

Premier Group plans to list on the JSE

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South African food producer Premier Group intends to make its stock market debut on the Johannesburg Stock Exchange (JSE) at a proposed price range of R53.82 - R67.04 per share, valuing the company at up to R8.6bn (\$497m), parent firm Brait Plc said on Monday.



Workers wearing protective masks are seen at the reception with an electronic board displaying major indices at the Johannesburg Stock Exchange building in Sandton, South Africa, 5 November 2020. Reuters/Siphwe Sibeko

By 9am (GMT), shares in Brait were up 6.80% at R4.87.

"The transition into the listed environment is expected to support Premier's efforts to drive its organic and acquisitive growth strategy and strengthen its market position across all business areas," said Kobus Gertenbach, Premier's CEO.

As part of the listing, Brait will raise up to R3.7bn from selling Premier's shares to investors at that proposed price range, which equates to an equity valuation of between R6.9bn and R8.6bn, Brait said.

The investment group, whose biggest shareholder is billionaire Christo Wiese, added that the proposed price range

represents a 10% to 28% discount to Brait's latest valuation of Premier, after adjusting for the R1bn refinancing of Premier's long-term debt on 2 November.

Irrevocable agreements have been reached with Titan Premier Investments, who agreed to purchase 36.2% of the offer shares and an unnamed institutional investor, who agreed to purchase 2.4%, Brait said.



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Premier, owner of Blue Ribbon bread, Snowflake wheat flour and Iwisa and Nyala maize meal brands, produced revenue growth of 16.1% at R14.5bn in the year ended March, with adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) of R1.49bn.

The group vies for market share with food producer giant Tiger Brands and other rivals such as Pioneer Food and RCL Foods.

According to DataOrbis market share data cited by Brait, Premier had an approximate 24% market share in bread, a 32% market share in flour, a 20% market share in maize and an 18% market share in total sugar-based confectionery in the year end August.

(\$1 = R17.2920)

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