

Workforce Holdings Limited
Incorporated in the Republic of South Africa
(Registration number: 2006/018145/06)
Share Code: WKF ISIN: ZAE000087847
("Workforce" or "the company" or "the group")

Short-form announcement

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

Highlights

- Revenue decreased by 16,9% to R1,3 billion (2019: R1,5 billion);
- EBITDA, before impairments, decreased by 52,2% to R44,1 million (2019: R92,3 million);
- Cash flow from operating activities increased to R307,6 million (2019: R48,5 million);
- EPS decreased by 146% (including impairment) to -8,5 cents per share (2019: 18,5 cents per share)
- EPS (excluding impairment) of 8,7 cents per share (2019: 18,5 cents per share)
- Headline EPS decreased by 146% to -8,5 cents per share (2019: 18,6 cents per share)
- Healthcare cluster delivering revenue growth of 4% and EBITDA growth of 31%;
- The acquisition of Chartall Business College was successfully integrated into the training cluster; and
- The directors elected not to declare an interim dividend in order to conserve cash resources in light of current economic circumstances.

This short-form announcement is the responsibility of the directors. It is only a summary of the information in the full announcement and does not contain full or complete details. The full version, as published on SENS, can be found on the company's website at www.workforce.co.za or accessed using the following JSE link

<https://senspdf.jse.co.za/documents/2020/jse/isse/wkf/HY20.pdf>.

The full announcement is available for inspection at the registered office of the company and the sponsor, at no charge during normal trading hours. Copies of the full announcement may also be requested from the company via email on vrech@kris.co.za and the sponsor on sponsorteam@merchantec.co.za.

Any investment decision by investors and/or shareholders should be based on consideration of the full announcement published on SENS and on the company's website.

The arrival of COVID-19 resulted in Workforce only operating businesses within the group that were classified as essential services. This resulted in an immediate and substantial decline in turnover across the clusters, aside from the healthcare cluster. This continued for the months of March, April and May 2020 and in June 2020, Workforce started to see a recovery and is now operating at a much higher level of utilisation of its services. The drop in turnover was successfully countered by temporary and permanent cost saving measures, a renewed focus on debtor collections, delaying creditor payments where possible as well as fully utilising government-initiated relief measures. Management believes that the pandemic triggered a chain of actions which has enabled a stronger and more sustainable Workforce business.

Management envisages that going forward, in the second six months Workforce will return to a much higher level of utilisation which will result in a near-normalisation of the previous patterns of earnings.

Workforce was able to produce strong cash and the resultant sustainability of the business, despite the impact of COVID-19.

The ETI, a programme which incentivises the employment of unemployed youth between the ages of 18 and 29, remains a significant contributor to group financial results. In the six months under review, the ETI contribution was higher due to the COVID-19 additional relief which was available from April to July 2020.

By order of the board

JR Macey	RS Katz	WP van Wyk
Chairman	Chief executive officer	Financial director

Johannesburg
21 August 2020

Executive directors

RS Katz
WP van Wyk

Non-executive directors

JR Macey
S Naidoo
S Thomas
KN Vundla
I Ross

Designated Adviser
Merchantec Capital

Company secretary
S van Schalkwyk

Registered office
The registered office, which is also the principal
place of business, is:
11 Wellington Road
Parktown, 2193

Commercial bankers
ABSA Business Bank

PO Box 11137
Johannesburg
2193

Transfer secretaries
Link Market Services South Africa Proprietary
Limited
11 Diagonal Street
Johannesburg, 2001

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