JASCO
INSPIRE.INNOVATE.

UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

INTRODUCTION

Jasco's operations continued to experience tough conditions for the six months to 31 December 2022, with a number of external factors exacerbating the internal challenges.

Internal challenges included:

- Loss in volumes in Manufacturing. The after-effects of a plant-level strike continued to have an impact after large appliance customers were forced to find alternative local plastic moulders to ensure continuity of their production. This led to significant amounts of raw materials sold at very low margins;
- Delays on expected orders from blue-chip customers in Communication Solutions and Intelligent Solutions (received late in Q2); and
- The closure of the Security & Fire business in October 2022 following continued losses and significant misrepresentations by the divisional management team.

The external factors, which are expected to continue into 2023, include:

- The rising interest rate environment, which increases the cost of servicing debt;
- The negative impact of higher levels of load-shedding by Eskom, which severely impacts productivity and the cost base, with spiralling diesel costs; and
- Higher international transport costs and shipping delays at major ports of entry.

In these conditions, Jasco continued to implement corrective actions. These included:

- Continued tight cost control throughout the group;
- Excellent working capital management in all divisions; and
- Securing a healthy order book with orders on hand of R232,9 million at 31 December 2022 compared to R147,4 million at 30 June 2022.

To assist the group implement the corrective actions, Community Investment Holdings (CIH) purchased the Midrand head office property in July 2022 and CIH granted a 12-month lease payment holiday in September 2022.

FINANCIAL OVERVIEW

Context to the results

Jasco placed its subsidiary, MV Fire Protection Services Proprietary Limited (representing the Security & Fire Solutions division), in voluntary liquidation on 17 October 2022. The derecognition of the assets and liabilities on the loss of control of the subsidiary resulted in a gain of R5,9 million.

In addition, Jasco disposed of Jasco Property Solutions Proprietary Limited (Property Solutions) and Property Technology Management (PTM) in the previous financial year. These businesses are disclosed as discontinued operations. The December 2021 and June 2022 results have been restated to ensure like-for-like comparisons.

Statement of comprehensive income

Revenue of R276,1 million was 14% lower (Dec 2021: R322,5 million).

The main contributors to this performance were:

(R'million)	Dec 2022	Dec 2021	% change
Communication Solutions	147,8	165,0	(10,4)
Intelligent Solutions	88,8	79,5	11,8
Manufacturing	42,6	78,5	(45,8)

The decrease in revenue was mainly due to lower demand for specialised communications cable in Communication Solutions and the loss of customer orders in Manufacturing following the protracted strike in F2022. Refer to the operational segmental review for more information.

Profit before interest and taxation (PBIT or operating profit) deteriorated by 173% from R14,5 million to a loss of R10,7 million. This was due to the lower volumes, as well as an increase in the cost recognised relating to the new lease of the head office property in Midrand. It includes the impairment of the goodwill related to Manufacturing of R0,6 million.

Net finance costs of R11,7 million increased from the corresponding period's R8,9 million due to the higher interest charge related to the new lease and the increase in the interest rates on the Bank of China facility.

The taxation expense was R1,4 million (Dec 2021: R0,9 million). The effective tax rate differs from the statutory rate of 28%, as the group includes a number of entities where a deferred tax asset is not recognised on losses incurred.

The loss after tax from discontinued operations included the following:

(R'000)	Dec 2022	Dec 2021	Jun 2022
Operating loss after tax – Security & Fire	(8 655)	(3 448)	(27 275)
Gain on loss of control – Security & Fire	5 903	–	–
Operating loss after tax – Property Solutions	–	(100)	(250)
Profit on disposal after tax – Property Solutions	–	–	1 588
Operating loss after tax – PTM	(3)	(114)	–

Profit attributable to ordinary shareholders decreased to a loss of R23,8 million from a profit of R4,7 million. Including the operating loss of R2,8 million (Dec 2021: R3,7 million) from the discontinued operation, the total loss attributable to ordinary shareholders decreased to R26,7 million (Dec 2021: profit of R0,3 million).

The weighted average number of shares in issue for the period increased to 362 571 654 shares from 224 446 129 shares at 31 December 2021 following the rights issue in February 2022.

Earnings per share (EPS) from continuing operations decreased to a loss of 6.6 cents from a profit of 1.7 cents. EPS from total operations decreased from 0.1 cents to a loss of 7.4 cents.

Headline earnings per share (HEPS) from continuing operations decreased from a profit of 1.7 cents to a loss of 6.4 cents and from a profit of 0.1 cents to a loss of 8.7 cents for total operations.

The difference between earnings and headline earnings in this period relates to an after tax loss on the disposal of fixed assets, the impairment of the goodwill, as well as the gain recognised on the loss of control of MV Fire Protection Services.

Statement of financial position

Non-current assets and liabilities

Plant and equipment of R27,3 million (Dec 2021: R34,3 million and June 2022: R30,2 million) decreased due to depreciation of R4,4 million and disposals of R0,7 million. Capital expenditure of R1,9 million (Dec 2021: R0,4 million) related to replacement expenditure across all business units and the head office.

Right-of-use assets of R108,5 million (Dec 2021: R44,4 million and June 2022: R19,6 million) increased on the recognition of the new lease entered into with CIH.

Intangible assets of R52,7 million (Dec 2021: R62,0 million and June 2022: R57,0 million) decreased due to the amortisation charge of R3,6 million and the impairment of the Manufacturing-related goodwill of R0,6 million.

The net deferred tax asset decreased from R14,5 million at 30 June 2022 to R12,5 million at 31 December 2022 based on an individual assessment of each legal entity's profitability.

Other non-current financial assets (including the short-term portion of R0,7 million) of R1,4 million (Dec 2021: R4,9 million) decreased from R3,2 million at 30 June 2022 and consists mainly of the outstanding contingent consideration for the disposals of PTM and Property Solutions. The decrease relates to the final settlement received on a finance lease receivable for a call centre upgrade delivered by the Enterprise business to a major customer in 2017.

The interest-bearing liabilities of R110,4 million include the short-term portion of R110,3 million (Dec 2021: R157,4 million and June 2022: R116,1 million). This decreased following the consistent repayment on the Bank of China loan and the settlement of the project funding loan that was used to assist the Security & Fire division with the execution of projects. The remaining balance relates to the group's asset financing and a short-term loan obtained to fund the group's insurance premium.

Under the Bank of China loan, the company, including the major subsidiaries, are required to comply with the following financial covenants:

- Debt to equity ratio to not exceed 150%. The actual was 117%.
- Current and quick ratios to be above 1.2:1 and 0.80:1 respectively. The actuals were 1.5 and 0.9.
- Interest cover to be maintained at a minimum of 1.5 times. The actual was –1.6 times.

Due to the losses incurred during the reporting period, the group breached its interest cover covenant on the Bank of China agreement. Although this was condoned subsequent to the reporting period, the loan was classified as current at 31 December 2022.

The IFRS 16 lease liabilities of R121,4 million (Dec 2021: R67,5 million) increased from R24,7 million at 30 June 2022 on the recognition of the new lease entered into with CIH.

Including the cash on hand of R32,3 million, the net debt: equity ratio (excluding lease liabilities) deteriorated to 168.6% from 118.2% in June 2022 due to the operating losses reported for the six months.

Working capital

Inventories on hand were R80,0 million (Dec 2021: R82,7 million). This increased from R74,2 million at 30 June 2022, to enable the fulfillment of orders received during the latter part of H1.

Trade and other receivables (including contract assets) of R97,8 million (Dec 2021: R127,5 million) decreased from R122,2 million at the June 2022 year-end, mainly due to the lower volumes, combined with good collections. The age profile of the debtors' book remains pleasing, with isolated incidents of delayed payments across the businesses.

Non-interest-bearing liabilities of R108,1 million (Dec 2021: R108,9 million) increased from R104,2 million in June 2022 in line with the increase in inventory.

The contract liabilities (or deferred maintenance revenue) of R38,1 million (Dec 2021: R31,1 million) decreased from R43,3 million in June 2022. The decrease was due to revenue relating to the income received in advance being recognised as the services were rendered over the six-month period. The income relates to prepaid service level agreements from blue-chip customers, predominantly in Enterprise Communications.

Statement of cash flows

The statement of cash flows reflects cash utilised in operations before working capital changes of R1,7 million compared to R28,2 million generated in December 2021. Working capital changes reflect an inflow of R23,6 million (Dec 2021: outflow of R10,9 million). This mainly relates to the decrease in trade and other receivables.

The net interest payment of R7,5 million (Dec 2021: R9,3 million) decreased due the payment holiday received from CIH on the new lease. Payments to the Bank of China increased due to the increasing interest rate. Income tax payments decreased slightly to R0,8 million from R1,0 million.

Consequently, total cash inflows from operating activities of R13,6 million improved compared to an inflow of R7,1 million recorded in December 2021.

Investing activities saw an outflow of R0,6 million (Dec 2021: inflow of R4,2 million), primarily due to additions to fixed assets, offset by receipts on other non-current assets, as mentioned under the statement of financial position.

The financing activities outflow of R10,0 million (Dec 2021: R6,3 million) relates to the repayment on the finance leases and the Bank of China term loan.

Accordingly, the closing cash balance of R32,3 million increased from R29,4 million in June 2022 (Dec 2021: R26,0 million).

OPERATIONAL SEGMENTAL REVIEW

The current group structure is:

Communication Solutions	Webb Industries, Datavoice and RAMM Technologies
Intelligent Solutions	Enterprise Communications, Broadcast, Hi-Sites, Co-location Solutions and Power Solutions
Manufacturing	

Communication Solutions

Communication Solutions delivers telecommunications products and services in the access, transmission and operational support systems markets for telecommunications networks across southern Africa.

Webb Industries is the largest supplier of ancillary radio frequency products in sub-Saharan Africa. Datavoice provides voice recording software applications to the local and international market and RAMM Technologies, a partly-owned subsidiary, offers real-time asset tracking and management.

Period under review

Communication Solutions contributed 52.9% of group revenue (Dec 2021: 51.1%).

Revenue decreased by 10.4% from R165,0 million to R147,8 million. This was due to lower demand in Webb Industries from one of the major telecommunication operators for specialised communications cable. Operating profit decreased by 46.1% from R24,1 million to R13,0 million.

Outlook

Webb Industries is expected to continue benefiting from the increased 5G investment spend by major telecommunications operators in South Africa and the rest of Africa. Niche growth areas, such as regional Tier 2 telecommunications providers investing in their networks, are also expected to continue growing.

Datavoice expects ongoing income generation from a key international channel partner in the Middle East, Eastern Europe and Asia. New product development for two-way radio networks has opened new markets in foreign territories, with a first order in Central America.

RAMM Technologies will remain focused on diversification of its customer base, with a particular focus on asset management in the corporate sector.

Intelligent Solutions

Intelligent Solutions focuses on ICT solutions for the blue-chip corporate sector and state-owned entities. It delivers end-to-end technology solutions to meet both premises and cloud-based customer requirements.

Period under review

Intelligent Solutions contributed 31.8% of group revenue (Dec 2021: 24.6%). Revenue increased by 11.8% to R88,8 million (Dec 2021: R79,5 million). This was mainly due to the significant increase in volumes in the Power Solutions business from R6,5 million to R19,8 million following increased demand for alternative power solutions, albeit at lower margins.

Although the Enterprise business experienced new volumes from cloud-based solutions, this could not compensate for project delays from the national broadcaster and local pay TV operator in Broadcast Solutions.

Operating profit decreased from R8,5 million to R5,2 million.

Outlook

Intelligent Solutions expects ongoing demand for cloud- and service-based offerings in the Enterprise Communications and Broadcast media space. The business will continue with aggressive marketing of these solutions, which will include a focus on managed solutions as a fast-growing and higher-margin business area.

A number of annuity service-level agreement (SLA) renewals is expected from key Broadcast and Enterprise Communications customers during the second half of the financial year. The recent award of a significant multi-year digitisation contract by a major broadcaster will support volumes and margins from March 2023 onwards. Several new Enterprise clients have been added in 2022, with an emphasis on cloud contact centre solutions.

Power Solutions will broaden its power assurance product portfolio and service offerings by delivering alternative, value-for-money solutions to new and existing customers. Another large order was received from its biggest customer in December 2022 and additional volumes are expected from a second large new customer secured during 2022. This business unit will continue to benefit from the requirement for power independence, with its offering of generators, uninterrupted power solutions and solar and battery systems.

Manufacturing

Manufacturing is a component manufacturer of household electrical products, wire harnesses, metal pressings and plastic injection-moulded products, with a special focus on the large home appliance market in southern Africa.

Period under review

Manufacturing contributed 15.3% of group revenue (Dec 2021: 24.3%). Revenue decreased by 45.8% from R78,5 million to R42,6 million due to a slower than anticipated recovery following the three-month strike that ended in June 2022. The ongoing impact of load-shedding by Eskom, particularly at stage 3 or higher, cut production hours by at least a third. This has also made night and weekend shifts uneconomical due to limited normal production runs.

The operating loss further worsened to R10,7 million (Dec 2021: R2,0 million) due to the decrease in revenue. This was despite a 7.1% decrease in overhead costs. Due to the continued losses in this business unit, the goodwill related to the business unit was impaired.

Outlook

Manufacturing expects volumes from the large appliance manufacturers to improve steadily due to the quality and competitiveness of our product range. The focus will remain on revenue diversification from new customers through the introduction of new product lines. The continuing risk of volatility in the labour market, coupled with the higher risk of load-shedding by Eskom during the second half, will continue to impact this division during the second half of the financial year.

KEY INTERNAL INITIATIVES

Reducing debt

The group continued to reduce the principal outstanding debt on the Bank of China term loan through monthly capital repayments that increased to R0,8 million per month from August 2022.

Improving operating margins and performance

The management team will remain focused on cost control in all areas of the business, while prioritising higher-margin quality revenue from blue-chip customers. Revenue growth from new and existing customers, will be essential to improve profitability in 2023.

Working capital management

Working capital management was pleasing, with inventories reducing considerably in Manufacturing. Trade receivables across the group continue to be well managed. Trade payables in most of the business units have stabilised, except for Manufacturing where cash generated from inventory reduction has funded operating losses following the end of the strike.

Transformation

The group maintained a Level 3 broad-based black economic empowerment contributor status. The following areas will continue to receive focus:

- Skills development and training of employees
- Employment equity – achieving targets at all management levels

GROUP PROSPECTS

The economic outlook for 2023 remains uncertain, with a number of challenges in South Africa. These include the ongoing Eskom crisis, the reduction in economic growth, high levels of unemployment, associated social and labour unrest, and rising interest rates.

Jasco will continue to execute its strategy and concentrate on the following additional key areas:

- Drive organic revenue growth from its existing customer base and target key 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;
- Cost control and ongoing improvement in sustainable profitability levels in all business units; and
- Continue to reduce financial gearing through the cash generated by Jasco's operations.

The group announced its proposed delisting in a cautionary announcement released on SENS on 5 December 2022, with an accompanying general offer to Jasco minority shareholders by CIH of 16 cents per share. This represents a premium to the audited tangible net asset value of 1.2 cents per share as at 30 June 2022. The group will continue to update shareholders on progress.

SOLVENCY, LIQUIDITY AND GOING CONCERN

While these results are unaudited, shareholders are reminded of the emphasis of matter raised by the independent auditors, Mazars, in the audit opinion for the financial year ended 30 June 2022 relating to the material uncertainty related to going concern.

At 31 December 2022, the group had accumulated losses of R295,2 million (30 June 2022: R268,5 million), with the group reporting a loss of R26,7 million (June 2022: R16,3 million). The group's current liabilities exceed its current assets by R47,7 million at 31 December 2022. This casts doubt on the group's ability to continue as a going concern.

Based on the support received from CIH, the condonation received from the Bank of China, the expected improvement in Manufacturing, the potential cost savings that would follow the delisting of Jasco and the planned revenue for the rest of the group, the directors believe there is sufficient financing available to continue the business of the group. Accordingly, the financial statements have been prepared on a going-concern basis.

SUBSEQUENT EVENTS

Apart from the proposed delisting, there are no other significant subsequent events to report.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements with respect to Jasco's financial position, results, operations and businesses. These statements and forecasts contain risk and uncertainty, as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements.

For and on behalf of the board

Dr ATM Mokgokong	WA Prinsloo	LA Prigge
(Non-executive chairman)	*(Chief executive officer)*	*(Chief financial officer)*

22 February 2023

Basis of preparation

The summarised consolidated results have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the South African Companies Act, 71 of 2008 as amended and the Listings Requirements of the JSE Limited. The accounting policies and methods of computation used in the preparation of this report are consistent with those of the previous year.

Fair values of financial instruments

Fair value hierarchy

Financial instruments carried at fair value in the statement of financial position consist of the revaluation of foreign currency contracts and are included in trade and other receivables and trade and other payables respectively.

These were classified as level 2.

(R'000)	Dec 2022	Dec 2021	June 2022
Financial assets at fair value through profit or loss	–	203	61
Financial liabilities at fair value through profit or loss	141	26	–

Segmental information

For management (the group's executive committee) purposes, the group is organised into business units based on their products and services and has three reportable operating segments. The group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured on an aggregate basis and reconciled back to the profit or loss in the consolidated statement of comprehensive income.

Segmental revenue includes sales to third parties, as well as arm's length inter-segmental revenue recorded at fair value.

Segmental operating profits exclude interest paid or received, except for interest income on lease receivables, and are stated before inter-segmental charges for interest and administration services between group companies.

Jasco Electronics Holdings Limited
Registration number 1987/003293/06
JSE share code: JSC ISIN: ZAE000003794
("Jasco" or "the company" or "the group")

DIRECTORS AND SECRETARY

Dr ATM Mokgokong (Chairman),
J Madungandaba (Deputy Chairman),
DH du Plessis*, Dr ND Munisi, MS Bawa*, PF Radebe*,
TP Zondi* (Non-executive), AMF da Silva# (Non-executive),
WA Prinsloo (CEO), LA Prigge (CFO) (Executive),
MCP Managerial Services Proprietary Limited (Company Secretary)

** Independent # Alternate*

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Sponsor

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

Summarised Consolidated Statement of Comprehensive Income

(R'000)		Unaudited Dec 2022 6 months	Unaudited Dec 2021# 6 months	% change	Jun 2022$ 12 months
Continuing operations					
Revenue		276 127	322 489	(14)	634 244
Gross profit		79 378	109 602	(28)	185 715
Operating (loss)/profit before interest and taxation		(10 679)	14 540	(173)	34 086
Interest received		25	248	(90)	963
Interest paid		(11 772)	(9 190)	28	(16 861)
(Loss)/profit before taxation		(22 426)	5 598	(501)	13 557
Taxation		(1 414)	(897)	58	(3 550)
(Loss)/profit for the period/year from continuing operations		(23 840)	4 701	(607)	10 007
Discontinued operations					
Loss for the period/year from discontinued operations		(2 755)	(3 662)	(25)	(25 937)
(Loss)/profit for the period/year		(26 595)	1 039	(2 660)	(15 930)
Other comprehensive income		–	–		–
Total comprehensive (loss)/income for the period/year		(26 595)	1 039	(2 660)	(15 930)
(Loss)/profit and total comprehensive (loss)/income attributable to:					
– equity holders of the parent		(26 726)	265		(16 310)
– relating to continuing operations		(23 971)	3 927		9 627
– relating to discontinued operations		(2 755)	(3 662)		(25 937)
– non-controlling interests		131	774		380
– relating to continuing operations		131	774		380
– relating to discontinued operations		–	–		–
(Loss)/profit for the period/year		(26 595)	1 039		(15 930)
Earnings and diluted earnings per share from total operations	(cents)	(7.4)	0.1		(5.9)
– continuing operations	(cents)	(6.6)	1.7		3.5
– discontinued operations	(cents)	(0.8)	(1.6)		(9.3)
Notes to the summarised AFS					
Headline earnings and diluted headline earnings per share from total operations	(cents)	(8.7)	0.1		(6.4)
– continuing operations	(cents)	(6.4)	1.7		3.5
– discontinued operations	(cents)	(2.3)	(1.6)		(9.9)
Reconciliation of headline earnings					
Net earnings attributable to equityholders of the parent		(26 726)	265		(16 310)
Headline earnings adjustments		(4 770)	(125)		(1 528)
– Profit on disposal of subsidiary		–	–		(1 588)
– Impairment of goodwill		611	–		–
– Gain on loss of control of liquidated subsidiary		(5 903)	–		–
– Loss/(profit) on disposal of fixed assets		522	(125)		60
Headline earnings		(31 496)	140		(17 837)
Number of shares in issue	('000)	367 445	229 319	–	367 445
Treasury shares	('000)	(4 873)	(4 873)		(4 873)
Weighted average number of shares on which earnings per share is calculated	('000)	362 572	224 446		278 561
Dilutive shares and options	('000)	–	–		–
Weighted average number of shares on which diluted earnings per share is calculated	('000)	362 572	224 446		278 561
Ratio analysis					
Attributable earnings	(R'000)	(26 726)	265	(10 185)	(16 310)
EBITDA	(R'000)	(2 763)	29 567	(109)	31 581
Net asset value per share	(cents)	9.6	13.7	(30)	16.9
Net tangible asset value per share	(cents)	(5.0)	(14.0)	64	1.2
Debt: Equity (excluding lease liabilities)	(%)	238.2	369.1	(35)	159.2
Debt: Equity (net of Bank balances)	(%)	168.6	308.2	(45)	118.2

\# The December 2021 amounts were restated for the reclassification of the JPS business unit out of Intelligent Solutions and Security & Fire into Discontinued operations.

$ The June 2022 amounts were restated for the reclassification of Security & Fire into Discontinued operations.

Summarised Consolidated Statement of Changes in Equity

(R'000)	Unaudited Dec 2022 6 months	Unaudited Dec 2021 6 months	Audited Jun 2022 12 months
Attributable to equity holders of the parent			
Opening balance	61 359	30 421	30 421
Rights Issue	–	–	47 248
Total comprehensive (loss)/income	(26 726)	265	(16 310)
Closing balance	34 633	30 686	61 359
Non-controlling interests			
Opening balance	11 566	11 186	11 186
Total comprehensive income	131	774	380
Closing balance	11 697	11 960	11 566
Total equity	46 330	42 646	72 925

Summarised Consolidated Statement of Financial Position

(R'000)	Unaudited Dec 2022	Unaudited Dec 2021	Audited Jun 2022
ASSETS			
Non-current assets	203 307	158 941	123 963
Plant and equipment	27 325	34 311	30 179
Right-of-use assets	108 482	44 381	19 625
Intangible assets	52 749	62 003	57 023
Deferred tax asset	14 080	17 439	15 771
Other non-current assets	671	807	1 365
Current assets	222 632	252 223	239 131
Inventories	79 958	82 707	74 152
Contract assets	586	4 861	1 039
Trade and other receivables	97 244	122 667	121 192
Taxation refundable	11 841	11 977	11 049
Short-term portion of other non-current assets	726	4 058	1 838
Cash and cash equivalents	32 277	25 953	29 861
Total assets	425 939	411 164	363 094
EQUITY AND LIABILITIES			
Share capital and reserves	46 330	42 646	72 925
Non-current liabilities	109 314	164 926	119 824
Non-interest bearing liabilities	108	113 802	98 900
Lease liabilities	107 619	50 458	17 503
Contract liabilities*	–	–	2 115
Deferred tax liability	1 587	666	1 306
Current liabilities	270 295	203 592	170 345
Non-interest-bearing liabilities	108 133	108 897	104 216
Taxation	66	3 027	590
Contract liabilities*	38 088	31 057	41 171
Short-term borrowings	110 266	43 603	17 161
Short-term lease liabilities	13 742	17 008	7 207
Total equity and liabilities	425 939	411 164	363 094

Summarised Consolidated Statement of Cash Flows

(R'000)	Unaudited Dec 2022	Unaudited Dec 2021	Audited Jun 2022
Cash flows from operating activities	13 553	7 126	16 502
Cash receipts from customers	303 684	346 263	692 154
Cash paid to suppliers and employees	(281 834)	(328 899)	(655 469)
Cash generated from operations	21 850	17 364	36 685
Interest received	49	–	836
Interest paid	(7 558)	(9 269)	(17 824)
Taxation paid	(788)	(969)	(3 195)
Cash flows from investing activities	(682)	4 180	5 420
Purchase of plant and equipment	(1 928)	(318)	(1 303)
Proceeds on disposal of plant and equipment	217	–	237
Additions to right-of-use assets	(733)	(57)	–
Additions to intangibles	–	85	(16)
Disposal of subsidiary, net of cash disposed of	(44)	–	(86)
Receipts from other non-current loans	1 806	4 470	6 588
Cash flows from financing activities	(9 977)	(6 317)	(12 911)
Non-current loans repaid	(5 183)	3 781	(3 318)
Cash proceeds from rights issue	–	–	7 248
Leases – principal payments	(4 794)	(10 098)	(16 841)
Net increase in cash and cash equivalents	2 894	4 989	9 011
Cash and cash equivalents at beginning of year	29 383	20 349	20 372
Net cash and cash equivalents at end of year	32 277	25 338	29 383
Cash and cash equivalents	32 277	25 953	29 861
Bank overdrafts	–	–	(478)
Net cash and cash equivalents at end of year	32 277	25 953	29 383

SEGMENTAL INFORMATION

Summarised segmental reports	Dec 2022 6 months		Dec 2021# 6 months		Jun 2022$ 12 months	
Income and expenses (R'000)	Revenue	Operating profit/(loss)	Revenue	Operating profit/(loss)	Revenue	Operating profit/(loss)
Communication Solutions	147 842	12 972	165 012	24 066	318 840	35 391
Intelligent Solutions	88 842	5 242	79 489	8 466	175 539	15 825
Manufacturing	42 565	(10 682)	78 519	(1 983)	145 790	(10 245)
Sub-total continuing operating divisions	279 249	7 532	323 020	30 549	640 169	40 971
Discontinued operations	3 655	(2 650)	29 559	(3 270)	31 363	(26 333)
Other non-operating divisions	–	(16 783)	–	(14 063)	32 352	(6 779)
Adjustments – intergroup transactions	(3 122)	(1 428)	(531)	(1 946)	(38 279)	(3 150)
Total	279 782	(13 329)	352 048	11 270	665 605	4 709

Financial position (R'000)	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Communication Solutions	118 019	49 419	116 547	38 026	107 139	32 476
Intelligent Solutions	50 378	67 170	50 120	51 238	59 018	47 682
Electrical Manufacturers	63 354	38 509	90 836	47 279	78 570	40 279
Sub-total continuing operating divisions	231 751	155 098	257 503	136 543	244 727	120 437
Discontinued operations	2 033	734	24 391	17 552	10 602	14 633
Other non-operating divisions	260 723	229 112	188 995	221 498	101 496	123 343
Adjustments – intercompany eliminations	(68 569)	(5 335)	(59 725)	(7 075)	6 269	31 756
Total	425 939	379 609	411 164	368 518	363 094	290 169

\# The December 2021 amounts were restated for the reclassification of the JPS business unit out of Intelligent Solutions and Security & Fire into Discontinued operations.

$ The June 2022 amounts were restated for the reclassification of Security & Fire into Discontinued operations.

Revenue by segments

Revenue by reportable segment is disaggregated by major revenue streams as below:

	Sale of goods and related services R'000	Project related revenue R'000	Maintenance and support services R'000	Connectivity and hosting services R'000	Software related licences R'000	Administration revenue R'000	Rental Revenue: Hi-sites* R'000	Total R'000
Dec 2022								
Communication Solutions	119 071	1 967	26 804	–	–	–	–	147 842
Intelligent Solutions	30 402	–	36 123	9 588	161	24	12 544	88 842
Manufacturing	42 565	–	–	–	–	–	–	42 565
Sub-total continuing operating divisions	192 038	1 967	62 927	9 588	161	24	12 544	279 249
Discontinued operations	–	2 234	1 421	–	–	–	–	3 655
Adjustments-Intercompany eliminations	(3 098)	–	–	–	–	(24)	–	(3 122)
Total	188 940	4 201	64 348	9 588	161	–	12 544	279 782
Dec 2021#								
Communication Solutions	136 051	1 814	27 147	–	–	–	–	165 012
Intelligent Solutions	21 725	–	33 307	9 911	1 358	248	12 940	79 489
Manufacturing	78 519	–	–	–	–	–	–	78 519
Sub-total continuing operating divisions	236 295	1 814	60 454	9 911	1 358	248	12 940	323 020
Discontinued operations	11	26 022	3 526	–	–	–	–	29 559
Adjustments-Inter-company eliminations	(283)	–	–	–	–	(248)	–	(531)
Total	236 023	27 836	63 980	9 911	1 358	–	12 940	352 048
Jun 2022$								
Communication Solutions	251 161	7 522	40 787	–	19 371	–	–	318 841
Intelligent Solutions	60 658	–	72 315	16 982	–	–	25 584	175 539
Manufacturing	145 790	–	–	–	–	–	–	145 790
Sub-total continuing operating divisions	457 609	7 522	113 102	16 982	19 371	–	25 584	640 170
Discontinued operations	2 314	24 189	1 506	87	–	5 516	–	33 612
Adjustments-Intercompany eliminations	(5 926)	–	–	–	–	(5 516)	–	(11 442)
Total	453 997	31 711	114 608	17 069	19 371	–	25 584	662 340

* Not from IFRS 15 Revenue from contracts with customers