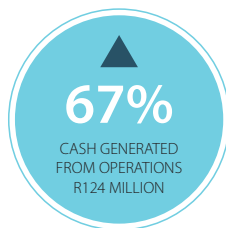
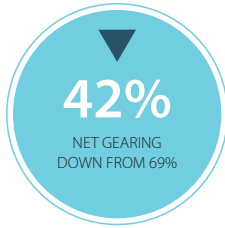


# UNAUDITED CONSOLIDATED INTERIM GROUP RESULTS

for the six months ended 31 December 2020



## Financial highlights

- ▶ Revenue declined by 2% to R707 million (2019: R721 million). The decline on the prior comparative period is due to ongoing challenging and weaker trading conditions particularly in South Africa, which remains Adapt IT's primary market, constituting 73% of total revenue. The Covid-19 global pandemic caused repeated shutdowns or slowdowns in certain of our client segments resulting in project volume decline and delays, with project based revenue suffering longer lead times. The prior comparative period was not affected by Covid-19.
- ▶ Annuity revenue remains healthy and an improved ratio on the previous reporting period to 66% (2019: 60%).
- ▶ Earnings before interest, tax, depreciation and amortisation (EBITDA) declined by 1% to R128 million (2019: R129 million\*). EBITDA included an increase in bonus provision of R16 million (2019: Rnil).
- ▶ EBITDA margin was maintained at 18% as cost containment remained a focus through operational efficiency projects, particularly in divisions most impacted by Covid-19.
- ▶ Cash generated from operations increased to R124 million (2019: R74 million) representing an improved cash conversion ratio of 1,55 times (2019: 0,94 times). Cash and cash equivalents was R142 million (2019: R73 million) at the end of the period.
- ▶ Earnings per share (EPS) increased by 37% to 20,06 cents (2019: 14,64 cents\*).
- ▶ Headline earnings per share (HEPS) increased by 44% to 20,69 cents (2019: 14,40 cents\*).
- ▶ Normalised HEPS increased by 16% to 32,00 cents (2019: 27,70 cents\*).
- ▶ Interest expense on borrowings decreased by 30% to R18 million (2019: R25 million), with capital repayments of R57 million made during the six month period to 31 December 2020.
- ▶ Net interest bearing borrowings decreased by R140 million to R324 million (2019: R464 million) and the net gearing ratio at 31 December 2020 was 42% (2019: 69%\*).

\* Prior year figures have been restated mainly for measurement period adjustment.

All restated figures are indicated with an asterisk (\*).

The contents of the short-form announcement are the responsibility of the board of directors of Adapt IT.

The information in the short-form announcement is only a summary of the full announcement and accordingly does not contain full or complete details. The full announcement is available on the Company's website:

<https://www.adaptit.com/hubfs/investor/2020-2021%20Interim%20Results%20Announcement.pdf>;

and can also be accessed online at: <https://senspdfjse.co.za/documents/2021/jse/isse/adi/interim21.pdf> from 9 March 2021.

The information in this announcement has been extracted from the Unaudited Condensed Consolidated Interim Group Results. The Unaudited Condensed Consolidated Interim Group Results have been prepared under the supervision of the Chief Financial Officer, Nombali Mbambo, CA(SA).

Any investment decisions by shareholders/investors should be based on the full announcement as released by the JSE and published on the Company's website, [www.adaptit.com](http://www.adaptit.com). The full announcement is also available at the Company's registered office (for inspection, at no charge, during office hours on any business day) and at the offices of the Sponsor, Merchantec Capital, from 9 March 2021 to 16 March 2021, both days inclusive. Copies of the full announcement may be requested by contacting Statucor (Pty) Ltd, the Company Secretary, via telephone: +27(0) 12 433 0216 and email: [Celeste@statucor.co.za](mailto:Celeste@statucor.co.za)

For and on behalf of the board



**Directors: Craig Chambers\*** (Chairman), **Oliver Fortuin\*** (Lead Independent Director), **Catherine Koffman\***, **Zizipho Nyanga\*** **Sbu Shabalala** (Chief Executive Officer), **Tiffany Dunsdon** (Chief Commercial Officer) and **Nombali Mbambo** (Chief Financial Officer)

\* Independent non-executive director

Adapt IT Holdings Limited	Registered office	Company Secretary	Transfer Secretary	Sponsor
Incorporated in the Republic of South Africa (Registration number 1998/017276/06) Share code: ADI ISIN: ZAE000113163 ("Adapt IT" or the Company)	Adapt IT Johannesburg Campus 152 14th Road Midrand	Statucor (Pty) Ltd Wanderers Office Park 52 Corlett Drive Illovo, Sandton 2196	Computershare Investor Services (Pty) Ltd Private Bag X9000 Saxonwold 2132	Merchantec Capital 13th Floor, Illovo Point 68 Melville Road Illovo, Sandton 2196

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