credentials embedded within this deal will provide access to new markets whilst strengthening and adding still further value to existing contracts," says Alberts.

Feedem boasts a robust and diverse customer base including both private and public sector clients. "Significantly, and evidencing the strength of the brand, our customers reach our books chiefly through referrals and direct applications to Feedem," notes Constandakis.

The company further diversified through its acquisition of a synergistic cleaning services company, rebranded as Cristal Solutions. "Cristal Solutions offers a comprehensive range of cleaning services to malls, corporate business parks, theatres and hospitality centres, government facilities, factories and warehouses, and is ready for expansion having secured still further contracts more recently," explains Constandakis. "This operation extends the reach and profitability of the overall business."

"With our expertise in PE, the liquidity we offer, and our experienced executive team bringing its diverse skills to this partnership, we view this transaction as a remarkable opportunity," says Donaldson. "Using Feedem as a platform, we recognise the very real potential to develop a new multi-service group through both organic growth and further acquisitions – watch this space."