# **JASCO ELECTRONICS HOLDINGS LIMITED - Summary of the unaudited interim results for the six months ended 31 December 2021**

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Summary of the unaudited interim results for the six months ended 31 December 2021

JASCO ELECTRONICS HOLDINGS LIMITED

Registration number 1987/003293/06

JSE share code: JSC

ISIN: ZAE000003794

("Jasco" or "the company" or "the group")

SUMMARY OF THE UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31

DECEMBER 2021

Highlights

• Revenue from continuing operations up 1%

• Operating profit from continuing operations up 680%

• Net interest paid reduced by 31%

• Headline earnings per share up 104%

Introduction

Market conditions during the six months to 31 December 2021 remained

challenging, with Jasco’s customers and the general South African economy

impacted by COVID-19, the social unrest in July 2021 and the metal

industries strike in October 2021.

In these conditions, Jasco continued to focus on the group’s turnaround,

with a number of achievements during the reporting period:

• The successful restructure of the loan from its lender the Bank of

 China into a three-year term loan in December 2021

• An improvement in revenue and operating profit from continuing

 operations, with a strong recovery in the Communication Solutions

 business unit and continued good cost control across the group

• The finalisation of the capital raise through the Rights Offer,

 which concluded on 7 February 2022 with an amount of R48,3 million

 raised

Financial summary

The results of Reflex and Property Technology Management, which were

disposed of in the previous financial year, are separately disclosed as

discontinued operations for the current and prior reporting periods.

• Revenue of R352,0 million was 1% higher (Dec 2020: R347,8 million)

• Profit before interest and taxation (PBIT or operating profit)

 improved by 680% to R11,3 million (Dec 2020: R1,5 million). This

 was mainly due to the increase in revenue from Webb Industries in

 Communication Solutions and improved gross margins, as well as

 continued cost control across the group

• Earnings per share (EPS) increased from a loss of 1.2 cents to a

 profit of 0.2 cents. EPS from total operations decreased from 4.1

 cents to 0.1 cents.

• Headline earnings per share (HEPS) improved from a loss of 1.22

 cents to a profit of 0.11 cents and from a loss of 1.54 cents to a

 profit of 0.06 cent for total operations.

• The statement of cash flows reflects cash generated from operations

 before working capital changes of R28,2 million compared to R34,3

 million in December 2020. Working capital changes reflect an

 outflow of R10,9 million (Dec 2020: R5,5 million outflow).

• The closing cash balance of R26,0 million (Dec 2020: R31,7 million)

 increased from R21,0 million in June 2021

Group prospects

The economic outlook for 2022 remains uncertain, with a number of

challenges in South Africa, including the ongoing COVID-19 impact,

growing unemployment, with associated social and labour unrest, and the

continued Eskom crisis.

Jasco will continue to execute its strategy and concentrate on the

following key areas:

• Drive organic revenue growth from its existing customer base and

 target new strategic customers.

• Add new products and services to Jasco’s portfolio, with an

 emphasis on Managed Solutions as a fast-growing and higher-margin

 business area.

• Keep costs under control and ensure a continued improvement in

 sustainable profitability levels in all business units.

• Continue to reduce the financial gearing through the cash generated

 by Jasco’s operations.

Jasco’s primary focus in the short-term will remain on delivering

sustained profits. To assist the management team with the finalisation

of its long-term strategy and the group’s debt refinance and syndication,

it has appointed a specialist advisory company, Apeiron Capital.

Subsequent events

Jasco has successfully concluded a rights offer and raised R48,3 million

of the targeted R55 million. R20 million of the proceeds was used to

settle the group’s corporate bond and R20 million was paid to the Bank

of China, while the balance will be utilised to fund the group’s working

capital requirements. The group’s gearing ratio (excluding lease

liabilities) improved from 308% to 102%.

There are no other material events to report.

Directors’ statement of responsibility

This short-form announcement is the responsibility of the directors and

is only a summary of the information in the full announcement and does

not contain full or complete details. The full announcement can be found

on the company’s website at www.jasco.co.za or

https://senspdf.jse.co.za/documents/2022/jse/isse/JSC/JSCHY2021.pdf.

Copies of the full announcement may also be requested at the company’s

registered office and at the office of the sponsor, at no charge, during

office hours. Any investment decision should be based on the full

announcement published on the company’s website.

For and on behalf of the board

Dr ATM Mokgokong WA Prinsloo LA Prigge

(Non-executive chairman) (Chief executive officer) (Chief financial officer)

Midrand

16 February 2022

Sponsor: Grindrod Bank Limited

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