

# Sea Harvest takes control with bigger Mareterram slice

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Sea Harvest Corporation, the hake fishing company controlled by empowerment group Brimstone, has gained control of Australian Securities Exchange-listed agribusiness Mareterram.



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Sea Harvest emerged as one of the anchor shareholders when Mareterram listed on the Australian Securities Exchange at the end of 2015. But earlier in 2016, Sea Harvest signalled an intention to bulk up its holding in Mareterram by making an offer to that company's minority shareholders.

Mareterram catches and processes king and tiger prawns out of Western Australia and operates a sales and marketing arm, mainly for seafood. Mareterram's shares have largely traded in a narrow band since listing, peaking at 35 Australian cents in April after reaching a 27c low in March.

According to a statement on Wednesday, Sea Harvest now holds 56% of Mareterram after shareholders accepted bids for shares worth about R200m. Sea Harvest CEO Felix Ratheb said Mareterram's strategy was closely aligned to Sea Harvest's strategy of becoming a vertically integrated global agribusiness.

## Acquisitive growth

The Mareterram deal follows a transaction in which Brimstone increased its stake in Sea Harvest to 85% after buying out fellow empowerment participant Kagiso Tiso Holdings. Brimstone has a meaningful presence in the fishing sector and also holds a significant minority stake in JSE-listed fishing conglomerate Oceana Group. Oceana recently made its big move offshore by acquiring Louisiana-based fishmeal and fish oil specialist Daybrook.

Brimstone chairman Fred Robertson said the company supported acquisitive growth by its subsidiaries. "In the instance of Sea Harvest, the opportunity of global expansion using Australia as an entry point is an exciting one and aligns with our view of becoming a global player in the sector."

Mareterram has a market capitalisation of about A41m (about R421m). Market watchers suggested Sea Harvest's determination to build a bigger stake in Mareterram underlined Brimstone's longer-term plans to build a sizeable food platform. Robertson said Mareterram would create a platform from which further acquisitions could be launched.

"The longevity of fishing rights in Australia gives us a certain amount of certainty around this investment," he said. He also stressed that Mareterram added diversity in terms of species and geographical markets to Sea Harvest. "We also intend broadening our seafood basket, we don't want to be solely dependent on fish."

*Source: Business Day*

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