

## EOH HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/014669/06)

JSE share code: EOH ISIN: ZAE000071072

(“EOH” or “the Group”)



### UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 JANUARY 2024

#### Salient features

- Group revenue of R3.1 billion for the six months ended 31 January 2024 (“HY2024”) compared to R3.2 billion for the six months ended 31 January 2023 (“HY2023”).
- Group operating profit of R9 million for HY2024 (HY2023: R142 million).
- Total loss per share (“LPS”) of 15 cents for HY2024 (HY2023: 3 cents).
- Total headline loss per share (“HLPS”) of 11 cents for HY2024 (HY2023: 17 cents).
- Adjusted EBITDA of R97 million for HY2024 (HY2023: R171 million).
- Total cash generated from operations of R201 million for HY2024 (HY2023: R5 million).

	Total operations	
	HY2024	HY2023
Revenue	R3 146 million	R3 244 million
Loss per share	(15) cents per share	(3) cents per share
Headline loss per share	(11) cents per share	(17) cents per share
Adjusted EBITDA	R97 million	R171 million

As reported at the 2023 financial year-end, EOH experienced a challenging second half of FY2023. This trend continued through the first three months of HY2024. Despite an improvement in trading and tendering activity in the second three-month period, the challenging environment has led to a reduction in revenue. The core Digital Enablement business, including International, has seen good revenue growth, however, this has been offset by reductions in other areas, particularly in the Operational Technologies division which has been negatively impacted by delays in closing Public Sector contracts and contracting delays with large mining customers.

One of the major challenges facing the South African IT industry is finding and retaining appropriately skilled talent. Accordingly, despite the impact on gross margins and overall profitability, EOH took the decision to retain highly skilled staff that were not fully productive, in anticipation of improved trading. Management believes this is the correct medium-term approach in order to resource an anticipated increase in activity appropriately but will continue to monitor the economic environment closely.

Operating costs continue to be a core focus, and EOH is on track to eliminate at least R50 million from the FY2023 cost base, on an annualised basis, as part of the efficiency strategy. Despite these savings the pressure on gross margins and the reduced gross profit has fallen through to the adjusted EBITDA performance for HY2024.

Working capital remains tightly managed in the current environment. Group debtors' days remained constant and there was a net cash balance of R300 million at 31 January 2024, with unutilised short-term facilities of R133 million. Cash generated by operations benefitted from an early receipt of cash in our foreign operations, where the corresponding payable was only settled after the period end, however, excluding the above receipt, the cash generated from operations was R31 million.

The Group's interest charge decreased to R68 million (HY2024) from R102 million (HY2023), as a result of the R600 million capital raise and the refinancing of consortium facilities with a single bank at improved interest rates during FY2023. This improvement has been ameliorated by an additional interest charge provided on legacy debts of R14 million.

EOH recently announced the agreement with SARS on the last remaining legacy issue that has been holding the company back from finalising the restructure and getting back to business-as-usual. The closure of this matter will allow for further corporate structure rationalisation and normalisation of the tax rate. The final agreement was in line with provisions held on the balance sheet, save for the write-off of a R7 million tax receivable which negatively affected the tax charge for the reporting period.

The presentation of the Group's interim results hosted by the Group Chief Executive Officer, Stephen van Coller, and Group Chief Financial Officer, Marialet Greeff, may be viewed via a webinar at 11h00 on 26 March 2024 by clicking the following link: <https://bit.ly/3v9QF1m>.

Shareholders are advised that EOH's unaudited interim condensed consolidated financial statements for HY2024 are available on the Company's website at: <https://www.eoh.co.za/investor-relations/eoh-financial-results/>.

This results announcement is the responsibility of the directors of EOH. This results announcement is only a summary of the information contained in the full announcement and does not contain full or complete details.

This results announcement has not been audited or reviewed by the Company's external auditors. Any investment decisions by investors and/or shareholders should be based on a consideration of the full announcement published on SENS and EOH's website.

The full announcement, is available on EOH's website at: <https://www.eoh.co.za/investor-relations/sens/> and on the JSE website at: <https://senspdf.jse.co.za/documents/2024/JSE/isse/EOH/HY2024.pdf>. Copies of the full announcement may be requested from [ir@eoh.com](mailto:ir@eoh.com) or the sponsor, Java Capital at [sponsor@javacapital.co.za](mailto:sponsor@javacapital.co.za).

26 March 2024

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Sponsor

The logo for Java Capital, featuring the word "JAVA" in a bold, blue, sans-serif font, followed by "CAPITAL" in a lighter, grey, sans-serif font. The letters are slightly spaced out.