

Thursday, 17 May 2007

# Sanyati races ahead to 42% BEE shareholding

ROY COKAYNE

Pretoria - AltX-listed engineering and construction company Sanyati has boosted its black economic empowerment (BEE) shareholding from 26.6 percent to 42 percent, issuing 48 million shares and raising R100 million to fund recent acquisitions.

This makes it one of the leading empowerment companies in the sector.

The share issue came after the end of Sanyati's financial year in February.

Rick Jackson, Sanyati's chief executive, said yesterday that he believed the company would achieve its empowerment target of 51 percent by 2010 "fairly quickly".

It had negotiated with nine different investment communities to put together its latest broad-based BEE deal.

On listing in June, Sanyati had a 26.6 percent BEE shareholding through employees and executive directors.

Sanyati yesterday reported maiden headline earnings a share of 11.78c in the year to February, more than 6 percent higher than forecast and 34 percent ahead of the previous year. It attributed this to buoyant conditions in the construction industry.



Net profit of R24.2 million was 6 percent higher than Sanyati's prelisting forecasts.

Jackson said the company was well ahead of its initial turnover target of R1 billion by 2010, which it should achieve in the current financial year. Revenue for the year to February rose 47 percent to R379.6 million. He was optimistic about more than doubling revenue this year because 90 percent of the order book was secured two months into the financial year.

"This is attributable to ... good organic growth capitalising on strong BEE credentials [and the multiple benefits of our acquisitions," he said. "Positive market sentiment and spiralling demand for construction services further bode well for Sanyati's prospects."

Sanyati rose 1.89 percent to R2.70 on the JSE yesterday.