

# Sea Harvest's success positions it for growth

Sea Harvest has enjoyed two years of significant success. The company's shareholders invested close to R600 million in capital and investment growth this year alone, seeing Sea Harvest becoming one of the largest vertically integrated black-owned fishing companies in the country.



## Acquisitions and investments

It has been a prosperous period for Sea Harvest where the company acquired 19.9% of Mareterram Limited, (an Australian vertically integrated agribusiness) listed on the Australian Stock Exchange. Sea Harvest further increased its stake in Mareterram to 56%, a controlling interest, in July this year. "We are very excited by our acquisition in Australia. It allows us to fortify our ability to earn foreign currency and provides a great platform for further growth in Australia. Even though cross-border acquisitions are never easy we have an experienced team on that side that is more than capable of delivering on the group strategy of being a diversified agribusiness", said Felix Ratheb, Sea Harvest's chief executive officer and non-executive director of Mareterram, who is also an independent trustee on the Board of Trustees for the Marine Stewardship Council.

Further investments made by the business over the past 24 months include a R300 million outlay in vessels and infrastructure to ensure it continues to be efficient, sustainable and at the forefront of innovation.

At a shareholder level, Brimstone Investment Corporation invested R250 million in acquiring Kagiso Tiso Holding's share of Sea Harvest, thus allowing it to increase its controlling share to 85%. This acquisition consolidated the company's position as one of the most transformed fishing companies in the industry, now being 91% black-owned. "Our commitment to transformation and job creation in the fishing industry will continue into the future," said Fred Robertson, Sea Harvest and Brimstone Chairman.

## Employment and employee benefits

The company is committed to spreading the benefits and in mid-2015 created and launched an Employee Share Scheme where Sea Harvest's permanent employees hold shares in the business through a trust made possible by the shareholders. "This is our way of showing our employees how much we value their contribution to the ongoing success of Sea Harvest. The share scheme was initiated at no cost to the employees and the value of shares owned by them is now approximately R30 million," explains Ratheb.

As the single largest employer in the Saldanha Bay Municipality, the company continues to make a significant economic impact in a rural area to over 2,400 employees and their families through job creation and corporate social investment. The community the company operates in is critical to the lifeblood of the business, and Sea Harvest is committed to continue creating good sustainable jobs to foster local area development along the West Coast.

## **Positive growth**

The fishing industry is a competitive and constantly evolving industry where barriers to entry are high, but one in which Sea Harvest is flourishing. In 2016, positive revenue growth can be seen in most markets, particularly in Europe. “We continue to experience positive growth in all markets as the demand for sustainably caught hake grows, the opportunities for us to diversify our currency are there as we seek to make Cape Hake the protein of choice the world over,” says Konrad Geldenhuys, Sea Harvest’s sales and marketing director.

After the difficulties faced by the business after the 2008 global financial and southern European sovereign debt crises, the business has seen a turnaround where its current compound annual growth rate (CAGR) on revenue has increased by over 10% since 2011, and its earnings before interest and tax (EBIT) has increased by over 60% since 2014.

Sea Harvest is well poised for organic and acquisitive growth. Ratheb acknowledges that without his experienced management team, supportive shareholders and a dedicated workforce, Sea Harvest’s many successes over the past three years could not have been achieved. All of their efforts and hard work has seen Sea Harvest be recognised by consumers through the Icon Brand consumer survey and voted the number seven Icon Brand in South Africa. “A leader is only as strong as his team, and for us to be industry champions we need to constantly broaden our knowledge and experience. We look forward to an even bigger and more successful 2017.”

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