

Adapt IT resilient despite Covid-19

Johannesburg, 1 October 2020 – JSE-listed Adapt IT, remains highly resilient despite the effects of the Covid-19 pandemic on its business. The company today released a voluntary trading statement citing anticipated changes to its earnings for the financial year ended 30 June 2020.

“Although JSE listing requirements do not compel us to disclose these anticipated changes, we value transparency with our investors and other stakeholders. We take this opportunity to communicate on how the Covid-19 pandemic has affected our business and our responses to manage this,” Adapt IT CEO, Sbu Shabalala says.

Adapt IT provides specialised software and digitally-led business solutions to the education, manufacturing, financial services, energy, communications and hospitality sectors. Shabalala, says this diversification across sectors greatly contributed to the company’s resilience during the pandemic. “Adapt IT has come through the trying period well. While some divisions, particularly our hospitality business, performed at reduced capacity due to Covid-19 regulations; other divisions found opportunities to expand.” He added, “The business was proactively virtualised before lockdown regulations were implemented and this was met by an exceptional response from our people, with increased commitment and productivity throughout the remote working experience.”

The company anticipates that its earnings per share (EPS) will increase between 9% and 14% and headline earnings per share (HEPS) will increase between 24% and 29%; excluding the effects of implementing IFRS 16, a like-for-like comparison representing trading performance.

Shabalala says cash generation in the business remained strong and its net gearing was below the target level and significantly lower than in the prior year. The company also met all its debt covenants.

He says the company's key responses focused on ensuring employee safety, providing continuous service to customers, supporting clients who were hardest hit and managing its cash flow very closely. "The business is stable and intently focused on trading through the future uncertainty as the effects of the pandemic continues to unfold," Shabalala concludes.

Adapt IT achieved a B-BBEE Level 1 rating for the first time, effective 29 September 2020. Empowerment is a strategic imperative and a vital component of the continued sustainability of Adapt IT's operations in South Africa. The company made improvements across key elements of the scorecard such as ownership, employment equity, preferential procurement and supplier development practices, as well as maintaining impactful socio-economic development initiatives.

Adapt IT's audited financial results are due to be released on 26 October 2020.

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About Adapt IT

Adapt IT is a provider of leading specialised software and digitally-led business solutions that assist clients across the targeted industries to [Achieve more](#) by improving their Customer Experience, Core Business Operations, Business Administration, Enterprise Resource Planning and Public Service Delivery. Adapt IT is a Level 1 B-BBEE contributor.

For more information, visit: www.adaptit.com

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