

**SMS  
SIEMAG**

SMS group

Metallurgical tradition:  
**SMS DEMAG HAS BECOME SMS SIEMAG!**  
Further information: [www.sms-siemag.com](http://www.sms-siemag.com)

Creamer Media's  
**ENGINEERING NEWS** Online

## Stefanutti Stocks doubles revenue as construction industry defies economic downturn – for now

By: Irma Venter  
Published: 19 May 09



For now, the construction industry remained seemingly untethered to the current harsh economic reality. However, warning signals were starting to sound, indicating that the situation would not remain quite so buoyant so going forward.

JSE-listed engineering and construction group Stefanutti Stocks on Tuesday said it more than doubled revenue to R6,3-billion in the financial year ended February 28, following in the footsteps of many other construction groups reporting similar, if possibly somewhat more muted, results during the last few days.

Net profit after tax reached R319,4-million for Stefanutti Stocks.

This positive jump followed the acquisition of construction group Stocks during the year.

Headline earnings of R299,3-million translated into headline earnings a share of 185,4c, a significant increase from 103,7c the previous year.

Announcing his company's results, Stefanutti Stocks CEO **Willie Meyburgh** said effective implementation of an early integration strategy was paying off, with the merger of the two groups running smoothly.

"The inclusion of Stocks' businesses in the group has already yielded benefits including economies of scale, enhanced efficiencies and critical mass.

"These advantages are boosting bottom line, widening the group's international footprint, and opening greater access to infrastructure work in the Gulf region, as well as bolstering management, specifically in the building business unit."

Meyburgh said the strong performances seen across the group were buoyed mainly by infrastructure development in Southern Africa, power utility Eskom's expansion plans, and projects related to the 2010 FIFA World Cup.

"The primary growth driver for the group was the structures unit, which encompasses our geotechnical, concrete and marine construction operations," said Meyburgh.

"We are involved in all major expansion work currently under way in joint venture."

Projects of this nature included the new Kusile coal-fired power station, and the Sikhupe International Airport, in Swaziland.

Vindicating the group's efforts to bolster its building unit with Stocks' building business, revenue increased substantially from major projects. These include projects in partnership, such as at the OR Tambo and Cape Town International Airports, and Sol Kerzner's One & Only resort, in Cape Town.

The roads and earthworks division reaped the benefits of clinching the bus rapid transport contract with the City of

Johannesburg.

"The new asphalt division is proving a wise addition and has made a solid contribution to the unit's revenue with good returns," Meyburgh added.

He noted that the mechanical, electrical and power and mining services units also made solid contributions for the year.

Meyburgh said mining services fended off the slowdown in mining in South Africa through a number of large contracts for waste disposal and re-mining programmes.

The company's operation in the Gulf region, in partnership with local companies, maintained its healthy performance, notwithstanding mass cancellation of large projects in Dubai.

"To capitalise on the US dollar income stream, the group established a formal office in Dubai during the year as a base for regional expansion," said Meyburgh, who still believed this region will provide further growth opportunities in, for instance, Abu Dhabi, Qatar and Oman.

#### **DAMPED PROSPECTS**

While Meyburgh recognised that the current deterioration in the markets had undoubtedly damped prospects, he believed the group's current order book remained encouraging.

"Our operations are firmly aligned to growth markets, such as infrastructure development and power."

Within South Africa, Meyburgh noted that certain sectors of mining would be less affected by the decline in commodities pricing. He said the group would target these sectors for work.

He added that the group would take advantage of the current market slowdown to consolidate, following the recent acquisitive and organic growth.

---

Copyright Creamer Media (Pty) Ltd. All rights reserved.

Tel: +27(0)11 622 3744 | Fax +27(0)11 622 9350 |  
newsdesk@engineeringnews.co.za  
<http://www.engineeringnews.co.za>

Stefanutti Stocks doubles revenue as construction industry defies economic downturn - for now - Windows Internet Explorer

http://www.engineeringnews.co.za/print-version/stefanutti-stocks-doubles-revenue-as-construction-industry-defies-econom

File Edit View Favorites Tools Help

Google Search Bookmarks Check AutoFill Sign In


Stefanutti Stocks doubles re... Stefanutti Stocks doubles...

**SIEMAG** SMS DEMAG HAS BECOME SMS SIEMAG!  
SMS group Further information: [www.sms-siemag.com](http://www.sms-siemag.com)

Engineering News Online

### Stefanutti Stocks doubles revenue as construction industry defies economic downturn – for now

By: Irma Venter  
Published: 19 May 09



For now, the construction industry remained seemingly untethered to the current harsh economic reality. However, warning signals were starting to sound, indicating that the situation would not remain quite so buoyant so going forward.

JSE-listed engineering and construction group Stefanutti Stocks on Tuesday said it more than doubled revenue to R6,3-billion in the financial year ended February 28, following in the footsteps of many other construction groups reporting similar, if possibly somewhat more muted, results during the last few days.

Net profit after tax reached R319,4-million for Stefanutti Stocks.

This positive jump followed the acquisition of construction group Stocks during the year.

Headline earnings of R299,3-million translated into headline earnings a share of 185,4c, a significant increase from 103,7c the previous year.

Announcing his company's results, Stefanutti Stocks CEO **Willie Meyburgh** said effective implementation of an early integration strategy was paying off, with the merger of the two groups running smoothly.

"The inclusion of Stocks' businesses in the group has already yielded benefits including economies of scale, enhanced efficiencies and critical mass.

"These advantages are boosting bottom line, widening the group's international footprint, and opening greater access to infrastructure work in the

Done Internet 100% 09:42

start Inbev - Microsoft Out... Stefanutti Stocks dou...