
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 2022 and
notice of annual general meeting**

Non-financial achievements:

- Level 1 B-BBEE contributor
- 107 094 average number of payslips processed every month
- 90 662 - Training instances
- 13 064 - Learners on learnership programmes
- 165 - Registered learnerships
- 100 - Learners on the Bachelor of Business Administration ("BBA") degree
- 90 544 - Medical examinations conducted
- 55 638 - Funeral and medical policies issued

Financial summary:

- Revenue improved by 24% to R4,3 billion (2021: R3,5 billion);
- EBITDA increased by 10% to R168,3 million (2021: R152,6 million);
- EPS increased by 20% to 46,7 cents per share (2021: 39,0 cents per share*);
- HEPS increased by 21% to 46,8 cents per share (2021: 38,7 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 increased to 54 days (2021: 46 days).

*Restated – a restatement was made, the details of which can be seen in note 11 of the full announcement and note 25 in the integrated annual report.

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 announcement, together with the notice of annual general meeting, 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/2023/jse/isse/wkf/YE22.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.com. 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 JHB, who expressed an unmodified opinion thereon. Key audit matters addressed in the auditor's report relate to the functioning of the Information Systems and valuation of goodwill. The full auditor's report contained in the 2022 integrated annual report ("annual report") can be found on the company's website at: www.workforce.co.za

Financial performance

This financial year was one marked by growth and expansion of the already well-diversified investment cluster structure, which saw these businesses mature and others develop stronger and more profitable bases.

Revenue at R4,3 billion (2021: R3,5 billion), is the highest ever produced by the group, supported by a strong result from the cluster involved in human capital, staffing and outsourcing solutions, but also supported by a strong recovery from the other clusters.

Headline earnings per share ("HEPS") increased by 21% to 46,8 cents per share compared to 38,7 cents* per share in 2021.

Performance of investment clusters

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

- The **Staffing and Outsourcing** cluster increased revenue by 24% to R3,4 billion (2021: R2,7 billion), and an EBITDA of R191,5 million (2021: R188,2 million) was produced. The cluster contributed 61% to group EBITDA. As is the norm, a solid second half was achieved due to increased economic activity, where many industrial clients either stocked up for the festive season or completed large maintenance projects before the planned shutdowns.
- The **Training and Education** cluster delivered a solid performance for the year under review, building on a stronger performance in the second six months. An overall improvement from all the businesses was achieved, supported by the relevance of the service offering and no further Covid-19 restrictions. Revenue improved by 17%, while EBITDA increased by 20%. The cluster contributed 16% to the EBITDA of the group.
- In the **Financial Services** cluster revenue increased from R80,7 million in 2021 to R110,1 million. The cluster generated positive EBITDA of R14,0 million, compared to the prior year loss of R12,4 million.
- The **Healthcare** cluster revenue grew by 38% and contributed 10% of the group's total revenue. EBITDA improved by 39% to R57,8 million (2021: R41,6 million). The contribution to overall EBITDA of 18% is slightly higher than the previous year and EBITDA margins remained consistently strong across the cluster.

Outlook

Our business model, across all the diversified investment clusters, is very acceptable in markets outside of South Africa and, in many cases, is desperately needed. We regard this as a competitive advantage when we enter these new markets. External developments are starting to bear fruit and we

are confident that they will be contributors in the coming financial year. We intend to build on the momentum as strongly as we can.

All businesses see better prospects for 2023, but certain parts of the group, such as the permanent placement in the general recruitment space, which is cyclical due to where the economy is at the moment, are not experiencing growth.

In conclusion, Workforce has made some bold moves over the past five years. The business has positively changed and positioned itself to cater to various sectors, industries, skills and services. With careful global expansion, we are experiencing great demand for our services and products, and our knowledge and expertise are highly sought after. Global expansion sets a foundation for a Rand-hedge, but given the size of the investment cluster reach in South Africa, the current quantum of foreign earnings is small but has the potential to grow.

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, 26 May 2023 at 10:00 ("annual general meeting"). The purpose of the meeting is to transact the business set out in the notice of annual general meeting ("annual general meeting notice") included in the full announcement and the annual report, (which the annual report is available on the company's website at www.workforce.co.za) by considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions contained therein.

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, 24 March 2023
Annual general meeting notice distributed to shareholders	Thursday, 30 March 2023
Last date to trade in order to be eligible to vote at the annual general meeting	Tuesday, 16 May 2023
Record date in order to be eligible to vote at the annual general meeting	Friday, 19 May 2023
Last day to lodge forms of proxy for the annual general meeting (by 10:00) for administration purposes	Wednesday, 24 May 2023
Annual general meeting (at 10:00)	Friday, 26 May 2023
Results of the annual general meeting released on SENS	Friday, 26 May 2023
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
30 March 2023
Executive directors
RS Katz
WP van Wyk

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

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 Proprietary Limited
13th Floor
19 Ameshoff Street
Braamfontein
2000

Commercial bankers
ABSA Business Bank

www.workforce.co.za