

Riders on the storm

Come rain or shine, we're in the same boat.

Private equity deals can be tough.

Despite painstaking analysis of industry and company fundamentals, things don't always go to plan. Consequently, steadfast partnerships often define the difference between success and failure.

Ethos acquired Plumblink in 2006 premised on a buoyant outlook for the South African building and construction market. For the first 24 months our rationale was correct. However, in the wake of the Global Financial Crisis the business was significantly adrift from target.

In the depths of the financial trough, many scuttled their ships. But that's not our philosophy.

Rather, we believed in the business' fundamentals. And, crucially, we believed that with the right management team Plumblink could be repositioned for recovery and return to the trade winds.

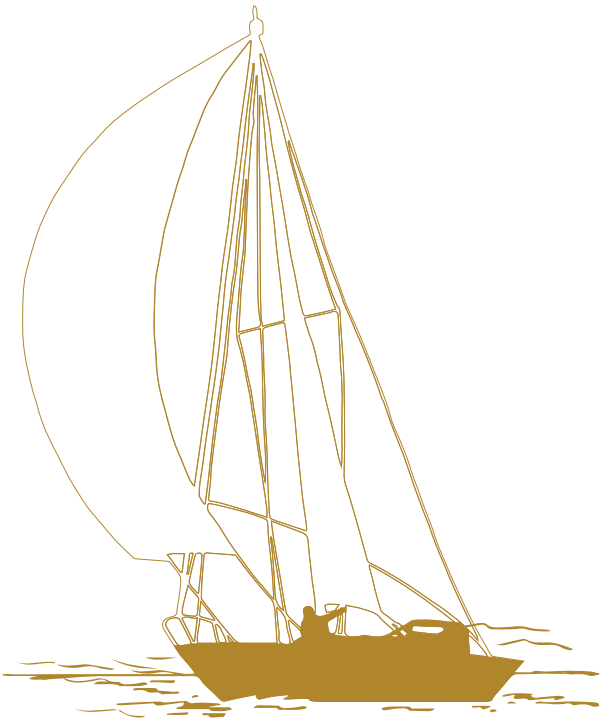
And so the real work began.

We reassessed the strategic direction of the business – examined people, the business model, operations, finances, information systems and customer segments. With management as partners, changes were made. We persevered, succeeded in stabilising the ship and together, we charted a course for maintainable growth.

So strong was our conviction, that Ethos twice injected additional capital to make headway. And twice our courage paid off.

Today, Plumblink is a different business to that which we acquired nine years ago. It is stronger, more robust and more sustainable than it was prior to Ethos' ownership. In fact, the tide has shifted so significantly that earlier this year JSE-listed Bidvest pursued and successfully acquired the business.

Investing is not all plane sailing. You can't direct the wind. But you can adjust your sails.



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