



FINANCIAL MAIL - Opinion / Diamonds & Dogs

Opinion

Diamonds & Dogs: Santova; Delrand Resources

BY JAMIE CARR, 10TH DECEMBER 2015, 11:32



SANTOVA



There are some weeks when you can hardly move without tripping over contenders for this prestigious award. All over the JSE the good news is flowing like hooch at an office party as SA's finest are slipping into the corporate swimsuits and getting ready for the judging. Sadly this is not one of those weeks. Instead of the seasonal tidings of comfort and joy, most of the Sens announcements appear to have been penned by disciples of the Four Horsemen of the Apocalypse.

Maybe this is just a coincidence, or maybe it's an accurate reflection of the gloom that's stalking many sectors of the business landscape as we prepare to down tools and head off to the coastal fleshpots.

So amid all the wailing and gnashing of teeth, it is heartening to spot some good news from logistics boffins Santova. The group reported HEPS up by 47,7% on the back of some particularly strong performances in its offshore logistics operations, amplified by the weakening of the rand, which shows starkly the benefits of currency diversification in the earnings streams.

The performance of the local operations was more muted, with total revenues dropping by 3,5% owing to the impact on trade volumes of the weak economic environment. However, Santova managed to improve margins through improved operational efficiencies, and to cut administration expenses by 11%, and this combined to boost profits by 60,4% despite the lower revenues. The company continues to invest in its international operations, opening offices in Hamburg and Accra and acquiring an operation in Mauritius.