

RCL Foods to sell Vector Logistics business for R1.25bn

Danish fund manager A.P. Moller Capital has finalised a deal to acquire frozen logistics operator Vector Logistics from South African food producer RCL Foods for R1.25bn.



Source: [Vector Logistics](#)

Vector Logistics is a prominent South African frozen logistics operator providing multi-temperature warehousing and distribution, supply chain intelligence, and sales and merchandising solutions.

In a joint statement, the companies said that the purchase by A.P. Moller Capital provides Vector Logistics with an opportunity to accelerate its mission of “Going Beyond” in supply chain expertise and logistics services, including expanding further afield to meet growing demand in Africa.

Paul Cruickshank, chief executive officer of RCL Foods, commented, “We believe this is an important and positive step forward for Vector Logistics, which has grown significantly in the 18 years it has been part of RCL Foods.

“We believe that A.P. Moller Capital is the ideal custodian to support Vector Logistics’ success because of its extensive operational and investment track record in Africa and the infrastructure sector and the strong alignment between the parties’ respective ways of working, business values and transformational focus. In addition, this is an important step for RCL Foods in our journey to reshape the portfolio.”



RCL Foods scraps dividend as rising costs dent profit

Nqobile Dladla 6 Mar 2023



Growth potential

According to Vector Logistics managing director, Chris Creed, having the backing of A.P. Moller Capital provides significant potential for greater impact.

“Given our vision of transforming the logistics industry, A.P. Moller Capital would be able to help us move up the supply chain maturity curve, particularly from a technological perspective, to support growth and to support a strong Environmental, Social and Governance (ESG) agenda to ensure a sustainable future for our business and its people,” he said.

Joe Nielsen, partner at A.P. Moller Capital, said, “Vector Logistics is highly respected with a long track record in South Africa and we are excited to contribute to its transformative vision for both the industry and the region. Vector Logistics’ reliable operations enable maintenance of the cold chain for food products, which increases shelf life and reduces food waste. We see a growth opportunity for Vector Logistics and we believe that our experience and our network will help to drive this growth.”

A.P. Moller Capital stated its commitment to maintaining business as usual and minimising disruption to management, staff, customer and supplier relationships. Vector Logistics will continue to service its current customers on the basis of its existing contractual agreements.

The implementation of the sale is subject to approval by the relevant competition authorities and the South African Reserve Bank.

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