

## ACQUISITION

# Santova subsidiary buys up remaining minority interest in Australian operation



Santova International Holdings, a wholly owned subsidiary of JSE-listed industrial transportation group Santova, has bought the remaining 25% minority interest in Santova Logistics Australia (Santova Australia) that it did not own, for A\$1.1m.

The purchase price is less than 5% of Santova's market capitalisation. Santova Australia, based in Sydney, specialises in customs brokerage, trade facilitation and international freight forwarding. Santova acquired a 75% majority stake in the company from the founder of the business in March 2009.

Another 25% was bought by Patent International Company, Santova's agent in China.

Santova Australia had established itself as a niche logistics provider in a number of local industry sectors and, as a result, had seen steady growth in profitability, Santova said.

The acquisition of the remaining 25% minority interest in Santova Australia facilitated the further expansion and development of the group's presence in the region, it said.

The A\$1.1m is payable in cash and will be funded from the Santova's internal cash resources, subject to certain conditions. Santova said the acquisition was expected to have an immediate positive effect on the group through the reduction of profit attributable to noncontrolling interests.

Santova has offices throughout the country and in Australia, the Netherlands, Germany, Ghana, Mauritius, the UK, and Hong Kong.

The group has had to face challenges including SA's poor economy, the weakening of sterling after the Brexit vote and the generally weak state of the highly competitive global logistics industry. But Glen Gerber, the group's CEO for the past 14 years, says the group is well diversified and that a bad year in one location is generally offset by a good year in others.