
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 - Audited results for the year ended 31 December 2021

Non-financial achievements:

- Level 1 B-BBEE contributor
- 102 013 - Average number of payslips processed monthly
- 39 938 - Training instances
- 19 534 - Learners on learnership programmes
- 70 - Registered learnerships
- 74 - Learners on the Bachelor of Business Administration ("BBA") degree
- 105 942 - Medical examinations conducted
- 56 508 - Funeral and medical policies issued
- 37 605 - Average weekly assignees

Financial summary:

- Revenue improved by 29,6% to R3,5 billion (2020: R2,7 billion);
- EBITDA increased by 98,4% to R152,6 million (2020: R76,9 million);
- EPS increased by 199% to 41,6 cents per share (2020: 13,9 cents per share);
- HEPS increased by 239% to 40,7 cents per share (2020: 12,0 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 to ensure sufficient capital for acquisitions.; and
- Days outstanding remain at 46, which over a five-year period is an improvement of 7 days.

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/2022/jse/isse/wkf/YE21.pdf>

The full announcement is available for inspection at the registered office of the company and the Designated Adviser, 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 Designated Adviser 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 audited consolidated financial statements were audited by the group's auditors, Crowe (Johannesburg), who expressed an unmodified opinion thereon. The auditor's report is available on the company's website at: www.workforce.co.za

Financial performance

The 2021 financial year should be viewed as a story of recovery in financial metrics, culminating in a much-improved result from the previous financial year, taking Workforce back to 2019 levels and in some instances, even exceeding those results. This recovery across most metrics for the investment clusters is testament to the solid foundation that is in place at Workforce, which is of course supported by product and brand diversification.

The improvement in EBITDA to R152,7 million represents an increase of 98,4% on the prior year and 8% higher than the R141,0 million of EBITDA produced in 2019. These numbers are indicative of a robust performance from the Staffing and Outsourcing and Training and Education investment clusters.

Unfortunately, at an EBITDA level, the results from the Financial Services and Healthcare clusters detracted somewhat from the results. However, overall, the results are attributable to the diversified structure Workforce has in place. Headline earnings per share ("HEPS") improved significantly by 239,0% to 40,7 cents per share compared to 12,0 cents per share in 2020.

Performance of investment clusters

In summary, the performance of the investment clusters is pleasing and at a high level the following should be noted:

- Staffing and Outsourcing once again improved their results, and it should be remembered that within the results there is an amount of R38 million in 2021 attributable to the emergency tax relief under the Employment Tax Incentive ("ETI"). If this amount is excluded from the cluster's overall performance, it remains a 20% better contribution from the 2019 financial year;
- Training and Education, though vastly improved from 2020, has not been able to return to 2019 levels, due to economic hinderances and disruptions in training programmes due to Covid-19;
- Financial Services was particularly hard hit by Covid-19 for the past two years, the unrests that took place in 2021 and a generally depressed economy; and
- Healthcare's performance improved from 2019 through benefiting from Covid-19, albeit that the 2021 performance is slightly lower than that of the 2020 financial year.

Outlook

The Russian invasion of the Ukraine is likely to strike a devastating blow to global growth if the war is permitted to escalate. There is no doubt this will have an impact on the South African economy too, but it feels too early to assess what impact this will have on Workforce.

The outlook for the coming financial year is certainly more attractive than has been the case for the past two years, with the investment clusters coming to terms with a digitised operating environment, allowing technology to support the delivery of services in a much more ambitious way than in previous years.

Thanks to the focus on cost structures in previous years, there is now a lean cost base in place. Similarly to Workforce having gotten “its house in order”, many of South Africa’s corporates have done the same, and our 50-year history, matched by our size, experience and knowledge, places the group in a stronger position now to penetrate the market even further.

Finally, there will be a greater focus across the group on delivering improved margins in the coming financial year to ensure that our success retains momentum.

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of the company’s shareholders will be held via Microsoft Teams on Friday, 27 May 2022 at 10:00 (“annual general meeting”). The purpose of the meeting is to transact the business set out in this notice of annual general meeting (“annual general meeting notice”) by considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions.

The salient information pertaining to the annual general meeting is set out below:

Issuer name	Workforce Holdings Limited
Type of instrument	Ordinary Shares
ISIN number	ZAE000087847
JSE code	WKF
Meeting type	annual general meeting
Meeting venue	Microsoft Teams
Record date in order to be eligible to receive the annual general meeting notice	Friday, 25 March 2022
Annual general meeting notice distributed to shareholders	Thursday, 31 March 2022
Last date to trade in order to be eligible to vote at the annual general meeting	Tuesday, 17 May 2022
Record date in order to be eligible to vote at the annual general meeting	Friday, 20 May 2022
Last day to lodge forms of proxy for the annual general meeting (by 10:00) for administration purposes	Wednesday, 25 May 2022
Annual general meeting (at 10:00)	Friday, 27 May 2022
Results of the annual general meeting released on SENS	Friday, 27 May 2022
Website link	www.workforce.co.za

By order of the board

JR Macey
Chairman

RS Katz
Chief executive officer

WP van Wyk
Financial director

Johannesburg
31 March 2022

Executive directors
RS Katz
WP van Wyk

Non-executive directors
JR Macey
S Naidoo
S Thomas
KN Vundla
I Ross

Company secretary
S van Schalkwyk

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

PO Box 11137
Johannesburg
2193

Designated Adviser
Merchantec Capital

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

Commercial bankers
ABSA Business Bank

www.workforce.co.za