

# Cell C optimism holds despite CFO resignation

 By [Lindsey Schutters](#)

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When Lerato Pule joined Cell C from Telkom's SME division in 2022, the company stated that she "will play an important role as Cell C evolves to chart a new course to become a digital lifestyle company". Just short of a year since she was announced as company CFO, Pule is now leaving the network operator.



Cell C CEO Jorge Mendes at the company's Women's Day event. Source: x.com

The chartered accountant with a degree in accounting leaves Cell C at a crucial moment as its newly formed board and fresh CEO struggle for profitability and is losing ground against its competitors.

## Road to recovery

Pule was part of the leadership team when Blue Label Telecoms, Cell C majority shareholder with a 49.3% stake in the company via its subsidiary The Prepaid Company (TPC), secured a recapitalisation deal in September 2022 that included a restructuring of Cell C's debt to a total of R7.3bn.

Debt restructuring involved a creditor settlement of 20c per R1 and Blue Label provided liquidity via a secured loan of R1.46bn.

"Additionally, an amount of R1.1bn owed by Cell C to Comm Equipment Company (a wholly-owned subsidiary of TPC) will be deferred and repaid in equal monthly instalments over 60 months," explained a Blue Label statement announcing the deal closure.

In March Douglas Craigie, the Cell C CEO who navigated the company through the recapitalisation deal and another former Telkom employee, resigned for personal reasons. Craigie had been with the company since 2017 and was CEO since 2019.

"We thank Douglas for his valued contribution and for successfully assisting in navigating Cell C through the recapitalisation process," Cell C chairman Joe Mthimunye said at the time.

Mthimunye continued by praising Craigie's role in "directing the company to improved financial stability, enhancing operational performance and establishing a path to sustainability."

## The Mendes era

In a busy June Cell C announced the appointment of former MTN SA CEO Godfrey Motsa and former Vodacom corporate affairs executive Maya Makanjee to its board, and the appointment of former long term Vodacom executive Jorge Mendes as its new CEO.

Mendes quickly began assembling a new management team and brought Rachael Ayo-Oladejo on board as chief of staff, strategy and business transformation within a month of taking office.



Cell C appoints Rachael Ayo-Oladejo as its new chief of staff, strategy and business transformation

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"Rachael's appointment underscores the importance we place on strategic leadership and seamless execution," said Mendes about the new appointment.

"Her wealth of experience, proven track record, and deep industry insights make her the ideal candidate to play a pivotal role in our transformative journey to drive growth and profitability. I am confident that her appointment will further strengthen Cell C's position in the market in line with our strategic ambitions."

## Key resignation

Cell C declined to comment on Pule's resignation with regards to the management changes and stuck to its announcement statement wording saying that "she will continue to deliver on critical financial matters".

"Lerato has displayed exceptional leadership by facilitating the finalisation of the recapitalisation and initiating with three years (2018-2020) of the historic audits now finalised and financials being signed off; with the final stages of the 2021 and 2022 historic audit soon to be completed to ensure the timely delivery of the complete annual financial statements for these years," the statement continued.

The company also stated that Pule's influence extended beyond traditional financial reporting, mentioning that she has played a "crucial role in building a strong finance team and advancing our finance function into the realm of analytics".

Cell C is showing signs of recovery and investor optimism is holding through this news cycle. In July Sharenet portfolio manager Dylan Bradfield praised Mendes as an "excellent operator in the mobile network operator space" who can "unlock value within Cell C" during [a conversation](#) with *Biznews* founder Alec Hogg.

The Blue Label share price has experienced small gains following the resignation announcement.

## ABOUT LINDSEY SCHUTTERS

Lindsey is the editor for ICT, Construction&Engineering and Energy&Mining at Bizcommunity

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