

Waco listing in SA a 'real alternative' as Australian economy slows down

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Trade and Industry Editor

SA COULD be set for a large new listing on the local bourse before year-end, with industrial services group Waco International deciding next month whether and where it will list.

Waco, which specialises in scaffolding and modular building, has about R3,5bn in revenue and has recorded compound annual growth in profits of about 32% over the past three years under the leadership of Afrox Healthcare founder and Consol Glass chairman Royden Vice.

Waco would be among the 70 largest companies listed on the local bourse.

The group considered listing in Australia — Waco generates more than three-quarters of its income offshore from countries such as Australia, New Zealand, the UK and the US.

Vice said, however, that a South African listing has become a "real alternative" in the past six months against the backdrop of growth in the domestic economy and with the Australian market slowing down.

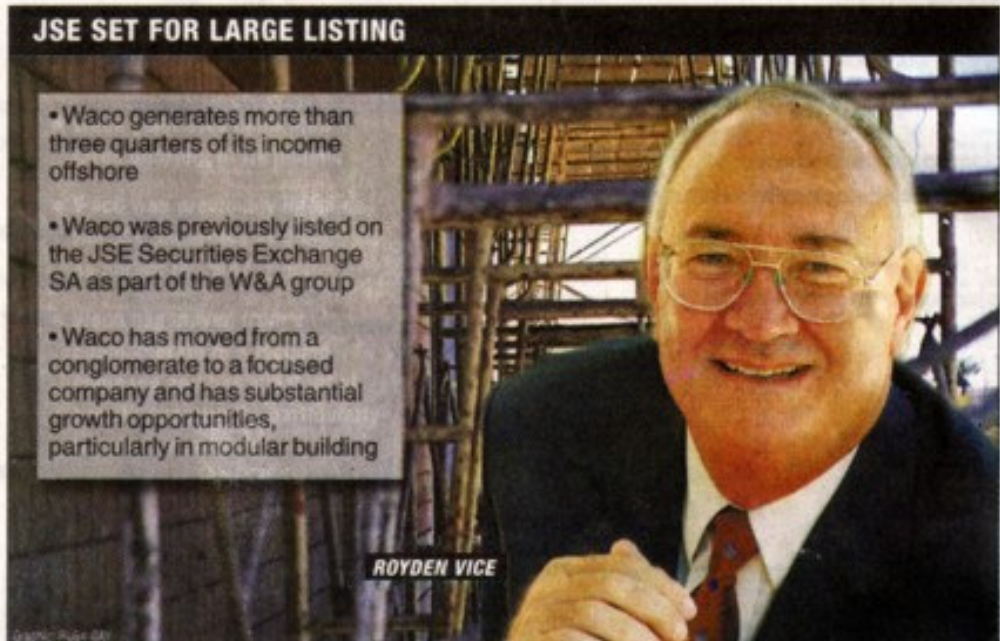
Waco was previously listed on the JSE Securities Exchange SA as part of the W&A group until about five years ago when an international consortium of private equity players led by Ethos Private Equity took over

JSE SET FOR LARGE LISTING

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ROYDEN VICE

Waco in a R2,4bn buyout.

Vice sought to list as its private equity shareholders were now looking to the realise value from the investment.

Financial director Stephen Goodburn said the group had undergone a complete metamorphosis over the past three to four years.

He said Waco had moved from a conglomerate to a focused company and had substantial

growth opportunity, particularly in modular building.

Modular building — where the major parts of buildings were made in a factory and assembled on site — was popular overseas as it was about 60% cheaper and 70% quicker to erect compared with traditional bricks-and-mortar buildings.

Waco has, for example, just secured a A\$34,5m contract to build all preschools, using the

modular method, in Queensland over the next three years.

Vice said there was substantial opportunity for modular buildings in the education, health care and mining accommodation fields in SA.

Waco bought UK-based Interlink Building Services for £31,3m in October.

The transaction pushed Waco into the top-three portable building businesses in that country.

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