

# Jobs prosper at AEEI despite the tough times

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Khalid Abdulla, the group chief executive of AEEI. File Photo: IOL

CAPE TOWN – Despite South Africa’s tough current economic climate, African Equity Empowerment Investments (AEEI) is seeing positive growth projects in line with its Vision 2020 strategy.

This is according to AEEI group chief executive Khalid Abdulla with an exclusive interview with Business Report this week, following the announcement by one of the company’s associates, AYO Technologies Solutions Limited (AYO) acquiring a 55 percent majority stake in Sizwe Africa IT Group.

Abdulla said from a broader macro-economic point of view, South Africa is going through a turbulent time and growth is important for the company as well as for our country.

Our Vision 2020 is coming together as planned. When developing our plan in 2015, we said we were going to list our fishing company, Premier Fishing & Brands Limited (Premier Fishing), we said we were going to list our IT company, AYO Technology Solutions Limited and yes, it may seem like AYO is running a few months late for various reasons, but you can see from the acquisition of 55-percent stake in the Sizwe Africa IT group (Sizwe) and the Sasol deal, that the management is focused.

“They are focused on achieving their objectives and with these deals already, it has more than doubled its revenue and we as shareholders are obviously quite delighted with it. I’ll put on my shareholder hat as group CEO to support them in moving forward in a positive way for everybody,” he said.

AYO this week announced its acquisition of a majority stake in Sizwe, with a transaction value for AYO estimated to be R165 million. Sizwe operates in four concentrated business units: managed services, unified network solutions, fibre and facilities management, and systems integration.

## **Annual revenue**

The transaction is significant for AYO with its additional estimated R1 billion annual revenue to AYO, and is in line with its strategy to use Group synergy to create stakeholder value through innovative products and services.

The company believes that the investment in Sizwe is set to more than double AYO’s revenue and significantly contribute to growing its bottom line.

Abdulla added that from an AEEI perspective, the group has been growing between 40 percent and 60 percent year-on-year since 2014.

“Our Vision 2020 Vision was to double the Group by 2020, in 2018 we have already achieved those goals however, we are now setting goals for 2025 and because we are growing by at least 40 percent year-on-year from an asset, profit and cash perspective in the AEEI Group, we expect it to carry on in that light and I believe our targets are on schedule and our objectives are being met,” he said.

In terms of future job creation, Abdulla said that within the Premier Fishing, the expansion of the abalone farm is going extremely well and is on track. The group is set to create about 100 jobs over the next year in the fishing sector.

“At AYO alone, we’ve created about 100 ‘new’ jobs and we are expecting those numbers to grow. We are seeing customers approaching our IT group and saying that because we are more empowered according to the codes, they will give us more business and this will open up further job creation and employment,” said Abdulla. He added that the group is also bringing in interns and going to universities to recruit and are training people for the future.

“We are taking a three to five-year view on the matter. Even though the country is going through a tough time we continue to remain focused and are looking to grow. If companies all just remain focused on growth in a responsible manner, the economy will take care of itself. We must exercise hope for people rather than anything else. It is a case of the half full, half empty glass, and we believe that we are a half full glass and I am confident that growth will come and we look forward to the next three to five years of building this business to the next level,” said Abdulla.

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