

ALTRON LIMITED

(Registration number 1947/024583/06)

(Incorporated in the Republic of South Africa)

Share code: AEL ISIN: ZAE000191342

("Altron" or "Altron Group" or "the Company")

Unaudited Consolidated Interim Results for the six months ended 31 August 2022 and Dividend Declaration

HIGHLIGHTS – Altron Group

- Revenue up by 15% to R5.3 billion
- Operating profit before capital items up by 57% to R255 million
- HEPS increased by 467% to 34 cents per share
- Net Debt: EBITDA 0.35x
- Group working capital reduced by R47 million to R1.6 billion

Year-to-date performance	August 2022	August 2021*	Change %
Revenue	R5.3 billion	R4.6 billion	15%
Operating profit before capital items	R255 million	R162 million	57%
Net profit after tax	R96 million	(R30) million	420%
Headline earnings per share (HEPS)	34 cents	6 cents	467%
Earnings per share (EPS)	24 cents	(10) cents	340%
Interim Dividend per share	16 cents	7 cents	129%

HIGHLIGHTS - Continuing Operations

- Revenue up by 21% to R4.6 billion
- Operating profit before capital items up by 61% to R296 million
- HEPS increased by 242% to 41 cents per share
- Capital expenditure decreased by R4 million
- Operating free cash flow increased by R103 million up by 136%

Year-to-date performance	August 2022	August 2021*	Change %
Revenue	R4.6 billion	R3.8 billion	21%
Operating profit before capital items	R296 million	R184 million	61%
Net profit after tax	R144 million	R42 million	243%
Headline earnings per share (HEPS)	41 cents	12 cents	242%
Earnings per share (EPS)	37 cents	10 cents	270%

* Comparative information has been restated for the investment in Arrow and UAE no longer considered to be held-for-sale

CONTINUING OPERATIONS

The conflict in Ukraine and the prolonged macroeconomic effects of the pandemic have influenced the shape of local and global economic recovery. A surge in general inflation driven by increased fuel prices, the effects of the floods in Kwazulu-Natal and the increased frequency of loadshedding have all contributed to the decline of an already fragile local economy. Notwithstanding these challenges, the Group's Continuing Operations have executed well in a robust industry.

The Own Platforms segment recorded revenue of R1.63 billion, demonstrating a 16% improvement on prior year. Netstar's revenue of R909 million is 8.7% up from prior year, however a change in sales mix and increased GSM costs to counter the impact of blackouts due to loadshedding has had an adverse impact on profitability. Altron FinTech's revenue of R542 million is 35.5% up on prior year, while operating profit of R132 million grew by 71.4% reflecting enhanced margins. Altron HealthTech's ("HealthTech") revenue of R176 million is 9.3% ahead of prior year. A reduction in switching transaction volumes due to lower patient visits to doctors and pharmacies as well as the adverse impact of loadshedding on doctors' operating hours both contributed to a broadly flat operating profit of R43 million for the HealthTech business.

The Digital Transformation segment's revenue of R1.37 billion, which includes the contribution of Lawtrust, acquired on 1 October 2021, is up 25.7% from prior year with operating profit of R71 million representing a growth of nine times compared to the prior year. Altron Systems Integration ("ASI") delivered a 6% improvement in revenue to R933 million and a modest breakeven operating profit of R2 million a result of customers' reduced capital expenditure, global components shortages giving rise to prolonged lead times as well as a backlog in hardware sales. Altron Karabina's software sales delivered a significant performance contributing to the R171 million revenue and operating income of R11 million which is an improvement of 11% and 175% respectively compared to prior year. The high licence and software sales attributed to Altron Security's exceptional performance, tripling its revenue to R266 million and growing its operating profit of R58 million six times compared to prior year.

The Managed Services segment achieved revenue of R1.36 billion, which is 16.6% ahead of prior year, whilst generating an operating profit of R21 million compared to a R9 million loss in the prior year. Altron Managed Solutions' revenue of R900 million is 17% ahead of prior year and operating income of R19 million is up from its prior year loss of R5 million. Revenue of R458 million generated by Altron Nexus is 15.7% up against prior year and while the delivery of an operating profit of R2 million demonstrated the green shoots of the turnaround focus for this business.

Within the segment Other, Altron Arrow's ("Arrow") revenue of R321 million reflected a 26.4% improvement on prior year, driven by higher component sales created by the global shortages and the Enterprise Computing Solutions ("ECS") software business. Arrow's strong revenue performance has resulted in the expansion of profitability with operating income of R21 million, 75% ahead of the prior year.

Discontinued Operations

Altron Documents Solutions revenue of R558 million is ahead of prior year by 11.6% while its operating profit of R10 million is ahead of the prior year's breakeven position. Altron Rest of Africa's revenue is ahead of prior year by 2.8% and its operating loss of R52 million is below prior year by 333.3% as a result of operating losses within the region.

INTERIM DIVIDEND

The Board remains committed to maintaining Altron's dividend cover of 2.5 times headline earnings on continuing operations. The interim dividend has been calculated on the current continuing operations HEPS for the 6 months ended 31 August 2022.

As such, a gross interim cash dividend of 16 cents per share (12.8 cents net of 20% dividend withholding tax) has been declared for the financial half-year ended 31 August 2022, payable to shareholders recorded in the register of the Company at the close of business on the record date appearing below.

The Board has confirmed by resolution that the solvency and liquidity test as contemplated by the Companies Act, No. 71 of 2008, as amended, has been duly considered, applied and satisfied. This is a dividend as defined in the Income Tax Act, No. 58 of 1962 and is payable from income reserves. The income tax number of the company is 9725149711.

The number of ordinary shares in issue at the date of this declaration is 410 564 940 including 32 287 468 treasury shares.

The salient dates applicable to the interim dividend are as follows:

DIVIDEND DATES

Last day to trade cum dividend	Tuesday, 8 November
Commence trading ex-dividend	Wednesday, 9 November
Record date	Friday, 11 November
Interim Dividend Payment date	Monday, 14 November

Share certificates may not be dematerialised or re-materialised between Wednesday, 9 November 2022 and Friday, 11 November 2022, both days inclusive.

OUTLOOK

Management expects the ongoing challenges facing the industry including the global components shortage, national blackouts, inflationary and currency pressures to continue to have an impact on the Own Platform and Digital Transformation segments. Despite the anticipated impact of these well documented challenges, we expect a solid second half performance with the majority of our businesses largely continuing to trend positively, with the Group's robust balance sheet expected to be further strengthened.

FURTHER INFORMATION

This short-form announcement is the responsibility of the directors and contains forward-looking statements that relate to Altron's future operations and performance. Such statements are not intended to be interpreted as guarantees of future performance, achievements, financial or other results. They rely on future circumstances, some of which are beyond management's control, and the outcomes implied by these statements could potentially be materially different from future results. No assurance can be given that forward-looking statements will be accurate; thus, undue reliance should not be placed on such statements. Altron does not undertake any obligations to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of this report or to reflect the occurrence of unanticipated events. It is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decision should be based in the full announcement which is available at:

<https://senspdf.jse.co.za/documents/2022/jse/isse/aele/h1fy22.pdf> and which is also available on our website at: <https://www.altron.com>.

Copies of the full announcement may also be requested from Mbali Ngcobo at mbali.ngcobo@altron.com.

For and on behalf of the Board.

Mr. S van Graan
Chairman

Mr. W Kapp
Group Chief Executive

Mr. N Bofilatos
Chief Financial Officer

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Sponsor

Investec Bank Limited

Transfer secretaries

Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Directors

Mr. S van Graan (Chairman), Mr. W Kapp (Group Chief Executive)*, Mr. N Bofilatos (Chief Financial Officer)*, Mr. A Ball, Mr. B Dawson, Mr. GG Gelink, Dr. P Mnganga, Mr. S Sithole (Zimbabwean), Ms. A Sithebe, Mr. RE Venter, Ms. S Rapeti, Mr. T Ngara (alternate to Mr. A Ball)

*Executive Director

Interim Group Company Secretary

Ms M Ngcobo

24 October 2022

Johannesburg