

> Interim Results

For the six months ended 31 January 2020

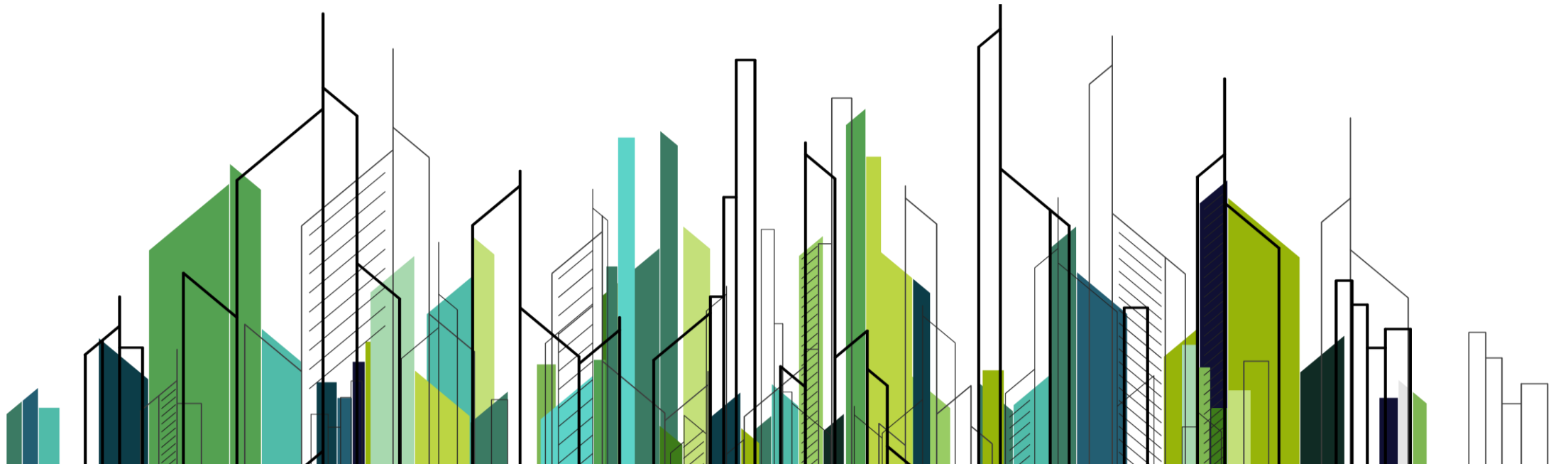
7 April 2020



Strategic & Operational Overview

Stephen van Coller

Group CEO





THE STORY SO FAR...

- Attracted experienced talent while retaining existing key talent
- Significantly improved governance, risk and control procedures
- Avoided Government and BUSA blacklisting/suspension
- Stabilised core revenue

- Traction on legal company rationalisation
- Collected R400m in long outstanding debt
- Closed 31 properties - annualised R70m pa savings
- Contained headcount as staff numbers down by 3,000
- Sold over 40 businesses - value of R1,17bn

- Paid R227m in one off costs & settlements in last 6 months
- Paid lenders R1,5bn in the last 19 months
- Significant accounts clean up though data cleansing
- Restructured the core iOCO business into 5 manageable units

KEY ACHIEVEMENTS FOR THE PERIOD



Business performance stabilised with Gross Profit margin improvement

Total Revenue **R 6 354 million** with **24% GP margin**



Significant cost management progress made

Normalised EBITDA **R405 million** with **~65%** cash conversion rate



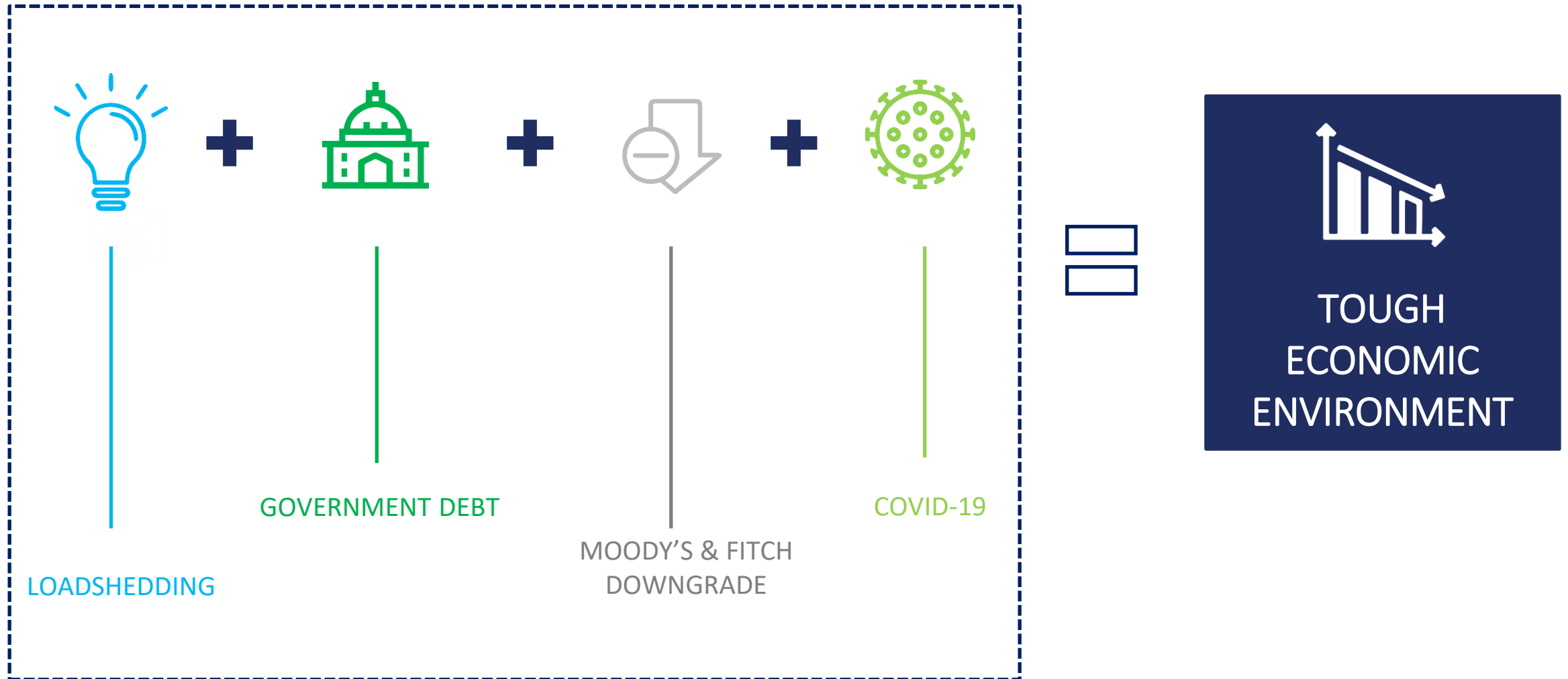
Stable cash balances consistent with prior period

Cash balances **R826 million⁽¹⁾** with an improvement to **R950 million** as at 2 April 2020



Clear path to extinguishing drain of large one-off settlements and loss making business units

NEW MINDSET REQUIRED FOR CHANGING ENVIRONMENT



HIGHLY EXPERIENCED LEADERSHIP TEAM WITH DIVERSE SKILLS



Megan Pydigadu
Chief Financial
Officer



**Stephen van
Coller**
Chief Executive
Officer



Fatima Newman
Chief Risk Officer



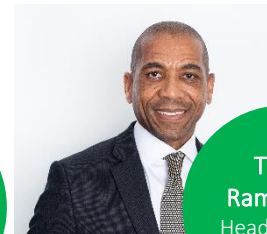
Marius de la Rey
Interim COO iOCO



**Lufuno
Nevhutalo**
Head of Public
Sector



Sean Bennett
Interim COO
NEXTEC



**Tsepa
Ramoriting**
Head of iOCO
Technology



Brian Harding
Head of iOCO
Solutions



**Natasha
Andrykowsky**
Head of Strategy
and Change

Entrepreneur as a pioneer, owner and operator of retail operations including King Pie and Mugg & Bean. Executive of retail banking in ABSA and Standard Bank

ICT industry veteran who founded Cornastone. Corporate experience includes serving as Executive Director of listed entity CCH, where he oversaw 17 subsidiaries.

Moved to South Africa in 2008 . Previous Head of HSBC Global Banking Africa, CEO of UBS SA and Head of UBS Sub-Saharan Africa as well as CEO of listed company Kore Potash.

Over 25 years ICT industry experience including running own business and working for IBM (6yrs) and Oracle Corporation (5,5yrs) as a Senior Exec.

ICT industry experience spanning over 25 years, having worked in various management & executive positions. Co-founder & owner of software development company (Airborne Consulting)

Previously served as Head of International Banking for the South African region for the Absa Group. Was the project lead for CIB with respect to its separation from Barclays Plc.

WITH STRONG SUPPORT AT A CORPORATE LEVEL AND PUBLIC SECTOR LEVEL..



Megan Pydigadu
Chief Financial
Officer

Louise Pinto (Financial reporting, Planning and Analysis) CA(SA). previously at Absa in various senior finance and data analytics roles. Joined EOH May 2019

Debbie Millar (Treasury and IR) CA(SA). Previously at Vodacom, MTN and Edcon as treasury and IR head. Joined EOH November 2018

Marialet Greeff (Tax) CA (SA) Hdip Tax. Previously at Cell C within financial control and tax and Micro Mega Holdings. Joined EOH April 2019

Jo Pohl (iOCO Finance) CA(SA) and ACCA and PBSA. Telesure Investment Holdings, Standard Chartered Bank and Barclays Africa. Previously CFO of Bowmans. Joined EOH April 2020

Sandrika Chetty (Nextec Finance) CA (SA) Previously Group CFO Lonrho Group and FD of Netcare Hospitals Division and Barloworld Handling. Joined EOH August 2019

Lwando Sangcozi (Business Exec for CFO) CA (SA) Previously CFO Hollard Affinities and Direct and FP&A for AIG. Joined EOH May 2019



Fatima Newman
Chief Risk Officer

Damian Naicken (Legal) LLB and admitted attorney. Previously Servest Group Proprietary Limited ,HR Director for Servest Security a division of Servest Proprietary Limited. Joined EOH November 2019

Jo Vipond (Procurement) Previously Group Chief Procurement Officer Standard Bank (retired) Country GM Siemens Australia, COO Siemens Business Services SA, Project Executive IBM. Joined EOH October 2019

Malisha Awunor (HR) Previously HR director of Barloworld Global Power and Handling HR Head Coal of Africa and Anglo America. Joined EOH Jan 2020

Garreth Young (Compliance) BA LLB Previously head of compliance and governance risk and control Absa CIB, Eurasian Resources Group and Partner at Schindlers. Joined EOH August 2019

Cara Laing (Risk) CA (SA) Previously Head of Risk at Mix Telematics, Etisalat and EY (Qatar). Joined EOH Apr 2019

Muhammad Kaamil Buckas (Internal Audit) (CA) SA. Previously Regional Executive: Audit and Risk at Liquid Telecommunication. Joined EOH Dec 2019

CREATING A SUSTAINABLE BUSINESS MODEL

FOCUSED ON RESTORING GROWTH TRAJECTORY & DELEVERAGING

NEXTEC
The Power of People and Technology
Realised

- Energy
- Water
- Learning and Development
- Optimise

Consulting and Engineering offerings.

Businesses under review for strategic fit

Will allocate appropriate businesses to iOCO & divestments of non-core assets to be largely completed over the next 12- 18 months

iOCO

**iOCO
Customer**

- Sales & Advisory
- Network Solutions
- Manage & Operate

**iOCO
Technology**

- Compute
- Enterprise Applications
- Software reseller

**iOCO
Solutions**

- App Dev
- Data & Analytics
- Cloud & Security
- International

Range of solutions, products and services across the ICT value chain.

IP

- Sybrin
- Information Services
- Syntell
- CCS

Businesses require focus & scale

EOH cannot provide given current focus

Good progress in sale/strategic partnerships

Key to deleverage process

OPTIMISING THROUGH A SINGLE ORGANISATION WITHOUT LOSING AGILITY

> OUR VALUE PROPOSITION – 5 MAIN BUSINESS LINES IN iOCO



- 

Extensive consulting capability offering industry advisory and extensive technology advisory services covering CT architecture, human-centered design, agile and digital
- 

Outsourced management of IT infrastructure, services and hosted network solutions
- 

Software resell, Enterprise applications implementations and support, provisioning of hardware infrastructure and data center services
- 

Application development; Data & Analytics solutions and API management together with Cloud and Security
- 

Automation & AI IOT driven software solutions for heavy industrial & mining customers; advisory; design and implementation

GOVERNANCE RISK AND CONTROL FRAMEWORK PROGRESS

MAY 2019

7 Pillars of Governance Strength Road Maps (building blocks/ each element building Governance Value)													
Ethical Leadership & Culture	Core Values	Code of Conduct	Ethics Programme	Ethical Recruitment	Anti-Fraud Corruption	Competition	Other Policies						
Strategy Governance	MOI	EOH Strategy	Sustainable Transformation	Operating Model	Stakeholder Strategy	Effectiveness Reviews	Project R&D Portfolio Mngm						
Governance Structures Accountabilitys	EOH LTD BoD	Operational Segment BoD'S	Board Members Development	Executive & Management Structures	Operational Plans	DOA Escalation Approval Protocol	Directive Setting	Goals Targets Setting	Performance Management				
Sustainability & Resilience	Reputation Brand Strategy	Change Management	Human Capital Talent Management	EOH IT Strategy	Marketing Go-2- Market Strategies	Commercialisation	Execution Project Management	Revenue Recognition Collection	CRM	Balance Sheet Management	Knowledge Management	BCM Resilience Crisis	
Corporate Citizenship	CSR	Environment Stewardship	CSR Performance	Employee Health/Safety									
Risk Compliance Framework	Internal Control Frameworks	Board Fiduciary Duties	Risk Strategy	ERM Capability	Risk Culture	ERM Oversight Structure	Value Drivers Risk Universe	Risk Assessment Analysis	Risk Mitigation Plans	Risk Monitoring Reporting	Company Secretarial	Regulatory Framework	
	Internal Codes	External Codes	Tenement Management	Software Licensing	Material Non-Compliance	Document Management	IA Strategy	CSA Other 2nd/3rd LoD	Risk-based IA Plan	IA Forum			
Transparency & Disclosure	IFRS	Integrated Report	Stakeholders Regulators	Financial Management	Portfolio/Project Reporting	RemCo Disclosures	King IV	Risk & Assurance	IP & Trademarks	Protection Info-EOH POPI/Clients			

MARCH 2020

7 Pillars of Governance Strength Road Maps (building blocks/ each element building Governance Value)													
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Corporate Citizenship	CSR	Environment Stewardship	CSR Performance	Employee Health/Safety									
Risk Compliance Framework	Internal Control Frameworks	Board Fiduciary Duties	Risk Strategy	ERM Capability	Risk Culture	ERM Oversight Structure	Value Drivers Risk Universe	Risk Assessment Analysis	Risk Mitigation Plans	Risk Monitoring Reporting	Company Secretarial	Regulatory Framework	
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EOH of Tomorrow - Governance

Regulatory Compliance

ERM embedded

Integrated Assurance coverage & optimisation

Improved control environment

Leveraged governance best practice

Staff Governance Training: **85% Compliance rate**

Ethical behaviour underpins all decisions



SETTING THE FOUNDATION FOR SUSTAINABILITY THROUGH ENHANCED GOVERNANCE



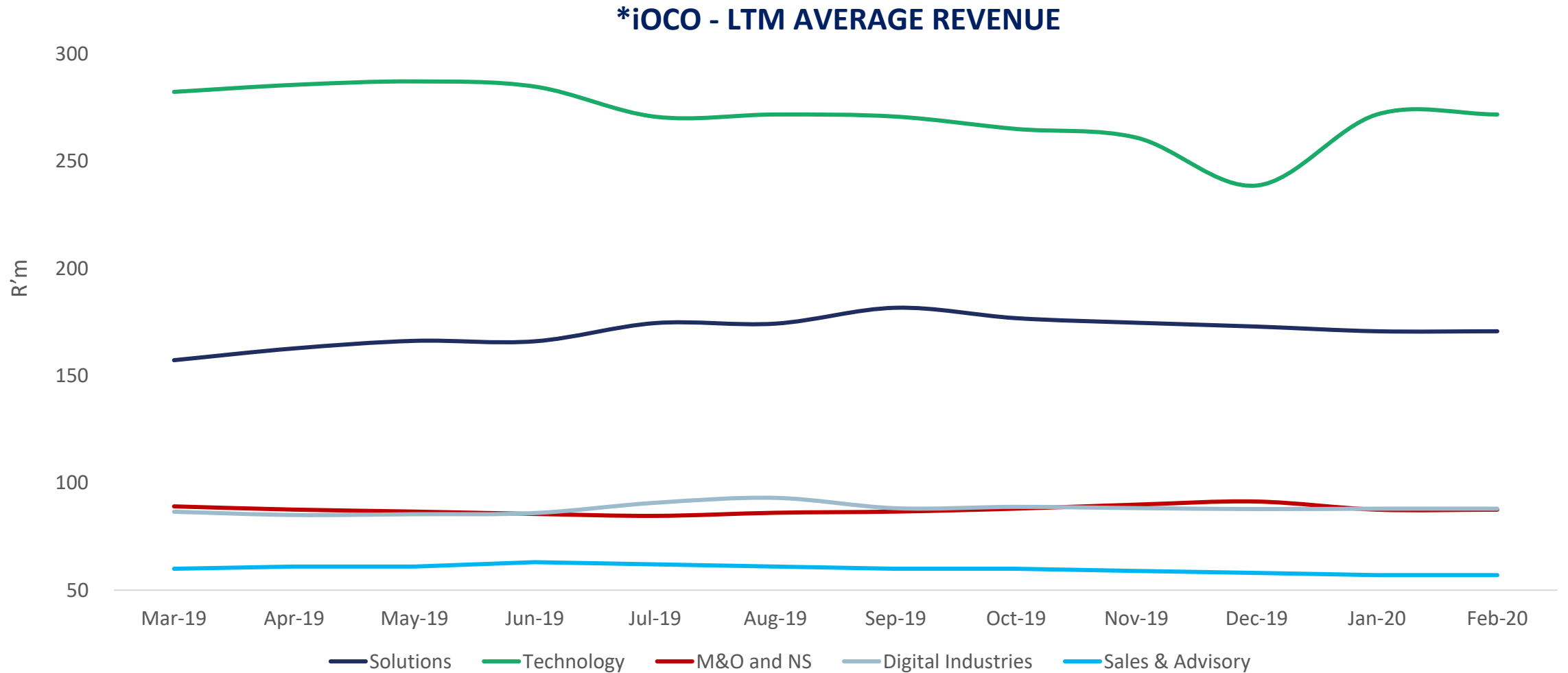
King IV - Maturity assessment

No	Principles	% Complete
1	Leadership	100%
2	Organizational Ethics	100%
3	Responsible Corporate Citizenship	91%
4	Strategy and Performance	100%
5	Reporting	89%
6	Primary role and responsibilities	78%
7	Composition	97%
8	Committees	93%
9	Evaluations of the performance	100%
10	Appointment and delegation to management	100%
11	Risk Governance	74%
12	Technology and information governance	71%
13	Compliance governance	100%
14	Remuneration governance	57%
15	Assurance	73%
16	Stakeholders	100%
17	Institutional investors	100%

EOH staff governance training

	Total	COMPLIANT	%
All	8 530	7 255	85%
NEXTEC	1 273	859	67%
EOH GROUP	91	84	92%
IOCO	6 329	5 549	88%
IP (Sybrin, Syntell, Info Services)	823	760	92%
EOH International	14	4	29%

STABILISED REVENUE IN CORE BUSINESS



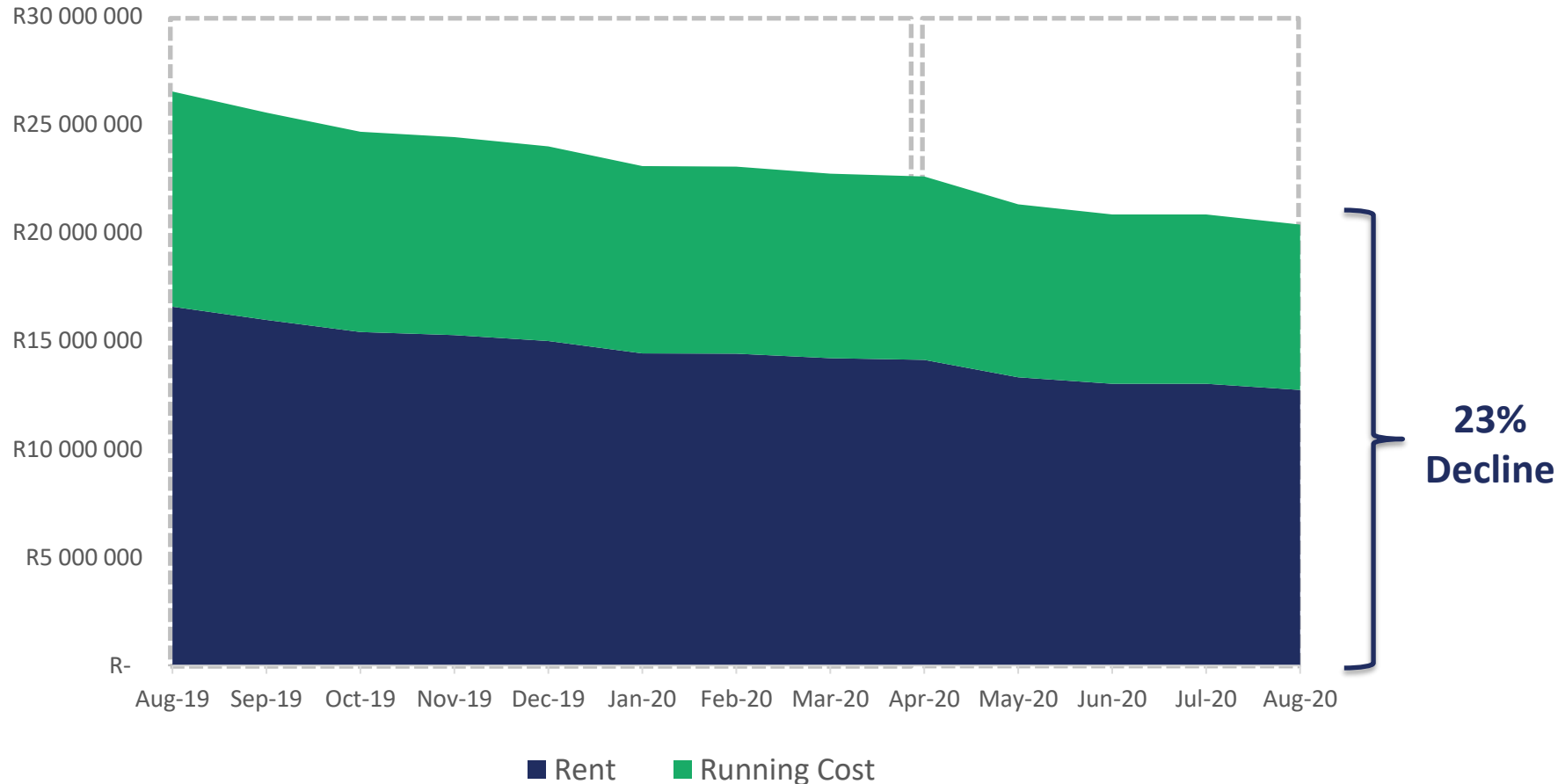
*iOCO – Core Business made up of the following business lines: Advisory & Consulting, M&O and NS, Solutions, Technology and Digital Industries Excludes: IP assets, Corporate & Disposals



EFFECTIVE PROPERTY OPTIMISATION

R70m pa achieved – R147m pa targeted

FY 2020 Projected reduction in Property Costs



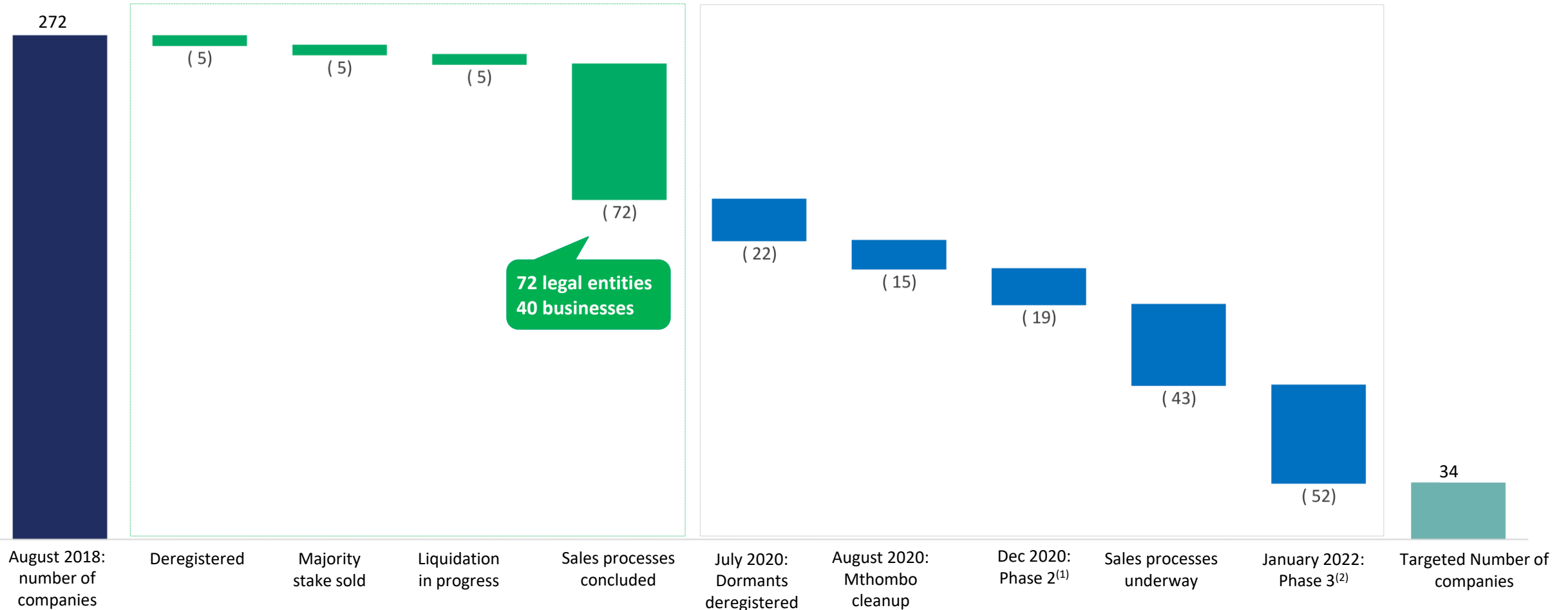
- 114 000m² of empty property as at 3 Sept 2018
- 45 proposed building exits in FY2020
 - 31 complete (21 in HY 2020)
- Aiming for R147m saving p.a. by 2021
 - R70 million p.a achieved



REDUCTION OF LEGAL ENTITIES ON TRACK

87 completed

151 to be completed by January 2022

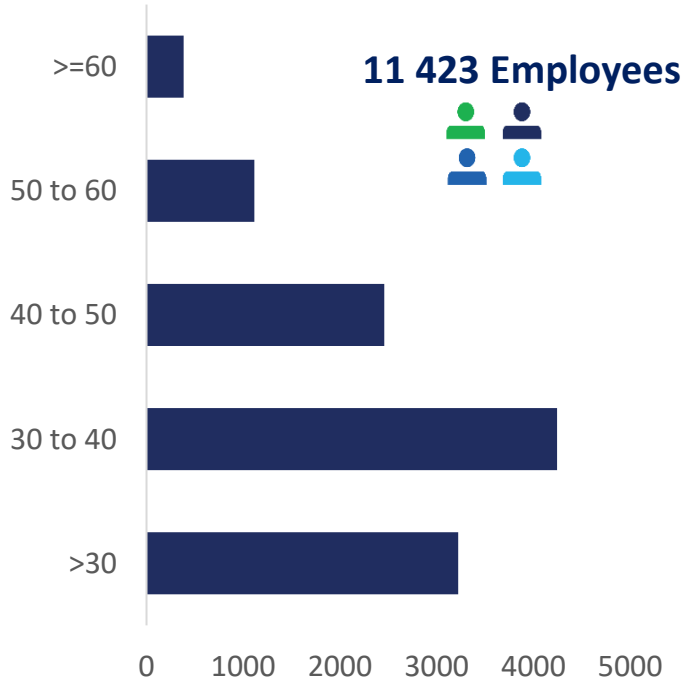


1. Phase 2 includes companies which are active but can be merged with other companies.

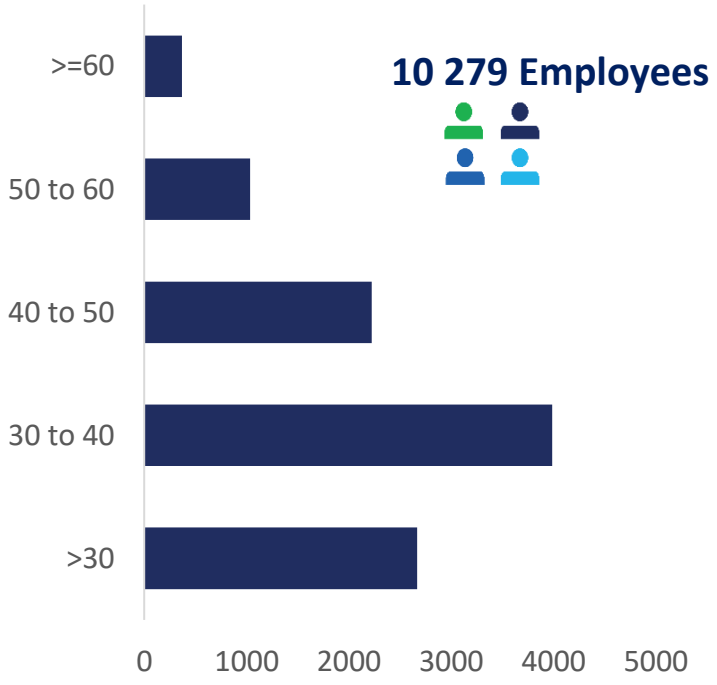
2. Phase 3 involves collapsing the number of business units and eliminating duplication and inefficiencies in the most tax efficient manner in order to reduce the number of legal entities reduced to 30.

HEADCOUNT CONTAINMENT IN DYNAMIC ENVIRONMENT

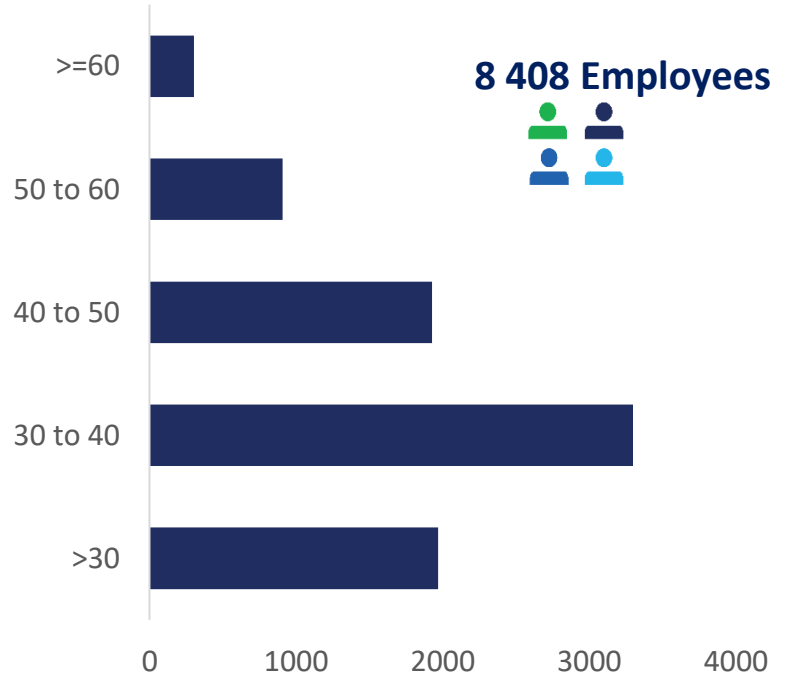
August 2018



August 2019



February 2020



Note: Employee numbers include contractors

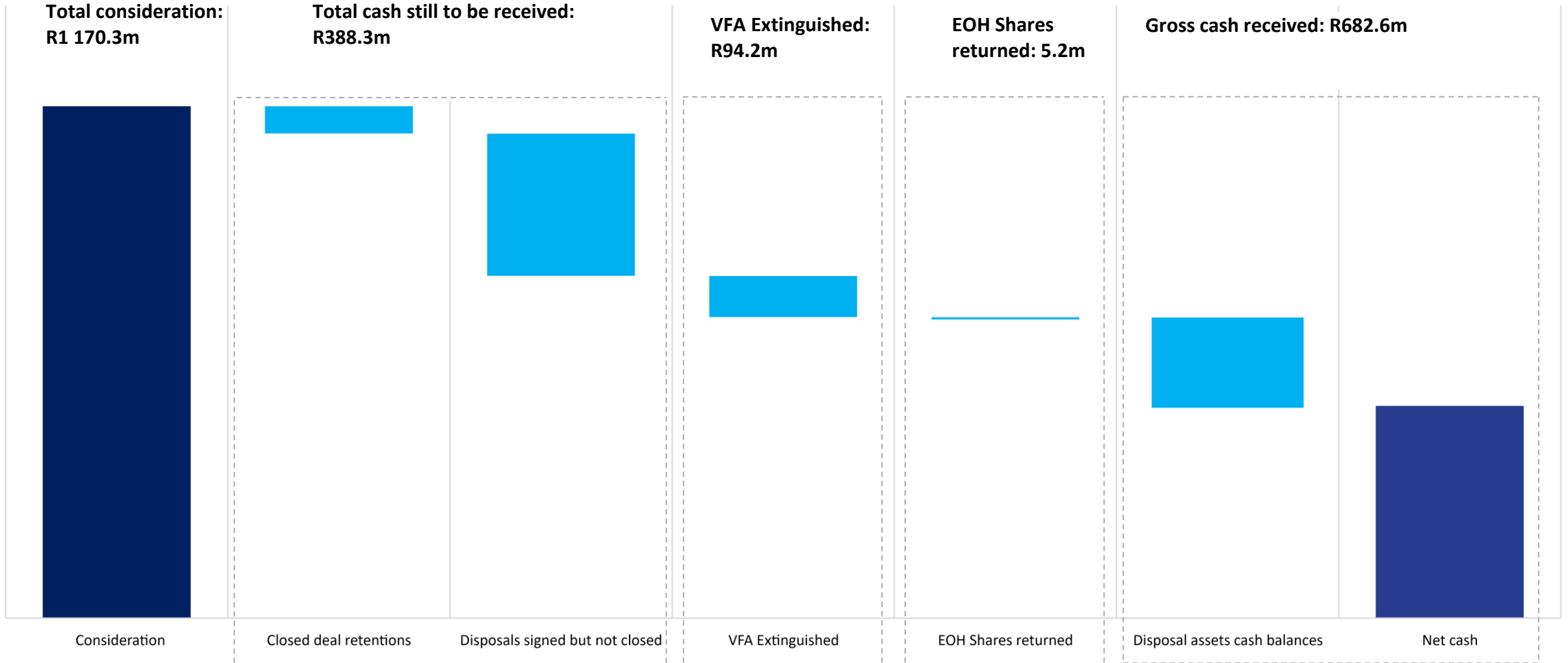
TOP DIGITAL TRANSFORMATION PROJECTS



> 40 COMPANIES SOLD SINCE 1 FEB 2019 FOR ~R1,2bn

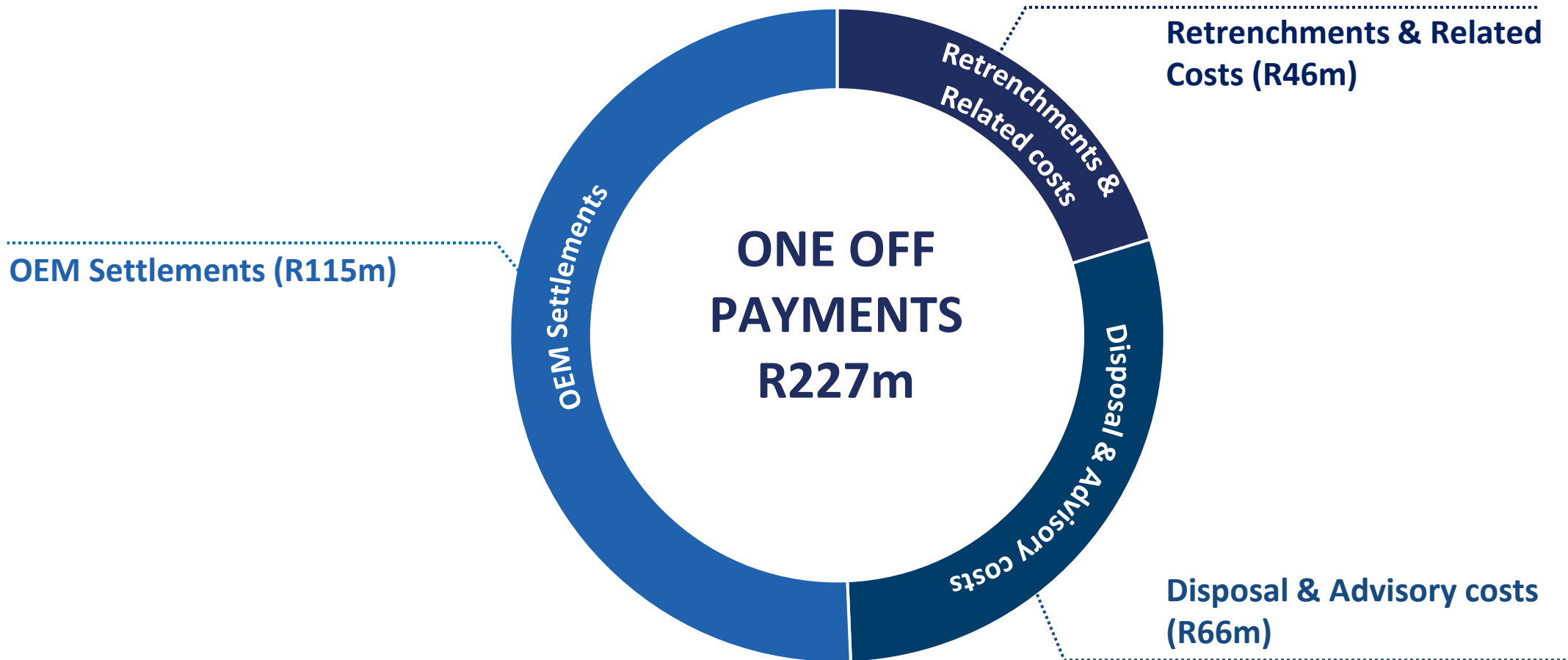
DISPOSAL PROCEEDS BRIDGE

1 Feb'19 - 20 Mar '20



SIGNIFICANT AMOUNT OF CASH ONE-OFF COSTS PAID OVER THE PERIOD

R227 million in one off cash payments last 6 months



R1,5BN PAID TO LENDERS OVER THE LAST 19 MONTHS

R1,5bn



Capital Repayments



Default Interest



Normal Interest

- In the last 7 months:**

- R177m in interest,
- R56m in penalty interest and
- R113m in capital (R250m paid in July-19)

IP DISPOSALS TO NORMALISE CAPITAL STRUCTURE PROCEEDING WELL



Key Objectives: Certainty + Speed vs Pricing

Update on IP Disposals



Stage of completion



- Two processes launched in December 2019
- Local / international trade / financial partners approached
- Numerous non-binding offers confirm market interest
- Due diligence currently underway on 2 of the assets
- Binding offers currently delayed due to COVID-19 lockdown
- Competitive tension in the processes remains good
- Process for third asset ready to be launched



Asset 1



Asset 2



Asset 3

DEALING WITH COVID-19....ACHIEVED TO DATE

- 

Reduced headcount by 26%
- 

Reduced number of properties by 31 (70m pa)
- 

Reduced expenses by 32%
- 

Increased GP margins by 4%
- 

Reduced number of legal entities by 87
- 

Implemented proper debt collection process
- 

Implemented short and medium term cash flow forecasting
- 

Weekly liquidity management implemented with business for over 9 months
- 

Centralised procurement efforts can now be fast tracked for implementation
- 

Proactively liquidated identified bleeding businesses where necessary
- 

Implemented a rolling budgeting & forecasting process
- 

Implemented 3 year business model
- 

Ongoing dialogue and engagement with lenders well established
- 

Agreed plan with banks in light of COVID – confidence that our deleverage plan can be acted on

**..... a stronger cash position of R950m as at 2 April (compared to January 2019)
applied towards accelerating deleveraging**

DEALING WITH COVID-19...CURRENT INITIATIVES



Reduced pay by 20%

- Includes contractors
- Excludes < R250k employees
- Ensured ALL client delivery continues

R55m



Office & property
related expenditure

R15m



Targeting closing 24
more leases

R5m



Saving in travel, entertainment,
marketing & events

R10m



Reduced capex spend
significantly

R5m



Other cash savings

R10m

Other levers available to augment agreed deleverage plan with banks

..... Aiming for R100m saving per month

Financial Overview

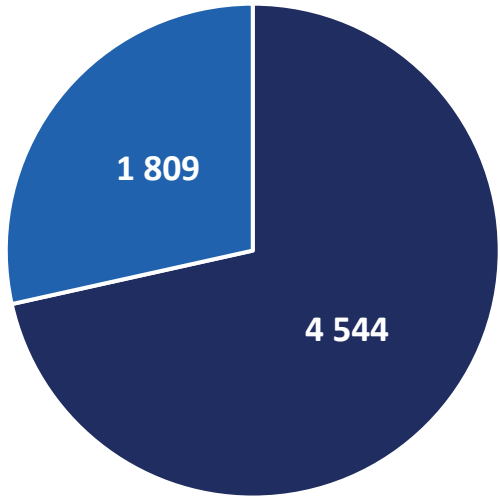
Megan Pydigadu

Group CFO



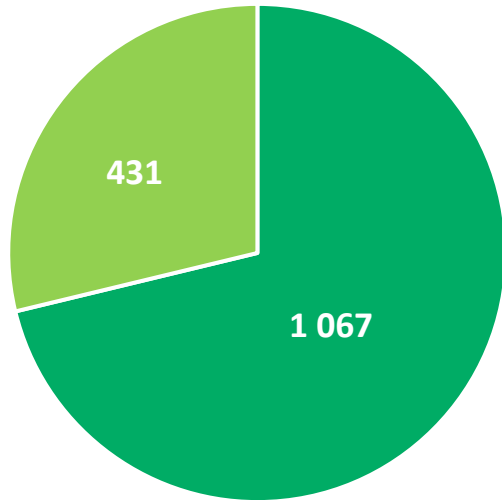
FINANCIAL HIGHLIGHTS

REVENUE
R 6 354m



■ Continuing ■ Discontinued

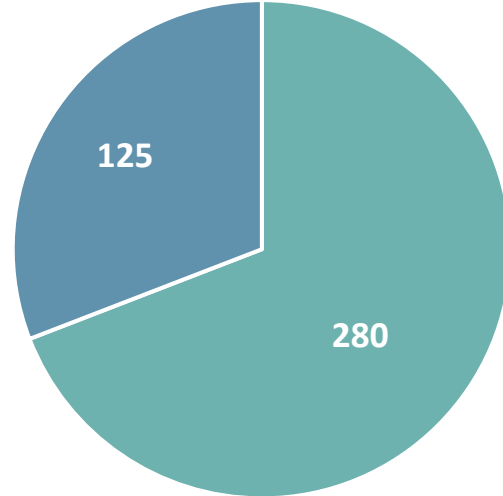
GROSS PROFIT
R 1,498m



■ Continuing ■ Discontinued

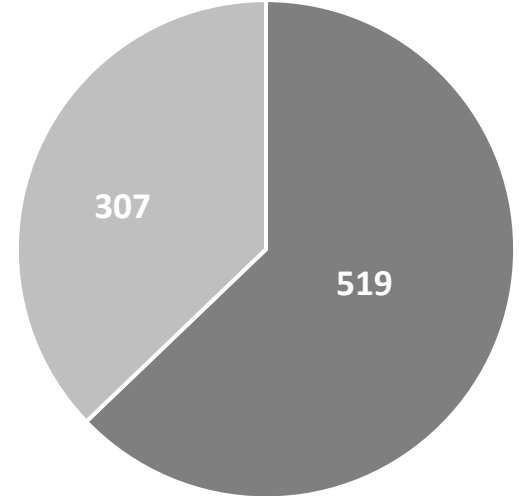
GROSS PROFIT MARGIN
 HY 2020 24%
 HY 2019 20%

NORMALISED EBITDA
R 405m



■ Continuing ■ Discontinued

CASH BALANCE
R 826m



■ Continuing ■ Discontinued

PRIORITIES FOR FY 2020



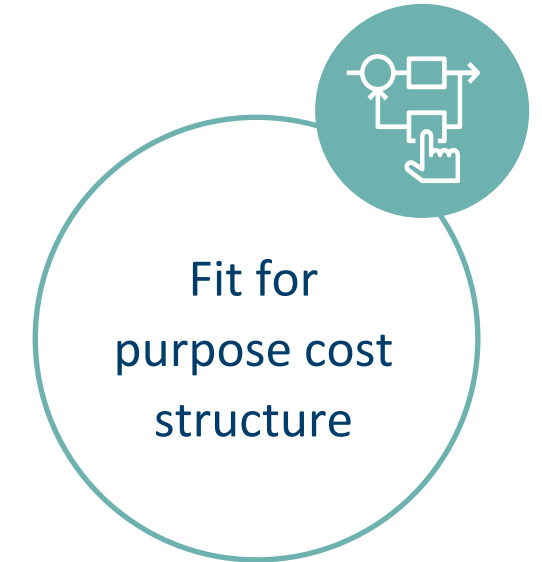
- Sale of IP assets far progressed
- Deleverage plan in place with lenders
- Commitment to deleverage by R1,6bn by 28 Feb 2021



- Cognos controller live & used for HY 2020
- Internal Audit in place
- Budgeting & Forecasting system implemented
- Automated attestation process in place
- Final stages of new ERP selection



- Positive cashflow from operations
- Inventory levels decreased by R100m to R145m
- Improvement in trade & other receivables balance by R500m



- Property savings
- Head Office structures collapsed into one Head Office
- Headcount freeze
- Need for advisory services coming to an end
- Spans & layers of control under review

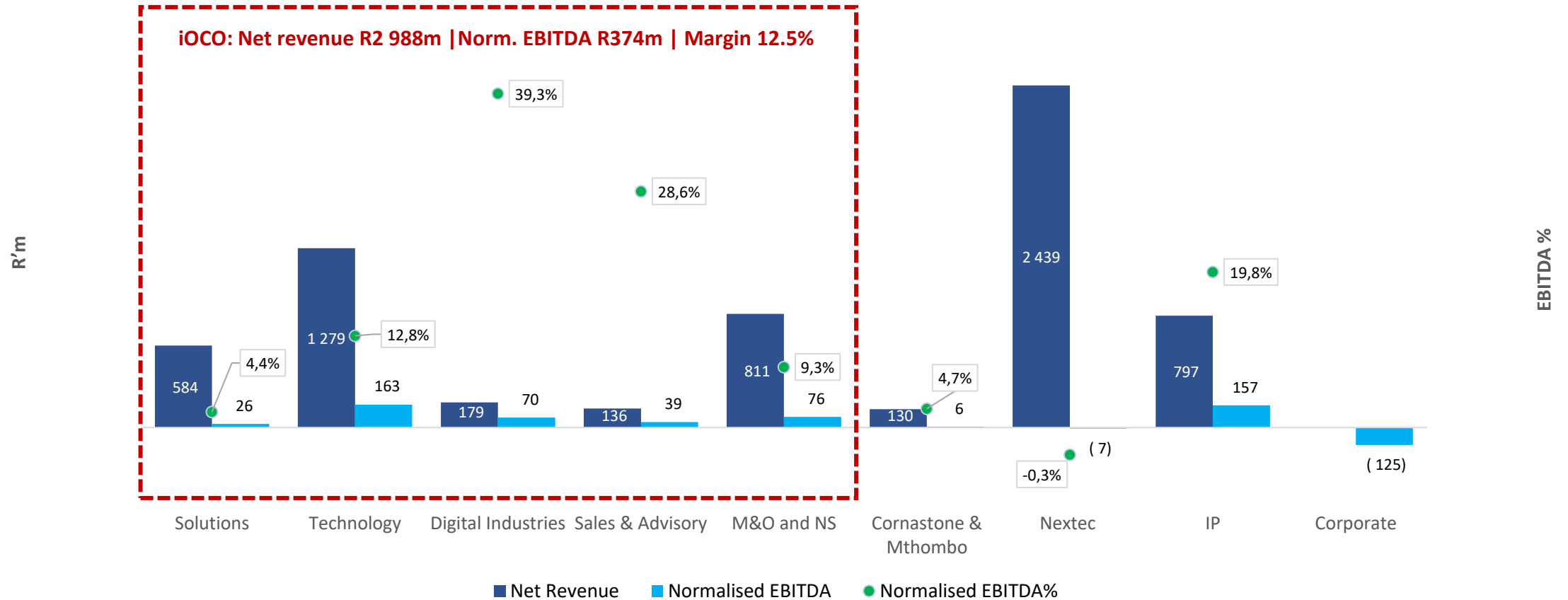
INCOME STATEMENT

R'm	HY 2020 Reported	HY2020 Continuing (IFRS defined)	HY2020 Discontinued (IFRS defined)	HY 2019 Restated	change
Revenue	6 354	4 544	1 810	8 128	(22%)
Cost of sales	(4 856)	(3 477)	(1 379)	(6 537)	(26%)
Gross Profit	1 498	1 067	431	1 591	(6%)
<i>Gross Profit Margin (%)</i>	23,6%	23,5%	23,8%	19,6%	
Net financial asset impairment	(204)	(199)	(5)	(523)	61%
Operating expenses	(2 284)	(1 596)	(688)	(3 335)	32%
Operating loss	(990)	(728)	(262)	(2 268)	56%
Share of equity accounted profits	5	5	-	(14)	
Net finance charges	(180)	(175)	(5)	(181)	1%
Loss before tax	(1 165)	(898)	(267)	(2 463)	53%
Tax	2	11	(9)	(200)	
Loss after tax	(1 163)	(887)	(276)	(2 662)	56%
EBITDA (per group definition)	(214)	(276)	62	(320)	33%
Normalised EBITDA	405	280	125	674	(40%)
<i>Normalised EBITDA Margin (%)</i>	6,4%	6,2%	6,9%	8,3%	
Headline loss per share	(395)	(381)		(827)	52%

HY2020: REVENUE & EBITDA

Group: Net revenue R6 354m | Normalised EBITDA R405m | Margin 6.4%

iOCO: Net revenue R2 988m | Norm. EBITDA R374m | Margin 12.5%



*iOCO is made of the following business lines: Solutions, Technology, Digital Industries, Manage & Operate and Network Solutions, incl. Public Sector Managed Services

Nextec includes Digital Consulting & Advisory, Digital Infrastructure as well as HQaaS

Mthombo & Cornastone excludes Public Sector Managed Services

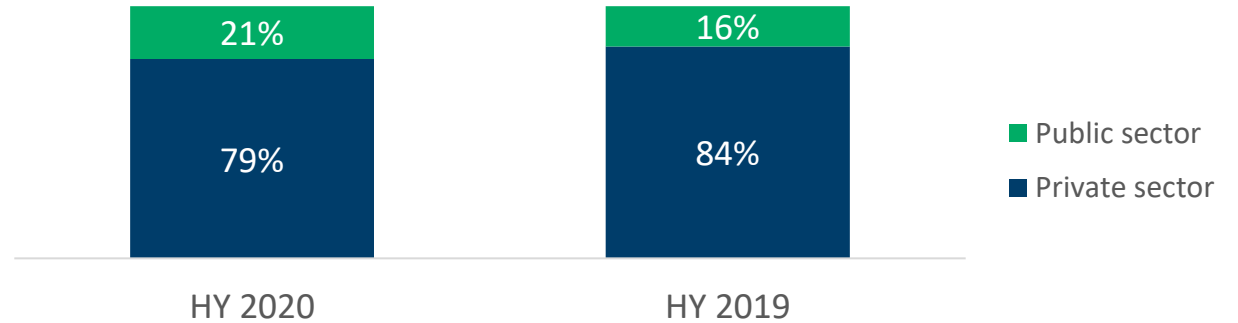
Revenue is net off inter-company / segmental revenues

EBITDA is defined as continuing losses before interest income and expense, tax, depreciation, amortisation, impairments, gains or losses on disposal of assets businesses and equity-accounted investments, once-off cash and non-cash items share of profit or loss of equity-accounted investments, share-based payment expense and remeasurement of VFA liabilities.

REVENUE ANALYSIS

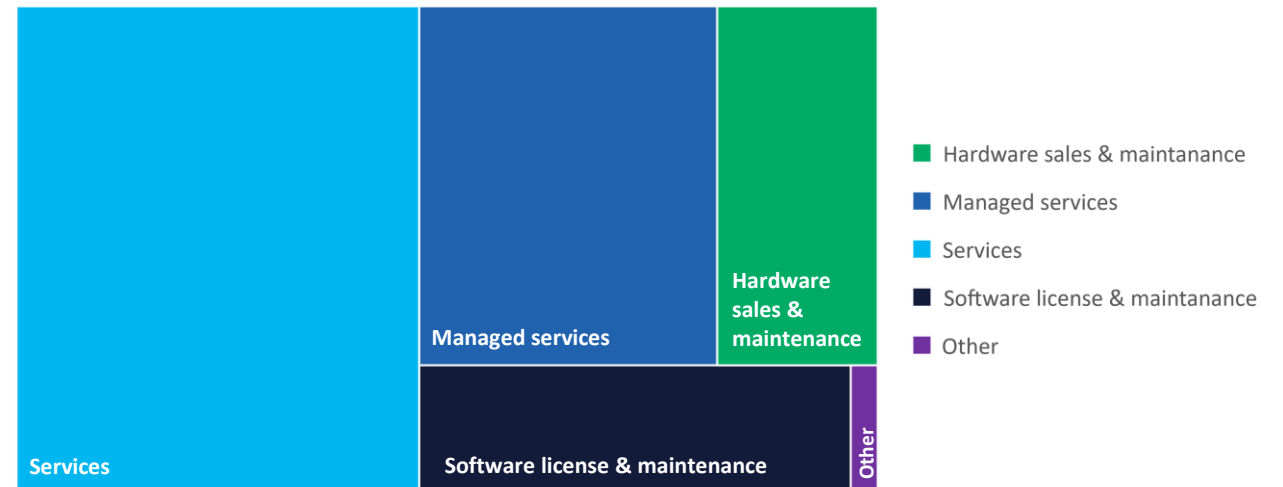
R'm	HY 2020	HY 2019 Restated	Change
Total Reported Revenue	6 354	8 128	(22%)
Continuing	4 544	5 502	(17%)
<i>Continuing iOCO</i>	3 234	4 065	(21%)
<i>Continuing Nextec</i>	1 048	1 322	(21%)
<i>Continuing IP</i>	263	115	128%
Discontinued	1 809	2 626	(31%)
<i>Discontinued iOCO</i>	342	628	(46%)
<i>Discontinued Nextec</i>	933	1 226	(24%)
<i>Discontinued IP</i>	534	772	(31%)

Revenue by Sector



- Public sector remains an important client and integral part of business

Revenue by Cluster



- Hardware revenue declined by circa R600'm
- Prior year included 2 deals not repeated in current year

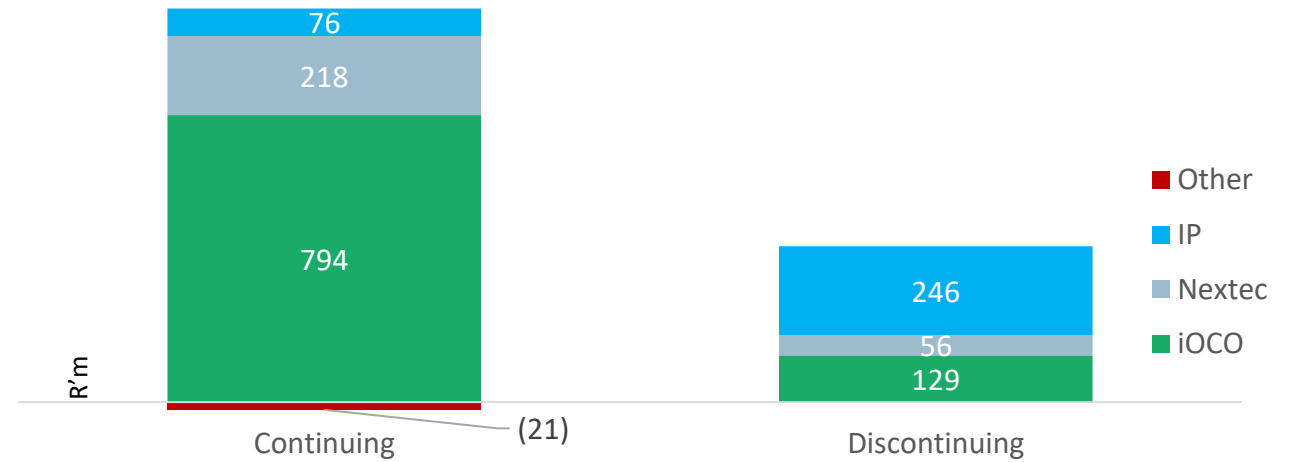
HY2020: EOH OF THE FUTURE BREAKDOWN



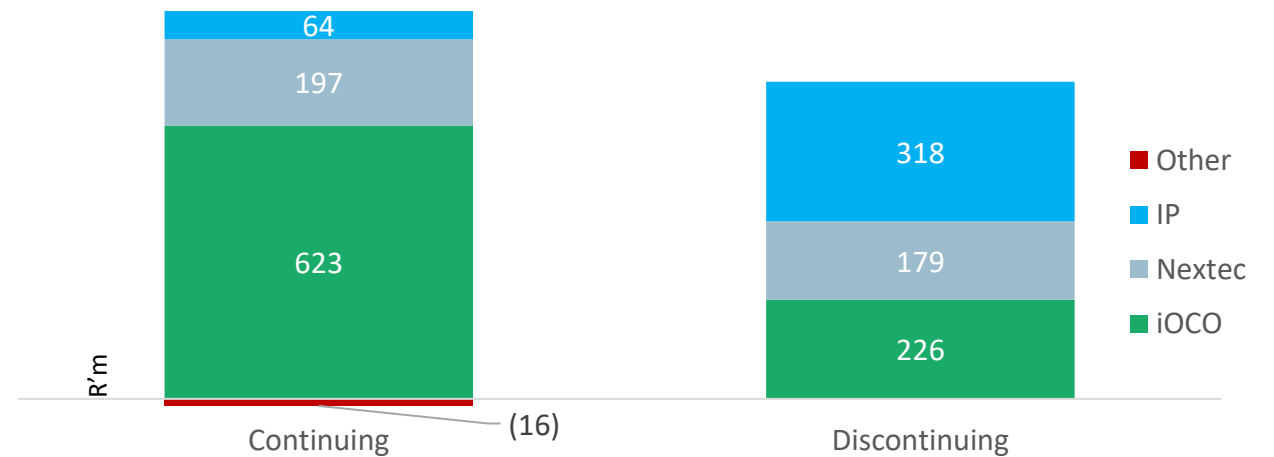
GP BY DIVISION

GP Margin	HY 2020	HY 2019 Restated
Total Reported	23,6%	19,6%
Continuing	23,5 %	15,8 %
<i>Continuing iOCO</i>	24,3 %	15,2 %
<i>Continuing Nextec</i>	19,7 %	14,2 %
<i>Continuing IP</i>	28,9 %	52,9 %
Discontinued	23,8 %	27,5 %
<i>Discontinued iOCO</i>	37,6 %	36,0 %
<i>Discontinued Nextec</i>	6,0 %	14,6 %
<i>Discontinued IP</i>	46,1 %	41,2 %

HY 2020



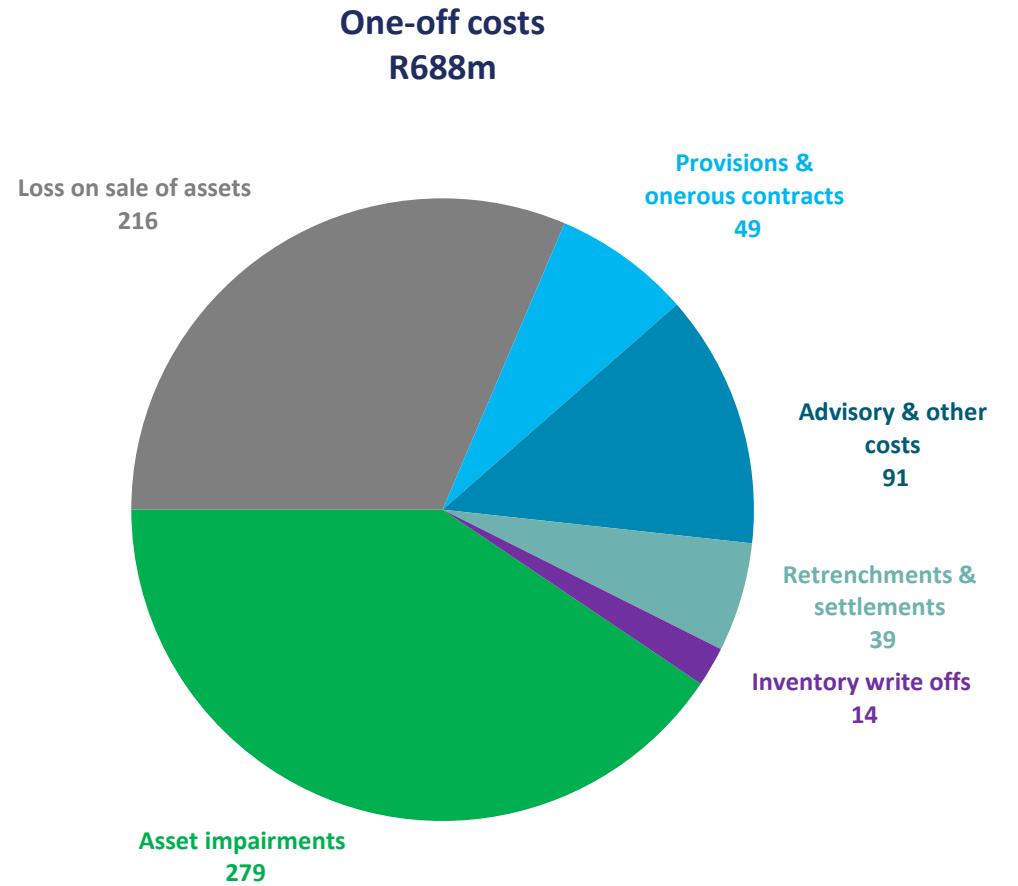
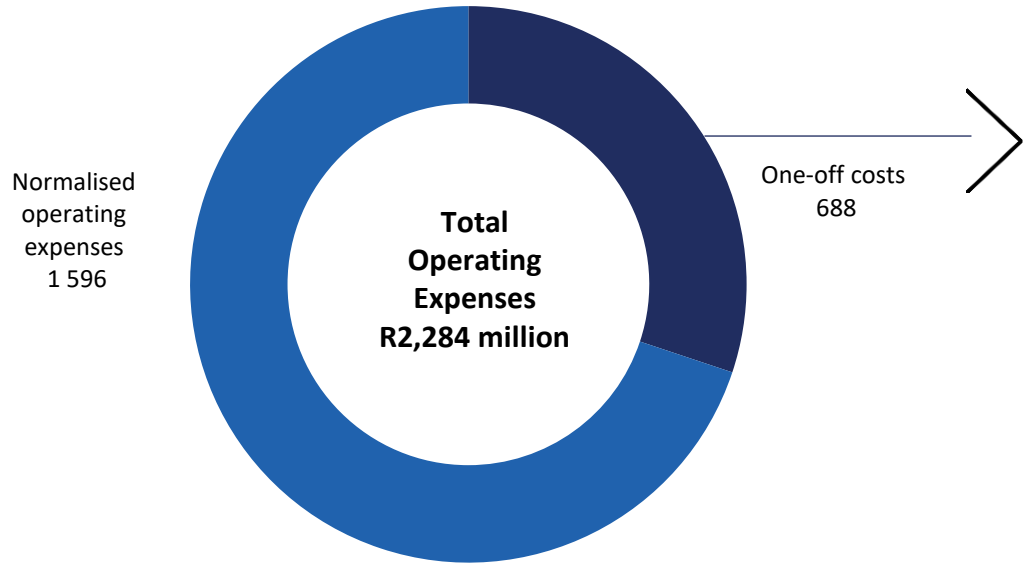
HY 2019



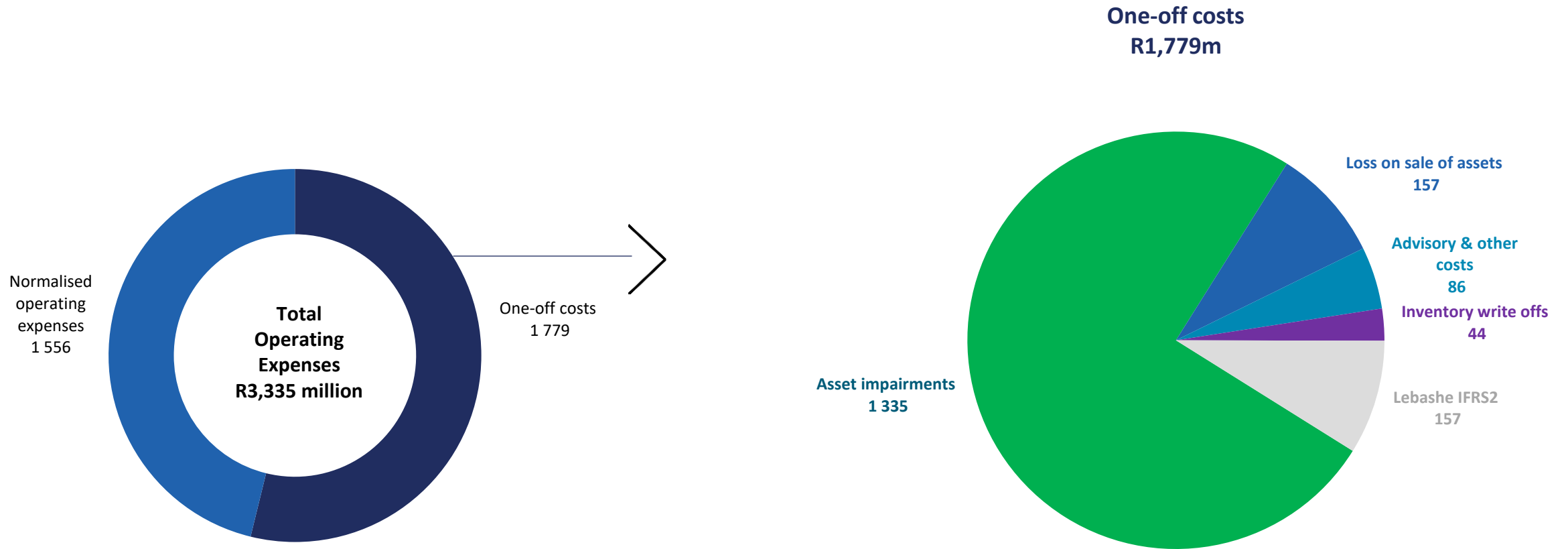
OPERATING EXPENSES

Total operating expenses down by **32%** and sustainable costs up marginally by 3%

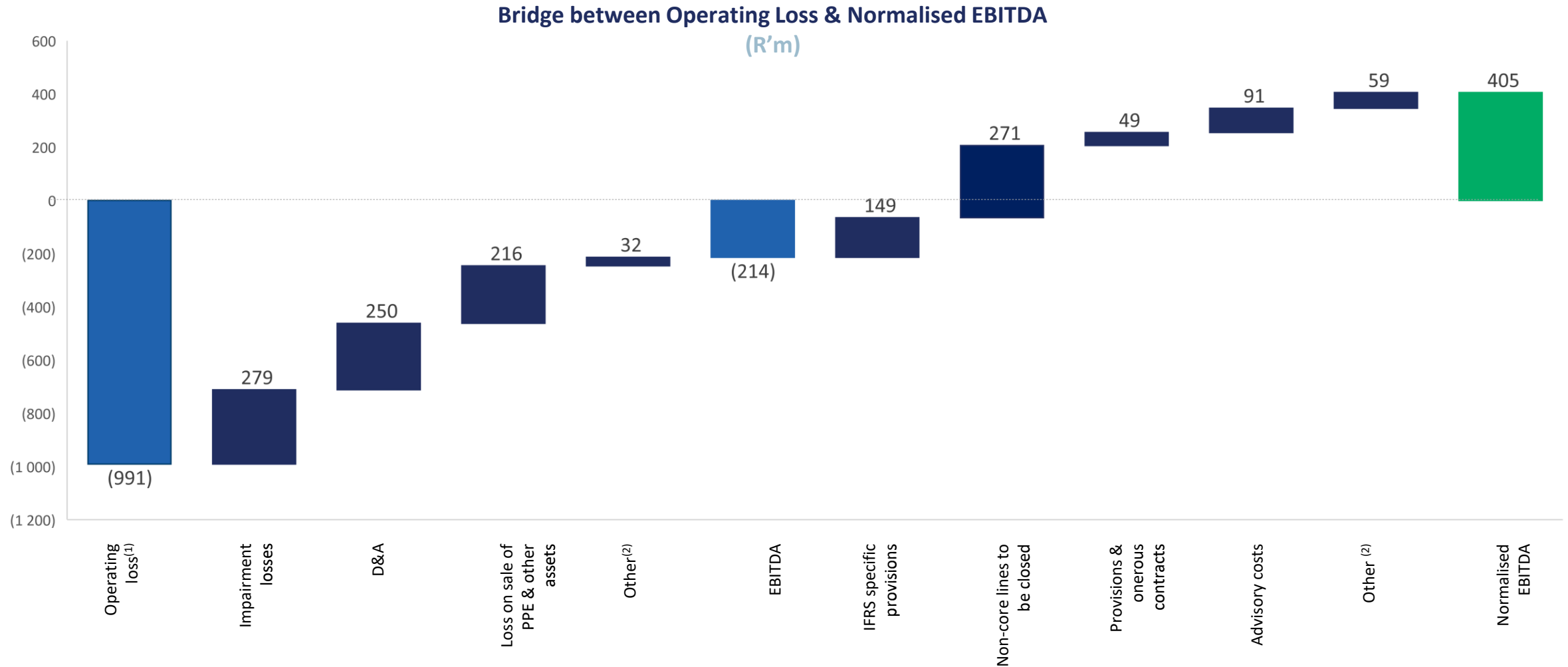
HY 2020



HY 2019 - Restated



TOTAL NORMALISED EBITDA



1. EBITDA is defined as continuing losses before interest income and expense, tax, depreciation, amortisation, impairments, gains or losses on disposal of assets businesses and equity-accounted investments, once-off cash and non-cash items share of profit or loss of equity-accounted investments, share-based payment expense and remeasurement of VFA liabilities.

2. Refer to Appendix 3 for detailed reconciliation

NORMALISED EBITDA BREAKDOWN

R'm

Normalised EBITDA - IFRS	405
Continuing	280
Discontinued	125
iOCO (EOH of the future)	374
Solutions	26
Technology	163
Digital Industries	70
Sales & Advisory	39
M&O and NS	76
Mthombo & Cornastone	6
Nextec & Potential sales	(7)
Nextec	(36)
Digital Infrastructure	(23)
Digital Consulting & Advisory	(16)
HQaaS	68
IP businesses	157
Corporate	(125)

EBITDA is defined as continuing losses before interest income and expense, tax, depreciation, amortisation, impairments, gains or losses on disposal of assets businesses and equity-accounted investments, once-off cash and non-cash items share of profit or loss of equity-accounted investments, share-based payment expense and remeasurement of VFA liabilities.

BALANCE SHEET

Figures in Rand thousand	Unaudited at 31 January 2020	Audited at 31 July 2019
Assets		
Non-current assets		
Property, plant and equipment	654 471	481 674
Intangible assets	288 758	488 974
Goodwill	1 354 802	1 850 854
Equity-accounted investments	195 928	228 067
Other financial assets	29 421	11 610
Deferred taxation	85 873	245 278
Lease receivables	91 123	72 638
	2 700 376	3 379 095
Current assets		
Inventory	145 296	251 456
Other financial assets	56 606	76 718
Current taxation receivable	65 657	106 775
Lease receivables	59 817	52 916
Trade and other receivables	2 631 612	3 164 150
Cash and cash receivables	518 811	1 048 583
	3 477 799	4 700 598
Assets held for sale	2 097 564	1 759 357
Total assets	8 275 739	9 839 050

BALANCE SHEET (CONTINUED)

Figures in Rand thousand	Unaudited at 31 January 2020	Audited at 31 July 2019
Equity and liabilities		
Equity		
Stated capital	4 249 909	4 239 621
Shares to be issued to vendors	210 871	358 733
Other reserves	653 962	547 914
Retained earnings	(4 228 185)	(3 230 193)
Equity attributable to the owners of EOH holding limited	886 557	1 916 075
Non controlling interest	44 621	40 621
	931 178	1 956 696
Liabilities		
Non-current liabilities		
Other financial liabilities	2 026 727	2 255 825
Lease liabilities	229 944	28 030
Deferred taxation	107 453	389 416
	2 364 124	2 673 271
Current liabilities		
Other financial liabilities	920 934	1 068 132
Current taxation payable	73 852	97 988
Lease liabilities	116 784	29 331
Traded and other payable	2 558 728	3 006 403
Provisions	240 087	173 400
Deferred income	250 648	268 949
	4 161 033	4 644 203
Liabilities directly associated with the assets held for sale	819 404	564 880
Total Liabilities	7 344 561	7 882 354
Total equity and liabilities	8 275 739	9 839 050

DELEVERAGING REMAINS A KEY OBJECTIVE

R 'm	HY 2020	FY 2019	HY 2019
Interest bearing liabilities	2 855	2 981	2 775
Cash and cash equivalents	826	1 359	957
Net debt	2 029	1 622	1 818
Liabilities for acquisitions	204	303	419
Net debt including Liabilities for acquisitions	2 233	1 925	2 237

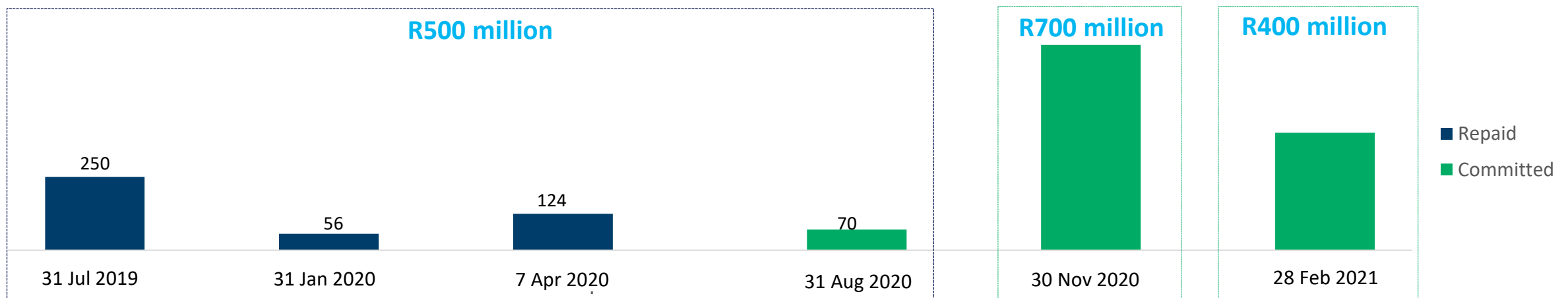
All figures reflected above include discontinued operations/assets held for sale.



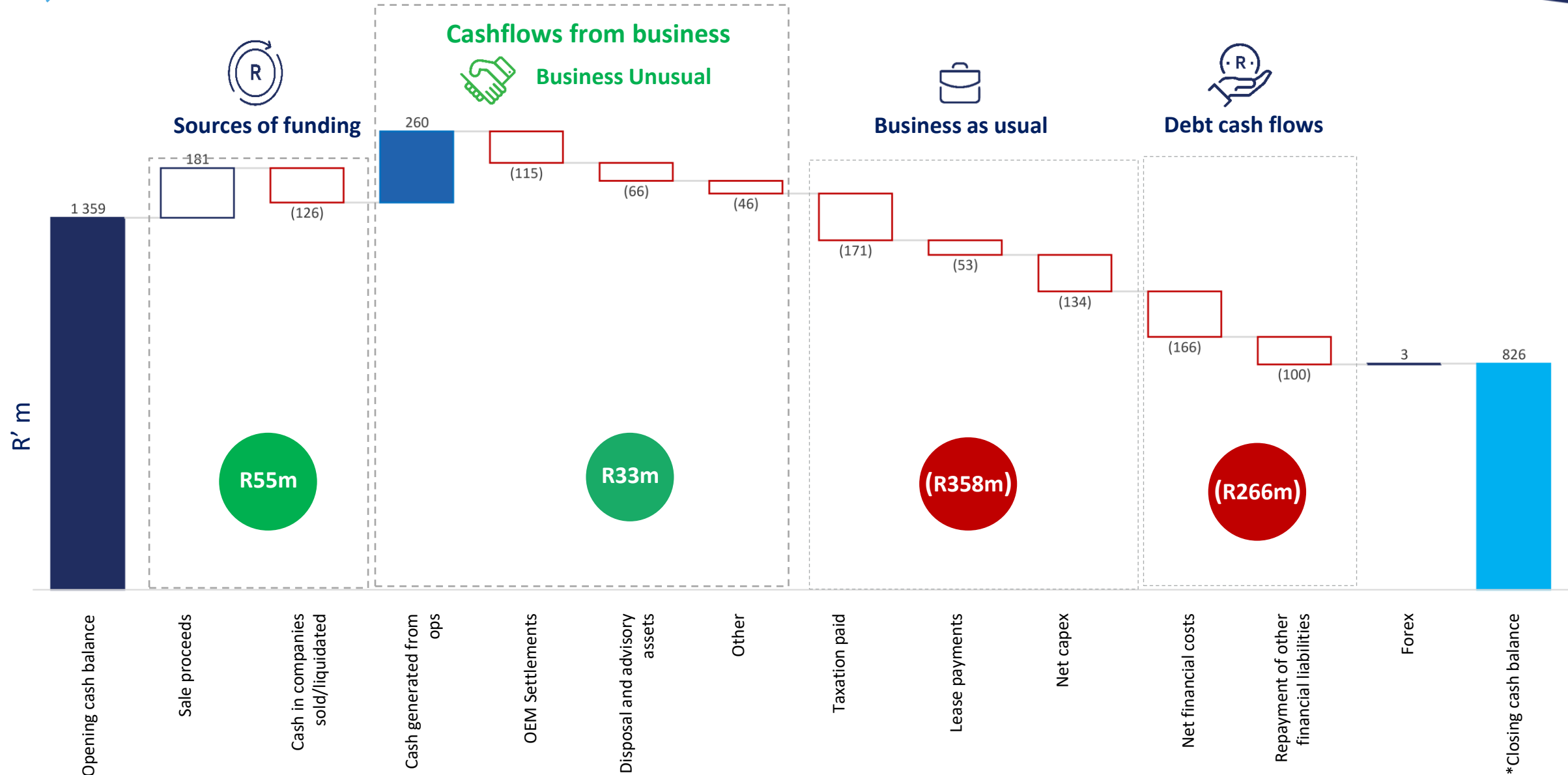
Clear path to deleveraging

- Significant traction has allowed deleveraging to date
- Core lending group contributes ~93% to total debt for which there is a deleveraging plan (linked to a disposal process)
- Disposal target of R1,170 million and well within reach:
 - Denis (consideration of R250million)
 - IP assets (EBITDA of ~ R325m annually)
- Other disposal processes underway to augment these & will reduce risk
- Majority of remaining debt ring fenced to a single asset
- Cash pooling will reduce gross debt and improve movement of cash
- Target leverage <1.0 as EBITDA of core iOCO stabilises

TOTAL DELEVERAGING COMMITMENT OF R1,600 MILLION TO 28 FEBRUARY 2021



POSITIVE CASH GENERATION IN A CHALLENGING ENVIRONMENT

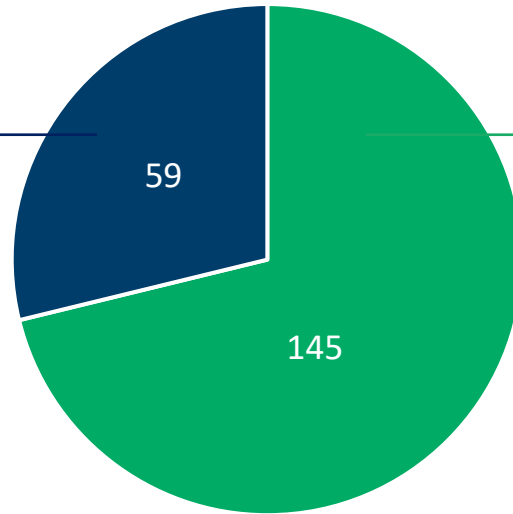


* Cash Balance as at 2 April 2020 = R950 million

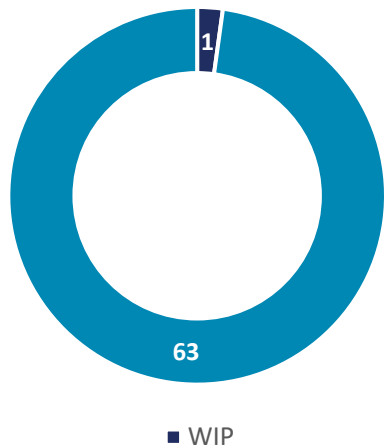
INVENTORY



Net Inventory



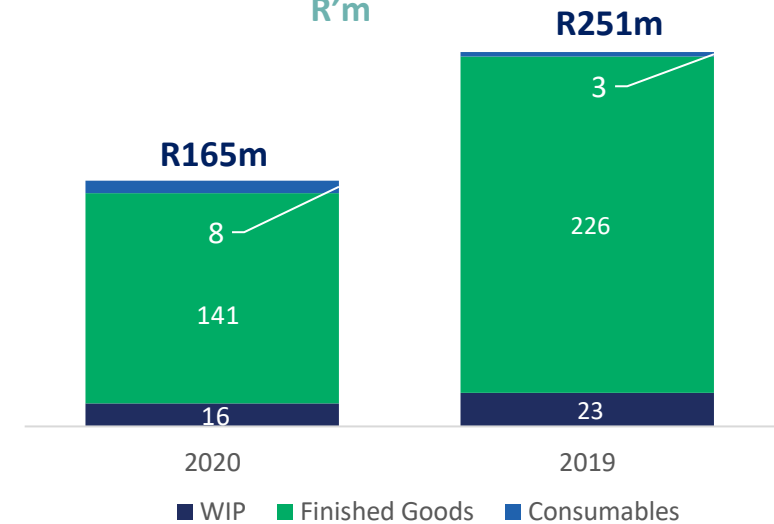
HY 2020 Gross Inventory Breakdown R64m



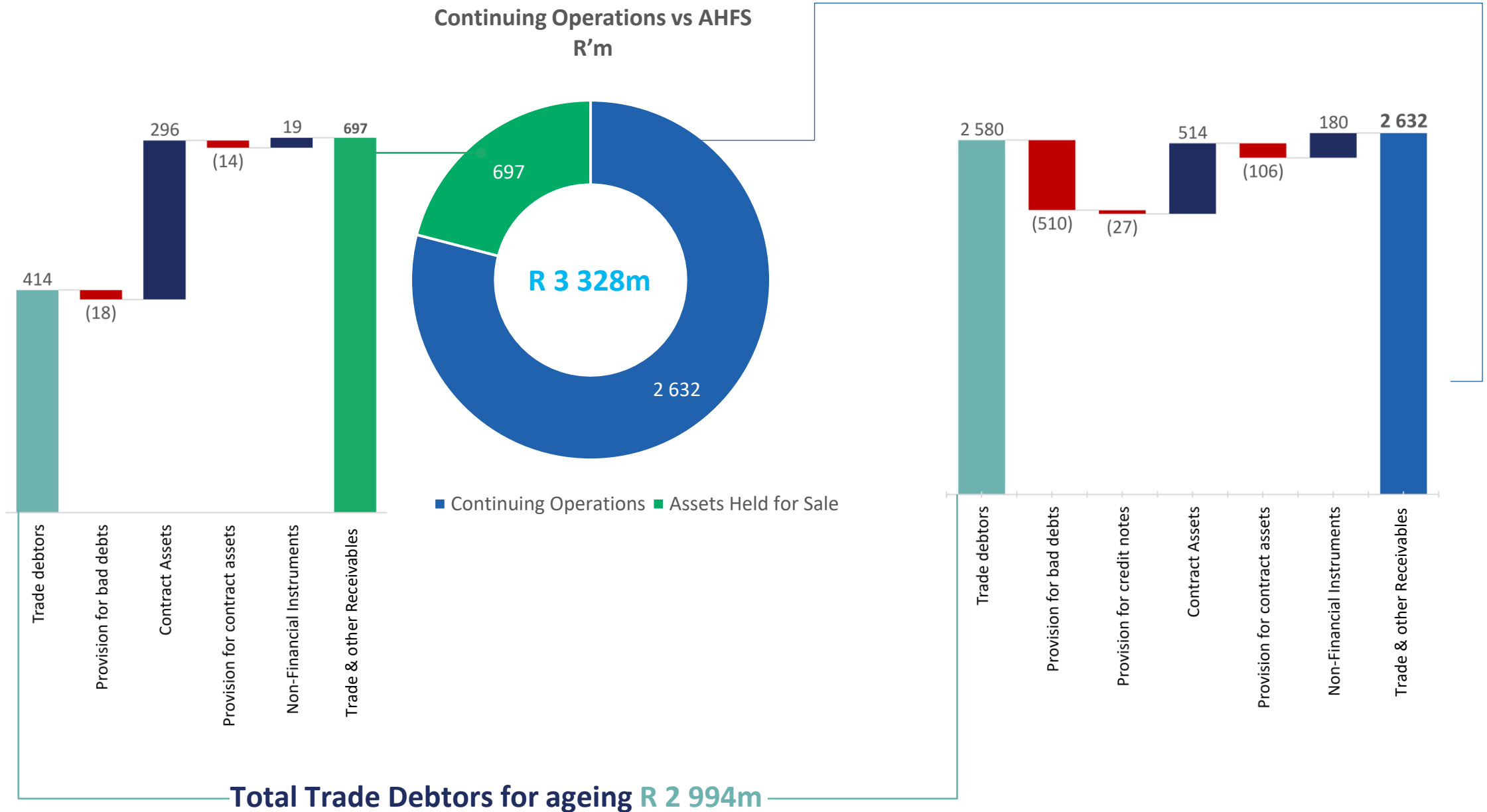
■ Continuing ■ Assets Held for Sale

R'm	HY 2020	HY 2019
Inventory	145	251
Included in AHS	59	35
TOTAL	204	280

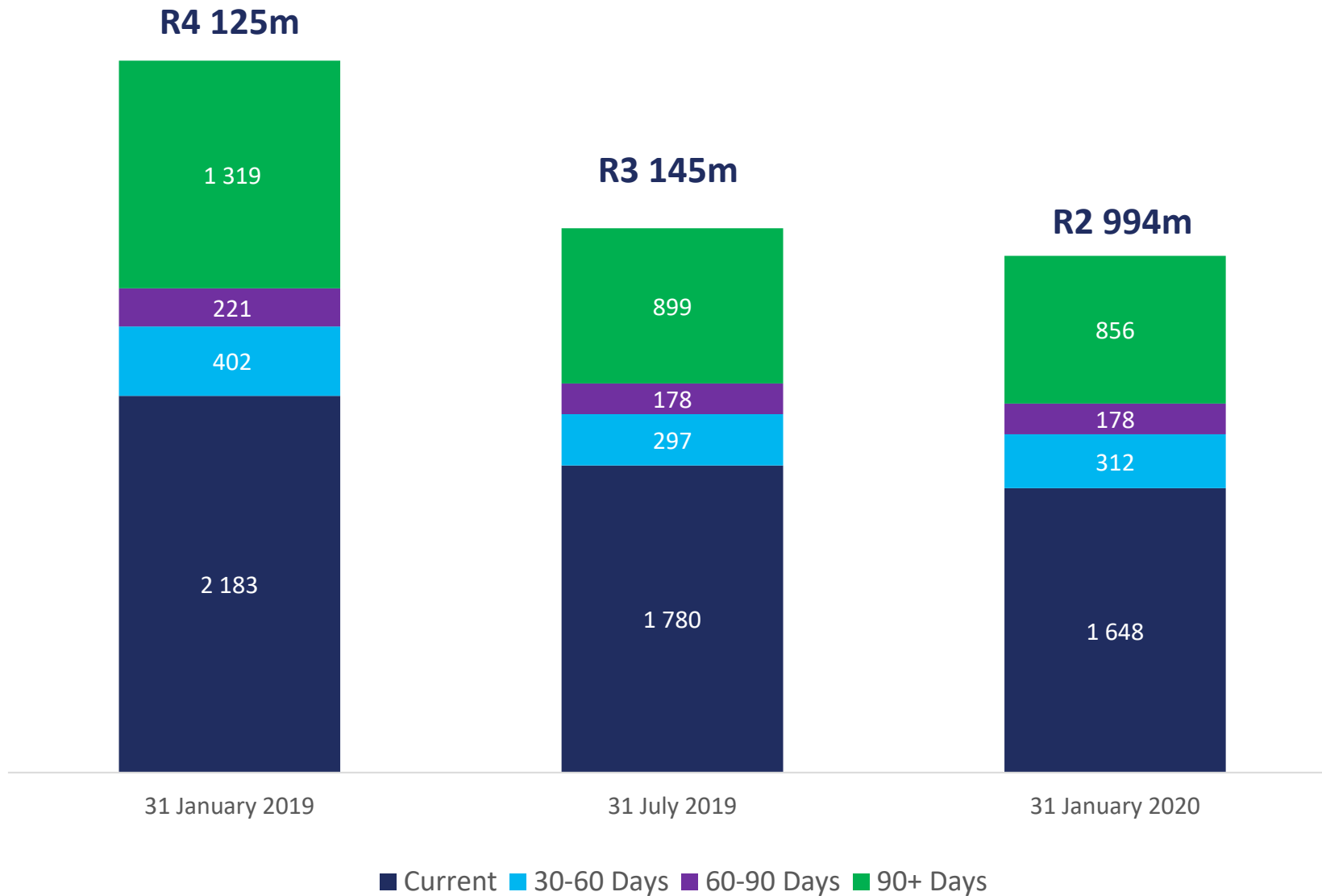
Gross Inventory Breakdown R'm



TRADE & OTHER RECEIVABLES BREAKDOWN

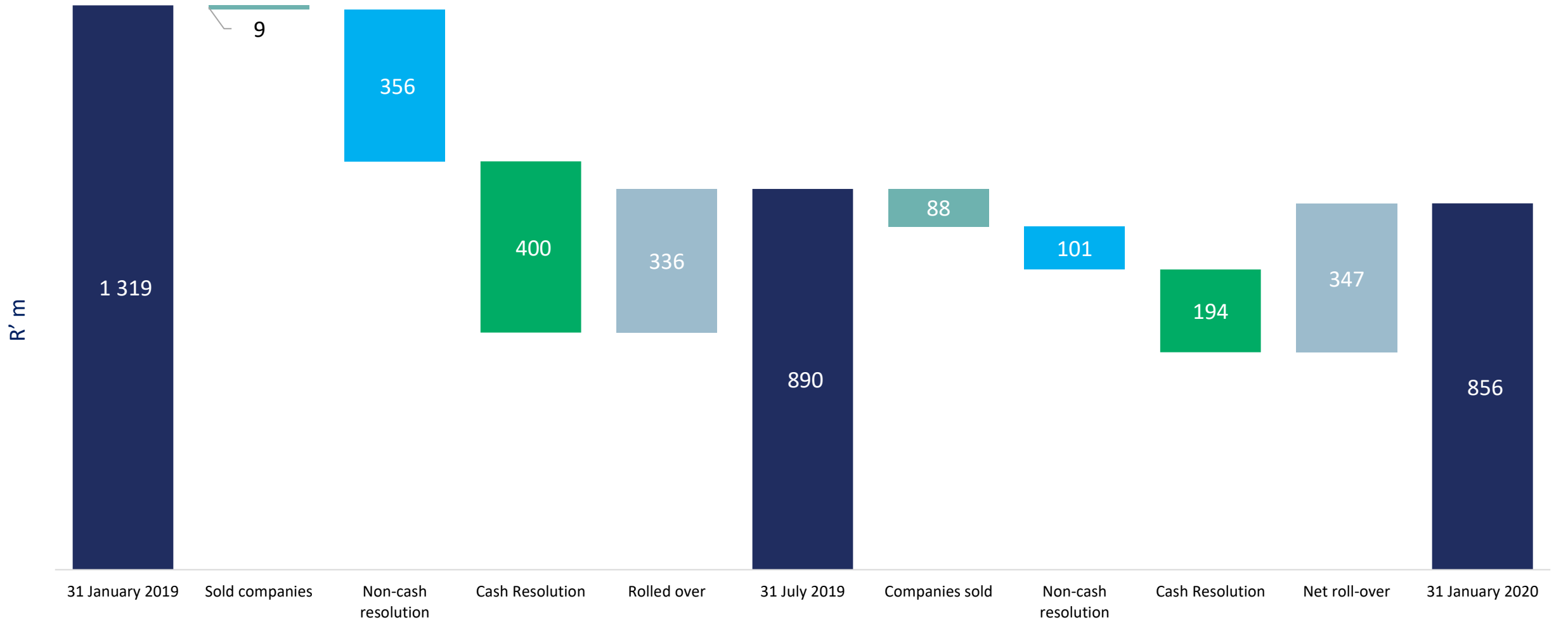


TRADE DEBTORS AGEING





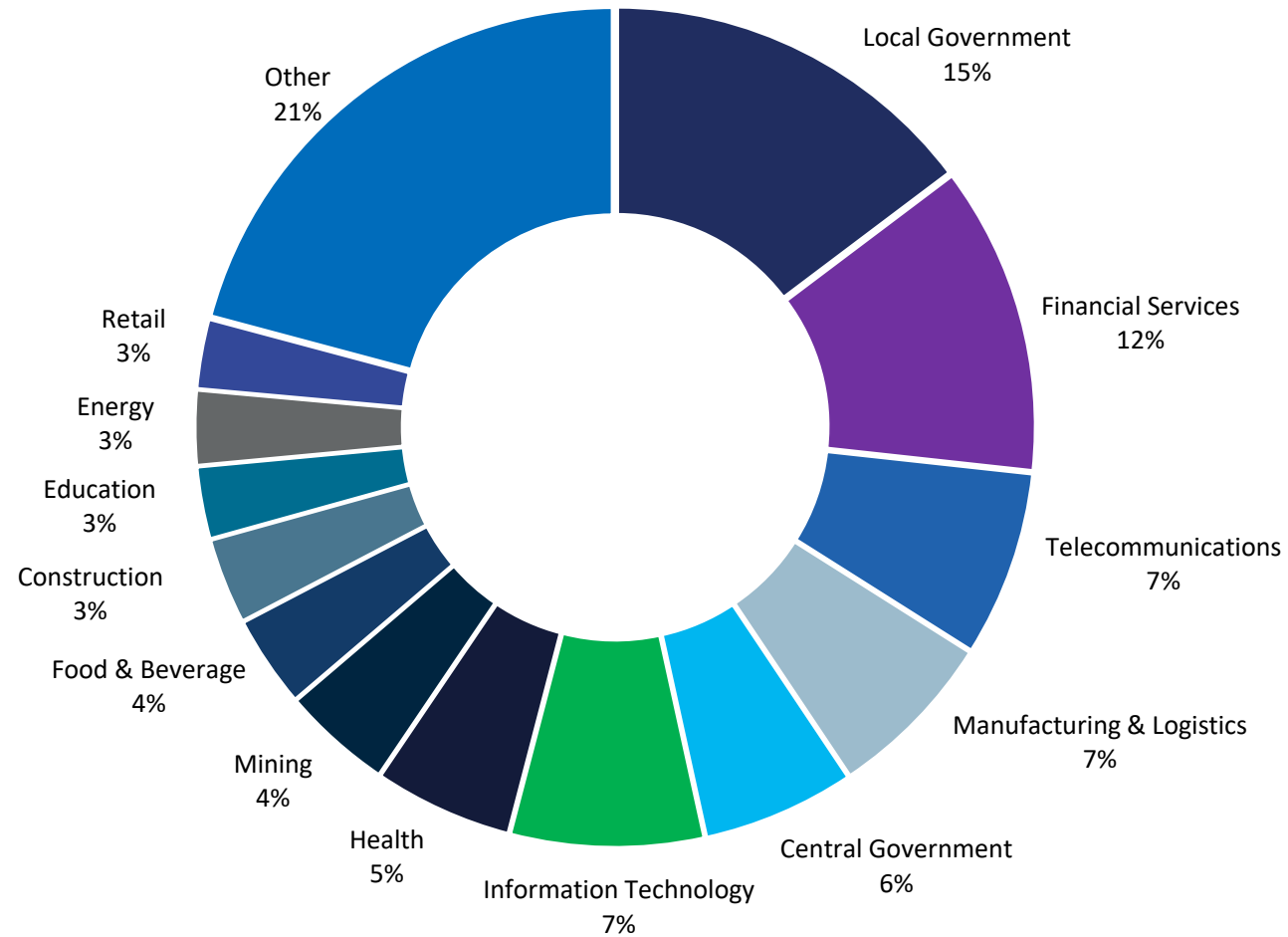
RECEIVABLES: 90 DAYS BRIDGE





EOH EXPOSURE TO COVID-19 UNCERTAINTY

* Client exposure by sector



* As a percentage of Debtors balance as at 31 March 2020

CLEAR PATH TO EXTINGUISHING LEGACY CASH DRAINING ISSUES

	HY 2020 EBITDA ⁴ impact R'm	HY 2020 Cash impact R'm	Going forward
LEGACY COMMERCIAL CONTRACTS	271	-	
Poorly contracted public sector contracts ¹	188	-	Completed or exited in 6-12 months: R50'm - R100'm
EPC contract business ²	83	-	Closed or sold in 12 -18 months: R25'm - R75'm
ONE OFF SETTLEMENTS	130	227	
OEM settlements	Provided in PY, paid in HY20	115	<R20m anticipated in cash outflows (fully provisioned)
Advisory costs ³	91	66	ENS costs for civil claims completed & other advisory costs largely linked to disposals: R20'm
Other, including retrenchments	39	46	Dependent on macro environment
PROVISIONS FOR LOANS, STOCK, REVENUE & ONEROUS CONTRACTS	219	-	UNCLEAR
	620	227	
Other legacy issues	Cash impact - R'm	Cash impact - R'm	
Debt burden	266	-	Deleveraging plan
Tax structure	171	-	Business appropriate structure being implemented

Notes:

1 All continuing business

2 R60m in discontinuing and R23m in continuing

3 Portion provided in prior year but paid in current period

4 Adjustment to TOTAL EBITDA to get to R405m



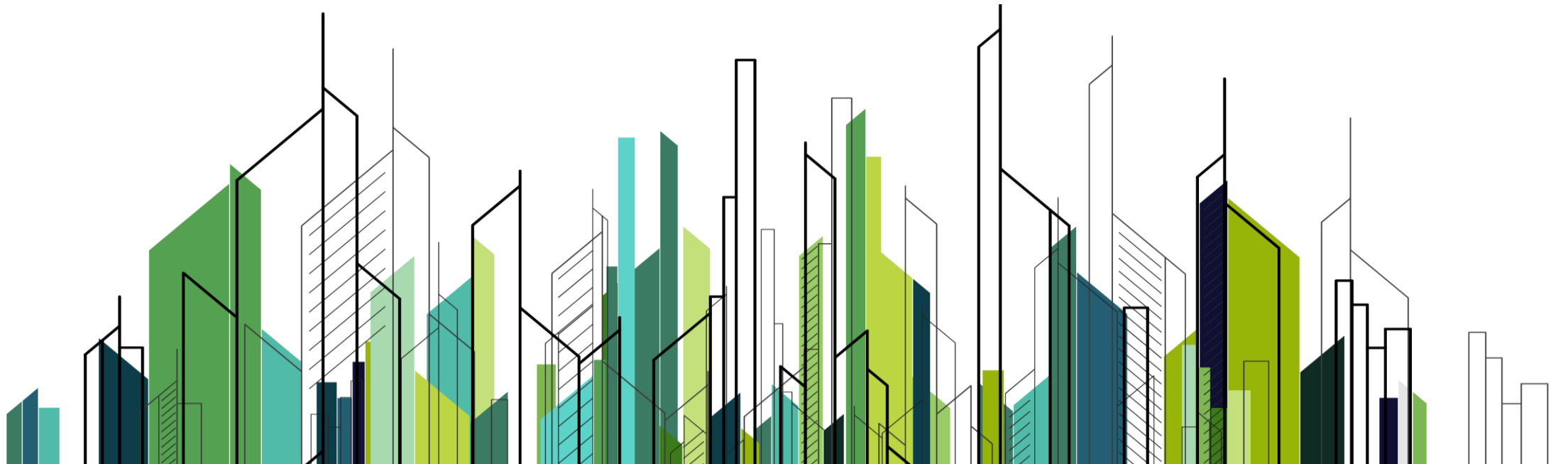
AND further cost savings through:

- property optimization
- head office structure
- central procurement
- productivity focus

Looking Forward

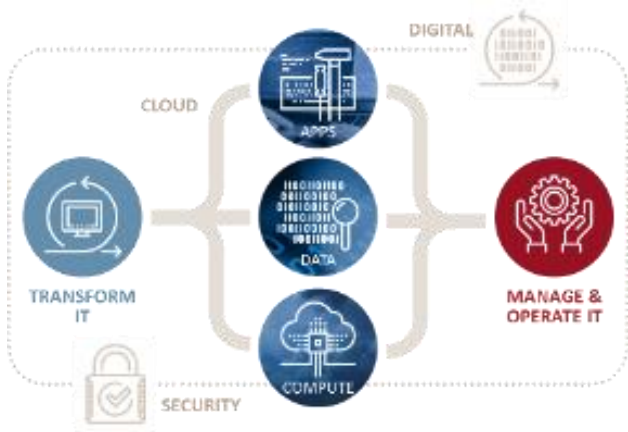
Stephen van Coller

Group CEO



OUR 5- TO 10-YEAR VISION OF THE FUTURE

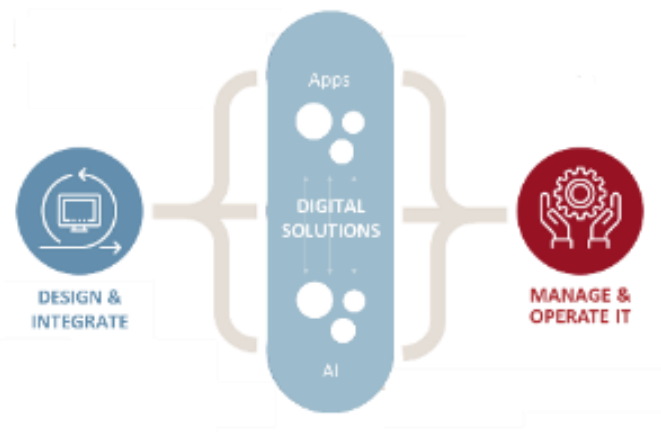
Digital Journey Partner



- Strengthen app, data, cloud
- Build AI and cloud native apps and capabilities
- Strong automation and optimisation focus
- Transformational app outsourcing
- Help customers migrate from traditional
- Bolster advisory capabilities

Y1 – Y3

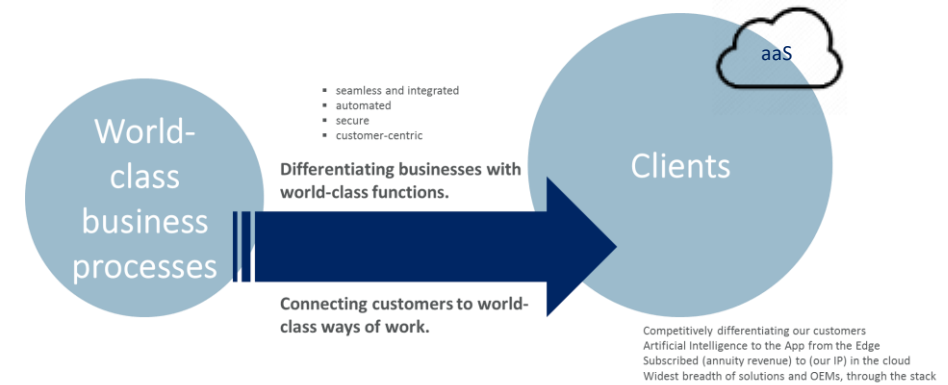
Cloud Solution Integrator



- Build integrated client ecosystems in the cloud
- IT as a service value proposition
- Accumulate cloud intellectual property
- App management
- Still managing legacy assets for clients

Y3 – Y5

Business Enablement Partner

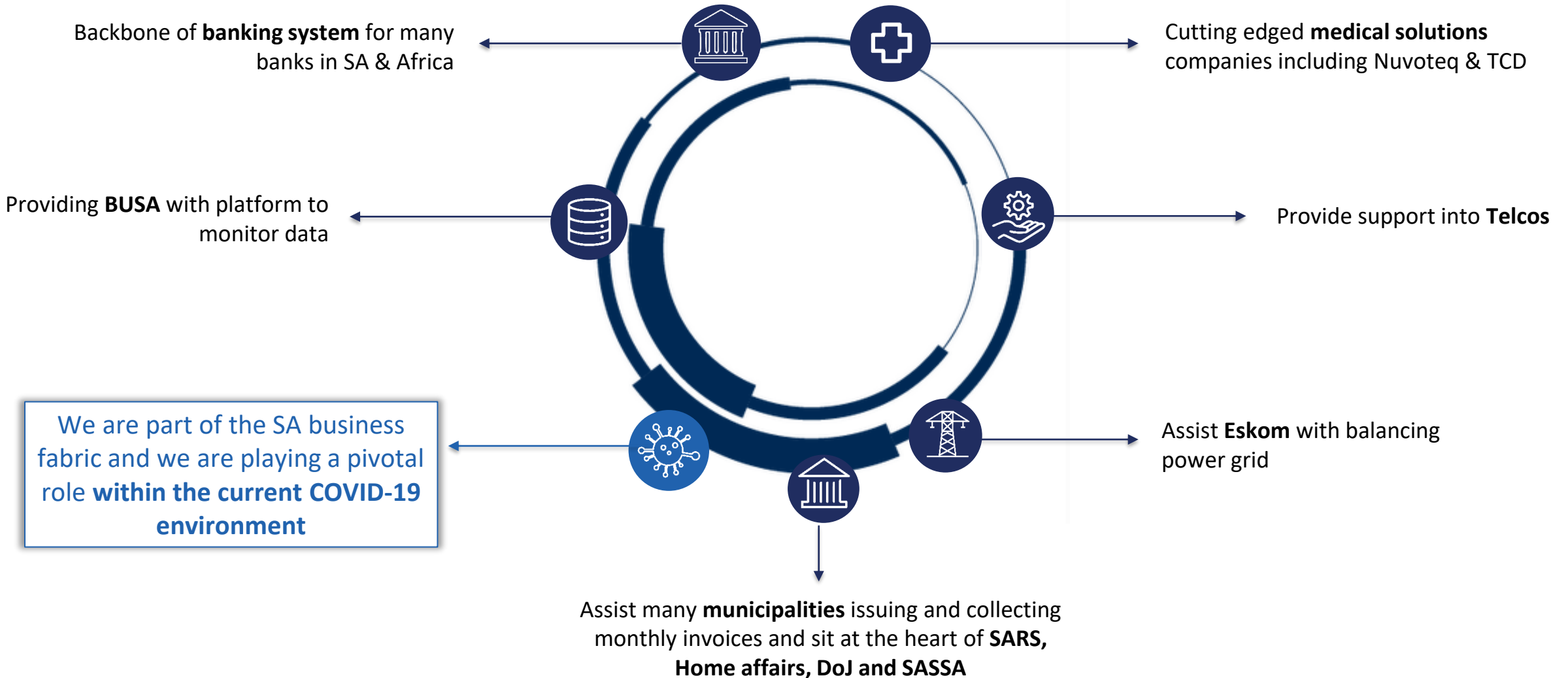


- Serverless architectures, cloud native development proliferates
- Blended ERP ecosystems
- Digital ecosystems and platforms B2B2C (IP)
- Deliver business functions in the cloud FaaS, clients subscribe EOH has strong IP base, systems integration
- Manage all of IT run enablement / assets for clients, maintain, monitor, optimise, operate

Y5 – Y10

> EOH REMAINS SYSTEMIC TO SOUTH AFRICA'S ECONOMY – ELEVATED BY COVID-19

OVER 5000 CUSTOMERS RELYING ON US – INCREASED CONNECTIVITY IMPERATIVE

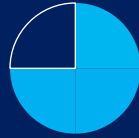


OUR STATED TURNAROUND STRATEGY WITH CLEAR PRIORITIES

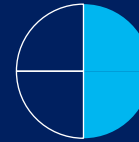
CREDIBILITY



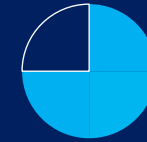
Refine business model for investors



Continue portfolio refinement to return to growth



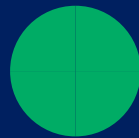
Focus on long term strategic plan



LIQUIDITY



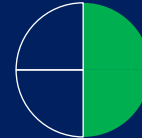
>R1 bn in disposals



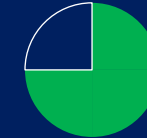
Gross debt target of <R1.5bn by FY2021



EBITDA margin of >10% for FY2021



Neutral working capital for FY2021



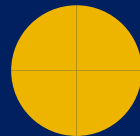
EBITDA cash conversion of >80% for FY2021



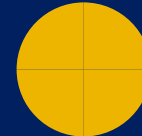
TRANSPARENCY



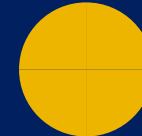
Revamp risk reporting



Embed governance culture



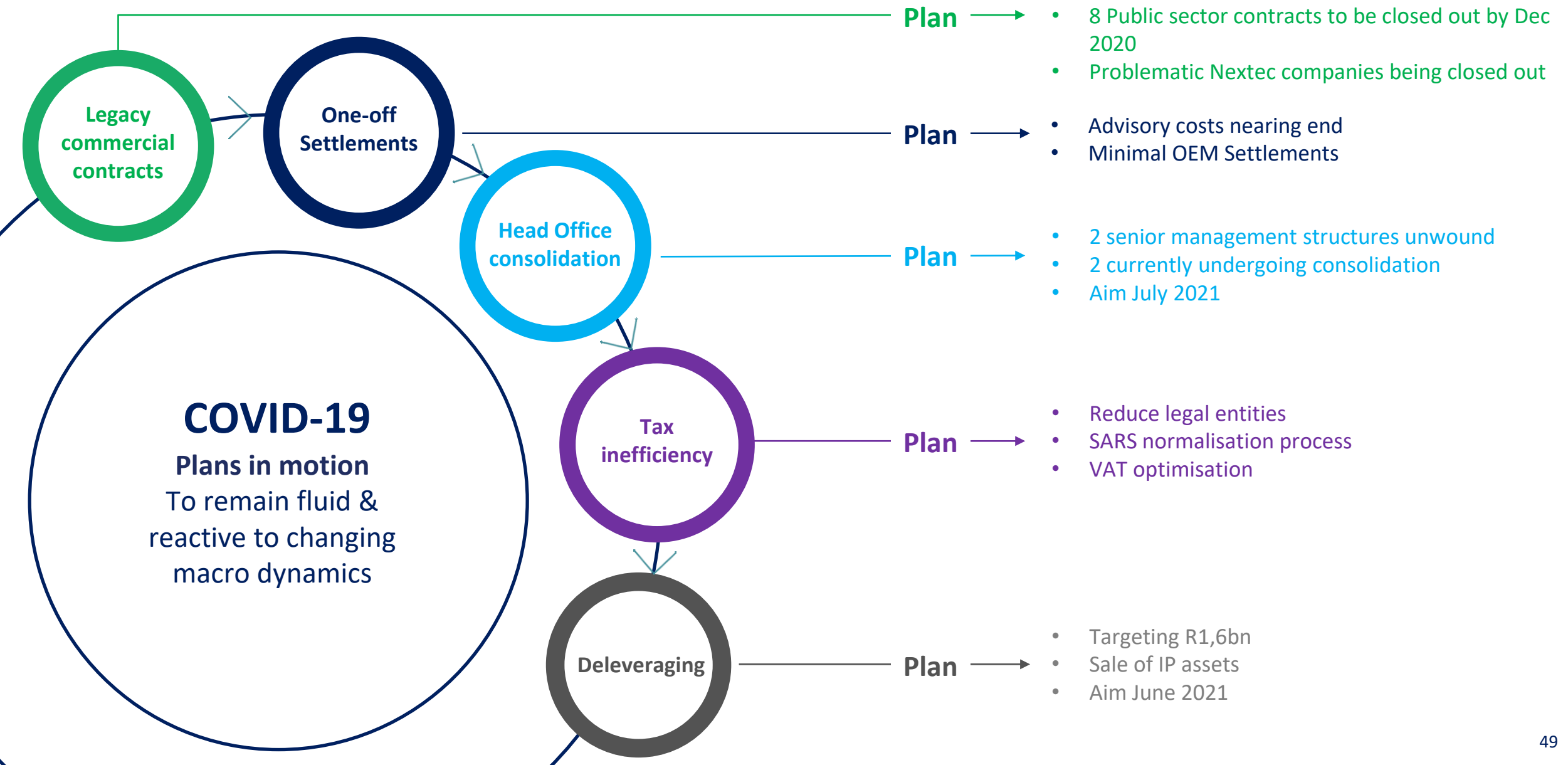
Establish Internal Audit



Top talent incentivisation



PLANS IN PLACE TO ADDRESS REMAINING CHALLENGES



KEY ACHIEVEMENTS FOR THE PERIOD



Business performance stabilised with Gross Profit margin improvement

Total Revenue **R 6 354 million** with **24% GP margin**



Significant cost management progress made

Normalised EBITDA **R405 million** with ~**65%** cash conversion rate



Stable cash balances consistent with prior period

Cash balances **R826 million⁽¹⁾** with an improvement to **R950 million** as at 2 April 2020






Clear path to extinguishing drain of large one-off settlements and loss making business units

Q&A



Appendices

APPENDIX 1: CLARIFYING DISCLOSURE DEFINITIONS

	CONTINUING OPERATIONS	ASSETS HELD FOR SALE	DISCONTINUED
 Income Statement	In each line of I/S	In each line of I/S unless it is also a discontinued operation	In one line item Loss from discontinued operations
 Balance Sheet	In each line of B/S	In assets/liabilities held for sale	In assets held for sale unless already sold
 Includes	Core business Businesses being re-assessed Projects in the process of being closed in complex ERP space & electrification of water pumps	Doesn't form major line of business but earmarked for sale. Generally part of a business line	Major line of business earmarked for sale or in sale process or already sold

APPENDIX 2: EBITDA RECONCILIATION

R'000	HY 2020	HY 2019* Restated
Operating loss before interest and equity-accounted losses from continuing operations	(728 216)	(2 408 373)
Depreciation	118 025	100 713
Amortisation	57 402	134 953
Impairment losses	152 452	1 334 569
Loss on disposal of assets	93 948	156 686
Share-based payments	16 807	200 825
VFA re-estimation	11 260	(20 715)
Income from Joint venture	2 178	-
EBITDA	(276 144)	(501 342)
Impairment of inventory	14 090	43 996
Specific IFRS 9 impairments and provisions	149 245	199 300
Advisory and other	90 619	108 076
IFRS 15 adjustments	6 729	-
Retrenchment and settlements costs	36 260	-
Onerous contracts and other provisions	49 138	-
Normalised EBITDA**	69 937	(149 970)
Non-core business lines to be closed^	210 498	584 724
Normalised EBITDA from continuing operations	280 435	434 754

* Comparative figures previously reported have been amended to reflect continuing operations and segments prevailing for six months to 31 January 2020, as well as correction of prior errors.

** Normalised EBITDA is defined as continuing losses before income and expenses, tax, depreciation, amortisation, impairments, gains and losses on disposal of businesses and equity-accounted investments. Normalised EBITDA excludes once-off cash and non-cash items.

^Non-core business lines to be closed reflect businesses to be shut down in that year and preceding years.

APPENDIX 3: EBITDA RECONCILIATION – Continuing vs Discontinued

R'000	Reported	Continuing (IFRS defined)	Discontinued (IFRS defined)
Operating loss	(990 506)	(728 216)	(262 290)
Adjustments	776 493	452 072	324 421
<i>Depreciation</i>	165 040	118 025	47 015
<i>Amortisation</i>	85 054	57 402	27 652
<i>Impairment losses</i>	279 072	152 452	126 620
<i>Loss on disposal of assets</i>	215 753	93 948	121 805
<i>Share based payments</i>	18 104	16 807	1 297
<i>VFA adjustments</i>	11 292	11 260	32
<i>Loss from JV</i>	2 178	2 178	-
Total EBITDA (per group definition)	(214 013)	(276 144)	62 131
Normalised EBITDA adjustments	348 524	346 081	2 443
<i>IFRS 9 specific provisions</i>	149 245	149 245	-
<i>IFRS 15 revenue adjustments</i>	6 729	6 729	-
<i>Advisory costs</i>	90 619	90 619	-
<i>Stock write off</i>	14 090	14 090	-
<i>Retrenchments & settlements</i>	38 703	36 260	2 443
<i>Provisions & onerous contracts</i>	49 138	49 138	-
Normalised EBITDA	134 511	69 937	64 574
Non-core business lines to be closed	270 801	210 498	60 303
Normalised EBITDA	405 312	280 435	124 877