

REUNERT LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1913/004355/06)

JSE code: RLO

ISIN: ZAE000057428

("Reunert", the "Company" or the "Group")

OPERATIONAL UPDATE AND TRADING STATEMENT

Reunert is in the process of finalising its interim financial results for the six-month period ended 31 March 2023 ("**Results**"). The board of directors of Reunert ("**Board**") will consider and is expected to approve the Results on Tuesday, 23 May 2023 for publication on SENS on Wednesday, 24 May 2023.

Accordingly, shareholders of Reunert ("**Shareholders**") are provided herein with:

- an operational update; and
- the resulting trading statement.

Operational update

Reunert's financial performance for the period ended 31 March 2023 is expected to reflect a meaningful improvement compared to the prior comparative period. The Group's performance has been driven by the Electrical Engineering and Applied Electronics Segments delivering excellent operational performances on the back of improved demand for their products and services.

The Electrical Engineering Segment benefited from increased cable production volumes, due to the combination of no labour disruptions to operations in South Africa and increased demand, as well as the improved business environment in Zambia. Margins for the Electrical Engineering Segment improved as COVID-19 related supply chain challenges eased, operational efficiencies increased and the product mix improved.

The Applied Electronics Segment's performance resulted from period-on-period improvements from the Logistics, Secure Communications and Radar businesses, and another period of good performance from the Fuze business. These performances were driven by the operational execution of the high level of orders received by the Applied Electronics Segment, enhanced operational efficiencies and higher sales margins. In addition, the demand for renewable energy products and services accelerated as sustained loadshedding continued to plague the country.

The Information and Communication Technology Segment continues to perform in line with expectations. Higher expected credit losses against the lease and loan receivables book and the strategic sale of R201 million of this book in 2022, with a further sale of R49 million in the period under review, the proceeds of which were used to fund the purchase of Etion Create, resulted in reduced profitability from Quince. The remaining businesses of Total Workspace Provider, Business Communications and Solutions and System Integration performed well amid tough local conditions.

The Group's operating profit includes the benefit of a R44 million preliminary insurance pay-out for the business interruption caused by the COVID-19 pandemic.

The Applied Electronics and Electrical Engineering Segments' orders on hand position the Group well for the remainder of the 2023 financial year.

Trading Statement

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, issuers are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the current reporting period will differ by at least 20% from the financial results of the prior comparative period.

Noting the operational update outlined above, Shareholders are accordingly advised that the Company has reasonable certainty that it will report:

- earnings per share ("**EPS**") of between 249,2 cents and 268,8 cents (2022: EPS of 196,0 cents), being an increase of between 27,1% and 37,1% compared to the prior comparative period; and
- headline earnings per share ("**HEPS**") of between 257,3 cents and 276,8 cents (2022: HEPS of 195,0 cents), being an increase of between 31,9% and 41,9% compared to the prior comparative period.

The information contained in this announcement does not constitute an earnings forecast. The financial information on which this announcement is based has not been reviewed nor reported on by the Group's external auditors and is the responsibility of the Board.

Johannesburg
16 May 2023

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