

Laser Group secures BBEE deal

Laser Group, an independent logistics company, has concluded a significant BBEE transaction making it one of only a few in the sector that is majority black-owned.



The transaction, settled on 30 July 2018, saw a management consortium led by Laser Group CEO, Iain Johnson and chairman Philip Hayes, alongside PAPE Fund Managers through its boutique private equity fund, PAPE Fund 3, acquire 100% of the equity of the group.

PAPE Fund Managers is a level-1 BEE rated fund manager, with shareholders that include the Cala Foundation Trust - a broad-based education and health upliftment trust that benefits rural women in the Eastern Cape.

Through the deal, PAPE acquired 48.3% equity interest in Laser.

The group's 51% black ownership is comprised of the black participation in Laser's management consortium as well as the significant investment from PAPE.

"Laser is now one of the few independent logistics players in South Africa that is majority black-owned thanks to the new deal," says Johnson.

With a turnover in the 2017 financial year exceeding R2.4bn, Laser is privately owned with diverse interests in express

distribution, specialist front door and back door retail distribution and international clearing, forwarding and project logistics.

The group employs more than 3,500 people and operates a fleet of over 1,000 vehicles from 110 facilities across South Africa.

Transformation is a major step

Johnson says transformation in the business is a major step in the right direction as the Group is committed to furthering the objectives of the country's BBBEE agenda.

All of the group's operating businesses – DPD Laser, Dawn Wing, Time Freight, Laser Logistics and GAC Laser – stand to benefit from the transaction.

Hayes points out that transformation for a business like theirs is non-negotiable.

“Our significant investments over the past few years in infrastructure, IT, people and processes have all been geared toward improving the customer experience.”

He goes on to explain that the PAPE deal serves to accelerate the group's competitiveness and relevance in e-commerce, healthcare, automotive, retail and business-to-business markets.

“This transaction brings to our group a level-1 BEE rated shareholder with whom we can engage to grow our business in our core and new niche markets. The transaction has also enabled and empowered the executive team to take ownership of the business and grow it to new levels of performance and profitability,” Hayes concludes.

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