

# Kaap Agri keen to list on JSE

By [Marc Hasenfuss](#)

20 Feb 2017

Highly profitable farming community retailer Kaap Agri - which has PSG-aligned Zeder Investments as its largest shareholder - is investigating a JSE listing, possibly by as early as midyear.



[Image Source: Franschhoek Agrimark](#)

Although no listing date has officially been set, Kaap Agri confirmed on Friday in a notice to shareholders that the board of directors had "instructed management to go ahead with the listing of the company on the main board of the JSE".

While the JSE's retail segment has been under pressure in recent months as consumer spending waned, the market warmly welcomed healthcare retailer Dischem to the bourse in November. Like Dischem, Kaap Agri has been consistently profitable and has managed to grow its operating footprint.

Kaap Agri has diversified away from its core Agrimark stores to include fuel sales, hardware stores, liquor outlets and convenience shops.

The company has 180 operating points across the Swartland, Boland, Overberg, Langkloof, Namaqualand, Orange River, Sundays River Valley and Namibia as well as Limpopo, Mpumalanga, Gauteng and North West.

In the year to end September, Kaap Agri generated revenue of R7.6bn and posted a pretax profit of R219m.

Vunani Securities analyst Anthony Clark noted that Kaap Agri was bid at R40 on the OTC (over-the-counter) platform on the bid with no offers. "This is hardly surprising given the impending JSE move." Clark said with headline earnings to end-September of 298.5c a share, the company was trading on a historic earnings multiple of 13.4 times and a dividend yield of 2.4%. "On my forecast earnings of 352c a share for the 2017 financial year, the counter is on an undemanding earnings multiple of 11.4 times."

He believed listing Kaap Agri on the JSE's main board would lead to a rerating in the shares.

*Source: Business Day*

For more, visit: <https://www.bizcommunity.com>