

Metair sees strong sales growth

Automotive parts manufacturer and retailer Metair on Monday (18 March) reported a 19% increase in its headline earnings per share to R3.10 for the year to December, after strong vehicle sales growth.

By [Alistair Anderson](#) 19 Mar 2013



"We have done well because of our mix between the original vehicle market and the after market. Last year we saw solid retail vehicle sales, which have worked their way into the after-market that normally lags it by some three to five years," Metair's chief executive Theo Looock said.

Metair has benefited from strong vehicle sales growth over the past few years, with new vehicle sales up 9.2% last year, though economists expect vehicle sales to slow down this year.

During the year, Metair acquired Rombat, a Romanian lead-acid battery maker.

"We are confident we are on track to achieve the financial, operational and strategic objectives we set ourselves when we acquired Rombat, the leading lead-acid battery manufacturer in Romania," Looock said.

"Rombat will be the platform from which to launch the group's key technology and after-market products into Europe," he said.

Lead-acid batteries were much cheaper to manufacture than lithium based batteries, he said.

Kagiso Asset Management's Abdul Davids was pleased with the results.

"Strong new vehicle sales and improving after-market parts sales have definitely boosted the company. However, in our view management have also done an excellent job in steering the business through the tough trading conditions experienced over the last few years. The acquisition of Rombat is one example of good strategic decision making that has added significant value to the company," Davids said.

He said Metair had a realistic chance of becoming a world leader in battery supply.

"We see significant potential for Metair to globalise its Stop-Start batteries, especially given Rombat's extensive European footprint," he said.