



## Sanyati more than doubles interim growth

By: Olivia Spadavecchia

Published: 13 Nov 07 - 10:46

Black-empowered civil engineering and construction firm Sanyati Holdings, which has just completed acquisitions of Ruthcon Civil Contractors and GEM Earthworks, has grown revenue by 105% owing to its involvement in a number of significant projects the company said on Tuesday.

Revenue for the six months ended August 31, 2007, was R396,2-million, compared with R192,5-million a year earlier.

The company also reported a doubling of net profit, from R11,3-million in 2006 to R22,9-million for the period.

Year-on-year headline earnings a share were up to 8,74c a share from 5,73c a share in 2006.

Following the acquisitions, Sanyati consolidated its operations and streamlined the group structure into four key operating divisions - building, roads, civils inland and civils coastal.

Sanyati explained that the civils coastal division, which comprised Afriscan Construction and GEM, was the group's biggest contributor to bottom-line growth, with revenue of R215-million and delivering net profit of R6,7-million.

"Afriscan Construction secured the R1,9-billion contract for the civil works on the King Shaka International Airport as part of the Ilembe Consortium. Through its 10% stake in the consortium Afriscan will derive direct revenue of R190-million over the next 19 months, CEO Rick Jackson said.

He added that Afriscan's strong performance during the period was aided by two major projects valued at R170-million on average and said he was confident that R150-million worth of pipeline contracts had put the company well on track to meet budget for the year to February 2008.

The civils inland division, made up of newly acquired Ruthcon, recorded a net profit of R6-million off revenue of R80,6-million.

Rusinga Building, Mega pile and Sanprop together posted revenue of R77,3-million and net profit of R5,5-million for the group's building division, and Brick Asphalt Euro; which makes up the roads division Euro; reported revenue of R66,8-million and net profit of R3,7-million.

Looking ahead, Jackson believed that Sanyati Euro;'s growth prospects would be augmented by the recent award of a 9CE rating by the Construction Industry Development Board that allowed the group to take on projects of unlimited value.

He was confident that robust industry conditions would continue to fuel growth and that the group would achieve its prelisting forecasts for the full year to February 2008.

Euro;œWe have 93% of the forecast order book in hand with four months to year-end and a number of projects in the pipeline,Euro; he concluded.