
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 2023

Key features of the six-month period:

- Revenue increased by 7% to R2,1 billion (2022: R1,9 billion)
- Gross profit of R431,8 million achieved (2022: R424,7 million)
- EBITDA reduced to R32,8 million (2022: R68,7 million)
- Cash generated from operations amounted to R22,5 million (2022: R64,6 million)
- EPS decreased to 1,7 cents per share (2022: 14,7 cents per share)
- HEPS decreased to 1,7 cents per share (2022: 14,6 cents per share)
- Days sales outstanding 48 days (2022: 50 days)
- Investment cluster operations have continued to trade, contend and adapt exceptionally well in the face of pressures in the operating environment, supported by decades of experience and the digitisation of services
- Level 1 B-BBEE compliance maintained

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/2023/jse/isse/wkf/HY23.pdf>.

The full announcement is available for inspection at the registered offices 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.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 as a whole. These unaudited condensed consolidated interim financial results have not been audited or reviewed by the group's auditors, Crowe (Johannesburg).

Commentary

The first six months were challenging due to several factors, including low levels of economic activity, loadshedding, high interest rates, lack of client confidence, and decreased demand for personnel services. Overhead costs increased by 12% because of burgeoning inflation rates and operating expenses ("opex"), which were geared for growth that did not occur due to the prevailing economic climate. We embarked on remedial action during March to right-size our businesses and to better position the group for the coming year.

The effects of our interventions have become apparent since June 2023 as our cost base has been better aligned to our operational requirements.

We would like to express our appreciation to the investment cluster heads and their teams for their positive handling of the challenging operating conditions. This further demonstrates the exceptional level of expertise and market awareness present in each cluster.

Outlook

Our projections for the second six months of the year indicate that lower operating costs and a seasonally better second half of the financial year will result in overall improved profitability for the group.

We anticipate that the challenging business environment will continue for the balance of the year and into 2024, but believe that we are better-structured to withstand the headwinds. As government and private sector investment into infrastructure development continues to grow, this should impact positively on our own business.

Our expansion into Africa and beyond is showing positive signs and we believe this to be an important development and opportunity for the Workforce group in the future. Our diversification policy that we continue to implement through the different investment clusters, will continue to develop and significantly contribute to group profitability and to our risk management initiatives in the medium term.

By order of the board

JR Macey
Chairman

RS Katz
Chief executive officer

WP van Wyk
Financial director

Johannesburg
24 August 2023

Corporate information

Executive directors

RS Katz

WP van Wyk

Non-executive directors

JR Macey (Chairman) (Independent)

S Thomas (Independent)

KN Vundla (Independent)

S Naidoo

Designated Adviser

Merchantec Capital

Company Secretary

S van Schalkwyk

Commercial bankers

ABSA Business Bank

Registered office

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

11 Wellington Road

Parktown, 2193

PO Box 11137

Johannesburg

2193

Transfer secretaries

JSE Investor Services Proprietary Limited

13th Floor

19 Ameshoff Street

Braamfontein

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