



# adcorp

Connecting Human Potential

## ANNUAL RESULTS

for the year ended  
28 FEBRUARY 2025

# Disclaimer

The statements contained herein may contain certain forward-looking statements relating to the Group that are based on the beliefs of the Group's management as well as assumptions made by and information currently available to the Group's management. These forward-looking statements are, by their nature, subject to significant risks and uncertainties. These forward-looking statements, include without limitation, statements relating to the Group's business prospects, future developments, trends and conditions in the industry and geographical markets in which the Group operates, its strategies, plans, objectives and goals, its ability to control costs, statements relating to operations, margins, overall market trends, risk management and exchange rates. Forward-looking statements are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment.

Although forward-looking statements contained in this presentation are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements apply only as of the date on which they are made, and Adcorp undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

# Agenda

## 01

### Overview

- FY25: A Year of Execution, Resilience and Momentum
- Navigating Volatility in Our Core Markets
- Adcorp Today
- Stabilisation to Growth
- The Adcorp Investment Case
- Disciplined Capital Allocation
- Shareholder Value Delivery
- Final Dividend Declaration

Dr John Wentzel

Chief Executive Officer

## 02

### Financial and Operational Overview

- Financial snapshot
- Income statement
- Operating expenses
- Segmental performance
- Balance sheet
- Cash flow
- Working capital management
- Net cash

Noel Prendergast

Chief Financial Officer

## 03

### Closing

- FY26 Priorities
- Navigating Headwinds
- Positioned for Growth
- From Restructuring to Scalable Growth

Dr John Wentzel

Chief Executive Officer

# 01

## Overview



Dr John Wentzel  
*Chief Executive Officer*

## A Year of Execution, Resilience and Momentum

### GROSS PROFIT



### GROSS MARGIN IMPROVED TO



### OPERATING EXPENSES HELD FLAT



### HEADLINE EPS FROM OPERATIONS



### NET CASH POSITION

**R442,1m**

### CSAT SCORES





- Persistent low growth
- Infrastructure constraints persist
- Electricity supply risk improved but still there
- Unemployment persists and worsened
- Coalition government uncertainty



- Recovery remains slow
- Election uncertainty but now resolved
- High interest rates persisted
- Structural demand in blue collar persists
- Inflation high but falling

**Despite macro volatility, structural demand for flexible and outsourced work solutions remains resilient**



## Operationally Efficient, Strategically Positioned



- Asset-light, cash-generative model with scale across SA and Australia
- Diversified client base spanning: Contingent Staffing, Professional Services, and Staffing Solutions
- Decentralised brand-led structure enables agility and local accountability
- Strategic shift toward higher-margin, tech-enabled workforce solutions
- Built for scalable, tech-enabled delivery across high-growth, compliance-driven verticals
- Renewed leadership team driving execution discipline and strategic clarity

## Laying the Foundation

- Multi year restructuring, cost optimisation and margin enhancement project completed
- Clean cost base and flat opex growth enable operating leverage
- Digital transformation and operating model reset complete in SA and Australia — enabling data-driven scalability
- Now positioned for strategic expansion and platform scaling
- Leadership stability enabling strong execution focus





## Financial strengths

Clean, debt-free balance sheet with R442m net cash



Significant earnings offshore, with natural currency hedge



Proven cost discipline and margin recovery



Asset-light model with strong FCF profile



Consistent dividend policy with attractive yield



## Strategic levers

Proven execution of turnaround; profitable and cash-accretive

Strong operating leverage potential in underpenetrated verticals

Exposure to high-demand sectors: healthcare, hospitality, industrial outsourcing

Strategically diversified across two geographies, reducing risk concentration

## Underpins Sustainable Returns

- Dividend policy maintained at 2x cover, supported by consistent cash generation
- Share buybacks executed, but constrained by share liquidity
- Disciplined reinvestment model: internally funded growth with no dilution or gearing risk
- Strong working capital management supports liquidity

- Clear hierarchy:



## FY21 to FY25

**TOTAL DIVIDENDS PAID  
(FY22 – FY25):**

**R229 m**

**SHARE BUYBACKS  
EXECUTED (FY22 – FY25):**

**R37 m**

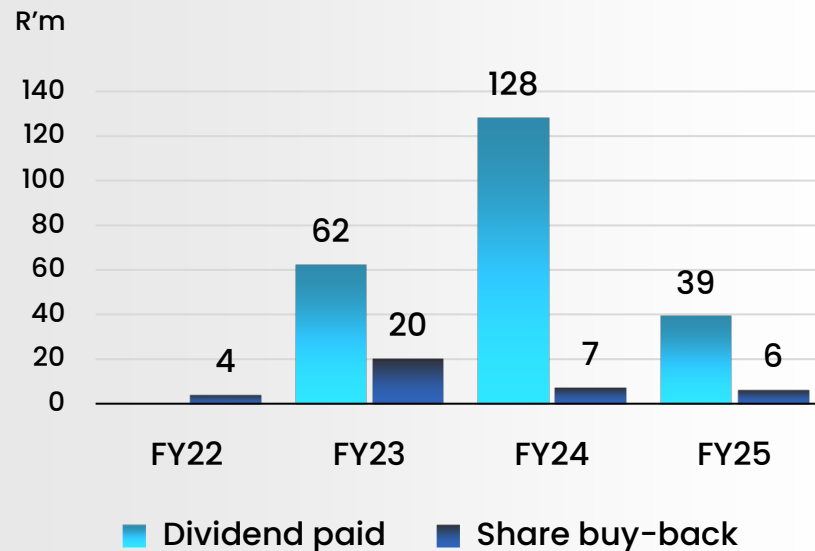
**TOTAL CAPITAL  
RETURNED**

**R266 m**

**NET CASH**

**R442,1 m**  **117%**

### Dividend Paid and Share Buy-back



**Adcorp will have returned >50% of its current Market cap over 4 years**

## FINAL DIVIDEND DECLARED

**50,0 cps**

2024: 24,2 cps



## TOTAL NORMAL DIVIDEND DECLARED

**63,4 cps**

2024: 40,3 cps



- **Consistent with 2x headline earnings cover policy**
- **Reflects confidence in sustainable earnings and cash generation**

# 02

## Financial and Operational Overview



Noel Prendergast  
*Chief Financial Officer*

## REVENUE

**R13,24 bn**



2.0%

Feb 2024: R12,98 bn

## GROSS PROFIT

**R1,30 bn**



3.5%

Feb 2024: R1,26 bn

## OPERATING PROFIT \*

**R171,6 m**



33.3%

Feb 2024: R128,7 m

## PROFIT FOR THE YEAR

**R140,9 m**



60.0%

Feb 2024: R88,0 m

## EARNINGS PER SHARE

**134,7 cps**



60.8%

Feb 2024: 83,8 cps

## HEADLINE EARNINGS PER SHARE

**135,4 cps**



61.6%

Feb 2024: 83,8 cps

## NET CASH POSITION #

**R442,1 m**



Feb 2024: R204,2 m

## DIVIDEND PER SHARE

**50,0 cps**



106.7%

Feb 2024: 24,2 cps

\* Including impairment

# Excluding restricted cash



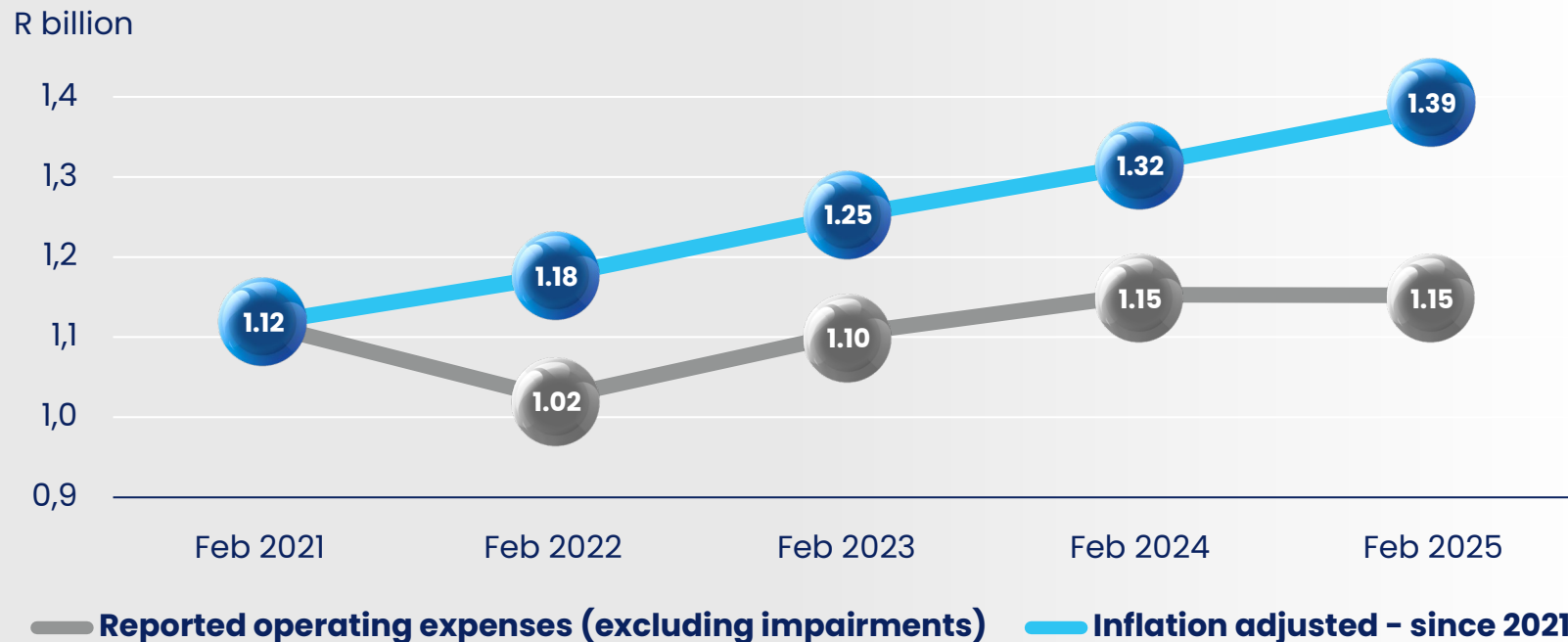
# Summarised consolidated statement of profit and loss

**adcorp**

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R'000	Audited Year end Feb 2025	Audited Year end Feb 2024	Var (%)
Revenue	<b>13 236 678</b>	12 982 141	2.0
Cost of sales	<b>(11 935 225)</b>	(11 725 110)	(1.8)
Gross profit	<b>1 301 453</b>	1 257 031	3.5
Gross profit %	<b>9.8%</b>	9.7%	
Other income	<b>14 786</b>	24 857	(40.5)
Operating expenses	<b>(1 071 898)</b>	(1 073 451)	0.1
EBITDA	<b>244 341</b>	208 437	17.2
EBITDA %	<b>1.8%</b>	1.6%	
Depreciation and amortisation	<b>(71 662)</b>	(79 947)	10.4
Depreciation of PPE and amortisation	<b>(26 285)</b>	(26 431)	0.6
Depreciation of right of use assets (IFRS 16)	<b>(45 377)</b>	(53 516)	15.2
Operating profit (excluding impairments)	<b>172 679</b>	128 490	34.4
Operating profit margin %	<b>1.3%</b>	1.0%	
Net cost of funding	<b>(34 329)</b>	(38 770)	11.5
Net finance income	<b>6 655</b>	3 845	73.1
Lease liability interest (IFRS 16)	<b>(40 984)</b>	(42 615)	3.8
Impairments, derecognition of lease liabilities & ROUA	<b>(1 057)</b>	216	-
Profit before taxation	<b>137 293</b>	89 936	52.7
Taxation expense	<b>3 563</b>	(1 894)	288.1
Profit for the year	<b>140 856</b>	88 042	60.0
Tax rate (%)	<b>(2.6%)</b>	2.1%	

- Revenue increased by 2.0%
- Gross profit increased by 3.5%
- Gross margin increased to 9.8%
- Operating expenses remained flat
- Increased finance income (excluding lease liability interest)
- Effective tax rate of (2.6%)





Offering tailored workforce solutions across Australia specialising in blue-collar, industrial and food processing recruitment, striving to match the right candidates with the right jobs.

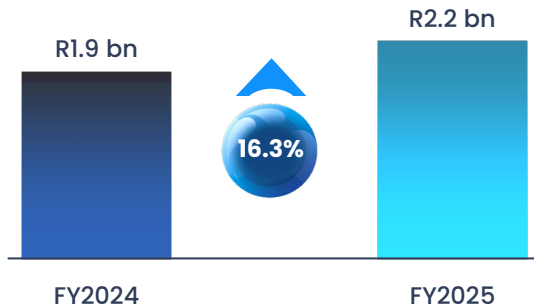
[www.laboursolutions.com.au](http://www.laboursolutions.com.au)



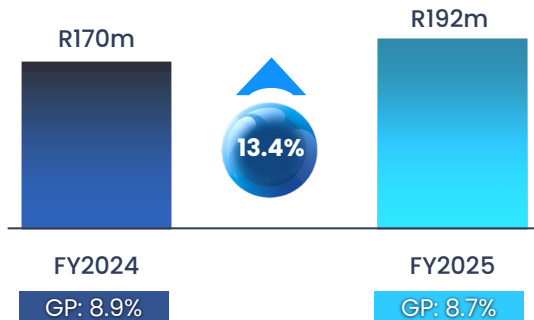
Operating in Australia's healthcare sector providing reliable, compliant, and suitably qualified healthcare professionals. Offering specialised recruitment services including allied health, aged care and hospital staffing.

[www.laboursolutions.com.au/employers/healthcare-recruitment](http://www.laboursolutions.com.au/employers/healthcare-recruitment)

## Revenue



## Gross profit



- Delivered double-digit growth across revenue, GP, and EBITDA
- Secured major national and regional contracts across multiple industries
- Expanded geographic reach within existing client base
- Continued high-volume deployment under PALM scheme (agri /protein exports)
- Diversified into aged care sector amid rising labour demand
- Maintained strong margins through labour efficiency and cost control
- Invested in regulatory compliance, workforce development, and QA infrastructure
- Operational excellence positions LSA for continued national expansion



A leading provider of flexible staffing solutions, specialising in blue-collar temporary staffing across major industries. BLU offers a comprehensive range of services including workforce sourcing, screening, management, payroll and HR administration.

[www.blubyadcorp.com](http://www.blubyadcorp.com)



Specialises in providing front and back-of-house staffing solutions for the hospitality industry. Zest focusses on recruiting, developing, and managing staff to deliver exceptional customer experiences.

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



A private higher education institution that specialises in vocational and higher education, focusing on upskilling, re-skilling, and future-skilling across various sectors.

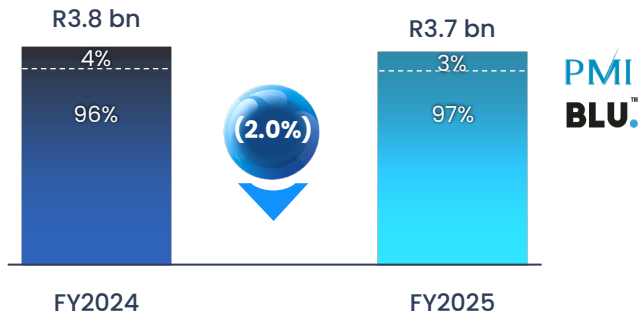
[www.pmi-sa.co.za](http://www.pmi-sa.co.za)



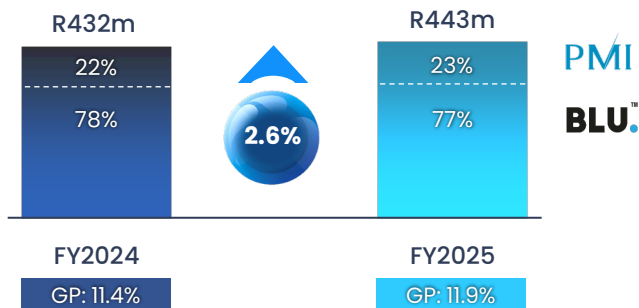
Specialises in providing disability placement services and disability training solutions. Also manages learnerships providing opportunities for employers to engage with persons with a disability.

[www.ican-sa.co.za](http://www.ican-sa.co.za)

## Revenue



## Gross profit



- BLU's slight revenue decline linked to macroeconomic volatility
- PMI benefited from demand for transformation-aligned upskilling initiatives
- Gross margin uplift supported by strict cost discipline across both brands
- Investments in high-margin adjacencies: ZEST (hospitality) and occupational health
- Resilient earnings delivery despite challenging SA economic conditions
- Poised for steady growth as inflationary and operational pressures moderate



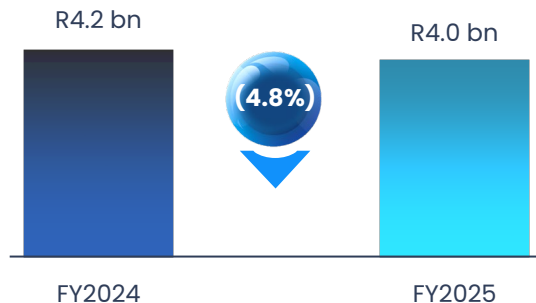


## paxus

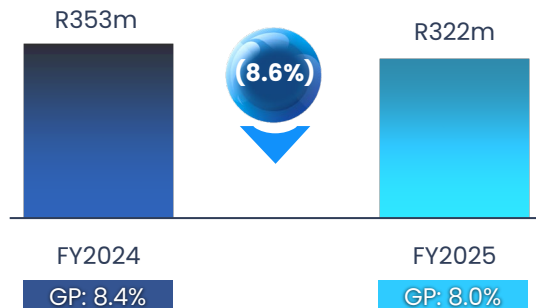
A leading IT recruitment agency, providing extensive services in IT contract recruitment, permanent staffing, and talent solutions. They offer specialised services across various sectors including AI, cybersecurity, and software development.

[www.paxus.com.au](http://www.paxus.com.au)

## Revenue



## Gross profit



## paxus



- Transitioned from state-based ICT to sector-focused professional services model
- Targeted leadership changes while preserving key customer-facing expertise
- Operating cost base streamlined to support scalability and margin resilience
- Market softness persisted in both permanent and contract placements
- Early success in banking, government, and digital sectors under new model
- Positioned to benefit from any uplift in tech and white-collar demand
- Renewed strategic clarity with improved efficiency and focus



**PARACON**

A leading IT staffing specialising in technology solutions and staffing services across various industries. Paracon empowers businesses through innovative IT strategies and a robust talent pool, aiming to enhance operational efficiencies.

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



Focused on connecting top talent with leading employers. It offers temporary, permanent, and project staffing solutions into white collar professional sectors.

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



Intermediate permanent recruitment; Recruitment process outsourcing & Managed Services Provider

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



Permanent premium, scarce & specialised skills recruitment

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



**Charisma**

Charisma Healthcare specialises in recruiting and staffing nurses and healthcare workers for both private and public healthcare sectors in South Africa. Charisma provides highly trained and reliable nursing professionals.

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



**JOBVINE**

Is an online job portal that connects job seekers with employment opportunities across various industries. Jobvine also supports freelancers by providing a community and marketplace for freelance work.

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

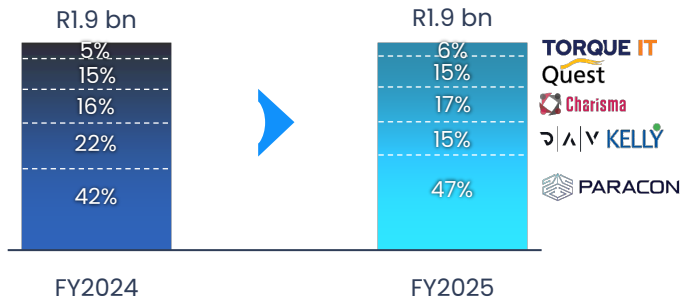
**TORQUE IT**

A premier IT training and certification academy in South Africa, specialising in vendor-authorised, instructor-led training aimed at enhancing IT skills across various technologies.

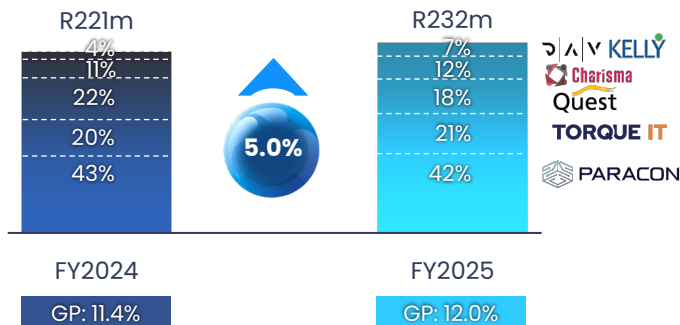
[www.torque-it.com](http://www.torque-it.com)



## Revenue



## Gross profit



- Stable revenue despite headwinds: inflation, unemployment, and slow growth
- Margin gains from delivery model restructuring (DAV, Kelly, talentCRU)
- Paracon maintained consistent performance after cost base reset
- Charisma grew by targeting high-demand, high-margin market segments
- Torque IT improved margins via sharper sales execution
- Quest underperformed due to client hiring freezes and reduced volumes
- Division-wide agility positions it well for white-collar market recovery



Specialising in outsourced business solutions that leverage technology to enhance operational efficiency and productivity. FunxionO offers a range of services including process automation, data analytics, and workforce planning.

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



Specialises in high-performance, specialised cleaning services tailored to meet the stringent requirements of industries such as food processing, manufacturing, and distribution centres.

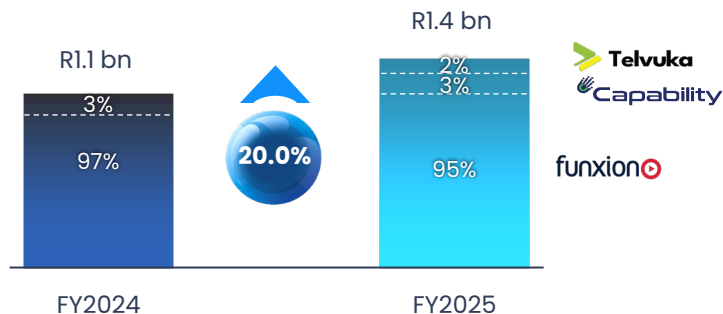
[www.capabilitycleaning.co.za](http://www.capabilitycleaning.co.za)



A Business Process Outsourcing provider offering customised solutions to enhance customer service and support. Telvuka provides comprehensive services, including inbound and outbound customer interactions.

[www.telvuka.com](http://www.telvuka.com)

## Revenue



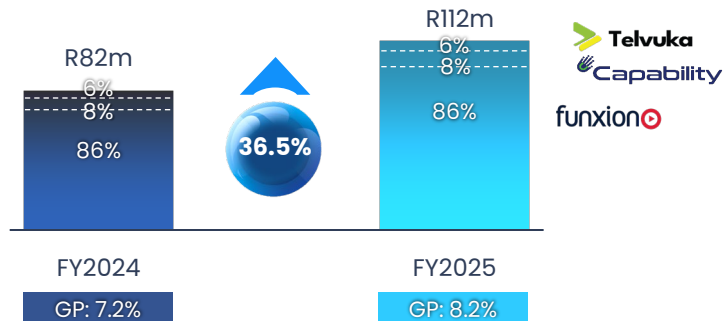
funxionO

Capability

Telvuka



## Gross profit



- Division renamed and reconfigured at start of FY25
- Strong second-half uplift following tapered first-half client activity
- FunxionO led revenue and margin growth with new client wins and operational gains
- ACMS also contributed strong growth
- Pricing strategies revised in response to FMCG/retail sector margin pressures
- Achieved double-digit revenue growth and improved profitability across portfolio

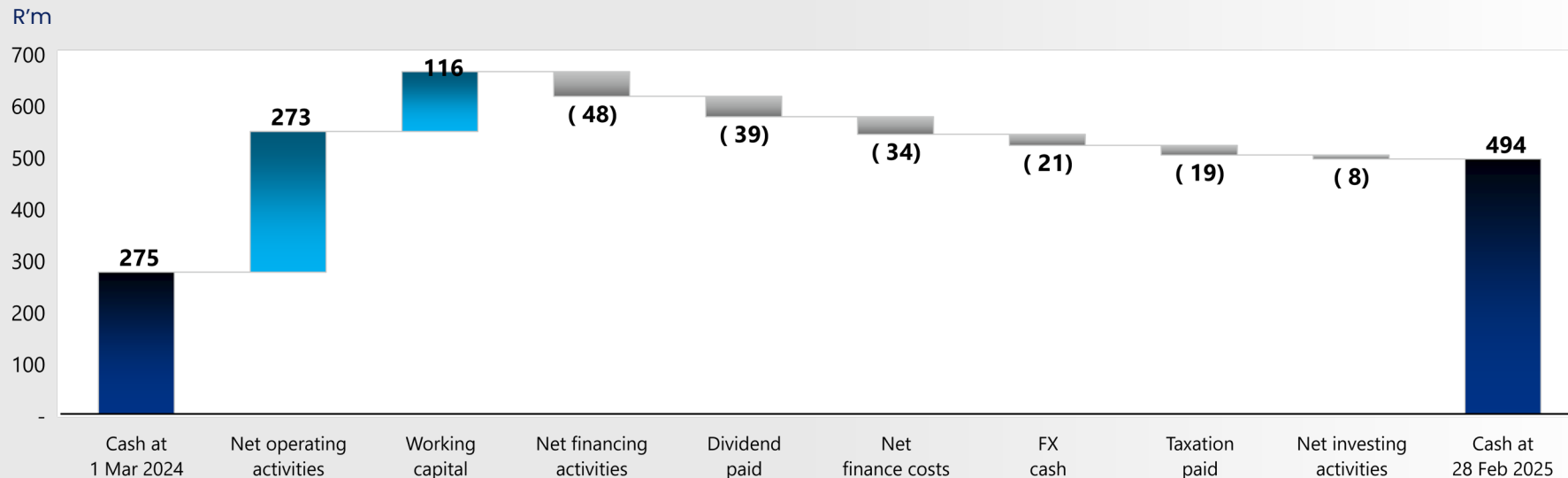


# Summarised statement of financial position **adcorp**

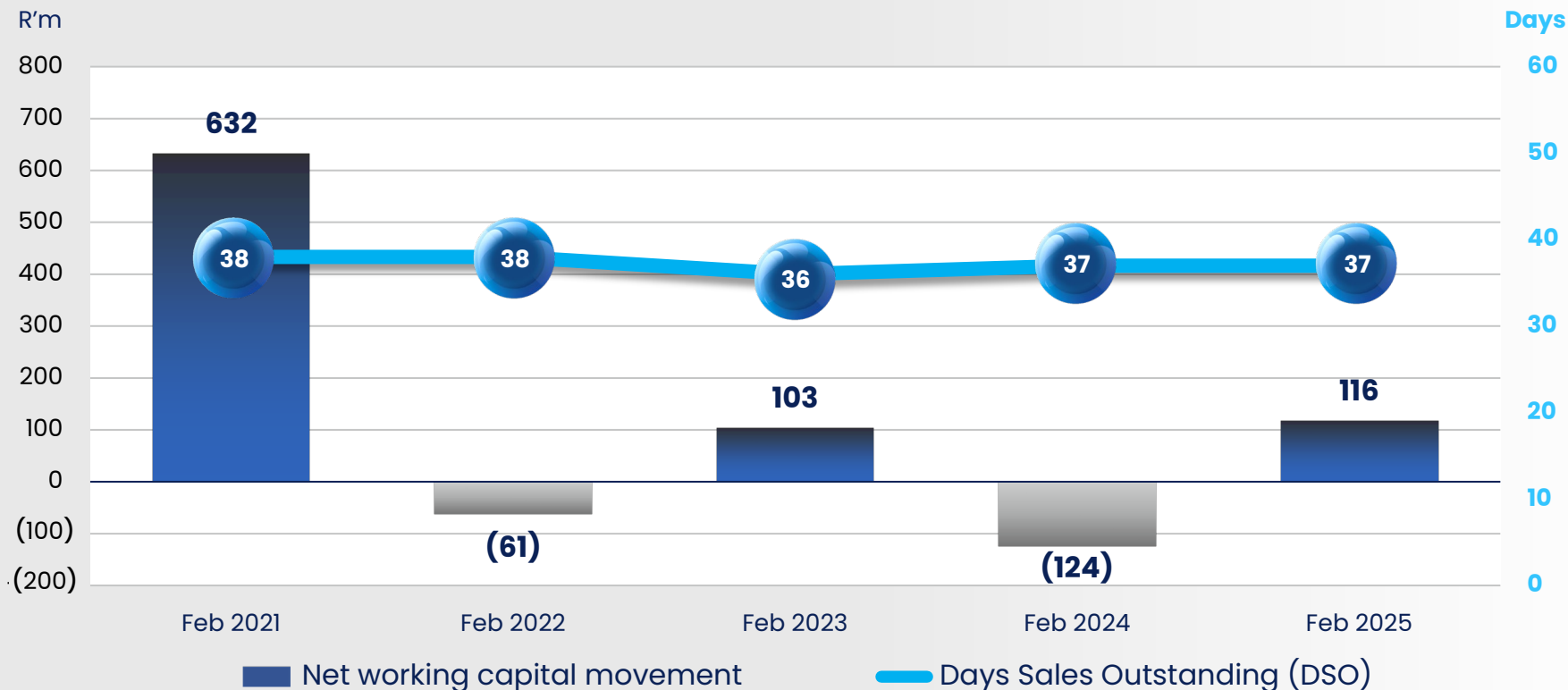
Connecting Human Potential

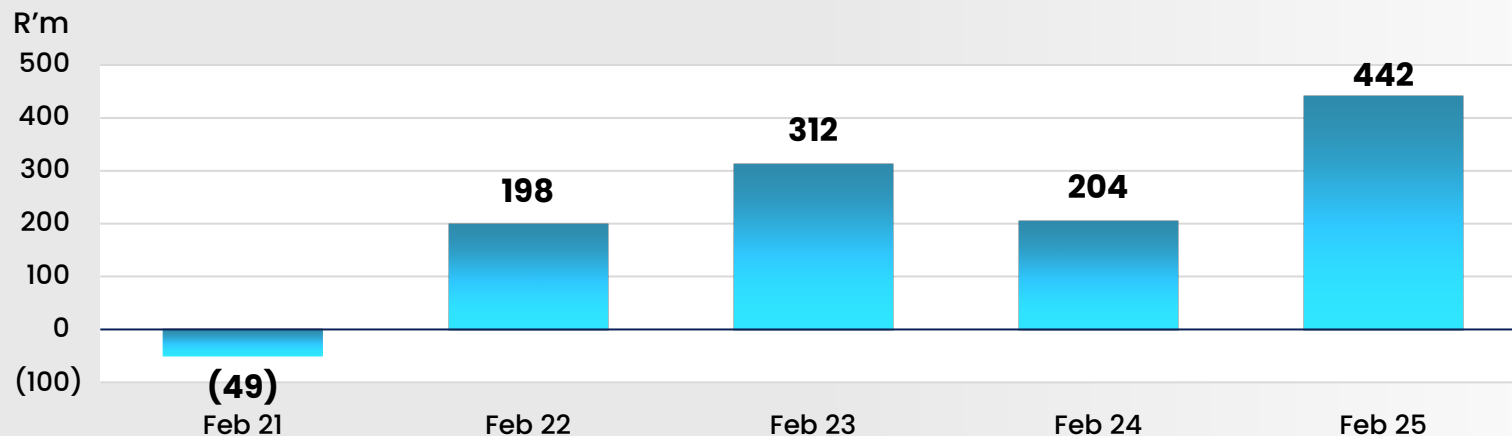
R'000	Audited Year end Feb 2025	Audited Year end Feb 2024	Var (%)
<b>Assets</b>			
Property and equipment	20 175	24 678	(18.2)
Right-of-use lease assets	246 315	249 800	(1.4)
Intangible assets and Goodwill	579 281	624 829	(7.3)
Tax and deferred tax asset	293 475	251 629	16.6
Trade and other receivables	1 634 934	1 696 577	(3.6)
Cash and cash equivalents	494 000	275 249	79.5
<b>Total assets</b>	<b>3 268 180</b>	<b>3 122 762</b>	
<b>Equity and liabilities</b>			
Capital and reserves	1 490 576	1 459 705	2.1
Lease liabilities	379 397	379 140	0.1
Tax and deferred tax liability	94 305	66 487	41.8
Provisions, trade and other payables	1 303 902	1 217 430	7.1
<b>Total equity and liabilities</b>	<b>3 268 180</b>	<b>3 122 762</b>	

- The group's financial position remains robust as at the end of Feb 2025
- The movement in property and equipment is primarily due to depreciation
- The reduction in intangible assets and goodwill is mainly related to foreign exchange movement in Australian goodwill assets
- Working capital closed in a healthy position, supported by robust receivables collections and effective management of payables
- Cash closed at R494 million (including Angola)



- The group continued to be generative with cash from operating activities of R273 million, ending with a cash conversion of 159%
- Reliable collection and payables management returning positive working capital movement
- Dividend paid of R39.2 million
- Cash includes Angola cash of R52 million





Distribution to external shareholders

Nil

Nil

R62m

R128m

R39m

Share buy-back

Nil

R4m

R20m

R7m

R6m

# 03

## Closing



Dr John Wentzel  
*Chief Executive Officer*

## Driving Margin, Expansion & Tech Enablement



- Continue margin uplift through cost discipline and operating leverage
- Accelerate scale-up of high-margin, compliance-critical outsourcing solutions in selected sectors
- Deploy AI and automation across staffing and payroll workflows
- Deepen penetration with global clients across Africa/Middle East
- Maintain capital discipline: execute on dividend policy and buyback programme

**Position Adcorp as the leading digitally enabled workforce platform in its core markets**

## Managing External Uncertainty

- Global trade volatility and policy instability, especially impacting US-aligned exporters
- Low-growth outlook in South Africa; infrastructure and energy supply risk persists
- FX pressure: USD/ZAR volatility remains a potential drag
- Ongoing inflationary input costs and wage pressures in key segments

**Adcorp's geographic and service-line diversification  
acts as a natural hedge against volatility**



## Structural Tailwinds Support Upside



- Rising demand for outsourced solutions across sectors in South Africa
- Global shift toward flexible workforces and compliance -focused staffing
- Regulatory tailwinds in Australia supporting PALM expansion and aged care staffing and hospitality
- Multi-national clients increasingly looking to Adcorp for pan-African workforce solutions
- Internal digitisation driving efficiency and scalability

**Well-positioned to benefit from global offshoring and workforce flexibility trends**



## ... to Scalable Growth

- Restructuring, technology stack update and operating model change completed
- Business is ungeared, cash -rich, and strategically diversified
- FY25 confirms financial resilience and cost discipline
- FY26 focus: profitable growth, platform scalability, and digital acceleration
- Macro uncertainty remains — but Adcorp is strongly positioned for the next step in its evolution

**Adcorp is resilient, cash generative, and poised to scale**





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## Q&A

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