

Invicta seeks 50% of income offshore

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Invicta Holdings, a distributor of capital equipment, spare parts and engineering consumables, will need to raise equity to partly fund any large acquisitions it undertakes as it sets out to earn 50% of its revenue outside South Africa.



Invicta's Chief Executive Arnold Goldstone says the company is actively seeking offshore deals and hopes to derive 50% of its revenue offshore. Image: Invicta

About 22% of Invicta's income comes from its offshore activities but with the purchase of Kian Ann Engineering in Singapore last year, this is set to change.

Invicta's Chief Executive Arnold Goldstone said: "The target of 50% of income from outside South Africa might be (achieved) in the next year if we stumble across or conclude transactions."

"We are very active in the market looking for opportunities in the industries in which we operate in," he added.

Invicta is pursuing opportunities mainly in emerging markets such as Asia, Africa, Russia and South America.

Goldstone said the group would be likely not to buy 100% stakes in its takeover targets, but rather seek a sufficient stake to give Invicta control so that the management team is involved.

Deals would be funded through a combination of debt and equity. "We were happy with the gearing (in the Kian Ann deal), but if we had to make another acquisition of a similar size or bigger, we would definitely raise some equity," Goldstone said.

Goldstone said locally trading conditions were still difficult, but the company is happy with its position at the moment.

"The mining and industrial markets in South Africa are stagnant, while our construction equipment segment is performing reasonably well. However, agricultural machinery sales were expected to be weak in the new year," Goldstone said.

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