

Bernie Krone is pleased. It has been a good year, and the next financial year promises even greater things as he expects revenue to almost triple to more than R800-million. He aims to grow to a billion-rand company.

"It's a nice round figure."

Leaning back in his chair at Esor's head office in Germiston, Krone's desk is littered with paper evidence of the 'next big project', and the ones after that. "I'm absolutely happy we listed," he says unequivocally.

And why shouldn't he be? Since the company's name began appearing on the AltX (a JSE-linked exchange tailored to smaller firms) in March 2006, the geotechnical specialist's stock has risen steadfastly from under R2 to more than R6. Not even the contagious US subprime mortgage panic has caused much of a dent as investors worldwide ran for cover.

"Look what happened. Listing gave us the means to both acquire Franki and conclude an empowerment deal. It also gave us increased exposure in the market place."

Krone also notes that while listing came at a cost, it was justifiable in terms of the final outcome.

Joe Rose started Esor (Rose spelt backwards) in 1976. Krone has been in the business for three decades, but still managed to miss the last construction boom in the 1970s.

A year or so ago, though, things started to change – most notably when government finally dipped into its promised R400-billion-plus infrastructure purse.

However, Krone is not about to cash in and go home.

"I'm 54 years old. I hope to stay in the business for another seven to ten years. Why shuffle off after struggling for 30 years?"

Krone is not alone in his conviction that listing is a good idea while the going is still good.

As more and more smaller construction companies and suppliers to the construction industry join the tumescent ranks of the listed, other company bosses who made the plunge before this year's virtual stampede say they are pleased with their decision.

Building supplies group Afrimat CEO Andries van Heerden says listing on the JSE's main board in November last year has "most definitely" delivered the benefits expected.

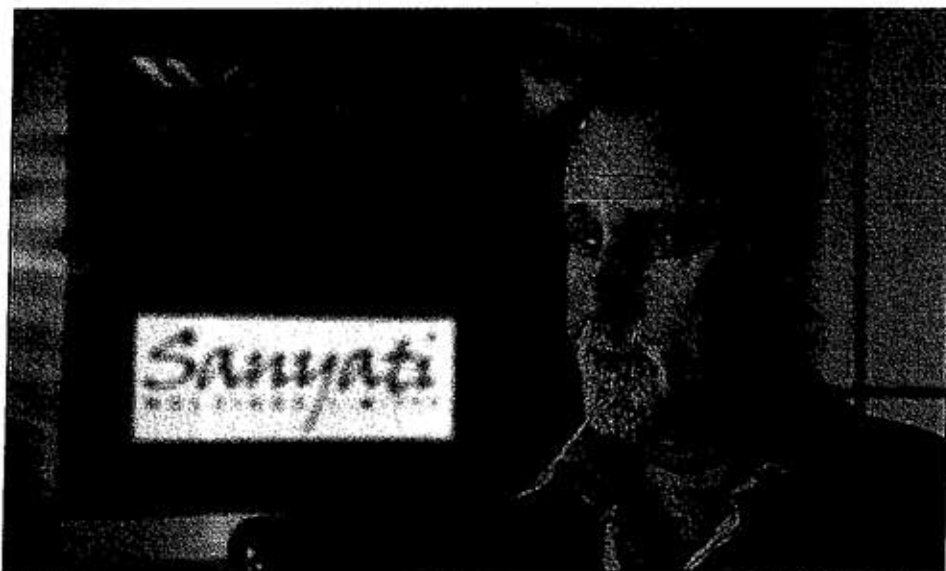
"We had a vision of being a national player in our industry by consolidating good, but smaller, players around the country.

CONSTRUCTION JUNIORS

BOOM RIDERS

Slew of listings as construction juniors ride wave of optimism and chase growth

Irma Venter | Senior Contributing Editor



RICK JACKSON

Listing Sanyati has delivered the benefits expected "in every respect"

"A listing gave us the ability to achieve this goal a lot sooner.

"We also strengthened our balance sheet significantly.

"We preferred a main board listing because we knew Afrimat would outgrow the AltX very soon."

Van Heerden says his company's share price (currently at between R9 and R10) has doubled since listing – although he believes there is more value to be found in the Afrimat share.

Smaller construction firm Sanyati listed in June last year. CEO Rick Jackson says the purpose of this "was to gain exposure, and to raise our profile in the industry, which allowed us to attract the best staff and make

great company acquisitions".

He says the decision has delivered the benefits expected "in every respect".

Sanyati has seen its share price triple from R1 to about R3.

Jackson is hoping for more.

"We will turn over close to R1-billion this financial year, with average earnings before interest, tax, depreciation and amortisation margins of about 10%.

"We anticipate growing the company to around R2,5-billion over the next five years."

(During the lean years, margins of 10% were simply unheard of, especially for civil engineering contractors which often operated at a meagre 1,5% to 3%.)

YET ANOTHER BRICK IN THE WALL: JSE AND ALT X LISTINGS BY

