

## ADCORP HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1974/001804/06

Share code: ADR

ISIN: ZAE000000139

("Adcorp" or the "Company" or the "Group")



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## TRADING STATEMENT, OPERATIONAL UPDATE AND RESULTS PRESENTATION

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### TRADING STATEMENT

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 period to be reported on next 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 year ended 29 February 2024:

- Revenue will increase by between 5.2% and 10.2% when compared to the revenue reported for the year ended 28 February 2023 ("**comparative period**");
- Gross profit will decrease by between 1.0% and 3.0% when compared to the gross profit reported for the comparative period;
- Earnings per share ("**EPS**") from total operations will be between 80.1 cents and 87.5 cents, representing an increase of between 114.7% and 134.7% compared to EPS of 37.3 cents reported for the comparative period;
- Headline earnings per share ("**HEPS**") from total operations will be between 77.6 cents and 89.8 cents, representing an increase of between 27.0% and 47.0% compared to HEPS of 61.1 cents reported for the comparative period;
- EPS from continuing operations will be between 78.1 cents and 89.5 cents, representing a decrease of between 21.9% and 31.9% compared to EPS of 114.7 cents reported for the comparative period;
- HEPS from continuing operations will be between 76.3 cents and 91.1 cents, representing a decrease of between 38.4% and 48.4% compared to HEPS of 147.8 cents reported for the comparative period; and
- As at 29 February 2024, Adcorp's financial position reflected a net cash balance (excluding restricted cash) of R204.2 million. Both the South African and Australian businesses were in a net cash position.

### OPERATIONAL UPDATE

Reflecting on the past financial year, it's essential to acknowledge the landscape within which Adcorp has operated. The South African macroeconomic backdrop remained challenging, and global staffing markets have faced headwinds, and Adcorp has not been an exception. Reduced staffing demand, particularly within white-collar sectors, negatively affected Adcorp. This impacted our professional services division in South Africa and, to a lesser extent, our

professional services division in Australia. The persistent poor economic performance of South Africa has compounded these challenges.

Despite these obstacles, we are proud of several significant achievements. Adcorp remains debt-free, and working capital has been very well managed. We have grown Group sales, achieved record customer satisfaction scores, and our brands have garnered numerous awards. Employee engagement has lifted and staff turnover has fallen. The decline in performance of our professional services division in South Africa masked solid performances in other divisions. We continue to witness resilience and strength across many areas of our business, most notably in our contingent staffing businesses in both South Africa and Australia.

We announced our Brandshift Adcorp strategy three years ago, which refocused our company into a staffing and outsourcing business with a decentralised operating model and a brand-centric customer focus. We have made huge strides on this journey, and despite current setbacks, the top-line growth we have delivered validates our strategic changes. Our unwavering commitment to service excellence, brand integrity, and the dedication of our exceptional team have remained steadfast.

As we navigate the way forward, we do so with a spirit of transparency and resilience. Our strong balance sheet creates valuable capacity for Adcorp to weather difficult times and remain opportunistic. The Group continues to benefit from geographically diversified earnings and cash flows.

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

The audited results for the year ended 29 February 2024 are expected to be published on or about Friday, 31 May 2024.

## **RESULTS PRESENTATION**

The results presentation will take place electronically on Friday, 31 May 2024, at 10:00.

Should you be interested in attending please contact [ir@singular.co.za](mailto: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  
20 May 2024

Sponsor  
Valeo Capital (Pty) Ltd

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