ALTRON LIMITED
Registration number 1947/024583/06
(Incorporated in the Republic of South Africa)
Share code: AEL
ISIN: ZAE000191342
("Altron" or "Group" or "the Company")

Audited consolidated results for the year ended 28 February 2025 and cash dividend declaration

SALIENT FEATURES – CONTINUING[1] OPERATIONS

- Strong growth in profitability, primarily driven by the Platforms segment.
- R9.6 billion revenue, flat compared to last year, impacted by the sale of the ATM Business[2]. Excluding the ATM Business[2], revenue grew 3%.
- R1.8 billion earnings before interest, tax, depreciation and amortisation ("EBITDA"), up 27%.
- R972 million operating profit, up 50%.
- 178 cents headline earnings per share ("HEPS"), up 73%.
- 156 cents earnings per share ("EPS"), up 64%.

	CONTINUING[1] REPORTED			
R million	FY25	Previously published FY24	Restated FY24[3]	% change[3]
Revenue	9 588	8 250	9 603	0%
EBITDA[4]	1 822	1 502	1 436	+27%
Operating profit[4]	972	739	650	+50%
Net profit after tax	616	433	387	+59%
HEPS	178 cents	116 cents	103 cents	+73%
EPS	156 cents	108 cents	95 cents	+64%

Notes:

1. *Continuing operations include Netstar, Altron FinTech, Altron HealthTech, Altron Digital Business, Altron Security, Altron Document Solutions, Altron Arrow and excludes Altron Nexus.*
2. *The ATM Business of Altron Managed Solutions was sold effective 1 July 2023, with four months trading included in the comparative results.*
3. *Altron Document Solutions was previously reported as part of discontinued operations. For FY25 Altron Document Solutions is reported as a continuing operation. The FY24 period was restated for the classification of Altron Document Solutions as a continuing operation. The % changes have been calculated using the restated results.*

4. *Capital Items excluded from EBITDA and operating profit, comprise loss and costs on disposals, impairments, capital rental devices written off, and lease modifications and terminations where applicable.*

All growth rates quoted are year-on-year and refer to the year ended 28 February 2025 compared to the restated year ended 29 February 2024, unless stated otherwise.

SALIENT FEATURES – GROUP

- R9.9 billion revenue, down 4%, primarily due to the sale of the ATM Business[2] and a decrease in revenue at Altron Nexus after its restructuring. Excluding the ATM Business[2], revenue reduced by 1%.
- R1.7 billion EBITDA, up 69%.
- R817 million operating profit, up over 100%.
- R993 million net cash and cash equivalents, up 58%.
- 134 cents HEPS, up over 100%.
- 103 cents EPS, up over 100%.
- 50 cents per share final dividend, up 52%.

	GROUP (including discontinued operations)			
R million	FY25	Previously published FY24	Restated FY24[3]	% change[3]
Revenue	9 931	10 325	10 325	(4%)
EBITDA[4]	1 667	985	985	+69%
Operating profit[4]	817	210	187	>100%
Net profit after tax	415	(141)	(147)	>100%
HEPS	134 cents	(25) cents	(29) cents	>100%
EPS	103 cents	(43) cents	(45) cents	>100%
Final dividend	50 cents	33 cents	33 cents	+52%

KEY BUSINESS HIGHLIGHTS

- Altron, South Africa's original technology company, celebrated 60 years of solving real-world problems for its clients.
- The Group was awarded 4th place in the Sunday Times Top 100 companies and certified top employer in South Africa by the Top Employers Institute.
- Netstar delivered another robust performance, growing EBITDA by 17% to R935 million. Total subscribers grew 16% and exceeded 2 million subscribers, supported by double-digit growth in both the consumer and enterprise segments.

- Altron FinTech delivered strong profitability growth, with EBITDA up 38% to R457 million, driven primarily by strong growth in the SME customer base and increased volume and value of debit orders processed through its collection and payment platform.
- Within IT Services, Altron Document Solutions was reclassified as a continuing operation following a review of strategic options. Whilst still in the process of executing a profit improvement strategy, Altron Document Solutions delivered EBITDA of R84 million compared to an EBITDA loss of R74 million last year, which included provisions raised of R95 million.
- R645 million growth capital expenditure was invested, focused on Netstar, Altron FinTech and systems and platforms.

Commenting on the results, CEO Werner Kapp said, "*This year's strong results reflect the disciplined execution of our strategy, despite heightened economic and political uncertainty. Our high annuity revenue base provides a solid foundation, with our Platforms segment remaining a key growth driver, delivering double-digit revenue and profit growth. This consistent performance has strengthened our financial position and enabled us to deliver meaningful value to our shareholders.*"

DETAILED FINANCIAL OVERVIEW

Altron delivered a solid financial performance for the year, with continued execution of its strategy and a focus on higher-margin, quality revenue supporting improved profitability.

Revenue from continuing operations was flat at R9.6 billion, impacted by the sale of the ATM Business[2]. Excluding the ATM Business[2], revenue grew 3% with strong annuity revenue growth of 10%. A focus on the quality of revenue growth, lifted gross margin by 2 percentage points to 40%. Operating leverage supported a 27% increase in EBITDA to R1.8 billion and a 50% increase in operating profit to R972 million. The Platforms segment, where the Group has allocated capital to support strategic growth, underpinned this performance, delivering a 12% increase in revenue, a 23% increase in EBITDA and a 30% increase in operating profit. HEPS increased to 178 cents from 103 cents, with EPS at 156 cents, up from 95 cents last year.

Group revenue declined 4%, impacted by the sale of the ATM Business[2] and reduced revenue from Altron Nexus following its restructuring. Group EBITDA increased 69% to R1.7 billion and operating profit more than tripled to R817 million. Subsequent to year-end, the Group entered into a sale and purchase agreement with a consortium that includes members of Altron Nexus' management team for the sale of Altron Nexus (the "MBO Transaction"), the Group's remaining discontinued operation. The MBO Transaction is subject to the fulfilment of conditions precedent, which are targeted to be fulfilled by 30 June 2025.

The Group remains highly cash-generative and well-capitalised, growing net cash and cash equivalents 58% to R993 million, providing a strong foundation for executing its immediate and medium-term strategic initiatives.

Segmental overview

In line with Altron's strategy to become the leading platform and IT services business in its chosen markets, from 1 March 2024 the Group reorganised into the following operating segments:

- Platforms: Netstar, Altron FinTech and Altron HealthTech.
- IT Services: Altron Digital Business, Altron Security and Altron Document Solutions.

- **Distribution:** Altron Arrow.
- **Other:** Consolidation and other international operations.

R million	CONTINUING[1] REPORTED FY25	Restated FY24[3]	% change[3]
REVENUE			
Platforms	3 956	3 547	+12%
IT Services	5 055	5 404	(6%)
Distribution	669	802	(17%)
Other	(92)	(150)	+39%
EBITDA[4]			
Platforms	1 514	1 233	+23%
IT Services	307	220	+40%
Distribution	69	69	0%
Other	(68)	(86)	+21%
OPERATING PROFIT[4]			
Platforms	798	613	+30%
IT Services	230	131	+76%
Distribution	67	67	0%
Other	(123)	(161)	+24%

Platforms

The Platforms segment grew revenue by 12% to R4 billion, with EBITDA growing 23% to R1.5 billion and operating profit increasing 30% to R798 million.

- Netstar revenue grew 10% to R2.3 billion, supported by a higher annuity contribution, which accounted for 91% of total revenue. EBITDA increased 17% to R935 million, with a 3 percentage point expansion in EBITDA margin and operating profit increased 15% to R255 million.
  - Netstar expanded its market share in FY25, underpinned by growth in strategic partnerships, within the insurance and dealerships segments and expanding within OEMs, to strengthen its distribution network.

- The total subscriber base grew 16% to over 2 million subscribers, with connected devices up 4% to 2.4 million. 495 075 gross subscribers were added, with 272 574 net subscriber additions. Consumer subscribers grew 10%, with higher margin enterprise customers growing 13%. A strong performance in South Africa, with 12% revenue growth, was offset by softer market conditions in Australia, where the 3G to 4G migration resulted in a R16 million loss for the Australian operations, compared to a R24 million profit in FY24.
- Churn increased from 16% to 19%, due to higher churn in the Australian business, however churn in SA remained at targeted levels.
- Operational efficiencies were improved through Netstar's expanded network of fitment centre partnerships, which assisted in maintaining its contract fulfilment rate above 90%. A continued focus on the conversion of pre-fitments, ensured Netstar's conversion ratio was maintained above the targeted 60%, with the benefits of the higher conversion rate supporting growth in operating profit.
- Netstar's global fleet bureau scaled to over 33 000 managed assets, supporting growth in data-driven managed services revenue.

- Altron FinTech continued its positive momentum, growing revenue 17% to R1.3 billion, with annuity revenue increasing from 74% to 84%. EBITDA increased 38% to R457 million, expanding its EBITDA margin 6 percentage points to 36%. Operating profit grew 46% to R423 million. Growth was primarily driven by the collection and payment platform, which delivered strong results, following a focused SME sales initiative. This performance reflects the effectiveness of Altron FinTech's proprietary platforms, which enable rapid onboarding of merchants of all sizes across both formal and informal markets. With interoperability across multiple payment systems and wallets, and the use of data to enhance credit assessments and customer insights, the platform continues to build trust, support adoption, and expand product penetration, particularly within the microfinance sector serving underserved communities.
- Altron HealthTech increased revenue 6% to R397 million, supported by higher corporate switching and private practice licence fees. EBITDA increased 15% to R122 million, with operating profit up 18% to R120 million. The private practice segment added 862 net new practices, reflecting a 1.6x acquisition-to-churn ratio and contributing 3% revenue growth. The corporate segment added 22 new logos, growing revenue by 17%. Momentum continues in expanding data-driven services, with the oncology solution adding 22 new practices.

IT Services

The IT Services segment generated revenue of R5.1 billion, down 6%, primarily due to the sale of the ATM Business[2]. Excluding the ATM Business[2], IT Services reported flat revenue growth. EBITDA improved 40% to R307 million and operating profit increased to R230 million, up from R131 million. Prior year performance was negatively impacted by a R95 million provision raised in Altron Document Solutions.

- Altron Digital Business, adjusted for the sale of the ATM Business[2], maintained flat year-to-date revenue of R3.2 billion, impacted by the delay of two projects into FY2026. In line with guidance, EBITDA and operating profit were weaker than the prior period, with EBITDA decreasing 44% to R109 million and operating profit reducing 47% to R83 million. This was due to reduced spending by two large customers in the first half of the year and non-recurring project expenses relating to historic contracts.

- Despite a disappointing performance, Altron Digital Business made solid progress in integrating Altron Systems Integration, Altron Karabina, and Altron Managed Solutions. One year into the integration process, the business has rebuilt its sales leadership, strengthened its cloud and security capabilities, and expanded its partner ecosystem, positioning it to benefit from deferred IT spend amid heightened uncertainty and delayed capex from South Africa's top corporates.

- Altron Security reported revenue of R397 million, down 12% from R449 million, impacted by capital constraints at a large customer and a shift in revenue mix between agency and principal revenue. Growing higher margin managed services and disciplined cost management resulted in EBITDA increasing 13% to R114 million and operating profit increasing 19% to R86 million.
- Altron Document Solutions was reclassified to continuing operations during the period, following a review of strategic alternatives. The business is executing on its profit improvement strategy, which is focused on enhancing the quality of revenue, growing annuity income, and maintaining strict cost discipline. Revenue increased by 1% to R1.4 billion. EBITDA improved to R84 million from a prior-year loss of R74 million, with operating profit improving to R61 million, compared to a loss of R97 million in the prior year. FY24 included provisions of R95 million.

Distribution

As previously guided, the electronics component distribution industry entered a global cyclical downturn, with inventory levels normalising to pre-COVID levels, impacting Altron Arrow's financial performance. Revenue declined 17% to R669 million. However, disciplined cost management resulted in EBITDA and operating profit remaining flat at R69 million and R67 million, respectively. Despite the slowdown, Altron Arrow increased market share by 4% (per Arei), supported by its continued focus on customer engagement and innovative technology solutions.

Discontinued operations

Altron Nexus reported revenue of R343 million, compared to R659 million in the prior year. EBITDA improved to a loss of R149 million from a loss of R421 million, and the operating loss improved to a loss of R148 million from a loss of R433 million. The net asset value of Altron Nexus reflected in the Group's financial statements was R146 million, after the elimination of intercompany loans on consolidation.

Under the terms of the MBO Transaction, the acquirers of Altron Nexus will assume all company-related debt, excluding any obligations that are specifically excluded. Any potential recoveries from the City of Tshwane legal process will remain with Altron. Other than the repayment of intercompany loans, the MBO Transaction is not expected to generate any disposal proceeds for the Group. The MBO Transaction remains subject to the fulfilment of conditions precedent, which are targeted to be fulfilled by 30 June 2025.

Capital structure and Group working capital

The Group continued to generate strong operating cash flows, which increased by 7% to R1.7 billion, reflecting improved profitability and disciplined working capital management. Net cash and cash equivalents improved 58% to R993 million as at 28 February 2025, further strengthening the Group's balance sheet, enhancing its capacity to fund strategic initiatives.

Working capital decreased by R46 million to R1.4 billion and is considered at an optimal level to support operations, with future movements targeted to reflect growth in the underlying businesses.

The Group invested R708 million in capital expenditure, of which R645 million supported growth initiatives. This includes R442 million investment in Netstar's capital rental devices and R31 million in Altron FinTech's capital rental devices. Capital expenditure was financed out of operating cashflows and Group net debt at year end was R113 million, down from R313 million in the prior year.

FINAL DIVIDEND

The Board approved a 52% increase in the final dividend to 50 cents per share (40.00 cents net of 20% dividend withholding tax) for the year ended 28 February 2025. This dividend will be payable to shareholders registered with the Company as of the close of business on the record date listed below.

The Board confirmed 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 412 055 395 including 30 837 778 treasury shares.

The key dates related to the final dividend are as follows:

DIVIDEND DATES	2025
Last day to trade cum dividend	Tuesday, 10 June
Commence trading ex-dividend	Wednesday, 11 June
Record date	Friday, 13 June
Final dividend payment date	Tuesday, 17 June

Share certificates may not be dematerialised or re-materialised between Wednesday, 11 June 2025 and Friday, 13 June 2025, both days inclusive.

OUTLOOK

Altron remains committed to the disciplined execution of its strategy, which is underpinned by a strong annuity revenue base, a robust balance sheet, and exposure to structurally attractive, high-growth markets. Over the past two years, the Group has delivered consistent, high double-digit growth in profitability from continuing operations, supported by sustainable operational improvements.

While the strategy and core fundamentals remain sound, the operating environment is expected to remain constrained, with heightened economic uncertainty and market volatility continuing to impact customer spending patterns, particularly in the IT Services segment, which may impact Altron's growth into FY26.

Against this backdrop, the Group remains focused on executing its strategy, prioritising capital allocation into platform businesses, and investing for long-term value creation. Altron remains committed to its medium-term (3–5 year) operating profit margin targets of +19% in the Platforms segment and +7% in the IT Services segment, as well as its dividend policy of paying out at least 50% of HEPS from continuing operations.

The information in the Group outlook section has not been reviewed or reported on by the Group's auditors.

RESULTS PRESENTATION

An investor presentation will be hosted at 9:30am CAT on 26 May 2025 to present the Group's financial results for the year ended 28 February 2025. A webcast of the presentation can be accessed via the following link: https://78449.themediaframe.com/links/altron250526.html

SHORT FORM ANNOUNCEMENT

This short-form announcement contains only a summary of the information in the full annual financial statements ("AFS") and does not contain full or complete details. The AFS can be found on the JSE cloudlink at: https://senspdf.jse.co.za/documents/2025/jse/isse/aele/FY25.pdf

Any investment decisions by investors and/or shareholders should be based on consideration of the AFS, as a whole.

The AFS have been audited by the Company's auditors, PricewaterhouseCoopers Inc. ("PwC"), who expressed an unmodified audit opinion thereon. The auditor's report is available, along with the AFS, on the Company's website at www.altron.com.

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 have not been reviewed or reported on by the Company's external auditors and 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.

For and on behalf of the Board.

Mr. S van Graan	Mr. W Kapp	Mr. C Snyman
Chairman	*Group Chief Executive*	*Chief Financial Officer*

Group Company Secretary
Ms M Ngcobo

26 May 2025

Registered Office	JSE Equity Sponsor	Transfer Secretaries
Altron Campus, 20 Woodlands Drive, Woodlands Office Park, Woodmead, Gauteng, South Africa, 2191	Investec Bank Limited	Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Directors:
Mr. SW van Graan (Chairman)#, Mr. WG Kapp (Group Chief Executive)*, Mr. C Snyman (Chief Financial Officer)*, Mr. GG Gelink#, Dr. P Mnganga#, Ms. S Rapeti#, Ms. AK Sithebe#, Mr. G Kouteris#, Mr. TR Ngara**, Mr. A Ball**, Mr. BW Dawson**.

* Executive Director
** Non-Executive Director
\# Independent Non-Executive Director