

Sea Harvest lists on JSE to capitalise on growth potential

Brimstone Invest Corporation, which owns 85% of Sea Harvest's shareholding, has announced that it will list the company on the JSE, whilst simultaneously raising capital of up to R1.5 billion private placement.



Sea Harvest has demonstrated strong growth in the last five years, with 59% of its revenues generated in hard currencies; Europe and Australia are its largest international markets.

Since taking control in 2009, Brimstone has invested R776 million in Sea Harvest, through additional capital and reinvested profits. Sea Harvest has invested considerably in new vessels and plant efficiencies and used capital to acquire control (56%) of Australian listed Mareterram in 2016.

Brimstone foresees significant growth potential from Sea Harvest and capital raised through the listing will help accelerate its growth trajectory.

“The listing will add further impetus to transformation in South Africa and is strongly aligned with government’s strategy to increase the number of black industrialists,” says Fred Robertson, chairman of both Brimstone and Sea Harvest.

“Sea Harvest will retain its black ownership credentials, with Brimstone continuing to own more than 50% of the company post-listing. Our long-term partnership approach has worked well and this will remain a cornerstone of our investment philosophy.

“Capital raising will strengthen Sea Harvest’s balance sheet by repaying all company debt and providing the company with the additional capital to support growth both organically and acquisitively. Organic growth will come from margin enhancements by improving efficiencies and investing further in the business. Over the past two years, investments of some R300 million have been made in vessels and infrastructure with a corresponding increase in margins. This has also contributed directly to the creation of new jobs.

“Importantly, the listing will allow Sea Harvest to attract and retain management and staff through the use of tradeable instruments. This will ensure that the interests of management and staff are aligned with those of

Sea Harvest's shareholders.

"Sea Harvest has been a strong performer in our group and we expect the company, under the leadership Felix Ratheb, to stretch capacity and capability. The company is energised and poised for growth," concludes Robertson.

"Brimstone has established a track record of creating value in various ways for its shareholders over the years. Its role in the listing of Life Healthcare on the JSE and the significant value it created to all stakeholders is a fine example," says Mustaq Brey, Brimstone CEO.

The listing will be subject to approvals by the majority of Brimstone shareholders, regulatory approval by the JSE and any other regulatory consents that may be required. A general meeting of Brimstone shareholders will take place on 9 March 2017 to seek their approval for the listing.

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