

NWK considering to sell Opti Agri after R290m offer

NWK Limited is considering a proposal for its poultry and animal feed business, Opti Agri Proprietary Limited (Opti Agri) as a going concern following a fixed offer from Country Bird Holdings (CBH). The possible transaction is being considered in line with NWK's revised business strategy and will be subject to various suspensive conditions.

"As mandated by the board of directors, NWK has conditionally accepted the offer of R290m (excluding VAT) from CHB to acquire Opti Agri and its assets. The proposed transaction is subject to various suspensive conditions, final negotiation and the conclusion by no later than 4 June 2018 of the necessary agreements as well as being subject to all relevant and applicable competition authority and other regulatory approvals," states Heinrich Krüger, chairman of the board of directors of NWK Limited.



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"This proposed transaction is strongly aligned with the NWK business strategy. NWK maintains a strategic goal-oriented approach and remains actively involved in innovative initiatives through high efficiency, energy and momentum. NWK is a proven reliable and dynamic business partner that unveils exciting new opportunities in agriculture and related industries. We have already proven our value as a reliable business partner - the business has already expanded beyond the noise of the competitive business landscape. The company has the experience, expertise and ability to be a preferred dynamic and value-adding partner in agriculture, serving the entire agricultural value chain," says Theo Rabe, chief executive officer of NWK Limited.

The Opti Agri business is indeed profitable and contributed to the success of NWK thus far as historically disclosed in the financial statements up until the date of this letter. "The possible acquisition of Opti Agri as a going concern is being considered because we see the business value and therefore made the proactive offer to NWK," says Marthinus Stander, chief executive officer of Country Bird Holdings.

“The proceeds of such a proposed transaction can offer good value to NWK shareholders and stakeholders. This transaction can contribute to the creation of a deeper focused environment where farmers and other clients benefit from their relationship with NWK as their dynamic business partner,” explains Rabe.

In the event that such a transaction will be realised it will follow ex-lege (the normal legal process) and all existing contracts with business partners and employees will have to be honoured by such a buyer. NWK is committed to ensuring that NWK fulfils all obligations to the staff in terms of the laws of the Republic of South Africa, especially labour laws.

“NWK's focus is on the agricultural and food value chain, but the group also investigates opportunities that can optimise seasonality in the value chain. Synergies within the group, as well as through partnerships, are optimally exploited by making decisions that increase efficiency,” says Rabe. “Cooperation and integration with national and regional role players are inevitable if an agricultural company wants to remain relevant,” he says.

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