

ADCORP HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1974/001804/06
Share code: ADR
ISIN: ZAE000000139
("Adcorp" or the "Company")



TRADING STATEMENT AND RESULTS PRESENTATION

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, a listed company is required to publish a trading statement as soon as it becomes reasonably certain that the financial results for the next period to be reported on will differ by at least 20% from the financial results for the previous corresponding period.

The Company hereby advises that a reasonable degree of certainty exists that for the six months ended 31 August 2022 ("**Reporting Period**"):

- Revenue will increase by between 1.2% and 5.2% when compared to the revenue reported for the six months ended 31 August 2021 ("**Comparative Period**");
- Gross profit will increase by between 4.3% and 8.3% when compared to the gross profit reported for the Comparative Period;
- Earnings per share ("**EPS**") from continuing operations will be between 24.1 cents and 27.0 cents, representing an increase of between 1% and 13% when compared to the EPS of 23.8 cents reported for the Comparative Period;
- Headline earnings per share ("**HEPS**") from continuing operations will be between 22.0 cents and 25.1 cents, representing a decrease of between 2% and 14% when compared to the HEPS of 25.7 cents reported for the Comparative Period;
- As a result of exceptional losses experienced in allaboutXpert Australia Pty Ltd ("**aaX**"), which has been classified as a discontinued operation for the Reporting Period:
 - EPS from total operations will be between 8.6 cents and 14.6 cents, representing a decrease of between 51% and 71% when compared to the EPS of 29.8 cents reported for the Comparative Period; and
 - HEPS from total operations will be between 8.4 cents and 14.8 cents, representing a decrease of between 54% and 74% when compared to the HEPS of 31.8 cents reported for the Comparative Period;
- As at 31 August 2022, Adcorp was in a net cash (excluding restricted cash) position of R144.8 million. Both the South African and Australian businesses were in a net cash position.

The results for the Reporting Period have been markedly impacted by:

- Considerable losses on contracts at aaX, a subsidiary of Adcorp Holdings Australia, ultimately held by Adcorp, which required extensive investment to remediate. This brand is not core to the Adcorp staffing business, therefore a programme to market the assets

was launched and aaX has accordingly been disclosed as a discontinued operation in terms of IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations*; and

- The Adcorp group's effective tax rate from continuing operations increasing due to current year tax losses not recognised in certain South African subsidiaries. As the underlying businesses become more profitable, the Company anticipates recognising more of the assessed losses.

The financial information on which this trading statement is based has not been reviewed or reported on by the auditors of the Company.

The unreviewed, unaudited results for the six months ended 31 August 2022 are expected to be published on or about Monday, 31 October 2022.

RESULTS PRESENTATION

The results presentation will take place electronically on Monday, 31 October 2022, at 10:00.

Should you be interested in attending please contact ir@singular.co.za and a webcast link will be provided.

Kindly note that a question and answer session will be available at the end of the presentation.

Johannesburg
19 October 2022

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