

Nedbank acquires 32.9% of GloCell

Nedbank Capital and GloCell have concluded a private equity transaction in which Nedbank Capital Private Equity will acquire a 32.9% stake in the cellular airtime reseller and telecommunications business.



Image: www.freedigitalphotos.net

According to Clive Howell, Head of Private Equity of Nedbank Capital, the strong relationship that has been built up between the two businesses over the past two years, combined with GloCell's established market position and its growth potential, particularly in the southern African cellular prepaid market, were the cornerstones on which the transaction was built.

"Nedbank Capital's business model in the private equity space is, to a great extent, relationship driven and involves close working partnerships with businesses that we believe show strong entrepreneurial spirit, coupled with sustainable growth potential," Howell explained. "Our dealings with GloCell have proven that this innovative cellular business more than demonstrates these characteristics."

Howell also pointed to GloCell's excellent position in SA's technology convergence market, coupled with its strong brand recognition and extensive market reach, as further evidence of the company's significant potential for lasting success and continued growth going forward.

Real growth potential

"Nedbank Capital believes that GloCell is well positioned as a leading player in an industry that has real growth potential, and we anticipate that our investment in the business will serve as a catalyst for its future growth," he explained.

Alessandro Mariola, CEO of GloCell, concurred with Howell, pointing out that the Nedbank private equity deal will empower the business to deliver on its long-term business strategy and enable it to maximise opportunities to expand the reach, value proposition and competitive advantage of the business.

"For the GloCell Group, the finalisation of this private equity deal represents an endorsement of what has already been a

long-term relationship with Nedbank Capital," Mariola said. "We look forward both to investing this capital injection to leverage strategic advantage and maximising Nedbank's equity position in our business for mutual strategic and bottom-line benefits."

Howell explained that this ability to be actively and strategically involved in GloCell going forward was a key component in the decision to enter into this partnership.

"GloCell is an exceptionally strong leader in the cellular telecommunications field in South Africa, with an excellent track record. It distributes prepaid airtime and connects in excess of 4 million cellular subscribers on an annual basis for all the network operators through its 8000 channel partners, consisting of retailers, dealers, wholesalers and through its subsidiary Jabba Mobile, which distributes product through field agents.

GloCell is a five-time Ask Africa Orange Index award winner in the Service Provider category, for service excellence and is a respected brand in the mass market. Social development is at the core of GloCell's strategy, enabling business models that are designed for businesses and entrepreneurs to succeed in a competitive landscape. It's involvement in the Acorn Foundation ensures that it consistently impacts on communities and children in South Africa, an intent which is aligned to Nedbank philosophy," Howell concluded.

"We are confident that, through Nedbank Capital's partnership with the business, it will be in a position to further entrench these competitive differentiators and steadily expand its presence, market share and profitability going forward."

For more, visit: <https://www.bizcommunity.com>