

More private sector work helps Calgro lift revenue

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Housing developer Calgro M3's CEO Wikus Lategan says the firm has managed to reduce its reliance on the public sector for revenue, having diversified into three businesses.



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"We believe we must be diversified especially in tougher economics times. Hence, we are doing more work with private partners in our integrated residential development business. Our memorial parks and real estate investment trust businesses are also growing.

"While navigating the current business landscape, as well as diversifying risk across sectors and businesses, the group has remained focused on maintaining the underlying theme of property development that is synonymous with Calgro M3," said Lategan.

On Monday, 15 May, Calgro reported revenue growth of 29.12% to R1.6bn in the year to February, with its net asset value climbing 23.78% to 798.35c. Cash on hand trebled to R240.8m from R80.1m. Calgro's net debt to equity sat at 41.82%, lower than the 59.30% at the end of February 2016. Headline earnings per share fell 4.23% to 133.08c compared with 138.96c in 2016.

Towards the end of 2016, Calgro joined forces with SA Corporate Real Estate to build a real estate investment trust.

Bridge Fund Managers chief investment officer Ian Anderson said SA Corporate's portfolio had been delivering strong performances compared with other property groups in SA.

Source: Business Day

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