Early Warning System

IFC-38743

Bounty

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Quick Facts

Countries	South Africa
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2017-03-24
Borrower	BOUNTY BRANDS
Sectors	Education and Health

Project Description

PROJECT DESCRIPTION

Bounty Brands Limited ("Bounty", "the Group" or the "company"), is a recently established South African based consumer brands company with a broad portfolio of market-leading products. Bounty is 100% owned by the South African investment group and its affiliates (C2C) an existing IFC client. IFC has recently concluded an equity investment in Ascendis Health (Project #38257), C2C's JSE listed pharmaceutical company.Bounty is focused on three divisions: food (36% of sales), personal care (37% of sales), and home care (27% of sales). The company is primarily engaged in the wholesale and direct selling of branded FMCG products, mainly in Sub-Saharan Africa and Eastern Europe, employing over 1,800 people, however its future focus will be in direct manufacturing. Its food business consists of three well recognized brands; Sonko, Rieses and Liberty. Sonko founded in 1989, is a leading producer of value-added rice products in Poland, and exports its products to 22 countries (direct processing of rice, groats and dry bread products). Liberty (founded in 2003), distributes a wide range of well-known brands of canned food into the South African food services segment, and Rieses (founded in 1993), are distributors of a selection of dried groceries, confectionary, and oils, into the South African retail segment; both export their products into other countries in Sub-Saharan Africa. The personal care division includes leading cosmetics, personal care and apparel brands, such as Annique, a well-known South African direct-selling business that locally produces rooibos-based skin and healthcare products (outsourced manufacturing), Cosmetix (CaribbeanTan, Essence and Catrice cosmetics), and Bounty Wear (Reviva, Musgrave, Nuance Brands and Footwear Trading ("FWT")- distributors of recognized international brands in South Africa- Vans, Diesel, Jeep, Fila, Hurley, Levi's, and SuperDry). The home care division includes brands such as Table Charm, a major direct-selling business founded in 1974 and trading in imported household goods (fragrances, healing products and homeware); Goldenmarc (household cleaning and kitchenware), Genesis (cleaning utensils and detergents), and Tuffy. Tuffy was established in 1989, manufactures and supplies branded and nonbranded 100% recycled refuse bags; food bags, carrier bags, foils, wraps, aprons and pegs which are supplied predominantly to the grocery retail channel. All current brands are ranked #1-3 in their respective markets (the various products and segments may be found on the group website www.bb.co.za). The company occupies approximately 90,000sqm, comprising 22 warehouses (including offices) and production facilities.Sonko is one of only three subsidiaries within Bounty which manufactures its own products. The company operates a 7,200sqm A-class production and packaging plant, located on a site in Bielany Wroclawskie, close to the Wroclaw airport (Ryzowa plant). The Ryzowa plant is located on a plot of 39,500 sqm, which has at least 3,000sqm space still available for future expansion/ consolidation of the production base. The factory has five production lines producing: packaged rice, rice in boiling bags, groats (buckwheat and barley), rice-cakes, crisp bread and "PopCool" chips. The factory has a warehouse for raw materials (560 pallet places) and storage space for 2,200 metric tons of raw materials, supplemented with a finished goods warehouse of up to 750 pallet spaces. A second plant located in Magazynowa plant (nearby) has 2 production lines producing: rice cakes and PopCool chips. The Company leases a 6,100 sqm Central Warehouse at Magazynowa for finished goods with 10,964 pallet places. The Sonko range of wheat-based rusk and matzo production is outsourced to third parties, and is stored there. Sonko sources its raw materials from a diversified supplier base, depending on the current available price and quality. The majority of its rice (76% of all raw materials) is sourced from Asia, while other raw materials comprise groats (19%) and finished goods purchased from third parties (5%). The basic production process involves the following steps: raw material cleaning/sorting, preparation (mixing with water and seasoning,sieving/weighing), baking/extruding, and packaging.The Tuffy operations occupy five sites in Cape Town, South Africa - two Tuffy Manufacturing plants, Tuffy Flexibles (manufacturing), Tuffy Warehouse and Tuffy Head Office. Black bags and carrier bags made from 100% recycled plastic (>70% post-consumer waste) are manufactured in the first two sites and involve the following steps: delivery of the waste plastic, sorting, grinding, washing/cleaning, drying, agglomerating, compounding, pelletizing, and bagging/packing. Tuffy Flexibles manufactures zip-lock food bags, bin liners, cling-wrap, aluminum foil and disposable protective wear. The Tuffy Promotions/Head Office site produces promotional items

Investment Description

- International Finance Corporation (IFC)

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

- project Information