



In The Press

Santova

Innovative Solutions. Endless Possibilities.

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Earnings grow as Santova diversifies

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SANTOVA, a logistics provider with offices in SA, Hong Kong, Australia, the UK and the Netherlands, saw higher earnings growth in the year to February despite tough economic conditions.

It said yesterday that developed economies were trying to gain momentum lost during the global financial crisis and that emerging economies were not as buoyant as they had been.

But the group said it managed to produce consistent growth through diversification of its operating regions, currencies and industries. Group consolidated revenue was up 10.6% in the year as net income shot up 27.4%. Headline earnings per share rose 25.2% in the period.

Logistics operations in SA remained strong, despite a soft economy, the group said. The domestic logistics industry had contracted in many areas, but Santova had grown revenues 5.3% to R136m in the year.

"What is more important ... is that despite the continued pressure from underpricing by competitors, reduced trade volumes and a weakening rand, we have managed to retain an operating margin of 22.8%, which is not sig-



GLEN GERBER

SHINING BRIGHTLY

SANTOVA

Share price, daily close (cents)



Graphic: EBBY-GAF MARTIN Source: INET BFA

nificantly down from 24.2% last year," CEO Glen Gerber said.

Earnings in the UK were 25.3% down on last year, mainly on the loss of some big clients and competitor price cutting. But revenue in the Netherlands soared 37.9%, mainly from investments and new clients. Profits there skyrocketed 177% to R8.5m.

The Australian business's

SANTOVA

Full Year	2015	2014
Revenue (Rm)	237	214
Pretax (Rm)	51	40
Net Income (Rm)	39	31
HEPS (c)	31	24.77
Dividend PS (c)	4.25	3.25

operating profit jumped 257% to R2.8m, mainly from servicing the pharmaceutical industry. Hong

Kong and offices throughout China were well established and continued to provide value-added services for all regions.

Meanwhile, German operations were strengthened by the acquisition of Masterfreight Internationale Spedition in Frankfurt, and the subsequent opening of an additional office in Hamburg.
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