

South Africa: Amaza Gains Control of False Bay Bricks

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The National Empowerment Fund (NEF) has approved a R46m disbursement to Western Cape-based empowerment consortium Amaza Brickworks for acquisition of a 74% share in False Bay Bricks.

The business will be incorporated into a new company, Inca Concrete Products. NEF chief investment officer Frenel Gillion said yesterday the deal was facilitated through its corporate fund, which is aimed at improving access to black economic empowerment capital for black-owned and managed enterprises as well as black entrepreneurs seeking equity shares in established organisations.

Gillion said the transaction would enable Amaza to enter a mature, stable organization and enlarge the empowerment footprint for the construction sector in the region as a whole.

"The NEF looked at the historical showing of the business and the industry to determine its value. These valuations reflected a market valuation of R76,5m for the business. This is based on an average of each valuation method used. The investment is the NEF's largest to date," Gillion said.

False Bay Bricks manufactures a wide range of precast concrete pavers, bricks and blocks.

False Bay Bricks and Western Granite collectively trade as Inca Western Cape. The two factories produce more than 5-million bricks a month.

"The transaction means all False Bay Bricks business is transferred to a new company, Inca Concrete Products, in which Amaza holds the majority stake," said Inca chairman Tshidi Seane.

The business would continue to be run by CE Gerhardt Greeff and finance director Bennie van Greunen, who reinvested R16,8m of the sale proceeds into Inca Concrete Products to acquire the remaining 26% of the business.

Turnover for the past financial year was R90,2m