

LOOKING FORWARD TO NEW POSSIBILITIES

For most of us, the whole of 2020 seems to have been somewhat surreal – we know that the year is coming to an end, but much of it seems to have been a blur.

From a business perspective the year 2020 upended the global economy, sadly bringing loss of life and disruption to business. South Africa was not spared from this either, with many businesses suffering closure and subsequently, most businesses haven't seen full recovery with some still closed.

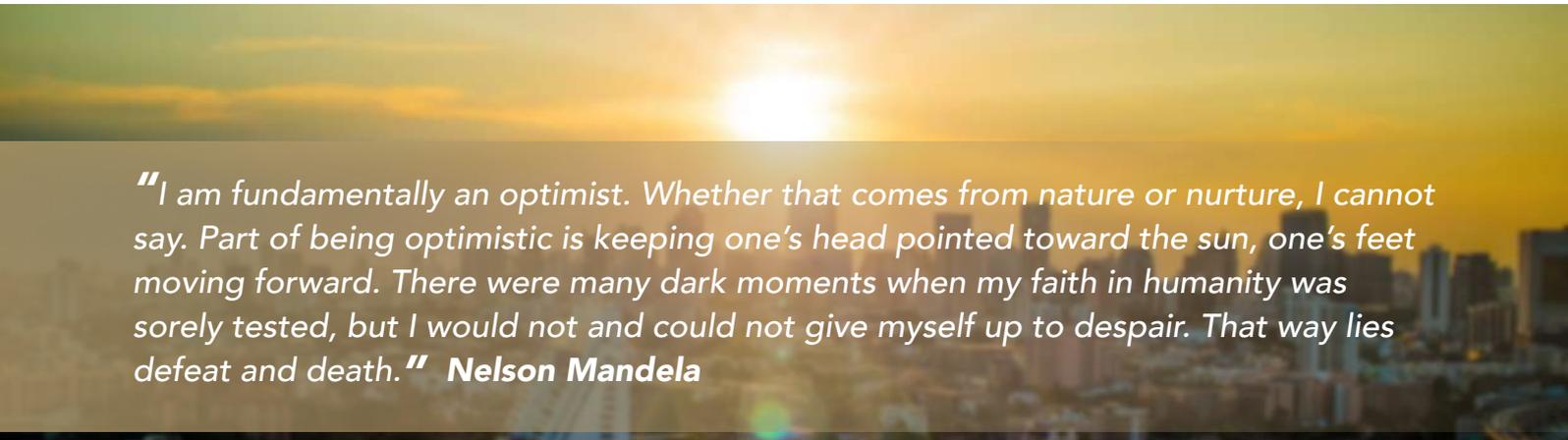
As the year draws to a close, as Agile, we are pleased that while many of our businesses are not necessarily performing as well as we expected them to, most have remained resilient and are slowly starting to show signs of recovery. We are also gratified with the quality of the management teams who utilised the time to relook at their business models.

Seeking to optimise the way they do business most of them focused on streamlining cost structures; identifying new markets and strategies; pivoting off existing core expertise to generate new income streams; and importantly, focusing on the welfare of their people.

Whilst most of us remain uncertain about what 2021 holds, we should take comfort from the fact that we have learnt that we cannot lay claim to life and time -therefore we must spend it on what matters.

We look forward to unlocking new potential and maximising our opportunities in 2021.

Regards
Tshego Sefolo



"I am fundamentally an optimist. Whether that comes from nature or nurture, I cannot say. Part of being optimistic is keeping one's head pointed toward the sun, one's feet moving forward. There were many dark moments when my faith in humanity was sorely tested, but I would not and could not give myself up to despair. That way lies defeat and death." **Nelson Mandela**

EMBRACING CHANGE IN A TIME OF UNCERTAINTY



INNOVATION GROUP: A ROBUST RESPONSE TO WORK FROM HOME

Innovation Group thrives on exceptional and uninterrupted customer service, and business continuity was at the top of the agenda for Innovation Group during the COVID-19 pandemic.

With a business run predominantly via traditional on-site contact centres, traditional business continuity and disaster recovery plans were not sufficient or even relevant during this unprecedented time. A quick, innovative and hands-on approach by the business' leadership resulted in an extremely positive outcome – foregoing the notion that a business can only be run on-premise and implementing a work from home strategy in under two weeks enabling over 70% of the workforce to continue business operations remotely.

Looking towards the future, additional opportunities have been identified to streamline processes even further including downscaling the physical presence of the business through work from home initiatives to smaller more efficient premises. We will also explore more automation options to drive client service satisfaction and make the group the supplier of choice to the sector. Whilst many may say that 2020 was an unprecedented and devastating year for businesses it was a learning curve and an opportunity to reinvent and build a business geared for constant innovation and growth.



SA BIOMEDICAL STEPS UP ENSURING TRAINING REMAINS A PRIORITY AND RELEVANT

Committed to continuous medical education because it means better outcomes for patients, SA Biomedical continuously seeks to provide practitioners with practical knowledge to enable them to treat patients effectively, including hands on training sessions.

Adapting to the new norm, moving from face-to-face training sessions to that of using virtual platforms and e-learning, has been an interesting process for everyone. As we look to the future and the potentially extended period of uncertainty, we look to embrace technology to not only have virtual contact sessions, but include the more practical aspects of training within the surgical realm.

The staff have been exposed to One-on-One coaching, feedback and discussion sessions instead of group interventions (for Team Leader training) which appears to be paying dividends. More meaningful interactions in turn increases confidence, communication and problem solving skills while developing employees to larger and deeper proficiencies within the business.

A win for us all. The business continues to learn, growth and thrive in the new normal along with clients.



HENKEL SA HELPS AT HOME

At Henkel, the highest priority is the well-being of its employees, customers and partners while at the same time ensuring the continuity of its businesses. With lockdown, employees were affected in so many different ways: some thrived, while others found it very isolating.

We found that people had to become stay-at-home parents, caregivers, teachers, partners and then balance this new way of living with work life.

Taking care of Henkel employees' wellbeing meant finding new ways of supporting staff - from our Wellness Service Provider and Medical Aid Service Provider hosting workshops around Covid-19, its prevention, testing and online counselling.

Henkel also provided Family Care kits (hand gloves, sanitisers and masks), which were delivered to the homes of all employees and hosted daily virtual family activities to boost morale. The focus remained on engaging with employees, communicating constantly and ensuring everyone felt comfortable within the parameters set out for South Africa to keep safe. The company continues to look for ways to keep the Henkel team safe while taking care of customers.





BLUHM BURTON ENGINEERING (BBE) COMPLETES CANADIAN PROJECT

Awarded a project for a Canadian mine, the BBE Group took on designing a complete Refrigeration and Air Cooling System at the top of an existing air intake into the mine. The engineering and detailed design work was done in South Africa while execution took place via BBE's Canada office.

BBE Group also took the opportunity to support local industry and through leveraged relationships with contacts in SA offices of multinational companies, enabled greater assistance in getting the correct equipment from their Canadian counterparts. This was invaluable as managing excavations and early construction while dealing with snow was a new experience for the team.

In spite of lock-downs implemented by both governments, the successful project was completed by BBE's global team showcasing international capabilities in collaboration between South African and Canadian offices during a rather tricky time.

INVESTMENT ACTIVITY



AGILE INVESTS IN AVERGE TECHNOLOGIES

Averge Technologies (Averge) is a specialist solutions provider and distributor of components specific to both the communications industry and the energy sector, also providing consultancy services to its clients.

Agile Capital partnered with Averge for the growth potential it sees in the telecommunications industry in South Africa and has backed a solid management team.

Averge management is experienced and has proven its ability to manage and grow the business through tough trading conditions. Agile acquired a significant minority stake in the business, with the remainder split between Averge management and current CEO.



FEEDEM ACQUIRES FOCUS PEST CONTROL

Feedem is one of the largest independently owned focused service providers within the outsourced catering services industry, with more than 5000 employees engaged in catering, cleaning, hygiene and pest control services nationally.

As part of the expansion strategy, the Feedem Group acquired 100% of Data Center cleaning company (Versatex) in 2018 and followed that acquisition up recently when they acquired the Focus Pest Control (Pty) Ltd business in March 2020. Both are now fully integrated subsidiaries of the Feedem Group.

Focus Pest Control provides integrated solutions to various industries and adding great diversification to the Feedem group allowing it to offer an expanded service to its existing as well as new clients.



AGILE PURSUES ADCORP SUPPORT SERVICES (“ASS”)

As recently announced by the JSE SENS, Agile Capital, together with a consortium comprising management and RMB Corvest, is currently in an advanced process, which, once concluded will see us acquire the business.

ASS has two divisions: Funeral Management Services (“FMS”) and Employee Benefits (“EB”).

FMS, the larger of the two divisions, is a niche outsourced service provider to the long-term insurance industry, providing body repatriation and related value-added services. The other entity, EB acts as a broker to provide tailored employee benefit solutions. We look forward to concluding this transaction in 2021.



STILL LOOKING TO SA

With so much changing this year, we’ve taken the opportunity to focus again on a core principal for the business: investing in South Africa and driving sustainable growth.

We believe that SA Inc holds many untapped opportunities. Companies we invest in can expand their operations – diversification can be achieved through growing the local businesses. We have a long term outlook and that allows us to be resilient as a business and a nation.

Businesses have had to become nimble and innovative to stay relevant. As the market adapts itself, divestiture is something that many organisations will be considering. We have a good track record when it comes to management buyout success stories and next year could create more opportunities. This has also opened up opportunities for entrepreneurs who did not have the appetite for risk previously. This means that the number of business in the growth phase will increase, and that means more opportunities for us.

Established entrepreneurs and their businesses require finance for growth and continued success. Considering the very real social pressures in the country at present, we’re looking to continually build sustainable businesses that can empower others.

“ We will enter 2021 with a positive outlook anticipating the great prospects that lay ahead.”

**Regards
Liz Kolobe**