

Sanyati joins JSE's major league

Building firm wants to be among top players in sector and attract investors through its listing

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CONSTRUCTION and civil engineering company Sanyati yesterday realised its long-held dream of being among the big sector players when it moved its listing onto the JSE's main board.

Sanyati said the move, which saw its shares gain more than 3%, meant that it could now be compared with mid-cap construction companies such as Stefanutti & Bressan.

The transfer to the main board comes after Sanyati (SAN) spent two years on the AltX board, during which it

managed to reach its target of R1bn turnover a year and extending its geographic footprint beyond KwaZulu-Natal.

CEO Rick Jackson said it had always been part of the company's plans to move from AltX when turnover hit the R1bn mark. He said the AltX listing had been a stepping stone for Sanyati as it had allowed it to raise capital and grow organically.

In the two years Sanyati had also increased its empowerment holding to 49%, making it one of the largest black empowered civil engineering and construction groups in the country, Jackson said.

Sanyati's move was intended to position the company alongside comparable first- and second-tier construction groups, he said.

"We have found that Sanyati is compared to other AltX-listed groups with dissimilar service offerings, rather than similar civil engineering and construction groups. Relevant comparison to similar service groups would appropriately highlight Sanyati's strong performance and in turn elicit a positive response from investors."

"Currently Sanyati is rated well below JSE main board construction groups. However, with a relatively low price-earnings

ratio and promising growth the group offers significant value to investors," said Jackson.

"We believe the move will ensure penetration of the top-tier construction sector, for which the group is well positioned from an operational perspective."

He said Sanyati intended to raise its profile and attract investors with the listing.

With an order book of about R2bn, Jackson said the company was on track to achieve R1,5bn turnover forecast for this financial year.

"The construction industry in southern Africa is buoyed by unabating spend on infrastruc-

ture investment. Sanyati is positioned to share in government's approximately R500bn investment to roll out over the next five years as well as private sector investment."

Sanyati is involved in a number of civil engineering projects, including the King Shaka International Airport in KwaZulu-Natal, the 2010 Soccer World Cup Bloemfontein stadium, an Eskom power supply contract in Braamhoek, the Gautrain and several roads contracts.

Also, through its recent acquisition of Meyker Group, Sanyati said it was set to capitalise on escalating spend on telecoms infrastructure.