

[COMPANIES](#) / [TELECOMS & TECHNOLOGY](#)

Alaris bet on Linwave pays off

Acquisition-hungry antenna specialist reports 50% jump in after-tax profit

[BL PREMIUM](#)

21 SEPTEMBER 2021 - 17:59 MUDIWA GAVAZA



Picture: BLOOMBERG/SUSANA GONZALEZ

Antenna specialist Alaris's takeover of a UK operation is already paying off as the unit reported its best year on record.

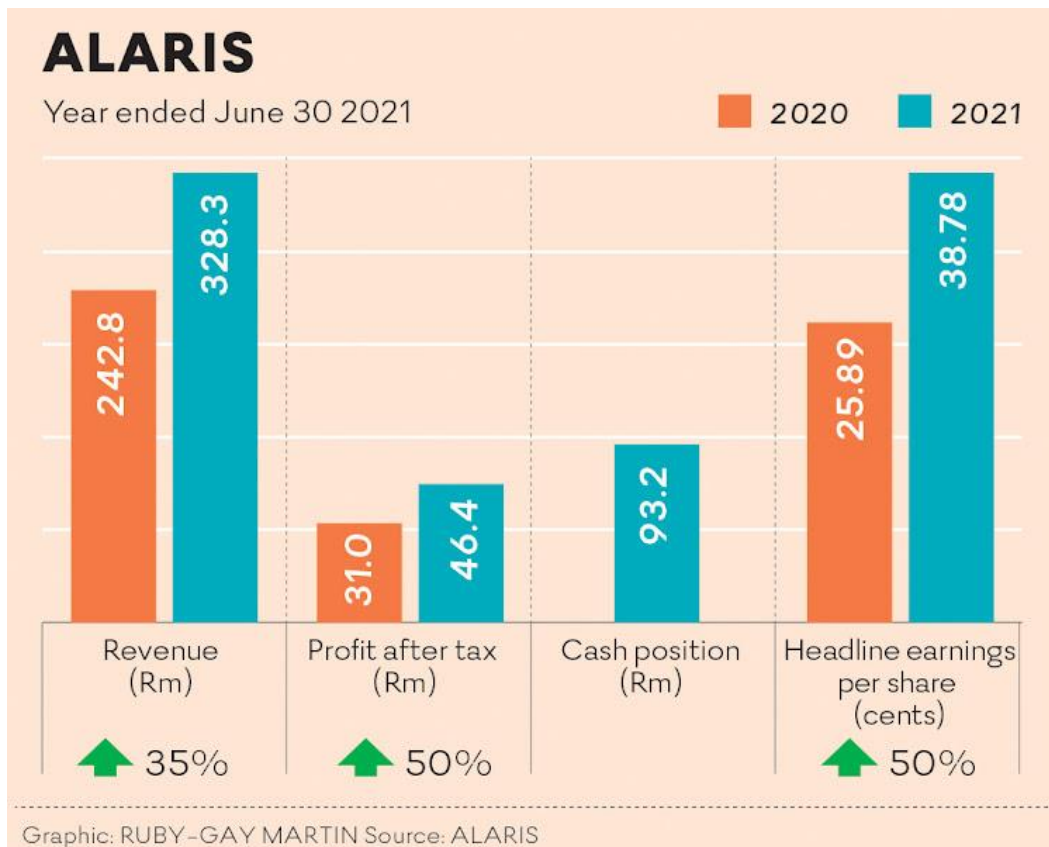
Alaris's main business is the design and manufacturing of specialised broadband antennas, as well as other related radio-frequency (RF) products used in military and public-safety industries. Its clients are mostly in the Americas, Europe and Asia.

On Wednesday, the group reported that UK-based Linwave Technology, which it took over earlier this year, had its best year on record.

“Linwave had a fantastic year. This was their best year in history for 12 months. This was mainly driven by exceptional performance in the last four months,” Alaris CFO Elsie Müller told investors.

In the full-year to June, the unit had revenue of R36.6m, with profit after tax of R5.9m, and a margin of 16%.

In February Alaris completed the acquisition of the UK business, which supplies custom RF and microwave electronic products, for £3.2m (R65m), made up of R56.6m cash and 1.8-million shares.



This comes as the group reported its revenue increased by 35% from R242.8m to R328.3m for the year, while profit after tax increased by 50% to R46.4m.

Earnings per share also increased by half from 25.88c to 38.73c. Headline earnings per share — which strip out the effects of one-off financial events — increased by 50% from 25.89c to 38.78c.

The company ended the period with a cash position of R93.2m.

The group continues to be on the lookout for more businesses to add to its portfolio, probably in foreign territories, to bolster its international earnings.

International business has been a focus for Alaris for years; 90% of the group's earnings come from international markets, something the company says helps it mitigate swings in the rand. Group CEO Juergen Dresel said it was primarily looking to find businesses in the US and Europe.

As part of the international strategy, the group has indicated that it might list its stock on an international exchange. A number of local tech firms with international operations have looked to exchanges outside SA recently to attract greater pools of capital and better valuations.

Cartrack moved its primary listing from the JSE to the US's Nasdaq in April 2021, while Altron chose to unbundle its former subsidiary Bytes Technology on the London Stock Exchange in December. In both cases, a secondary inward listing on the JSE has been maintained.

Shares in Alaris, a little traded stock that's up 40% so far in 2021, were unchanged on Tuesday at R3.50.