# Perspective Hall of Fame - Andries van Heerden - Afrimat Founder & CEO

*Perspectives: February 13th, 2023*

The unassuming **Andries van Heerden** of JSE listed **Afrimat** is not [yet] widely known. The evidence runs clear that he should be. Consider the following.

With a degree in Mechanical Engineering and 15 years' experience working in the quarrying, packaging and coal mining industries in South Africa, Andries was instrumental in driving the design and ultimately the listing on the JSE of **Afrimat** in November 2006. At his then age of 39 he became its first CEO, the leadership position that he still serves the business from today.

| | FY 2007 | FY 2017 | FY 2022 | CAGR 2007 to 2022 | CAGR 2017 to 2022 |
|---|---|---|---|---|---|
| Annual Sales | 413 443 | 1 969 786 | 4 680 078 | 17,6% | 18,9% |
| Annual Operating Profits | 83 063 | 337 766 | 1 104 532 | 18,8% | 26,7% |
| Shares in Issue | 124 299 | 136 075 | 138 149 | 0,7% | 0,3% |
| Earnings Per Share | 0,58 | 1,50 | 5,43 | 16,1% | 29,3% |
| Share Price | 10,50 | 30,00 | 58,00 | 12,1% | 14,1% |
| Number of Employees | 1 498 | 2 298 | 2 511 | 3,5% | 1,8% |

These numbers in and of themselves are already impressive. Now bring into context that Afrimat

- operated in extremely tough, highly cyclical industries, in a complex and challenging country and region, during a period of the exceptional mismanagement of South Africa.
- experienced a significant contraction in the South African construction industry, with the outright failure of many industry participants.
- had successfully acquired, integrated, and grown new business divisions, thereby improving their scale, diversification, and robustness.

- did not issue many shares nor raised any debt to fund their growth, while also paying a steadily growing dividend to shareholders.
- have already invested heavily across the business to bring to life a number of significant long-term growth projects that are currently still in the early stages of contribution.

There is more to this. Not as readily visible are the 'softer' factors - the sort of things that a truly wise leader deeply understands and needs to be deliberate about. Here are four pointers.

1. Afrimat operates with the committed purpose to become 'the ***world's most respected*** construction materials and industrial minerals supplier' - emphasis added. We suspect those three words were carefully and deliberately selected, and it speaks volumes of what they are all about.

2. As truly long-term investors and business founders we pay attention to the culture of our own firm and that of the businesses we choose to invest in. Afrimat has a clearly defined, valuable and unique business culture , that has been consciously designed, and over time reinforced and nurtured.

3. When it comes to repeatedly doing sensible acquisitions , the list of exemplars globally is woefully short. Afrimat has already established an incredible pedigree and reputation in this critically important and repeatable aspect of long-term stakeholder value creation.

4. Andries would probably cringe at being singled out for praise and recognition. We see and acknowledge that there are over 2,500 people working alongside him at Afrimat, and he would be the first to point out that they have all contributed to its success.

Afrimat has been a substantial and respected business for some time already, but it is still relatively unknown in the stock markets, with limited coverage and exposure by most of the sell-side analysts and buy-side investment firms in South Africa, let alone globally. In time, this will change. We offer our deepest appreciation and respects, as we pay tribute to a terrific South

African business entrepreneur and business, one that we look forward to seeing living up to and earning its coveted 'world's most respected' moniker.

Our work continues...

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