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EOH Interim Results to January 31st 2014

12 March 2014

EOH

Systems make it possible...
People make it happen

- ▲ **Overview**
- ▲ **Enterprise Applications**
- ▲ **Information Management**
- ▲ **IT Management**
- ▲ **Managed Services**
- ▲ **Industrial Technologies**
- ▲ **Business Process Outsourcing**
- ▲ **Financial Update**
- ▲ **Strategy Going Forward**

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EOH Overview



Systems make it possible...
People make it happen

- ▲ To provide technology, knowledge, skills and organisational ability, critical to Africa's development and growth
- ▲ To be an ethical, relevant force for good and to play a positive role in our society, beyond normal business





Listed in 1998. Best share performance on the JSE in 2013



Leader in technology and knowledge services



7 000 staff



120 locations in SA and in 15 countries in Africa



End to end offerings



2 000 clients



R10bn market cap



BBBEE Level 2



A force for good in society

Best People



To attract, develop and retain the best people led by great leaders

Partner for Life



To nurture lifelong partnerships with our customers and business partners

Right 1st Time



To ensure professional planning and execution and have pride in all we do

Sustainable Transformation



To transform and celebrate diversity

Lead & Grow

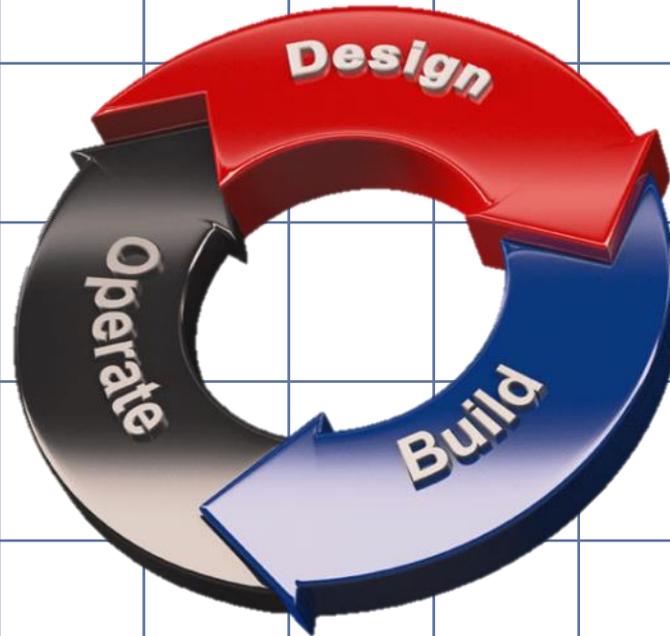


Strive to be #1 in every domain we operate in whilst remaining entrepreneurial

EOH Operating Model



| | Financial Services | Telecommunications | Manufacturing & Logistics | Mining | Energy | Retail | Public Sector | Utilities | Health |
|------------------------------|--------------------|--------------------|---------------------------|--------|--------|--------|---------------|-----------|--------|
| Applications | | | | | | | | | |
| IT Management | | | | | | | | | |
| Managed Services | | | | | | | | | |
| Industrial Technologies | | | | | | | | | |
| Business Process Outsourcing | | | | | | | | | |





Applications

Enterprise Applications
Information Analytics
Big Data
Software Development and Integration
Digitalisation



IT Management

IT Management & Optimisation
IT Risk Management
IT Infrastructure
Datacentre & Virtualisation
End User Computing
Mobility



Managed Services

Applications
Infrastructure
Unified Communication
Cloud Services
Networks



Industrial Technologies

Connectivity Infrastructure
Fire, Safety and Security
Automation and Control
Energy Infrastructure and Services
Engineering Infrastructure



BPO

Human Capital
Health
Learning and Development
Legal Services
Customer Services Outsourcing

Main technology partners



- ▲ **South Africa**
- ▲ Angola
- ▲ Botswana
- ▲ Burkina Faso
- ▲ Ghana
- ▲ Kenya
- ▲ Mauritius
- ▲ Mozambique
- ▲ Namibia
- ▲ Nigeria
- ▲ Rwanda
- ▲ Sudan
- ▲ Tanzania
- ▲ Zambia
- ▲ Zimbabwe



- ▲ Equity
 - 36.19% black ownership
 - 6.91% black women ownership
- ▲ Board Representation
 - 66% black
- ▲ Employment Equity
 - 45% black
- ▲ BEE Procurement Recognition
 - 156%
- ▲ Skills Development
 - Variety of programmes
 - 620 trainees
- ▲ Enterprise Development
 - 6% of NPAT
- ▲ Corporate Social Investments



EMPOWERLOGIC
Your Logical Empowerment Solution

Broad Based Black Economic Empowerment Verification Certificate

A Consolidated Verification Certificate Issued to

EOH Holdings Limited and Subsidiaries

Level 2 Contributor

Measured Entity (Full List of Entities Listed on Certificate Continuation Pages)

| | | | |
|----------------------------|--|--|--|
| Company Name | EOH Holdings Limited and Subsidiaries | | |
| Registration Number | 1998/014669/06 | | |
| VAT Number | 4180202386 | | |
| Address | Block D, EOH Business Park Gillooly's View Osborne Lane Bedfordview, 2007 | | |

| BEE Status | |
|------------------------------------|---|
| BBBEE Status Level | Level 2 |
| Element Points Obtained | EO: 21.76 points; MC: 9.26 points; EE: 2.99 points; SD: 13.05 points; PP: 15.04 points; ED: 11 points; SED: 12 points |
| Black Ownership | 36.19% Black Ownership; 6.91% Black Woman Ownership |
| Value Adding Vendor | Yes |
| BEE Procurement Recognition | 156% |
| Issue Date | 22/01/2014 (ELC4016 Initial issue date: 12/11/2013) |
| Expiry Date | 11/11/2014 |
| Certificate Number | ELC4016-5GENBBICT replacing ELC4016-4GENBBICT |
| Version | Final |
| Applicable Scorecard | ICT - Generic |
| Applicable BBBEE Codes | ICT Code Gazetted on 6 June 2012 |

| BEE Procurement Recognition Levels | | |
|------------------------------------|----------------|--------|
| Level | Qualification | % |
| 1 | ≥ 100 Points | 135% |
| 2 | ≥ 85 but < 100 | 125% |
| 3 | ≥ 75 but < 85 | 110% |
| 4 | ≥ 65 but < 75 | 100% |
| 5 | ≥ 55 but < 65 | 80% |
| 6 | ≥ 45 but < 55 | 60% |
| 7 | ≥ 40 but < 45 | 50% |
| 8 | ≥ 30 but < 40 | 10% |
| Non-Compliant | | <30 0% |



EmpowerLogic (Pty) Ltd
Reg. No. : 1995/000523/07
BBBEE Verification Agency

[Signature]
Per E Ackroyd CA(SA)
Member - Verification Committee



SANAS Accredited
EVA018

Enquiries

Tel: 086 111 4003

Fax: 086 505 7284

verification@empowerlogic.co.za

www.empowerlogic.co.za

This certificate is the result of an independent and impartial verification of the BBBEE status of the measured entity measured against the Codes of Good Practice on Broad Based Black Economic Empowerment. The objective of our verification is to verify the validity and accuracy of the BBBEE status represented by the measured entity. EmpowerLogic is not responsible for ensuring completeness of information provided to support the BBBEE status.



EOH Youth Job Creation Initiative



Afrika Tikkun



Maths Centre



Enterprise Development

Financial Services



Telecommunications



Manufacturing & Logistics



Public Sector



Dedicated industry focus



Mining



Health



Energy



Retail



Utilities



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EOH Enterprise Applications



Systems make it possible...
People make it happen



Largest implementer in Africa



Over 1 000 practitioners



Recognised strategic partner to our vendors



Over 200 customers in South Africa



Pioneers in rapid deployment solutions



Certified solutions in key industries



Seamless integration into BI and content solutions



Large Public Sector footprint

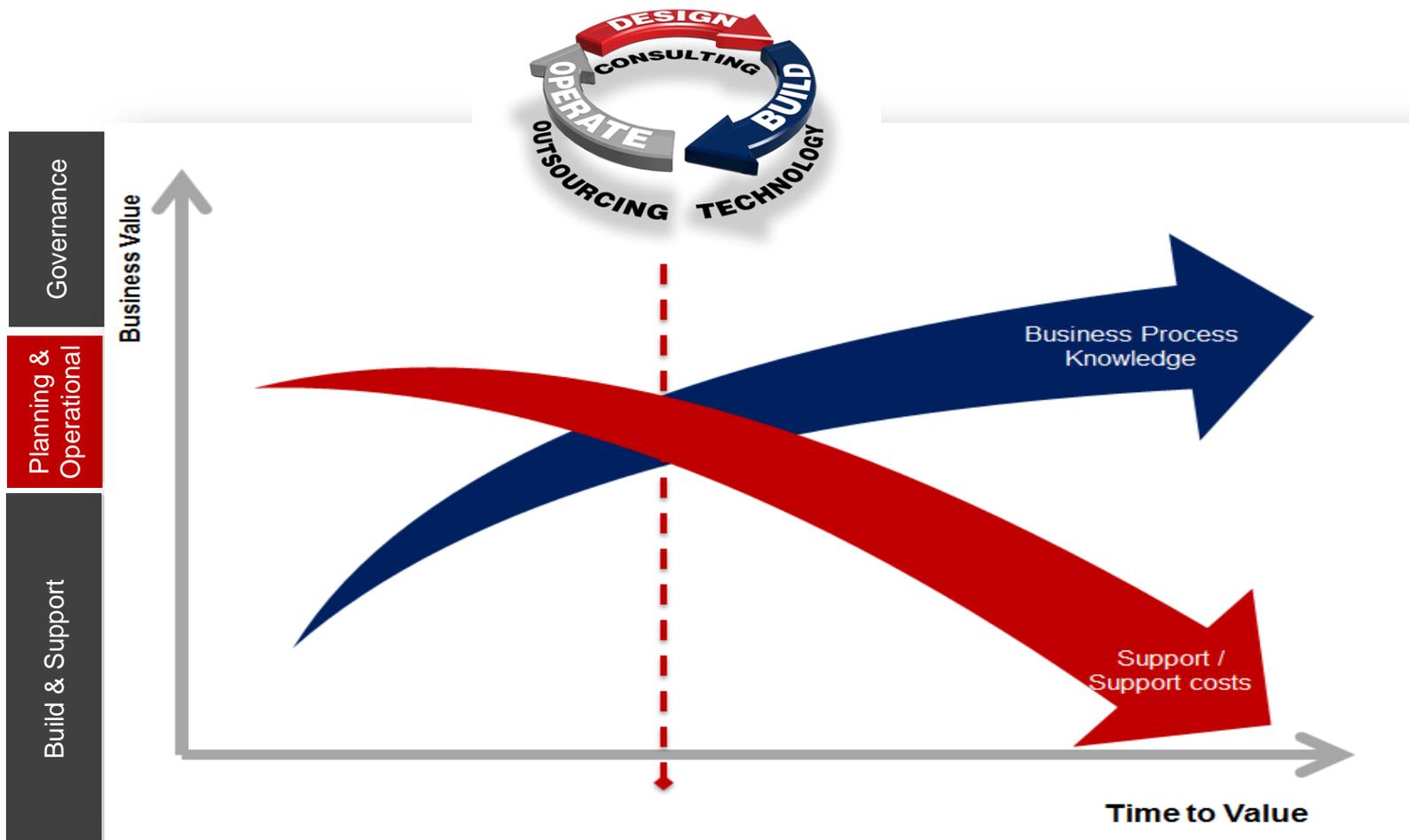


End-to-end offerings incl. hosting and infrastructure



- ▲ Leading system implementer in Africa by
 - Revenue
 - Profitability
 - Reputation and vendor relationship
 - Core value focus: delivery to client
- ▲ Industry-wide reputation as best SI to work at
 - Strong middle management layer/talent acquisition
 - Skills development program
 - Consultant leadership forum
- ▲ Strong annuity revenue base
 - Large % of revenue of AMS nature
- ▲ Innovative products and services
 - Mobile solutions
 - BI
 - Cloud computing/templated solutions

Creating sustainable business value



Business Value

EOH Commitment to Skills & Knowledge Transfer
Proactively identify both system enhancements & optimization opportunities

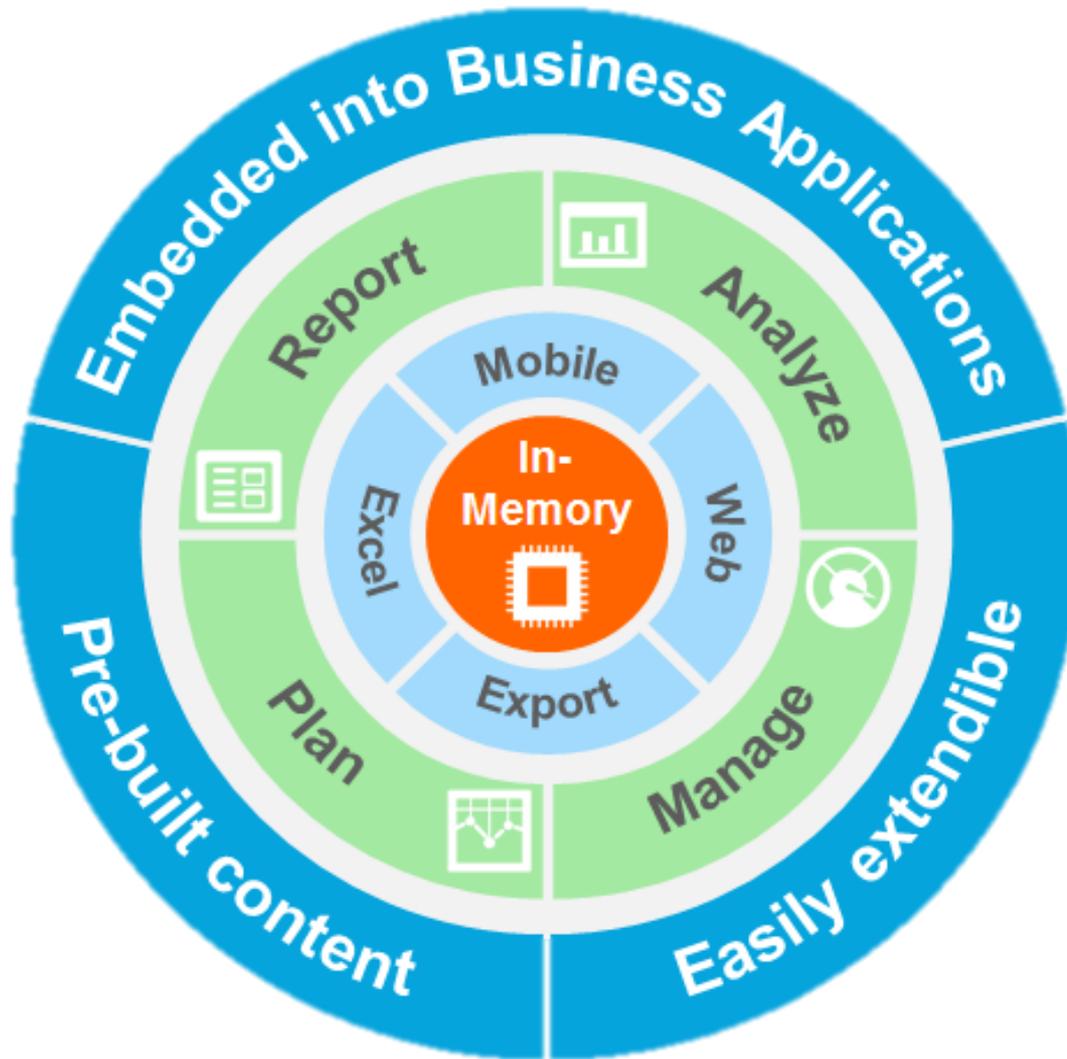


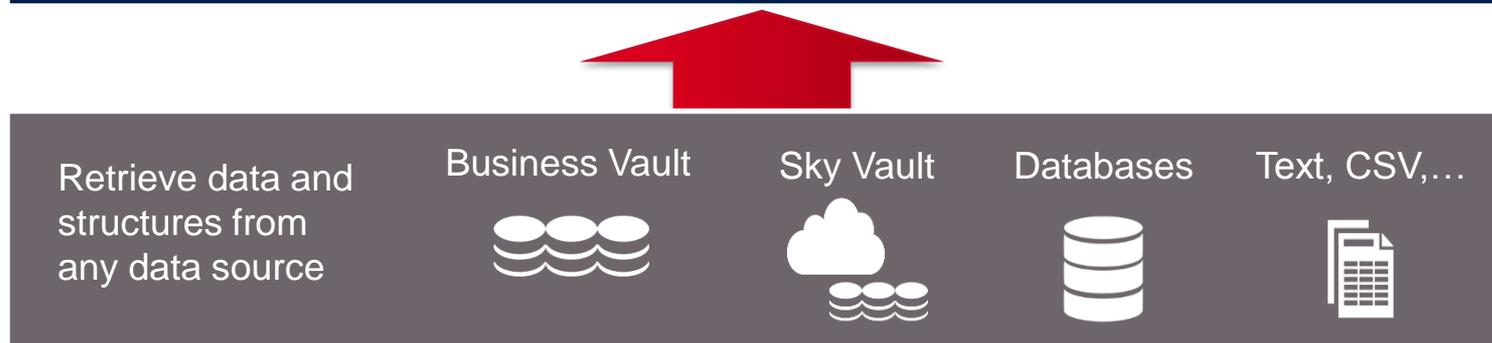
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EOH Information Management

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▲ SAP and SAP Hana



▲ Oracle



▲ Microsoft BI and reporting services



▲ Infor



▲ IBM Analytics



▲ Qlikview



▲ Microstrategy



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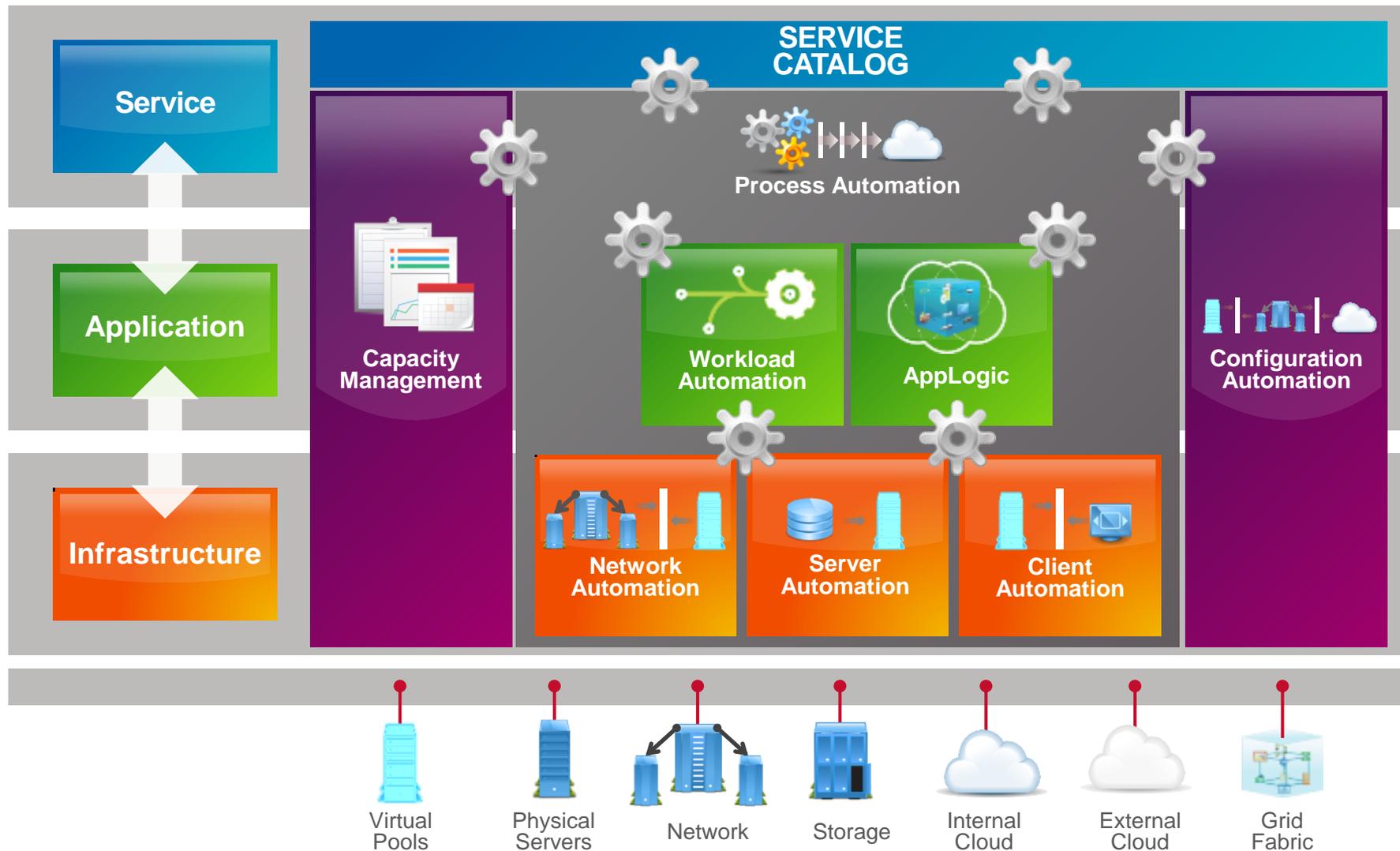
EOH IT Management



Systems make it possible...
People make it happen

- ▲ Leaders in IT management and optimisation across Sub Saharan Africa
- ▲ Services across the IT management continuum
- ▲ Serve > 90% of SA's blue chip companies
- ▲ IT management and mainframe academies





Mobility

Data Proliferation

Cloud



Social Networks



Challenges

- ▲ Customer frustration due to multiple credentials
- ▲ Banks unable to use customer information to cross sell
- ▲ Online Fraud
- ▲ Security of customer accounts on mobile devices



Rise of the user

Benefits

- ▲ Single customer identity across all products
- ▲ BYOID
- ▲ Improved protection of customer data with a better customer experience
- ▲ Improved customer trust and loyalty
- ▲ Simple registration process increases sign up rate

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EOH Managed Services



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Data Centre Services

- Data Centre Hosting Services
- Operating Platform Services
- Data Management Services
- BackOffice Application Management & Support
- Cloud Services
- IT Service Continuity

End User Computing Services

- End User Management and Support Services
- Remote Support Services
- Onsite Desk-side Support
- Hardware Maintenance and Support Services

Security Services

- End-to-End Security Services
- Firewall Security
- Anti-Virus Services

Network Services

- End-to-End Communications Services
- LAN Services
- WAN Services
- Cabling Services

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EOH Industrial Technologies

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Systems make it possible...
People make it happen



- ▲ Explosion of **mobile devices** for connecting to the LAN/WAN
- ▲ Proliferation of devices on the **LAN**
- ▲ **Cloud Computing and Video** in both the professional and personal/social realms driving bandwidth demand
- ▲ Convergence of Engineering disciplines



- ▲ **Rapid urbanization** resulting in majority of the worlds populations living in cities, consuming 75% of energy
- ▲ **CO2 Emissions increasing**
- ▲ **Smart Buildings** coming to the fore. **Green issues** dominate the DC market
- ▲ Strong drive to reduce carbon footprints and eliminate environmental damage



- ▲ Exponential increase in the urban population rom 20% in 2010 to 70% by 2050
- ▲ Development of “mega-cities”
- ▲ Increasing **demand for protection** of critical infrastructures and assets
- ▲ More and larger events lead to a higher population density, and increased demand for **public safety & security**



- ▲ An Infrastructure Book containing more than **645 infrastructure projects** across the country compiled
- ▲ An Infrastructure Plan with **18 identified Strategic Integrated Projects (SIPs)** has been developed and adopted by Cabinet
- ▲ Estimated **R1,9 trillion** for 18 SIPs

EOH Industrial Technologies combine state-of-the-art technology and best practice to create facilities and infrastructures that are efficient, smart, safe, healthy and secure by....

- ▲ Optimizing production and control
- ▲ Enhancing efficiency, availability, comfort and security
- ▲ Ensuring sustained protection of people and assets
- ▲ Creating optimum working and living conditions
- ▲ Lowering energy consumption and CO2 emissions

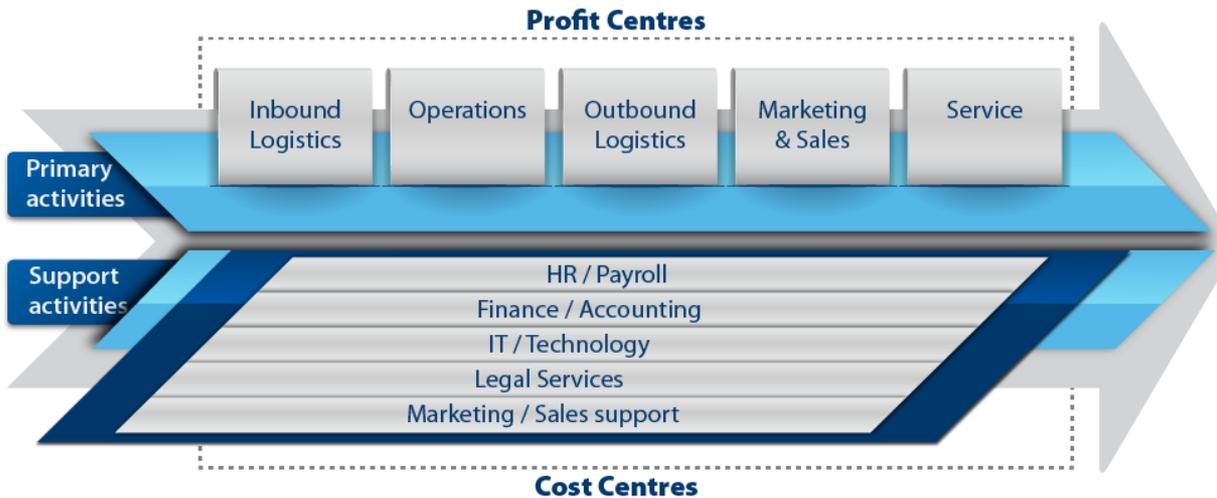


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EOH Business Process Outsourcing



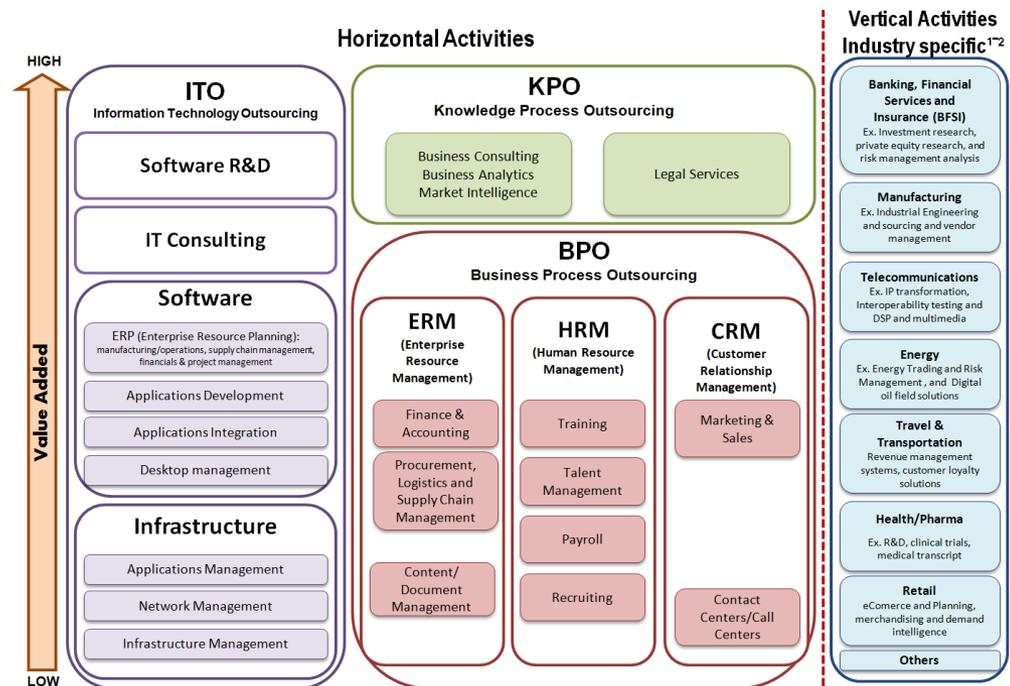
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London School of Economics

This study shows South Africa to be a cost-competitive, highly attractive destination in specific segments – voice, complex BPO, ITO, KPO and LPO especially to UK and English speaking geographies with cultural affinities.

- ▲ In 2012, South Africa was acknowledged as the Offshoring Destination of the Year by the NOA, UK.
- ▲ This was further consolidated in 2013 when the country was shortlisted for the European Outsourcing Association (EOA) – Offshoring Destination of the Year Award.



- ▶ Incentives
 - DTI offshoring Incentive
 - Learnership and Internship
- ▶ Indian BPO market > R100bn USD
- ▶ EOH differentiators
 - Not commodity, high barriers to entry
 - Ahead of wave on KPO
 - Synergies between Infrastructure, IT and BPO
 - Everything as a service

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Financial Update

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Condensed Consolidated Statement of Comprehensive Income for the six months to 31 January 2014



| | 31 Jan 2014 (R'000) | 31 Jan 2013 (R'000) | % Change |
|--------------------------------------|------------------------|------------------------|--------------|
| Revenue | 3 307 548 | 2 389 185 | 38.4% |
| Cost of sales | <u>(2 035 606)</u> | <u>(1 392 060)</u> | |
| Gross profit | <u>1 271 942</u> | <u>997 125</u> | |
| Operating Profit | 353 565 | 247 733 | |
| Investment income | 13 952 | 9 479 | |
| Finance costs | (31 946) | (20 209) | |
| Taxation | <u>(88 581)</u> | <u>(73 476)</u> | |
| Profit for the period | 246 990 | 163 527 | |
| Non-controlling interest | <u>(2 666)</u> | <u>(31)</u> | |
| Profit – owners of the parent | <u>244 324</u> | <u>163 496</u> | 49.4% |

Condensed Consolidated Statement of Comprehensive Income for the six months to 31 January 2014



| | 31 Jan 2014 | 31 Jan 2013 | % Change |
|---|----------------|----------------|--------------|
| Total shares in issue ('000) | 114 811 | 106 045 | |
| Weighted average shares in issue ('000) | 106 322 | 92 684 | |
| Diluted shares in issue ('000) | 116 333 | 102 338 | |
| EPS (cents) | 229.8 | 176,4 | 30.3% |
| Diluted EPS (cents) | 210.0 | 159,8 | 31.4% |
| HEPS (cents) | 229.6 | 171,5 | 33.9% |
| Diluted HEPS (cents) | 209.9 | 155,3 | 35.2% |

Condensed Consolidated Statement of Financial Position
as at January 2014



| ASSETS | 31 Jan 2014 (R'000) | 31 Jan 2013 (R'000) |
|--------------------------------|--------------------------------|--------------------------------|
| Non-current assets | 2 220 097 | 1 318 719 |
| Investment properties | 3 490 | 2 872 |
| Property, plant and equipment | 277 825 | 209 258 |
| Goodwill and intangible assets | 1 684 948 | 950 695 |
| Finance lease receivables | 101 310 | 49 336 |
| Other financial assets | 5 847 | 14 550 |
| Deferred taxation assets | 146 677 | 92 008 |
| Current assets | 2 472 990 | 1 721 089 |
| Inventories | 87 215 | 55 315 |
| Finance lease receivables | 59 230 | 36 971 |
| Other financial assets | 41 093 | 24 260 |
| Current tax receivable | 24 617 | 68 473 |
| Trade and other receivables | 1 475 484 | 1 003 557 |
| Cash and cash equivalents | 785 351 | 532 513 |
| Total Assets | 4 693 087 | 3 039 808 |

Condensed Consolidated Statement of Financial Position
as at January 2014



| | 31 Jan 2014 (R'000) | 31 Jan 2013 (R'000) |
|---|-------------------------|-------------------------|
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | 2 216 879 | 1 301 806 |
| Non-controlling interest | 8 758 | 1 431 |
| Total equity | <u>2 225 637</u> | <u>1 303 237</u> |
| Non-current liabilities | 726 654 | 367 894 |
| Finance lease obligations | 4 047 | 2 361 |
| Other financial liabilities | 603 639 | 311 835 |
| Deferred taxation liabilities | 118 968 | 53 698 |
| Current liabilities | 1 740 796 | 1 368 677 |
| Trade and other liabilities | 1 407 996 | 1 130 728 |
| Deferred revenue | 245 440 | 172 473 |
| Current taxation payable | 87 360 | 65 476 |
| Total equity and liabilities | <u>4 693 087</u> | <u>3 039 808</u> |
| Net asset value per share (cents) | 1930.9 | 1 227,6 |
| Net tangible asset value per share (cents) | 463.3 | 331,1 |

Condensed Consolidated Statement of
Cash Flows for six months ended 31 January 2014



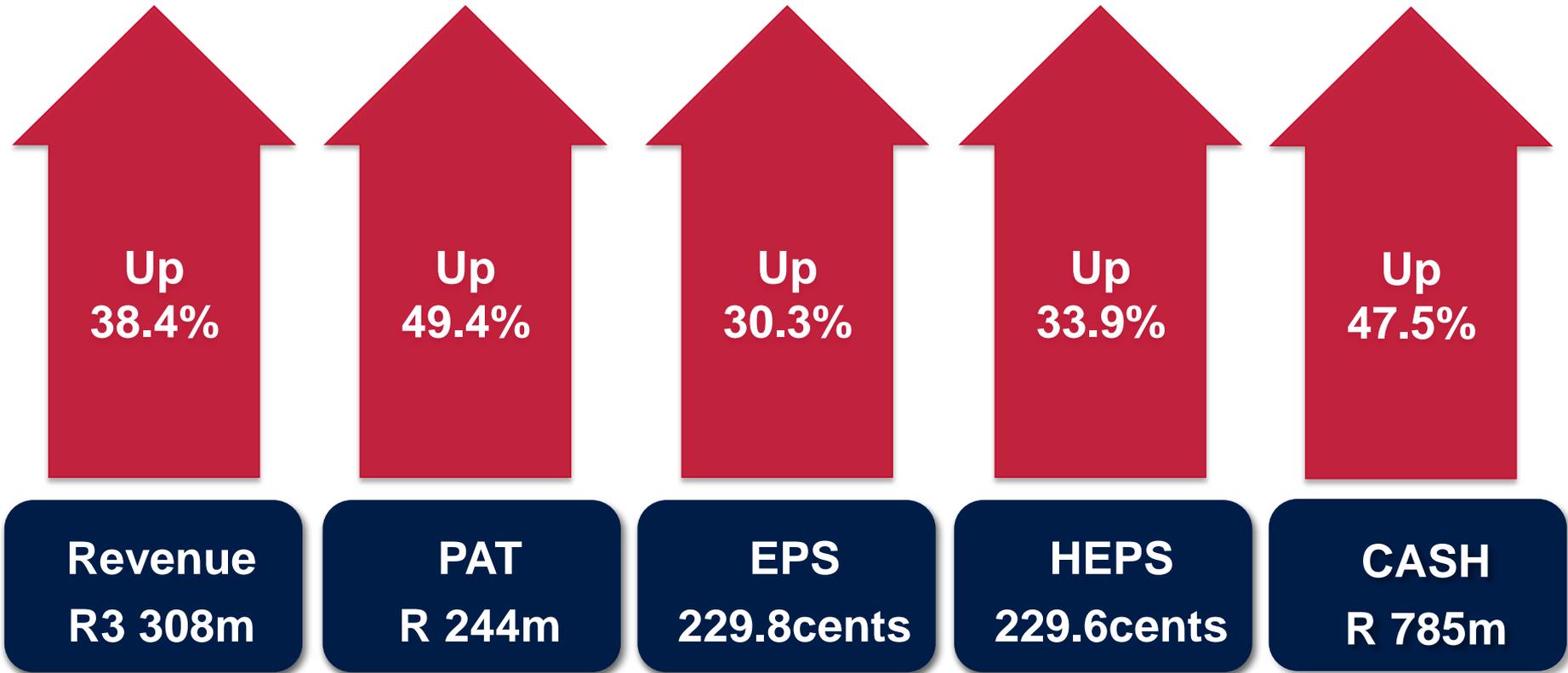
| | 31 Jan 2014 (R'000) | 31 Jan 2013 (R'000) |
|--|------------------------|------------------------|
| Cash generated by operating activities | 166 281 | 285 076 |
| Investment income | 13 952 | 9 479 |
| Finance costs | (31 946) | (20 209) |
| Taxation paid | (98 863) | (77 803) |
| Net cash inflow from operating activities | 49 424 | 196 543 |
| Net cash (outflow) from investing activities | (221 190) | (22 375) |
| Net cash inflow /outflow from financing activities | 304 226 | (93 522) |
| Net cash movement for period | 132 460 | 80 646 |
| Cash at beginning of period | 653 007 | 451 867 |
| Effects of exchange rate fluctuations | (116) | - |
| Cash at end of period | 785 351 | 532 513 |

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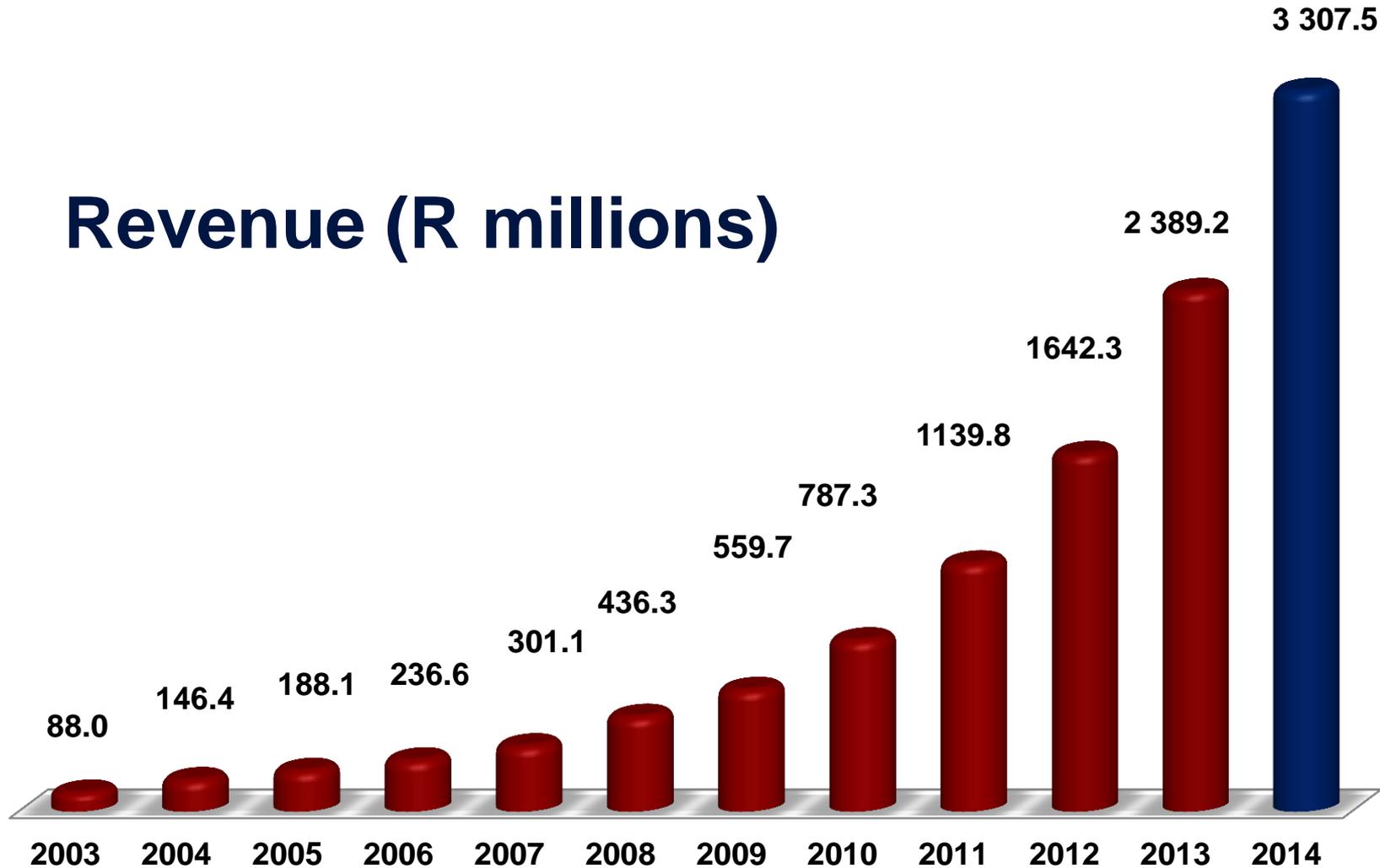
Strategy Going Forward



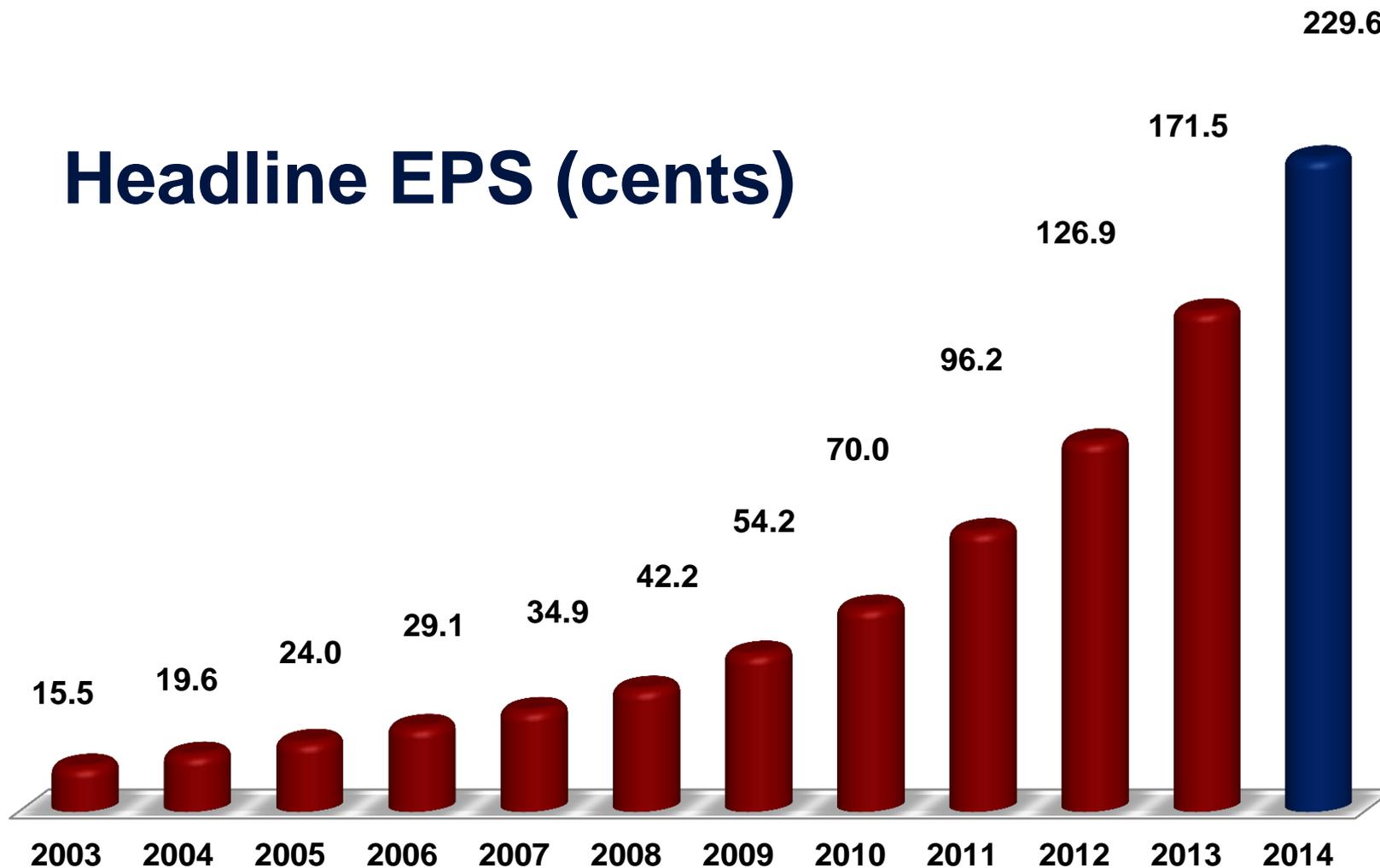
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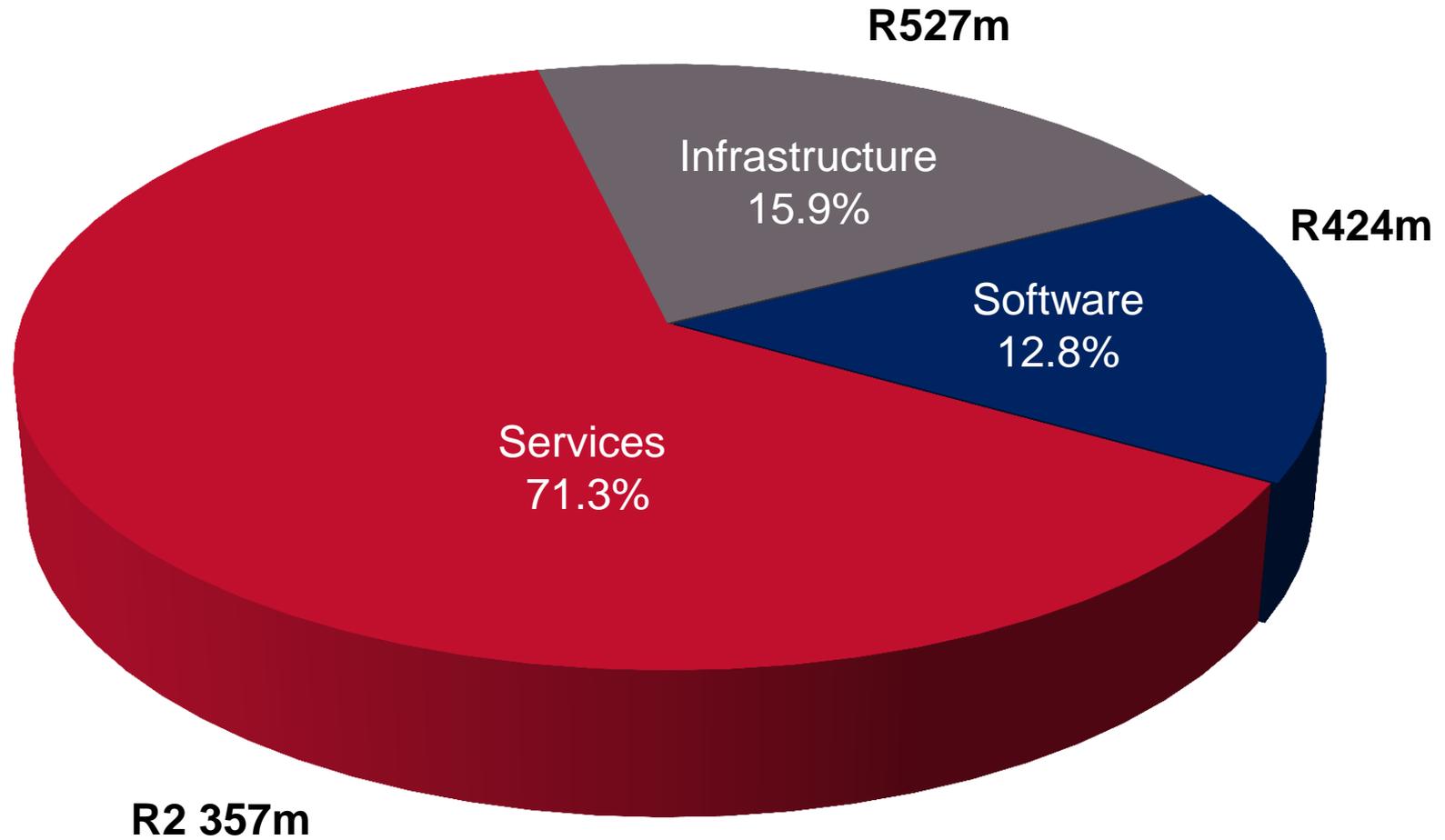


Revenue (R millions)



Headline EPS (cents)





- ▲ Over 7 000 people
- ▲ Leader in our field
- ▲ R10bn market cap
- ▲ Tracking 7bn turnover for 2014
- ▲ End-to-end offerings
- ▲ Operates in South Africa, Africa and the United Kingdom
- ▲ 2 000 customers
- ▲ Winning much larger deals
- ▲ Often automatically invited to bid
- ▲ Healthy, stable and positive work environment
- ▲ Gaining market share
- ▲ Strong brand
- ▲ Ability to retain and attract best people
- ▲ Very entrepreneurial
- ▲ 44% annual compounded growth over 15 years
- ▲ The future is looking bright...

- ▲ Generally the industry is healthy, growing industry
- ▲ Outsourcing, Managed Services, Cloud – major growth opportunities
- ▲ Customers seeking larger players to do business with
- ▲ Customers want to buy wider solutions vs. point solutions
- ▲ Customers want to see direct impact on cost and value
- ▲ Technology disrupts many major industries – understanding our customer space and their challenges are paramount
- ▲ Strong growth in mobile and digital environments
- ▲ Public sector needs to spend substantially on technology - both infrastructure & applications
- ▲ Industrial Technologies – major opportunity in infrastructure investment (Energy, Water, Utilities, Local Government, etc.)
- ▲ BPO – will continue to evolve and grow in SA and the Continent

- ▲ Effective Africa
- ▲ Strong Strategic and Key account management
- ▲ Building of industry verticals which includes industry specific services
- ▲ Enhance BEE equity level
- ▲ Shared services alignment to mirror operational structure
- ▲ Complete our internal systems – ERP, CRM, HR
- ▲ Stronger focus on leadership quality
- ▲ War against cost everywhere, always
- ▲ Continue with our CSI for youth development
- ▲ Enhance and drive the EOH Youth Job Creation Initiative

- ▲ Strong organic growth through strategic and key account management
- ▲ Strategic acquisitions
- ▲ Aggressive growth drive into BPO and Industrial Technologies
- ▲ Go for larger deals
- ▲ New product and services
- ▲ Africa dual approach – center and division
- ▲ Deeper entry into industry expertise through industry specific business
- ▲ Dominate areas we are strong in
- ▲ Cross BU / division solutions
- ▲ Discipline and RFT culture
- ▲ Grow and bring in great leaders

Thank You



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People make it happen