

Blue Label Telecoms revenue up to R19.4bn

Mobile telecommunications and payments specialist Blue Label Telecoms reported increased headline earnings per share (HEPS) of 67.98 cents a share for the year to May or revenue that was up by 2% to R19.4bn.



Blue Label Telecoms says it is perfectly positioned to take advantage of the roll-out of prepaid electricity meters in South Africa as the programme intensifies over the next few years. Image: Blue Label Telecoms

A gross cash dividend of 27c per share was declared.

Blue Telecoms said the recent acquisitions of Retail Mobile Credit Solutions (RMCS) and Via Media would enhance the group's profitability and would afford it access to new channels of distribution.

Earlier this month, Blue Label completed a transaction in which it bought 75% of Via Media for R144.4m plus additional amounts totalling up to R103.1m if warranted profits were achieved by Via Media over the next three years.

If the warranted profits were not achieved, the additional payments would be abated on a pro rata basis.

A further R112.5m would be payable if Via Media surpassed the targets over and above the warranted accumulated profits over the next three years.

"The group's propensity to generate positive cash flows from operating activities will facilitate opportunities both on an acquisitive and trading basis as well as the distribution of dividends to shareholders," it said.

The company said the growth in prepaid electricity meter roll-outs would probably improve future revenue. It said it was also perfectly positioned to offer a money transfer solution that would provide reach across all sectors of the South African economic landscape.

"Accessibility and convenience are the driving factors in our goal to fulfil the needs of consumers," it said.

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