

Interwaste gets back to making money

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Waste management company Interwaste returned to profit in the year to December having struggled with delays in projects in the previous financial year.



Interwaste's headline earnings per share were 3.89c compared with a 1.48c loss in the previous year.

Interwaste is an AltX-listed group of environmentally conscious waste management companies. It manages waste from industries including steel and iron, petrochemicals, mining, and pulp and paper.

The group's 2011 loss was largely caused by spiralling costs while revenue growth was subdued. In 2012, the company had managed costs better, chief executive Alan Willcocks said.

"We are pleased to report a substantial improvement in performance over the previous year. While there is still progress to be made, the turnaround has taken hold and we are seeing more satisfactory returns from the business," he said.

Interwaste's revenue grew 22% and translated into profit before taxation of R21.1m, a significant improvement on the loss before taxation of R6.7m in the prior year.

The main improvements took place in the waste management and landfill management businesses.

Willcocks said the metals recovery business again lost money, although the loss was limited, and the compost business had a bad year with substantial losses too.

The cash flow from operating activities at R65.9m was 31.2% higher than the previous year's R50.23m. Cash applied to investing activities declined from R64.2m in 2011 to R53.5m, mainly because of major capital expenditure on the development of a landfill site in 2011 not being repeated in 2012.

Strike action during the second half of the year disrupted Interwaste's operations.

"While we were able to compensate for certain of the strike's consequences, our operations were negatively affected with a

consequent impact on results. We recognise the importance of collective bargaining and the right to strike action but question the irresponsible exercising of those rights in an economy where growth is constrained," Willcocks said.

Enforcement of waste disposal management remains a problem in SA, Deputy Water Affairs Minister Rejoyce Mabudafhasi said recently.

She said there was limited enforcement capacity in SA to ensure that waste was disposed of correctly.

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