



Technology makes it possible...
People make it happen

RESULTS PRESENTATION YEAR ENDED 31 JULY 2017



SUMMARY AND OVERVIEW

ZUNAIID MAYET
GROUP CEO



Developing deeper insights into our business

Meeting with our leadership and people

Meeting with customers, partners and shareholders

Defining and detailing our program of action

Reviewing Governance, Risk and Compliance

1

2

3

4

5

KEY PRIORITIES OVER THE LAST 4 MONTHS

AT A GLANCE

PURPOSE

To provide the technology, knowledge, skills and organisational ability critical to Africa's development and growth.

To be an ethical and relevant force for good and to play a positive role in society, beyond normal business practice.

PHILOSOPHY



BEST PEOPLE



PARTNER FOR LIFE



RIGHT 1ST TIME



SUSTAINABLE TRANSFORMATION



LEAD AND GROW



YOUTH JOB

CREATION INITIATIVE



- Since inception in 2012, the EOH YJCI has created over 35 000 job opportunities for young South Africans have been placed in employment at EOH and through our partner network
- EOH continues to invest in the youth

EOH YOUTH | **LIVES**
JOB CREATION | **ARE CHANGED WHEN**
INITIATIVE | **BUSINESS GETS INVOLVED**



Listed in 1998



Over 5 000 Clients



A Force for Good



B-BBEE Large
Enterprise Level 2



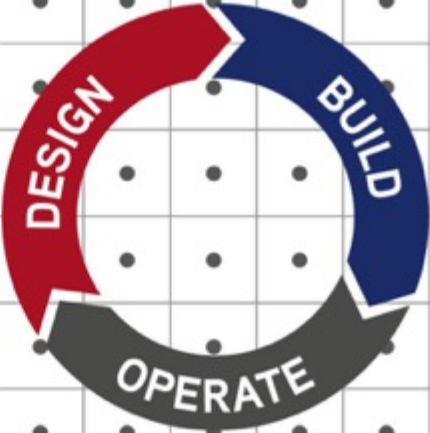
Africa's Largest Technology
Service Provider



134 Locations in SA, over 50
Countries in Africa &
Internationally

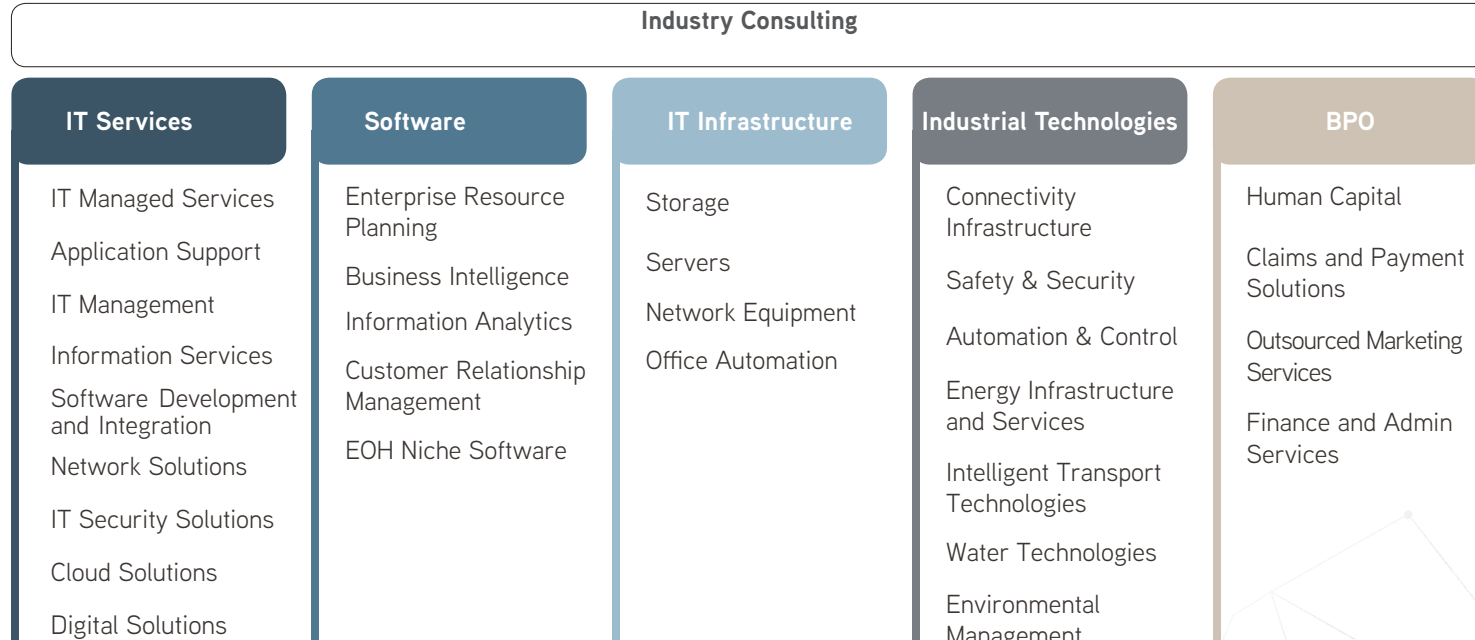
EOH OPERATING MODEL

KEY BUSINESS AREAS	INDUSTRY VERTICALS	Financial Services	Telecommunications	Retail	Manufacturing	Transport and Logistics	Mining	Health	Energy	Water	Local Government	Central Government
	Industry Consulting	•	•	•	•	•	•	•	•	•	•	•
IT Services	•	•	•	•	•	•	•	•	•	•	•	•
Software	•	•	•	•	•	•	•	•	•	•	•	•
IT Infrastructure	•	•	•	•	•	•	•	•	•	•	•	•
Industrial Technologies	•	•	•	•	•	•	•	•	•	•	•	•
BPO	•	•	•	•	•	•	•	•	•	•	•	•



EOH's internal strength, strong entrepreneurial culture and great execution ability bodes well for similar growth in the future.

LINES OF BUSINESS

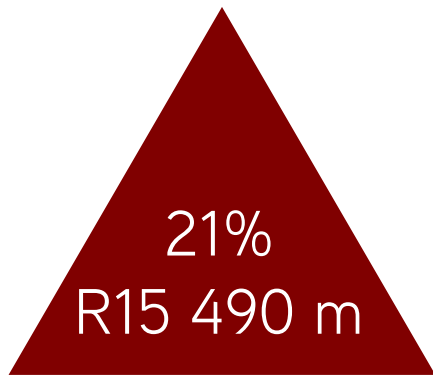


FINANCIAL PERFORMANCE

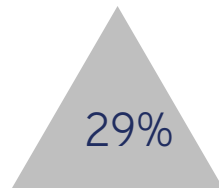
Sound Performance

In a challenging environment

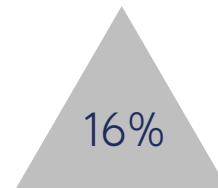
Revenue



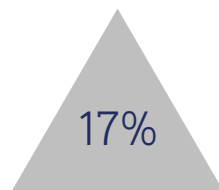
EOH



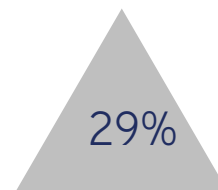
Operating Profit
R1 792 m



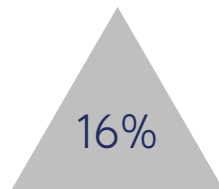
Dividends
215 cents



Earnings per Share
825 cents



Cash
R2 507 m



Headline Earnings
per Share
832 cents

*Technology makes it possible...
People make it happen*

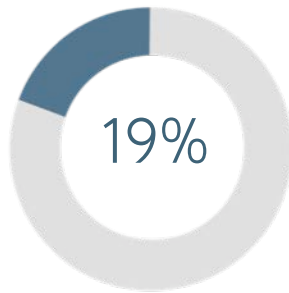
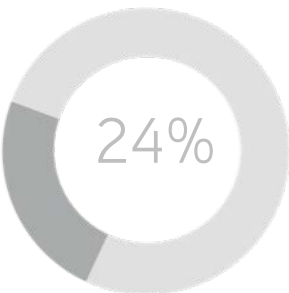
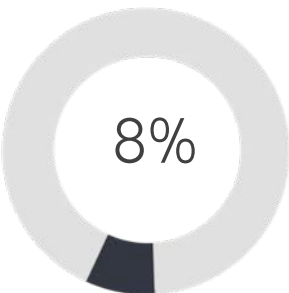
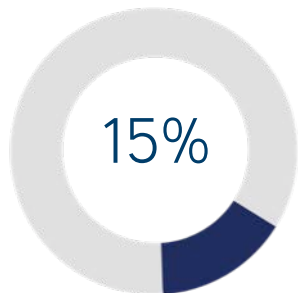
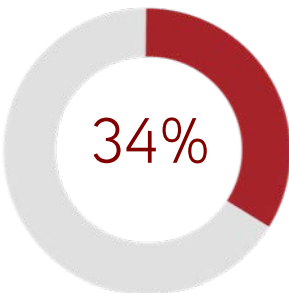


OPERATIONAL REVIEW

ZUNAID MAYET - Group CEO

REVENUE FOR THE YEAR ENDED 31 JULY 2017

Group Revenue R15 490m



21% Growth

IT Services
up 21%
R5 215 million

Software
up 16%
R2 338 million

IT Infrastructure
up 40%
R1 290 million

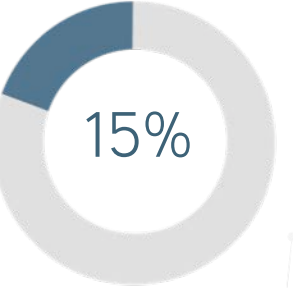
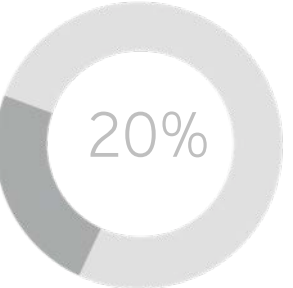
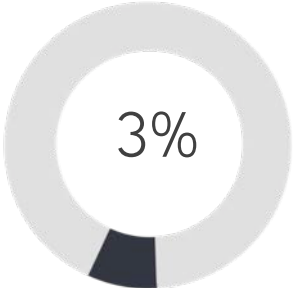
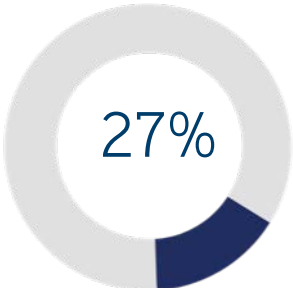
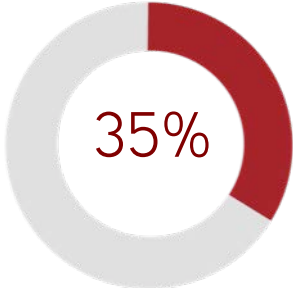
Industrial Tech.
up 30%
R3 704 million

BPO
up 11%
R2 943 million



EARNINGS CONTRIBUTION BY SEGMENT

Contribution to Group



29% Growth

IT Services
up 46%
R553 million

Software
Up 27%
R435 million

IT Infrastructure
up 39%
R51 million

Industrial Tech.
up 4%
R318 million

BPO
up 28%
R240 million



INDUSTRIAL TECHNOLOGIES - MARKET TRENDS

Continued investment in infrastructure both in SA and other emerging markets

Industrial customers need to invest in technology to remain relevant

Convergence and Digitalisation

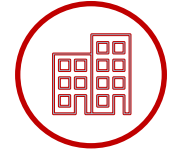
Internet of Things (IoT)

Big Data and Analytics

Safety and Security

Climate Change

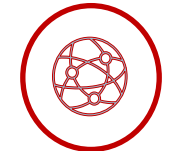
Urbanisation



**INFRASTRUCTURE
DEVELOPMENT**



CLIMATE CHANGE



DIGITALISATION



URBANISATION

INDUSTRIAL TECHNOLOGIES - SERVICE OFFERING

An integrated portfolio of technology, engineering, environmental and societal solutions

INDUSTRY CONSULTING SERVICES

A rich and diverse portfolio high degree of expertise and specialisation

Large diversified technology engineering and environmental sciences skills base

SAFETY AND SECURITY

AUTOMATION AND CONTROL

ENTERPRISE CONNECTIVITY
INFRASTRUCTURE

ENVIRONMENTAL AND SUSTAINABILITY
MANAGEMENT

ENERGY MANAGEMENT, ENERGY
SUSTAINABILITY AND PLANT
AUTOMATION

INDUSTRY SPECIFIC SOLUTIONS

Telecoms



Transport/ Logistics

Energy



Water Utilities

Mining & Manufacturing



Oil & Gas

Health



TELECOMS

TRANSPORT/
LOGISTICS

ELECTRICAL
UTILITIES

WATER
UTILITIES

MINING &
MANU-
FACTURING

PROPERTY /
REAL ESTATE

OIL & GAS

RETAIL

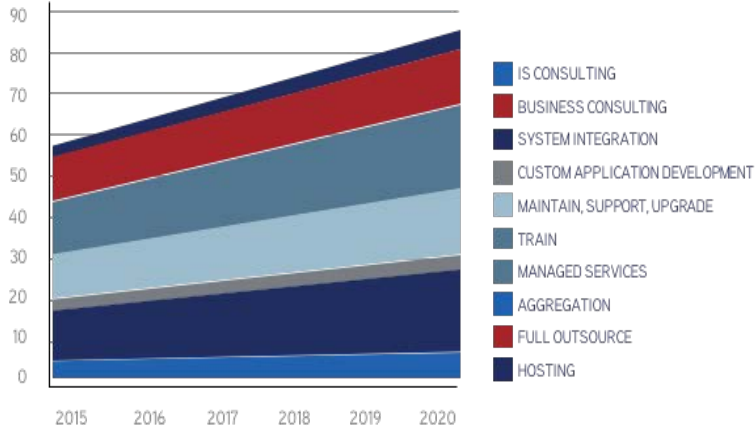
HEALTH

FINANCIAL
SERVICES

EOH

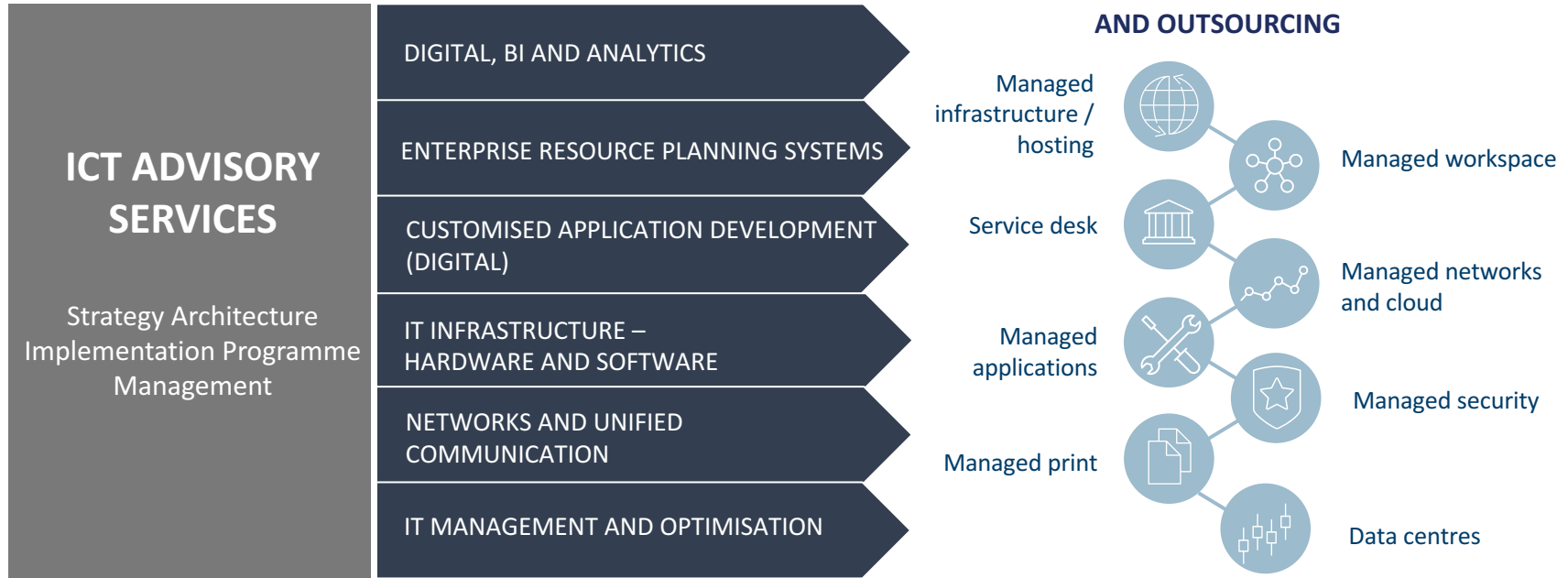
ICT - MARKET TRENDS

Forecast of IT services spending (ZAR)



- “Digital transformation” and legacy renewal
- Internet of Things - IoT applications across all verticals
- Security formed a key component of any robust digital transformation strategy
- Big data – cognitive analytics integrated with customer applications
- Cloud – mostly hybrid strategies - starting to deliver on promises
- 2018 - at least one global cloud provider establishing local DC infrastructure
- System Integration in the cloud & API economy – migration services & integration
- Open source, micro service architectures and API economy taking hold
- Smart City initiatives namely mobility, cloud, big data analytics and social business
- The IT skills shortage , management of virtual environments, disaster recovery are key drivers in the market.
- Differentiation and modernisation in outsourcing key to growth

ICT - SERVICE OFFERING



KEY PLAYS

Data centres and Virtualisation

Private/public/ hybrid Cloud

Security, governance and compliance

Performance Management & Optimisation

Mobile and end-user computing

Internet of Things (IoT)

BPO - MARKET TRENDS



Growing market for
local as well as
overseas
companies



Robotics and
automation is answer in
commodity repetitive
services businesses



Offshoring strong
growth driver



Public sector in
Africa major
opportunity

BPO - SERVICE OFFERING

**IP, ROBOTICS AND
AUTOMATION**

**IT INFRASTRUCTURE
AND APPLICATIONS**

- KNOWLEDGE PROCESS OUTSOURCING
- ERP PROCESS OUTSOURCING
- HUMAN CAPITAL SOLUTIONS OUTSOURCING
- CRM PROCESS OUTSOURCING
- CUSTOMER SERVICES OUTSOURCING
- CLAIMS AND ADMINISTRATION MANAGEMENT

TYPES OF SERVICES

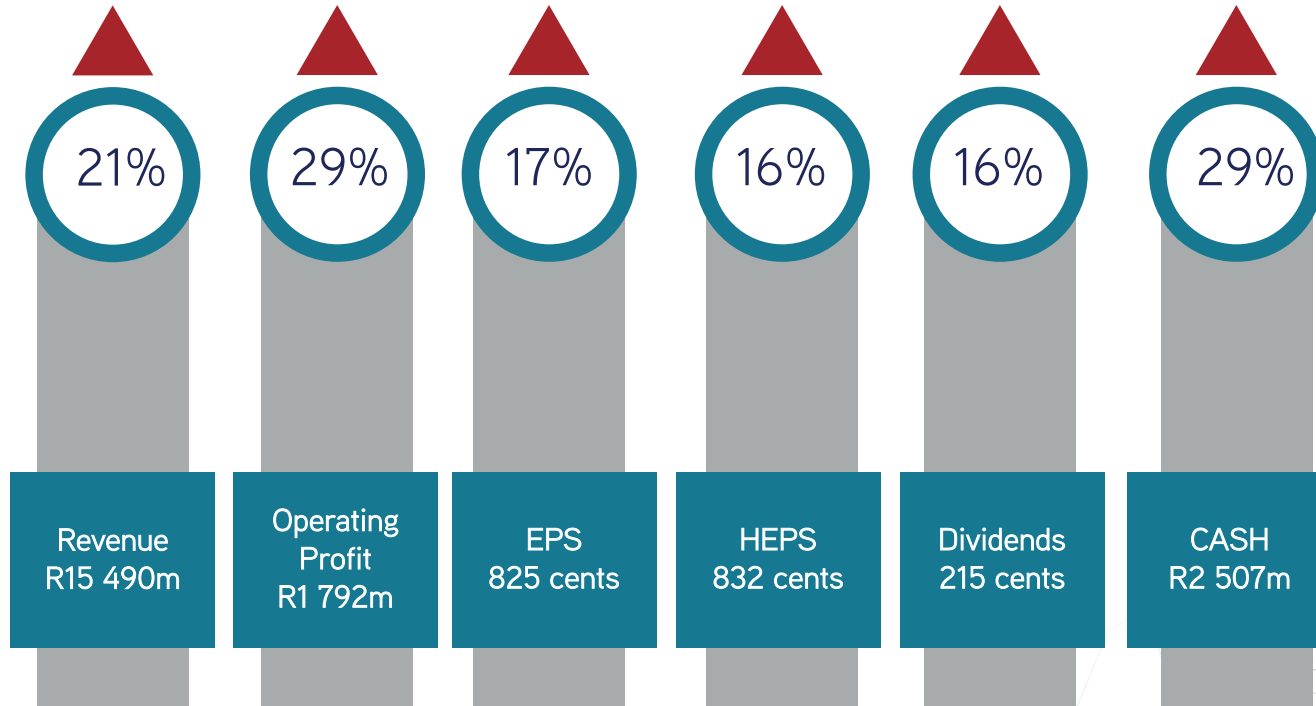




FINANCIAL RESULTS

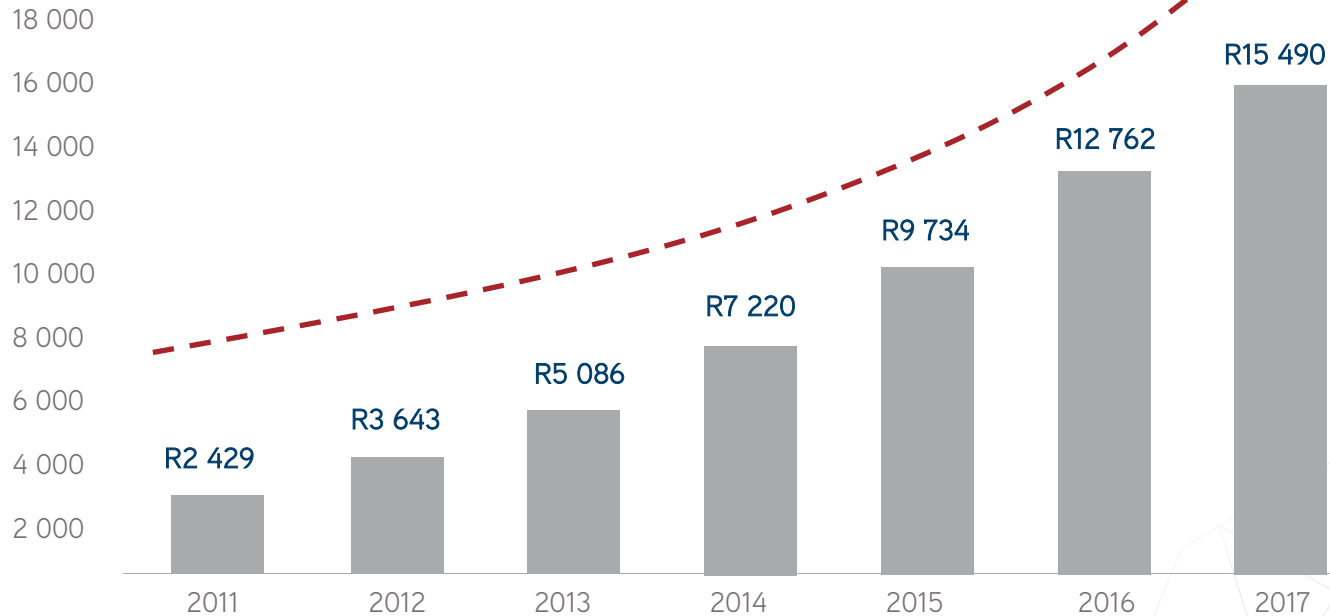
JOHN KING – Group CFO

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 JULY 2017



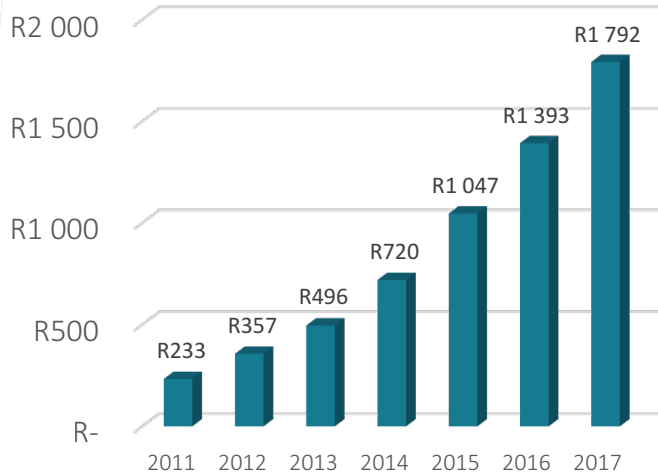
REVENUE GROWTH

(R millions)



EARNINGS

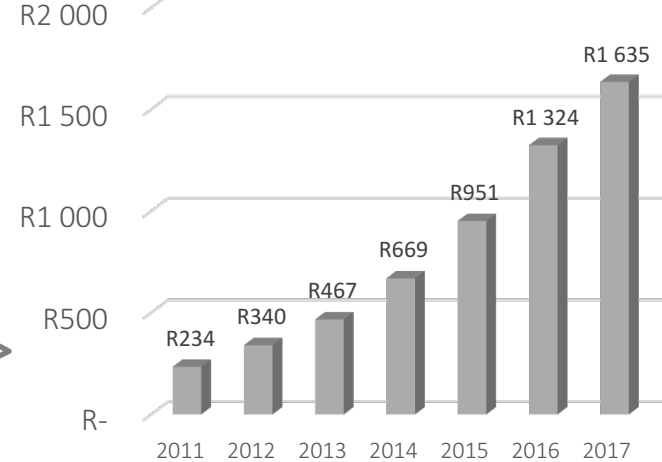
Operating Profit (R Millions)



Growth up 29%
Margin 11.6%

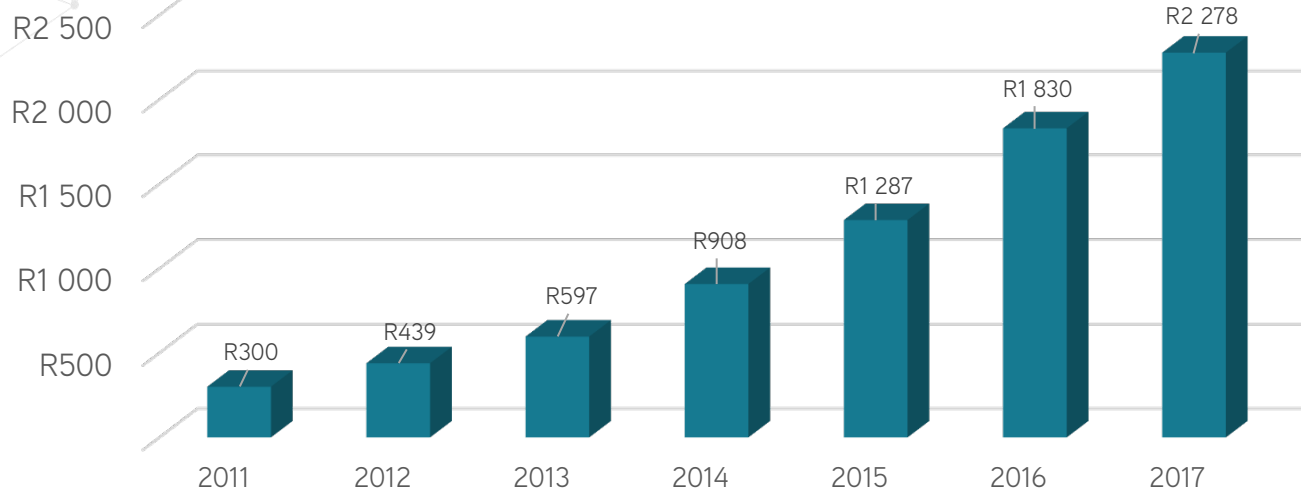
Growth up 24%
Margin 10.6%

Profit Before Tax (R Millions)



EBITDA

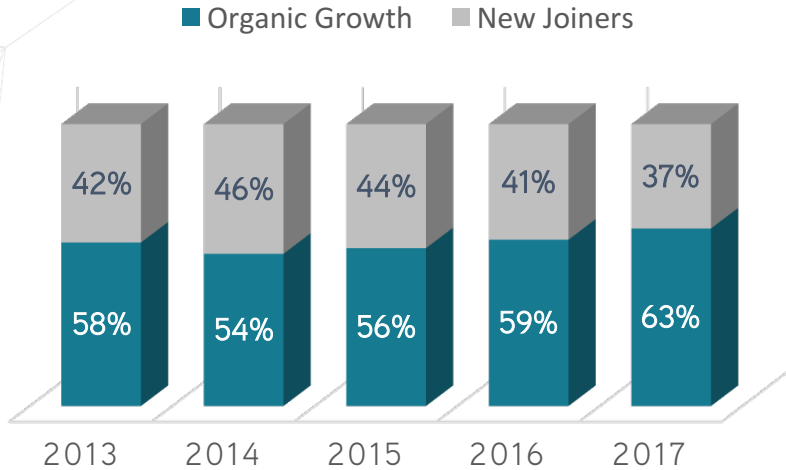
EBITDA (R Millions)



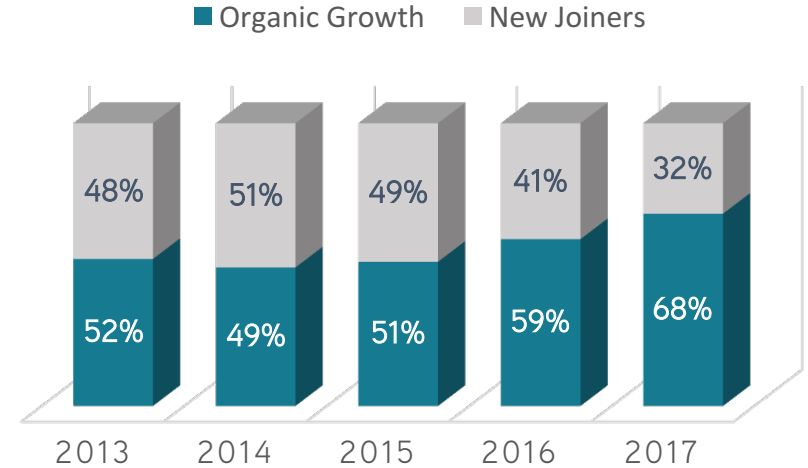
Growth up	24%
Margin	15%
Amortisation	R277m
Depreciation	R171m
Interest	R186m
Tax	R462m

NEW JOINERS VS ORGANIC GROWTH

Revenue

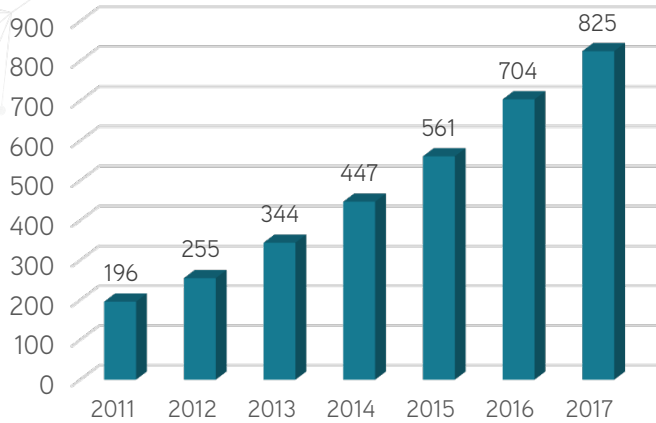


Profit before tax



EARNINGS PER SHARE

Earnings per Share

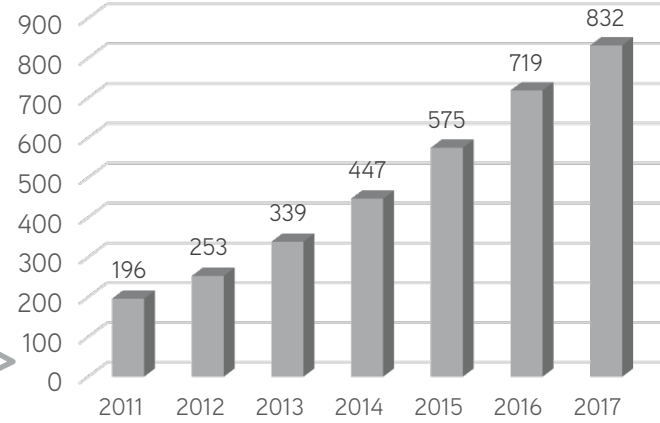


R8.25
17%

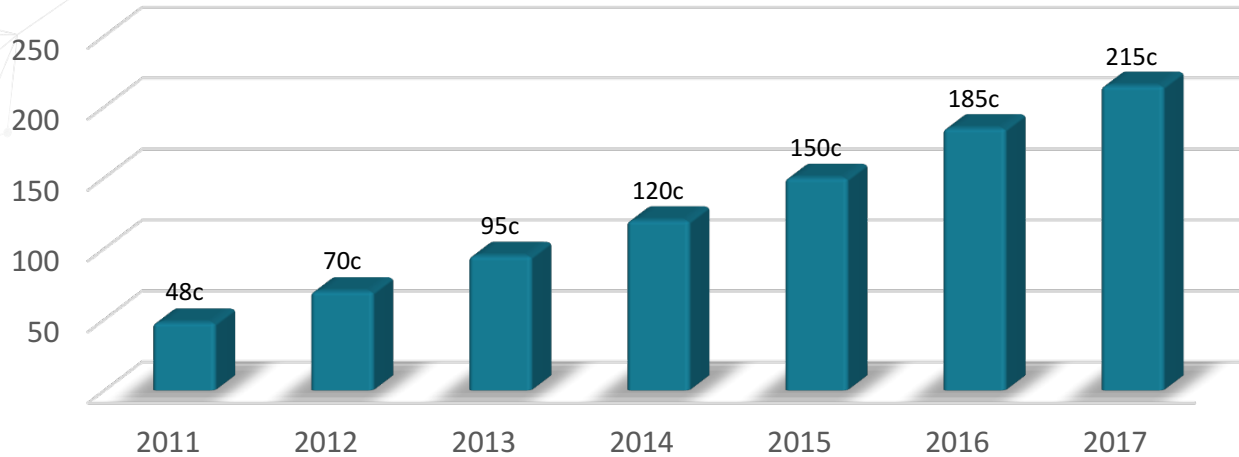


R8.32
16%

Headline Earnings per Share



DIVIDENDS (CENTS)



Growth up: 16%

Dividend: 215 cents

Cover: 3.9 x

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2017 (R'000)	2016 (R'000)	% Change
Revenue	15 489 524	12 761 810	21%
Cost of sales	-10 409 487	-8 656 183	
Gross profit	5 080 037	4 105 627	
Operating Expenses	-3 298 291	-2 733 206	
Operating Profit	1 781 746	1 372 421	
Investment income	72 743	49 379	
Share of profit from equity-accounted profits	39 241	72 510	
Finance costs	-258 549	-170 389	
Profit before taxation	1 635 181	1 323 921	24%
Taxation	-462 098	-393 554	
Profit for the year	1 173 083	930 367	26%
Non-controlling interest	8 849	3 013	
Owners of EOH holdings Limited	1 164 234	927 354	26%

- Increased activity from all businesses
- Organic growth (63%) ; Acquisitive (37%)
- Excludes equity accounted investments
- Significant annuity revenue
- Depreciation of R171 million ; Amortisation R277 million

- Procurement of software for the region by EOH (SA) – previously procured by equity accounted businesses

- Increased funding for acquisitions
- Improved Capital structuring

- Minority shareholders share in profits in subsidiaries

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2017 R'000	2016 R'000
ASSETS		
Non-current assets	8 180 866	6 790 469
Property, plant and equipment	677 719	492 221
Goodwill and intangible assets	6 074 699	5 144 242
Equity-accounted investments	847 917	626 085
Other financial assets	214 156	162 038
Deferred taxation	196 764	162 110
Finance lease receivables	169 611	203 773
Current assets	8 539 117	6 398 152
Inventory	599 764	468 392
Other financial assets	141 112	207 212
Current taxation receivable	84 383	21 694
Finance lease receivables	74 610	87 122
Trade and other receivables	5 132 697	3 664 333
Cash and cash equivalents	2 506 551	1 949 399
Total Assets	16 719 983	13 188 621

- Mainly IT infrastructure
- Depreciation of R171 million
- Acquired PPE through acquisitions : R132 million

- Goodwill of R4 625 million
- Identifiable intangibles of R1 449 million
- Acquisitions : R1 162 million
- Amortisation of intangible assets of R277 million

- 50% interests in Africa, the Middle East and emerging markets
- Attributable revenue (not consolidated)

- Growth in business – 21%
- Debtors R3 416 million
- Long term projects (Work in progress)
- Debtors acquired on acquisition – R382 million

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2017 (R'000)	2016 (R'000)
Equity and Liabilities		
Equity attributable to the owners of EOH Holdings Limited	8 505 188	6 576 167
Non-controlling interest	56 416	9 678
Total equity	8 561 604	6 585 845
Non-current liabilities	3 489 142	2 819 198
Other financial liabilities	3 017 416	2 451 968
Finance lease payables	65 594	26 366
Deferred taxation	406 132	340 864
Current liabilities	4 669 237	3 783 578
Other financial liabilities	1 523 676	1 163 713
Current taxation payable	148 182	119 210
Finance lease payables	41 187	25 406
Trade and other payables	2 466 647	1 876 472
Deferred income	489 545	598 777
Total equity and liabilities	16 719 983	13 188 621

- Subsidiaries in which EOH does not own 100%

- Interest bearing instruments
- Vendors for acquisition

- Increased activity
- Operational expenditure
- Payroll accruals and provisions

- Cash received in advance (maintenance)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR

	2017	2016	
	(R'000)	(R'000)	
Cash generated from operations	1 314 064	917 197	<ul style="list-style-type: none"> • Improved cash conversion – can do more • Increases debtors / WIP/ inventory as a result of increased activity in business • Working capital tied up in large long-term projects
Investment income	72 681	49 269	
Finance costs	(201 715)	(166 698)	
Taxation paid	(524 111)	(401 465)	
Net cash inflow from operating activities	660 919	398 303	<ul style="list-style-type: none"> • Additions to PPE – R231 million • Intangible assets acquired – R284 million • Businesses acquired – R181 million • Investments in Equity accounted investments – R91 million
Net cash (outflow) from investing activities	(488 664)	(462 192)	
Net cash inflow from financing activities	400 497	361 310	<ul style="list-style-type: none"> • Proceeds from issue of shares • Net inflow from increased funding • Treasury share movement • Dividends paid
Net increase in cash and cash equivalents	572 752	297 421	
Cash and cash equivalents at the beginning of the year	1 949 399	1 663 818	
Foreign currency translation	(15 600)	(11 840)	
Cash and cash equivalents at the end of the year	2 506 551	1 949 399	

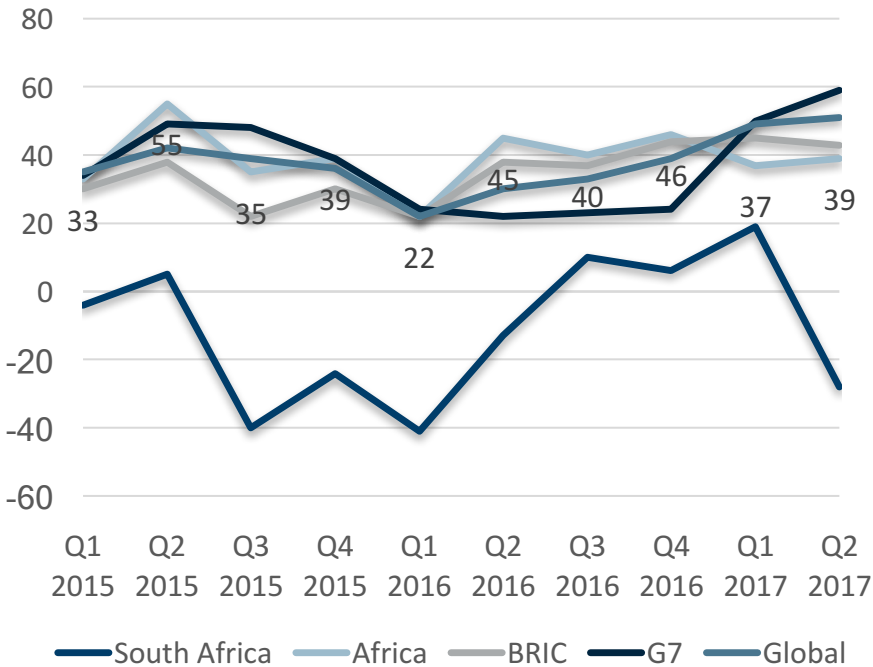
LOOKING FORWARD

ZUNAID MAYET
GROUP CEO



MARKET AND ENVIRONMENT

SA Business Optimism



* Source Q2 2017 International Business Report

- A strong diversified economy
- SA slipped into recession in Q1 - 2.5% growth in Q2
- Business confidence subdued
- Customer spend and investment delayed or postponed
- #Guptaleaks dominating the news cycle
- Political uncertainty – Policy uncertainty
- Policy being used as proxy for the leadership battle
- ANC elective conference in December is a focal event
- Emerging markets looking increasingly more attractive

MARKET AND ENVIRONMENT



Need for continued investment in infrastructure both in SA and other emerging markets



GDP growth forecasts: 3.5% globally; 1% in SA; 4.6% in Emerging markets



- Utility “... as a Service”
- business models gaining traction in the market



Convergence and Digitalisation is driving growth in tech sector



Climate Change



Disruptive Technologies creating growth opportunities



Customers need to invest in technology to remain relevant



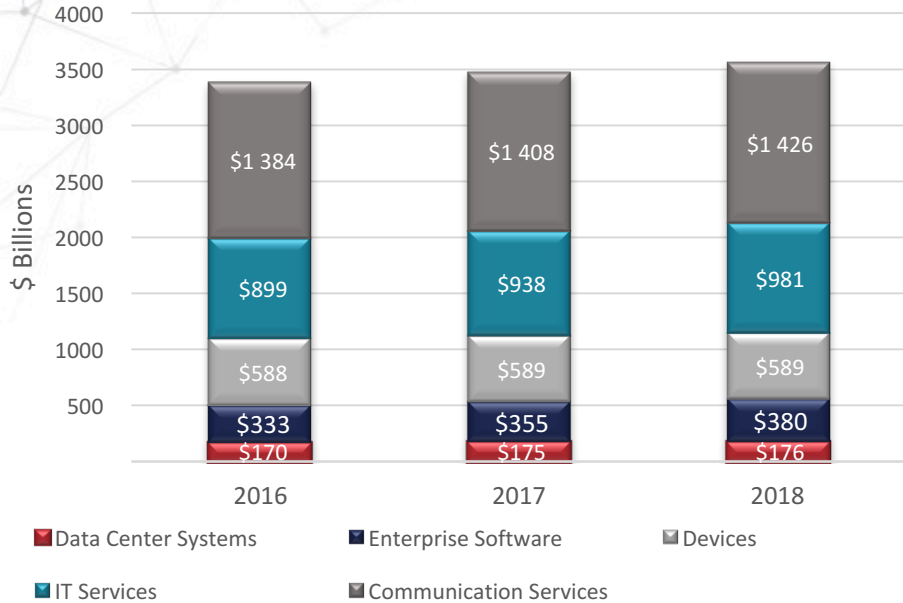
Emerging markets still attracting investment



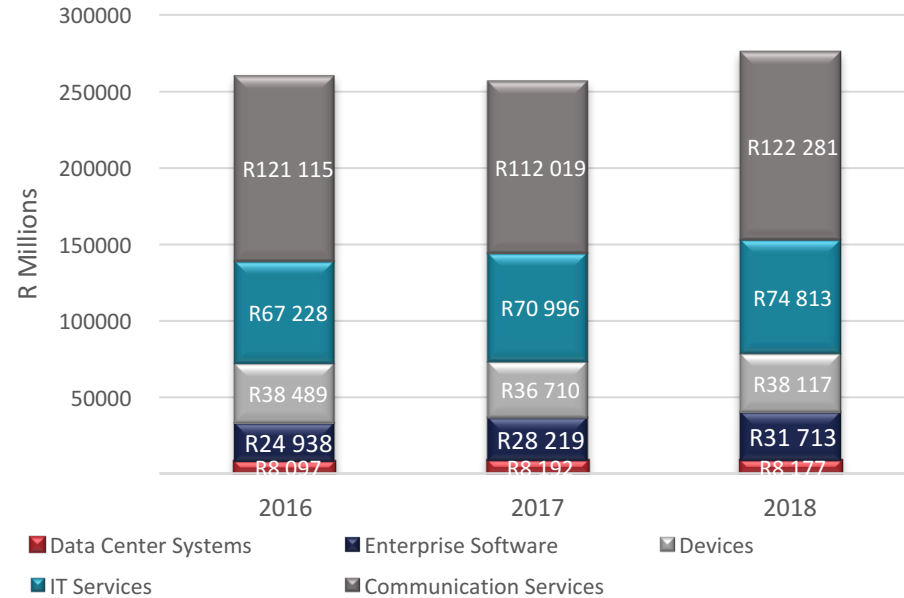
Big Data and Analytics

OUR MARKET

International IT Spending Forecast



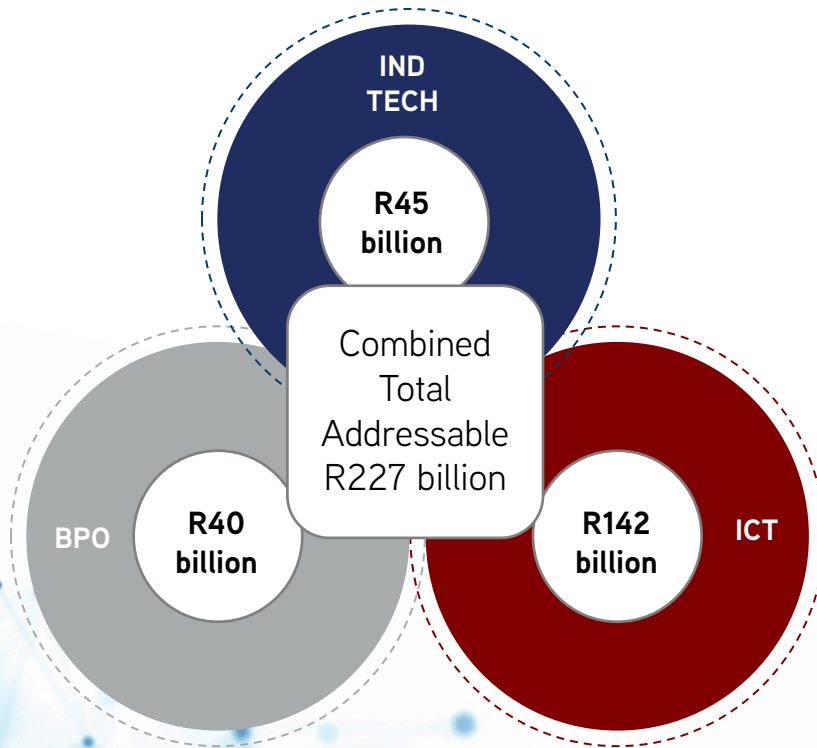
SA IT Spending Forecast



International Opportunity – Substantially larger

*Technology makes it possible...
People make it happen*

OUR MARKET



EOH Turnover
2017

**R15
Billion**

International Opportunity – Substantially larger

THE WAY FORWARD



VALUES, PURPOSE
AND PHILOSOPHY



OPERATING AT OUR
FULL POTENTIAL



DRIVING INNOVATION



CONTINUING OUR
GROWTH STRATEGY



PROGRAMME OF ACTION

GROWTH DRIVERS

Cloud

Globalising EOH IP

Big Data & Analytics

Digital Transformation

Water Technologies

Smart Infrastructure

Everything as a Service

Execute our Programme of Action

Strategic and Key Account Management Programs

Strategic acquisitions – New markets, technologies & offerings

Emerging markets targeted geographies – acquisitions and organic

Productising our solutions into industry-specific value-propositions

