

Adapt IT targets Africa expansion

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Technology firm Adapt IT is targeting further expansion in the rest of Africa to increase the share of turnover from outside SA. The group, which released strong results for the six months to end December, has posted consistent growth in the past five years, helped by existing businesses and acquisitions that have widened its geographic footprint.



Sbu Shabalala - Adapt IT CEO

Adapt IT provides software solutions and support to industries including education and financial services in countries such as New Zealand, Australia and the US. The company makes 72% of its turnover in SA, 10% from other African countries and the rest from Europe, the US and Australasia. Adapt IT opened an office in Botswana recently, and is eyeing businesses in nine more countries on the continent.

In the interim period, Adapt IT lifted turnover by 19% to R315m. Operating profit was up 50% to R53m and headline earnings per share rose 42% to 23.96c. "We have been pursuing diversification through organic and acquisitive growth, which has contributed to this positive set of results," said CEO Sbu Shabalala.

Revenues boosted

The depreciation of the rand also boosted revenues. "There was a positive impact from the translation of foreign revenues, which are around 20% of the group's revenues," said Shabalala.

Adapt IT makes 36% of its turnover from the manufacturing industry, 28% from the education sector, 22% from the energy industry and 14% from the financial services sector.

"Adapt IT is well-diversified across the four major sectors in which it operates, improving resilience to adverse economic cycles as are currently being experienced in the manufacturing and the oil industries," said Shabalala.

Source: Business Day

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