



Press Release

Criterion Africa Partners Completes Investment in Merensky Timber

April 21, 2023 - [Criterion Africa Partners](#) (CAP), in a co-investment with [FMO](#), the Dutch entrepreneurial development bank, has completed an investment of up to US\$20 million each in [Merensky Timber](#), one of the leading integrated timber products companies in Africa and a wholly owned subsidiary of [Hans Merensky Holdings \(Pty\) Ltd](#) (HMH).

Merensky Timber is the third largest private plantation owner in Africa with a base of 65,000 hectares of pine and eucalyptus plantations and associated manufacturing assets in South Africa. Merensky Timber is recognized as the pioneer of high value eucalyptus solid-wood logs and lumber, with a history of tree breeding and genetic improvement spanning more than half a century. Merensky supplies a range of FSC-certified forest products to meet the demand of African and global markets.

The investment by CAP and FMO catalyzes a total equity package of up to US\$64 million, which strengthens the financial position of Merensky Timber and supports Hans Merensky Holdings' strategic objective to unbundle its forestry business from its agricultural business, [Westfalia Fruit \(Pty\) Ltd](#). The HMH unbundling process will result in all the existing HMH shareholders taking up direct equity holdings in Merensky Timber. These shareholders comprise the Hans Merensky Legacy Foundation, International Finance Corporation (IFC), Industrial Development Corporation (IDC), WIPHOLD, Vuka Forestry Holding and the HMH Employee Share Ownership Trust (ESOP).

The transaction is expected to be transformative for Merensky Timber, enabling its management team to capitalize on a range of growth opportunities in forestry, biomass energy, downstream processing, and nature-based solutions to mitigate climate change.

Ole C. Sand, Managing Partner of Criterion Africa Partners, said, "We are extremely excited about our investment in Merensky Timber, and looking forward to working with the company to further strengthen the legacy of Dr. Merensky by capitalizing on opportunities to create sustainable value for all stakeholders."

Michael Jongeneel, CEO of FMO, said, "FMO's co-investment alongside Criterion into Merensky Timber represents a meaningful step towards achieving our ambitions in the Forestry sector. We are excited to be partnering with Merensky Timber and deepening our relationship with Criterion Africa Partners, and we truly believe that our shared values will see this transaction being transformational for the company and create real value and genuine climate impact at scale."

Johan de Graaf, CEO of Merensky Timber Group, said, "The recent investment by our new, like-minded partners, and the unbundling from our corporate parent, represent key milestones in our



illustrious history dating back to 1929. With this progress, Merensky Timber has reached a new stage of maturity, and we are well-prepared to enhance our development impact while remaining faithful to our founder's legacy, our values-driven purpose statement, and our long-term strategy."

About Criterion Africa Partners

Criterion Africa Partners is an independently owned private equity firm investing across the forestry value chain in sub-Saharan Africa since 2010. The firm advises two funds with assets of US\$275 million from institutional investors including prominent European Developmental Finance Institutions and Multilateral Development Banks.

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About FMO

FMO is the Dutch entrepreneurial development bank. As a leading impact investor, FMO supports sustainable private sector growth in developing countries and emerging markets by investing in ambitious projects and entrepreneurs. FMO believes that a strong private sector leads to economic and social development and has a 50+ year proven track-record in empowering entrepreneurs to make local economies more inclusive, productive, resilient, and sustainable. FMO focuses on four sectors that have high development impact: Agribusiness, Food & Water, Energy, and Financial Institutions. With a total committed portfolio of EUR ~13 billion spanning over 85 countries, FMO is one of the larger bilateral private sector development banks globally.

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