



Transforming information to create insights and predictions.

Investor presentation for the unaudited six-month period ending 30 September 2019

THE DATA SPECIALIST COMPANY

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

Interim period in review

3

What we do

4

Our services

5

Summarised group structure

6

SWOT analysis

7

Geographical split

8

Clients

9-13

Financials

14-17



PBT *group*
DATA SPECIALISTS

Performance

- ✓ **Group revenue:**
 - R320.6m (+14% yoy)

- ✓ **Group adjusted EBITDA*:**
 - R34.2m (+109% yoy)

- ✓ **Group adjusted Cash Generated From Operations*:**
 - R37.3m (+93% yoy)

- ✓ **Group earnings:**
 - R24.2m (+195% yoy)

- ✓ **Headline earnings attributable to equity holders of the parent:**
 - R16.2m (+282% yoy)

- ✓ **HEPS attributable to equity holders of the parent:**
 - 16.4c (+439% yoy)

Dividend

- ✓ **Declared dividend**:**
 - 12c per share

- ✓ **Dividend cover:**
 - 1.8 times covered by Free Cash Flow attributable to Equity holders of the parent
 - 1.4 times covered by HEPS attributable to equity holders of the parent

Capital structure

- ✓ **Cash and cash equivalents***:**
 - R55.8m

- ✓ **Debt:**
 - No debt except for IFRS 16 lease liabilities

- ✓ **Tangible NAV:**
 - R165.8m
 - 170c per share****

Transactions

- ✓ **General share repurchase:**
 - Repurchased 0.7% of issued shares for a total consideration of R1.1m at a VWAP of 150 cents per share

- ✓ **End of period shares outstanding net of treasury shares*****:**
 - 107 190 343

* Adjusted figures exclude the effect of IFRS 16 right of use asset and lease liability

** By way of reduction of contributed tax capital

*** Includes investment in short term fixed income fund

**** Includes a R16.5m preference share investment in a BEE and staff company that is excluded in the consolidated balance sheet

***** Includes 10 373 282 BEE and staff shares treated as treasury shares for IFRS purposes

PBT Group creates **Data and Analytics solutions** and provides
services that capitalise on data-driven insights, **to make**
well-timed, intuitive business
decisions that consistently position our clients ahead of the curve



Advisory & Strategic

- Data Strategy
- Modernisation
- Readiness Programme
- Blueprint Architecture
- Business Analysis
- Project Management



Artificial Intelligence

- Scheduling
- Optimisation
- Natural Processing Language
- Robotics
- Machine Learning



Data Engineering

- Data Lake
- Data Streaming
- ETL / ELT
- Data Warehouse
- Data Wrangling
- Cloud Infrastructure



Managed Services & Solutions

- Outsourcing
- Support
- Maintenance
- Managed Services
- Technical Expertise



Analytics & Visualisation

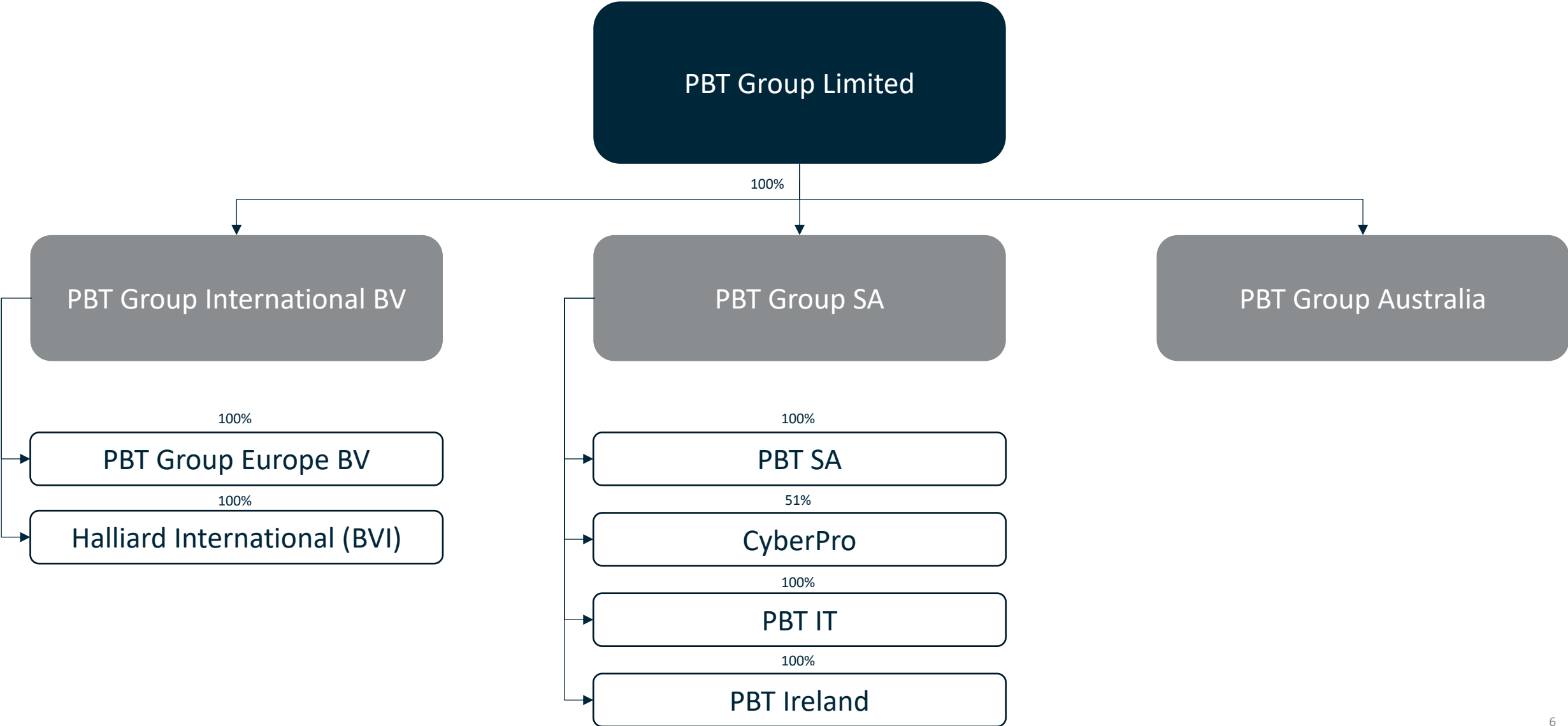
- Business Intelligence
- Self-Service Analytics
- Visualisation
- Storytelling
- Data Science
- Smart Analytics



Applications Development

- Backend
- Frontend
- .NET Hub
- Java Hub
- Mobile
- IOT

Summarised group structure



Strengths:

- ✓ Focused business model
- ✓ Capital light (high return on invested capital)
- ✓ Technology agnostic
- ✓ Data explosion driving demand for offering

Weaknesses:

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

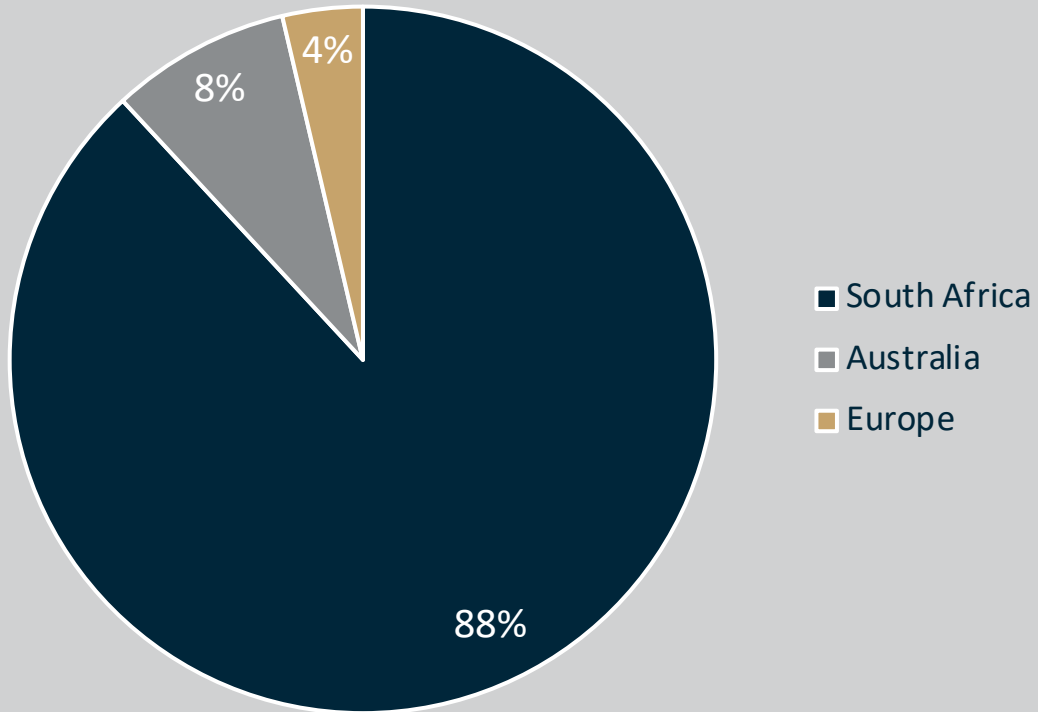
Opportunities:

- ✓ Growth within accounts
- ✓ Geographical expansion

Threats:

- Large fixed cost base
- Upward pressure on cost of consulting
- If demand for offering subsides, PBT can be burdened with large fixed costs

As a % of Group revenue



Comments

South Africa:

- ✓ Strong demand for services
- ✓ Good profitability
- ✓ Growing at a satisfactory rate

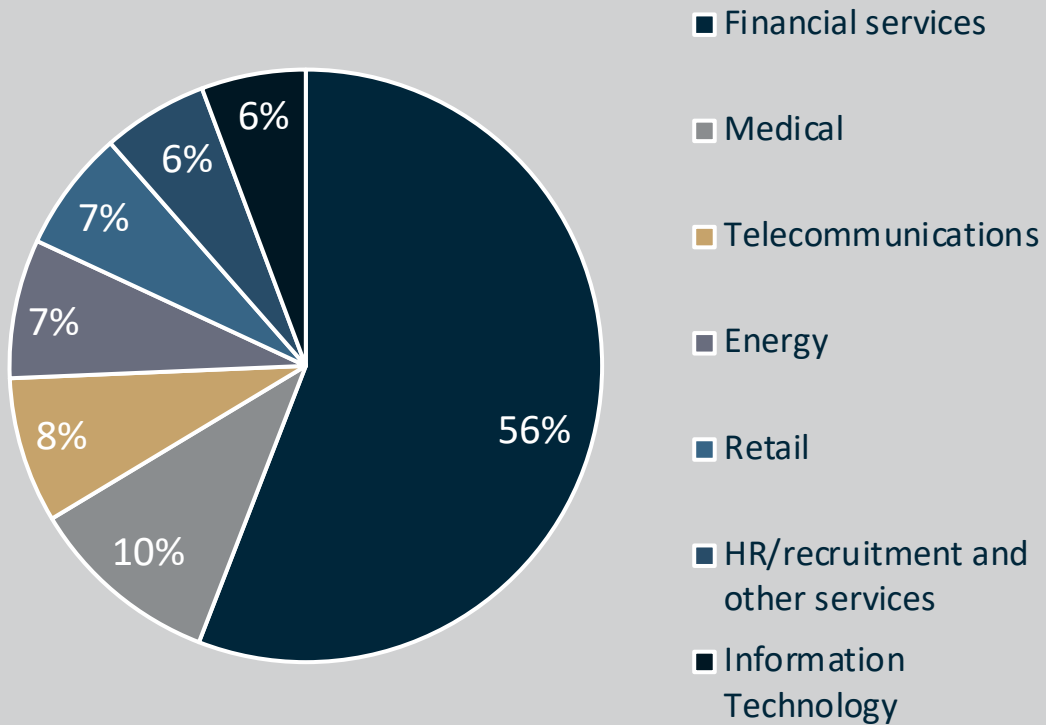
Australia:

- Subdued profitability
- Limited growth

Europe:

- ✓ Operating in the UK, Ireland and the Netherlands
- ✓ Good profitability prospects
- ✓ Continuing to make inroads
- ✓ Key expansion area

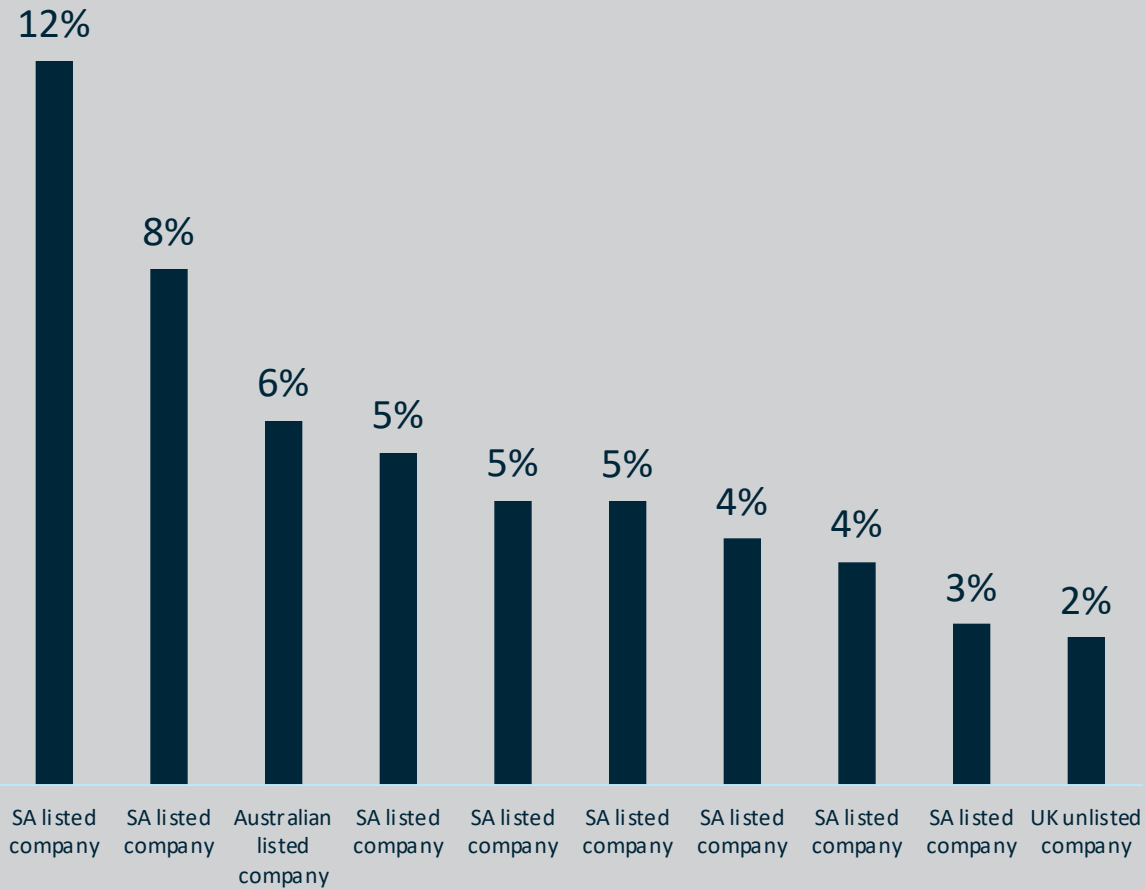
As a % of Group revenue



Comments

- ✓ PBT provides services to a wide range of industries
- ✓ Most consultants are interchangeable between industries. Reduces risk of non-billable cost base

Top 10 clients as % of Group revenue



*Percentages are rounded

Comments

- ✓ A-grade clients lowers counterparty risk
- ✓ Top 10 clients make up c. 52% of Group revenue

Clients: local



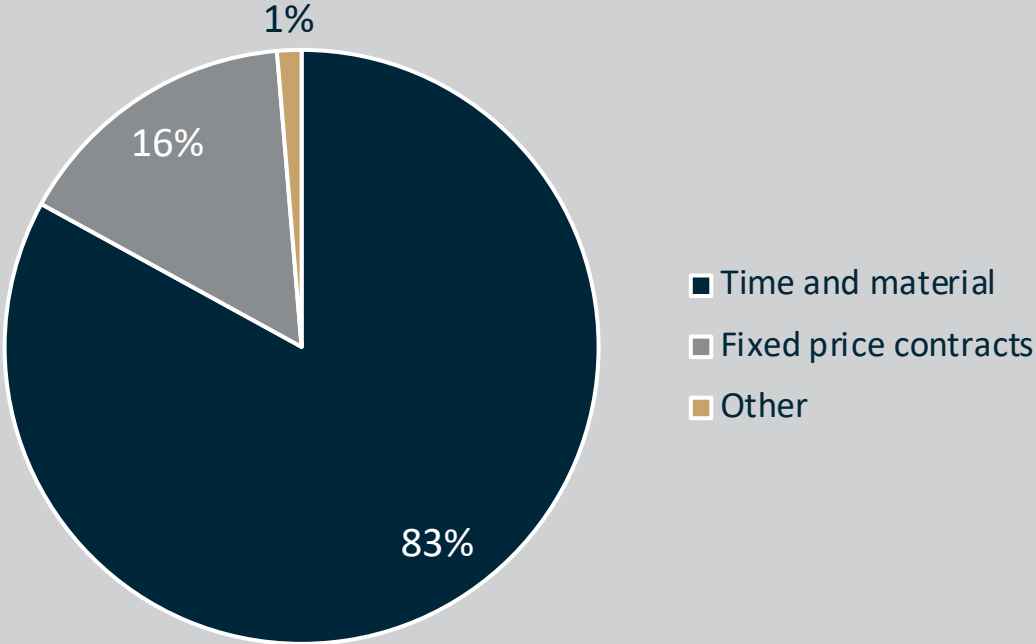
Clients: international



A collection of international client logos, organized into three vertical columns separated by thin lines. The logos are:

- Column 1:** AIB (purple square with white bird icon), PRIMARK (blue text), permanent tsb (blue text with orange crown icon).
- Column 2:** brakes (green leaf icon), +well (green text with plus sign), greencore prepared meals (green leaf icon).
- Column 3:** ASSET INSIGHT (blue text with globe icon), DATA GROWERS (green leaf icon), walraven (yellow text on a dark green background), IBG INTERNATIONAL BIKE GROUP (black text), xenos (yellow text).

As a % of Group revenue



Comments

- ✓ Shifting from fixed price contracts and moving towards time and material-based contracts
- ✓ More efficient and reduces risk of project overruns

Financials: income statement

Income statement	1H19	2019	1H20	yoy % change
Revenue	281 033 336	588 414 409	320 645 996	14%
Cost of sales	(213 214 931)	(440 865 367)	(239 616 489)	12%
Gross profit	67 818 405	147 549 042	81 029 507	19%
<i>Margin</i>	<i>24.1%</i>	<i>25.1%</i>	<i>25.3%</i>	<i>114 bps</i>
Other operating income	1 182 397	1 272 869	649 561	
Other operating gains/(losses)	(140 742)	(497 750)	(50 795)	
Movement in credit loss allowances	1 660 632	4 752 726	(346 113)	
Gain/(loss) on exchange differences	2 702 431	1 152 300	186 600	
Impairment	-	(38 367)	-	
Other operating expenses	(58 757 115)	(106 048 629)	(48 099 194)	-18%
EBITDA	16 334 355	51 375 261	36 942 989	126%
Depreciation and amortisation	1 868 347	3 233 070	3 573 423	
EBIT	14 466 008	48 142 191	33 369 566	131%
Investment income	1 486 840	3 812 254	1 428 274	
Finance costs	(524 007)	(1 208 747)	(974 836)	
Profit before tax	15 428 841	50 745 698	33 823 004	119%
Taxation	(7 201 963)	(17 097 985)	(9 593 394)	
Non-controlling interest (NCI)	(4 100 362)	(11 348 114)	(8 054 705)	
Profit after tax attributable to equity holders	4 126 516	22 299 599	16 174 905	292%

Mostly driven by volume growth due to the successful redeployment of consultants after exiting the MEA business component. Redeployment of consultants confirms demand for offering

Margin expansion

MEA business component costs rolling off

Excludes IFRS 16 depreciation on right of use asset and depreciation on PPE

Interest on cash balance. Finance cost is mostly non-cash and as a result of IFRS 16 lease liability recognition

In 2012 PBT acquired a 51% interest in CyberPro

Financials: cash flow statement

Cash flow statement	1H19	2019	1H20	yoy % change
EBIT as reported	14 466 008	48 142 191	33 369 566	131%
Add total depreciation and amortisation	1 868 347	3 233 070	3 573 423	
Less lease payments	-	-	(2 773 285)	
Adjusted EBITDA*	16 334 355	51 375 261	34 169 704	109%
(increase)/decrease in working capital	175 794	(11 160 278)	3 268 632	
Other	2 815 802	(455 738)	(96 938)	
Adjusted cash generated from operations*	19 325 951	36 526 175	37 341 398	93%
Interest income	1 486 840	3 812 254	1 174 666	
Finance cost	(524 007)	(1 208 747)	(24 226)	
Tax paid	(9 985 849)	(13 637 077)	(9 436 002)	
Net cash flows from discontinued operations	790 511	1 089 358	-	
Adjusted net operating cash flow*	11 093 446	26 581 963	29 055 836	162%
Capex	(656 836)	(1 144 278)	(438 521)	
Loan receivable receipts	-	-	620 000	
Loans receivable advanced	-	(2 732 215)	(830 000)	
Purchase of investment at fair value	(2 195 218)	-	(10 000 000)	
Net cash flows from discontinued operations	(205 192)	(1 163 954)	-	
Adjusted net cash after investing cash flows*	8 036 200	21 541 516	18 407 315	
Dividends paid to non-controlling interest (NCI)	-	(4 410 000)	(2 450 000)	
Dividend paid to equity holders	-	-	-	
Share based payment advanced	-	(16 500 000)	-	
Shares repurchased from dissenting shareholders	-	(3 343 931)	-	
Purchase of own shares	-	-	(1 133 472)	
Net cash flows from discontinued operations	406 814	(351 378)	-	
Adjusted net cash after financing flows*	8 443 014	(3 063 793)	14 823 843	
Movement in cash	8 443 014	(3 063 793)	14 823 843	

Good cash conversion. Working capital mostly consists of blue-chip debtors. Most debtors have good payment track records

Very little capex required to run business

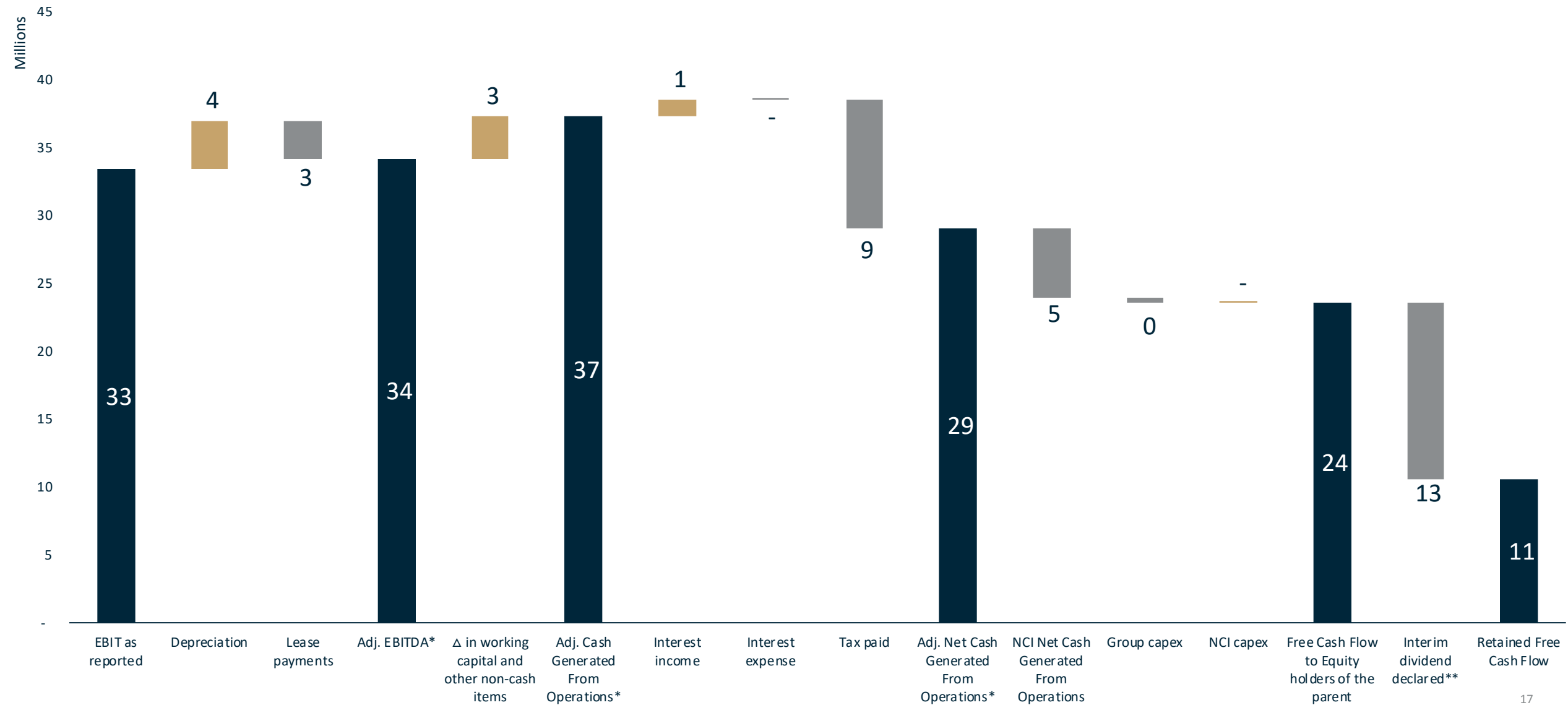
Supplier and enterprise development loans

Surplus cash invested in short term fixed income fund

Financials: balance sheet

Balance sheet	1H19	2019	1H20	
Property Plant and Equipment (PPE)	5 170 199	4 247 142	3 743 387	
Goodwill	135 666 420	135 666 420	135 666 420	← Remainder of goodwill is as a result of Prescient reverse listing via PBT in 2012
Right of use asset	-	-	17 312 752	← IFRS 16 right of use asset. Non-cash
Intangible assets	344 467	244 626	283 286	
Loans receivable	4 150 932	6 458 606	6 704 205	
Investments at fair value	23 874 951	26 868 915	36 950 009	← PBT, through Halliard International has a c. 10% interest in Zuuse Limited. Non-core investment
Deferred tax	3 750 260	2 891 191	9 330 780	
Non current assets	172 957 229	176 376 900	209 990 839	
Loans receivable	2 233 488	1 295 275	1 506 881	
Investments at fair value	-	-	9 974 814	← Surplus cash invested in short term fixed income fund
Trade and other receivables	87 952 994	112 075 437	108 654 144	←
Cash and cash equivalents	43 692 758	31 079 809	45 892 990	←
Current tax receivable	3 160 806	521 042	67 609	← Mainly blue-chip clients. Good payment history
Current assets	137 040 046	144 971 563	166 096 438	
Total assets	309 997 275	321 348 463	376 087 277	← Strong cash position
Deferred tax	180 188	1 615 464	6 815 985	
Lease liability	-	-	13 823 698	← IFRS 16 lease liabilities. Non-cash
Non current liabilities	180 188	1 615 464	20 639 683	
Trade and other payables	42 044 109	46 096 082	46 469 625	←
Lease liability	-	-	4 415 691	← VAT, PAYE, accrued expenses, payroll accruals and trade payables
Current tax payable	1 467 208	2 777 895	3 672 866	
Bank overdraft	200 991	99 880	90 423	
Current liabilities	43 712 308	48 973 857	54 648 605	← IFRS 16 lease liabilities. Non-cash
Total liabilities	43 892 496	50 589 321	75 288 288	
Share capital	25 090 467	3 490 921	4 113 015	
Reserves	239 335	5 482 400	13 241 462	
Retained income	229 758 728	247 931 820	263 985 806	← In 2012 PBT acquired a 51% interest in CyberPro
Non-controlling interest (NCI)	11 016 249	13 854 001	19 458 707	
Equity	266 104 779	270 759 142	300 798 990	
Tangible equity	130 093 892	134 848 096	165 775 920	← Excludes IFRS 16 right of use asset and liability
Total liabilities and equity	309 997 275	321 348 463	376 087 278	

Financials: cash flow bridge



* Adjusted figures exclude the effect of IFRS 16 right of use asset and lease liability

** By way of reduction of contributed tax capital



Transforming information to create insights and predictions.

Thank You

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