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Universal Partners sells YASA stake to Mercedes Benz

Port Louis, 4 August 2021: Mauritian and JSE-listed investment holding company, Universal Partners Limited (UPL) has sold its stake in British electric motors manufacturer YASA Limited (YASA) to Daimler UK, a subsidiary of Mercedes Benz AG (MBAG). In a separate transaction, YASA also disposed of its aerospace business to a consortium of investors, prior to the sale to MBAG. The aggregate value of both disposals amounted to c. £195 million (ZAR 4 billion). UPL's disposal of its 21.95% share in YASA will realise total proceeds of £42.8 million (ZAR 878 million).

After acquiring an initial stake in YASA in August 2017, UPL invested a total amount of £14.3m (ZAR 293 million) in the company. The deal results in gross proceeds of 3 times the amount invested and a net Internal Rate of Return (IRR), after allowing for transaction fees and carried interest charges, of 27.6%. Since its initial investment in YASA, UPL has assisted the company to grow its business value substantially, ultimately paving the way for MBAG's acquisition of YASA to become its sole owner.

YASA manufactures lightweight, high-performance Axial Flux electric motors for the automotive industry and currently supplies supercar brands such as Mercedes AMG, Mercedes Benz, Ferrari, McLaren, and Koenigsegg.

Pierre Joubert, CEO of UPL, said the disposal of YASA's shares was in line with UPL's stated objective of providing shareholders with access to investments in innovative, growth businesses in the United Kingdom and Europe, as these offer attractive opportunities for returns over the medium term.

"The YASA investment has provided excellent returns for UPL's shareholders. The transaction demonstrates UPL's ability to be a value adding, reliable partner that helps businesses to grow exponentially while delivering healthy returns for all its shareholders," he says.

"Our investment strategy is rooted in partnering with high-potential businesses and management teams. We provide them with strategic input and capital to grow and add value to these businesses, helping them to achieve strong capital appreciation over the medium- to long-term," Joubert adds.



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In line with its investment philosophy of being an active shareholder in its investee companies, UPL was represented on the YASA board by executive director Andrew Birrell. During UPL's investment in YASA, it supported the company to raise capital and facilitated the introduction of new shareholders like Oxford Sciences Innovation (OSI). Along the way, UPL also assisted YASA to weather the COVID-19 lockdowns and the impact of Brexit on its operations.

The future is bright for the Oxford-based YASA, which employs about 250 people, after the European Union recently announced a plan to ban new combustion engine sales by 2035. This implies that over the next decade, vehicle manufacturers will have to transition to electric-powered cars from internal combustion engine cars. Electric vehicles (EV's) are expected to account for 11% of vehicles sold globally within six years with EV's projected to surpass sales of internal combustion engine cars by 2040.

Joubert said he is confident that MBAG will build on the success achieved by YASA and will take YASA's impressive technology to greater heights.

Universal Partners Limited is an attractive investment for investors looking to diversify their portfolios to achieve exposure to UK and European investment opportunities. South African investors can freely trade in UPL's shares on the JSE in Rands without using their foreign investment allowance.

"Our portfolio of assets is made up of high-quality businesses that we expect will provide shareholders with attractive £ returns, in the medium- to long-term," concludes Joubert.

Universal Partners Limited holds a primary listing on the Stock Exchange of Mauritius and a secondary listing on the Johannesburg Stock Exchange's (JSE) Alternative Exchange of South Africa.

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