



**PBT** *group*  
DATA SPECIALISTS

*Transforming information to create insights and predictions.*

## Interim Results Presentation

for the six months ended 30 September 2020

# THE DATA SPECIALIST COMPANY

DATA ENGINEERING | ANALYTICS & VISUALIZATION | CLOUD SERVICES | ARTIFICIAL INTELLIGENCE | MANAGED SOLUTIONS

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## Performance

- ✓ **Revenue:**  
Sep 20: R389.3m (+21.4%)  
Sep 19: R320.6m
  
- ✓ **EBITDA:**  
Sep 20: R45.1m (+22.1%)  
Sep 19: R36.9m
  
- ✓ **Cash generated from operations:**  
Sep 20: R58.5m (+45.9%)  
Sep 19: R40.1m
  
- ✓ **Profit after tax:**  
Sep 20: R29.8m (+22.9%)  
Sep 19: R24.2m
  
- ✓ **Headline earnings:**  
Sep 20: R18.9m (+16.7%)  
Sep 19: R16.2m
  
- ✓ **Diluted headline earnings per share:**  
Sep 20: 21.20 cents (+29.3%)  
Sep 19: 16.39 cents

## Distributions

- ✓ **Distribution per share:**  
Sep 20: 16 cents (+33.3%)  
Sep 19: 12 cents
  
- ✓ **Distribution cover:**  
Sep 20: 1.325 times  
Sep 19: 1.365 times

## Capital structure

- ✓ **Cash and cash equivalents:**  
Sep 20: R74.3m  
Sep 19: R45.8m
  
- ✓ **Debt:**  
Sep 20: No long-term interest bearing borrowings  
Sep 19: No long-term interest bearing borrowings

## Transactions

- ✓ **General share repurchase:**  
Sep 20: Repurchased 931k shares at an average price per share of R1.73  
Sep 19: Repurchased 757k shares at an average price per share of R1.50
  
- ✓ **End of period issued shares:**  
Sep 20: 99 157 141  
Sep 19: 108 490 761
  
- ✓ **End of period issued shares net of treasury shares\*:**  
Sep 20: 86 207 141  
Sep 19: 96 817 061

## Covid-19

- ✓ **Impact on business:**
- ✓ Service delivery intact
- ✓ Demand for services remains robust
- ✓ Debtors continue to pay on time

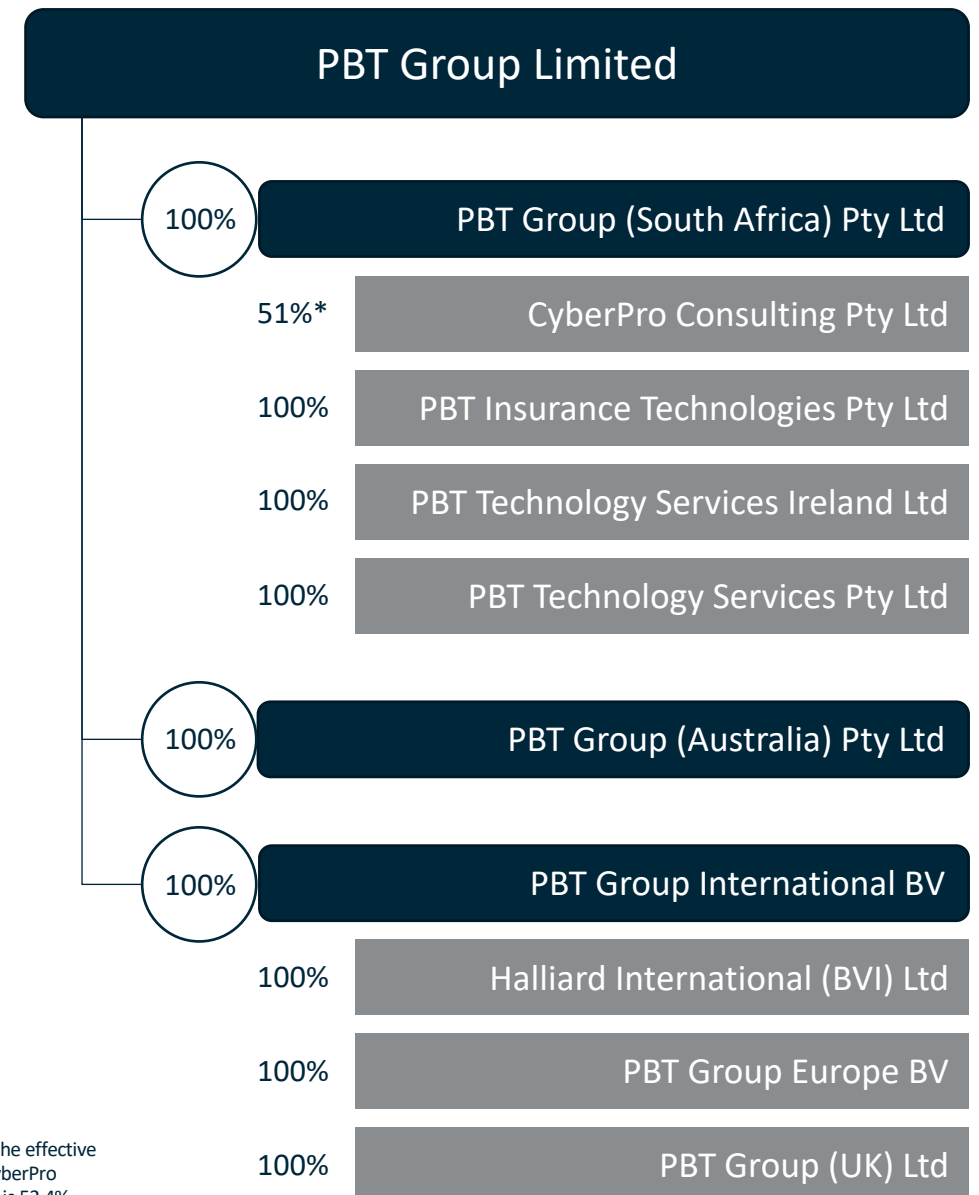
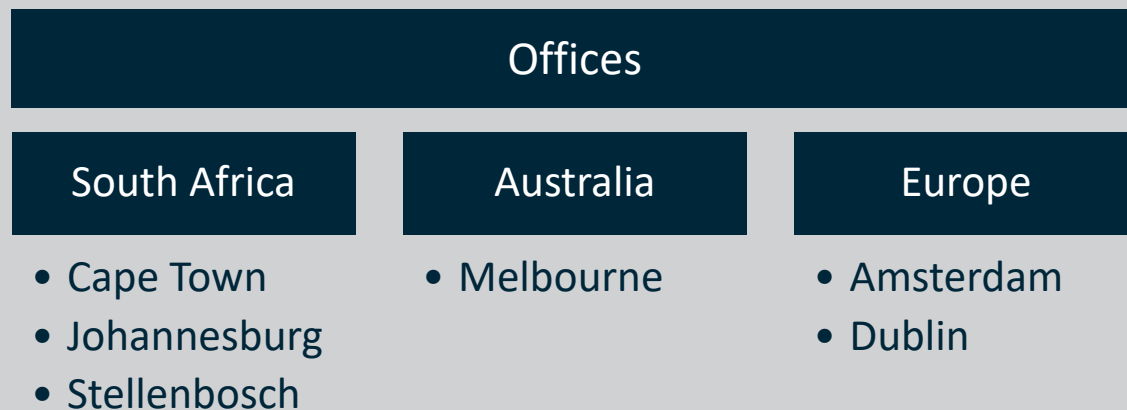
\*In calculating the end of period number of ordinary shares in issue net of treasury shares, treasury shares of 12 950 000 shares (30 September 2019: 11 673 700 shares) were deducted. Of these treasury shares, 12 950 000 (30 September 2019: 10 363 282) were acquired by a BEE and staff company (which is 100% owned by PBT staff) and funded by PBT Group. The preference share investment of R23.5 million (September 2019: R16.5 million), issued by the BEE and staff company is treated as treasury shares in terms of IFRS 2 Share-based Payments and, as such, has been eliminated from the statement of financial position. The preference share dividend of R0.4 million (30 September 2019: R0.6 million) during the current period has been eliminated from the statement of comprehensive income and is not included in profit after tax.

## Overview

PBT Group is a **services** business consisting of **three** core competencies:

1. **Data and Analytics**
2. **Software Development, Cloud Computing and Digital**
3. **Insurance Technologies**

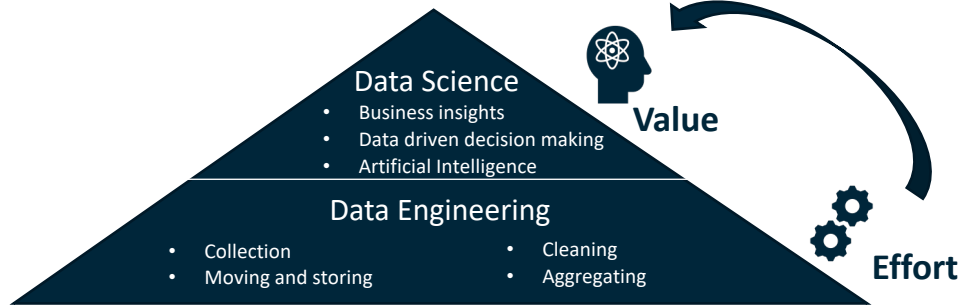
Revenue is derived in South Africa (89%), Australia (8%) and Europe (3%).



\*In terms of IFRS the effective shareholding in CyberPro Consulting Pty Ltd is 52.4%

Three core competencies

Data and Analytics



Data Science **unlocks the business value of data**, much of the **effort** to enable this, lies in the **engineering component**.

*Think of **Data Science (insights gleaned from data)** as the top of a pyramid of needs. Yes, self-actualization (**Data Science**) is great, but you first need food, water, and shelter (**data collection, moving and storing, cleaning, aggregating. I.e. Data Engineering**).*

Data and Analytics is a core competency of PBT Technology Services Pty Ltd and PBT Group Europe BV

Software Development  
Cloud Computing  
Digital

**Software Development**



**large, data driven line-of-business systems** in corporate environments

**Cloud Computing**



- Cloud Migration Strategy and Implementation
- DevOps consulting and implementation

**Digital**



- User Experience and User Interface Design
- Mobile and Web
- Customer Centric end to end solutions

**Software Development, Cloud Computing and Digital** are the main pillars of the CyberPro Consulting offering.

CyberPro Consulting Pty Ltd

Insurance Technologies



Members



Process claims

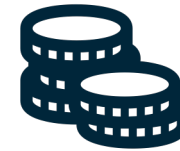
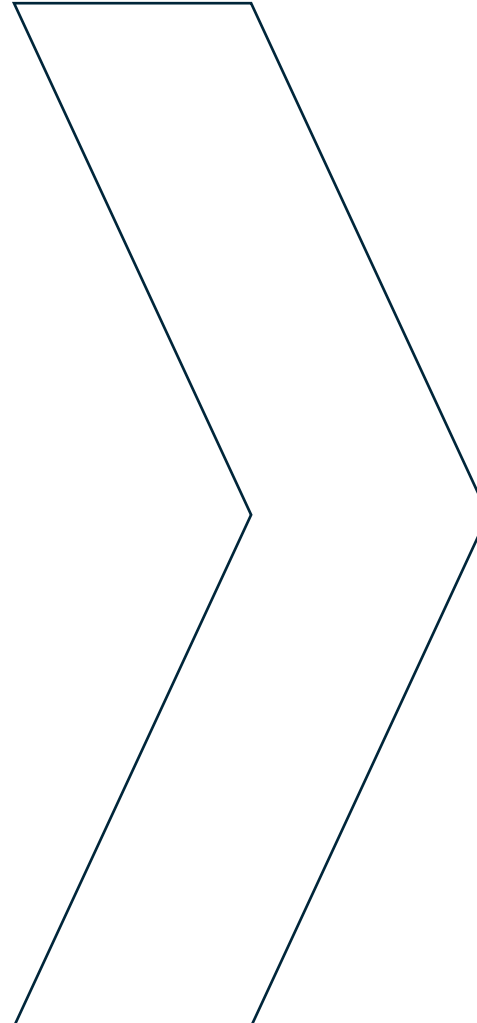
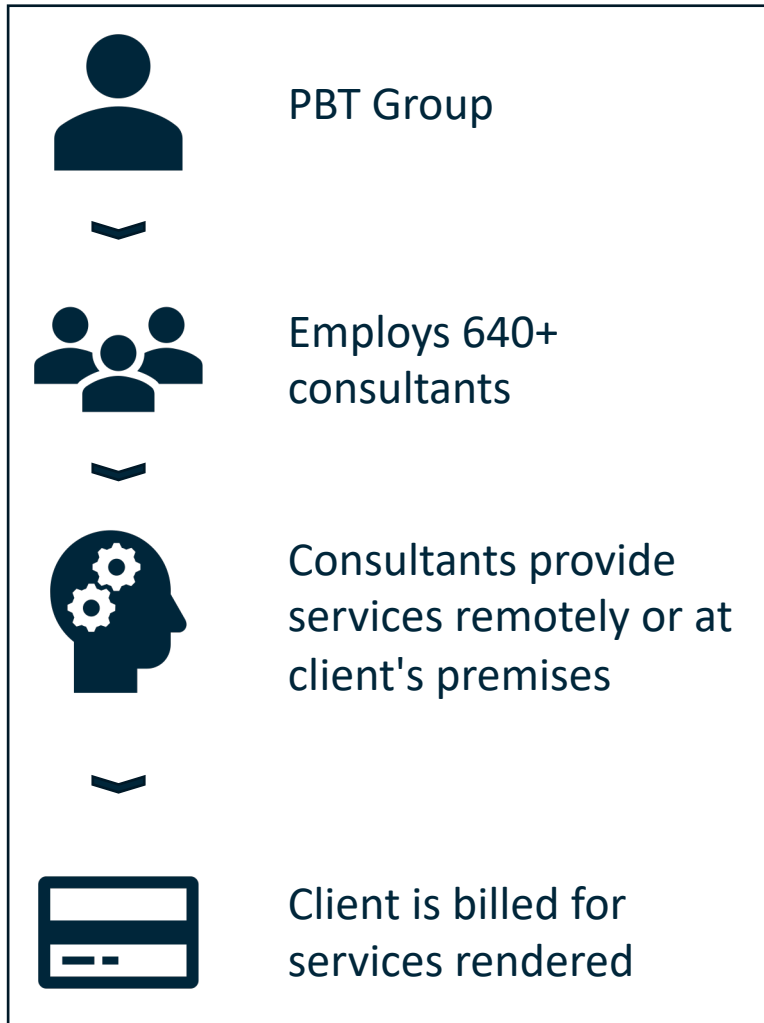


Authorise claims

**Software solutions** specifically designed for the **healthcare sector** (medical aid).

Insurance Technologies is a competency of PBT Insurance Technologies Pty Ltd and PBT Australia Pty Ltd

## A services business



### Revenue model

- Function of **number of active consultants** and **billing rate**
- Mostly **time-based contracts** (client is billed for hours worked)
- Scalable to the **extent of additional contracts and available consultants**

## Strengths:

- Focused business
- Asset-light business model
- Mostly stock exchange listed A-grade clients
- Cash generative
- Data explosion and digital transformation driving demand for services
- Technology agnostic

## Weaknesses:

- Longstanding client relationships can put pressure on profit margins
- Shortage of quality consultants can limit growth
- Dependency on key personnel

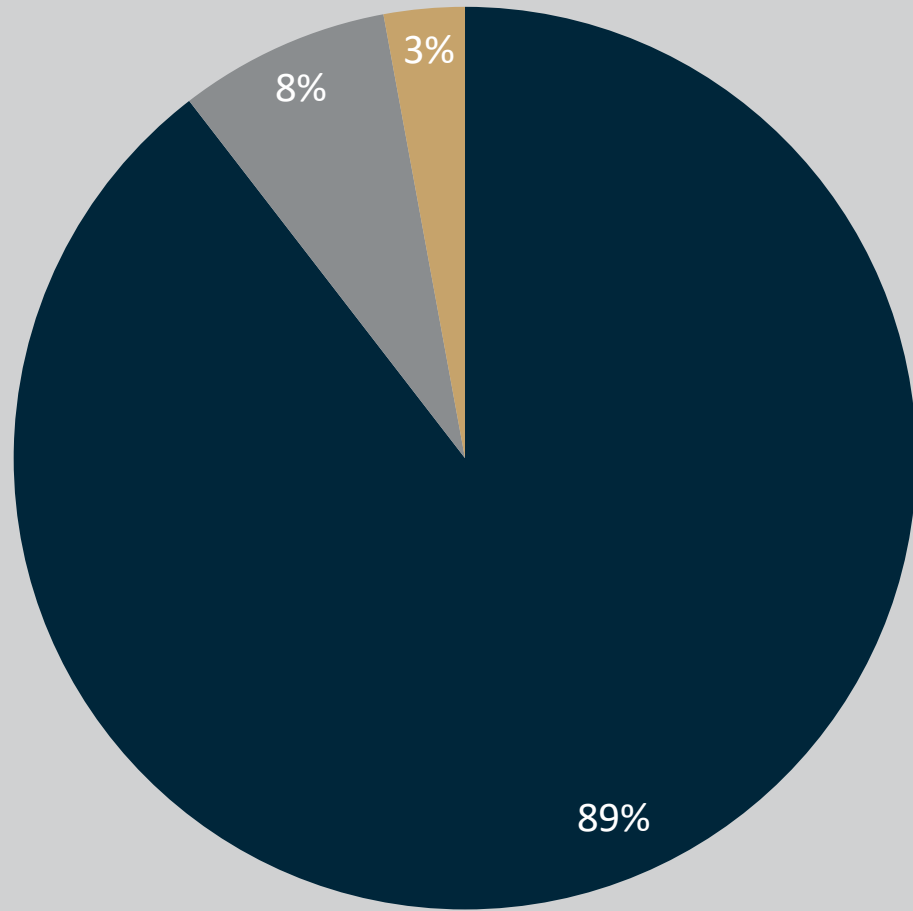
## Opportunities:

- Growth within client accounts
- Securing new client accounts
- Geographical expansion

## Threats:

- Large fixed cost of consulting (cost of sales)
- Upward pressure on cost of consulting

Revenue per region (as a % of Group revenue)



■ South Africa ■ Australia ■ Europe

## Comments

### South Africa:

- Organic revenue growth of 23% to R347.9m
- Robust demand for services

### Australia:

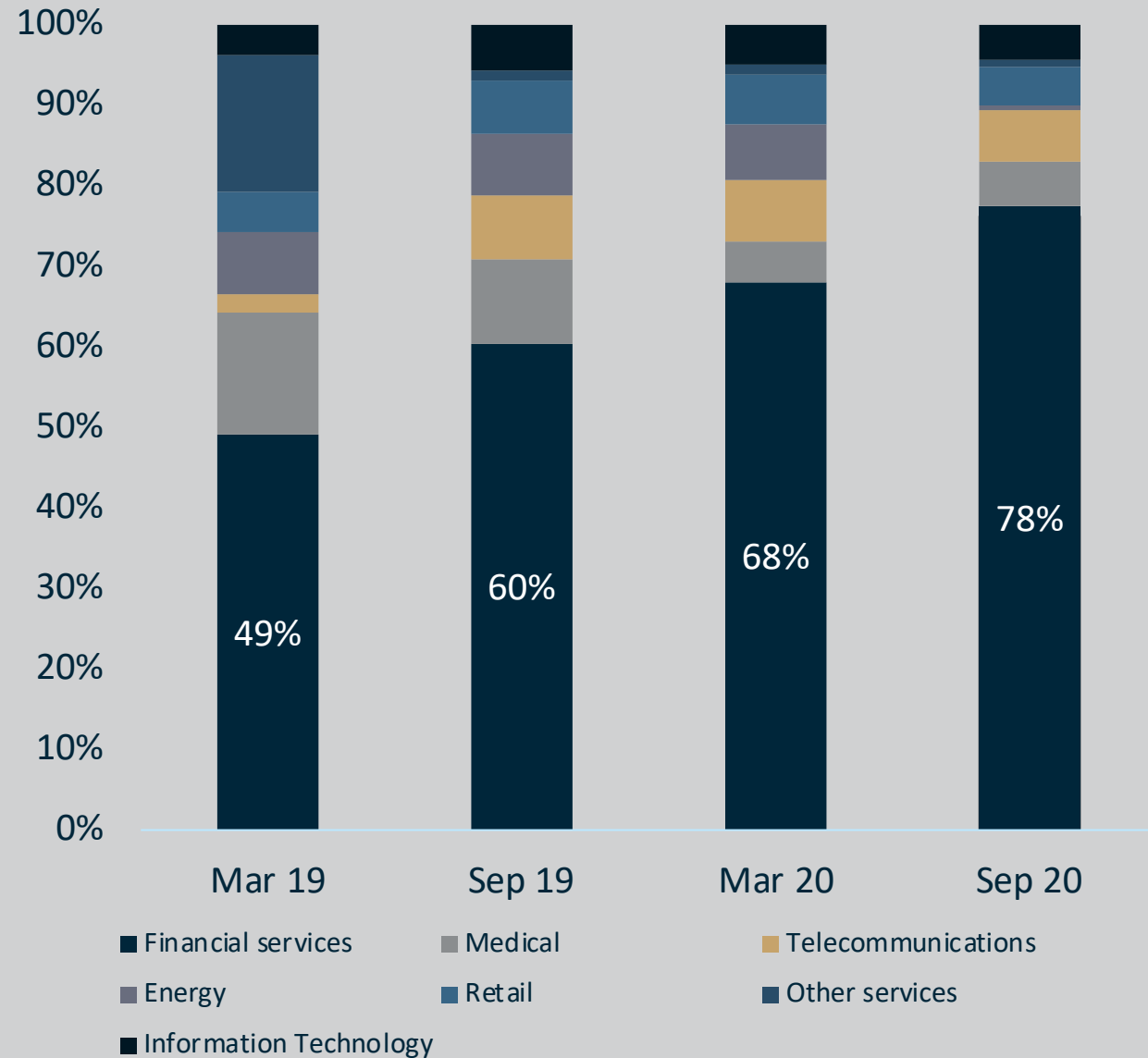
- Revenue increased by 12% to R29.5m, mainly due to currency movement
- Limited growth

### Europe:

- Revenue increased by 1.75% to R12.0m, mainly due to currency movement
- Start-up phase, not yet profitable
- Prospects are promising



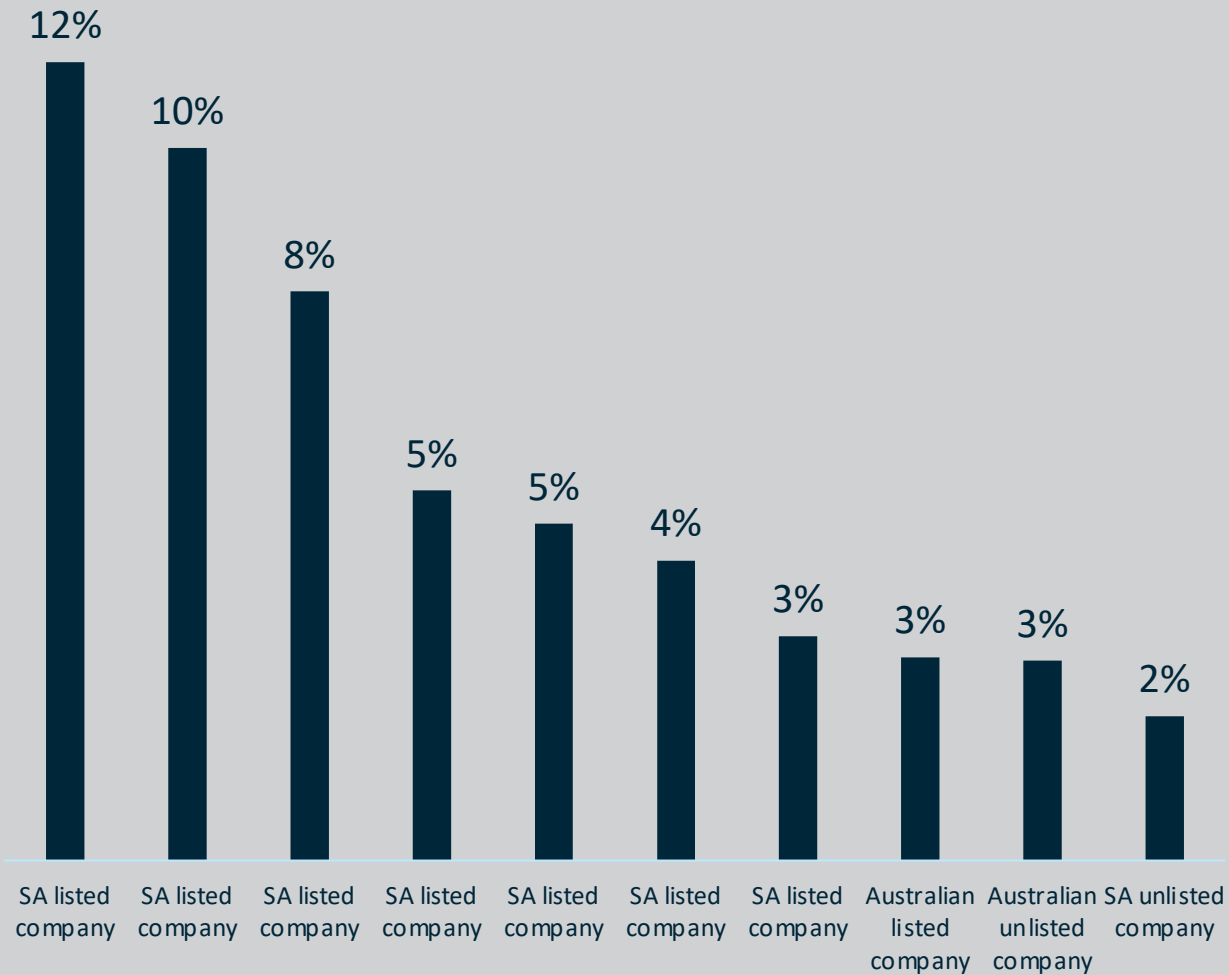
Revenue per client industry (as a % of Group revenue)



## Comments

- Services to the financial services industry (78%) has grown significantly. Driven by digital transformation.
- Most consultants are interchangeable between industries. Reduces risk of non-billability.

Revenue by top ten clients (as a % of Group revenue)

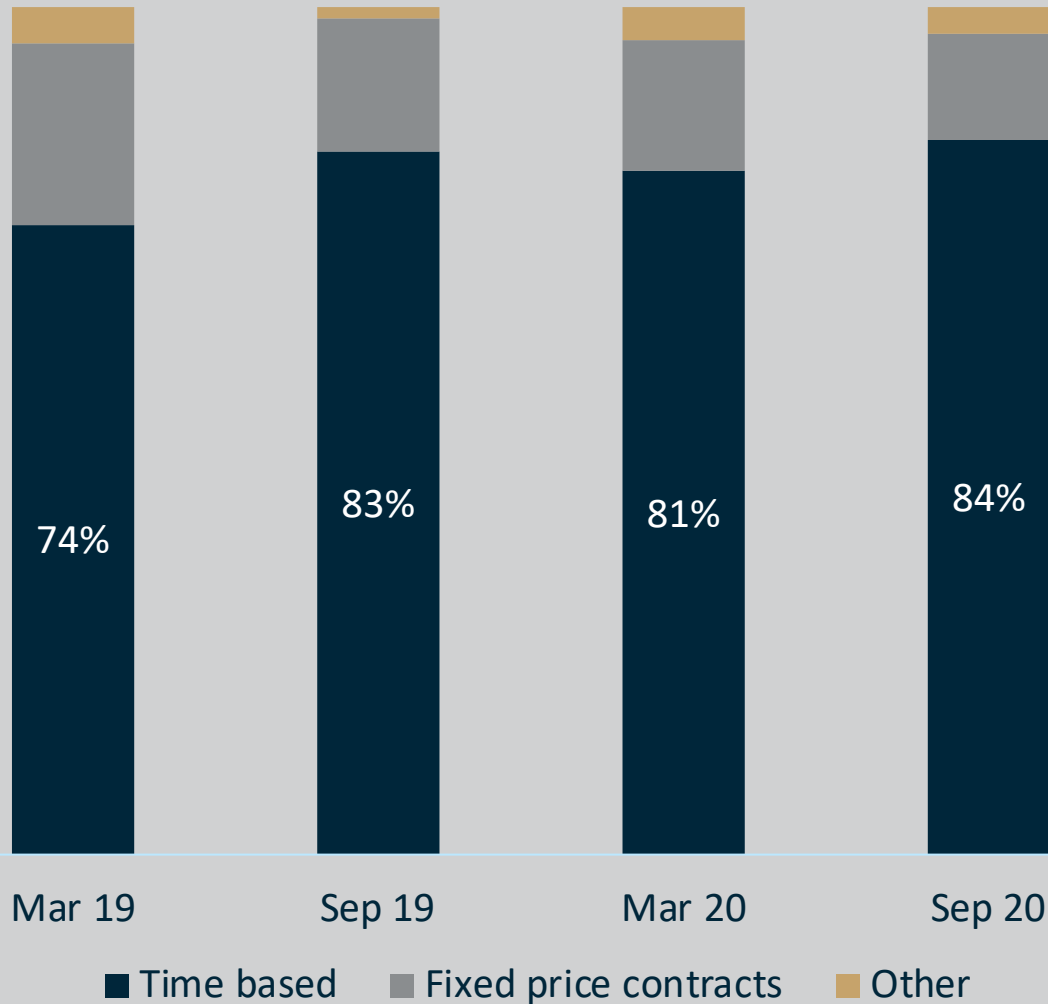


\*Percentages are rounded

## Comments

- Mostly stock exchange listed A-grade clients. Low counterparty risk.
- Top 10 clients make up c. 56% of Group revenue.

Revenue by contract type (as a % of Group revenue)



## Comments

- Mostly time-based contracts. Lower risk of project overruns compared to fixed price contracts.

# Financials: simplified statement of financial position

Statement of financial position (ZARm)	Sep 20 (6 months)	Sep 19 (6 months)	Mar 20 (12 months)
Investments at fair value	103	37	45
Trade and other receivables	93	109	103
Cash and cash equivalents	74	46	66
Other	17	31	15
<b>Total assets excl. goodwill, intangibles and right-of-use assets</b>	<b>288</b>	<b>223</b>	<b>229</b>
Trade and other payables	64	46	62
Other	2	11	3
<b>Total liabilities excl. lease liabilities</b>	<b>65</b>	<b>57</b>	<b>66</b>
<b>Total equity excl. goodwill, intangibles, right-of-use assets and lease liabilities</b>	<b>223</b>	<b>166</b>	<b>163</b>

PBT Group, indirectly through Halliard International (BVI) Limited, owns 6.7% of Zuuse Limited. This investment is considered non-core in terms of PBT Group's business operations. Please see annexure for additional information on Zuuse Limited.

Mainly stock exchange listed A-grade clients. The reduction is mainly due to collection of outstanding trade receivables and timeous payment by clients for services rendered.

Comfortable excess cash position.

Other payables mostly consists of accruals, PAYE and VAT.

# Financials: simplified statement of comprehensive income

Statement of comprehensive income (ZARm)	Growth year-on-year	Sep 20 (6 months)	Sep 19 (6 months)	Mar 20 (12 months)
<b>Revenue</b>	<b>21%</b>	<b>389</b>	<b>321</b>	<b>673</b>
Cost of sales		-295	-240	-505
<b>Gross profit</b>	<b>16%</b>	<b>94</b>	<b>81</b>	<b>167</b>
Operating expenses	17%	-52	-45	-94
Net other income and expenses		3	0	0
<b>EBITDA</b>	<b>22%</b>	<b>45</b>	<b>37</b>	<b>73</b>
Depreciation and amortisation		-4	-4	-8
<b>EBIT</b>	<b>23%</b>	<b>41</b>	<b>33</b>	<b>65</b>
Net finance income/(expense)		0	0	1
<b>Profit before tax</b>	<b>21%</b>	<b>41</b>	<b>34</b>	<b>66</b>
Taxation		-11	-10	-20
<b>Profit after tax</b>	<b>23%</b>	<b>30</b>	<b>24</b>	<b>46</b>
Non-controlling interest	36%	-11	-8	-16
<b>Profit attributable to the owners of the parent</b>	<b>16%</b>	<b>19</b>	<b>16</b>	<b>30</b>
<b>DHEPS (cents)</b>	<b>29%</b>	<b>21.20</b>	<b>16.39</b>	<b>30.79</b>

Organic revenue growth, driven by robust demand for PBT Group's services in an ever-increasing digital world.

PBT Group owns 51%\* of CyberPro Consulting. Please see annexure for additional financial information on CyberPro Consulting.

Driven by earnings growth and fewer shares in issue.

\*In terms of IFRS the effective shareholding in CyberPro Consulting Pty Ltd is 52.4%

# Financials: simplified statement of cash flows

Statement of cash flows (ZARm)	Sep 20 (6 months)	Sep 19 (6 months)	Mar 20 (12 months)
<b>Cash generated from operations</b>	<b>58</b>	<b>40</b>	<b>102</b>
Net finance received/(paid)	0	1	0
Tax paid	-15	-9	-21
<b>Net cash from operating activities</b>	<b>43</b>	<b>32</b>	<b>82</b>
Capital expenditure	-1	0	-1
Net loan receipts/(advanced)	0	0	-1
Purchase of investment at fair value	0	-10	-10
Proceeds from investment at fair value	0	0	10
Other	0	0	0
<b>Net cash from investing activities</b>	<b>-1</b>	<b>-11</b>	<b>-2</b>
Dividends paid to non-controlling interest	-8	-2	-12
Distributions paid to equity holders of the parent	-10	0	-12
Share based payments advanced	-12	0	0
Purchase of own shares	-2	-1	-16
Repayment of leases	-3	-3	-4
<b>Net cash from financing activities</b>	<b>-35</b>	<b>-6</b>	<b>-44</b>
<b>Total cash movement for the year</b>	<b>8</b>	<b>15</b>	<b>35</b>

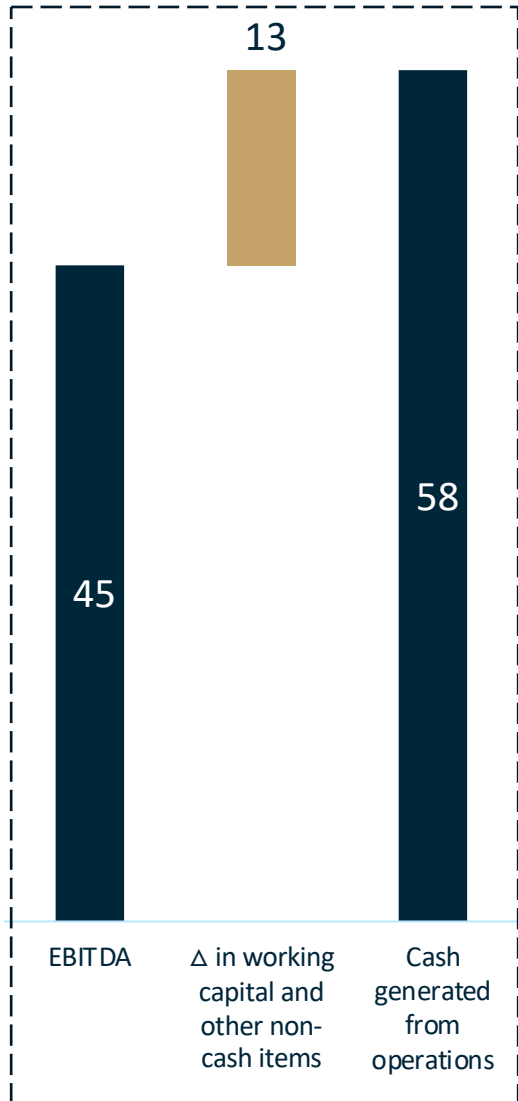
Continued conversion of accounting operating earnings into operating cash flow. Driven by a decrease in working capital, primarily due to a reduction in trade receivables.

Asset light business model. Insignificant portion of cash flows generated required to be spent on capital assets.

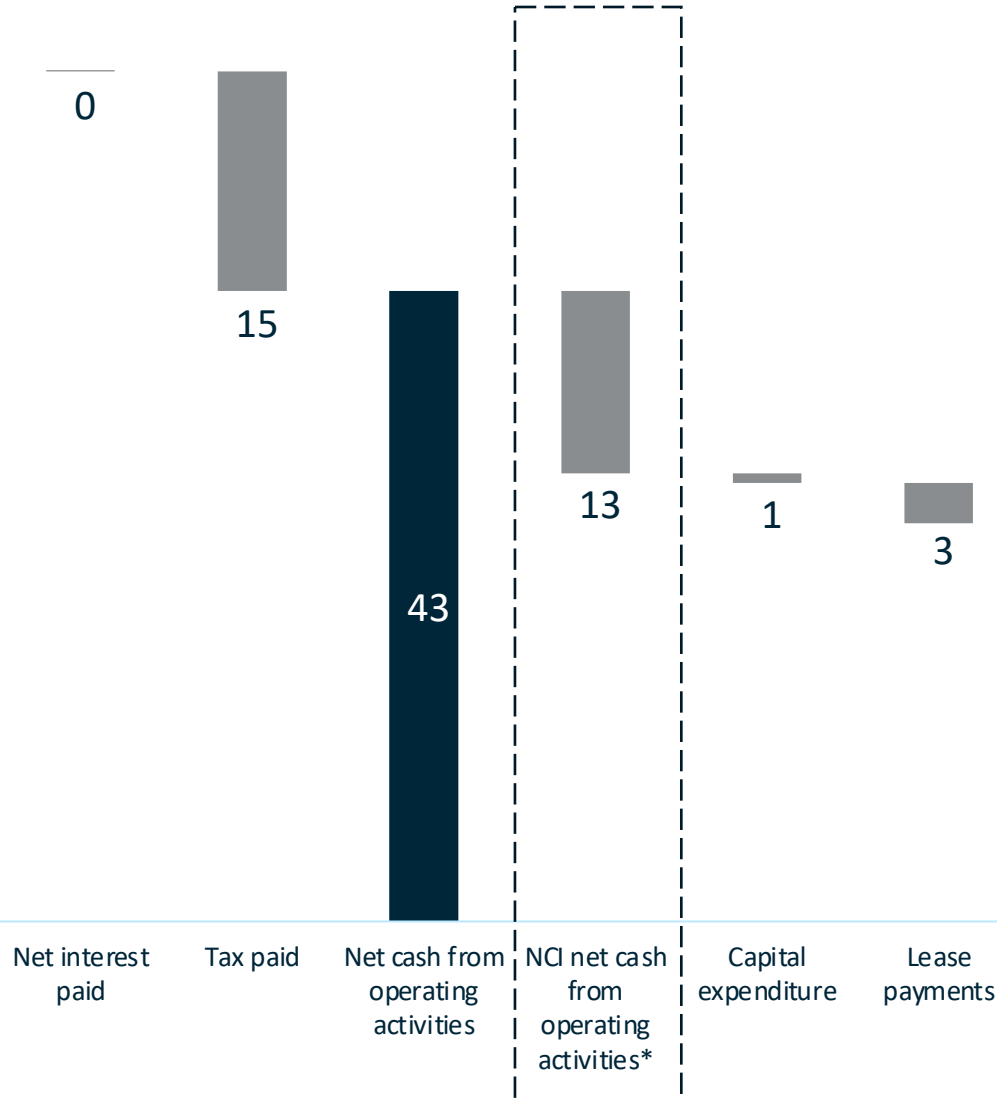
Advanced to employees of PBT Group.

# Financials: free cash flow bridge (ZARm)

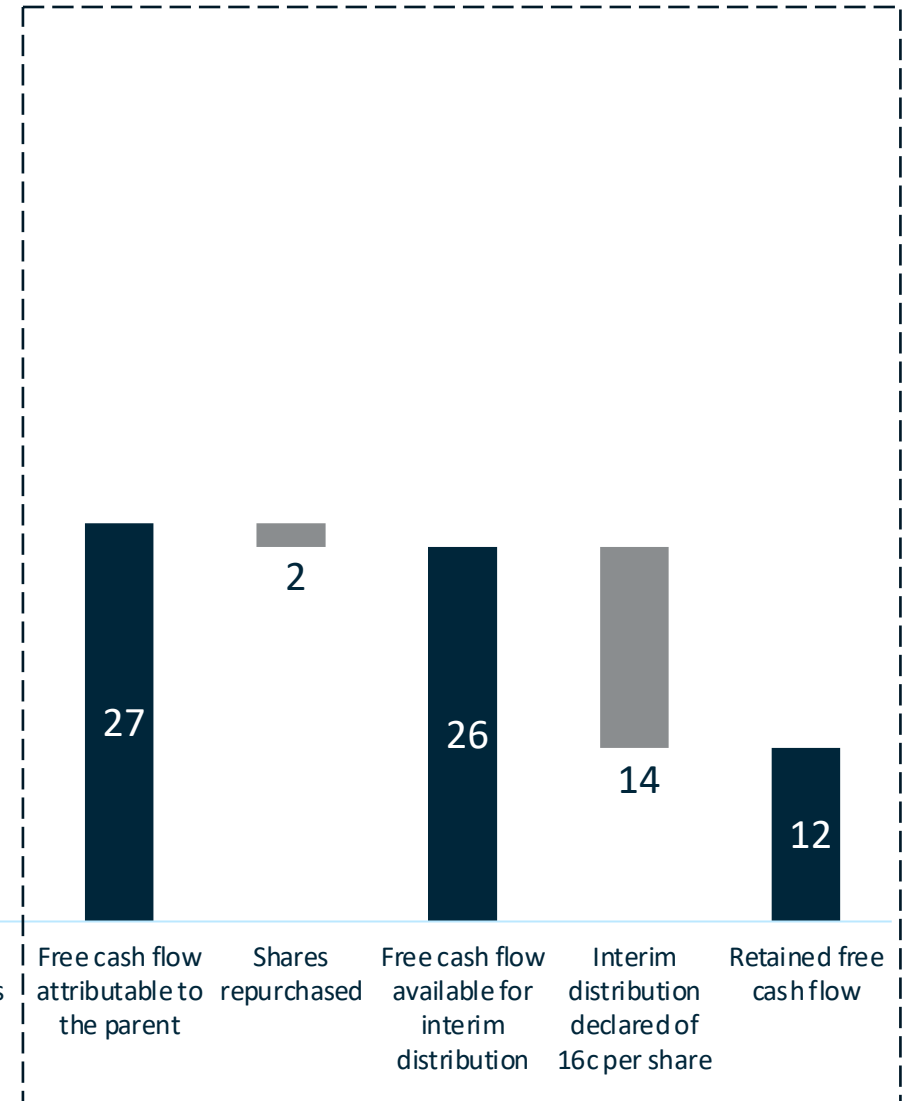
Converting operating earnings to operating cash flow



\*Non-controlling interest



Distributions well covered by free cash flow



## Four pillars

### Growing the business

#### 1. Organic expansion

- Secure new clients
- **Focus area**

#### 2. Acquisitive expansion

- Last acquisition was in 2012
- Will consider strategic acquisitions
- **Not a focus area**

### Rewarding shareholders

#### 3. Distributions

- Substantial portion of earnings paid as distributions

#### 4. Share repurchases

- Thorough understanding of our business
- No integration risk
- Earn an immediate return on capital invested
- Repurchase at price levels that make economic sense





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DATA SPECIALISTS

*Transforming information to create insights and predictions.*

**Annexure**

**THE DATA SPECIALIST COMPANY**

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# Zuuse Limited – additional disclosure



2013

PBT Group (Australia) Pty Ltd (wholly owned subsidiary of PBT Group Limited) **acquired 51% of Progressclaim.com for AUD1.12m**

2015

PBT Group (Australia) Pty Ltd **disposed a portion of Progressclaim.com to recoup its initial investment.** PBT Group (Australia) Pty Ltd held 9.6m shares in Progressclaim.com after the disposal

2017

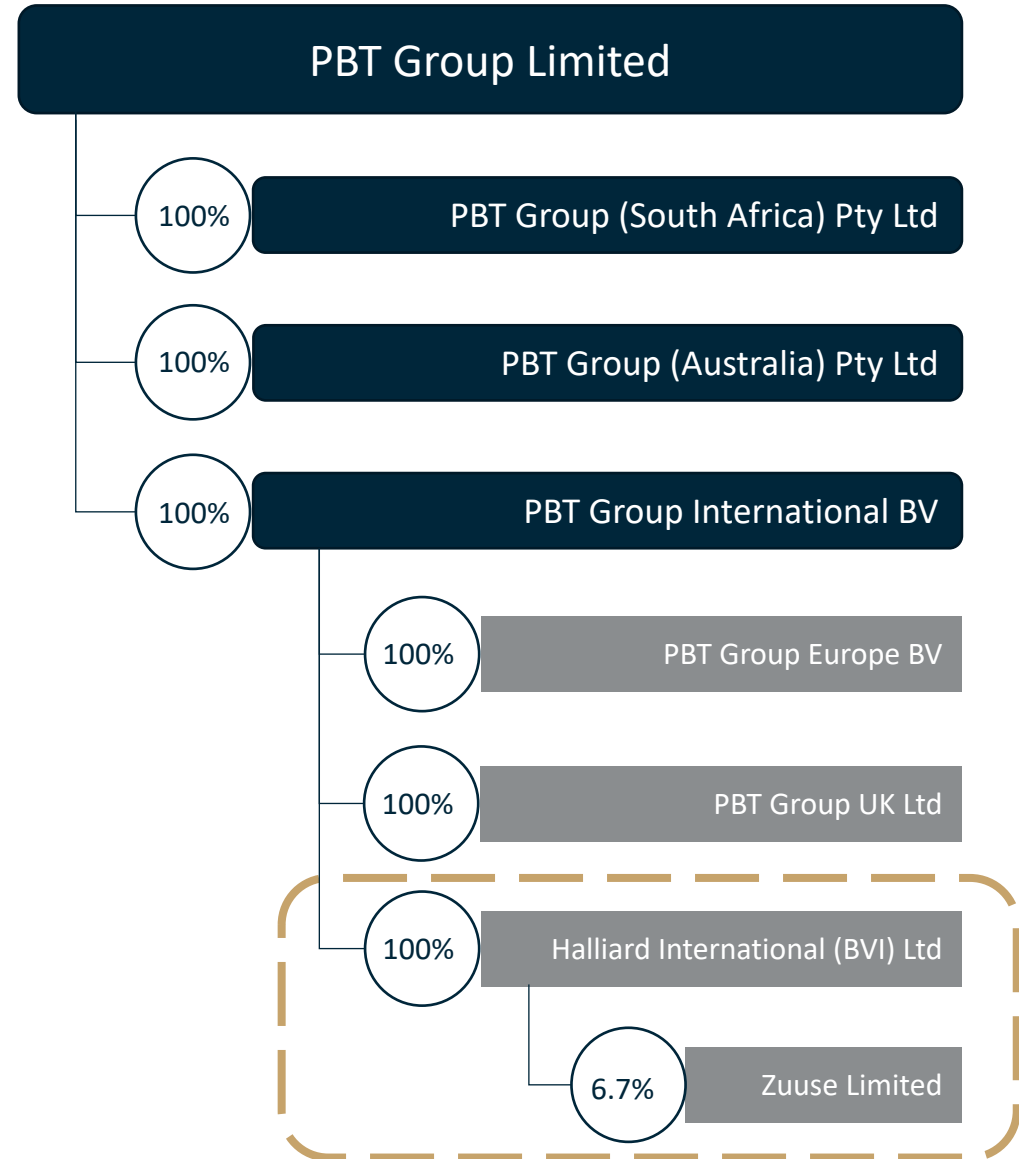
PBT Group (Australia) Pty Ltd disposed of its entire Progressclaim.com investment to Halliard International (BVI) Ltd (previously Stadia International BVI), a wholly owned subsidiary of PBT Group International BV, wholly owned by PBT Group Limited

2018

Progressclaim.com and Zuuse Limited merged to form Zuuse Limited

2020

PBT Group Limited, indirectly through Halliard International (BVI) Ltd owns **6.7% (9.6m shares) of Zuuse Limited (shareholding diluted over time after successful capital raises at Zuuse Limited).** This investment is considered **non-core** in terms of PBT Group Limited's business operations



## Zuuse overview

Zuuse is an **unlisted software company**.

Revenues are generated in North America, Europe, Australia, New Zealand and the Middle East.

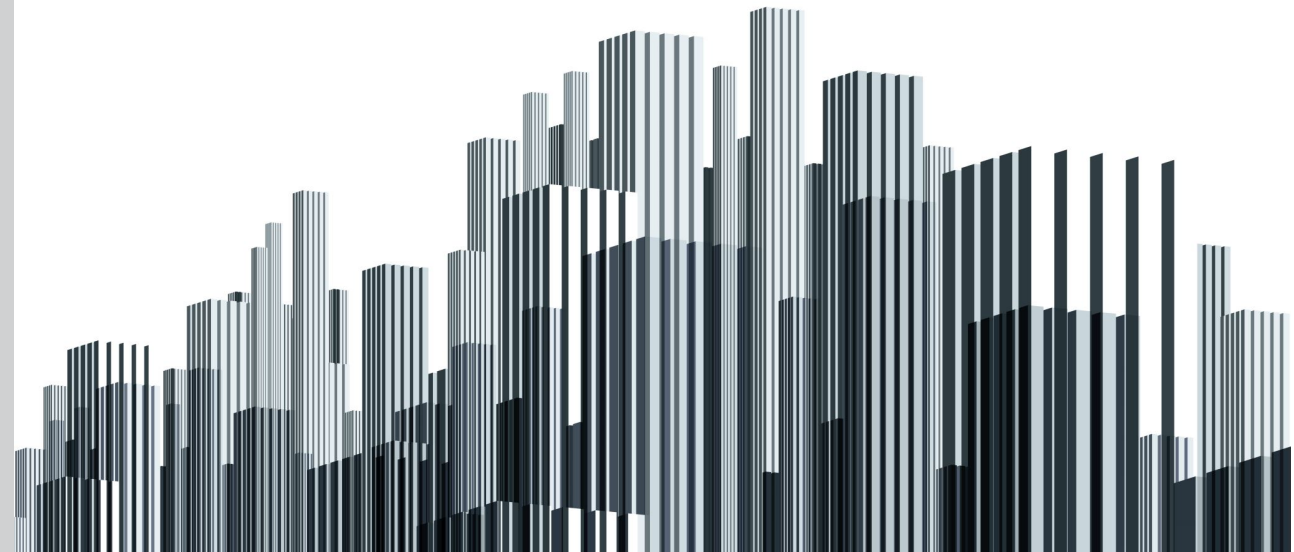
Zuuse consists of **two business divisions**:

### 1. Zuuse Construction:

Software solutions that **automate** and **digitise construction payments** and drives **collaboration** and **transparency** across the **construction supply chain**.

### 2. Zuuse Building Ops:

Software solutions that **improves management of buildings** and **infrastructure assets**.



## Global construction industry overview

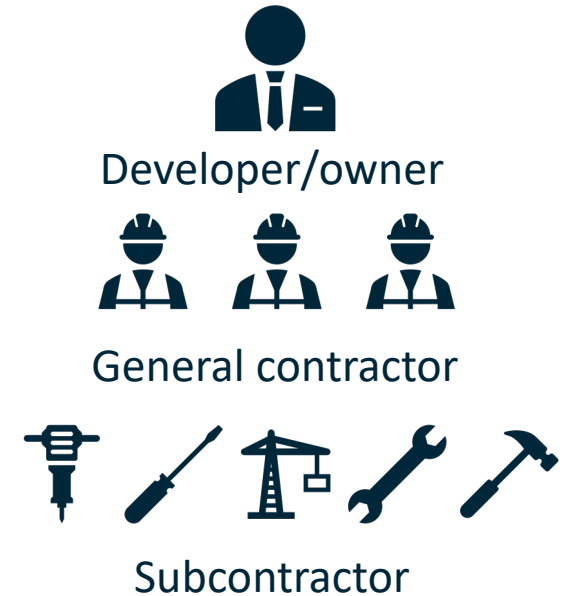
- **Global construction industry is large** (USD7tn in 2010 and expected to grow to USD10.8tn in 2023 or 13.5% of current global GDP)
- **Fragmented** – no single or small group of companies dominate the industry
- Typically involves **complex collaborative** processes between participants
- Has traditionally been **slow at technological development leading to inefficiencies** – construction industry as a whole spends just 1% of revenue on technology versus cross-industry average of 3.5%

[http://www3.weforum.org/docs/WEF\\_Shaping\\_the\\_Future\\_of\\_Construction\\_full\\_report\\_.pdf](http://www3.weforum.org/docs/WEF_Shaping_the_Future_of_Construction_full_report_.pdf)  
<https://www.globenewswire.com/news-release/2020/01/02/1965613/0/en/World-Construction-Industry-Size-Forecast-to-2023-Continuous-Major-Economic-Growth-in-Variou-Developed-Emerging-Markets-Drives-the-Industry.html>  
<https://www.virgin.com/entrepreneur/construction-falling-behind-innovation-race-heres-how-well-change>

## Typical construction payment problems:

Traditionally been **manual and paper based** which leads to a host of issues:

- Error-prone spreadsheets and inconsistent formats
- Manual re-entry to and from ERP system
- Poor transparency and auditability



Zuuse Construction provides software solutions that **automate** and **digitise** construction payments and drives **collaboration** and **transparency** across the **construction supply chain**

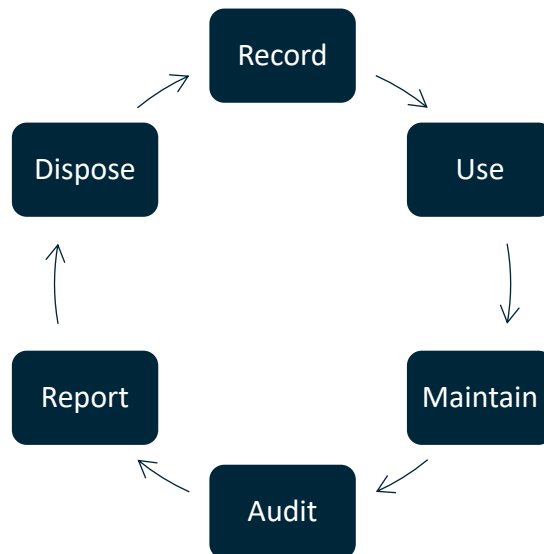
## Typical facilities management workflow



**Facilities management (FM):** Software solutions that **digitise** and **systemise** the day-to-day management of facilities.

*E.g. in a mall, the facility manager will deal with a leak in the bathroom.*

## Typical asset lifecycle



**Asset lifecycle management (ALM):** Software solutions that **optimise** asset performance and **capital budgets**.

*E.g. in a mall, the landlord needs to record the value of the escalator, needs to know its useful life, when it needs to be replaced, its cost to replace, etc.*

## Recurring revenue

- Customers pay subscription fees to use software – **recurring in nature**
- Revenue is **predictable** due to the long-term nature of construction projects
- Revenue is derived from **thousands of customers** – income not dependent on only a handful of customers
- **Scalable** business model

## High operating leverage

Revenue **received from new customers will bear little incremental sales or support costs.**

# Zuuse Fair Value (Fair Value Through Other Comprehensive Income)

Recent transaction	
<b>Latest capital raise price (AUD)</b>	<b>1.00</b>
AUD/ZAR as at 30 September 2020	11.99
Equity value per share (ZAR)	11.99
Less provision for profit share fees	10%
<b>Equity value after provision for profit share fees (ZAR)</b>	<b>10.79</b>
Shares held by PBT Group (million)	9.6
<b>Fair value of Zuuse (ZARm)</b>	<b>103</b>

As at 30 September 2020, PBT Group, through its wholly owned subsidiary, Halliard International (BVI) Limited, owns 9 566 667 shares (6.7%) of Zuuse Limited (“Zuuse”)

During September 2020, Zuuse issued 2.85m shares (2% of issued shares) to an existing Zuuse investor at AUD1.00. After the reporting period, IFM Investors Proprietary Limited (“IFM”), an Australian asset management firm, invested AUD50m for a significant minority interest in the issued share capital of Zuuse. The transaction was done via a combination of 35 million newly issued convertible preference shares at AUD1.00, which convert into ordinary shares on a 1 for 1 basis, with the balance of the investment being the acquisition of existing issued Zuuse shares (“IFM acquisition”).

As a result of the IFM acquisition, PBT Group’s interest in Zuuse will reduce from 6.7% to 5.3% on a fully diluted basis. Shareholders are referred to Zuuse’s press release dated 4 November 2020 at <https://zuuse.com/ifm-investors-minority-investment-zuuse/> for more information on the IFM acquisition.

In determining the fair value of its investment in Zuuse as at 30 September 2020, PBT Group referenced a price of AUD1.00 per Zuuse share and provided for a 10% profit share fee, payable on realisation, to the promoters of PBT Group’s investment in Zuuse.

PBT Group considers its investment in Zuuse as non-core to its operations and is not held for trading. The investment is therefore designated as at fair value through other comprehensive income. No dividends were received relating to this investment in the current or prior periods.



# CyberPro Consulting (51%\* subsidiary) – additional disclosure



\*In terms of IFRS the effective shareholding in CyberPro Consulting Pty Ltd is 52.4%

# CyberPro Consulting summarised financials

ZARm	Growth year-on-year	Sep 20 (6 months)	Sep 19 (6 months)	Mar 20 (12 months)
<b>STATEMENT OF FINANCIAL POSITION</b>				
Non-current assets		8	1	3
Current assets		63	56	64
<u>Total assets</u>		<u>71</u>	<u>57</u>	<u>66</u>
Non-current liabilities		2	0	2
Current liabilities		24	15	25
<u>Total liabilities</u>		<u>26</u>	<u>15</u>	<u>27</u>
<u>Net assets</u>		<u>45</u>	<u>42</u>	<u>40</u>
<b>STATEMENT OF PROFIT OR LOSS</b>				
Revenue	46%	184	126	281
Operating profit	53%	31	20	44
Profit before taxation	52%	31	21	44
Profit for the period	41%	23	16	34
<b>STATEMENT OF CASH FLOWS</b>				
Cash flows from operating activities		26	10	36
Cash flows from investing activities		0	0	-1
Cash flows from financing activities		-21	-5	-25
Net increase in cash and cash equivalents		5	5	10

Additional information



# Business milestones

1998

Founded as Prescient Business Technologies, a specialised information management company.

2006

Rapid developments in the Company structure, together with the need to align operations with the Group's vision of its future potential and acquisitions, lead to Prescient Business Technologies renaming itself to PBT Group.

2008

PBT Group (Australia) established in Melbourne.

2009

Strategic Medical Systems, a provider of specialist healthcare management solutions and services, renamed to PBT Insurance Technologies to better reflect the wider application of its services and align itself with the PBT brand.

2010

PBT Group listed on the JSE, through a reverse listing via the Wooltru cash shell.

2012

PBT Group acquires three specialist technology- focused companies: BI-Blue Consulting, a recognised leader in SAP Business Analytics and Enterprise Information Management, CyberPro Consulting, a leading Microsoft software services company, as well as Technique Business Intelligence Software, an IBM business partner and technical solutions authority.

Prescient listed on the JSE through a reverse listing via PBT Group, continuing to operate through its two main subsidiaries, Prescient Holdings (financial services) and PBT Group (information management services).

2016

PBT Group creates individual entities for its operating units due to its growth and in terms of its geographical dispersion. Through this PBT Technology Services and PBT Technology Services (MEA) were established.

2017

Prescient disposes of its financial services arm, renames to PBT Group and continues its listing on the main board of the JSE as a focused listed IT entity.

2018

Following the downscaling of the Africa and Middle East operations, PBT Group shifts its international focus to the United Kingdom and Europe, including Ireland. Through this, PBT Group Europe, with its head office in Amsterdam, Netherlands, was established.

2019

PBT Group successfully exits the Africa and Middle East market.

2020

PBT Group (UK) established as an extension of the Company's services internationally.



Advisory &  
Strategic



Data Engineering



Analytics & Visualisation



Artificial Intelligence



Managed Services &  
Solutions



Applications Development



*Transforming information to create insights and predictions.*

# Thank you

**Investor Relations Contact:**

Francois de Wet

[francois.dewet@pbtgroup.co.za](mailto:francois.dewet@pbtgroup.co.za)

+27 76 117 6214

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PBT Group has acted in good faith and has made every reasonable effort to ensure the accuracy and completeness of the information contained in this presentation, including all information that may be defined as 'forward-looking statements'.

Forward-looking statements may be identified by words such as 'believe', 'anticipate', 'expect', 'plan', 'estimate', 'intend', 'project', 'target', 'predict' and 'hope'. Forward-looking statements are not statements of fact, but statements by the management of PBT Group based on its current estimates, projections, expectations, beliefs and assumptions regarding the Group's future performance. No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements. The risks and uncertainties inherent in the forward-looking statements contained in this presentation include, but are not limited to: changes to International Financial Reporting Standards (IFRS) and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; domestic business and market conditions; changes in the domestic regulatory and legislative environments; changes to domestic operational, social, economic and political risks; and the effects of both current and future litigation. PBT Group does not undertake to update any forward-looking statements contained in this presentation and does not assume responsibility for any loss or damage arising as a result of the reliance by any party thereon, including, but not limited to, loss of earnings, profits, or consequential loss or damage.