

# Snug US fit for Africa

**With 17 African companies listed on the NYSE Euronext, worth \$102 billion, Catherine Kinney, Head of Global Listings at NYSE, tells us what's next with Euronext**

## **Q** What is the extent of African companies listed on NYSE Euronext and why do they do it?

For several decades, NYSE Euronext has been home to listings and cross-listings of African companies. Spread over three listing venues on both sides of the Atlantic (Brussels, New York, Paris), trading in our African securities takes place in US dollars and euros. Companies that list from Africa have generally been very successful, and today count for an average trading volume of 187 million euros (US \$281m) a day.

The listing of South Africa's Sasol Limited (NYSE: SSL), for example, has been a big success story, for both the company and the NYSE. The company listed because the home market couldn't fully support its global growth ambitions; and the US – because of its size, scope and appreciation of the energy industry – was the best fit. The NYSE was also the natural choice because of the peer group comparison offered with most of the world's leading energy companies, which are NYSE-listed.

In 2003, when Sasol listed on the NYSE it had a share price of \$10.43. Today it is trading around \$50 a share, giving the company a total global market capitalisation of about \$33 billion. US ownership of the company's total outstanding shares is 24%, and trading of the company's American Depository Receipts (ADRS) on the NYSE accounts for 25% of global trading by SSL. The listing of Telkom SA (NYSE: TKG) has also been a big success.

## **Q** Are you hoping to list more than your current 17 African companies given there are more than 4,000 throughout the continent?

The Africa profile of NYSE Euronext is still relatively low compared to the potential business opportunity. Listed companies from the African continent on our markets currently represent seven out of 55 countries, and we are actively working on growing our list, for example with events such as the one here in New York in September to draw attention to the opportunity.



## **Q** Is growing investor interest the reason behind NYSE Euronext promoting listing and dual listing of African companies?

The growing investor interest in African companies is underpinned by a continuous shift towards geographic diversification among US and global equity investors, who are increasingly looking to diversify into non-US assets in search for growth and attractive yields. Looking at the overall performance of the African companies listed with us – and of course the broader African markets – investors were rewarded by returns superior to those of some of the world's leading equity indexes. Our mission is to provide investors with the widest choice of investments – therefore, access to African securities is an integral part of our well-rounded offering.

## **Q** What requirements do African companies struggle hardest to meet when approaching NYSE Euronext to list?

As any company accessing the stock markets, issuers need to be aware of the required transparency and disclosure standards, and, often, a related shift in corporate culture. The single biggest factor pre-listing is probably the existence of certified accounting and reporting systems. This needs of course to be closely complemented by sound corporate governance and transparency and regular disclosure. **A**

Catherine R Kinney is Group Executive Vice President and Head of Global Listings, NYSE Euronext. She is also a member of the NYSE Euronext Management Committee. Based in Paris, Kinney – who joined the NYSE in 1974 – is responsible for overseeing the company's global listings and NYSE Euronext marketing and branding. Previously, she was Group Executive Vice President of the New York Stock Exchange from June 1995, and from 1986, was responsible for managing trading-floor operations and technology.