

ALTRON LIMITED

(Registration number 1947/024583/06)

(Incorporated in the Republic of South Africa)

Share Code: AEL ISIN: ZAE000191342

("Altron" or "Group")

## **TRADING STATEMENT AND OPERATIONAL UPDATE**

In accordance with the trading statement requirements of the JSE Limited, shareholders are advised that a reasonable degree of certainty exists that for the six months ended 31 August 2024 ("Reporting Period"):

- Continuing headline earnings per share ("HEPS") and continuing earnings per share ("EPS") will be at least 20% higher than the comparative six months ended 31 August 2023 ("Comparative Period"); and
- Group HEPS and Group EPS will be at least 20% higher than the Comparative Period.

As reported at the 29 February 2024 year-end results, the successful implementation of the profit improvement strategies and target operating models in Altron's continuing operations and Altron Document Solutions resulted in an improved performance in the second half of the 2024 financial year ("H2 FY24").

This positive momentum has continued into the 2025 financial year ("FY25"), leading to a stronger year-to-date performance in comparison to the Comparative Period, which was negatively impacted by provisions and impairments raised.

### **Continuing operations**

- The Own Platforms segment has delivered a strong year-to-date performance with Altron FinTech, Altron HealthTech and Netstar growing revenue, together with notable growth in EBITDA and operating profit.
- Within the IT Services segment, Altron Digital Business has delivered year-to-date revenue growth in line with the market, as we start to see the early benefits of the new sales operating model taking effect. However, EBITDA and operating profit are anticipated to be softer, due to non-recurring project expenses relating to historic contracts which have now been closed and some project delays. Altron Security's performance benefited from the corrective actions taken in H2 FY24, with the expectation of modest growth in EBITDA and operating profit.
- Altron Arrow is targeting to maintain its operating profit margin for FY25, however as guided, revenue is anticipated to be softer due to the cyclical global slowdown in electrical component distribution.

### **Discontinued operations**

In the Comparative Period, both Altron Document Solutions and Altron Nexus were restructured and the management teams strengthened. Profit improvement strategies were implemented to improve cash flow generation and return these businesses to profitability. Active disposal processes were run for both businesses.

A strategic evaluation of all options for Altron Document Solutions was conducted, including an assessment of the offers received. These offers were below the Altron Board's assessment of fundamental value and carried execution risk. As a result, the Altron Board has concluded that retaining Altron Document Solutions within the Group is the most effective option to maximise value for shareholders. Consequently, Altron Document Solutions will no longer be classified as held for sale and will be included in continuing operations within the IT Services segment in the Reporting Period. Despite historically being held-for-sale, Altron Document Solutions remains an attractive business. It is supported by a robust customer base and long-term contracts that generate sizeable annuity revenue, with strong support from its partner Xerox Limited. The successful execution of Altron Document Solutions' profit improvement strategy has continued into FY25, resulting in year-to-date growth in revenue, EBITDA and operating profit.

A further trading statement will be issued once a reasonable degree of certainty exists as to the likely range for continuing and Group HEPS and EPS.

The financial information on which this trading statement and operational update is based is the responsibility of the directors of Altron and has not been reviewed or reported on by the Group's independent external auditor.

### **Annual General Meeting**

Investors are invited to attend Altron's Annual General Meeting at 09:00am today, electronically via an online platform [www.meetnow.global/za](http://www.meetnow.global/za), where Altron's CEO Werner Kapp will discuss the Group's year-to-date performance and Altron Document Solutions in more detail.

The Group's financial results for the Reporting Period are expected to be released on SENS on or about 4 November 2024.

Johannesburg

31 July 2024

Sponsor

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