



Dividends up 50% as Bidvest Namibia maintains strong run

Bidvest Namibia Limited, a diversified group of companies, listed on the Namibian Stock Exchange last week (August 19 2011) announced another set of strong results, bolstered by the exceptional performance of its fishing products in the strong Sub-Saharan African markets.

Trading profit rose 47,7% to NAD544,9 million (2010: NAD368,9 million) off a 19,3% revenue increase to NAD1,92 billion (2010: NAD1,62 billion). Headline earnings per share moved 37,4% higher to 120,0 cents (2010: 87,4 cents per share) while dividends per share rose 50,0% from 36,0 cents to 54,0 cents.

Cash generated from operations grew 26,2% to NAD564,6 million (2010: NAD447,3 million).

After a strong performance last year – its first year on the Namibia Stock Exchange – continued cash generation has significantly reinforced Bidvest Namibia's cash position. There is now NAD780,3 million on the balance sheet of a business with a strategic commitment to sustained acquisitive and organic growth.

Shareholders were advised on September 16 2010 to exercise caution in their Bidvest Namibia share dealings in view of advanced negotiations. The cautionary statement was renewed on August 19.

Chief executive Sebby Kankondi noted: "Shareholders can imminently expect an announcement in respect of this cautionary."

The 2011 results reflect the NAD18,0 million proceeds from the sale of the fishing vessel 'Mars'.

Kankondi spotlighted the contribution of the fishing business to the strong overall performance.

He explained: "Horse mackerel performance reflects high catch rates and firm prices. Results are underpinned by the success of our long-term strategy of differentiating our fish by consistently delivering high quality. Market prices were firm, though local currency strength against the US dollar negated some of the effects."

The negative currency impact was NAD56,8 million.

Bidvest Namibia's Angolan fishing investment did not perform to expectations as vessels had to be modified to meet new licensing specifications, impacting asset utilisation.

The business complements fishing activities with a range of commercial operations in the freight and logistics solutions management, food distribution, office furniture,

stationery, travel, car rental and electrical supplies sectors. These operations experienced challenging trading conditions.

“Here, overall performance was disappointing, though some teams did well to achieve a measure of growth or find replacement business,” said Kankondi. “Mediocre performance in some businesses exposed areas of management weakness.”

He said strong organic growth during a slow recovery from recessionary conditions demonstrated the resourcefulness of the people of Bidvest Namibia.

Further growth will be pursued in the coming year.

Kankondi said: “Bidvest Namibia expects to continue to achieve real growth in revenue, with the horse mackerel business expected to provide the major contribution. The way has been cleared for a positive contribution by our Angolan investments. Vessels have been re-licensed and our new high-tech fishmeal facility is now operational.

“Rewards from investments in training and efforts to upskill management capacity will take time, but improved performance is expected across the business over the medium term.”

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