
Workforce Holdings Limited
Incorporated in the Republic of South Africa
(Registration number 2006/018145/06)
Share code: WKF ISIN: ZAE000087847
("Workforce" or "the company" or "the group")

Short-form announcement - Unaudited Condensed Consolidated Interim Financial Results for the six months ended 30 June 2021

Key features for the six-month period:

- Revenue increased by 29% to R1,6 billion (2020: R1,3 billion);
- EBITDA is positive at R58,0 million (2020: -R9,5 million);
- Cash flow from operating activities decreased to R19,8 million (2020: R307,6 million) due to normalisation of activities;
- EPS and HEPS increased substantially by 232% to 11,2 cents per share (2020: -8,5 cents per share);
- Days sales outstanding improved to 45 days (2020: 52 days);
- New acquisitions in the period were The GetSavvi Group and The OpenSource Group with a contingent consideration of R50 million combined;
- Investment cluster operations traded and contented exceptionally well through the “new normal” operating environment brought about by the Covid-19 pandemic.

This short-form announcement is the responsibility of the directors. It is only a summary of the information in the full announcement and does not contain full or complete details. The full version, as published on SENS, can be found on the company's website at www.workforce.co.za or accessed using the following JSE link: <https://senspdf.jse.co.za/documents/2021/jse/isse/wkf/HY21.pdf>.

The full announcement is available for inspection at the registered offices of the company and the sponsor, at no charge during normal trading hours. Copies of the full announcement may also be requested from the company via email on vrech@kris.co.za and the sponsor on sponsorteam@merchantec.co.za

Any investment decision by investors and/or shareholders should be based on consideration of the full announcement published on SENS and on the company's website as a whole. These unaudited condensed consolidated interim financial results have not been audited or reviewed by the group's auditors, Crowe (Johannesburg).

During the first six months of the new financial year, the Workforce group experienced a recovery in certain of the operations and others, which have not managed to recover completely, have improved their comparable results. The group benefited from its diverse revenue streams and the pandemic forced an evaluation and containment of costs, all of which was well implemented. Volumes of activity have not yet returned to levels experienced pre-Covid-19, but the recovery is significant, and Workforce expects that the remaining six months will return a promising result.

A strategic focus in leadership and organisational development continues to take place through the training and development of executive committee members and the investment in our people is significant. This investment is supported by an investment into leadership as well as a drive for deeper diversification in our investments, all aimed to drive profitability and shareholder returns.

Outlook

The lockdown level 4 and the current level 3 have affected the economy and the business and created a stop-start situation, which inevitably will affect the results of the investments. Workforce believes that the third wave is being contained and as a result business activity will reach levels higher than the 2020 financial year. We foresee a reinvigoration of the permanent placement industry, coupled with a change in emphasis in the areas in which staffing will be required. This demand should be further supported by the necessary infrastructure rollout and policies which government must follow.

The week of looting and rioting that took place in the provinces of KwaZulu-Natal and Gauteng had an impact on some of our staff, which prompted Workforce to issue food vouchers to several thousand staff members. At this stage it is hard to tell what direction government is going to take to ensure that political stability will be maintained, and this makes it difficult to predict what the impact of political instability will be. We are hopeful that the stability in place will be maintained. Subject to this, we anticipate a far stronger economic environment for our diversified investments for the second six months of the year.

The acquisition policy will continue with a view of strengthening all investments, without putting significant strain on the balance sheet.

The share price continues to be impacted by the insignificant appetite for small cap shares as well as by the perceived risks for the economy.

By order of the board

JR Macey	RS Katz	WP van Wyk
Chairman	Chief executive officer	Financial director

Johannesburg
23 August 2021

Executive directors
RS Katz
WP van Wyk

Non-executive directors

JR Macey

S Naidoo

S Thomas

KN Vundla

I Ross

Designated Adviser

Merchantec Capital

Company secretary

S van Schalkwyk

Registered office

Commercial bankers

The registered office, which is also the principal place of business, is:

11 Wellington Road

Parktown, 2193

ABSA Business Bank

PO Box 11137

Johannesburg

2193

Transfer secretaries

JSE Investor Services (Pty) Limited

13th Floor

19 Ameshoff Street

Braamfontein

2000

www.workforce.co.za