

INTERIM RESULTS

HY2023

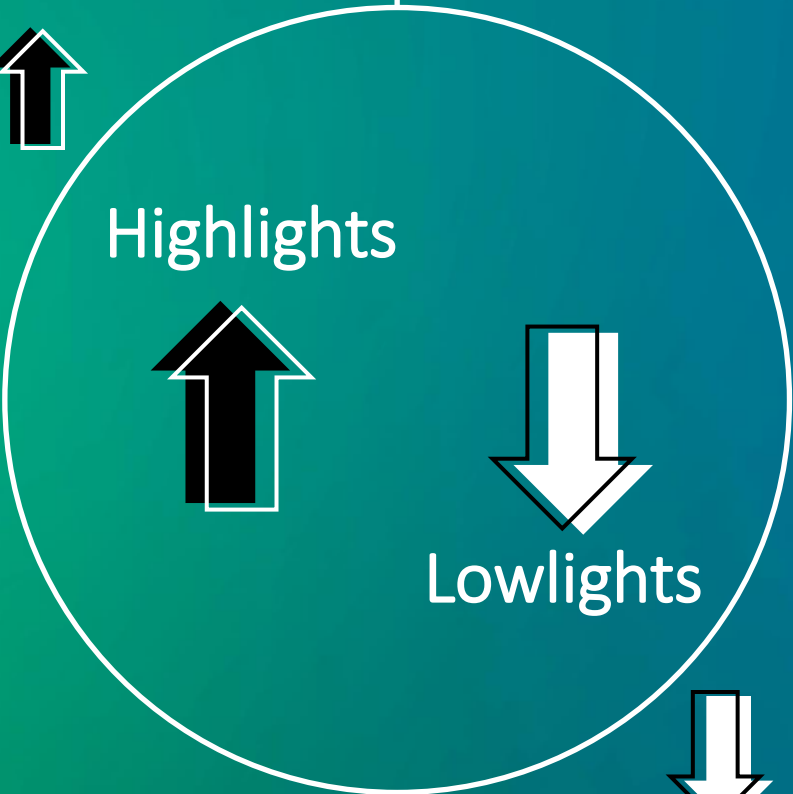


OPERATIONAL OVERVIEW

Stephen van Coller
Chief Executive Officer



*IMPROVEMENT CONTINUES
DESPITE TOUGH CONDITIONS*



Continuing Group Revenue increased 8%



International revenue increased 45%



Stable GP margins 29%



Operating profit for H1- R110m
- greater than FY2022- R100m



Significant improvement
H1 2023 on H2 2022



Successful rights issue
- 200% over subscribed
- 92% followed rights



Invested R48 million in growth



Lowlights

Slowdown in SOE contracting impacted revenue in some businesses



Tough Economic environment requires agility



> EOH successfully raised R600 million

Lebashe specific issue of R100 million

- Owns +20% of EOH
- A-shares extended for 5 years
- Cementing our Level 1 BBBEE status

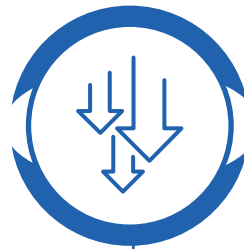
Significant impact on business

- Generating free cash flows
- Ability to invest into organic growth
- Efficient decision making

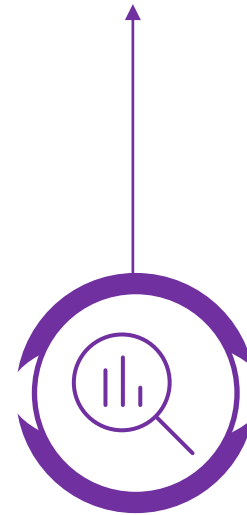
Efficient capital structure



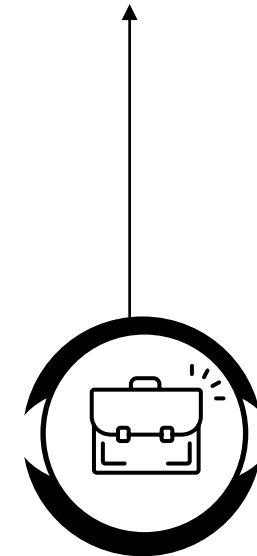
Over R1 billion demand
for R500 million rights
shares offered



Paid down debt
Now R673 million



Restructured debt with single bank
at significantly improved rates



> Accelerating the GET era

EOH a sustainable business with solid foundations to drive growth

<p>6% market share in South Africa, significant organic growth opportunity</p>	<p>Go-To-Market and top customer focus</p>
<p>Contract wins remain encouraging</p> <ul style="list-style-type: none"> • 1585 new deals • Won AWS Rising Star award for SSA • Opentxt platinum partner in Gulf 	<p>OEM partnership strategy working</p>
<p>Investment into organic growth Europe, Middle East, West and East Africa</p>	<p>EasyHQ</p> <ul style="list-style-type: none"> • Technology enabled GRC and HR solutions • Clients can focus on their core value adding products and services
<p>Increased spend on growth initiatives - Own IP</p> <ul style="list-style-type: none"> • SpaceX • RocketLab • EngineX • Agritech 	<ul style="list-style-type: none"> • Delivered on a modular or fully outsourced model • Risk, compliance, payroll, recruitment, training, talent management, internal audit, legal



Growth | New business R1.2bn

Manufacturing	R239 000 000
4-year custom software development contract across the entire estate including UI and UX, Data, Quality Assurance and Testing using an agile methodology	

Mining	R151 453 603
3-year Field Services global support contract covering physical desktop support at multiple locations across Africa and Europe	

Financial Services	R144 000 000
5-year contract with annual upfront payment to look after Mainframe support and additional software development	

Mining	R126 228 929
Global Service Desk 3-year contract covering the provision of global and regional call centres to handle and resolve IT-related issues across Africa, Europe, Asia and North America	

Mining	R125 911 332
Global workspace 3-year contract covering software support and issue resolution at the desktop level across multiple European and African countries	

Telco	R80 000 000
Build of a mobile application platform on a modularised architecture, hosted on Azure Cloud, allowing the customer to have full ownership of the IP. The new platform premised on agile methodology is linked to a data studio allowing for real time analytics.	

Manufacturing	R65 000 000
SAP S/4 HANA Infrastructure and virtualization - Phase 1 and 2, Datacenter Synergy Frames, VCF Private Cloud Platform, SAN upgrades, Managed Services, Kubernetes (Tanzu + Tanzu build service), Servers and associated services, Redhat	

Financial Services	R60 000 000
SA transformation project - end to end testing, automation, program management and strategy	

Financial Services	R48 000 000
50 resource augmentation placements in specialised projects including data, application development and quality assurance	

Diversified Industrials	R39 000 000
Managed Services provisioning - End User Computing and Service Desk	

Public Sector	R37 000 000
Microsoft Technical & Support services	

Financial Services	R35 000 000
Modernisation of the Home Loan applications system across the entire stack from UI into the back-end systems and supported with services	

Energy and Utilities	R23 194 360
Supply of substation protection, metering and automation schemes for Eskom Transmission and Distribution for a period of 4 years	

Financial Services and Insurance	R26 000 000
Cloud migration with services and support - South and Rest of Africa Divisions	



> Accelerating the GET era

EOH a sustainable business with solid foundations to drive growth

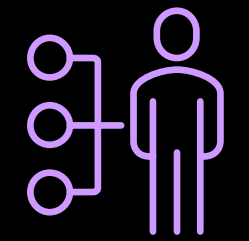
Business margins stable	Re-alignment of portfolio, reporting and accountability
Leaner corporate structure and property lease portfolio	New ERP launched
Efficient Capital Structure	Corporate restructuring to achieve tax efficiency



> Accelerating the GET era

EOH a sustainable business with solid foundations to drive growth

Talent is a scarce commodity in the digital world	Pay for performance LTIP in place, proper rewards
International Top Employer award	Remuneration and incentivisation
MyNextMove – use opportunity to find sweet spot	Cultural turnaround having gone through this period together
Rise Up Academy – encourage upskilling	Post COVID staff well-being initiatives



Talent



T

> Talent

Enable & Grow

Total Spend EL & UL | R15 954 475

People with Disabilities | 165

Drone Pilot - PWD | 4

iOCO specialized Digital Testing Academy | 12

ICT bursaries and Internships | 132

Employee Child Bursary scheme | 15

United Nations Global Compact Accelerator Programmes



Include



Male | 56%

Female | 44%

AIC | 64 % of total workforce

Inclusion roundtables hosted | 4
2nd group of Youth Solvers

Care



Employee Experience

80% | of leavers would return to EOH

Wellness

Integrated Wellness Strategy

interactions during various wellness sessions | 2167



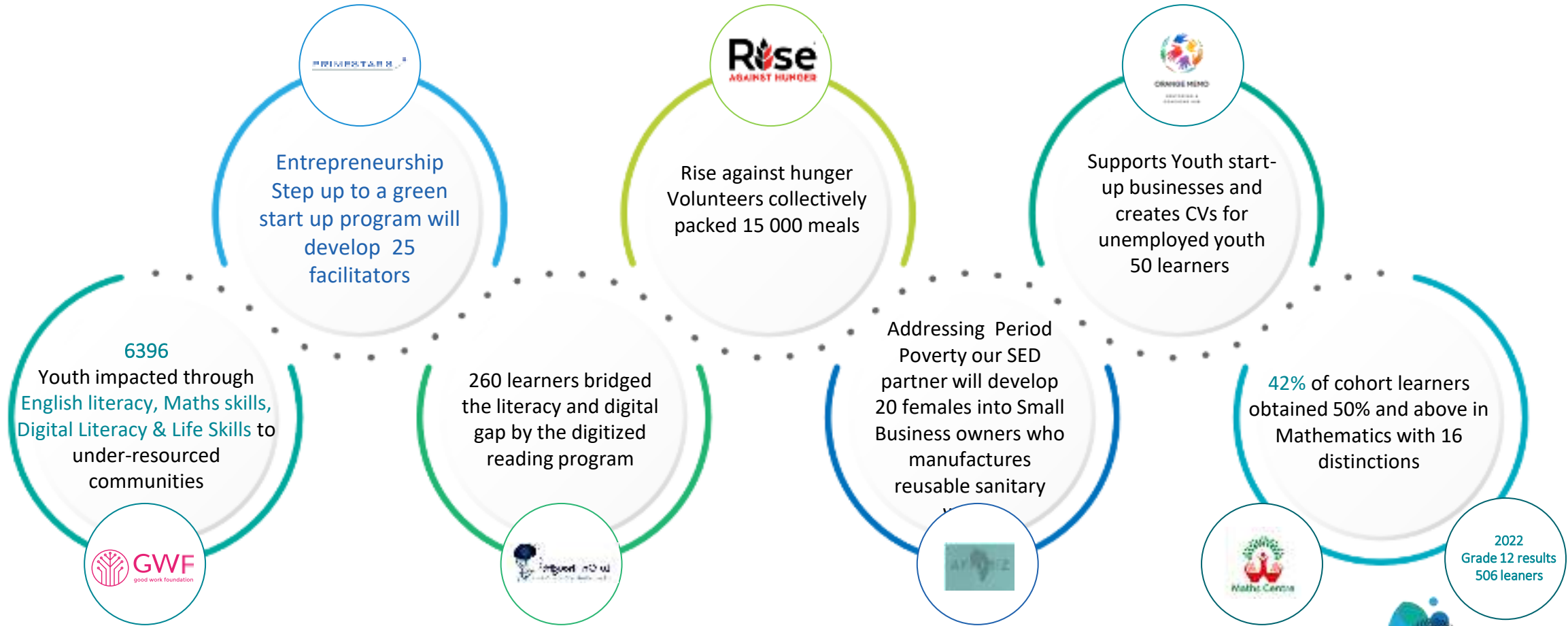
Top Employer Certification

Global certification recognizing excellence in people practices



Impacting our communities

We remain relevant to RSA in 2023 and beyond





Financial Overview

Megan Pydigadu
Chief Financial Officer

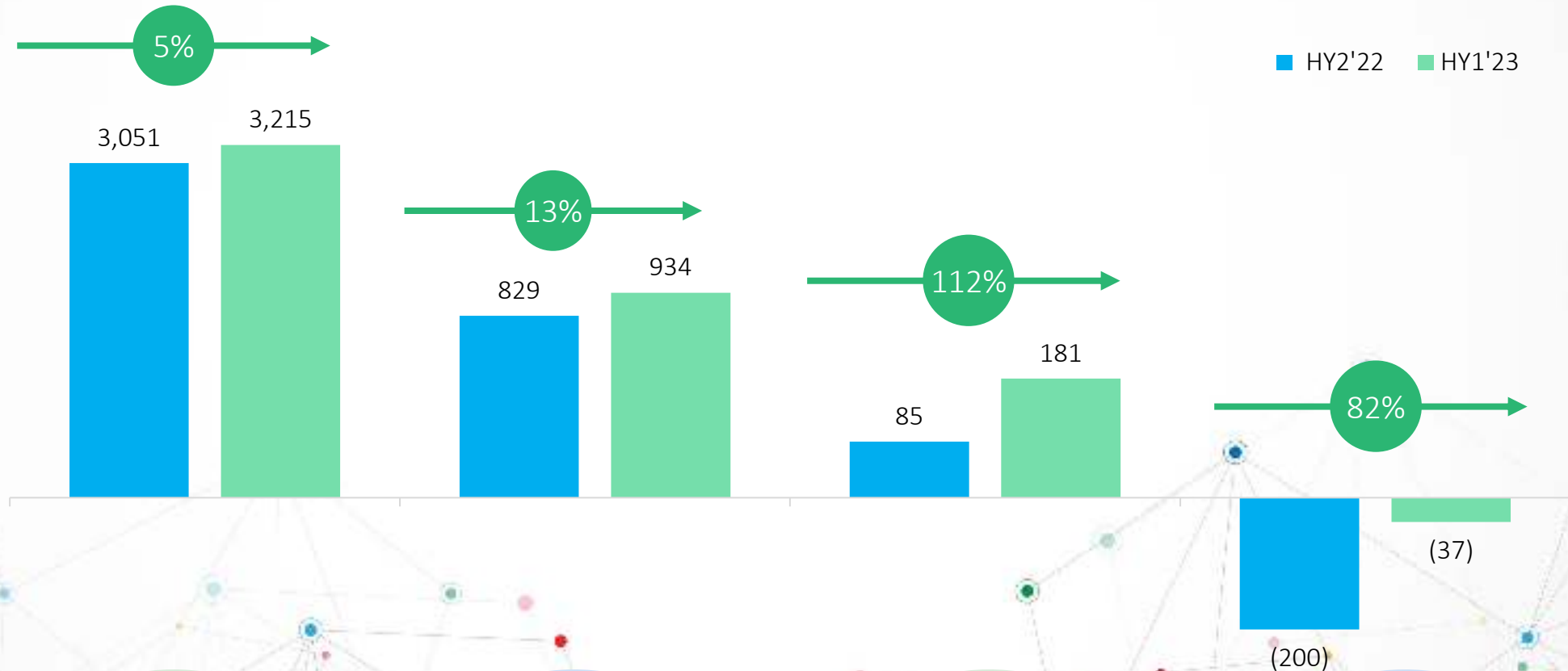
> HY23 financial summary

Rm	Unaudited	HY23		HY22		
		Continuing	Discont.	Unaudited	Continuing	Discont.
Revenue	3,244	3,215	29	3,511	2,980	532
iOCO	2,360	2,331	29	2,305	2,110	195
NEXTEC	884	884	-	907	871	37
IP	-	-	-	300	-	300
Gross Profit	934	934	-	1,049	861	188
Gross margin	29%	29%	-	30%	29%	35%
Operating expenses	(792)	(824)	32	(881)	(699)	(183)
% of Revenue	24%	26%	-	25%	23%	34%
Operating (loss)/ profit	142	110	32	167	162	5
Operating margin	4%	3%	110%	5%	5%	1%
Net finance costs	(98)	(98)	-	(95)	(93)	(3)
Profit/(loss) before tax	44	13	32	72	70	2
Taxation	(50)	(50)	-	(50)	(30)	(20)
Profit/(loss) after tax	(5)	(37)	32	22	40	(18)
Adjusted EBITDA	171	181	(11)	339	278	61
EBITDA margin	5%	6%	(37%)	10%	9%	11%
HEPS (cents)	(17)	(13)	(4)	25	14	9

Slight casting differences is due to rounding to millions

> Strong comeback from HY2'22 (R'm)

Improvement on key metrics



Revenue

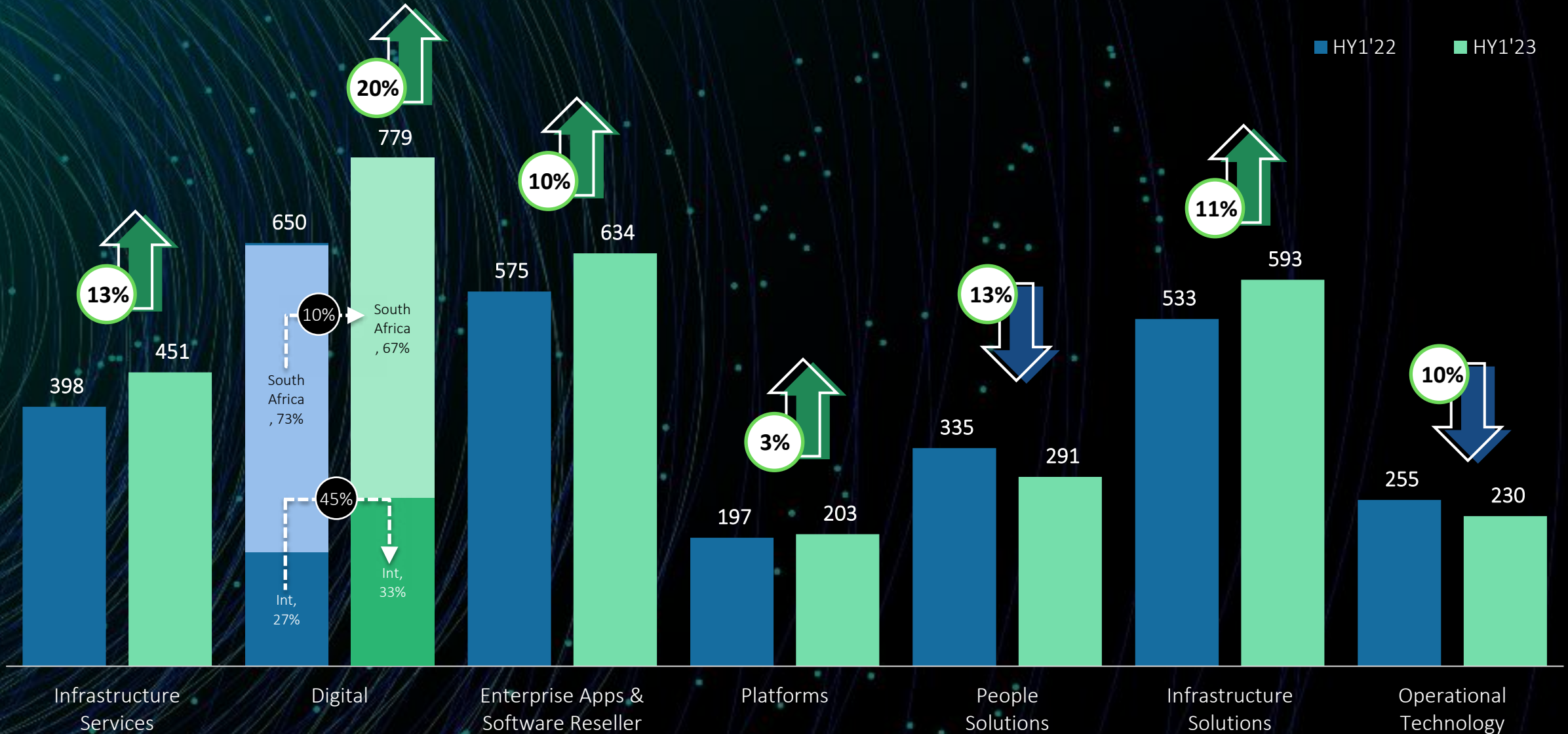
Gross Profit

Adjusted EBITDA

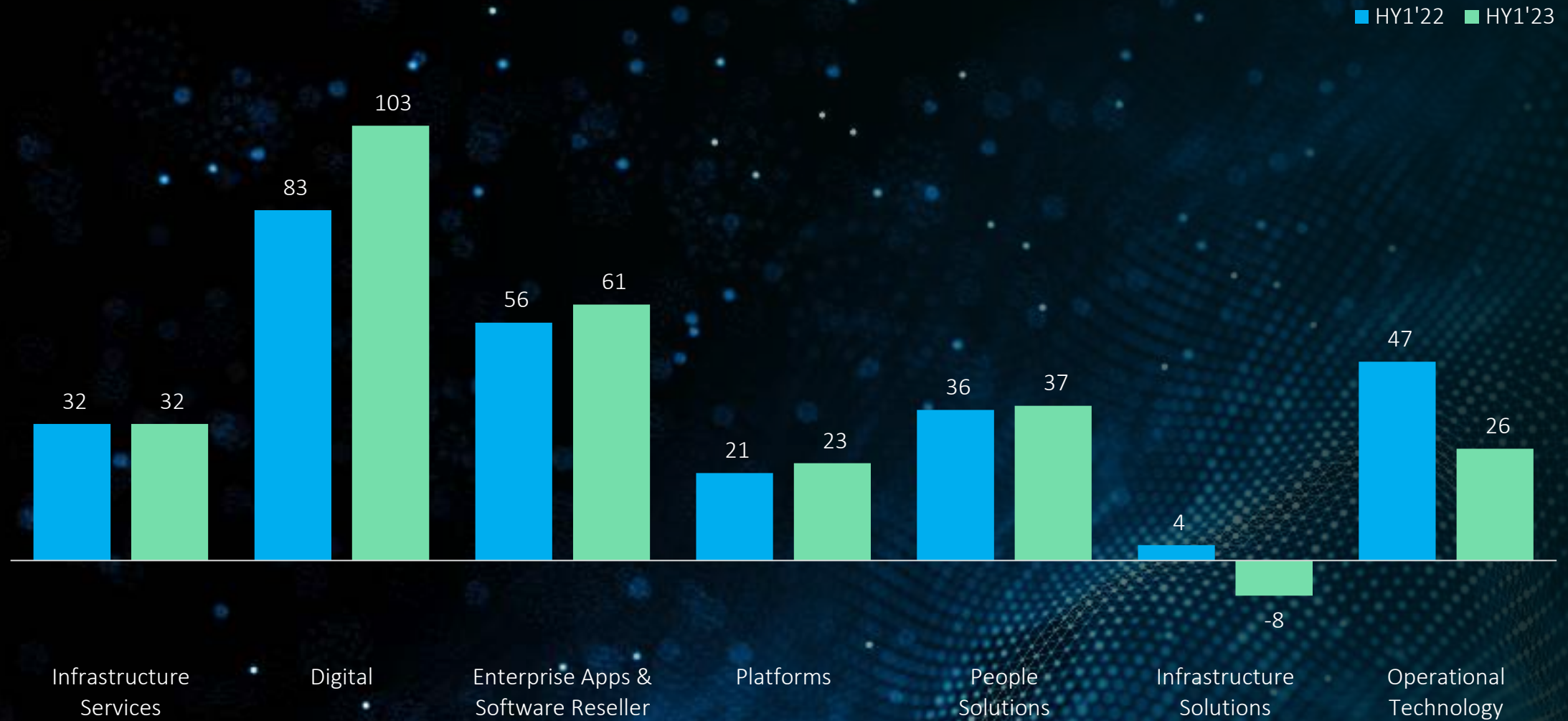
Profit after tax

> Continuing External Revenue (R'm)

8% Revenue growth year on year

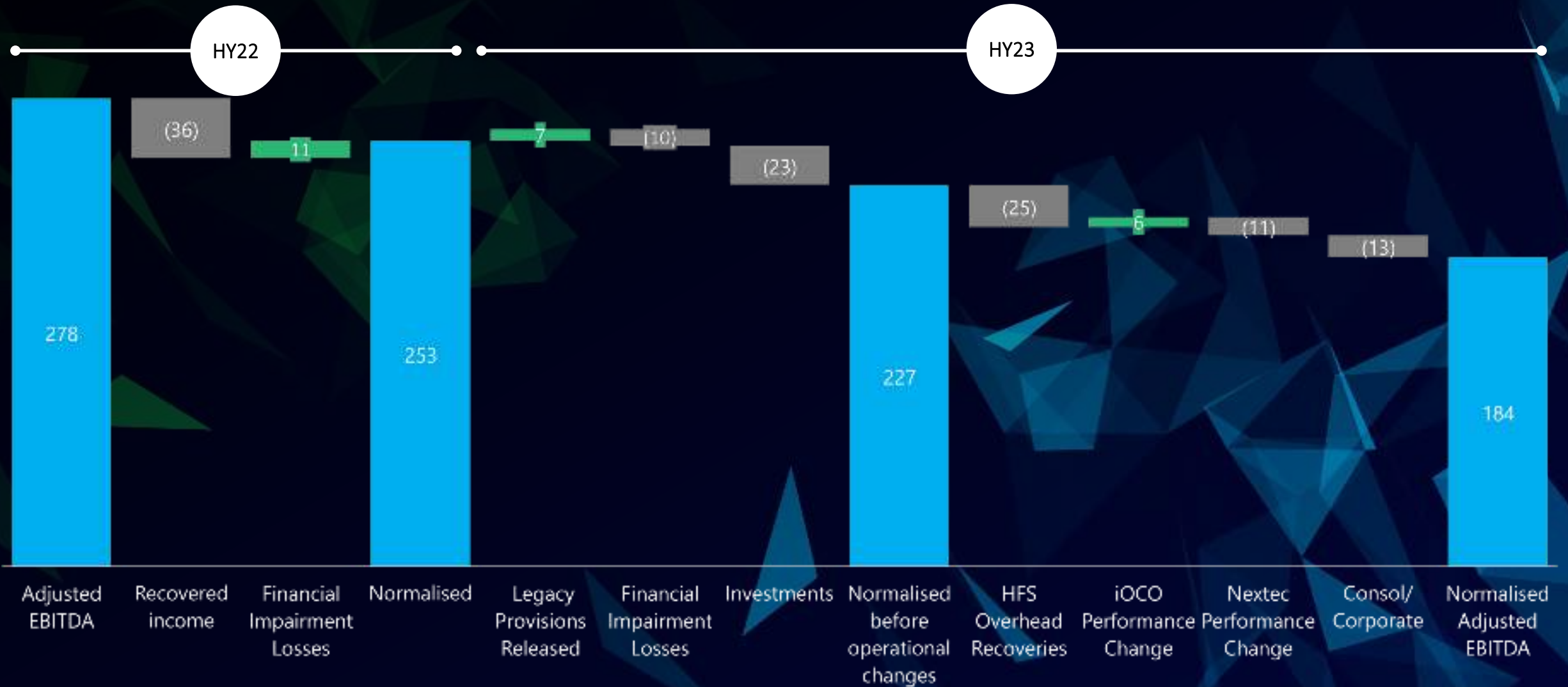


> Continuing adjusted EBITDA by segment (R'm)



The above includes intra and inter segment performance to highlight standalone performance of each segment

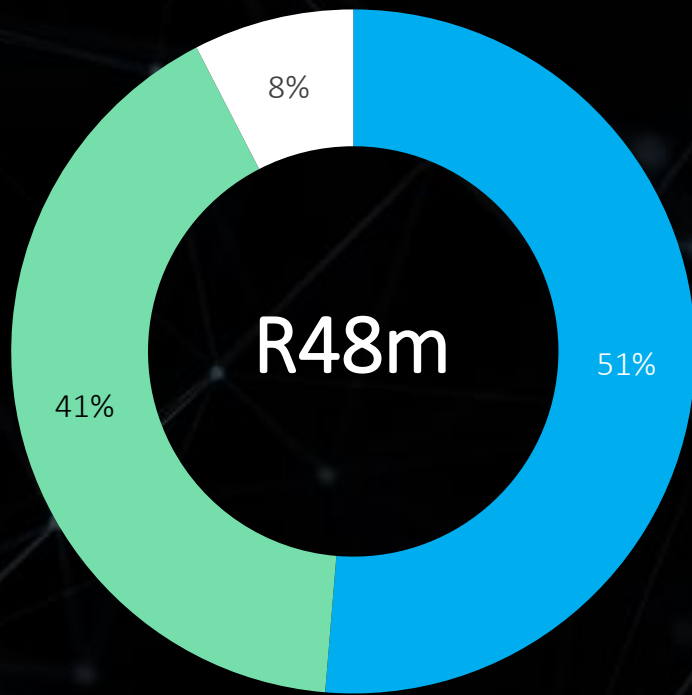
> Continuing Normalised EBITDA (R'm)



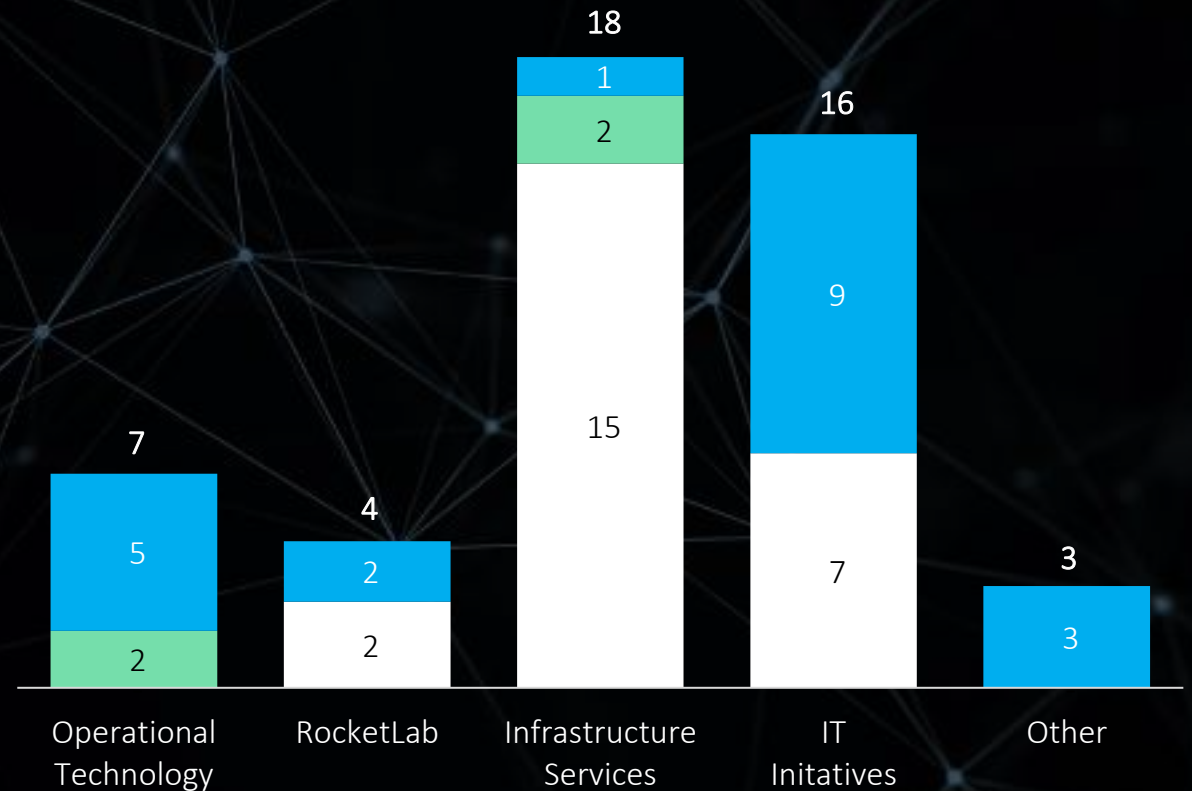
> Investing for future growth & efficiencies

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

Investment Type



Area of Investment



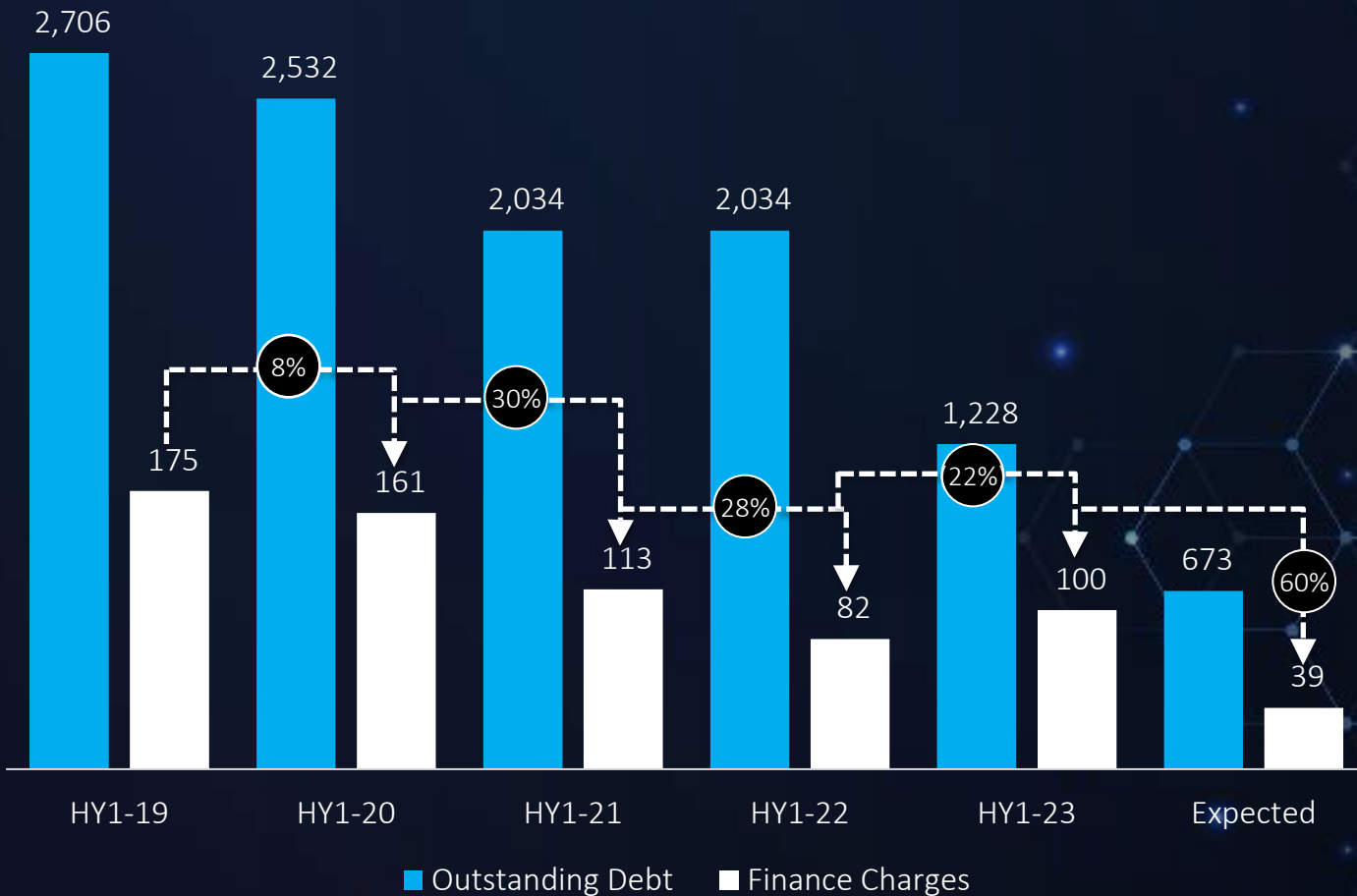
■ Capital Expenditure ■ Operating Expenses ■ Cost of Sales

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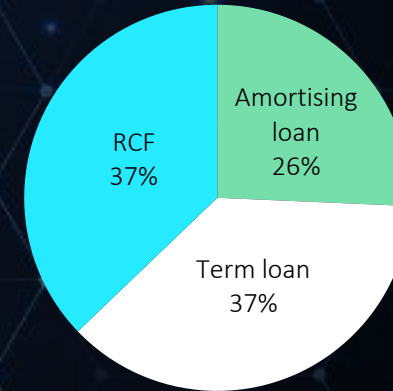
The above does not include maintenance capital expenditure

> Finance Charges (R'm)

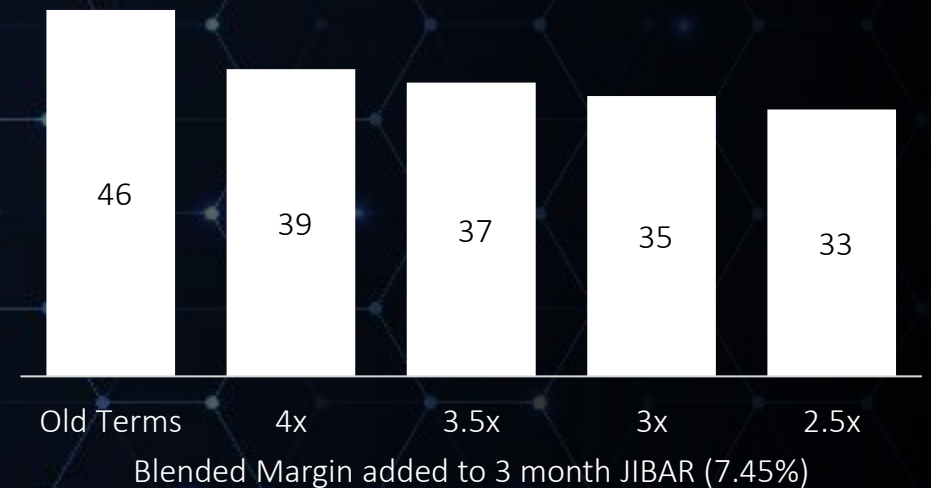
Reduced costs allows the Group to pursue investment opportunities



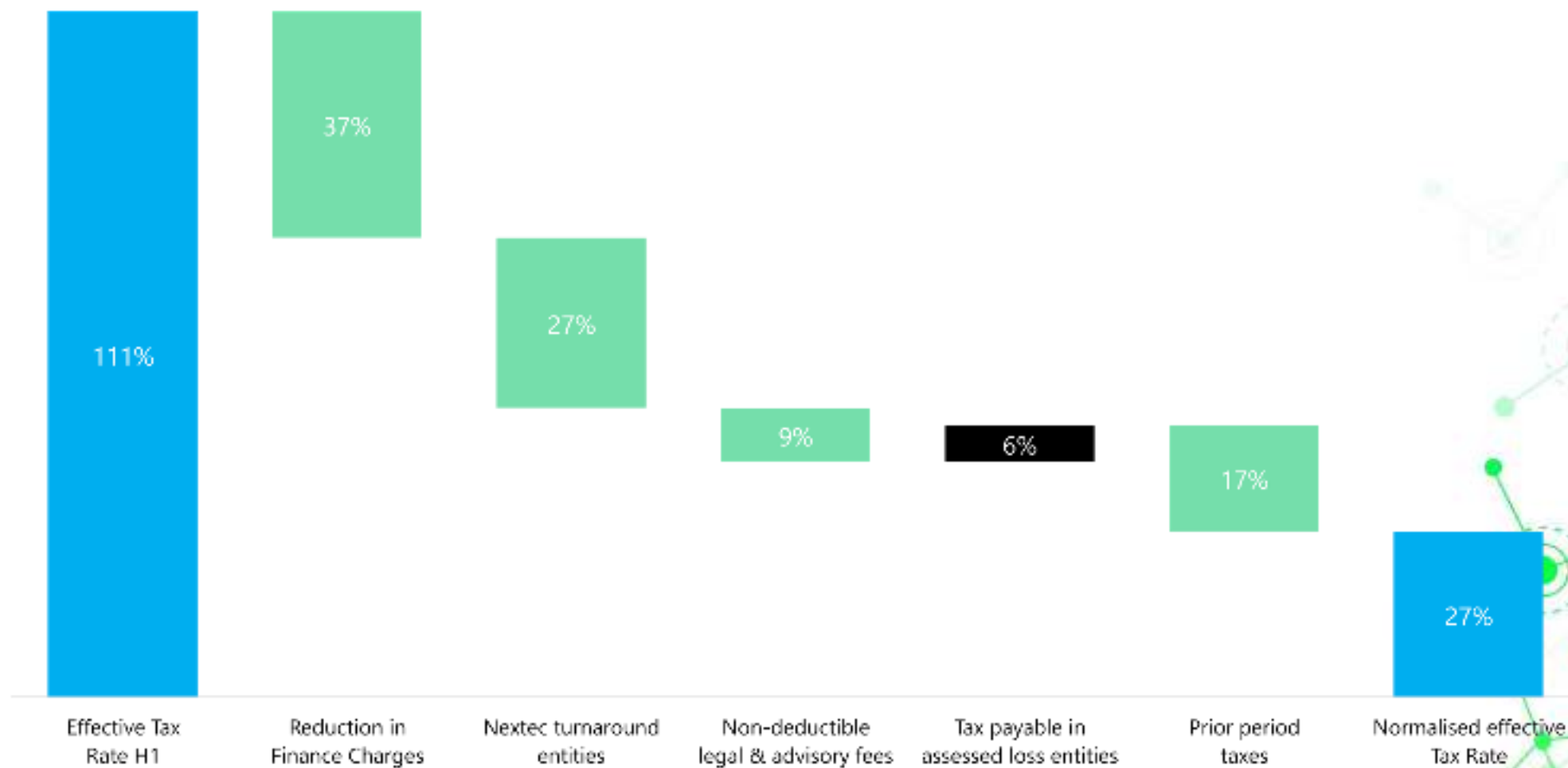
Remaining Loan @ 31 March 2023: R673m



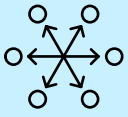
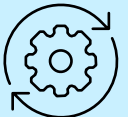
Future finance cost as leverage ratio improves (per HY)



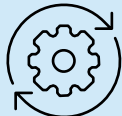


> Tax Rate



> Balance Sheet

	R'm	HY23	FY22
 Assets	Non-current assets		
	Property, plant and equipment	151	185
	Intangible assets	90	84
	Goodwill	675	675
	Other financial assets	15	18
	Deferred taxation	109	106
	Finance lease receivables	5	11
		1 045	1 077
 Current assets	Inventories	83	90
	Other financial assets	50	14
	Current taxation receivable	34	35
	Finance lease receivables	71	71
	Trade and other receivables	2 007	1 829
	Cash and cash equivalents	236	411
		2 482	2 449
	Assets held for sale	75	226
Total assets	3 601	3 752	

	R'm	HY23	FY22
 Equity and Liabilities	Equity		
	Stated capital	4 217	4 217
	Other reserves	465	495
	Accumulated loss	(4 684)	(4 679)
	Equity attributable to EOH	(1)	34
Non-controlling interest	22	26	
	20	60	
 Liabilities	Non-current liabilities		
	Other financial liabilities	500	496
	Lease liabilities	38	51
	Deferred taxation	39	28
	577	576	
 Current liabilities	Other financial liabilities	896	938
	Current taxation payable	16	36
	Lease liabilities	39	55
	Trade and other payables	1 838	1 701
	Provisions	192	316
		2 981	3 046
	Liabilities held for sale	22	70
	Total liabilities	3 580	3 692
Total equity and liabilities	3 601	3 752	

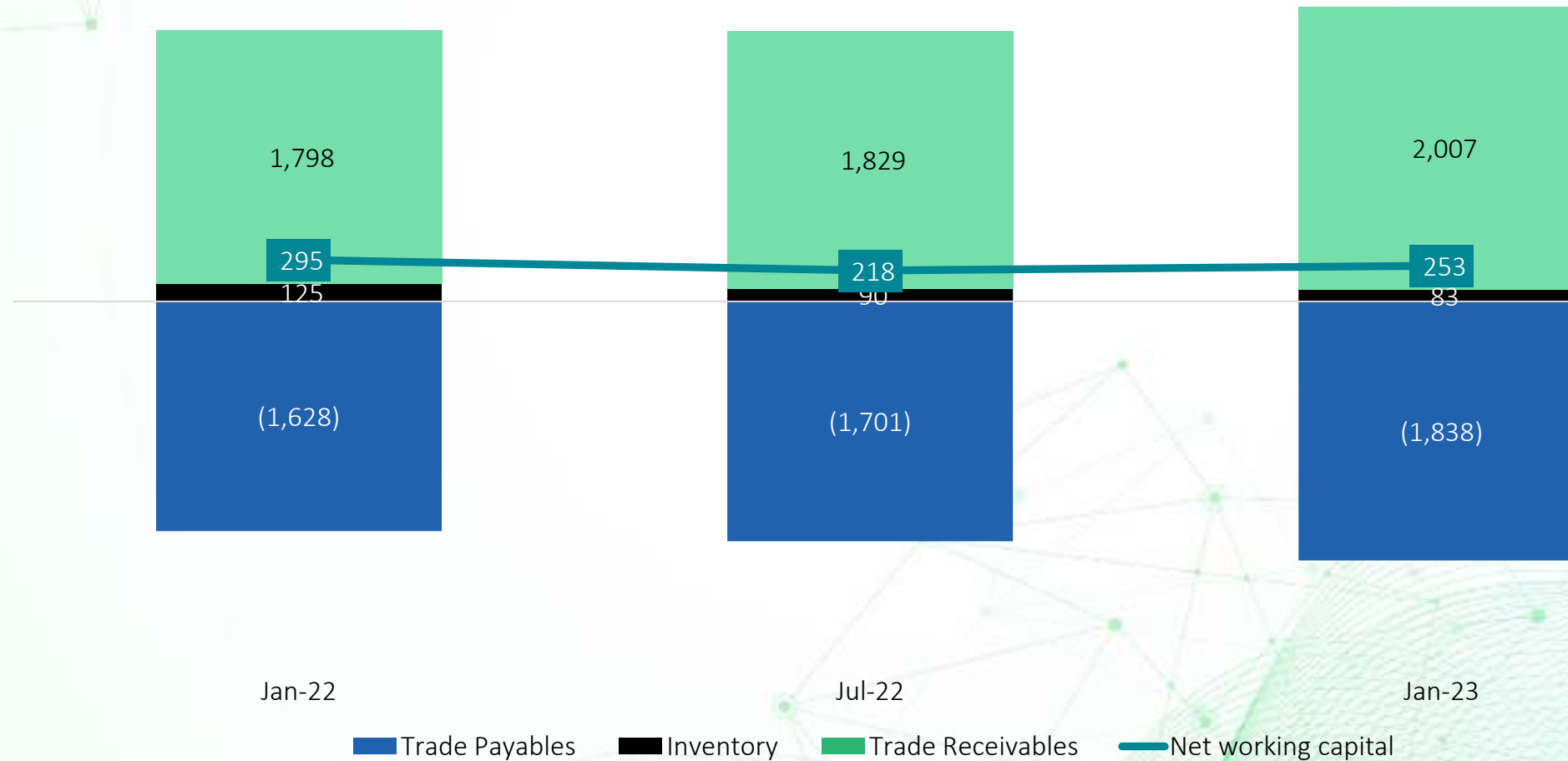
> Debt Update (R'm)



The above excludes utilisation of any general banking facilities

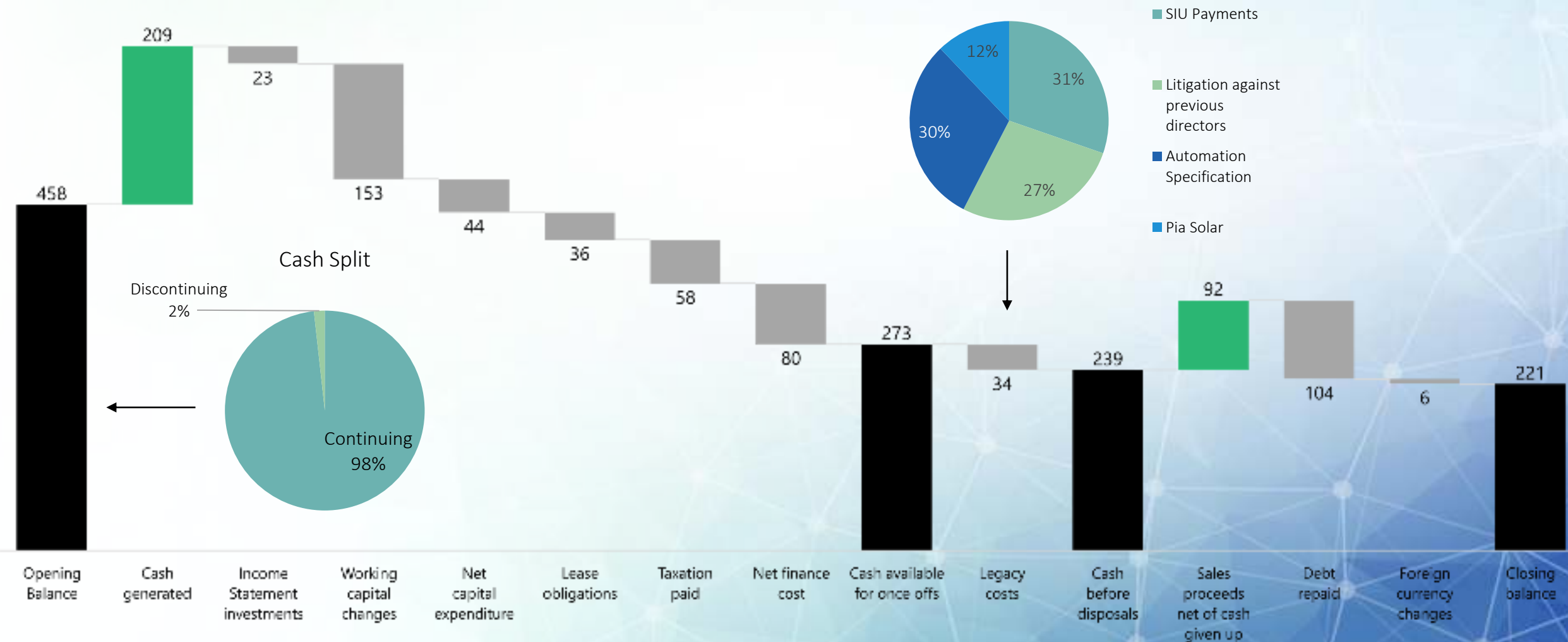
> Working Capital (R'm)

Managing closely within confines of the current economic climate



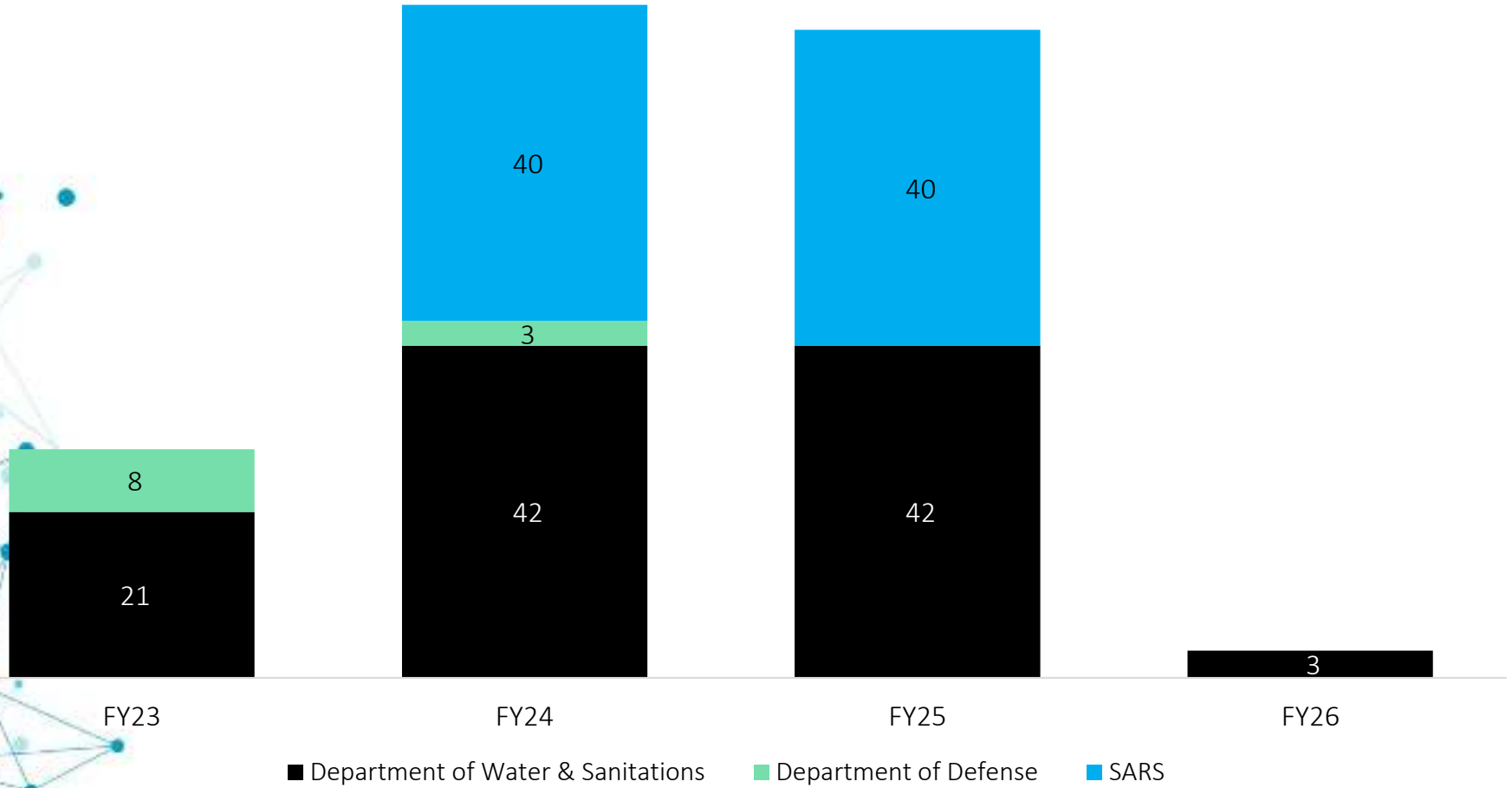
> Cash bridge (R'm)

Economic pressure on customers, investments & high finance costs have put a strain on cash generation



Legacy payments to come (R'm)

Closing out remains a key focus



> A reminder of how we see our Business with the correct capital structure

Revenue
R5,961m



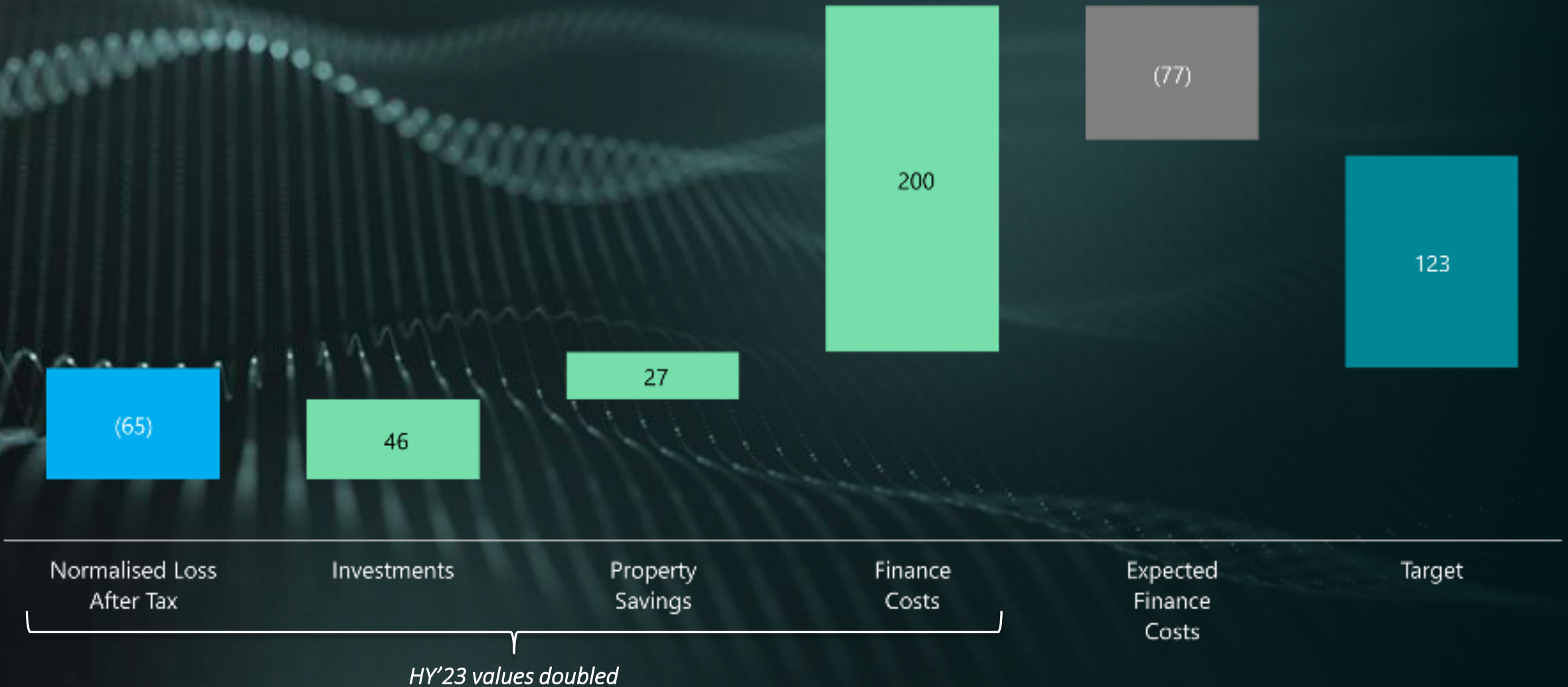
EBITDA
R483m
8% margin



Profit after
tax
R112m
2% margin



> Exceeding progress towards target profit of R112 million



Outlook

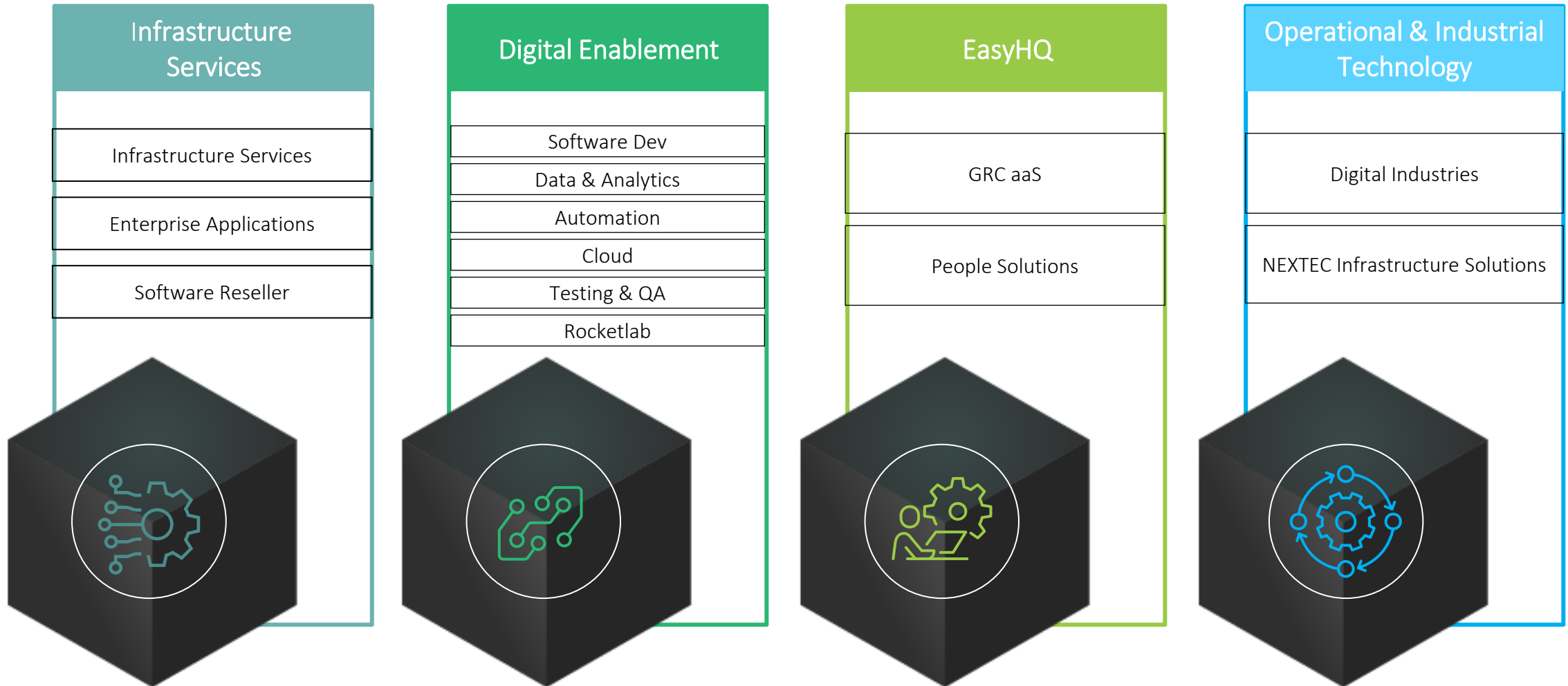


SOLVE



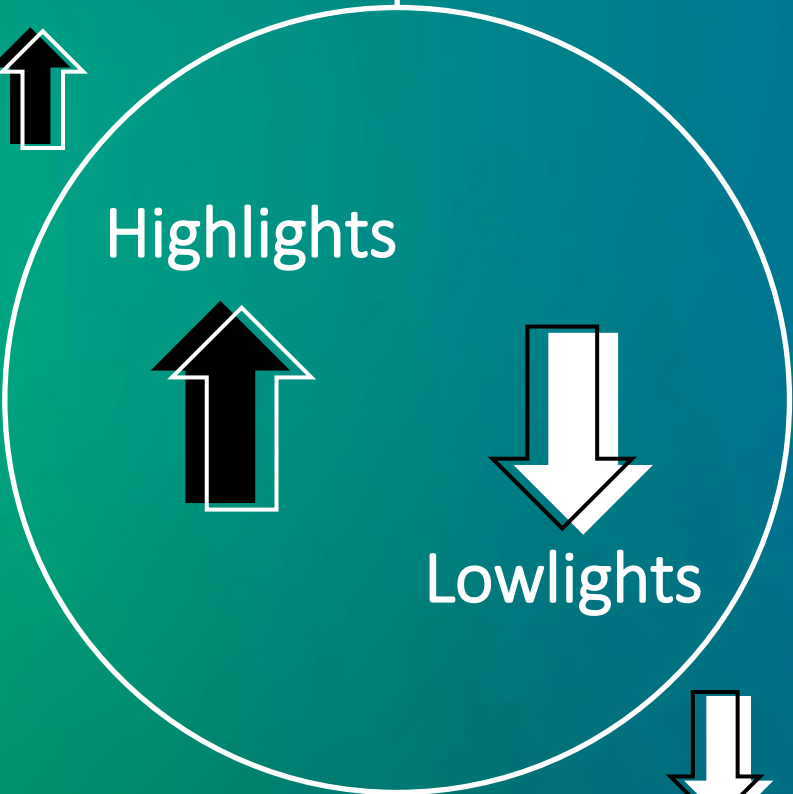
We **exist to improve lives** through the technologies we create, leaving the world **better than we found it.**

Technology Platforms to free Clients up to focus on their core business





*IMPROVEMENT CONTINUES
DESPITE TOUGH CONDITIONS*



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Stable GP margins 29%



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Significant improvement
H12023 on H22022



Invested R48 million in growth



Lowlights



Slowdown in SOE contracting impacted revenue in Operational Technologies



Tough Economic environment requires agility



Thank you

