

Telit Communications PLC

10:33 09 Sep 2019

Telit confirms swing to interim profit after offloading automotive business

Telit Communications PLCN (LON:TCM) swung to a profit in its latest half-year thanks to a boost from the sale of its automotive business.

The company, which specialises in the Internet of Things (IoT), reported a pre-tax profit of US\$58.1m for the 6 months ended 30 June, swinging from a US\$12.8m loss in the prior year.

As indicated in a pre-close update in July, profits in the period were boosted by US\$57.2m from the sale of the automotive business, while revenues had increased by 7.6% to US\$180.3m.

The company agreed to sell the business to Chinese firm TUS International for US\$105m in February.

Telit also reported an improvement in its net cash position to US\$44.7m from net debt of US\$34m a year ago.

Looking ahead, the company said it was "well positioned" to capitalise on growth opportunities in the IoT market and that it was confident that its performance for the full year would be in line with its expectations.

Chief executive Paolo Dal Pino said that following the automotive sale the company could now "refocus" its portfolio towards "more innovative industrial IoT products and services, all of which has helped improve our financial performance".

"Thanks to these efforts, we have seen significant improvement in our cash generation, driven by solid revenue growth and our cost optimisation plan is fully on track to meet our targets", he added.

In a note, analysts at Telit's house broker finnCap reiterated their 200p price target for the firm, saying that following the "good six months" the company was now "a well-capitalised global business" with a strong position at the leading edge of the IoT market.

In mid-morning trading on Monday, the shares were up 0.1% at 170p.

--Adds broker comment and share price--

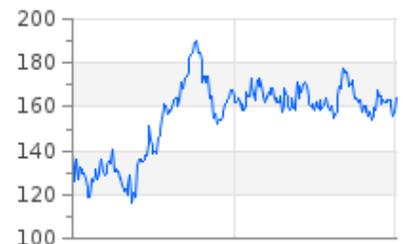
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Price: 164

Market Cap: £217.61 m

1 Year Share Price Graph



December 2018 June 2019 December 20

Share Information

Code: TCM

Listing: AIM

52 week	High	Low
	192	112

Sector: Hardware & electrical equipment

Website: www.telit.com

Company Synopsis:

Telit is the global leader in IoT enablement. Our enterprise-grade hardware, connectivity, and platforms transform business through the power of IoT. With over one thousand of the world's leading IoT experts, we share a relentless commitment to delivering the future of digital business for our customers.

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