

AIF confirms takeover of Club Travel Corporate

Club Travel Corporate (CTC) was acquired on Monday, 5 December by Alithea IDF Fund (AIF), Africa's first and largest gender-lens investing private equity fund.

The investment will enable CTC's Black- women-led management team to take over the company through a buy-out arrangement, and expand the company's operations to other countries in Africa.

In addition, the funding will allow for significant enhancements to be made to the company's proprietary technology, NexCT. This investment sends a powerful signal about the potential of women-led SMMEs, especially in the travel sector which is dominated by male-owned businesses.

AIF is co-founded and managed by two women-led firms – Alitheia Capital (Lagos, Nigeria) and IDF Capital (Johannesburg, South Africa). The fund, which announced its final close in 2021 identifies, invests in, and grows SMEs led by gender-diverse teams in a number of African countries, and notes the need for a greater focus on gender diversity within the investment community.

Additionally, AIF has also developed a first-of-its-kind gender lens investing toolkit which drives gender diversity across the value chain and leverages diversity as a key driver of superior financial and social returns.

Levelling the playing field

"There is increasing recognition of the need to level the playing field and ensure that women-led businesses receive the same investment opportunities as their male counterparts," says Polo Leteka, partner at AIF.

"And it is with this in mind that we have decided to invest in CTC, a company that is predominantly made up of Black women, with 80% of the company's employees being female.

"This is a well-established niche travel firm that is part of the Club Travel SA group, which is owned by Travelstart.

"The management team, together with AIF, has now decided to take a majority stake in the business by means of a management buy-out arrangement. We believe that this buy-out is very much in line with our investment strategy. In addition, we have great confidence in the management team which has impressive experience in the travel industry, as well as a developed network of excellent contacts."



Founded in 2007, CTC brings industry experience, corporate travel expertise, a national footprint, and future-focused technology to ensure the best possible travel management experience for SMMEs, corporates, government, and the film industry.

The partnership with AIF has been welcomed by the new ownership team of CTC.

"We are confident that CTC is well placed to take advantage of the renewed business travel market we are seeing now after the ravages to travel caused by the pandemic," comments Kananelo Makhetha, the chief executive officer of CTC.

Corporate client satisfaction

"Earlier predictions that corporate travel would grow during 2022 are being realised, and we are already seeing more in-person conferences taking place around the world. This management buy-out and the support we will have from our new partner, AIF, augurs well for the entire business travel market which will benefit from the specialisation that we can offer in terms of business travel, especially for our corporate clients."

Following the negative financial impact of the pandemic, there is an even greater need among all businesses for effective cost management, in particular in the areas of procurement, and the tracking and management of spending.

According to Leteka: "Our investment into CTC will be used to improve its proprietary technology, NextCT, and enable the company to offer cost-effective solutions and value-added services to its clients.

"Beyond the huge potential for NextCT to become a leading travel system for travel bookings, the software provides back-end support for expense management, procurement and planning for client businesses. This additional capacity supports better management, making the technology much more than a travel tool. We look forward to working with CTC to expand the company's offering and footprint to businesses within and beyond South Africa."

Paramount investor confidence

According to Gary Mulder, the chief executive officer of Club Travel SA: "Negotiations about this deal began about 18 months ago, during the heart of the pandemic when travel had largely ground to a halt, and this reflects the confidence in the potential that the business offers."

Mulder goes on to say that: "We are proud to have been part of the successes of our corporate travel division, CTC, over the past years, and look forward to seeing the business continue to flourish with our new shareholder partners, management and AIF. The management team is a key part of the success to date and will be key drivers of value into the future, and we are excited that the deal allows them to have a key stake in the value they create."

News of the investment is bound to bring cheer to the local travel industry, which was extremely hard hit by the pandemic. The stabilisation in the industry being seen currently, coupled with the confidence shown by AIF through its investment in travel, is good news and speaks volumes about the potential of the industry.