

Shares of food producer Premier surge 11% on JSE debut

By Tannur Anders

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Shares of South African food producer Premier Group surged by more than 11% after listing on the JSE on Friday, 24 March in a vote of investor confidence in the company after recent market turmoil.



Premier Group, held by billionaire Christo Wiese's private equity firm Brait, is one of the oldest food producers in the country with top brands such as Blue Ribbon bread and Snowflake baking products. Its shares, which were offered at R53.82, were trading at R60 by 13:40 GMT.

Global markets have been battered by fears of a new banking crisis and Federal Reserve rate hikes. South Africa's blue-chip index has fallen almost 8% from an all-time high hit earlier this year, and was 1.7% lower on Friday.

"We'll be the only listed food manufacturer in South Africa that gives you a strong return on invested capital, a good entry point (and) continued growth in earnings," the group's chief executive officer Kobus Gertenbach told *Reuters*.

Premier [postponed a planned listing](#) last year as domestic political uncertainty roiled the market, but investor pressure forced Brait and Wiese - a revered businessman credited with creating Africa's biggest food retail company Shoprite - to reconsider.



Premier Group shelves plans for JSE listing amid market volatility

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"Its a very, very good company in a very difficult industry," said Wayne McCurrie, portfolio manager with FNB.

Richard Cheesman, senior investment analyst at Protea Capital Management, said even though high-quality food companies were more expensive than other stocks on the local bourse, food was a defensive business. "People still have to eat, no matter the economic environment," he said.

Premier, which owns a quarter of the country's bread market, joins other food producers on the JSE such as Tiger Brands and AVI Ltd which have weathered the inflationary pressure.

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