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Santova spreads its wings with Jet-Freight

BY MARC HASENFUSS AUGUST 24 2015, 06:32

FAST-growing logistics services specialist Santova has broadened its global reach, announcing at the weekend the acquisition of Mauritius-based freight forwarding and customs clearing agent Jet-Freight Services.

Santova CEO Glen Gerber said the Jet-Freight deal formed part of Santova's stated strategy to expand its footprint internationally. "This office will offer Santova's existing client base immediate access to the global market in regard to procurement, value-added services at source and leading end-to-end supply chain management solutions in Mauritius."

Jet-Freight would also offer "significant opportunities" from Mauritius's membership of the Southern African Development Community.

The Jet-Freight acquisition would have a positive effect on result. However, he warned the full benefits of the transaction would be felt only in future financial periods. The effect on the financial results to end-February 2016 would be negligible, Mr Gerber said.

However, he warned the full benefits of the transaction would be felt only in future financial periods. The effect on the financial results to end-February coinciding with the Jet-Freight deal was an announcement by Santova that it had opened a new branch in Ghana.

This development was not unexpected, having been signalled in the annual report earlier this year.

A new regional executive had already been employed and the office had begun operations earlier this month, Mr Gerber said.

"This branch office will provide Santova with an important foothold in West Africa from which to spearhead its expansion into this region," he said.

Alpha Wealth portfolio manager and small-cap specialist Keith McLachlan said the latest transactions by the company reinforced perceptions that Santova was determined to open up more trade routes.

Santova does not own underlying logistics assets but rather operates by managing the client.

"The company is now looking to earn on both sides on the transaction — from both the importer and exporter," said Mr McLachlan.

The latest developments follow hard on the heels of Santova extending the reach of its German air freight imports and exports specialist, Masterfreight Internationale Spedition, from its Frankfurt headquarters into Hamburg.

The company also acquired Cape Town-based AEMC Trading Agency, a procurement and logistics business, in May this year.



BROADENING REACH

SANTOVA

Share price, daily close (cents)



GLEN GERBER

Graphic: SHAUN UTHUM Source: IRESS