



**EOH**  
**FY23**  
**RESULTS**



## Operational Overview

Stephen van Coller  
Chief Executive Officer

**EOH**

# > Financial Highlights

## Highlights

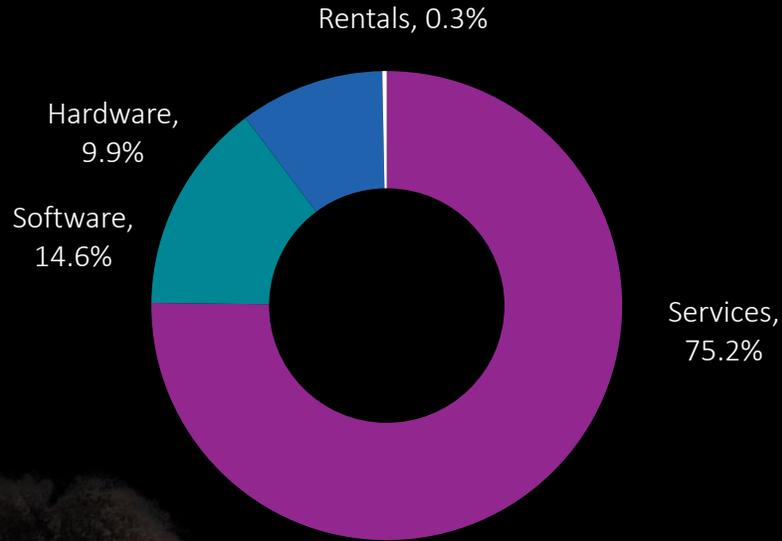
- ❖ Continuing business restructured and operating successfully
- ❖ EasyHQ (Nextec BPO) successfully turned around
- ❖ Positive jaws resulted in 35% increase in continuing operating profit
- ❖ Continuing Group Revenue up 4% from PY
  - iOCO RSA revenue up 6%
  - iOCO International revenue up 23%
- ❖ GP Margins stable from FY22 @ 28%
- ❖ Successful R600m capital raise and single lender facility negotiated
- ❖ Reduced finance charges (15%)
- ❖ Taxation charge closer to a normal rate

## Low lights

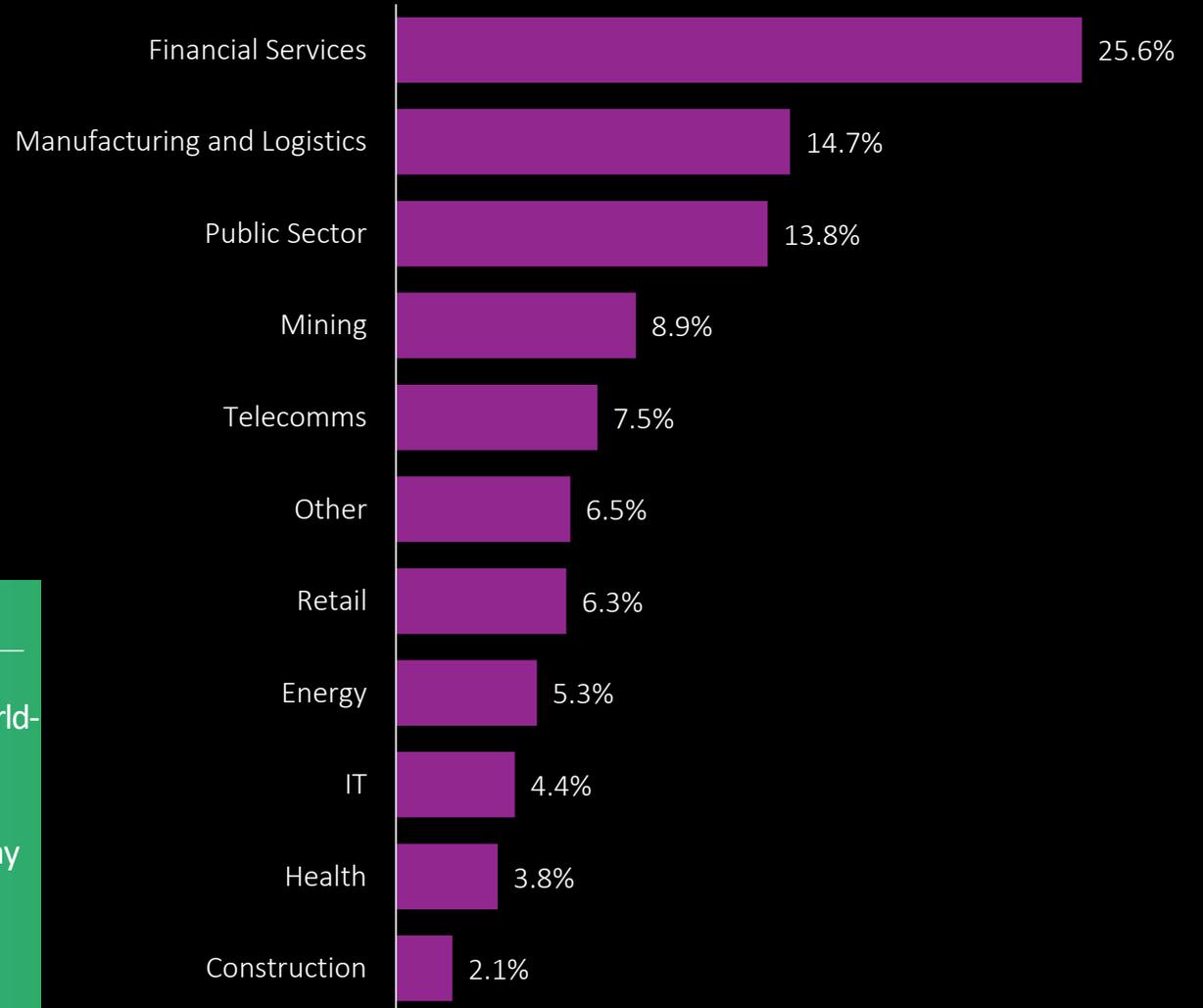
- 8-month delay in the rights issue was expensive circa R60m
- Profitability further affected by once off items
- Public Sector delays affecting some businesses
- Tough economic environment affecting smaller suppliers
- Corporates being more conservative with cash management, negatively impacting working capital

# > Resilient Revenue

**Total revenue by type**



**Total revenue exposure by industry**



## Clients and sectors

**Focus sectors**

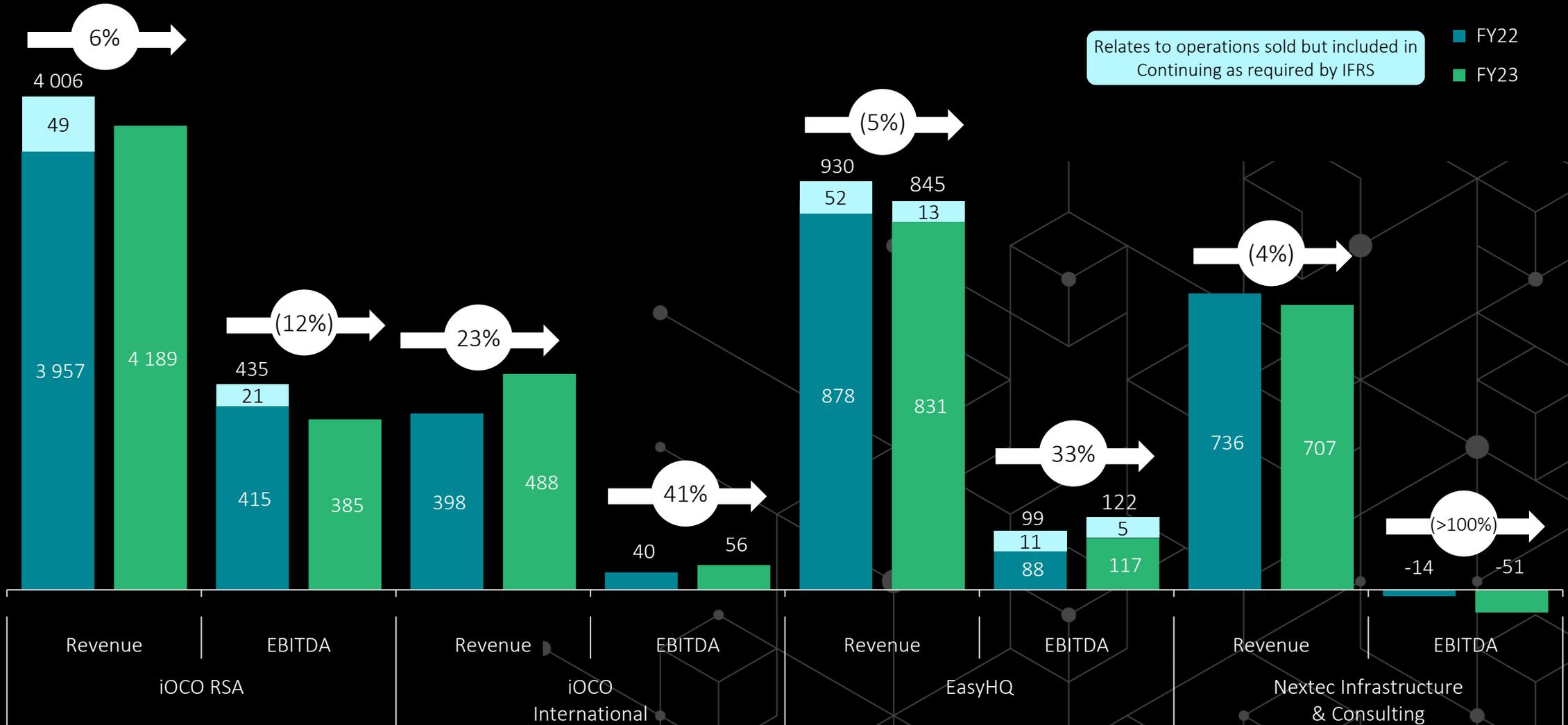
- Public sector
- Financial services
- Mining
- Telecommunications
- Retail
- Manufacturing

**Number of clients >5 000**

Our people have continued to deliver world-class solutions to our clients in the face of an uncertain economy and limited global resources

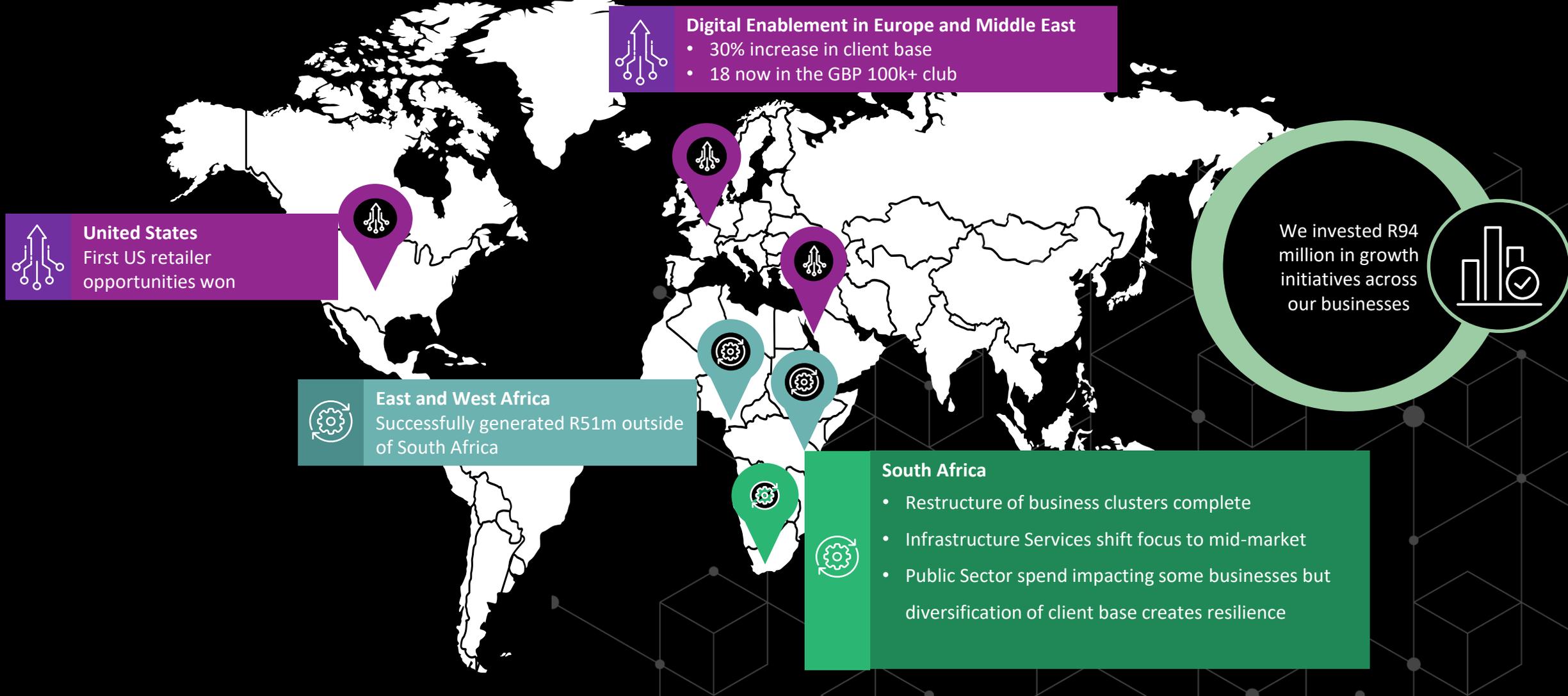
# > Business Performance

4% growth on continuing operations



Growth percentage excludes operations sold but included in continuing & figures include intersegment performance. Infrastructure Services excludes sold Network Solutions

# > Operational Highlights



# > Progress on our GET Strategy

	Core outcome	What does it mean?	Key themes	
<p>G Growth</p>	<p>10% Profit Growth</p>	<ul style="list-style-type: none"> <li>1 Focus on Clients</li> <li>2 Deepening our solutions (VPs)</li> <li>3 Future proofing &amp; experimentation</li> </ul>	<ul style="list-style-type: none"> <li>» Sales &amp; Coverage Focus</li> <li>» Diversify client base</li> <li>» Enhance Pricing Process</li> <li>» Focus on delivery &amp; quality</li> <li>» Ramp up business expansion</li> <li>» Refine &amp; enhance VPs</li> <li>» Leverage OEM partnering &amp; execution framework</li> <li>» Scale our IP platforms</li> <li>» Experiment with Clients on new IP platforms</li> </ul>	<p>Achievement</p>
<p>E Efficiency</p>	<p>&lt;5% Cost Growth</p>	<ul style="list-style-type: none"> <li>4 Create an "anti-fragile" robust business</li> <li>5 Adaptable to the changing environment</li> <li>6 Build a Save to invest culture</li> </ul>	<ul style="list-style-type: none"> <li>» Finalise efficient Group Structure</li> <li>» Close out remaining legacy issues</li> <li>» CRM pipeline tool operational</li> <li>» SpaceX is implemented Dec 22</li> <li>» Optimise resources – #do once, reuse, repeat</li> <li>» Simplification of business structure (Tetris)</li> </ul>	<p>Achievement</p>
<p>T Talent</p>	<p>Coolest place to work</p>	<ul style="list-style-type: none"> <li>7 Robust reward approach</li> <li>8 Invest in development and growth</li> <li>9 Outstanding Employee Experience</li> </ul>	<ul style="list-style-type: none"> <li>» Personalised</li> <li>» Flexible</li> <li>» Reskilling &amp; upskilling</li> <li>» Talent leadership retention</li> <li>» Onboarding</li> <li>» Communication &amp; engagement</li> <li>» Holistic</li> <li>» Inclusion – Focus on Diversity</li> <li>» Wellness</li> <li>» Enable fun, flexible work environment</li> </ul>	<p>Achievement</p>

# > Talent

## Enable & Grow

Total Spend Differently Abled and Youth | R14 420 000

People with Disabilities | 32

Drone Pilot - PWD | 15

iOCO specialized Digital Testing Academy | 15

ICT bursaries and Internships | 18

Employee Child Bursary scheme | 10

Launch of Period Poverty Project |



## Include



Male | 56%

Female | 44%

AIC | 58 % of total workforce

Inclusion roundtables hosted | 3  
3<sup>rd</sup> group of Youth Solvers

## Care

Employee Experience

92% | of leavers would return to EOH

85% | love working at EOH

78% response rate



## Wellness

Integrated Wellness Strategy

interactions during various wellness sessions |  
>3000



# > Our Impact

28 000  
Community  
Impact

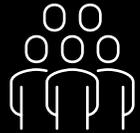
1200  
Volunteer  
Hours

150  
Job Creation

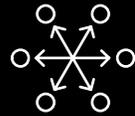
25  
Adopted  
schools



# > Investing in EOH makes a difference....



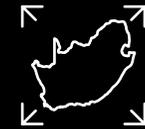
Our People matter



Our Communities matter



Our Women matter



Our Country matters



EOH achieves **Top Employer status**



EOH solves for period poverty

20 jobs – 2,250 pads per day



EOH crowned Gender Mainstreaming Champions for Southern Africa

**Winners:**

- Women on boards
- Empowering Women in the Community

**Runners up: 3 categories**

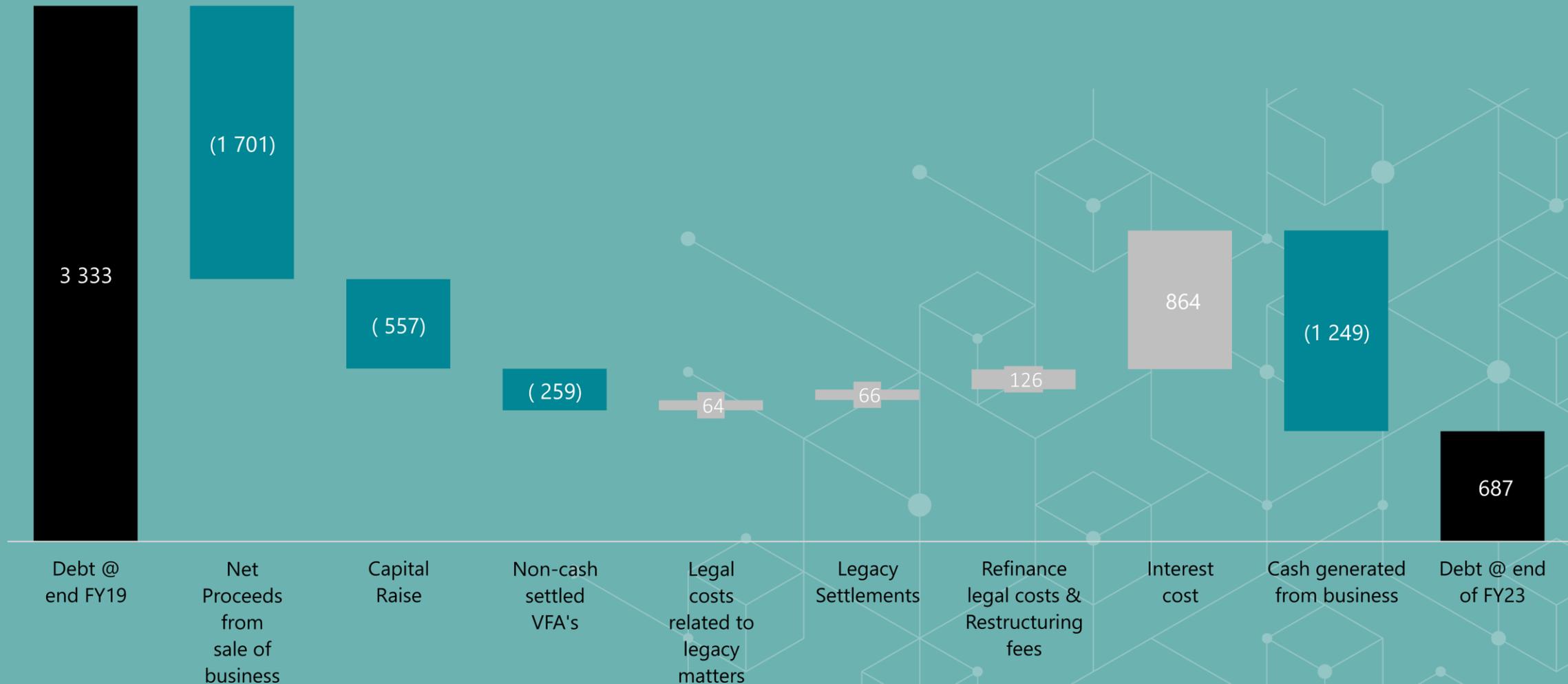


EOH solves for unemployment

341 unemployed learners - R22mil - 150 jobs

## > Cash generated in 4 Years (R'm)

The Group has generated R1.3bn in cash from operations to service onerous interest and refinance charges as well as legacy related costs





## Financial Overview

Megan Pydigadu  
Chief Financial Officer



# FY23 financial summary



FY2023

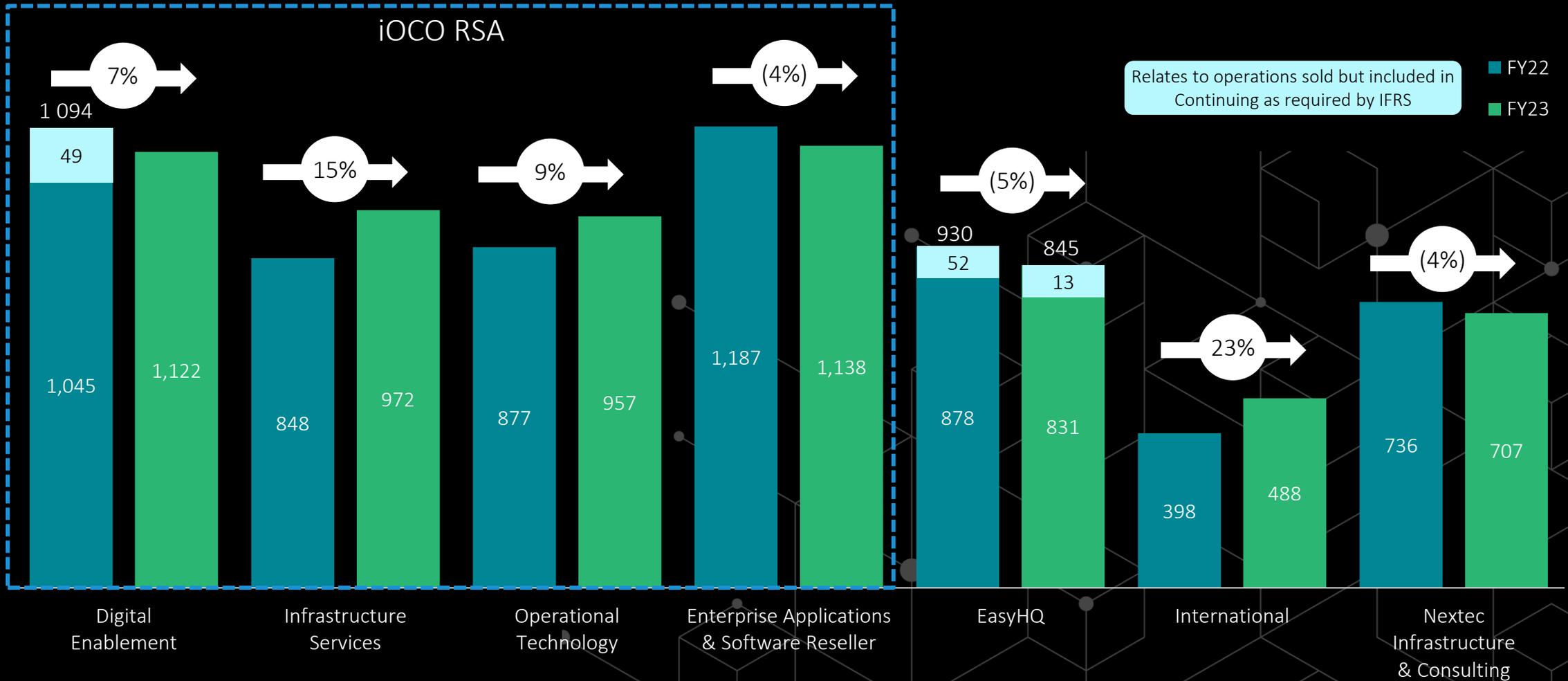


FY2022

Rm	Audited	Continuing	Discont.	Audited	Continuing	Discont.
<b>Revenue</b>	<b>6,258</b>	<b>6,229</b>	<b>29</b>	<b>6,931</b>	<b>6,031</b>	<b>899</b>
Digital Enablement	1,122	1,122	-	1,094	1,094	-
Infrastructure Services & Applications	2,139	2,110	29	2,414	2,035	379
International	488	488	-	398	398	-
Industrial Technology	1,664	1,664	-	1,652	1,613	39
EasyHQ	845	845	-	891	891	-
IP	-	-	-	481	-	481
<b>Gross Profit</b>	<b>1,747</b>	<b>1,746</b>	<b>-</b>	<b>2,014</b>	<b>1,690</b>	<b>324</b>
Gross margin		28%	0%		28%	36%
<b>Operating expenses</b>	<b>(1,582)</b>	<b>(1,612)</b>	<b>29</b>	<b>(1,732)</b>	<b>(1,590)</b>	<b>(142)</b>
% of Revenue		26%	(100%)		26%	16%
<b>Operating (loss)/ profit</b>	<b>165</b>	<b>135</b>	<b>29</b>	<b>282</b>	<b>100</b>	<b>182</b>
Operating margin		2%	100%		2%	20%
Net finance cost	(165)	(164)	-	(192)	(190)	(2)
<b>Profit/(loss) before tax</b>	<b>0</b>	<b>(29)</b>	<b>29</b>	<b>90</b>	<b>(90)</b>	<b>180</b>
Taxation	(52)	(52)	-	(108)	(70)	(38)
<b>Profit/(loss) after tax</b>	<b>(52)</b>	<b>(81)</b>	<b>29</b>	<b>(18)</b>	<b>(160)</b>	<b>142</b>
<b>Adjusted EBITDA</b>	<b>312</b>	<b>322</b>	<b>(11)</b>	<b>503</b>	<b>364</b>	<b>139</b>
EBITDA margin		5%	(37%)		6%	15%
HEPS (cents)		(19)			(28)	

# > Business Performance

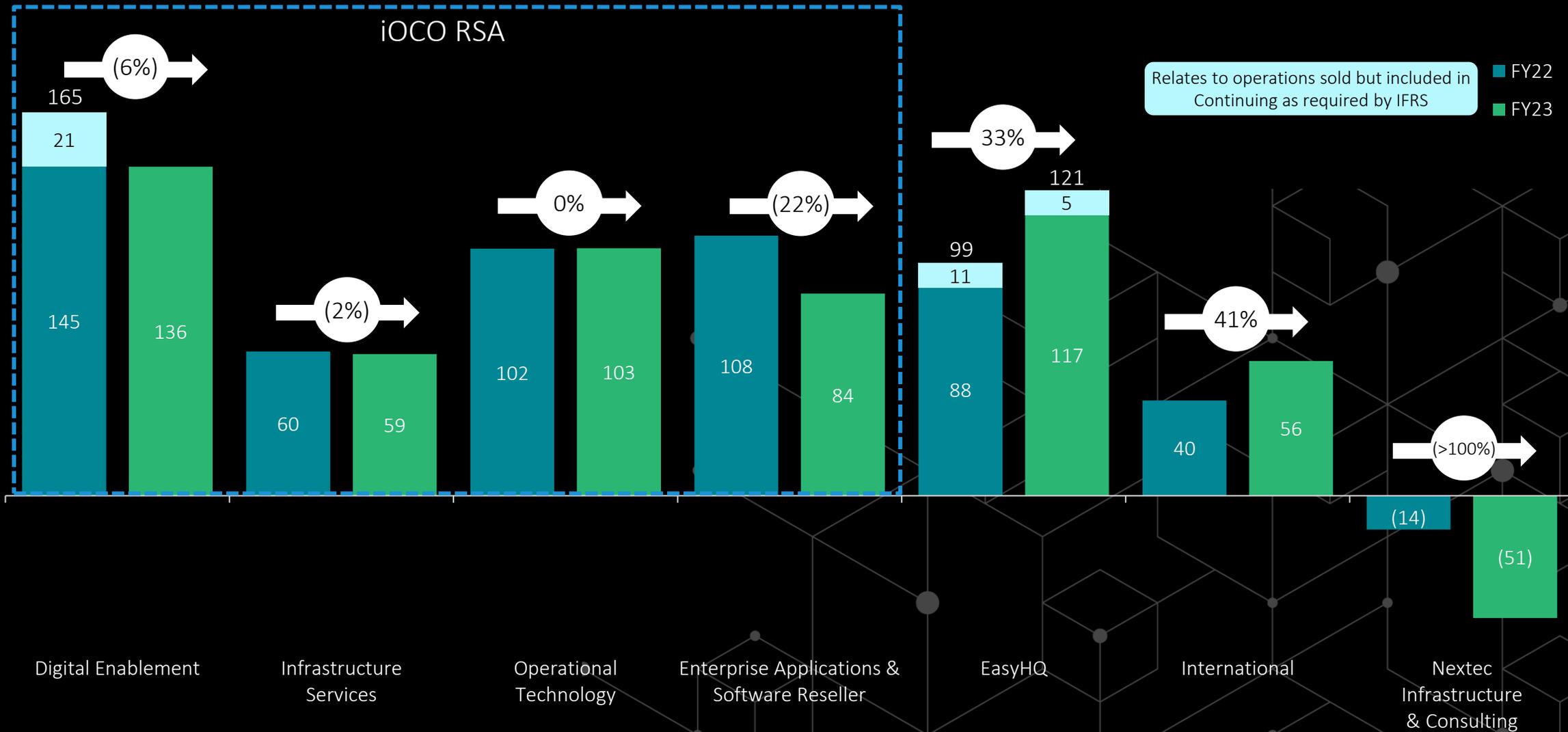
3% growth on continuing operations



Growth percentage excludes operations sold but included in continuing

# > Continuing Segmental EBITDA

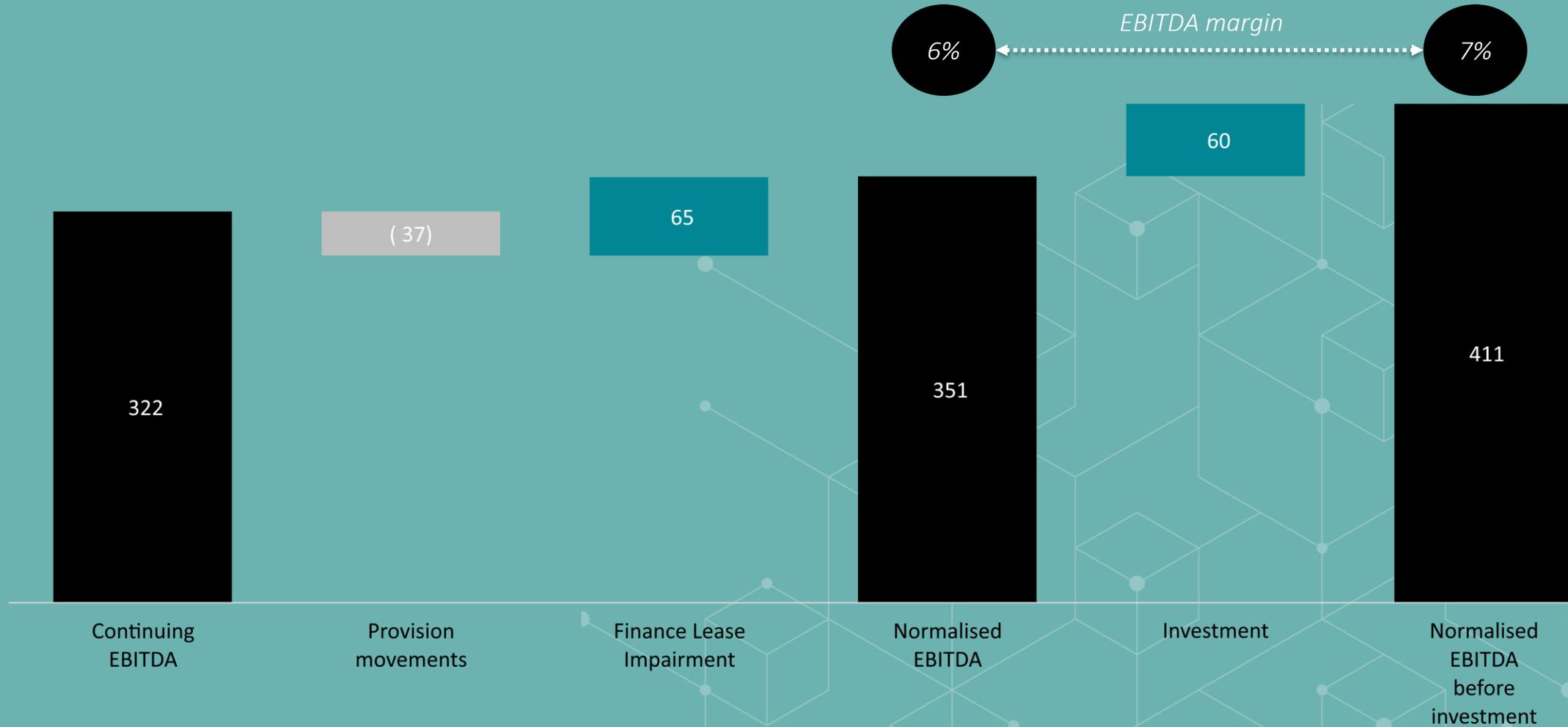
6% Margin after investing R60 million into investment in the business



Growth percentage excludes operations sold but included in continuing & figures include intersegment performance. Infrastructure Services excludes sold Network Solutions

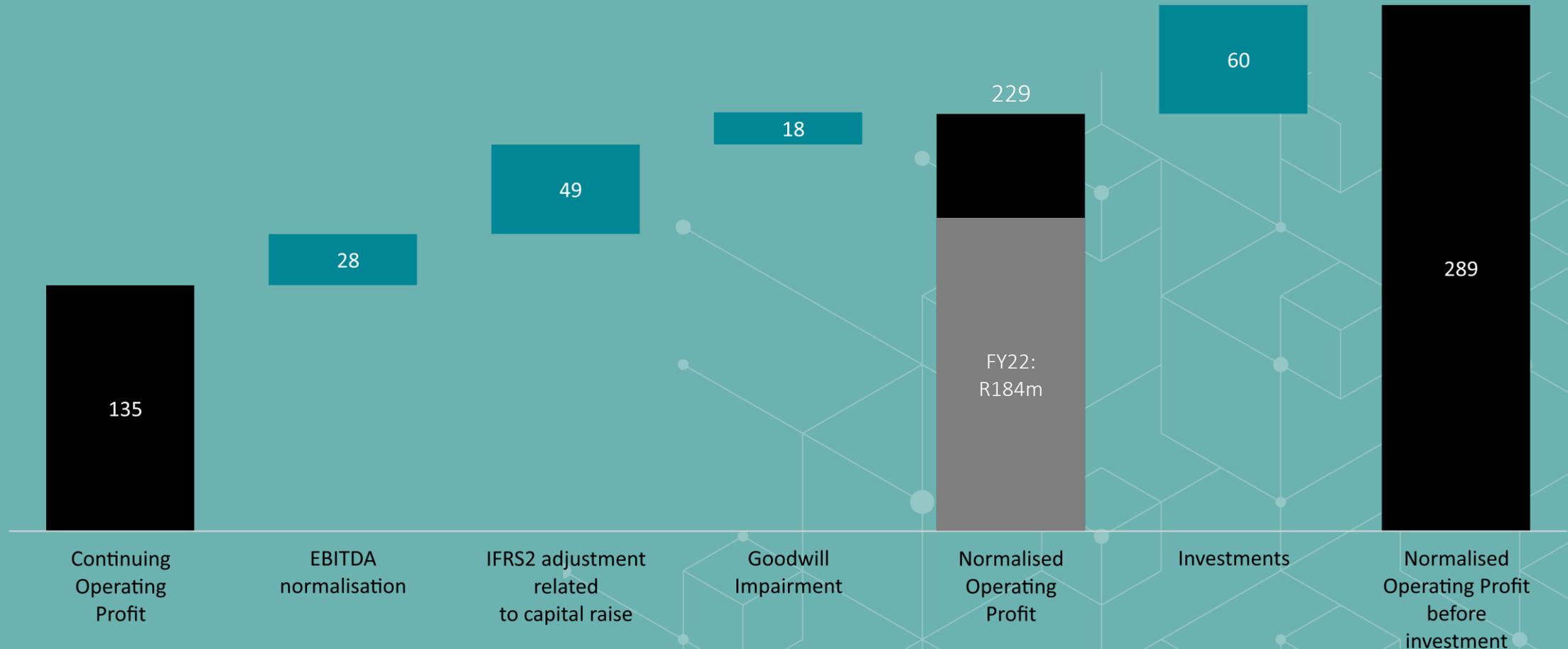
# > Normalised Continuing EBITDA (R'm)

17% of normalised EBITDA invested into the business focusing on long term investor returns



# > Normalised Continuing Operating Profit (R'm)

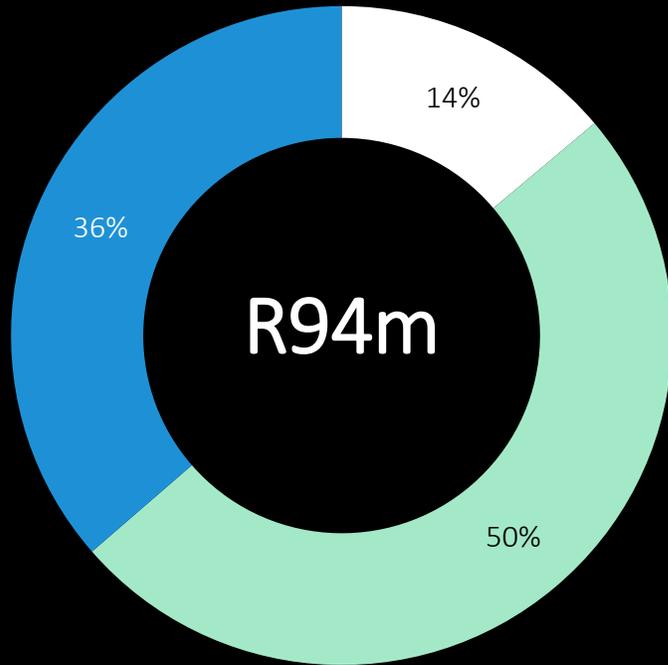
25% increase in normalised operating profit from FY22



# > Investments (R'm)

Strong focus on future proofing business with targeted spend on exponential growth & savings opportunities

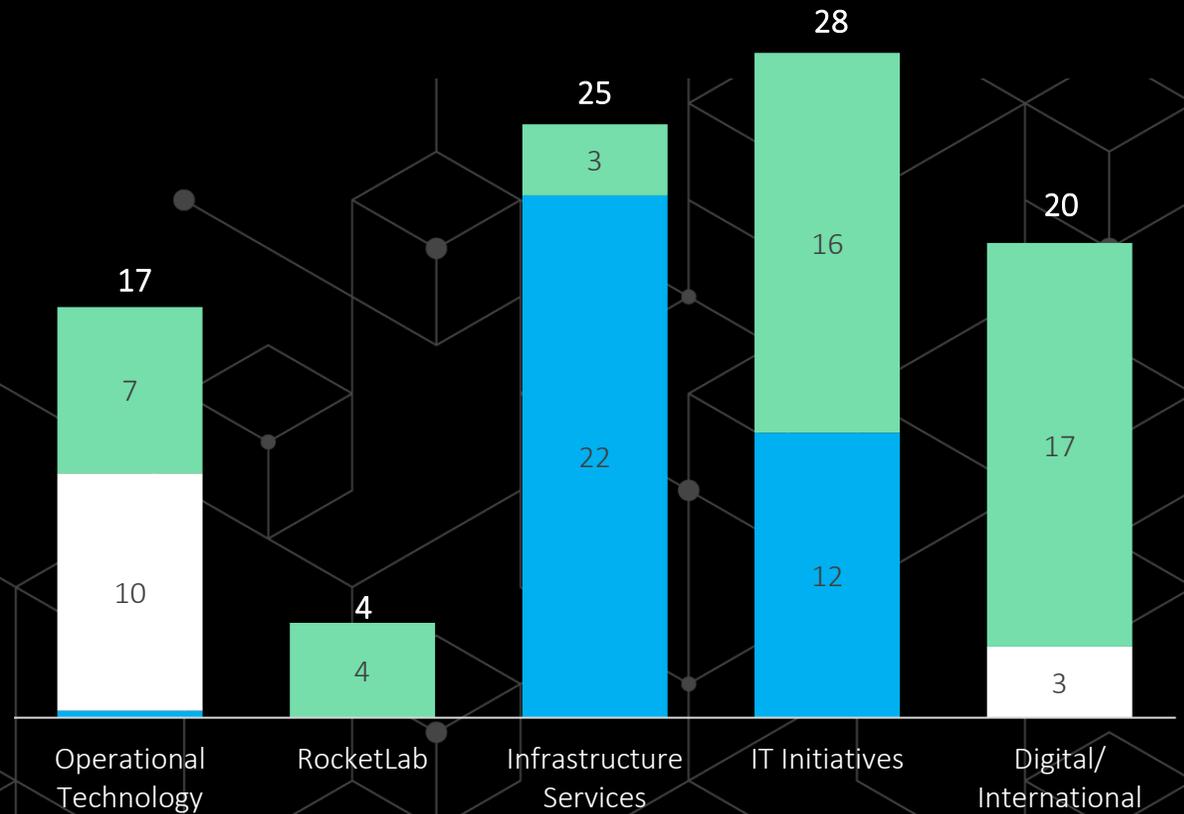
Investment Type



■ Cost of Sales ■ Operating Expenses ■ Capital Expenditure

*The above does not include maintenance capital expenditure*

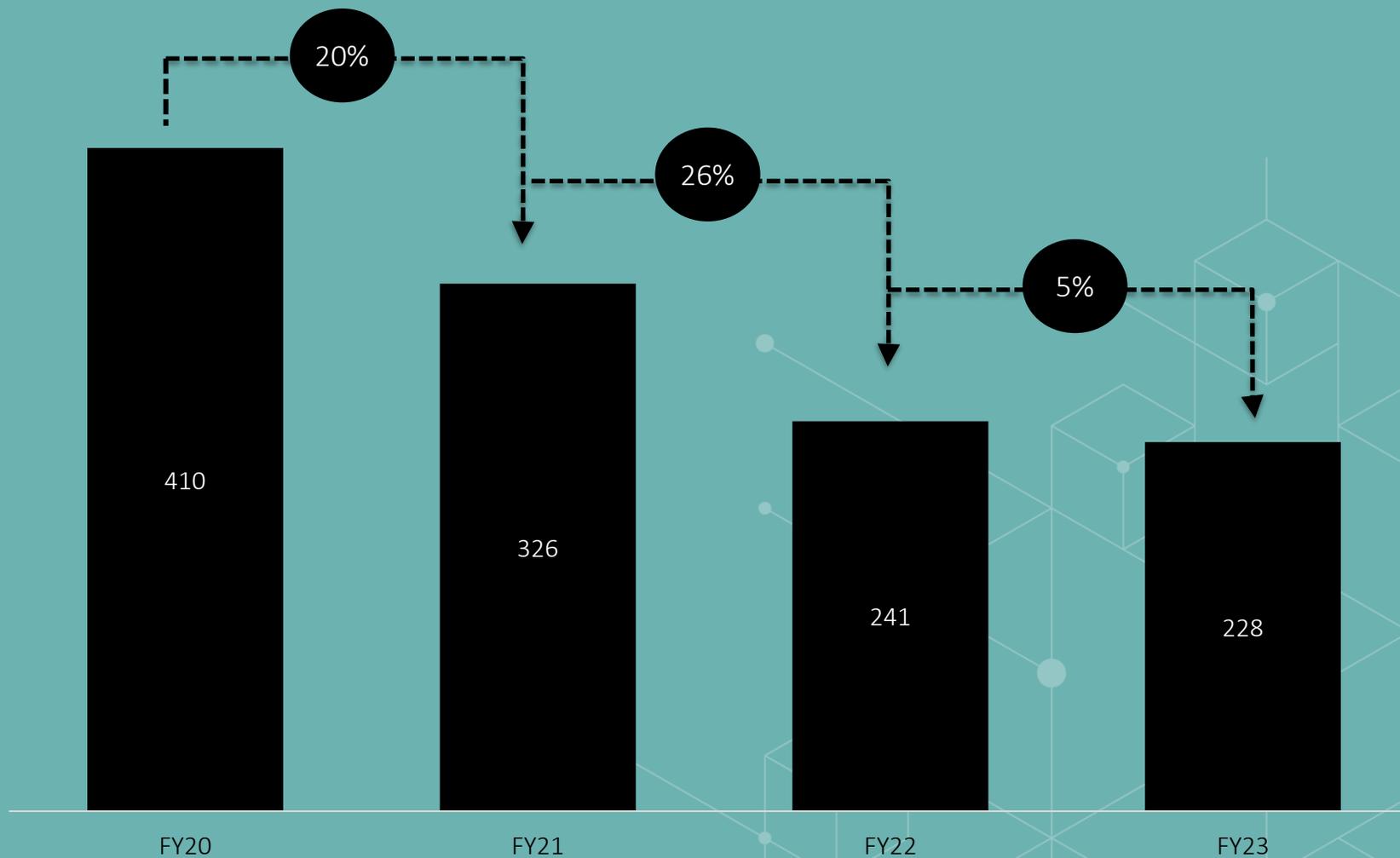
Area of Investment



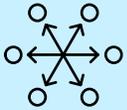
■ Capital Expenditure ■ Cost of Sales ■ Operating Expenses

# > Corporate costs

Continued focus on head office rationalization has resulted in a R182m saving compared to FY20



# > Balance Sheet

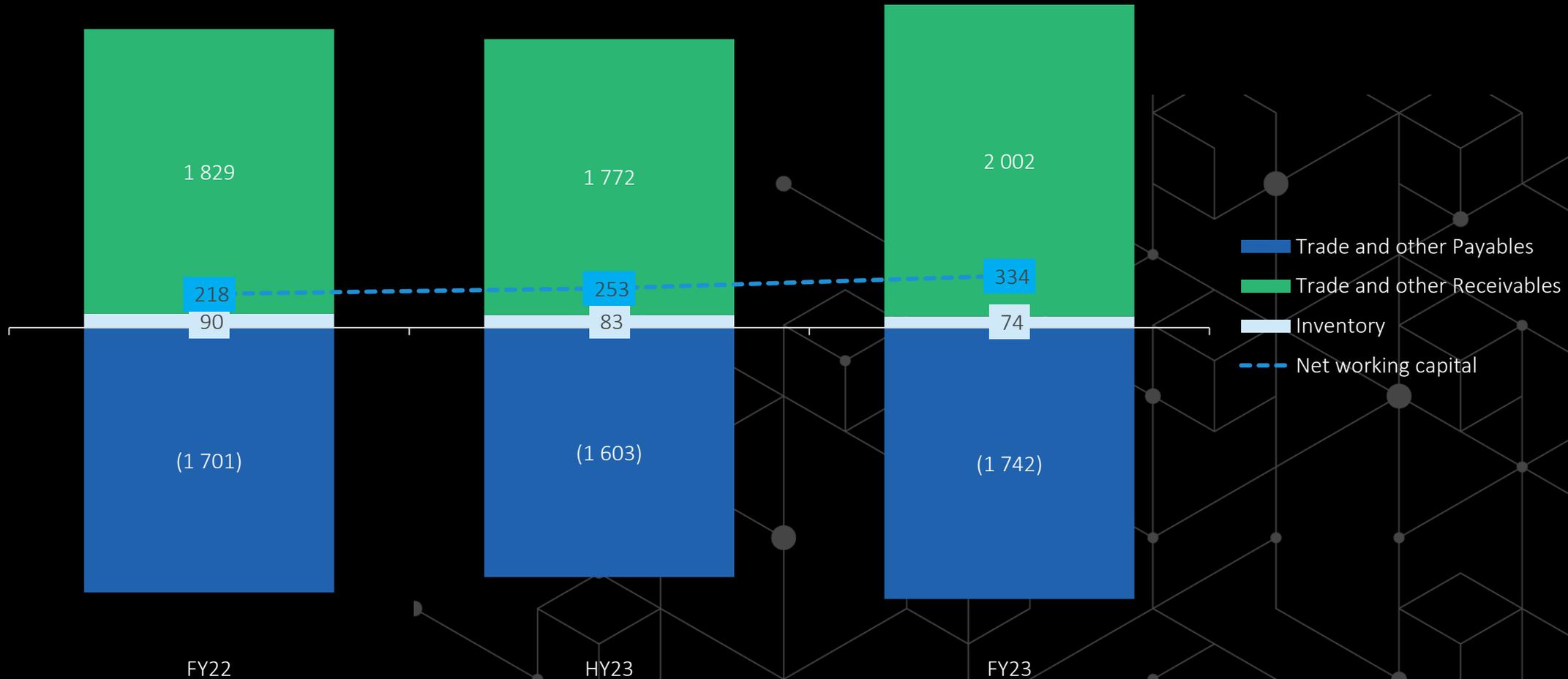
	R'm	FY23	FY22
 Assets	<b>Non-current assets</b>		
	Property, plant and equipment	145	185
	Intangible assets	94	84
	Goodwill	669	675
	Other financial assets	16	18
	Deferred taxation	95	106
	Finance lease receivables	1	11
		<b>1 020</b>	<b>1 077</b>
 Current assets	Inventories	74	90
	Other financial assets	59	14
	Current taxation receivable	42	35
	Finance lease receivables	21	71
	Trade and other receivables	2 156	1 829
	Cash and cash equivalents	236	411
		<b>2 588</b>	<b>2 449</b>
Assets held for sale		226	
<b>Total assets</b>		<b>3 608</b>	<b>3 752</b>

	R'm	FY23	FY22
 Equity and Liabilities	<b>Equity</b>		
	Stated capital	4 775	4 217
	Shares to be issued to vendors	0	0
	Other reserves	112	495
	Accumulated loss	(4 325)	(4 679)
	<b>Equity attributable to EOH</b>	<b>562</b>	<b>34</b>
Non-controlling interest	27	26	
	<b>588</b>	<b>60</b>	
 Liabilities	<b>Non-current liabilities</b>		
	Other financial liabilities	3	496
	Lease liabilities	33	51
	Deferred taxation	8	28
	<b>61</b>	<b>576</b>	
 Current liabilities	Other financial liabilities	836	938
	Current taxation payable	27	36
	Lease liabilities	34	55
	Trade and other payables	1 896	1 701
	Provisions	184	316
		<b>2 780</b>	<b>3 046</b>
	Liabilities held for sale		70
<b>Total liabilities</b>	<b>3 021</b>	<b>3 692</b>	
<b>Total equity and liabilities</b>		<b>3 608</b>	<b>3 752</b>

Slight casting differences is due to rounding to millions

# > Working Capital (R'm)

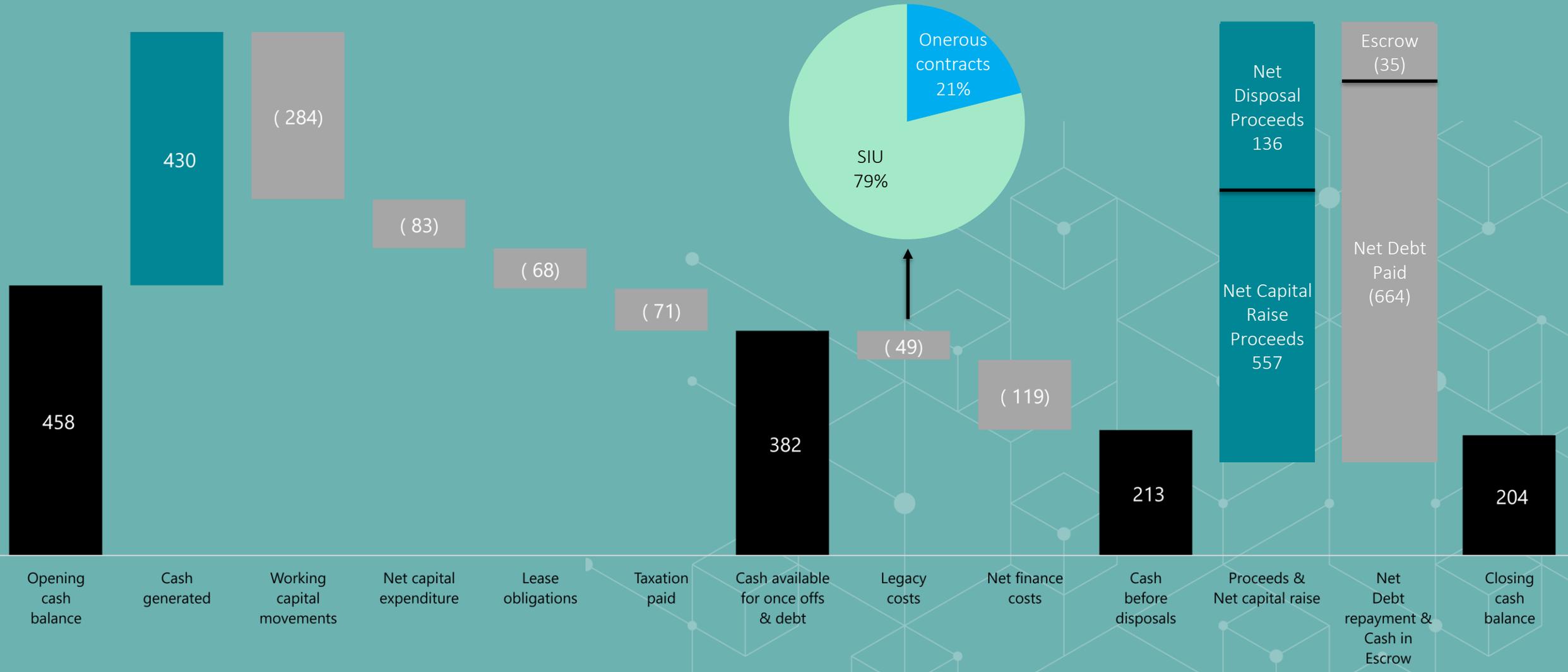
Increased net working capital as a result of investment in certain areas for growth and as a result of top line growth



*Trade Receivables and Payables difference to balance sheet is as a result of Principal vs Agent classification –net null for net working capital*

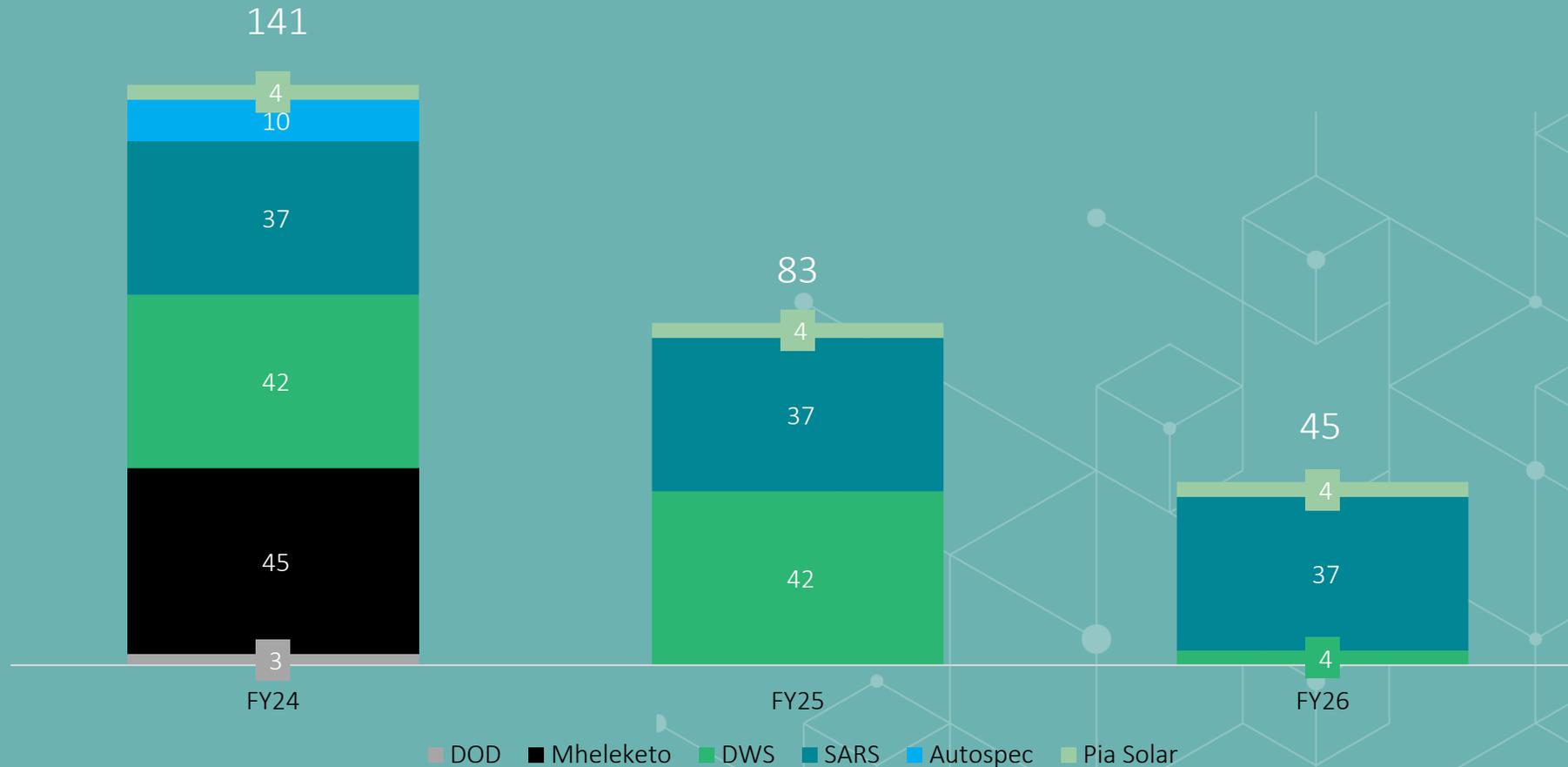
# > Cash flow (R'm)

Strong cash generation allowing for investment in net working capital and capital expenditure despite high finance charge burden incurred for 9 months of the year



# > Legacy Payments (R'm)

Final payments expected by FY26

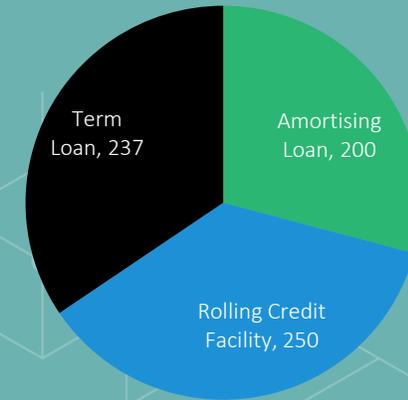


# > Debt (R'm)

With the net capital raise of R550m used to pay down debt, the Group has managed to right-size its capital structure



## Current Debt Breakdown



## Loan Terms

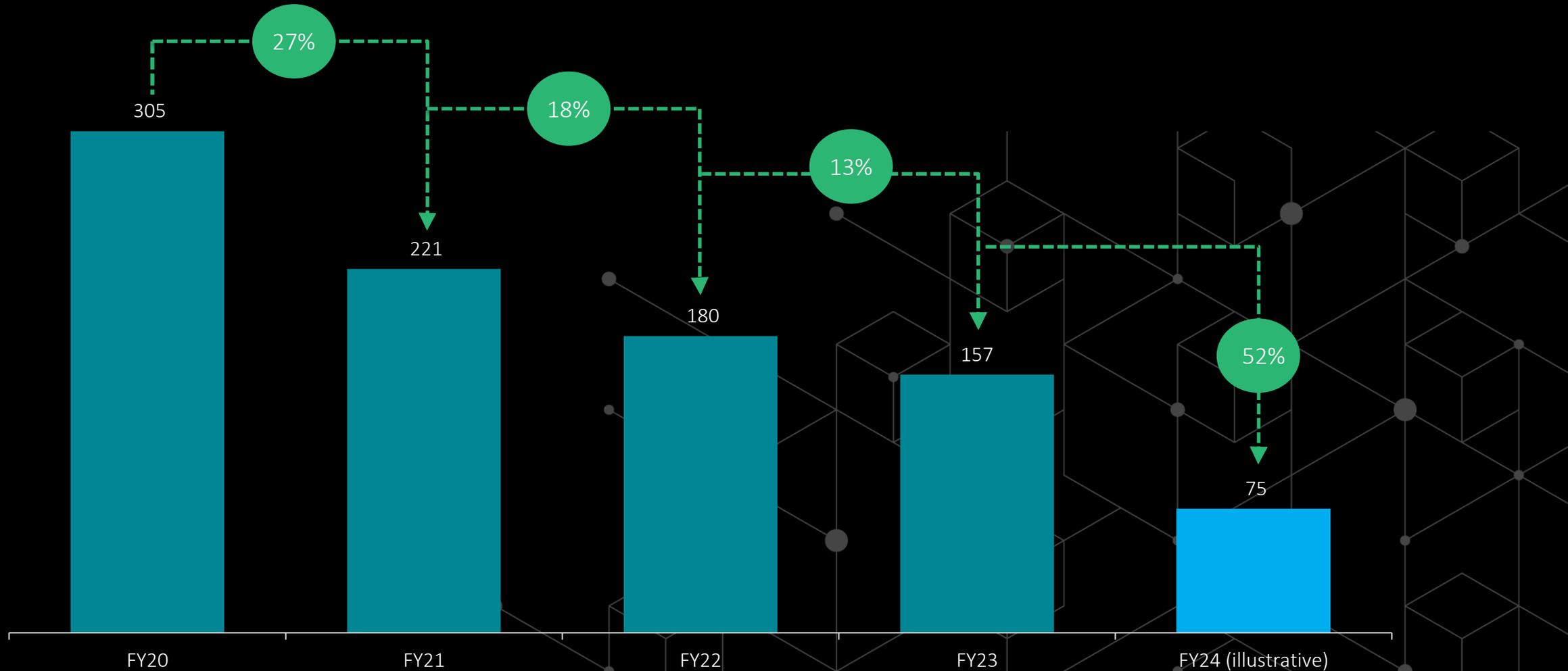
3-month JIBAR + below margins:

Leverage ratio	>2.5	>2	>1.5	<1.5
Amortising loan	3.7%	3.35%	3.10%	2.65%
Term Loan	3.8%	3.45%	3.20%	2.75%
RCF	4%	3.65%	3.40%	2.95%

Current average interest rate incl JIBAR = 11.5%

## > Finance Charges (R'm)

The full benefit of the successful capital raise is expected to be realized in FY24 where finance charges are expected to be 25% of that incurred in FY20



*The above excludes interest incurred on utilization of an overdraft*



# Outlook

**EOH**

The tough economic and political conditions globally and in RSA are set to continue but create both opportunities and threats



The central growth focus is partnering with both key OEM's and top customers assisting them to realise their digital strategies



# Outlook

EOH will continue to drive efficiencies to invest in organic growth and great talent. This is the crux of the very simple GET strategy



## Focus for F24

- Complete decentralisation
- Complete final non core sales
- Investigate value maximisation opportunities
- Consolidate last 5 years gains



EOH will continue to invest in its people to retain, attract and grow talent and ensure quality delivery



EOH will continue to make a difference to its

- Clients
- Colleagues
- Communities
- Countries

## 4C's





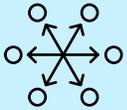
# Questions

**EOH**



# Appendix

# > Balance Sheet (Commercially agreed with Lender)

	R'm	FY23	FY22		R'm	FY23	FY22
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	Property, plant and equipment	145	185		Stated capital	4 775	4 217
	Intangible assets	94	84		Shares to be issued to vendors	0	0
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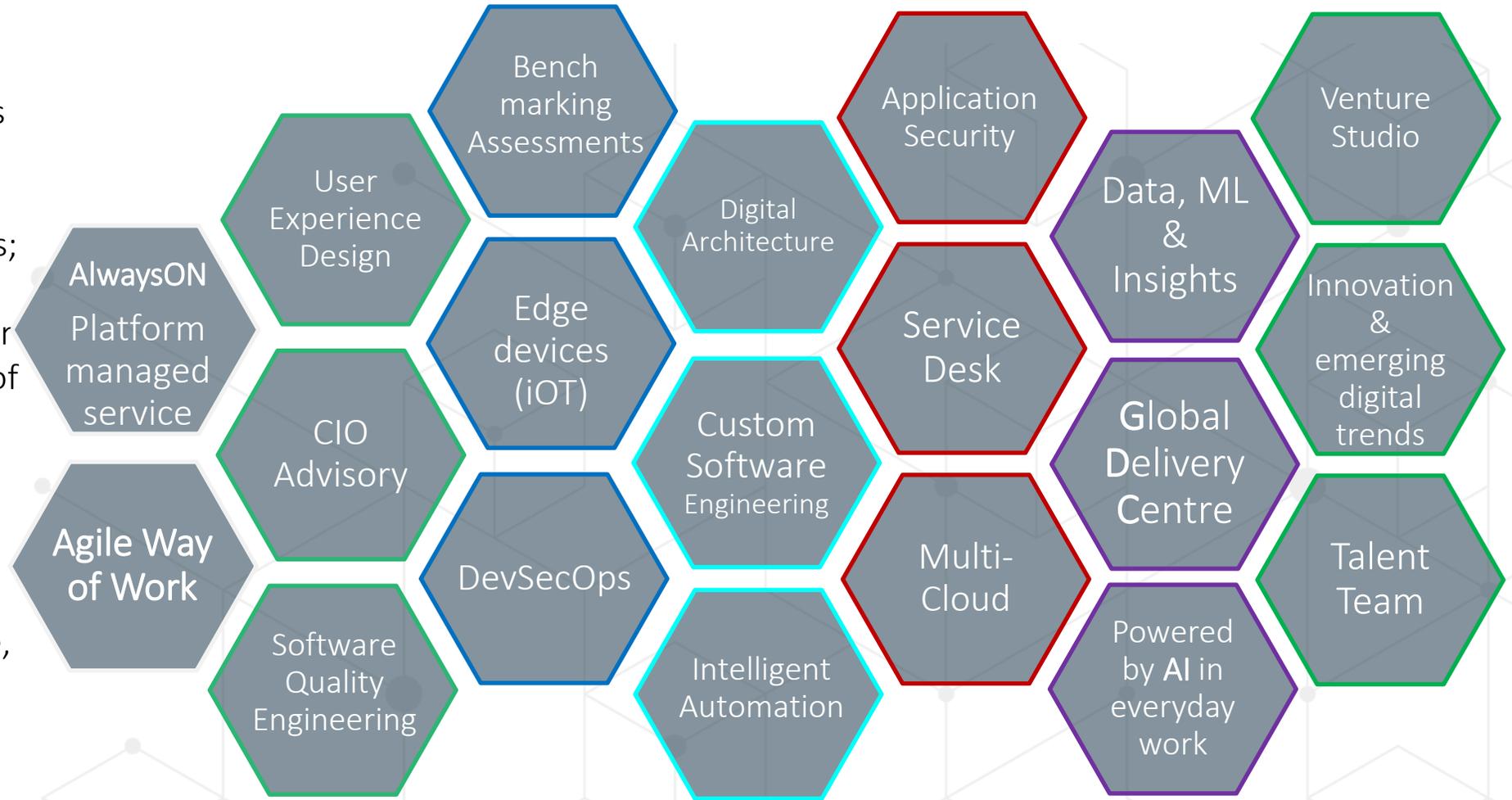
The background features a purple gradient with a white geometric pattern of interconnected lines and dots, resembling a network or molecular structure. Overlaid on this are several large, stylized triangles in green, blue, and white, some with black outlines, arranged in a dynamic, overlapping composition. The text 'Our Operations' is positioned on the right side of the image.

# Our Operations

**EOH**

# > Digital Enablement

The strength of this team lies in the depth, breadth and scale of multiple digital specialisations/competencies; specifically how they come together to produce value for clients, and the unique way of work as we deliver for our clients. Working together, learning and following a proven & evolving framework, enables our ongoing success as the game, the opposition, and technology shifts.



# > Digital Enablement continued

## Our Recent Wins

The business expanded its market share within large accounts, resulting in substantial new earnings from clients in the financial services and telecommunications sectors. Noteworthy projects:

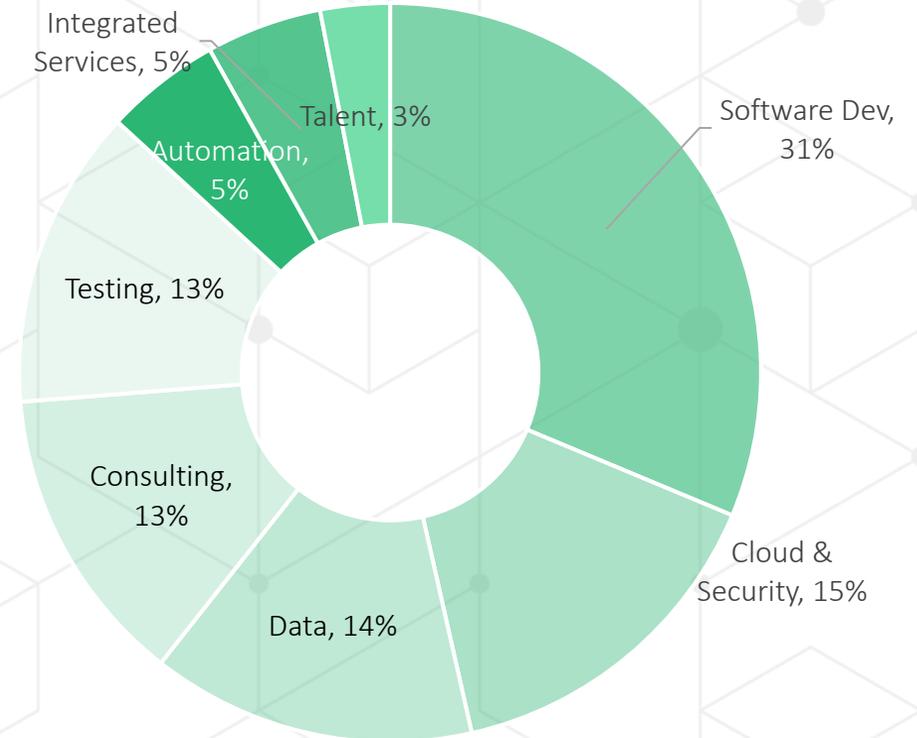
- Migration of the entire IT infrastructure to the cloud for one of South Africa's largest & most established financial services providers – R40m
- Takeover of all software development from incumbent for a multi-national Automotive client - R70m p.a.
- Financial Services Home Loans modernization - R35m
- Financial Services Quality Assurance services – R84m p.a.
- Renewals in the Telco industry R80m p.a.

## Financial Performance

	Value (R'm)	Margin
Revenue	1 124	
Gross Profit	322	29%
EBITDA*	136	12%

\*EBITDA excludes Corporate Overhead recharges

## LOB Revenue Split



# > Digital Enablement Case Study

**Case Study:** How iOCO successfully transitioned a global top 30 company from its incumbent digital service provider to add immediate value through modernisation, unlocking savings, efficiencies and innovation to support the client to achieve its business strategy for the future.

**Challenge:** Existing innovation, modernization & digital implementation was sluggish. Incumbent and the client team had become lethargic, disconnected, and stuck in low cadence & inefficient digital delivery cycle. Costs were escalating, innovation stunted, daily operational technical issues were frequent, system response times were sub-standard to slow and generally stuck in 'first-gear' (despite the effort put in).

**Solution:** iOCO took over the entire client- and dealer-facing digital estate, which included all core systems → new sales, secondary sales, warranties, parts, services, digital channels (web & mobile), customer apps, multi-brands, call centre.

iOCO deployed over 70 people in 3 months and is managing the heart of the organization's client-facing systems. The commitment period and size of teams allowed the client to be afforded cost savings & an improved ROI.

iOCO conducted a series of rapid assessments to benchmark global top 30 brand's digital estate. The assessments painted a clear roadmap and as a result today we see the following initiatives at play:

- App Rationalization
- Re-Architecture & Modernization of core platforms
- Real DevOps inculcation
- Results-drive Agile methodology
- Platform stability and scalability
- Lean modular Digital Architecture for multi-source multi-vendor scaling.
- Creating & Refining Standards for implementation
- Digital Governance & Processes

The client is now digitally unlocked, with business innovations driving new digital channels, expanding eCommerce ambitions, bringing supply chains on-board and converting a plethora of data points into actionable business information sources.

**Quote:** "This is better than expected." – the Vice-President commented in the Monthly SteerCo, a month after the Transition period had been completed. Daily systems & operations had been stabilized in a very complicated environment.

**Conclusion:** This case study demonstrates how iOCO is capable of successfully transitioning, managing and reinvigorating a complex digital environment, whilst passing on savings to the client through long-term contract negotiations.

# > Enterprise Applications & Software Reseller

## Our Product Offering

### Enterprise Applications

We help clients streamline operations, improve performance, and strengthen customer relationships through three distinct service areas: enterprise resource planning, enterprise performance management and customer relationship management.

### Software Reseller

Our expert local representatives provide software resale and services for established global OEMs.



- Global OEM Software Resale
- Enterprise Performance Management
- Global OEM Software Services
- Enterprise Customer Relationship Management
- Enterprise Resource planning

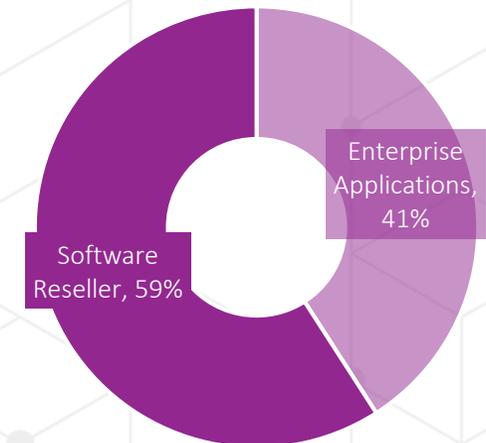
## Our Core OEMS



## Financial Performance

	Value (R'm)	Margin
Revenue	1 138	
Gross Profit	313	27%
EBITDA	84	7%

## LOB Revenue Split



\*EBITDA excludes Corporate Overhead recharges

# > Infrastructure Services

## Our Product Offering

The strength of this team lies in understanding the importance of digitisation in any organisation's transformation journey while ensuring that security is seamlessly integrated into every layer of our solutions and services. We know that organisations prefer an outsourced approach and to service this we provide a "anything-as-a-service", offering optimised and automated IT ecosystems granting businesses access to a comprehensive suite of ICT capabilities, skills and technologies to empower their operations.



## Our Core OEMS



## Financial Performance

	Value (R'm)	Margin
Revenue	972	
Gross Profit	251	26%
EBITDA*	59	6%

\*EBITDA excludes Corporate Overhead recharges

# > Industrial Technologies (*excl Nextec businesses*)

## Our Product Offering

Industrial Technology designs, operates and optimises client's critical information technology and infrastructure across all heavy industry sectors. The Operational Technology business is the exclusive distributor of AVEVA industrial software in Southern, East and West Africa; it also provides industrial process automation solutions, managed services for critical OT infrastructure systems, as well as a unified asset life-cycle solution for core OT assets. Our Energy Solutions business provides power infrastructure management, engineering information systems and energy management systems for utilities and energy intensive businesses; as well as backup power solutions. Our Connectivity Solutions business specialises in addressing complex wireless communications needs.

Operational Technology

Energy Solutions

Connectivity Solutions



## Our Core OEMS



## Financial Performance

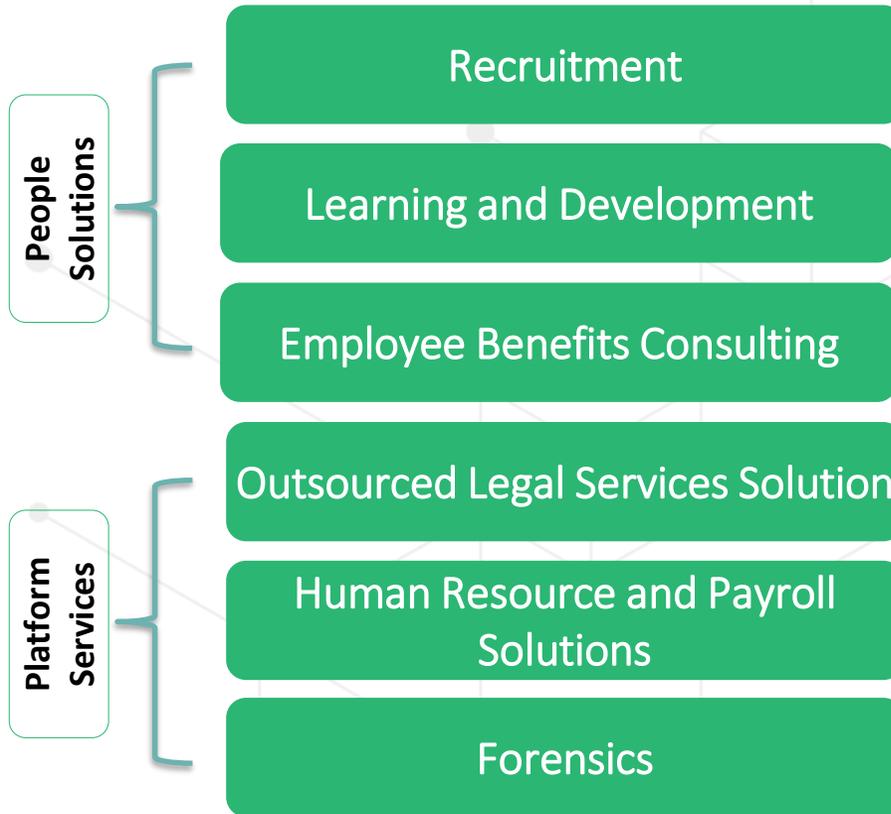
	Value (R'm)	Margin
Revenue	957	
Gross Profit	310	32%
EBITDA	103	11%

\*EBITDA excludes Corporate Overhead recharges

# > EasyHQ

We focus on essential non revenue- generating functions of our clients' businesses, directly influencing customer, staff and supplier experiences. Additionally, we manage company risks, enhance regulatory compliance and improve governance standards, all of which contribute to financial performance and long-term sustainability.

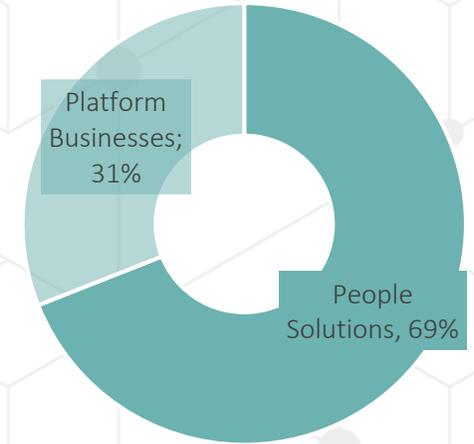
## Our Product Offering



## Our Core OEMS



## LOB Revenue Split



## Financial Performance

	Value (R'm)	Margin
Revenue	835	
Gross Profit	255	31%
EBITDA	117	14%

\*EBITDA excludes Corporate Overhead recharges

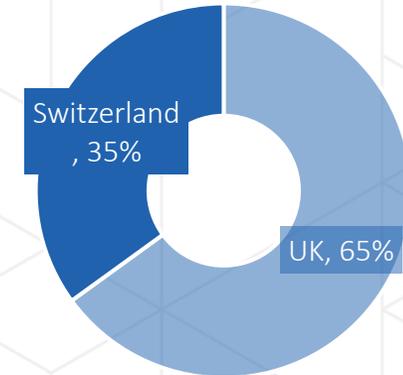
# > International

## Our Product Offering

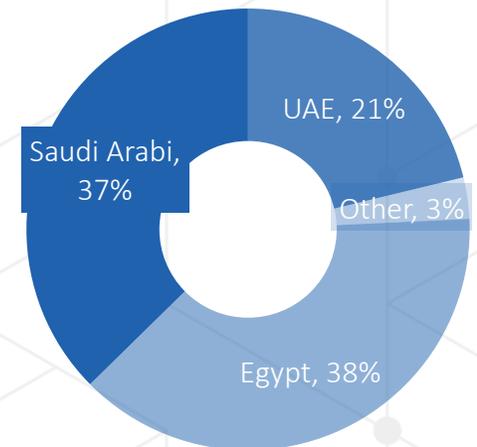


Our international business diversifies our portfolio and mitigates risks in the South African business, serve as a gateway for scalability, provides access to skills and enhances the employee value proposition.

## Geographic Split Europe



## Egypt & Middle East



# > International continued

## Core OEMS

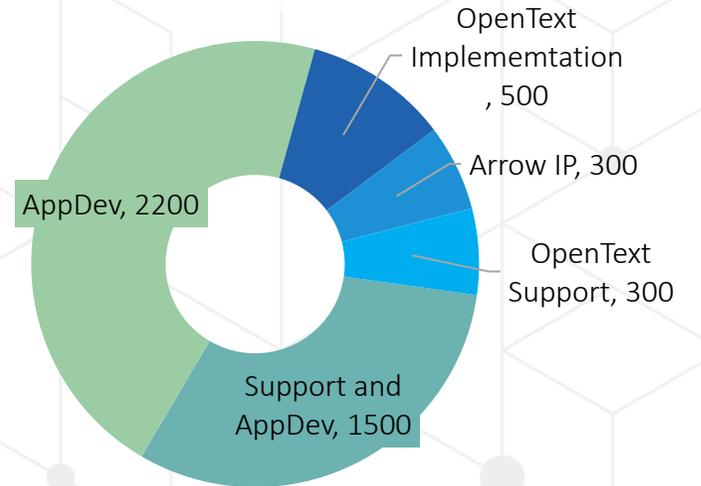


## Financial Performance

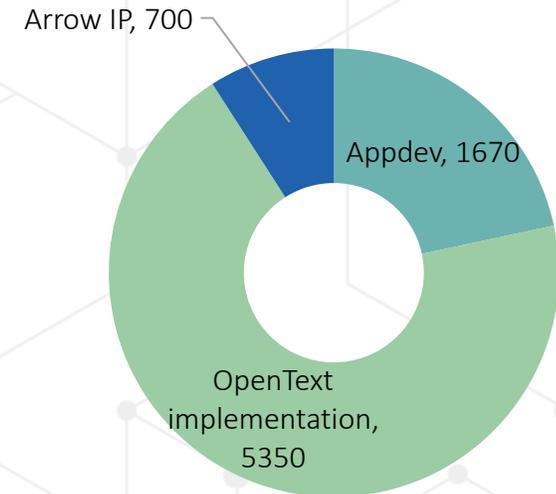
	Value (R'm)	Margin
Revenue	488	
Gross Profit	174	35%
EBITDA*	56	11%

\*EBITDA excludes Corporate Overhead recharges

## Scaled Contracts (USD'000)



## New Contracts (USD'000)



# > Socio Economic Development

SED Partner	Project	Description	Rand Value	Impact
Wethinkcode 	ICT Learnership	This is a pioneering initiative aimed at addressing the scarcity of developers in South Africa. Recognizing the growing demand for coding and programming skills in the digital age.	R5m	50 graduates
Edu hub 	STEM related education app	This is innovative educational app designed to assist school learners by providing digital study guides and tutoring, with a specific focus on STEM education	R0.3m	32 465 downloads
LU on Thought (LOT) 	Digital Literacy Program	Our digital literacy program is a comprehensive initiative aimed at Early Childhood Development (ECD), Primary, and Secondary level students, focusing on equipping them with essential digital skills and knowledge.	R0.2m	200 learners
Siphakeme 	ECD- (Early Childhood Development)	ECD offering a creative, relevant, comprehensive and measurable training programme for pre-school educators, in the ECD sector.	R0.2m	Development of 15 ECD educators
Orange Memo 	Youth empowerment workshops	Youth Empowerment Program initiative designed to equip young individuals with the skills, resources, and guidance necessary to navigate their career paths successfully.	R0.2m	300 youth

# > Socio Economic Development

SED Partner	Project	Description	Rand Value	Impact
Prime Stars 	Step Up to a Green Start Up	A program focused on entrepreneurship and the green economy	R1.5m	11513 Youth
Afribiz 	Period Poverty Project	This project is a transformative program dedicated to addressing period poverty and empowering women based on the principles of Women's Empowerment.	R1m	40 young Females
Khula Foundation 	Youth SED Solvers Project	A transformative program dedicated to improving educational opportunities and empowering communities rural and under-resourced communities.	R0.5m	6000 learners
Belgium IT Varsity 	ICT Skills Bursary program	Bursary program aimed to bridge the digital skills gap and empower individuals to thrive in the digital age.	R3.5m	18 ICT under grad's
D-lab 	Graduate Development Program	Bespoke and innovative program designed to thrive in today's competitive job market to accelerate the development of graduates t.	R1m	30 Graduates



Thank you

**EOH**