

Acquisitions widened footprint

A BLACK-empowered civil engineering and construction group, Sanyati Holdings, is on a firm growth curve following a number of lucrative contracts in recent months, says CEO Rick Jackson.

They include work on Durban's King Shaka International Airport. The company benefited from enhanced capacity and a wider geographic footprint following the acquisitions of Gauteng-based Ruthcon Civil Contractors and GEM Earthworks.

The group more than doubled growth in revenue and profit for the six months to August 2007, despite bad weather conditions that delayed projects across the country, he says.

Jackson says the growth can be attributed to securing larger market share following expansion across five South African provinces.

"Although 62% of the group's contracts remain KwaZulu-Natal based, 22% of our projects are now located in Gauteng, with the balance spread over Mpumalanga, Eastern Cape and Zambia."

He says the acquisitions of Ruthcon and GEM were bedded down "which prompted management to streamline the group structure into four key divisions focused on high-growth market segments – Civils Inland, Civils Coastal, Building and Roads".

GEM, which joined Afriscan in the Civils Coastal division, secured a R25m contract for civil infrastructure work in Polokwane. The R75m Gamtoos road rehabilitation contract is scheduled for completion this month.

The company was awarded a R59m infrastructure contract in Gauteng for the Monaghan Farm housing estate, due for completion by the end of this year. Jackson says that the contract was secured based on Ruthcon's expertise on similar projects such as the R38m Ngwenya River housing estate in Brits, and further entrenches Ruthcon's strong presence in the private sector.

"Since the acquisition Sanyati has assessed Ruthcon's contract base and introduced strategies to see larger-scale contract awards in line with our intention to increase the average job size and length to boost growth."

Jackson says the company's footprint in Gauteng has been strengthened with the Gauteng office of Mega Pile, which it acquired in 2006, and a R2m contract for the hotel extension at Emperor's Palace.