

PRESS RELEASE: INTERIM FINANCIAL PERFORMANCE

Johannesburg, 22 May 2026

Reunert announces interim financial results for the six months ended 31 March 2026 (H1 FY26)

During the reporting period, the operating environment evolved materially, shaped by global macroeconomic shifts and heightened geopolitical activity. Despite these challenges, Reunert remained resilient, supported by its diversified portfolio, disciplined execution and strong operational management.

The ICT and Applied Electronics Segments delivered robust performances during the period, achieving strong growth through disciplined execution on a healthy order book. However, the Electrical Engineering Segment was impacted by weaker infrastructure investment in South Africa and Zambia, significant foreign exchange volatility and record-high commodity prices. In addition, the Group's operating profit was adversely affected by non-cash IFRS 2 share-based payment remeasurements linked to the Group's employee incentive schemes.

Key highlights for H1 FY26 include:

- Group revenue increased by 1% to R6,3 billion (H1 FY25: R6,2 billion);
- Operating profit declined by 23% to R453 million (H1 FY25: R585 million);
- Free cash flow remained stable at R214 million (H1 FY25: R211 million);
- Net cash improved significantly to R383 million (H1 FY25: R81 million);
- Continued strength and growth in the Applied Electronics' order book and execution capabilities;
- Strategic internationalisation initiatives progressed through a new European partnership in Slovakia; and
- An interim dividend of 90 cents per share was declared.

In the **Electrical Engineering Segment**, strong export demand into the USA supported circuit breaker volumes, while the Zambian and South African power cable businesses faced difficult trading conditions. Reduced infrastructure investment activity, subdued demand from municipalities and delays in transmission grid recapitalisation negatively impacted local cable volumes. In Zambia, the appreciation of the Zambian Kwacha against the US Dollar, together with significantly higher copper prices, placed additional pressure on margins and customer demand.

In the **ICT Segment**, the Business Communication Cluster delivered solid growth as demand for enterprise connectivity and last-mile broadband services remained robust. Nashua maintained a resilient performance supported by recurring revenues and complementary technology solutions. The Rental-based Finance Cluster continued to deliver high-quality earnings through strong credit discipline and collections performance, while the Solutions and

Systems Integration Cluster improved operational efficiency following restructuring initiatives implemented in FY25. iqbusiness expanded its focus on digital lifecycle services, including cloud, data and AI-enabled solutions.

The **Applied Electronics Segment** delivered a strong improvement in profitability driven by excellent execution. The fuze business benefited from improved production efficiencies and strong export order execution, while the radar business continued to make excellent progress on strategic intellectual property co-development programmes. The secure communications businesses achieved stronger local order intake and remain well positioned for export growth opportunities. Certain logistics export orders were delayed into the second half of FY26 due to original equipment manufacturer platform delays.

Within **Renewable Energy**, the solar energy business experienced a weaker first half due to delays in site readiness and adverse weather conditions affecting building schedules. Despite this, the business delivered solid energy sales from build-own-operate assets. Apollo Africa continued to advance its wheeling business pipeline and achieved key commercial milestones on both supply and offtake agreements.

Reunert's recently appointed Group Chief Executive Officer, Anthonie de Beer, commented:

"Reunert's diversified portfolio and strong management teams continue to support the Group's resilience in a volatile and rapidly changing operating environment. While macroeconomic and geopolitical conditions remain challenging, the Group has continued to demonstrate disciplined execution, strong cash generation and operational agility."

"Our strategic positioning, particularly in Applied Electronics and selected ICT businesses, provides a solid platform for sustainable growth, while our balance sheet strength and prudent capital allocation ensure that the Group remains well positioned to pursue value-enhancing opportunities."

He added further:

"The Group's strategic refresh is focused on sharper execution, disciplined cash management and prioritising businesses with the strongest long-term value creation potential. We are encouraged by the continued momentum in Applied Electronics, the operational improvements within ICT and the strategic internationalisation initiatives underway. At the same time, we remain focused on navigating the difficult conditions in the Electrical Engineering Segment and positioning these businesses for improved performance as infrastructure investment activity recovers."

Group CFO Mark Kathan commented:

"The Group's balance sheet remains robust with a significantly improved net cash position of R383 million and available funding facilities of R2,9 billion. Positive free cash flow generation remained stable despite lower profitability and increased working capital requirements arising from higher commodity prices."

"Our disciplined approach to capital allocation, cost management and liquidity continues to support the Group's operational and strategic objectives while enabling sustainable shareholder returns."

Strategic developments and outlook

Subsequent to the reporting period, Reunert entered into agreements to establish a strategic electronic artillery fuze manufacturing capability in Slovakia through a partnership with CSG. This initiative represents a significant internationalisation milestone for the Applied Electronics Segment and strengthens the Group's long-term growth platform in Europe.

In addition, iqbusiness entered into agreements to acquire the Silversoft group businesses in South Africa and the United Kingdom, expanding Reunert's capabilities in enterprise software and digital solutions.

Looking ahead, the Group expects improved performance from the Electrical Engineering Segment supported by a stronger order book, while the ICT Segment is anticipated to benefit from restructuring efficiencies and refreshed go-to-market strategies. Growth in Applied Electronics is expected to maintain stable amid continued global demand growth.

Dividend declaration

The Board has declared a gross interim cash dividend of 90 cents per ordinary share (H1 FY25: 90 cents), payable from retained earnings. The net dividend for non-exempt shareholders is 72 cents per share after 20% dividend withholding tax.

The full interim results announcement and presentation are available on Reunert's website at <https://reunert.com> and through the JSE SENS announcement released on 22 May 2026.

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For further details contact:

Karen Smith

Investor Relations and Communications

✉ karens@reunert.co.za

☎ +27 82 887 9417

About Reunert

Founded in 1888, Reunert is a JSE-listed industrial group operating in the Electrical Engineering, ICT, and Applied Electronics Segments. The Group is focused on sustainable earnings growth, strong cash generation backed by a healthy balance sheet, and long-term value creation. For more information, visit:

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