

Ellies warns of job cuts as it looks to restructure

JSE-listed electronics group Ellies has entered a "formal consultation process" with stakeholders and employees in terms of Section 189A of the Labour Relations Act, regarding the restructuring of certain operational functions, the company revealed in a Sens announcement.



Ellies CEO Shaun Prithivirajh. Source: Ellies

The restructuring follows ongoing constrained trading conditions experienced by the group.

Ellies, a wholesaler, importer and distributor of LED lighting, electrical and electronic products and solar solutions, reported in July that it had [swung to a full-year loss](#) for the year ended 30 April 2022. Revenue declined by 10.8% to R1.08bn and the company reported a loss after tax of R43.7m, from a profit before of R45m.

"As part of the S189 process, the company and affected stakeholders will together consider appropriate measures to minimise possible retrenchments and seek viable alternatives which will assist the group in returning to profitability and ensure the continued operation of Ellies. The company is committed to following the legislative processes to ensure that all affected employees are treated fairly," Ellies said in the announcement yesterday, 26 September.



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[MyBroadband elaborates](#) that Ellies failed to capitalise on the load shedding crisis considering that it supplies a range of backup power products, including solar solutions and inverters.

Poor stock management and a lack of marketing [hampered its ability](#) to boost profits from aggressive sales of these backup power products, opening the door for other companies to capture market share in the category.