

# Aveng sells Trident Steel for R700 million

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Aveng, the listed construction and contract mining group that has undergone a substantial turnaround, signed an agreement to sell its Trident Steel subsidiary for R700 million.

Trident was the last major asset to be sold in terms of the restructuring and since 2017 some R1.1 billion of businesses have been sold. The buyer is Trident Steel Africa (TSA), a new company formed for the acquisition. TSA is funded by a consortium of local and US private capital interests, including Ambassador Enterprises (a US-based private equity firm), Joseph Investments, Arbor Capital Investments (South African private investors in manufacturing businesses) and Trident Steel's management.

The R700m, plus an amount of R264m that represents the cash portion from the business, plus a ticking fee of R7.45m per month, would be payable by the purchaser.

Aveng will provide R210m of funding to a separate company, to subscribe for 30% of the equity of the purchaser.

This 30% will be warehoused by Aveng for one year from closing date or until a suitable empowerment deal was finalised, whichever happened earlier.

Aveng said in a statement that the proceeds will be used to settle the remaining outstanding R406m South African debt. Aveng had external debt of R3bn when the turnaround strategy was commissioned in 2017.

Aveng CEO Sean Flanagan said the disposal had been protracted and difficult, but the board and management were satisfied this transaction represented the best value for Aveng and shareholders.

"We are confident that the business is being sold to a credible consortium that will continue the business's growth trajectory, thus securing the future of our people. We look forward to turning our attention to our growth agenda," said Flanagan. – Edward West