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## Sanyati Holdings

By Nicky Smith

### Sanyati Holdings

Share price: 255c

PE: 22,3

Mkt cap: R579m

NAV: R73,6m

Operating profit: R24,8m\*

Shares traded: 5,2m/month

Listed on AltX: June 2 2006

Year-end: February 28

Source: I-Net Bridge, \*Sanyati

Based on August interims

**What it does:** Sanyati Holdings is the largest construction company on AltX, with a focus on large civil works and road building.

**Opportunities:** The higher profile the listing has brought will allow the predominantly KwaZulu Natal-based company to attract larger projects - with higher margins it will be able to give its shareholders a larger slice of the pie. Sanyati has ambitions of becoming a national company able to compete with the big boys for work.

**Threats:** These are similar to all companies in this sector: a shortage of skills as well as the slow pace of tenders in the public sector. Construction

companies have complained about the lack of capacity in government departments to apportion work and get the tenders out on time.

**Opinion:** Management claims that the restructuring the group went through ahead of its listing has now been bedded down, which is expected to result in better operational efficiencies. In a market as bullish as this one it may just be slicker operating that makes the difference and offers a competitive advantage. So far it has over delivered on its promises, so it looks like a solid bet.

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