

Transaction Capital reports 17% increase in headline earnings

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TRANSACTION Capital yesterday reported strong growth with headline earnings increasing 17 percent to R363 million in the six months to end March on the back of divisional resilience in a constrained macro-economic environment.

They said the SA Taxi and Transaction Capital Risk Services, an active investor in and operator of credit-ori-

entated alternative assets, led the performance with a 22 percent increase in headline earnings to R211m.

Chief executive David Hurwitz said the divisions continued to demonstrate resilience and were expected to maintain the momentum.

"Transaction Capital's entrepreneurial management teams will continue to invest in and implement growth strategies with discipline and precision," Hurwitz said.

"We expect this to translate into

robust organic earnings and dividend growth in the medium term, at least in line with the group's past performance."

Interest and other income increased 11 percent to R1.81 billion, while core headline earnings per share increased 17 percent 59.4 cents a share.

The group declared an interim dividend of 27c a share, up 29 percent on last year. Net asset value per share increased by 30 percent to 810.4c.

The group said its balance sheet

remained well capitalised, with funding requirements for the 2019 financial year and beyond in excess of R1bn.

In February, the SA National Taxi Council (Santaco) acquired a 25 percent stake in SA Taxi for R1.7bn in a move set to increase SA Taxi's social impact.

The transaction extended to financial inclusion, job creation, skills development and economic transformation.

Hurwitz said since 2008, the division had provided R23.8bn worth of

loans to taxi operators, supporting the creation of an estimated 76 685 SMEs, and 138 000 direct and 230 000 indirect jobs.

"By enabling taxi operators to replace old vehicles with new, safer and lower emission minibus taxis, SA Taxi assists in improving the quality of this critical... public transport network," Hurwitz said.

Transaction Capital rose 1.03 percent on the JSE yesterday to close at R19.70.