

What's behind Santova's optimism



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Industrial logistics group Santova said on Tuesday it expected headline earnings per share to climb between 10% and 15% for the six months to end-August, which it said was due to diversified offshore organic growth despite a weaker rand and poor conditions in SA.

Headline earnings for the period were expected to be between R31.8m and R33.3m, with headline earnings per share expected to be between 20.27c and 21.16% higher, the JSE-listed company said in a voluntary statement. Santova, which has previously said it was seeking to position itself as a rand-hedge, said 65% of profits were now generated offshore.

Santova's share price climbed almost 7.12% to close at R3.16. Santova, along with other logistics providers, has been under pressure amid intense global competition, while South African operations have been hit by the strengthened rand, a weaker pound and a challenging domestic trading environment.

Nevertheless, revenue grew despite the weaker rand and were described as "fantastic".

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