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Nedbank, Imbewu buy Isegen stake for R141m

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NEDBANK Capital Private Equity and black-controlled private equity firm Imbewu Capital Partners had acquired a significant minority stake in speciality chemicals, plasticisers and food acidulants producer Isegen for R141m, said Imbewu CEO Gcina Zondi yesterday.

Isegen management retained a majority stake in the Durban-based firm with manufacturing units in Isipingo, Umgeni and Germiston, said Zondi.

Zondi said Imbewu, with a 15% stake in the business, was now the empowerment partner of Isegen.

Imbewu Capital Partners is a private equity and investment holding company based in KwaZulu-Natal.

Nedbank Capital Private Equity, which funded the transaction, did not disclose its stake in the business.

Another unit of the Nedbank group, Nedbank Business Banking, had provided Isegen with R165m of senior term loans and more than R100m of working capital facilities as part of the transaction, said Zondi.

"Imbewu brings strategic business experience and network, as well as strong BEE credentials, to the transaction. "

Isegen chairman Jonathan Goldberg said "the deal tackles the difficult issue of ownership in broad-based black economic empowerment transactions and will allow the company to continue to improve its broad-based black economic empowerment implementation".

Isegen MD Robert Fowlds said he was bullish about growth opportunities for the business and that, with the new shareholders on board, management would focus on new growth initiatives.

Plans were afoot to establish a food acids plant in Trinidad and Tobago, he said without elaborating.

This was a culmination of a recent agreement made between Isegen, Trinidad's National Energy Corporation and the National Gas Company of Trinidad and Tobago.