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**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")

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**Short-form announcement - Reviewed provisional results for the year ended 31 December 2020**

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**Non-financial achievements:**

- Level 2 B-BBEE contributor
- 33 884 - Average weekly assignees
- 82 582 – Training instances
- 8 356 - Learners on learnership programmes
- 54 - Registered learnerships
- 83 496 - Medical examinations conducted
- 50 740 - Funeral and medical policies issued
- 160 000 - Lives covered through EAP \* call centre

\* Employee Assistance Programme

**Financial summary:**

- Revenue decreased by 13,9% to R2,7 billion (2019: R3,2 billion);
- EBITDA decreased by 45,5% to R76,9 million (2019: R140,9 million);
- EBITDA in the second half increased by 77,7% to R86,4 million (2019: R48,6million)
- Cash flow from operating activities increased to R164,3 million (2019: R35,7 million);
- EPS decreased by 67,3% (including impairment) to 13,9 cents per share (2019: 42,5cents per share)
- HEPS decreased by 71,7% to 12,0 cents per share (2019: 42,4 cents per share)
- The directors elected not to declare a final dividend in order to conserve cash resources in light of current economic circumstances; and
- Second half recovery from investment clusters, aside from financial services, puts Workforce in a strong position for 2021 growth recovery.

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](http://www.workforce.co.za) or accessed using the following JSE link: <https://senspdf.jse.co.za/documents/2021/jse/isse/wkf/YE20.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](mailto:vrech@kris.co.za) and the sponsor on [sponsorteam@merchantec.co.za](mailto: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 preliminary condensed consolidated financial statements were reviewed by the group's auditors, Crowe (Johannesburg), who expressed an unmodified opinion thereon.

## Revenue contribution

	<b>FY 2020 (Rm)</b>	<b>Improvement (deterioration) in HY2 2020 vs HY 1 2020 (%)</b>	<b>HY2 2020 (Rm)</b>	<b>HY 1 2020 (Rm)</b>
Staffing and Outsourcing	2 164 843	21,28%	1 186 496	978 347
Training	247 017	27,14%	138 266	108 751
Financial Services *	54 633	-86,11%	6 665	47 968
Healthcare	311 002	25,11%	172 847	138 155

## EBIDTA contribution

	<b>FY 2020 (Rm)</b>	<b>Improvement (deterioration) in HY2 2020 vs HY 1 2020 (%)</b>	<b>HY2 2020 (Rm)</b>	<b>HY 1 2020 (Rm)</b>
Staffing and Outsourcing	127 359	77,82%	81 517	45 842
Training	27 563	57,53%	16 860	10 703
Financial Services *	-55 028	-87,20%	-6 243	-48 785
Healthcare	49 568	37,37%	28 686	20 882

\*The Financial Services cluster experienced a difficult year and results were affected in part due to the shutdown of the Babereki Product Division and the effects of Covid-19. A decision was taken to write off a portion of the loan book amounting to a net R46,5 million.

During the first six months of year the investment clusters were particularly impacted by Covid-19. There was, however, a visible step change after July 2020, as lockdown levels eased, and our clients reopened for business. This was carried through the results, with a much-improved second half to the financial year.

Cluster executives quickly consolidated their positions, cut costs, implemented technology and got on with business. This resulted in a substantially better result in the second half of the year, with certain investment clusters exceeding expectation and others coming very close to returning to near-normal levels of utilisation of services and earnings patterns.

## Outlook

We remain hugely encouraged by the way that the investment clusters were able to claw back their position in the second half of the year, with a stringent focus on debt collection, costs and on cash generation. This position will continue, and we look forward to a greater contribution from each of the investment clusters and a total improved group result in the coming year.

The recent Budget Speech was encouraging and business friendly rather than heavily weighted towards ideology. We eagerly await the rollout of infrastructure projects as a growth driver for the economy, understanding that although South Africa will only reach pedestrian growth in the coming

years, the country still needs infrastructure spend to achieve a higher economic growth path into the future. We keep a watchful eye on similar large projects being developed in the geographies we operate in outside of South Africa where Workforce can add tremendous value as a relevant and significant supplier.

Additional growth opportunities are present in the mining sector, given the increased demand for commodities.

We will remain dedicated to our core competencies as market conditions will likely remain challenging for the foreseeable future. However, four decades of experience, a very strong network of teams across the business, organised into investment clusters with a common purpose to ensure success and growth, makes for a force that cannot be underestimated.

By order of the board

JR Macey  
Chairman

RS Katz  
Chief executive officer

WP van Wyk  
Financial director

Johannesburg  
31 March 2021

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

Commercial bankers

The registered office, which is also the principal place of business, is:

11 Wellington Road  
Parktown, 2193

ABSA Business Bank

PO Box 11137  
Johannesburg  
2193

Transfer secretaries  
JSE Investor Services (Pty) Limited  
13th Floor  
19 Ameshoff Street  
Braamfontein  
2000

[www.workforce.co.za](http://www.workforce.co.za)