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Santova

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Santova stretches to Hamburg

SPECIALIST logistics group Santova continues to carefully expand its global reach. The company says it has established a Hamburg office. **Page 5**

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CAPE TOWN — Specialist logistics group Santova — which has seen its share price almost double in the past 12 months — continues to carefully stretch its global reach.

Yesterday the company firmed up expansion plans for its recently acquired German operations and showed its intent to capitalise on cross-border trade in Africa.

Both developments have been welcomed by analysts, who believe Santova is pursuing a prudent expansion policy that will ensure incremental growth in the future.

The company announced it had established a Hamburg office for the recently acquired freight forwarding and clearing agent Masterfreight Internationale Spedition.

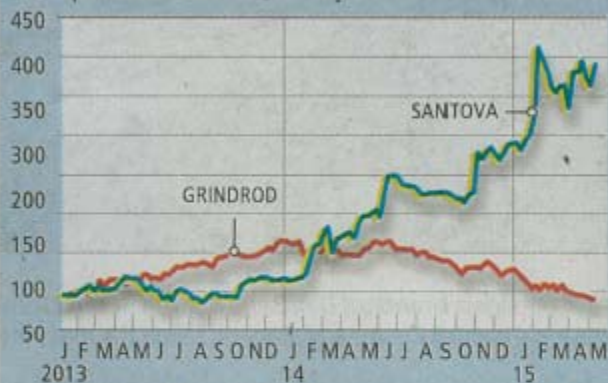
The business is focused on air freight imports and exports.

Santova CEO Glen Gerber said the Hamburg expansion formed part of a strategy to establish sea and air freight capabilities in all major transportation gateways throughout Europe. The Hamburg development coincided with Santova announcing the small acquisition of AEMC Trading Agency, a procurement and logistics business based in Cape Town.

AEMC specialises in cross-

PLAIN SAILING

Share prices based to 100, weekly



Graphic: DOROTHY TSHWAEDI Source: INET, BFA AND THINKSTOCK

border transport, warehousing and projects where clients need a point-to-point solution for moving cargo in Africa.

Mr Gerber said the acquisition of AEMC — which will cost a maximum of R1.6m depending on profit warranties being achieved — would help Santova expand its services and footprint into Africa.

While the AEMC acquisition was expected to positively affect results, the full effects of the deal would only be felt in future financial periods, he said.

AlphaWealth small cap expert Keith McLachlan said Santova — which now has a number of acquisitions under its belt — was being smart in taking incremental bets with small expansionary deals.

“There is lots of room for

growth but with the company taking almost no risk, AEMC essentially offers the company a gateway into African markets,” Mr McLachlan said.

Cannon Asset Managers fund manager Adrian Saville said Santova continued to select small, manageable acquisitions to secure incremental long-term growth. “The (AEMC) transaction is certainly not the company betting on the next big thing, but rather follows on the successes they have enjoyed in the past with similar transactions. We think it augurs well for Santova.”

The logistics group’s shares — which touched an intraday high of 388c — finished 1.34% higher at 379c on the JSE in fair trading volumes.

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