Namibian company using JSE to grow

By Nicola Mawson

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It wasn't a great first day for fast-moving consumer goods company CIC Holdings on Friday, when it became the first foreign company to have a primary listing on the JSE's AltX. The company has plans to expand operations into southern Africa in the next couple of years.

Fast-moving consumer goods company CIC Holdings on Friday became the first foreign company to have a primary listing on the JSE's Alternative Exchange.

CEO Trevor Rogers said the aim of the listing was to facilitate access to capital to allow it to diversify and expand.

About R10 million of the R50m the company raised before listing would be used to secure new agencies and product categories, while R40 million would be earmarked for acquisitions in Zambia, SA, Angola and Mozambique.

Rogers said the company aimed to be in higher-margin Angola and Zambia in two years and was identifying partners.

The company said it would focus on growing in fast-moving consumer goods, alcoholic drinks and tobacco products. It sought to acquire companies that would grow its regional footprint.

CIC said it aimed to grow its staffing solutions business in the hospitality sector. The business, Labour Supply Chain, has moved from blue-collar staffing solutions to the hospitality and technical services market.

The Namibian group, started about 50 years ago, operates in Namibia, Botswana, Swaziland, Mozambique and SA.

CIC was delisted from the Namibian Stock Exchange this year when financial services company PSG acquired a controlling stake. Rogers said moving exchanges allowed it room for growth as Namibia was thinly traded.

The company did not enjoy a great first day of trading. Its share opened at R1,05 before closing at 95c. Its private placement was at R1 a share.

CIC holds agency agreements in southern Africa with several manufacturers, including Tiger Brands, Colgate Palmolive, Revlon, Heineken, Eveready, Cadbury's and British American Tobacco. Its client base includes Shoprite, Pick n Pay, Spar and Pep Stores.

It reported after tax profit of R23,4 million in the year to June, and expects to report an after tax profit of R29,2 million for the year to June next year.

Headline earnings per share were expected to increase from 9,9c to 12,9c, which would give the group a forward price-to-earnings ratio of 7,8 times, with a dividend yield of 5%.

Registered as an external company in SA, it listed 252-million shares. Paladin Capital, a subsidiary of the PSG Group, has a shareholding of 46,6%, while Standard Bank Namibia has 14,8%

Source: *Business Day*

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