

CSG HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2006/011359/06)

Share code: CSG

ISIN: ZAE000184438

("CSG" or "the Company")



REVIEWED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

1. SALIENT FEATURES

- Revenue decreased by 26% from R1.75 billion in the prior corresponding period to R1.30 billion from continuing operations.
- Profit for the year increased by 165% to R51.71 million from a loss of R79.24 million in the prior corresponding period.
- The earnings per share ("**EPS**") increased to 9.34 cents per share compared to the basic loss of 15.52 cents per share reported for the prior year. The improvement was mainly due to the security division's aggressive turnaround plan, the group's cost-cutting initiatives implemented during lockdown, together with assistance received from government such as employee tax incentives (ETI) and Skills Development Levy (SDL) payment holidays. EPS further increased due to the sale of the 7Arrows Security Proprietary Limited ("**7Arrows**") business and the related recognition of a profit on sale of business. A profit on sale of business was recorded due to the goodwill and intangibles written off in prior years.
- Headline earnings per share ("**HEPS**") increased to 2.62 cents per share from a loss of 8.69 cents per share due to the same reasons noted above, with the biggest exception that the profit on sale of business of R37.1 million has been excluded from headline earnings.
- HEPS from continuing operations increased to 5.28 cents per share, compared to 0.35 cents per share for the comparative period, supporting the turnaround of the continuing business.

- The majority of the 7Arrows contracts were successfully sold to Fidelity ADT Monitoring Proprietary Limited on 1 October 2020. This part of 7Arrows has been classified as a discontinued operation.
- For the second year in a row, strong cash flow was generated by operations, with R118.15 million cash generated for the year.

The year ended March 2021 was particularly difficult for CSG given the tough trading environment, but the business leaders rapidly shifted focus, implementing cost-saving measures across all operations, including temporary reduction of salaries, wages and working hours, deferring capital expenditure, implementing measures to optimise working capital and where it could not be avoided, laying off employees, temporary and permanently. We also applied for the government related Covid-19 benefits, enabling us to continue paying salaries and wages to all employees.

Despite the challenging times, we focussed on the implementation of our strategy including to revise it to incorporate the impact of the pandemic. The core of our strategy is to continue to concentrate on delivering labour intense services powered by technology and in the process offering clients an integrated service model.

2. SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the Company. It contains only a summary of the information in the full announcement (“**Full Announcement**”) and does not contain full or complete details. The Full Announcement can be found at:

<https://senspdf.jse.co.za/documents/2021/JSE/ISSE/CSG/CSGFY21.pdf>

Copies of the Full Announcement is also available for viewing on the Company’s website at <https://csgholdings.co.za/investor-relations/> or may be requested in person, at the Company’s registered office or the office of the sponsor, at no charge, during office hours.

Any investment decisions by investors and/or shareholders should be based on consideration of the Full Announcement, as a whole.

This short-form announcement has been based on the financial results for the year ended 31 March 2021, which have been reviewed by the Company's auditors BDO South Africa Incorporated, who expressed an unmodified reviewed conclusion.

1 July 2021

Sponsor

PSG Capital



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