



## Vera Kleynhans

Director



PSG CAPITAL

### Q *What led you to pursue a career in M&A/ the Financial Markets?*

A After obtaining my BComm and LLB degrees from Stellenbosch University, I started my career in the legal profession in 2006, and I was very fortunate to “cut my teeth” at some of South Africa’s premier law firms, including Webber Wentzel and ENSafrica.

While on secondment in Zambia during 2012, I acted for a client of PSG Capital and, shortly thereafter, I was recruited by Johan Holtzhausen (the then CEO and now chairman of PSG Capital, who also happens to be the 2022 DealMakers DealMaker of the Year) to join PSG Capital.

I will always remember Johan’s initial advice to me as a young corporate financier, which included him urging me “to stop thinking like a lawyer and start thinking like a dealmaker”. It is safe to say that I was hooked from the start, as evidenced by the fact that I am still a member of the PSG Capital team today, more than a decade later.

### Q *What was the biggest and most complex deal you have worked on in recent years and why?*

A During 2021 and 2022, I was a key member of the PSG Capital team who structured, negotiated and implemented the transaction in terms of which TFC Operations Proprietary Limited (TFC), a subsidiary of KAL Group Limited (KAL), acquired 100% of the equity in and loan claims against PEG Retail Holdings Proprietary Limited and its subsidiaries (PEG Group), for a purchase consideration of more than R1bn (Transaction).

The PEG Group was established in 1993 and, at the time of the Transaction, was a leading independent fuel retailer in South Africa,

operating numerous service stations under brands such as Engen, Sasol, Total, BP and Shell.

As part of the Transaction, two of the existing BEE minority shareholders of the PEG Group swapped their interests into TFC by subscribing for shares based on a like-for-like valuation of TFC, which further increased its existing BEE ownership. The Transaction accordingly created a diversified and leading BEE retail fuel operations group in South Africa.

Due to its size, the Transaction required the approval of the Competition Tribunal, and qualified as a Category 1 transaction in terms of the JSE Listing Requirements, requiring the approval of the JSE and the KAL shareholders. Furthermore, the approval of the Department of Mineral Resources also had to be secured for the implementation of the Transaction.

Adding to its complexity, the Transaction included, as a first step, the restructuring of the PEG Group, inter alia, to exclude certain assets and operations, which necessitated the preparation of Special Purpose Carve-Out Historical Financial Information. In addition to the already large number of contracting parties, the implementation of the Transaction also required the consent of several third parties, including the various international oil companies with which the PEG Group had existing licencing arrangements.

### Q *What, in your opinion, is the hardest part of a M&A deal or financial market transaction?*

A M&A deals and financial market transactions can require the parties to navigate the complexities and challenges presented by a myriad of applicable regulatory frameworks across various jurisdictions. Structuring a deal in such a manner as to ensure

compliance with all the relevant regulatory requirements, while still achieving the best outcome for your client, is certainly no easy feat. However, finding solutions to overcome these challenges and complexities is often my favourite part of the process.

In my experience, the single aspect which is most often responsible for derailing a transaction, and which requires the most time and effort to manage, are the individuals involved in the negotiations and conclusion of a deal. As with most things in life, the human element is often the variable which is the hardest to predict and manage, so developing the necessary people skills is crucial for anyone who wants to build a career in this industry.

### Q *What is your favourite sector to do a deal in and why?*

A One of my favourite parts of my job is the fact that I get to work on deals which span across many diverse sectors, including healthcare, agriculture, construction, renewable energy, mining, manufacturing and financial services, to name only a few. Although it is very difficult for me to choose one sector as my favourite, I do have a soft spot and a passion for the South African education sector.

### Q *What piece of advice would you give a young woman working on her first deal or transaction?*

A Every deal or transaction, no matter the size or whether it is ultimately successful, is an opportunity to learn. In fact, it is often those transactions which are not successfully implemented which provide the most valuable lessons. My advice to every young woman would be to stay curious, to ask as many questions as you can, and to continue to learn as much as possible from each transaction that you’re involved in. 📌