

Santova taps into India trade route



Published Date: 2018-10-22 | Source: Stephen Gunnion | Author: Stephen Gunnion | 0 Comments



The industrial transportation and logistics group has bought SAI Logistics to benefit from trade between the world's second most populous nation and the UK

Santova has bought UK-based SAI Logistics for £3.2 million as it builds its international operations by buying logistics businesses along key international trade routes and in major international trading geographies. SAI Logistics is an international freight forwarding agent and operator of a bonded warehouse, based in Milton Keynes.

Santova is buying the business from founder and managing director Simon Phillips, who owns 98% of the stock, as well as minority shareholder Andrew Hart. It said Phillips would continue to serve as MD for a minimum three-year period following the acquisition.

The industrial transportation and logistics group said with India forecast to be the world's third largest economy by 2030, SAI would benefit from its strong brands within the UK specialising in sea and air imports along the niche trade route from India to the UK. It said the world's second most populous nation was an attractive market for world trade and the sourcing of products.

The acquisition of SAI Logistics will further enhance the Group's current capabilities in the United Kingdom and internationally," *Santova said.* "SAI's long-established and entrenched relationship with key suppliers and agents in India ... can be leveraged to the benefit of shipments from India to the rest of world, particularly in those geographies where Santova has its own offices."

Santova will pay £1.44 million once the deal is completed, with £575 000 due within 90 days of the completion of each of the first and second 12-month anniversaries of the effective date and £607 000 on the third. A profit warrant requires the company to achieve a minimum profit before tax of £595 919 a year or not less than £1.79 million in aggregate for the three warranty periods, otherwise, the purchase price will be proportionately reduced.

It will fund the deal through a combination of internal resources and a new R75 million medium-term loan facility.

Its shares gained 1.6% to R3.27 on Friday.