

1H21 Results Announcement

ASX Release

19 February 2021

Comprehensive Business Overhaul Results in Profit

1H21 Highlights

\$1.03M

Net Profit

\$0.82M

Net Cash Flow

\$14.60M

Total Revenue –
Continuing Operations

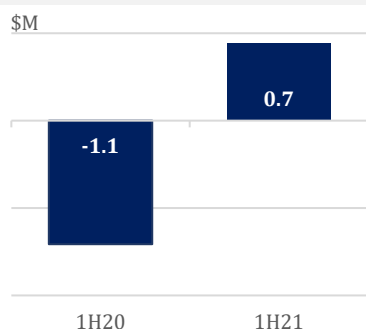
\$1.73M

Operating Cash Flow

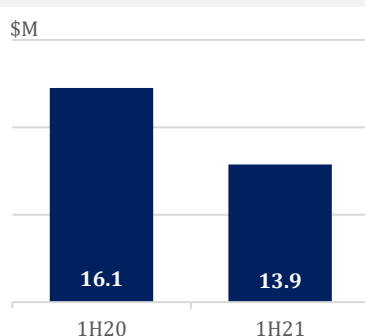
SKS Technologies Group Limited (ASX: SKS) is pleased to announce a net profit after tax for the half year of \$1.03 million compared with a loss of \$2.56 million in the previous corresponding period. Profit from continuing operations totalled \$0.66 million compared with a loss of 1.06 million in 1H20. The result reflects the success of the wholesale restructure of the business that was commenced at the beginning of 1H20.

Chief Executive Officer, Matthew Jinks, said, “After our FY20 restructure of the business, which captured the full spectrum of the operations and was conducted as we continued to perform ongoing business-as-usual activities, we were confronted with the COVID-19 outbreak and all the consequences that it brought. While we still have work to do to improve and grow the business, under these circumstances, we are encouraged by the first half financial performance.”

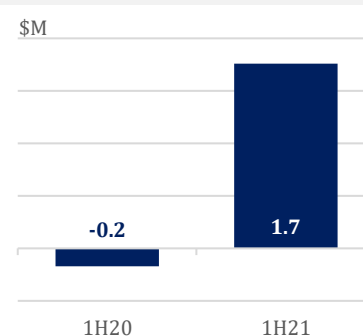
NPAT (Continuing Ops)



Total Expenses – (Continuing Ops)



Cash from Operations



Total revenue for the half was 3.1% down at \$14.6 million compared with \$15.1 million in 1H20. This half included \$1.2 million of JobKeeper payments. While total expenses, including raw material costs, decreased by 13.6% or \$2.19 million, operating expenses, including occupancy, employee and administration costs, decreased by 11.0% or \$0.64 million. The reduction in these controllable costs emanates from the rigorous cost focus that was an essential part of the restructure program.

The Group continues to have no long-term borrowings and has fully paid down its \$1.4 million working capital facility during 1H21, although the total facility of \$3 million remains in place to fund future activities. Cash from operations increased from a loss of \$0.20 million in 1H20 to \$1.73 million in 1H21. Net cash flow for the half increased from a loss of \$0.60 million in 1H20 to \$0.82 million, increasing cash at bank from \$0.23 million as at 30 June 2020 to \$1.05 million.

Mr Jinks also said, “The newly re-named SKS Technologies Group is now a better balanced business, able to efficiently handle the level of work on hand, which has stabilised at an unprecedentedly high level, with new work being secured as other work is completed.

“Our focus now is to expand the business and achieve further economies of scale and recurring revenue opportunities, either organically or by acquisition. While COVID-19 has brought its challenges, it will also bring opportunities for our business, as the market sectors learn and commit to building more efficient spaces that utilise the current and future benefits of converging IT with AV,” he added.

~ ENDS ~

Approved for release by the Board of SKS Technologies Group

Further Information	Matthew Jinks Chief Executive Officer (03) 9289 5000
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SKS Technologies delivers advanced technology through digital transformation via creative design and installation of converged AV/IT, electrical and communication networking solutions nationally.