

Aveng asset disposal process advances with the sale of Aveng water

Thursday, 27 June 2019

Johannesburg, 27 June 2019: Aveng is pleased to announce that the sale of its Water business to 100% Black-owned Infinity Partners has been concluded. All conditions precedent have been met, and a payment of R85 million was received on Tuesday 25 June 2019.

Infinity Partners, a company jointly held by E Squared Investments and Suzie Nkambule, the current Managing Director of Aveng Water, now owns 100% of Aveng Water Proprietary Limited and the Aveng Namibia Water business.

"It is incredibly pleasing to see that the business will continue under Suzie's leadership," says Sean Flanagan, Chief Executive Officer of Aveng. "She has played a key role in the turnaround of the business over the past three years and we have every confidence that it will continue to grow into a leading water infrastructure development and technology company operating across sub-Saharan Africa. We wish Suzie and the team all the best for the future."

"This transaction supports Government's stated intention of creating more black industrialists to lead a transforming business environment and we are pleased that we have been able to meaningfully contribute to the transformation of the infrastructure sector through the conclusion of this transaction," adds Flanagan.

"I've looked forward to this next chapter with excitement and resolve. It is the culmination of work over the last four years by a remarkably talented group of people to build a truly South African, culturally diverse, technologically innovative business in an industry that has seen limited transformation over the years. Our sector has the potential to grow local industrial capacity while solving very real sustainability challenges for the economy," says Suzie Nkambule.

E Squared issued the following statement: "A core feature of E Squared's approach to transformation is to identify and support outstanding individuals from the community of Allan Gray Fellows and beyond. Suzie epitomises this and E Squared is delighted to support her in this new chapter at the Water business."

The business has been sold as a going concern, which will ensure a sustainable future for its employees, customers and suppliers. Following the due diligence process, the sale price was reduced from R95m to R85m with an additional deferred payment of R5m subject to certain conditions having been fulfilled by June 2020. The payment from Infinity Partners will be used to strengthen the financial position of the Group.

"This sale is an important demonstration of the ongoing commitment by Aveng to deliver on the company's strategic action plan," says Flanagan. "As part of our strategy to become an international infrastructure and resources group, we identified certain assets that would no longer be part of our future plans and we remain committed to completing the balance of these disposals timeously while still realising acceptable value for our shareholders."