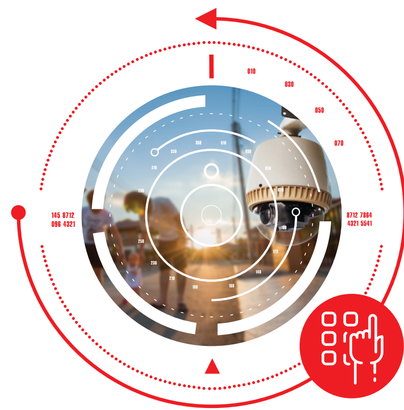
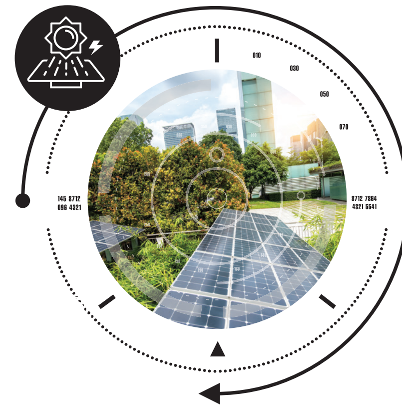
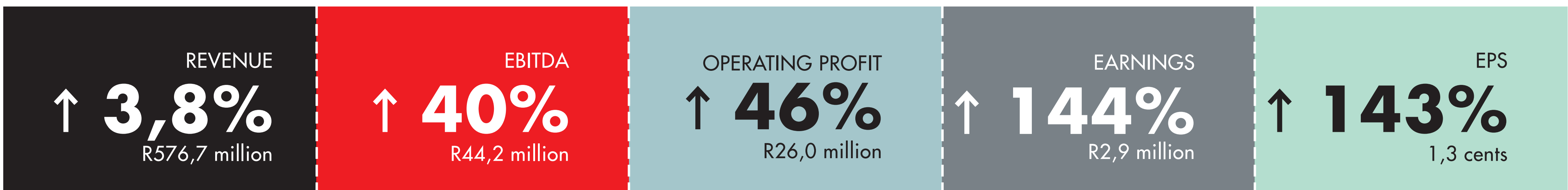




JASCO
INSPIRE.INNOVATE.

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2018



INTRODUCTION

Group overview

Jasco is structured around autonomous business units with their own responsibility for financial performance. Shared functions are centralised.

The management team is conscious of having to be agile and ensuring the group is innovative and differentiated. Jasco has a clear strategy of becoming a partner of choice for its target customer base through the provision of smart infrastructure solutions. Jasco has a relevant portfolio, broad industry experience and understanding of the priorities of the different markets and stakeholders. With this in mind, the group re-organised its business units post the year end of 2018 into four key areas. This provides more focus and enhances the group's alignment to key markets to assist customers to address their challenges.

The four key areas are:

1. Information and Communication Technologies (split into ICT-Carrier and ICT-Enterprise)
2. Security and Fire
3. Energy
4. Manufacturing

In addition, Jasco is shifting from a product development, distributor and reseller model to that of a systems integrator and service provider of choice. The restructured business units to deliver this strategy are:

ICT		Security and Fire	Energy	Manufacturing
ICT-Carrier • Radiation systems (cables and connectors) • Kitting • Distributed antenna systems • Masts and towers • Hi-Sites • Transmission/access networks • Outside plant (passive products)	**ICT-Enterprise** • Contact centres, workforce optimisation and unified communications • IT infrastructure and services • Broadcast solutions • Voice recording solutions • Property technology management (Smart buildings) • Internet of Things analytics • Data centres, IaaS, PaaS and SaaS • Open access – fibre to the home and business	• Access control and people flow • Surveillance and CCTV • Fire detection and suppression	• Power assurance (including UPS and generators) • Photo-voltaic (solar) solutions, grid-tie, hybrid and off-grid systems	• Component manufacturers • Tooling manufacture • Plastic and injection moulding • Metal pressings

Operational performance

Jasco delivered a strong improvement in tough economic conditions, with operating profit increasing by 46% for the six months to December 2018 and revenue increasing by 3,8% to R576,7 million. Refer to the Financial Overview for detailed analysis.

All non-performing areas of the group were placed under restructure notice on 1 February 2019. This process is currently under way and will be completed in the second half of this financial year. The group is also reviewing its head office cost structure.

As indicated in the group's year-end results, Jasco, in conjunction with its new auditors in 2018, restated a number of aspects of the 2017 and 2018 results due to different interpretations in terms of IFRS. Details can be found in the group's 2018 integrated annual report.

FINANCIAL OVERVIEW

Statement of comprehensive income

Revenue increased by 3,8% to R576,7 million (restated Dec 2017: R555,5 million), mainly due to a six-month revenue contribution of R18,3 million from RAMM Technologies in ICT-Enterprise and good growth in volumes from ICT-Carrier. This was partly offset by lower volumes in Energy and Electrical Manufacturers.

Operating profit before interest and taxation improved by 46% to R26,0 million (restated Dec 2017: R17,8 million). This was mainly due to the increase in profit in ICT-Carrier and ICT-Enterprise and ongoing cost containment. As the group continues to increasingly invest in technology, measuring earnings before interest, taxation, depreciation and amortisation (EBITDA) has become a more relevant management measure and allows for improved comparability to Jasco's peers. On this basis, EBITDA increased by 40% to R44,2 million (Dec 2017: R31,6 million).

Net finance cost of R10,8 million increased from the R9,3 million for the six months to December 2017. The finance income earned from long-term receivables decreased from R1,1 million to zero on conclusion of the group's long-term co-location contract with a regional telecommunications operator in F2018. The main contributor to finance costs was interest on the group's corporate bond and working capital facility.

The taxation expense was R6,8 million (restated Dec 2017: R6,2 million). Although the effective tax rate of 47.3% improved significantly from the 79.0% for the period ended 30 June 2018, it remains higher than the statutory rate. The key contributor to this is the corporate bond interest, which is non-deductible, as well as a number of entities where deferred tax is not recognised on losses incurred.

The equity accounted loss of R0,8 million relates to the international operations. The loss decreased from a R2,5 million loss for the six months ended 31 December 2017 due to cost cutting undertaken in East Africa and the Middle East.

Profit attributable to ordinary shareholders increased by 144% to R2,9 million (restated Dec 2017: R6,6 million loss). Earnings per share (EPS) increased by 143% to 1,3 cents per share (restated Dec 2017: 2,9 cents loss per share). The weighted average number of shares in issue increased from 226,8 million shares to 228,6 million shares due to a reduction in the number of treasury shares. This did not have a material impact on the comparison to the prior period.

Headline earnings increased by 250% to R3,0 million (restated Dec 2017: R2,0 million loss) and headline earnings per share increased by 248% to 1,3 cents per share (restated Dec 2017: 0,9 cents loss per share).

The difference between earnings and headline earnings this year relates to a non-material loss on disposal of fixed assets.

Statement of financial position

Non-current assets and liabilities

Plant and equipment of R76,2 million (restated Dec 2017: R78,1 million) decreased on lower capital expenditure of R2,1 million (Dec 2017: R6,0 million). The capital expenditure mainly relates to plant and machinery replaced in Electrical Manufacturers to improve production efficiency.

Intangible assets (including goodwill) of R150,8 million increased from R115,1 million in December 2017 and relates primarily to the goodwill and intangible assets from the RAMM acquisition in March 2018. The carrying value reduced from R154,5 million at June 2018 due to the ongoing amortisation of intangibles relating to customer contracts, mainly in ICT-Enterprise.

The investment in international associates decreased from R4,4 million at 30 June 2018 to R3,7 million at 31 December 2018 due to the equity accounted losses in the international operations in difficult trading conditions in East Africa and the Middle East.

The net deferred tax asset increased from R9,4 million at 30 June 2018 to R14,1 million at 31 December 2018 due to the recognition of deferred tax assets related to the operating losses in the Power entity. The assessed loss in the Enterprise Communications entity was unchanged at a 50% recognition level.

Other financial assets, including the short-term portion, of R15,8 million (Dec 2017: R6,9 million) mainly relates to the finance lease receivable from a long-standing customer for a call centre upgrade delivered by the ICT-Enterprise business.

The interest-bearing liabilities of R201,5 million (Dec 2017: R185,6 million) include the short-term portion. The increase was primarily due to the additional R25,0 million working capital loan from the Bank of China. Stakeholders are reminded that Jasco concluded its maiden R100 million issue in terms of a R750 million corporate bond programme in January 2015. The bond attracts interest equivalent to the prime lending rate and the group's corporate bond holders agreed to an extension of the repayment date from 31 January 2019 to 31 January 2020. The balance owing of R45 million at 31 December 2018 was unchanged from the 2018 financial year-end, and remains classified as short term. The remaining R11,5 million relates to the group's asset financing. Including the cash on hand of R63,5 million, the group's net debt:equity ratio deteriorated from 56,5% in June 2018 to 65,3% in December 2018 following additional working capital funding. This is in excess of the group's internal maximum range of 50%. This is a key management focus area and a debt reduction programme is currently being implemented.

Working capital

Net working capital days of 22,5 days were pleasingly below the target of 35 days due to the improvement in trade receivables and trade payables. While this is a good improvement compared to December 2017, the days deteriorated from 20.2 days in June 2018 due to the higher inventory levels. The net working capital days demonstrate management's continuing effort to stay within the maximum range.

The following table compares the current period to the June 2018 and December 2017 positions:

	Dec 18	Jun 18	Dec 17
Inventory	**33.4**	30.6	33.1
Receivables	**72.4**	89.7	82.5
Payables	**(83.4)**	(100.2)	(84.8)
NWC days	**22.5**	20.2	30.8

Inventories on hand were R119,2 million (Dec 2017: R89,2 million) and increased by R16,6 million compared to 30 June 2018. The inventory levels increased at ICT-Carrier on higher volumes, as well as in Electrical Manufacturers on a strong improvement in volumes during the second quarter.

Trade and other receivables of R219,6 million (Dec 2017: R233,2 million) decreased from R286,2 million at the June 2018 year-end. The age profile of the debtors' book remained good, with only isolated incidents of delayed payments from two of the larger customers in the ICT-Carrier and ICT-Enterprise entities.

Non-interest-bearing liabilities of R213,1 million (Dec 2017: R207,9 million) decreased from R286,5 million in June 2018 on a reduction in trade and other payables in line with the seasonality of the business.

The deferred maintenance revenue of R42,7 million (Dec 2017: R57,5 million) was similar to the R38,2 million in June 2018 and relates to prepaid service level agreements from blue-chip customers, predominantly in ICT-Enterprise. An order of R14,2 million from a large contact centre customer was delayed until the third quarter.

Statement of cash flows

The statement of cash flows reflects cash generated from operations before working capital changes of R37,8 million compared to R31,4 million in December 2017. This was due to the increase in the operating profit performance. Working capital changes reflect an outflow of R12,9 million (Dec 2017: R5,3 million outflow). This outflow mainly relates to the increase in inventories, as outlined earlier. Management is focusing on reducing inventory levels in the second half, where appropriate.

The net interest payment of R10,8 million (Dec 2017: R9,3 million) increased on the higher working capital loan, while income tax payments increased from R4,3 million to R10,6 million on improved profitability levels in certain subsidiaries. There was no dividend declared in 2018 compared to 1 cent per share in 2017 (Dec 2017: R2,2 million cash outflow).

Consequently, total cash inflows from operating activities of R3,5 million compares to a R10,3 million inflow recorded in December 2017.

Investing activities experienced an outflow of R25,6 million (Dec 2017: R3,6 million outflow) due to the capital expenditure mentioned under the statement of financial position, the acquisition-related payments for Reflex of R9,8 million to a trust account held by Jasco's attorneys, and R15,3 million of the RAMM purchase consideration.

The financing activities inflow of R17,6 million (Dec 2017: R1,0 million outflow) relates mainly to the increase in the working capital loan offset by repayments of asset finance.

The closing cash balance of R63,5 million decreased by R4,4 million from R67,9 million in June 2018 (Dec 2017: R101,0 million).

OPERATIONAL SEGMENTAL REVIEW

As indicated earlier, the group structure was amended to more closely align the businesses with their markets.

ICT-Carrier

ICT-Carrier includes the Webb Industries, Hi-Sites and Carrier Solutions businesses and contributed 35% of group revenue.

Revenue increased by 9,5% to R200,1 million (Dec 2017: R182,7 million), mainly due to an increase in spend in Webb Industries for a network infrastructure roll-out by a major telecommunications operator. This was somewhat offset by a delay in orders from a large fibre to the home and business customer in Carrier Solutions.

This resulted in operating profit increasing by 29,6% to R32,8 million (Dec 2017: R25,3 million) due to higher revenue and more efficient cost control. Operating margin improved to 16.4% (Dec 2017: 13.8%).

ICT-Enterprise

ICT-Enterprise includes Enterprise Communications, Reflex Solutions, RAMM Technologies, Broadcast Solutions, Property Technology Management, Networks and Datavoice (Channel) and contributed 44% of group revenue.

Revenue for the year increased by 7,1% to R256,8 million (Dec 2017: R239,8 million), mainly due to the first six-month contribution of R18,3 million from RAMM Technologies and a large international project in the Datavoice (Channel) business. However, Reflex experienced lower revenue due to a slowdown in one-off project revenue from a fibre to the home customer compared to last year. The Broadcast Solutions business also experienced revenue delays, which only materialised in the third quarter. The annuity service level agreement revenue base was maintained in Enterprise Communications.

This resulted in a 34,5% improvement in operating profit to R24,1 million (Dec 2017: R17,9 million) and a margin of 9.4% (Dec 2017: 7.5%). These increases were predominantly due to the strong performance from the Channel business and a first-time profit contribution from RAMM Technologies. This was offset by an anticipated slowdown in performance from Reflex, with its profit down 33% to R9,8 million.

Security and Fire

Security & Fire includes Security Solutions, Jasco Technical Services and Jasco Fire Solutions and contributed 5% of group revenue.

Revenue was flat at R31,2 million (Dec 2017: R32,1 million) following lower than expected volumes in Security due to a continuing slowdown in project spend from a major banking customer on a reduction in branch footprint. In the third quarter, the Security business secured a significant project for an international data centre customer for execution in the second half of the year. The Fire business secured a good order book in the first half, with a number of projects only forecast to be completed in the second half.

Based on flat revenue at lower gross margins, the operating loss increased from R4,0 million in December 2017 to R6,1 million on a similar cost base. The overhead expenses were reviewed in the third quarter and a restructure was undertaken. This will be concluded by the end of the second half, with benefits to flow through in the next financial year. This business will be closely monitored for the remainder of F2019 to ensure a turnaround.

Energy

Energy includes Jasco Power and Jasco Renewables and contributed 1% of group revenue.

During the period, revenue declined by 28,4% to R4,7 million (Dec 2017: R6,6 million) following lower than expected volumes in Renewables. The Power business had a slow start to the year, but experienced an improvement in volumes during the third quarter for uninterruptible power solutions following Eskom's electricity crisis and regular load shedding.

These two businesses were merged in 2018 to reduce overhead costs, which led to the operating loss improving from a loss of R4,0 million in December 2017 to a loss of R2,7 million.

During the third quarter, sales capability was strengthened, with a renewed focus on securing additional projects with the group's photo-voltaic solutions specifically targeting the high electricity tariff market segment. The business will be closely monitored for the remainder of F2019 to ensure a turnaround, given the current market environment.

Electrical Manufacturers

Electrical Manufacturers contributes 15% of group revenue.

Revenue in Electrical Manufacturers decreased by 14,3% to R89,8 million (Dec 2017: R104,8 million). The decline followed lower volumes from its key customers due to the technical recession in the South Africa economy in the first quarter, which led to lower demand for white-goods appliances. Although the volumes returned in the second and third quarters, the lost volumes will not be recouped for the full year.

The operating profit of R1,9 million decreased from R9,5 million on the lower volumes and resultant lower gross margins. Although cost control remains very tight, the operating margin of 2.2% declined from 9.1% last year.

The continued focus on diversifying the revenue base is delivering good results, with reduced reliance on the group's main customer and an improved margin mix. This focus will continue and should start improving margins in the second half of F2019.

KEY INTERNAL INITIATIVES

The following key internal initiatives are under way:

Improving operating margins and performance

The focus on higher-margin quality revenue is demonstrated by the pleasing improvement in gross margins in the first six months by 2.1% to 30.9%. The management team will remain focused on cost control in all areas of the business. Businesses that are underperforming are under review and have been given until June 2019 to deliver an improvement in performance.

Working capital management

The focus on working capital management in recent years has delivered results, as reflected in the net working capital days. Management continues to concentrate on this to maintain the improved position achieved in the businesses, with a particular short-term emphasis on inventories.

Reducing debt

The group plans to reduce the corporate bond over the next 12 months from any excess cash generated from operations, subject to the normal working capital demands of the business. This will ensure sustainability by returning to the internal maximum debt:equity target of 50%, as well as improve tax efficiencies.

Address minority shareholders

The group has reviewed all investments with minority shareholdings, with the intention of buying out these shareholders at the optimal time. At this point the decision has been taken to purchase the minority stakes in NewTelco and Jasco Fire Solutions. The minority shareholding in Reflex Solutions may be affected by the outcome of the current arbitration process.

Transformation

Jasco achieved a Level 4 broad-based black economic empowerment (B-BBEE) rating in February 2019 in terms of the new ICT sector codes. Jasco is 57% black owned and 37% black female-owned.

The transformation of Jasco is receiving ongoing attention to ensure it remains competitive. The following areas will continue to receive focus in F2019/20:

- Skills development and training of employees to retain key technically skilled and scare resources, which is in line with succession planning initiatives
- Employment equity – achieving targets at all management levels
- Continue with Employer of Choice certification to differentiate the group

GROUP PROSPECTS

As outlined, the group continues to operate against difficult economic and market conditions in all its markets. The extreme exchange rate volatility in South Africa also resulted in a more challenging trading environment. The risk of a credit ratings downgrade of South Africa's sovereign debt by the major credit ratings agencies is high and the forthcoming general elections is contributing to market uncertainty.

Additionally, in a fast-changing technology environment, the business context is changing at an increasing pace. Customer requirements are becoming more difficult to predict, with increased market uncertainty as customers face disruptive new business models due to rapid technology advancements in areas such as Internet of Things (IoT), big data analytics, artificial intelligence (AI) and block chain.

To counter this uncertainty, Jasco will continue to execute its strategy and concentrate on the following additional key areas:

- Maintain its focus on costs and ensure a continued improvement in sustainable profitability levels in all business units;
- Reduce the financial gearing below the internal target of 50% from the cash generated by Jasco's operations;
- Review the capital structure in consultation with the major shareholders to unlock potential future growth opportunities; and
- Pursue revenue growth in the following areas: Smart Enterprises; Open access networks; Fifth-generation (5G) networks and IOT Analytic by adding new products and services to Jasco's portfolio, with specific emphasis on Managed Solutions as a fast-growing and higher-margin business area.

LITIGATION, CLAIMS AND OTHER CONTINGENCIES

The dispute with the minority shareholders of Reflex Solutions Proprietary Limited is subject to an expedited arbitration process.

There are no other material matters to disclose.

SUBSEQUENT EVENTS

Other than the ongoing Reflex arbitration process, there were no material subsequent events.

CHANGES TO THE BOARD

The board welcomes Mr Danie du Plessis as the new Chairman of the Audit and Risk Committee.

For and on behalf of the board

Dr ATM Mokgokong	**M Janse van Vuuren**	**WA Prinsloo**
(Non-executive chairman)	*(Chief executive officer)*	*(Chief financial officer)*

12 April 2019

BASIS OF PREPARATION OF INTERIM RESULTS

The unaudited results comply with IAS 34 – Interim Financial Reporting. The accounting policies and methods of computation used in the preparation of this report are consistent with those used in the preparation of the annual financial statements for the year ended 30 June 2018, which comply with International Financial Reporting Standard ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and the Companies Act (2008) of South Africa.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial instruments are determined using appropriate valuation techniques, including recent market transaction and other valuation models, have been applied and significant inputs include exchange rates. The group only has assets that are carried at fair value in level 2. There is no difference between the fair value and carrying value of financial instruments not presented below due to either the short-term nature of these items, or the fact that they are priced at variable interest rates.

Fair value hierarchy

Financial instruments carried at fair value in the statement of financial position	(R'000)
– Financial assets at fair value through profit or loss	25
– Financial liabilities at fair value through profit or loss	344

ANTICIPATED MAJOR ACCOUNTING DEVELOPMENTS

The following standards and interpretation or amendments became effective for the first time in the current period and had no impact on the group: Amendments to IFRS 2 Share-based payments and IFRIC 22 Foreign currency transactions and advance consideration.

IFRS 16 Leases is effective on or after 1 January 2019. The standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

IFRS 9 Financial instrument and IFRS 15 Revenue from contracts with customers became effective on 1 January 2018. The effect of these are as follows:

IFRS 9 FINANCIAL INSTRUMENTS

The group has retrospectively implemented IFRS 9 as of 1 July 2018 without restating comparative figures.

IFRS 9 addresses the classification, measurements and derecognition of financial assets and financial liabilities and a new impairment model for financial assets.

Majority of financial instruments held by group includes trade and other receivables, trade and other payables and interest-bearing liabilities and are measured at amortised cost. Under IFRS 9, trade and other receivables continue to be measured at amortised costs as they are held to collect contractual cash flows consisting of principal and interest.

Jasco provides for doubtful debts on a limited basis. In the main debtors are mid to large size businesses (mostly blue chip corporates) and are lower risk in nature. In almost all cases the risk is one of quantum and timing rather than default.

The group has assessed the impact of the adoption of IFRS 9 and concluded that there was no significant impact for the group.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

The group has retrospectively implemented IFRS 15 as of 1 July 2018 without restating comparative figures.

IFRS 15 establishes a single, comprehensive framework detailing the principles to apply when accounting for revenue arising from contracts with customers and replaces all existing revenue standards.

The standard establishes a five-step model that requires revenue to be recognised at an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring goods or services to customers.

The group has assessed the impact of the adoption of IFRS 15 and concluded that there was no significant impact for the group as the current revenue recognition policy is based on stage of completion method which is consistent to the output method under IFRS 15.

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(R'000)		Unaudited December 2018 6 months	Unaudited Restated December 2017 6 months	% change	Audited June 2018 12 months
Revenue		**576 735**	555 540	3,8%	1 147 083
Operating profit before interest and taxation		**25 961**	17 834	45,6%	40 393
Interest received		**656**	2 155	(69,6%)	4 285
Interest paid		**(11 476)**	(11 449)	0,2%	(24 451)
Equity accounted share of loss from associate		**(750)**	(2 525)		(4 091)
Profit before taxation		**14 391**	6 015	139,2%	16 136
Taxation		**(6 812)**	(6 156)	10,7%	(12 754)
Profit for the period/year		**7 579**	(141)	5475,2%	3 382
Other comprehensive income		**–**	(380)	–	(351)
Total comprehensive income for the period/year		**7 579**	(521)	1554,7%	3 031
Tax rate		**47,3%**	102,3%		79,0%
Profit attributable to:					
– minority shareholders		**4 704**	6 436	(26,9%)	11 047
– equityholders of the parent		**2 875**	(6 578)	143,7%	(7 665)
Profit for the period/year		**7 579**	(142)	5437,3%	3 382
Total comprehensive income attributable to:					
– minority shareholders		**4 704**	6 436	(26,9%)	11 047
– equityholders of the parent		**2 875**	(6 958)	141,3%	(8 016)
Total comprehensive income for the period/year		**7 579**	(522)	1551,9%	3 031
Reconciliation of headline earnings					
Net earnings attributable to equityholders of the parent		**2 875**	(6 578)	143,7%	(7 665)
Headline earnings adjustments		**136**	4 566	97,0%	4 658
– profit on disposal of subsidiary/business unit		**–**	206		206
– Impairment of goodwill		**–**	4 517		4 517
– net after-tax loss/(profit) on disposal of fixed assets		**136**	(157)		(65)
Headline earnings		**3 011**	(2 012)	249,7%	(3 007)
Number of shares in issue	('000)	**229 319**	229 319	0,0%	229 319
Treasury shares	('000)	**659**	2 542		250
Weighted average number of shares on which earnings per share is calculated	('000)	**228 660**	226 777	0,8%	229 069
Dilutive shares					
– dilutive shares and options	('000)	**–**	172		373
Weighted average number of shares on which diluted earnings per share is calculated	('000)	**228 660**	226 949	0,8%	229 442
Ratio analysis					
Attributable earnings	(R'000)	**2 875**	(6 578)	143,7%	(7 665)
EBITDA	(R'000)	**44 221**	31 567	40,1%	75 652
Earnings per share	(cents)	**1,3**	(2,9)	143,3%	(3,4)
Diluted earnings per share	(cents)	**1,3**	(2,9)	143,4%	(3,3)
Headline earnings per share	(cents)	**1,3**	(0,9)	248,4%	(1,3)
Diluted headline earnings per share	(cents)	**1,3**	(0,9)	248,5%	(1,3)
Net asset value per share	(cents)	**78,6**	77,3	1,6%	77,4
Net tangible asset value per share	(cents)	**12,6**	26,6	(52,6%)	10,0
Debt:Equity	(%)	**95,4**	94,6	0,8%	89,7
Debt:Equity (net of Bank balances)	(%)	**65,3**	43,1	51,5%	56,5
Interest cover	(times)	**2,4**	1,9	25,7%	2,2
EBITDA interest cover	(times)	**4,1**	3,4	20,3%	3,8
PBIT % of Revenue	(%)	**4,5%**	3,2%		3,5%

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(R'000)	Unaudited December 2018	Unaudited Restated December 2017	Audited June 2018
ASSETS			
Non-current assets	**265 744**	222 734	258 819
Plant and equipment	**76 247**	78 050	79 596
Intangible assets	**150 808**	115 050	154 509
Investment in associates	**3 662**	10 075	4 412
Deferred tax asset	**23 680**	18 809	19 725
Other non-current assets	**11 347**	750	577
Current assets	**420 306**	438 051	467 229
Inventories	**119 249**	89 214	102 642
Trade and other receivables	**219 574**	233 181	286 197
Short-term portion of other non-current assets	**4 474**	6 157	995
Taxation refundable	**13 552**	8 500	9 506
Cash and cash equivalents	**63 457**	100 999	67 889
Total assets	**686 050**	660 785	726 048
EQUITY AND LIABILITIES			
Share capital and reserves	**211 219**	196 094	204 219
Non-current liabilities	**146 745**	188 651	139 440
Interest-bearing liabilities	**137 116**	181 544	128 549
Deferred maintenance revenue	**–**	1 440	518
Deferred tax liability	**9 629**	5 667	10 373
Current liabilities	**328 086**	276 040	382 389
Short-term portion of interest-bearing liabilities	**64 334**	4 043	54 701
Non-interest bearing liabilities	**213 072**	207 877	286 459
Deferred maintenance revenue	**42 709**	57 530	38 237
Taxation liability	**7 971**	6 590	2 992
Total equity and liabilities	**686 050**	660 785	726 048

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(R'000)	Unaudited December 2018 6 months	Unaudited Restated December 2017 6 months	Audited June 2018 12 months
Attributable to equity holders of the parent			
Opening balance	**177 382**	184 580	184 580
Treasury shares – Share Incentive Trust	**(524)**	–	2 185
Share-based payment reserve	**(55)**	–	1 820
Utilisation of equity settled share-based payment reserve	**–**	–	(955)
Total comprehensive income	**2 875**	(6 958)	(8 016)
– Profit for the period/year	**2 875**	(6 578)	(7 665)
– Other comprehensive income	**–**	(380)	(351)
Dividends declared		(2 234)	(2 232)
Closing balance	**179 678**	175 388	177 382
Non-controlling interests			
Opening balance	**26 837**	17 050	17 050
Transactions with non-controlling shareholder	**–**	–	(758)
Acquisition of companies	**–**	(1 457)	8 496
Total comprehensive income	**4 704**	6 436	11 047
– Profit for the period/year	**4 704**	6 436	11 047
– Other comprehensive income	**–**	–	–
Dividend paid to non-controlling shareholder	**–**	(1 323)	(8 998)
Closing balance	**31 541**	20 706	26 837
Total equity	**211 219**	**196 094**	**204 219**

SUMMARISED SEGMENTAL REPORTS

Income and expenses	31 December 2018 6 months Unaudited		31 December 2017 6 months Unaudited (restated)		30 June 2018 12 months Audited	
(R'000)	**Revenue**	**Operating profit/(loss)**	**Revenue**	**Operating profit/(loss)**	**Revenue**	**Operating profit/(loss)**
ICT – Carrier	200 073	32 813	182 712	25 302	349 114	53 094
ICT – Enterprise	256 793	24 111	239 821	17 924	541 364	47 127
Security and Fire	31 208	(6 055)	32 102	(3 975)	65 571	(11 522)
Energy	4 737	(2 669)	6 619	(3 950)	11 569	(10 290)
Electrical Manufacturers	89 774	1 959	104 793	9 533	203 530	13 158
Sub-total operating divisions	**582 585**	**50 159**	**566 047**	**44 834**	**1 171 148**	**91 567**
Other	–	(20 856)	–	(20 225)	–	(42 343)
Adjustments	(5 850)	(3 342)	(10 507)	(6 775)	(24 065)	(8 831)
Total	**576 735**	**25 961**	**555 540**	**17 834**	**1 147 083**	**40 393**

Financial position (R'000)	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
ICT – Carrier	115 941	30 750	120 209	35 651	140 887	49 253
ICT – Enterprise	173 867	97 403	157 429	93 834	201 782	134 312
Security and Fire	35 941	16 567	21 624	11 325	31 700	27 430
Energy	4 888	358	9 530	1 309	6 587	1 856
Electrical Manufacturers	82 116	9 020	85 335	11 811	94 994	22 877
Sub-total operating divisions	**412 753**	**154 098**	**394 127**	**153 930**	**475 950**	**235 728**
Other	72 111	240 747	59 878	187 871	70 017	237 446
Adjustments	201 186	79 986	206 780	122 890	180 081	48 655
Total	**686 050**	**474 831**	**660 785**	**464 691**	**726 048**	**521 829**

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

(R'000)	Unaudited December 2018 6 months	Unaudited Restated December 2017 6 months	Audited June 2018 12 months
Cash generated from operations before working capital changes	**37 797**	31 427	94 375
Working capital changes	**(12 857)**	(5 258)	(39 207)
Cash generated from operations	**24 940**	26 169	55 168
Net financing costs	**(10 820)**	(9 294)	(13 925)
Net taxation paid	**(10 578)**	(4 326)	(18 718)
Dividends paid	**–**	(2 234)	(5 907)
Cash flow from operating activities	**3 542**	10 315	16 618
Cash flow from investing activities	**(25 595)**	(3 575)	(43 971)
Cash flow from financing activities	**17 621**	(974)	(932)
(Decrease)/increase in cash resources	**(4 432)**	**5 766**	**(28 285)**

Directors and Secretary: Dr ATM Mokgokong (Chairman), MJ Madungandaba (Deputy Chairman), D du Plessis*, S Bawa*, P Radebe*, T Zondi*, AMF da Silva (Non-executives), M Janse van Vuuren (CEO), WA Prinsloo (CFO), T Petje, S Samuels (Executives), N Modisakeng (Company Secretary) *Independent

Registered office: Jasco Park, c/o 2nd Street and Alexandra Avenue, Midrand, 1685

Transfer secretaries: Link Market Services SA Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001

Sponsor: Grindrod Bank Limited, Fourth Floor, Grindrod Tower, 8A Protea Place, Sandton, 2146

More information is available at: **www.jasco.co.za**

JASCO ELECTRONICS HOLDINGS LIMITED
Registration number 1987/003293/06
- JSE share code: JSC
- ISIN: ZAE000003794

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