

**sasfin**

beyond a bank

# Specialised Lending

**S**

Business & Commercial Banking

[sasfin.com](https://sasfin.com)

# SPECIALISED LENDING

## Structured debt solutions for South African mid-market businesses

Sasfin's Specialised Lending division provides structured debt, mezzanine finance and quasi-equity funding solutions for a comprehensive range of transactions across various industries nationally.

Sasfin Bank is one of only a few banks in South Africa specifically geared towards servicing privately owned mid-market businesses. We primarily focus on businesses valued at between R50 million and R1 billion, or generating Earning Before Interest Tax Depreciation Amortisation (EBITDA) of at least R20 million annually. As a bank with a fully integrated investment banking product suite, we adopt a client centric business model that provides

bespoke solutions to meet our clients' strategic objectives. Our customised solutions are based on a results-driven ethos that significantly increases our clients' chances of achieving a successful result.

Our diverse team of professionals has extensive experience in investment banking and corporate finance. They adopt a hands-on approach to structuring innovative funding solutions to our clients, which goes beyond the role of a traditional funder.

## Overview

### ? Who?

Entrepreneurial and privately-owned companies operating in the mid-market space in South Africa often find it difficult to access relevant funding solutions that are readily available to larger and publicly traded companies.

The Specialised Lending division specifically targets and fills this void by providing growth and acquisition finance to such companies.

### ? What?

We provide thoughtful and tailored funding solutions to address our clients' specific funding requirements.

Our solutions will typically reflect the specific risk-return profile of the transaction. We evaluate key data such as the target company's debt servicing ability, available security and the particular transaction structure.

Our offering fills the gap in the capital structure continuum between equity and senior debt, often comprising of a single blended facility.

### ? How?

Our bespoke funding solutions often comprise a hybrid instrument consisting of:

- A structured debt component with a repayment profile designed to match the forecasted cash flows of the target company; and
- If required, a quasi-equity component to provide Sasfin with the returns commensurate with the considered risk profile of the opportunity.

# SASFIN BUSINESS & COMMERCIAL BANKING



## Advantages to shareholders

Our funding solutions offer distinct advantages to different stakeholders in a transaction, which include:

- Lower overall cost of capital
- Higher returns for equity investors due to the benefit of gearing
- Flexible repayment profile, terms and covenants sculpted in accordance with cash flows
- Limited equity dilution for shareholders
- Higher levels of gearing or additional liquidity in light of tighter credit criteria by traditional lenders
- Lower security required compared to senior debt



## Scope

We assess, structure and implement financing solutions for:

- BEE transactions (including subordinated SPV / Preference Share funding solutions)
- Leveraged buy-outs
- Management buy-outs
- Acquisitions
- Replacement capital/shareholder buy-outs
- Growth/expansion capital
- Balance sheet restructuring/optimisation
- Recapitalisations

**We provide solutions, not products**



## What sets us apart

- A highly skilled team of service orientated investment banking professionals
- One of the very few banks solely focused on the South African mid-market
- Strong transactional structuring and execution capabilities
- Bespoke solutions aligned to clients' requirements - we do not do "vanilla"
- Agile decision making as Sasfin is an entrepreneurial bank
- Relationship driven funding – we become partners of our clients and investee companies
- Efficient and effective assessment ensuring seamless deal implementation



## Funding criteria

Whilst Sasfin will assess each opportunity on its own merits, we will typically target, among others, the following main funding or investment criteria pertaining to the target company:

- Privately owned companies in the mid-market space in South Africa
- Experienced, credible and innovative management team
- Stable and predictable cash flow profile
- Earnings Before Interest Taxation Depreciation and Amortisation (EBITDA) of at least R20 million
- Ideal facility size of between R30 million and R120 million
- No start-up or turnaround ventures

# THE TEAM

Our highly skilled team of professionals has implemented several unique, structured funding solutions for a diverse client base:



## **Paul Pretorius**

Head: Specialised Lending, CA(SA)

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Paul qualified as a Chartered Accountant in 1993 and has over 20 years of investment banking experience. He joined Sasfin in May 2017, and has extensive experience in private equity and corporate finance and has advised numerous clients on mergers and acquisitions, listings, capital raisings, JSE listings requirements, etc. He also has experience in the provision of commercial banking solutions with a number of institutions including PWC (Johannesburg and Netherlands), N M Rothschild & Sons, Coronation Capital, Activa Capital (a corporate finance boutique that Paul co-founded in 2008) and Exchange Sponsors.



## **Ethene Steenkamp**

Senior Transactor, CA(SA)

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Ethene has in excess of 20 years' investment banking experience. Prior to joining Sasfin, he was a Senior Executive at Grindrod Bank, a founding member of Fairbridge Capital (a corporate finance boutique), Head of Acquisition and Leveraged Finance at ABSA Corporate & Business Bank, and also previously worked for Investec, EY Corporate Finance and Andersen Corporate Finance in London for 5 years. He has extensive experience in corporate finance, acquisition and leveraged finance and private equity, and has over the years been involved in a number of MBOs, LBOs and corporate divestitures.



## **Jeeten Ramnath**

Transactor, CA(SA)

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Jeeten qualified as a CA(SA) in 2015, completing his articles at Grant Thornton where he was a trainer in Investment Appraisals and assisted in growing their Corporate Finance offerings. Having previously worked in the USA and UK, he has managed global teams and worked with multinational companies listed on both the JSE and LSE.

## THE TEAM



### **Shayne Groenewald**

Transactor, CA(SA), CFA

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Shayne joined Sasfin in 2019 after completing his articles at KPMG and a short stint as an analyst at EisnerAmper, an advisory house based in New York. During this time, he gained exposure in varying capacities to a wide range of listed and private companies across the financial sector. Shayne is a qualified Chartered Accountant and a CFA Charterholder.



### **Uleesha Moodley**

Senior Transactor

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Uleesha is an investment banking professional with 16 years' experience in the financial sector. Prior to joining Sasfin, she was a Principal at Nedbank Corporate Investment banking division implementing transactions across the debt spectrum. This includes underwriting and syndication with a focus on senior debt, mezzanine and equity backed opportunities to facilitate funding for general corporate purposes, balance sheet optimisation, leverage/management buy-outs and acquisitions. Uleesha has gained extensive experience dealing with both JSE listed and unlisted entities across various industries and sectors.



### **Olwetu Mvalo**

Transactor, CA(SA)

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Olwetu is a Transactor in our Specialised Lending Team. Olwetu joined Sasfin in 2021 and is involved in debt structuring and funding solutions, deal analysis and risk management, as well as transaction implementation and client relationship management. Prior to joining Sasfin, Olwetu was a Business Development Analyst at Standard Bank. He is a qualified Chartered Accountant, having completed his articles at Standard Bank.

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<https://www.sasfin.com/business-banking/commercial-banking/specialised-lending/>

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