
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 2022

Key features for the six-month period:

- Revenue increased by 21% to R1,9 billion (2021: R1,6 billion)
- EBITDA improved by 19% to R68,7 million (2021: R58,0 million)
- Cash generated from operations before net working capital changes increased to R52,1 million (2021: R49,6 million)
- EPS increased by 31% to 14,7 cents per share (2021: 11,2 cents per share)
- HEPS improved to 14,6 cents per share (2021: 11,2 cents per share)
- Days sales outstanding 50 days (2021: 45 days)
- No interim dividend was declared
- Investment cluster operations continue to trade, contend, and adapt exceptionally well to pressures in the operating environment, supported by decades of experience and the digitalisation of services.
- Level 1 B-BBEE compliance maintained

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/2022/jse/isse/wkf/HY22.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).

Commentary

Workforce experienced a good first six months of the financial year with good growth from Staffing and Outsourcing and Healthcare, and a solid contribution from the Training and Education investment cluster. Despite being slightly negative at an EBITDA level, the Financial Services cluster is showing good signs of improvement.

Overall revenue improved by 21% and EBITDA by 19%. Operating costs increased by 21% due to a reorientation of information technology, continued digitisation and costs associated with additional resources to improve service delivery. This has been implemented to ensure a robust platform for future growth. Furthermore, the special Employment Tax Incentive ("ETI") legislative rate was increased on 1 March 2022, and this delivered an additional R13,5 million.

Outlook

Workforce remains cautious in respect of the remaining six months of the 2022 financial year as financial results will depend on the impact of the broader global economic factors.

Political instability and the failure of the Government to implement infrastructure are impacting the operating environment in South Africa. Forced power outages through persistent load shedding impact all our clients and have a knock-on effect on the Workforce investment clusters.

Encouragingly, the investment into renewable energy projects and the recent announcement by President Ramaphosa to fix the energy crisis are favourable for the economy and, in turn, for Workforce.

Given the size, capital strength and specialised sector knowledge built up over five decades, Workforce remains well positioned to deal with operational impacts supported largely by a diversified platform of operation.

By order of the board

JR Macey
Chairman

RS Katz
Chief executive officer

WP van Wyk
Financial director

Johannesburg
22 August 2022

Corporate information

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

Commercial bankers

ABSA Business Bank

Registered office

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

11 Wellington Road

Parktown, 2193

PO Box 11137

Johannesburg

2193

Transfer secretaries

JSE Investor Services Proprietary Limited

13th Floor

19 Ameshoff Street

Braamfontein

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