

SAKE 24

RGT to expand after AltX debut

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Johannesburg - Consultation and market intelligence group RGT Smart, which operates in the automotive industry, planned to use its proposed listing on the AltX later in April to pursue an "aggressive expansion strategy". CEO Paul de Vantier said the group's business model could work, especially in the retail industry with higher value products, like stoves and refrigerators. The company was already expanding in the financial and medical industries and new products were also being developed for the tourism industry. RGT Smart, which is based in Port Elizabeth, has been providing monthly sales figures for the National Association of Automobile Manufacturers of South Africa (Naamsa) for several years. As part of the listing, RGT Smart is offering 57 million shares at 10 cents each. The offer closes on April 7, while the planned listing date was April 14, provided enough applications for shares were received, De Vantier said.

The listing, which will cost more than R1.6m, will leave it with little new capital on hand. Although a small listing, it would "buy an enormous amount of credibility", said De Vantier. Listed companies are subject to far stricter financial control measures, which make it easier to obtain access to financing. Financially, RGT Smart is no dripping roast with taxed profit to end-February expected to total R258 000. However, this was largely owing to write-offs and payments that had to be made to prepare the company for listing, said De Vantier. "We feel we can explain our financial position," he said. "We are actually very well established in the motor industry; more than 80% of our income is annuity-based, and we see considerable potential growth in the motor industry. "We are not doing a listing for the money; we don't need capital. We are doing it because it buys a huge amount of credibility, and we have an aggressive expansion strategy. A listing will mean we have better access to financing," De Vantier said.