

# Premier buys Li-Lets to get other FMCG categories says Brait

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The purchase of feminine hygiene brand Lil-Lets Group by Brait company Premier Foods is part of a broader strategy to expand Premier across other fast-moving consumer goods (FMCG) categories according to Brait director Sean Dougherty.



JSE-listed Brait said last week that Premier had entered into the deal to buy the entire issued share capital of Lil-Lets from London-listed Electra Private Equity and others.

While Brait could not yet disclose the total purchase price amid regulatory approval processes, Electra said it would receive £37m for the sale of its stake in Lil-Lets. Therefore, the total purchase price is higher than this figure.

Brait said Lil-Lets is a leading branded feminine hygiene business and offers a complete portfolio of feminine hygiene products under one brand.

"The business occupies strong market positions in SA and the UK, supported by a trusted brand and an innovative approach to new product development," Brait said.

Premier, which produces wheat, maize and bread products, earlier this year entered the confectionery segment of the FMCG market with the acquisition of the Manhattan and Super C brands.

## Premier expanding categories

Dougherty said it had been Brait's stated strategy "to expand Premier across other FMCG categories - to broaden the business and diversify.

He said the Lil-Lets deal forms part of that strategy and allowed the group to start building a platform for personal care as well.

Dougherty said Brait was looking for further opportunities for Premier in the FMCG market, in both SA and the rest of

Africa.

Brait's other portfolio of companies include retail group Pepkor and UK-based frozen foods retailer Iceland Foods.

Lil-Lets' chief executive Martin Frost said last week that Electra Partners, the manager of Electra, had been a very supportive investor, helping Lil-lets to refresh its products and brand and to turn the African business into a growth engine.

"We look forward to the future with confidence and to working with Premier Foods to realise the considerable growth opportunities that lies ahead of us in the UK and Africa," Frost said.

Rhian Davies, partner at Electra Partners, said Lil-lets had undergone a transformation under Electra's ownership and was now positioned as a strong brand in the UK and as "a growth business in Africa.

Davies said successfully developing Lil-Lets' African business has been a key part of the story so far but Premier would be able to accelerate Lil-lets' African growth using its established distribution channels.

Electra said based on the end-of-March valuation of Lil-lets, its £37m proceeds from the sale would suggest a reduction in Electra's diluted net asset value per share of 12p.

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