

AEEI eyes more acquisitions after sterling performance

[Companies](#) / 14 November 2018, 08:30am / **Sandile Mchunu**



AEEI chief executive Khalid Abdulla at the presentation of the company's annual results in Cape Town yesterday. Armand Hough African News Agency (ANA)

DURBAN – The share price of African Equity Empowerment Investments (AEEI) surged more than 12 percent on the JSE yesterday after the JSE-listed investment holding company released its annual results, which saw its earnings increase by 946 percent.

In the year to end-August, AEEI's earnings grew by a whopping 946 percent to R4.992 billion, up from R477 million. "The earnings increased mainly as a result of a once-off gain from a deemed disposal of a subsidiary," the group said.

Earnings per share increased by 946 percent to 1016.01c a share, up from 97.10c, while headline earnings a share decreased to 24.24c, down from 94.89c compared with last year.

The group attributed the decline to a once-off fair value adjustment prior to BT Communication Services South Africa becoming an associate.

The group's normalised headline earnings a share increased by 142 percent to 25.09c, up from 10.38c.

The group defines normalised earnings as earnings from continuing operations excluding non-recurring items and once off fair value adjustments.

The board declared a dividend of 12c a share during the year, and it will be paid from income reserves.

The group's profit before tax increased by 852 percent to R6.01bn, up from R631m compared with last year.

It credited strong contributions from all its underlying investments for the surge in profits.

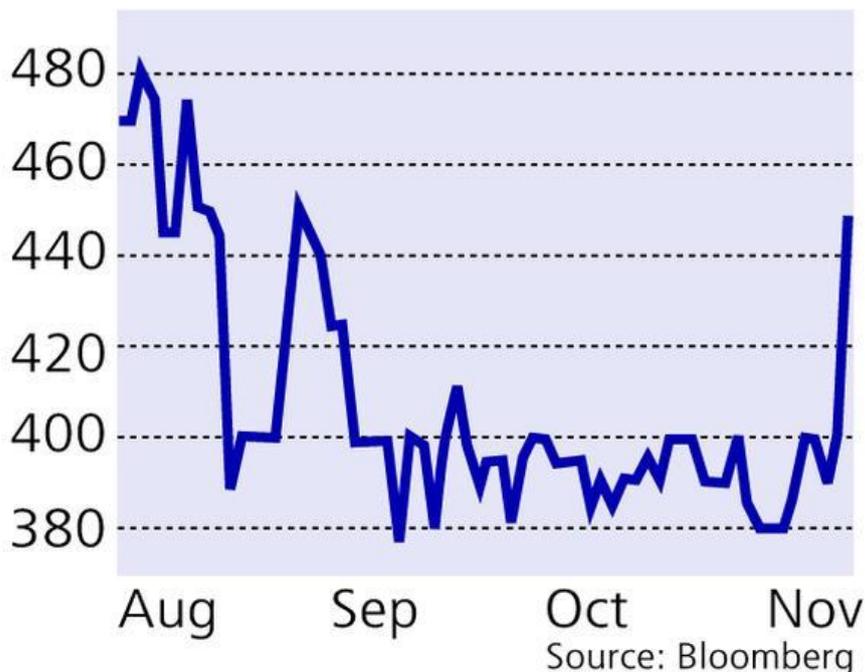
African Equities shares closed 12.25 percent higher at R4.49 on the JSE yesterday.

AEEI

share price, rand

Aug 13 - Nov 13

Close: R4.49



The group's restated revenue increased by 22 percent to R701m, up from R577m, with the group attributing the performance mainly to significant revenue growth achieved from the fishing and brands division, which was in line with its acquisitive growth strategy.

Commenting on the results, AEEI chief executive Khalid Abdulla said: "I am so excited about this year's results. The management team has done well, the group has done well, with the listing of the two companies. If you look at the cash flow in the group, you see that it has grown, and we are paying dividends to our shareholders. We are very grateful to everybody for the support they've given us."

AEEI has invested in sectors such as technology through AYO Technology Solutions. AYO also achieved significant growth in revenue of 33 percent to R638m, up from R478m, as a result of obtaining new customer contracts in the financial service sector, which leverage the strategy to gain market share through its enhanced black economic empowerment credentials.

Another AEEI investment, Premier Fishing and Brands, saw revenue increase by 20 percent to R491m, up from R411m, for the year.

Premier Fishing and Brands was busy in the acquisition space with its purchase of Talhado Fishing Enterprises (Talhado) for R89m to enhance the group's footprint in the squid sector during the year.

AEEI is invested in health and beauty, biotechnology and in events and tourism sectors.

It also holds strategic investments in Pioneer Foods Group, Sygnia and Saab Grintek Defence and BT, which is now managed and reported under the technology division and accounted for as an associate since the prior year.

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