

# Pioneer Foods to take full ownership of Futurelife

PepsiCo South Africa, through its subsidiary Pioneer Foods, is set to acquire the remaining 50% stake in Futurelife Health products following the initial 50% acquired in 2015.



Source: Futurelife

The proposed transaction sees Pioneer Foods purchasing the 50% shareholding in Futurelife owned by the food company's founder Paul Saad. Futurelife will be a wholly owned subsidiary of Pioneer Foods.

Saad founded Futurelife in 2007. The original Futurelife Smart Food (which remains the company's flagship product) was developed as a scientifically-formulated, balanced, nutritious convenient food which contains Moducare. Moducare is a daily immune supplement made from a patented blend of plant sterols and sterolins.

Over time, Futurelife developed a broader product range, with an emphasis on nutrition and health. The product range expanded to other product categories including bran flakes and breakfast bars. The development of these products, and other product innovations, were partly enabled through the investment by Pioneer Foods in Futurelife in 2015.



PepsiCo South Africa names new CEO after Tertius Carstens retires

8 May 2023



Earlier this month, the South African Competition Commission recommended the conditional approval of the acquisition. The Commission's recommendation was then considered by the Competition Tribunal, which went on to issue its order to approve the merger on 29 May 2023. The transaction is subject to a few administrative conditions' precedent, which are standard for a transaction of this nature. The transaction is expected to close and be effective in the first week of July.

Pioneer Foods acquired its initial 50% of the issued shares in Futurelife in 2015, and the conditions attached to the approval of that transaction were that for a period of five years the two businesses be administered as independent from each other. This condition expired in November 2020.

## **Complementary to current portfolio**

Pioneer Foods, [since March 2020](#), is a wholly owned subsidiary of Simba Proprietary Limited which, in turn, is wholly owned by PepsiCo. PepsiCo's operations in South Africa are organised into five different categories, namely bakeries, grains, snacks (including fruit), foods and beverages.

The Commission found that the latest transaction does not raise any competition concerns as Pioneer Foods is already in a position of joint control over Futurelife and, in any event, Pioneer Foods and Futurelife compete with several large players in the market for ready-to-eat-cereals.

Riaan Heyl, CEO of PepsiCo South Africa comments, "Futurelife is an innovative brand within the cereals market, and we believe its product basket will complement our current portfolio. Upon closing of the transaction, we look forward to welcoming the Futurelife employees into PepsiCo. This will also mean that qualifying employees will be entitled to participate in our employee share ownership scheme, [the Basumi Trust](#)."

The Commission confirmed that the proposed transaction does not raise any public interest concerns which are not addressed through this undertaking, which promotes a greater spread of ownership by employees.

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