

AfroCentric sees positive future

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BLACK economic empowerment (BEE)-styled healthcare firm AfroCentric Investment Corporation reported 26.6% growth in profit during the six months ended December and said more growth can be expected going forward due to acquisitions.

AfroCentric issued its interim results yesterday showing revenue of R1.01bn, up from R937.1m in the previous comparable period.

Profit after tax rose from R77.4m to R98m while headline earnings rose by 29%.

However, earnings per share declined to 20.25c from 23.51c.

The company described the performance as a satisfactory continuation of a growth trend.

It noted that "the dilution in basic earnings and headline earnings per share arise primarily as a result of the increased weighted average number of shares in issue at December 31 last year".

AfroCentric describes itself as a black-controlled, diversified investment holding company. The company holds a 94.1% stake in AfroCentric Health Limited (AHL).

AHL owns 100% of the issued share capital in Medscheme Holdings, a multi-medical scheme administrator and managed care provider.

The group said it had made significant progress towards closing two key transactions.

The first transaction relates to the acquisition of the wholesale and courier pharmacy businesses belonging to WAD Holdings.

The second transaction relates to a strategic investment by Sanlam in a subsidiary called AfroCentric Health.

"These transactions have progressed to the point where agree-

ments in the case of WAD have been signed and the suite of agreements on the Sanlam investment are expected to be completed within the weeks hereafter.

"Both transactions remain subject to certain regulatory approvals and conditions precedent and these processes will be appropriately attended to."

Looking ahead, AfroCentric said: "While economic indicators in South Africa, at this time, suggest a challenging period ahead, it is nevertheless expected that the principal business of the group will continue to generate positive outcomes.

"The acquisition of WAD and the strategic investment by Sanlam will significantly expand the group's capital base and positively position the group for further growth."

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