

21st Century Technology PLC

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21st Century Tech shares halve after profit warning

The picture has got a lot shakier at 21st Century Technology PLC (LON:C21), a provider of closed-circuit TV (CCTV) on buses.

The company's share price halved as it said it is in cost cutting mode as it issued a revenue and profit warning on Friday morning.

The warning signs were there in April when the company said trading had been slower than expected in the first three months of 2016.

At that time, the company indicated trading was expected to pick up in the second half of the year, but rather like when waiting for a bus on a freezing cold wet night, the pick-up is taking longer to arrive than anticipated.

The company said that although its Passenger Systems has a number of irons in the fire in terms of contract bids, order intake has been well below expectations, and the board now expects full-year revenue will be lower than last year, resulting in a significant loss for the full year.

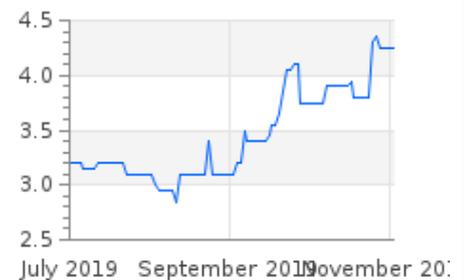
The company has been looking to remove costs from the business and accelerate the consolidation of operations, particularly in areas where there was duplication or overlap resulting from the acquisition of RSL Group in May last year. The company said it is considering all options in respect of the future of the RSL business.

The company attempted to soften the impact of the profit warning with news of a contract renewal with First Bus to provide CCTV on its buses.

"The new framework agreement builds on the relationship with First Bus as preferred supplier for new bus systems and includes our latest innovative remote condition monitoring service," said Russ Singleton, chief executive officer of 21st Century.

With the uncertainty associated with the First Bus contract renewal removed, the company said it can now direct more focus on a number of framework agreements, bids and tenders currently under negotiation.

1 Year Share Price Graph



Share Information

Code: C21
Listing: AIM
Sector: Hardware & electrical equipment
Website: www.21stplc.com

Company Synopsis:

21st Century Technology plc (AIM: C21), a leading supplier of public transport CCTV and other monitoring systems, was admitted to trading on AIM, a market operated by the London Stock Exchange, in 2005.

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