



*Transforming information to create insights and predictions.*

Results presentation for the consolidated audited annual financials statements for the year ended 31 March 2020

# THE DATA SPECIALIST COMPANY

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

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**PBT** *group*  
DATA SPECIALISTS

## Performance

- ✓ **Revenue:**
  - 2020: R672.5m (+14% yoy)
  - 2019: R588.4m
- ✓ **EBITDA:**
  - 2020: R72.8m (+42% yoy)
  - 2019: R51.4m
- ✓ **Operating profit:**
  - 2020: R65.1m (+35% yoy)
  - 2019: R48.1m
- ✓ **Cash generated from operations:**
  - 2020: R102.1m (+180% yoy)
  - 2019: R36.5m
- ✓ **Profit from continuing operations:**
  - 2020: R46.0m (+37% yoy)
  - 2019: R33.6m
- ✓ **Headline earnings:**
  - 2020: R29.7m (+32% yoy)
  - 2019: R22.6m
- ✓ **Headline earnings per share:**
  - 2020: 30.79c (+69% yoy)
  - 2019: 18.18c

## Distributions

- ✓ **Distributions**
  - Interim distribution of 12c per share
  - Final distribution of 11c per share
  - Total distribution of 23c per share
- ✓ **Distribution cover:**
  - 1.3 times covered by headline earnings per share

## Capital structure

- ✓ **Cash and cash equivalents:**
  - 2020: R66.2m
  - 2019: R31.0m
- ✓ **Debt:**
  - No long term debt except for IFRS 16 Leases liability

## Transactions

- ✓ **General share repurchase:**
  - 2 474 203 shares repurchased at an average price of R1.76 for a total consideration of R4.5m
- ✓ **Tender offer share repurchase:**
  - 5 384 214 shares repurchased at R2.15 per share for a total consideration of R11.6m
- ✓ **End of period issued shares:**
  - 2020: 102 288 545
  - 2019: 109 247 380
- ✓ **End of period issued shares net of treasury shares\*:**
  - 2020: 89 715 263
  - 2019: 97 573 680

## Covid-19

- ✓ **Going concern?**
  - Yes - the momentum in digital transformation at our clients remain high due to the new operating environment brought about by Covid-19.
- ✓ **Impact on business segments so far?**
  - South Africa:
    - Most clients operate in essential services
    - Able to service clients remotely – no impact on service delivery
    - Strong cash flows – continue to collect payment from clients
    - Half of SA business has a variable cost base. Less risk of non-billable cost base if Covid-19 materially impacts operations
  - Australia:
    - Clients operate in essential services
    - Able to service clients remotely – no impact on service delivery
  - Europe:
    - Able to service clients remotely – no impact on service delivery

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

## Offices

### South Africa

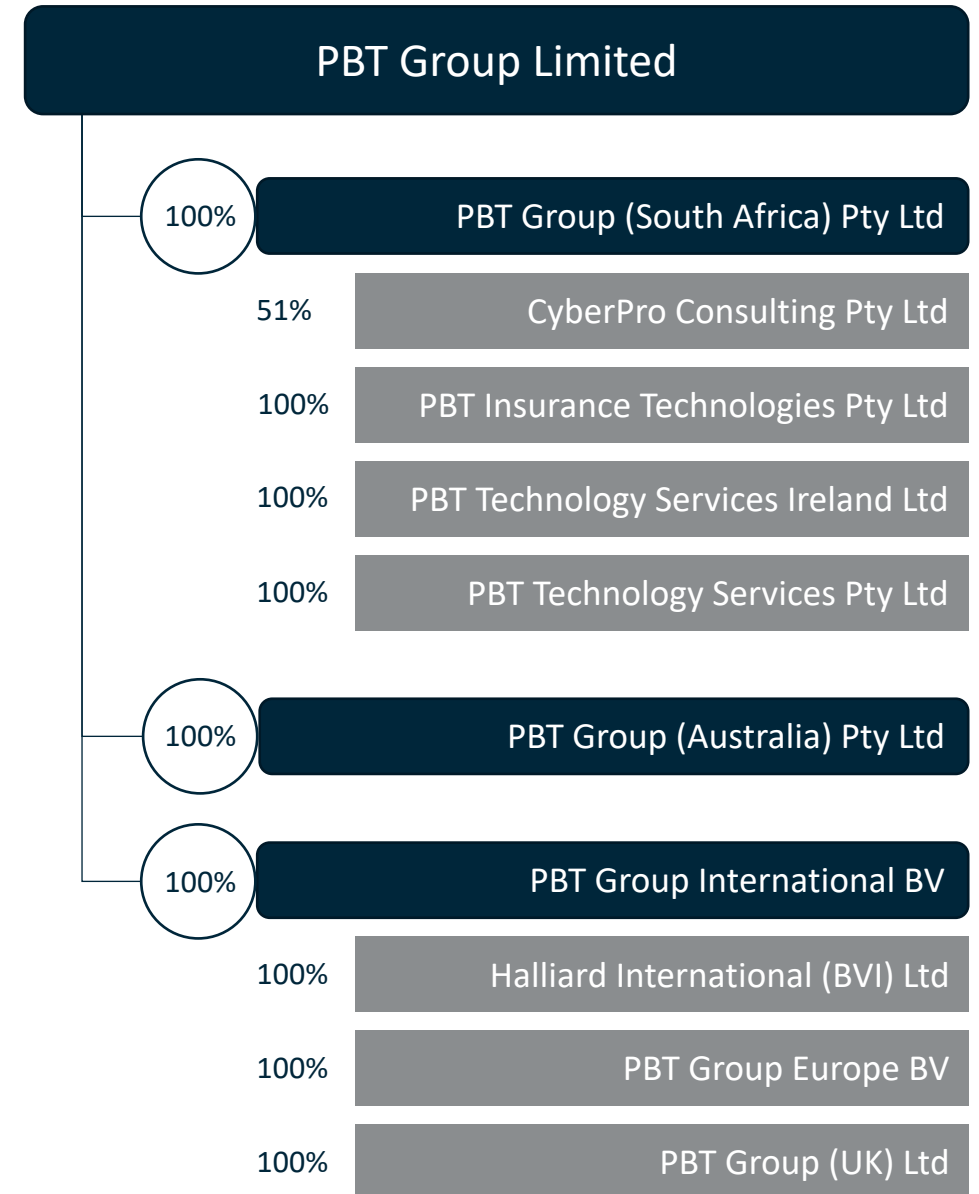
- Cape Town
- Johannesburg
- Stellenbosch

### Australia

- Melbourne

### Europe

- Amsterdam
- Dublin



# 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

## **Strengths:**

- Focused business
- Capital light business model
- Cash generative
- Data explosion and digital transformation driving demand for offering
- Technology agnostic

## **Weaknesses:**

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

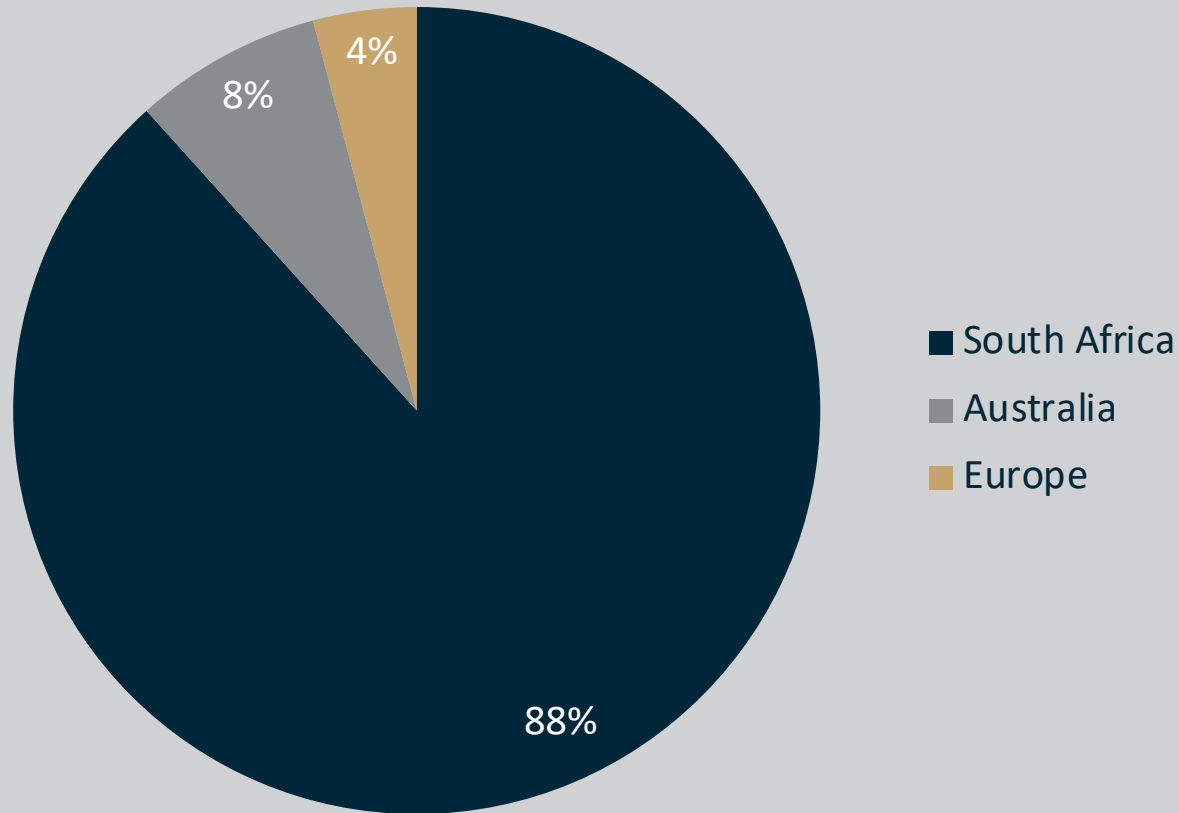
## **Opportunities:**

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

## **Threats:**

- Large fixed cost base
- Upward pressure on cost of consulting

As a % of Group revenue



## Comments

### South Africa:

- Continued demand for services
- Good profitability
- Growing at a satisfactory rate

### Australia:

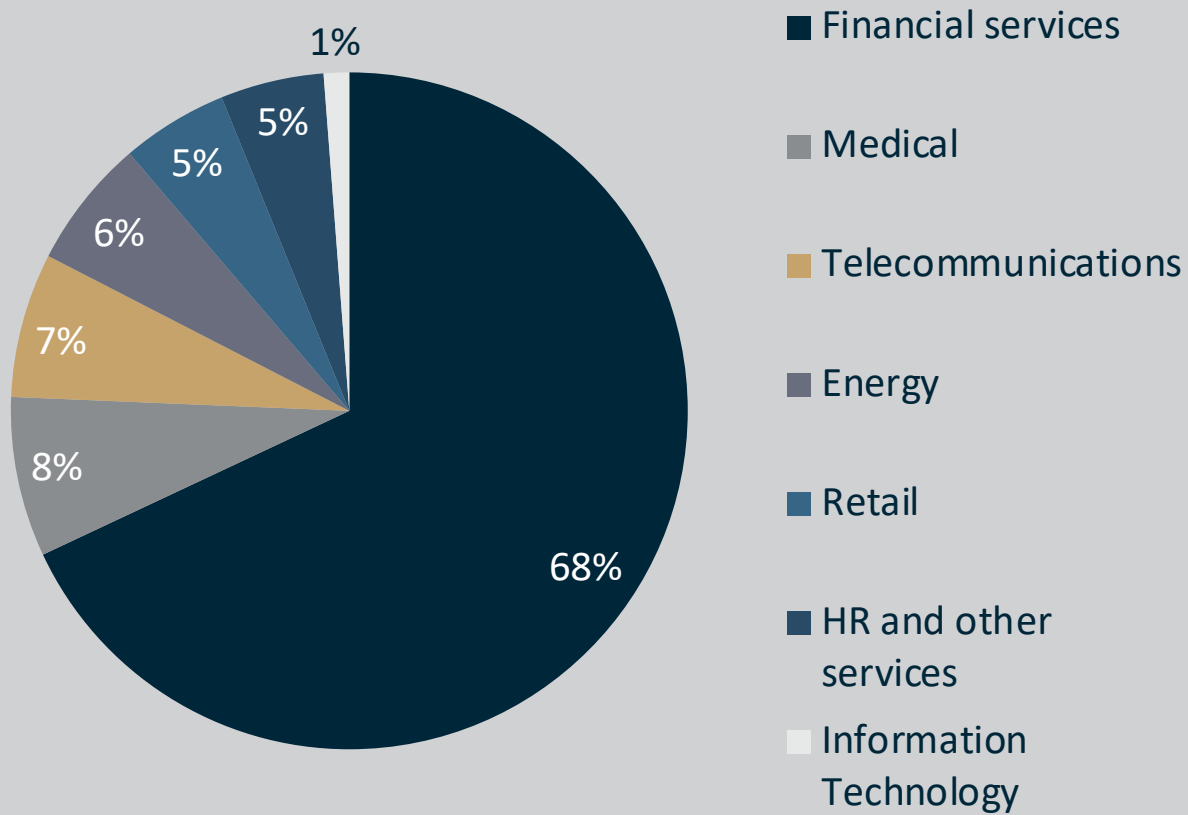
- Subdued profitability
- Limited growth
- Continue to explore additional avenues for revenue growth

### Europe:

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



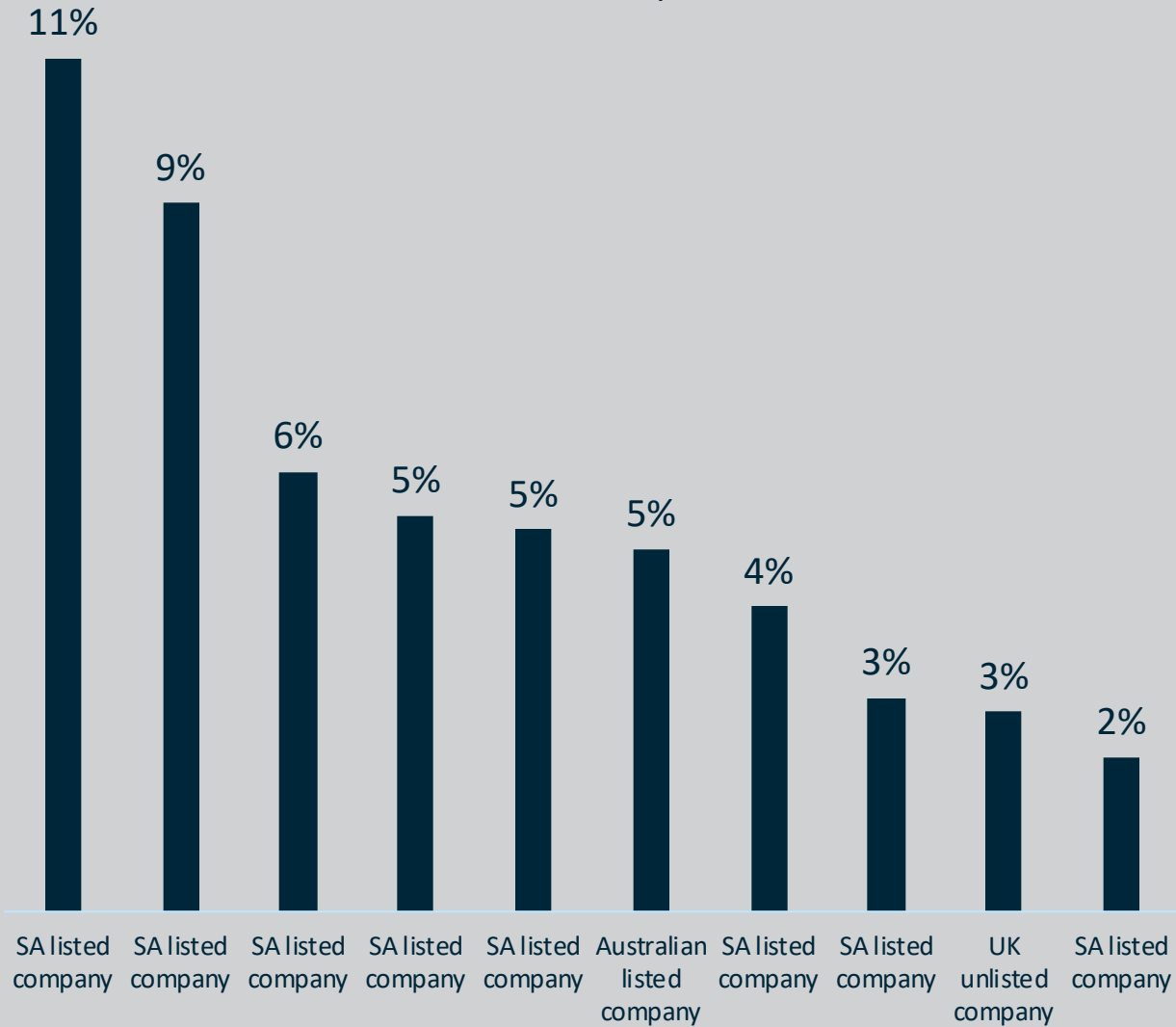
As a % of Group revenue



## Comments

- PBT Group provides services to a range of industries
- Most consultants are interchangeable between industries. Reduces risk of non-billability

As a % of Group revenue

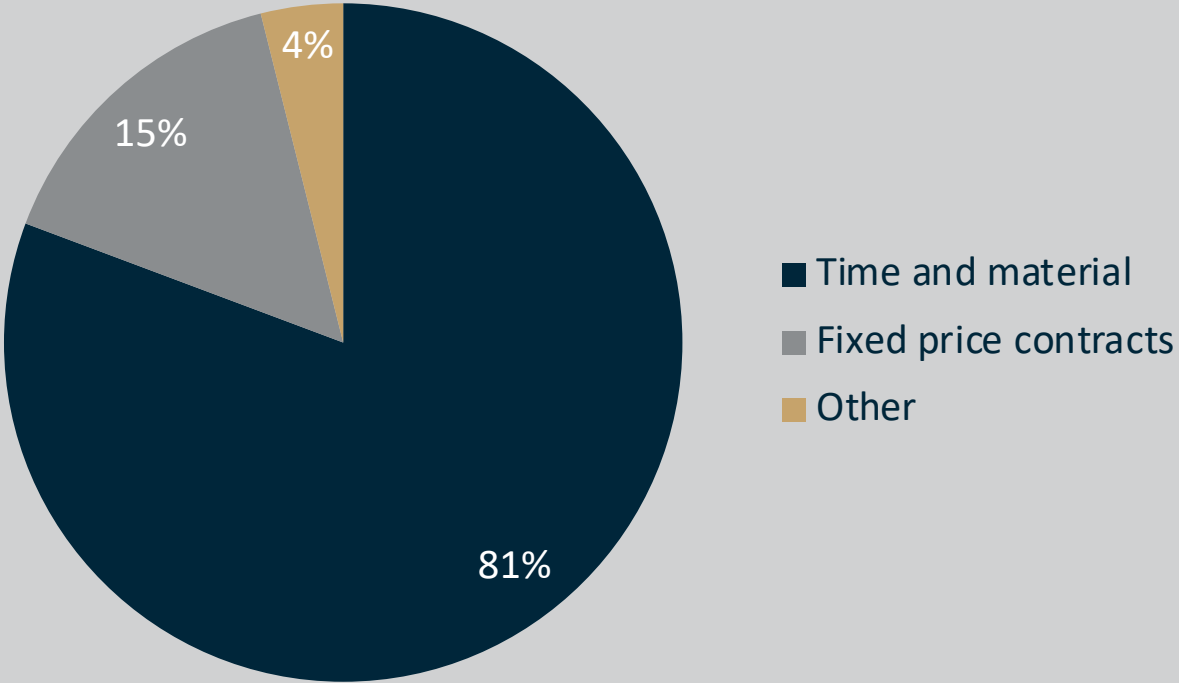


\*Percentages are rounded

## Comments

- Mostly stock exchange listed A-grade clients. Low counterparty risk
- Top 10 clients make up c. 52% of Group revenue

As a % of Group revenue



## Comments

- Mostly time and material-based contracts. Reduced risk of project overruns

# Financials: simplified Statement of financial position

Statement of financial position (ZARm)	2020	2019
Investments at fair value	45	27
Trade and other receivables	103	112
Cash and cash equivalents	66	31
Other	15	15
<b>Total assets excl. goodwill, intangibles and right-of-use assets</b>	<b>229</b>	<b>185</b>
Trade and other payables	62	46
Other	3	4
<b>Total liabilities excl. lease liabilities</b>	<b>66</b>	<b>51</b>
<b>Total equity excl. goodwill, intangibles, right-of-use assets and lease liabilities</b>	<b>163</b>	<b>135</b>

PBT Group, indirectly through Halliard International (BVI) Limited, has a c. 8% interest in Zuuse Limited. This investment is considered non-core in terms of our business operations

Mainly stock exchange listed A-grade clients

Strong cash position

# Financials: simplified Statement of comprehensive income

Statement of comprehensive income (ZARm)	2020	2019	% Δ yoy
<b>Revenue</b>	<b>673</b>	<b>588</b>	<b>14%</b>
Cost of sales	-505	-441	
<b>Gross profit</b>	<b>167</b>	<b>148</b>	
Operating expenses	-94	-103	<b>-8%</b>
Net other income and expenses	0	7	
<b>EBITDA</b>	<b>73</b>	<b>51</b>	<b>42%</b>
Depreciation and amortisation	-8	-3	
<b>EBIT</b>	<b>65</b>	<b>48</b>	<b>35%</b>
Net finance income	1	3	
<b>Profit before tax</b>	<b>66</b>	<b>51</b>	<b>30%</b>
Taxation	-20	-17	
<b>Profit after tax</b>	<b>46</b>	<b>34</b>	<b>37%</b>
Non-controlling interest	-16	-11	
<b>Profit attributable to parent</b>	<b>30</b>	<b>22</b>	<b>33%</b>

Mostly driven by volume growth

Gross profit margin broadly unchanged

Operating cost containment. Excludes amortization and depreciation on IFRS 16 right of use asset introduced during 2020 financial year

Interest income on cash and interest expense on IFRS 16 Leases liability introduced during 2020 financial year

At year end PBT Group only has one non-wholly owned entity, CyberPro, 51% owned since 2012

# Financials: simplified Statement of cash flows

Statement of cash flows (ZARm)	2020	2019	% Δ yoy
<b>Cash generated from operations</b>	<b>102</b>	<b>37</b>	<b>180%</b>
Net finance income received	0	3	
Tax paid	-21	-14	
Other	0	1	
<b>Net cash from operating activities</b>	<b>82</b>	<b>27</b>	<b>207%</b>
Capex	-1	-1	
Loan receivable receipts	1	0	
Loans receivable advanced	-2	-3	
Purchase of investment at fair value	-10	0	
Proceeds from investment at fair value	10	0	
Other	0	-1	
<b>Net cash from investing activities</b>	<b>-2</b>	<b>-5</b>	
Dividends paid to non-controlling interest	-12	-4	
Distributions paid to equity holders	-12	0	
Share based payment advanced	0	-17	
Shares repurchased from dissenting shareholders	0	-3	
Purchase of own shares – General repurchase	-4	0	
Purchase of own shares – Tender offer	-12	0	
Repayment of leases	-4	0	
Other	0	0	
<b>Net cash from financing activities</b>	<b>-44</b>	<b>-25</b>	
<b>Total cash movement for the year</b>	<b>35</b>	<b>-3</b>	

Substantial increase mainly due to improved working capital management

Very little capex spend. Capital light business model

Surplus cash invested in short term fixed income fund. Converted to cash at a profit

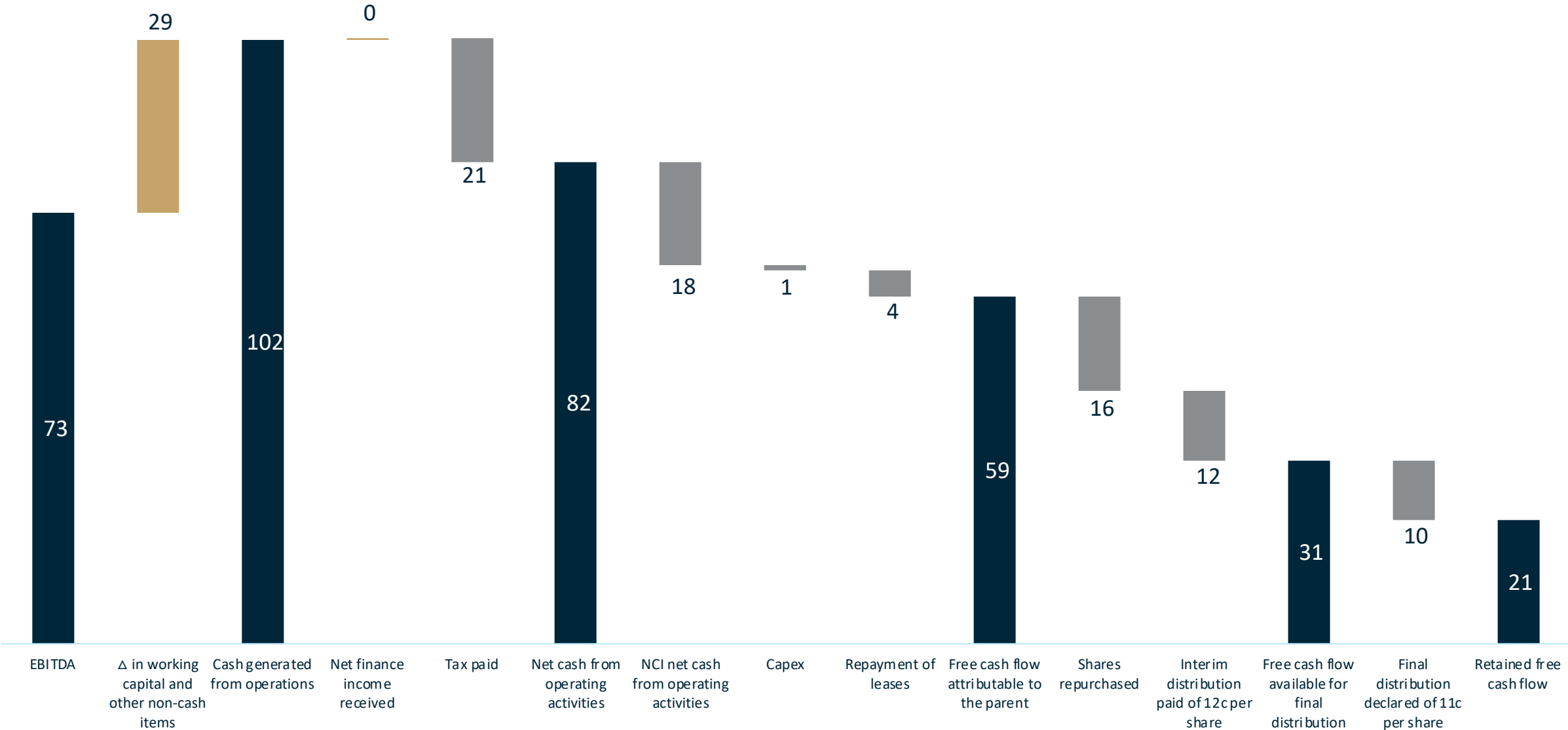
Interim distribution paid by way of reduction of contributed tax capital

2 474 203 shares repurchased at an average price of R1.76

5 384 214 shares repurchased at R2.15 per share by way of tender offer

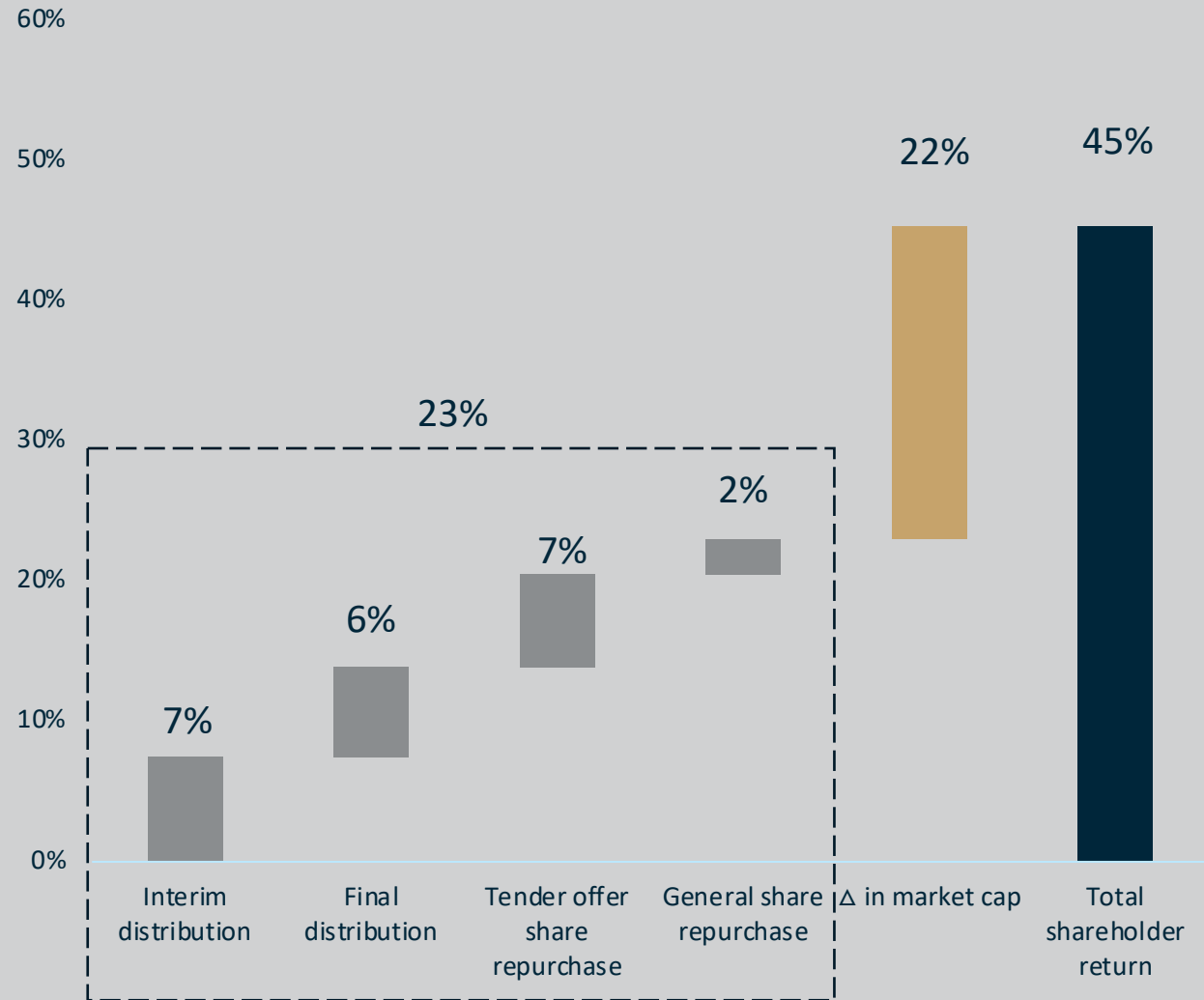
Capital portion of IFRS 16 Leases liability introduced during 2020 financial year

# Financials: free cash flow bridge (ZARm)



# Financials: 12 month total shareholder return analysis

12 month total shareholder return analysis



## Comments

- ✓ Returned 23% to shareholders by way of:
  - R24.2m in distributions
  - R15.9m in share repurchases
- ✓ 22% growth in market cap from R175m to R214m
- ✓ Total shareholder return for the 12 months ended 31 March 2020 of 45%



## Four pillars

### Growing the business

#### 1. Organic expansion

- Secure new clients and contracts
- Employ additional consultants
- Capital light
- Focus is on organic expansion

#### 2. Acquisitive expansion

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

### 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



*Transforming information to create insights and predictions.*

Thank you

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