Results for the year ended

30 June 2022

Metrofile Group

Agenda

Welcome and introduction	Pfungwa Serima
Update on key priorities	Pfungwa Serima
Strategy update	Pfungwa Serima
Financial and operational results	Shivan Mansingh
Outlook	Pfungwa Serima

FY22 key priorities and achievements

1 Defend and extend market position in information storage

- High retention of customers
- Box growth from 11.2 to 11.5 million boxes
- Increase in average rate per box, due to continued optimal price mix of box holding and managing the impact of inflation
- Reduction in paper services due to decline in customer activity on physical records
- Industry focus and growth areas in government, health, retail and mining

2 Scale position in information management

- Growth in our two primary information management solutions (DataStor and eTracker) > 40% through Metrofile Vysion
- Increased demand for digital transformation in customers, particularly in retail and financial services
- Demand stemmed from common need to automate invoice processing, KYC capturing and HR management
- Started to on-board international solutions, eg preservation of high-volume content and entry into asset tracking technology in SA and the Middle East

3 Continue focus on capital allocation and capacity management

- Net debt increased 3% to R446m following acquisition of IronTree and reduced dividend cover
- Finance cost flat at R49m
- Healthy cash generation and sufficient liquidity headroom

4 Enhance core capabilities through introducing new services

- Strengthened core capabilities in virtual storage and digital risk management through the acquisition of IronTree. This provides access to products in high growth segments
- Continue to scale current success within the SME market
- Started to move into the mid- to upper-tier market through Metrofile cross-selling
- Working with Acronis to expand our service offering outside of SA
- Expansion into enterprise solutions and consideration for future investments

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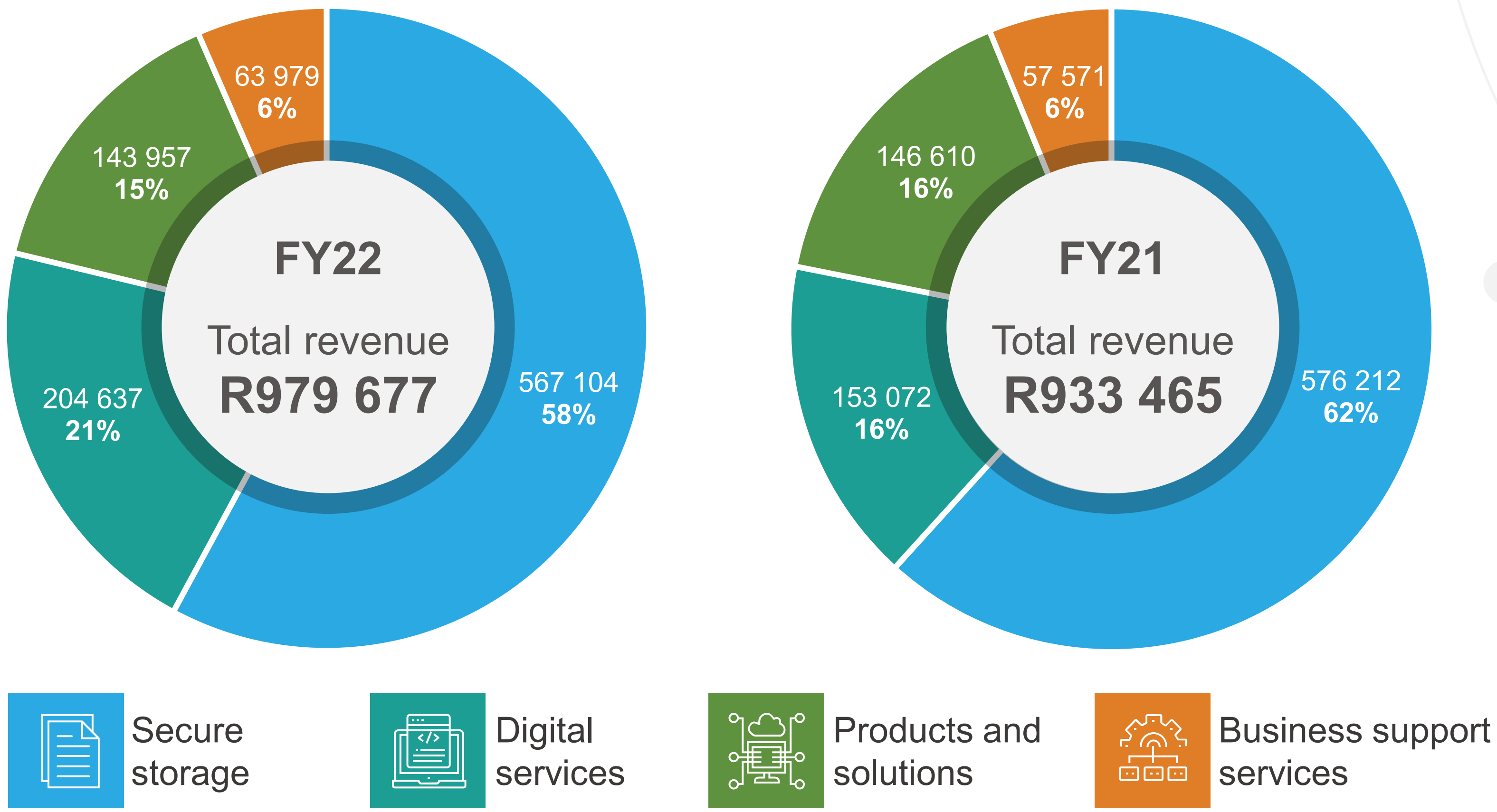
Revenue drivers – FY22 (R'000)



- Secure storage revenue down 2%
- Digital services now second largest revenue contributor
- Digital services revenue up 35% mainly due to increase in digital projects in SA, acquisition of IronTree and increase in digitisation activities in Middle East
- Products and solutions decreased 2% due to local challenges that impacted demand for archiving products
- Business support services grew 11% mainly due to increased demand in confidential destruction

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Strategy update

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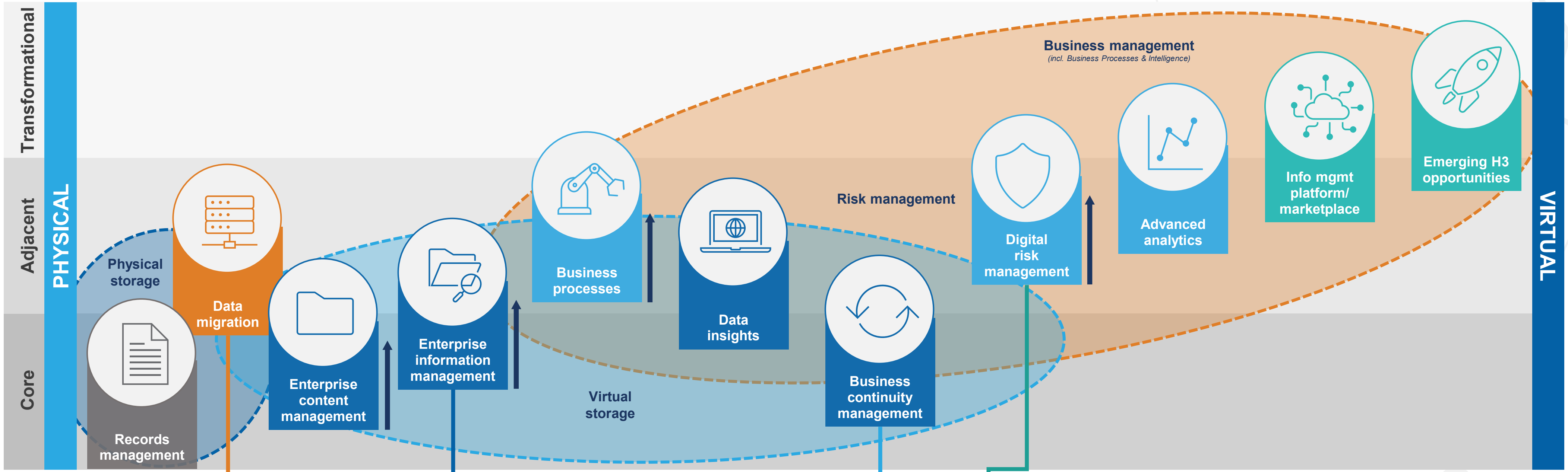
Strategy update and core capabilities

Metrofile continues transition from physical to virtual through targeted capability developments



- Building on strategy
- Targeting new capabilities
- Structured into business architecture
- Supported by sales
- Service offerings across businesses

Records management	Digital content services	Cloud services	Information advisory services
Metrofile, Tidy Files, ClearData	Metrofile VYSION™	IronTree	Metrofile
1. Data migration	2. Enterprise information mgmt	3. Business continuity management	

4. Digital risk management

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Suite of services and products

Records management

Storage

- Records storage
- Vault storage

Scanning

- Image processing

Filing & storage products

- Active filing
- Cabinets
- Archiving boxes
- Shelving

Confidential data destruction

- Secure shredding
- Electronic data destruction

Digital content services

Business process optimisation

- Workflow automation
- Digital document management
- Robotic process automation
- Physical file management
- Digital content creation
- Intelligent data capture

Business continuity

- Work area recovery
- Disaster recovery

Cloud services

Data storage

VPS hosting

Cybersecurity

Data recovery

Information advisory services

Compliance and governance

- Compliance
- Governance

Financial and operating results

FY22 salient features

Revenue	EBITDA	Operating profit
R980m	R325m	R240m
▲ 5%	▲ 1%	▶ 0%

DPS	EPS	HEPS
18c	30.8c	30.7c
▲ 20%	▼ 3%	▼ 3%

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Income statement

For the 12 months ended 30 June 2022

	Jun 2022 R'000	Jun 2021 R'000	% change
Revenue	**979 677**	**933 465**	**5%**
EBITDA	**324 782**	**322 651**	**1%**
Operating profit	**240 402**	**240 801**	**0%**
Net finance costs	(48 780)	(49 447)	1%
Profit before tax	**185 728**	**191 354**	**(3%)**
Tax	(46 390)	(49 384)	6%
Profit after tax	**139 338**	**141 970**	**(2%)**
EBITDA %	**33%**	**35%**	**(2%)**
Operating profit %	**25%**	**26%**	**(1%)**
HEPS (cents)	**30.7**	**31.8**	**(3%)**
EPS (cents)	**30.8**	**31.9**	**(3%)**
DPS (cents)	**18.0**	**15.0**	**20%**

Key features

- Turbulent trading environment with unforeseen challenges, locally and internationally, impacted customers and operations in South Africa and Kenya
- Longer lead times in customer decision making; and client dependencies became more challenging
- Grew market share in all territories in which we operate
- Destructions of higher priced boxes from various sectors due to POPIA in 1Q, offset by increase in box intake and reduced destructions since 2Q
- Operating profit remained flat mainly due to decline in activities in higher margin paper services, offset by increased digital services

Statement of financial position

For the 12 months ended 30 June 2022

Assets	Jun 2022 R'000	Jun 2021 R'000
Property, plant and equipment	609 699	595 454
Goodwill	372 193	313 947
Intangible assets	67 945	43 867
Right-of-use asset	129 582	113 337
Deferred tax	13 730	14 136
Cash and cash equivalents	40 541	37 184
Other assets (inventories, trade receivables, vendor consideration)	258 592	234 640
Total assets	**1 492 282**	**1 352 565**

Liabilities	Jun 2022 R'000	Jun 2021 R'000
Total equity	577 876	569 793
Interest bearing borrowings	480 751	470 022
Bank overdraft	5 605	1 626
Trade and other payables	115 638	108 585
Lease liabilities	148 182	121 833
Acquisition related liabilities	75 813	-
Deferred tax and other liabilities	88 418	80 706
Total equity and liabilities	**1 492 282**	**1 352 565**

Key features

- Net finance costs flat and excluding impact of IFRS 16, reduced by 5% due to lower debt levels in H1
- Net debt increased by 3% following acquisition of IronTree for R66m, and reduced dividend cover
- Increase in goodwill, intangible assets and redemption liabilities due to the acquisition of IronTree
- Net debt:EBITDA (pre-IFRS 16) flat at 1.55x (FY21: 1.55x) despite acquisition and reduced dividend cover

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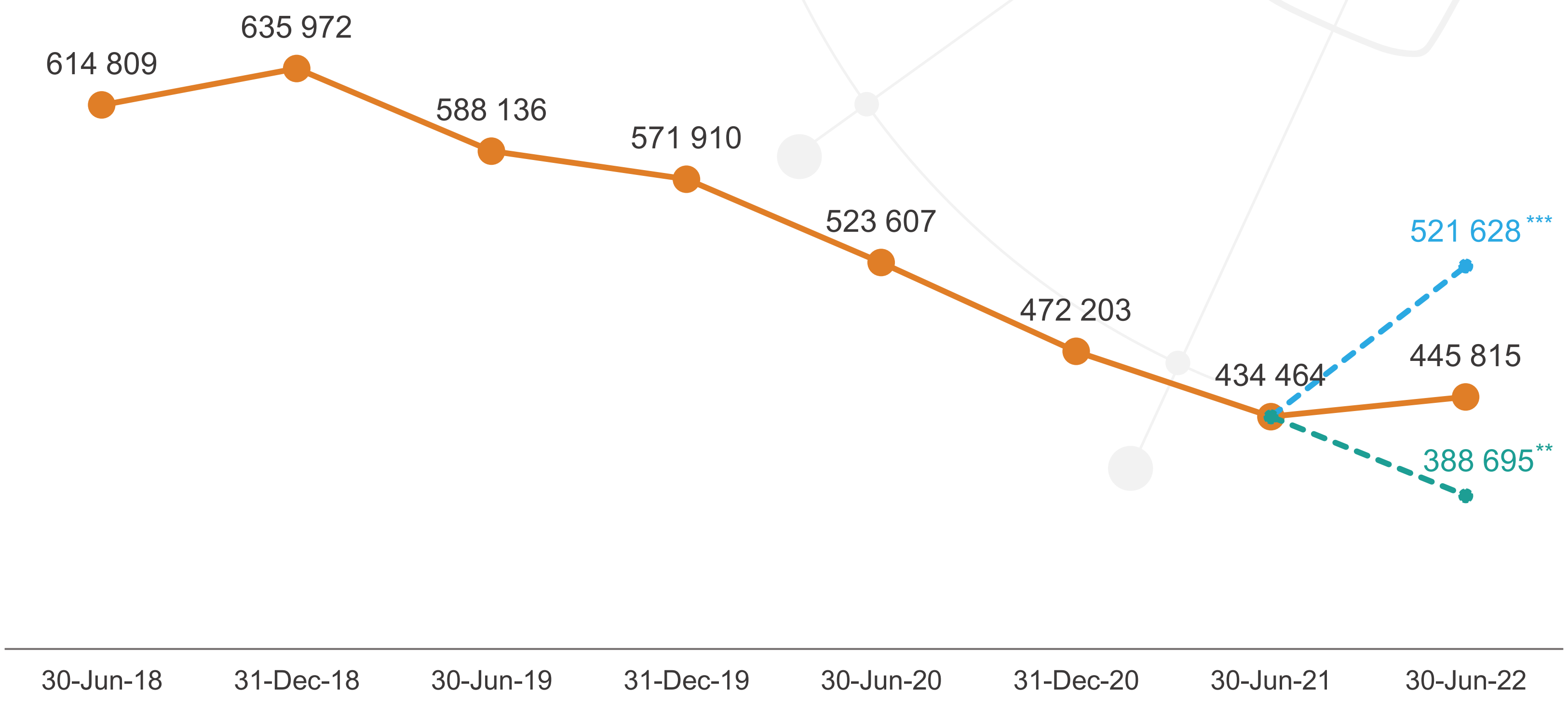
Sound capital management

Net debt increased to R446m however excluding IronTree contribution was R389m

Remaining well within covenants

Liquidity and solvency headroom R102m facilities unutilised

Net debt* trend (R ’000)



* Net debt excludes IFRS 16 lease liabilities
** Excluding IronTree contribution
*** Net debt including acquisition related liabilities

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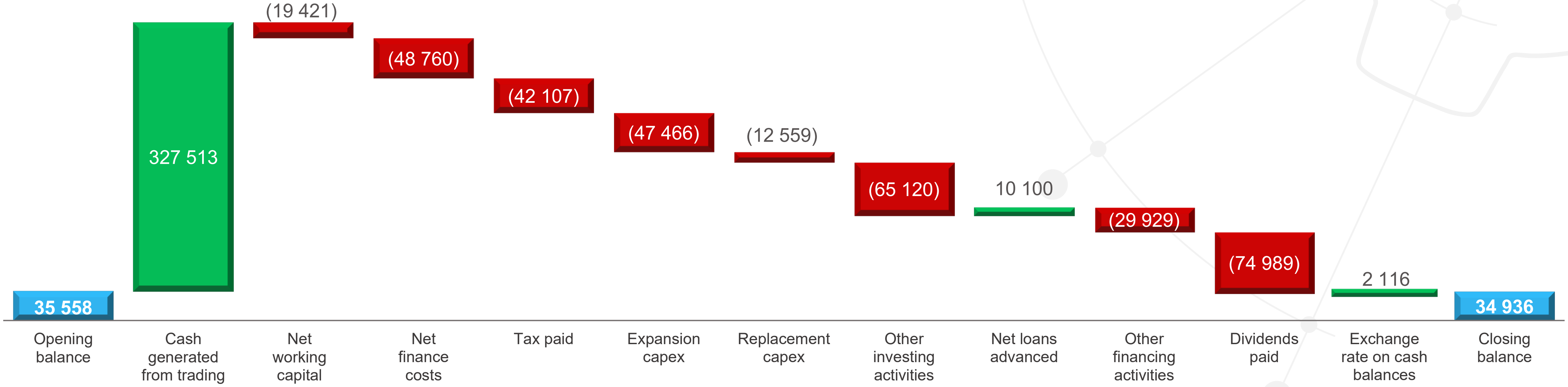
Cash flow

For the 12 months ended 30 June 2022



- Decrease in operating cash conversion ratio* to 95% (FY21: 103%) due to working capital requirements linked to revenue growth. However cash conversion remains high
- Significant capex increase of 38% to R60m mainly as a result of growth requirements as well as innovation initiatives
- Dividends paid increased by 21%

*Operating cash conversion ratio: (cash generated from trading plus net working capital) divided by EBITDA

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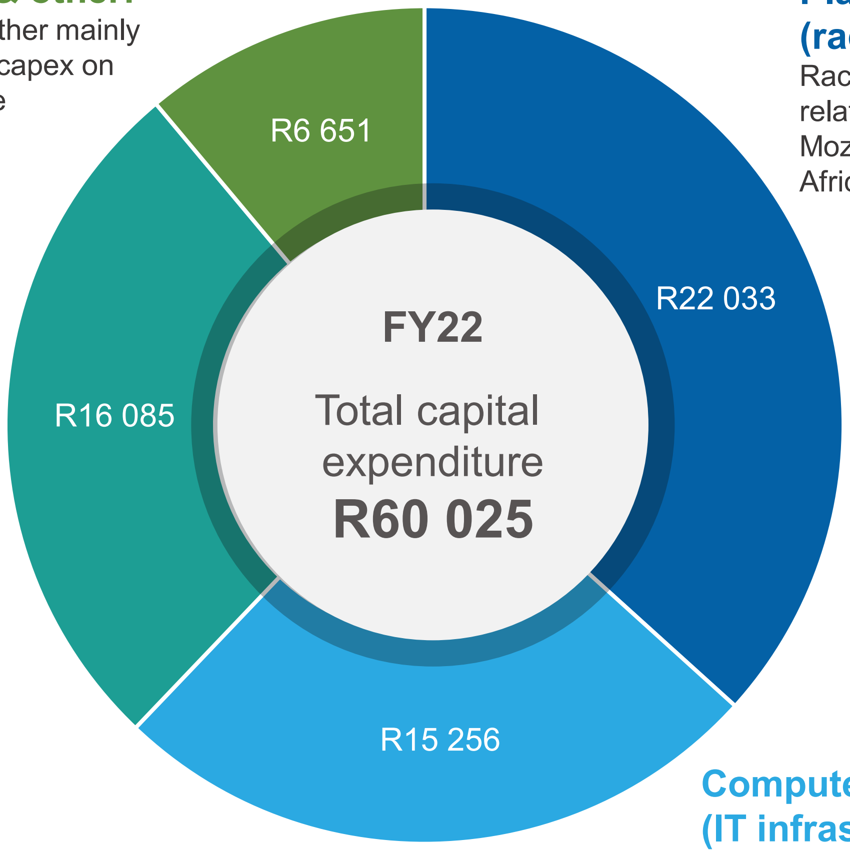
Capital allocation

FY22 capital expenditure (R'000)

Motor vehicles, leasehold improvements & other:
Motor vehicles and other mainly relates to sustaining capex on existing infrastructure

Plant and equipment (racking & compliance):
Racking and compliance capex mainly relates to capex in MRM Middle East, Mozambique and Metrofile South Africa in order to support box growth



Computer software (system upgrades & related software)
Capex on system upgrades to ensure Metrofile continues to support its customers' requirements, as well as to assist our digital transformation journey

Computer equipment (IT infrastructure):
Capex on IT infrastructure to assist in facilitation of cross selling databases and the enablement of the Group using one platform

- Capital allocation will continue to facilitate growth and transformation
- Share buy-back programme under the general authority will be initiated
- Acquisition of IronTree for R66m

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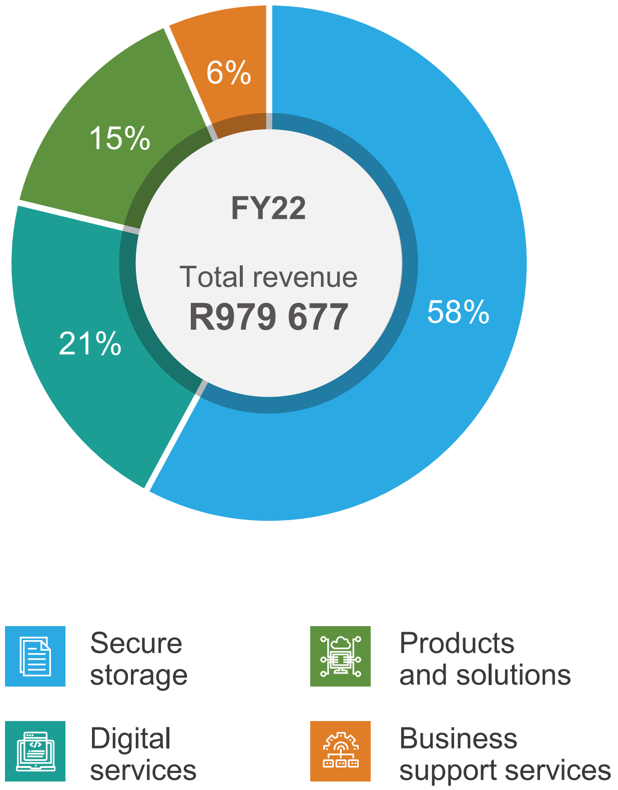
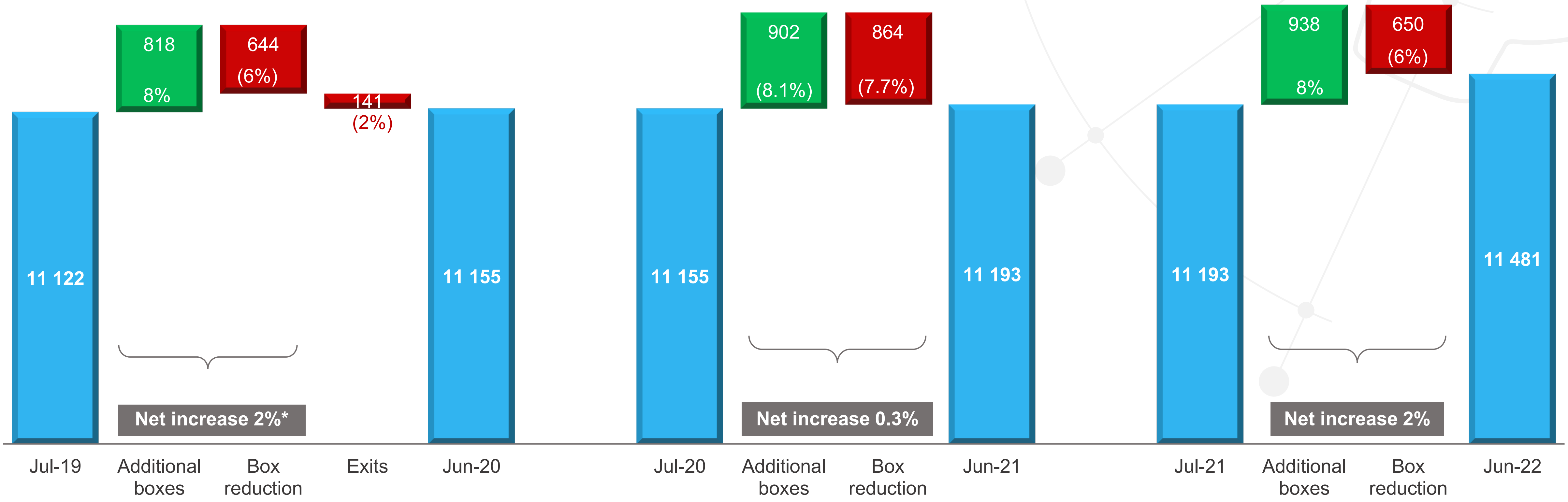
Revenue – FY22 (R’000)



- 21% contribution from digital services and a total of 42% contribution from non-physical storage revenue
- Secure storage remains a key focus however we have begun to accelerate growth areas through diversifying our service offering into digital and information management solutions
- Secure storage – R9m reduction which has a material impact on margin
- Digital services – R15m increase despite c.9% decrease in scanning as significant growth was achieved in digital content services
- Business support services – our confidential destruction business has benefited from PoPIA

Historical box movements

Group box movements ('000)



* *Net box volume growth of 2% from existing operations, excluding the offset following the exits of Zambia and Nigeria*

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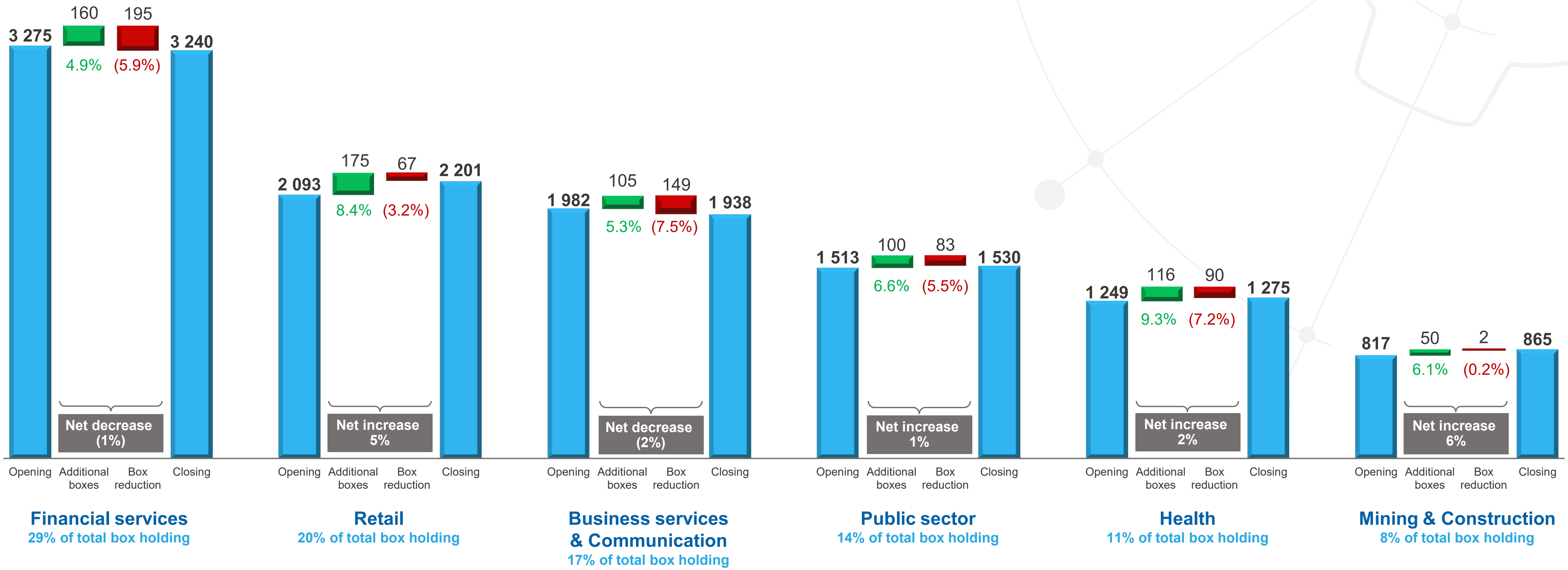
Industry analysis box movements

Box movements per industry ('000)



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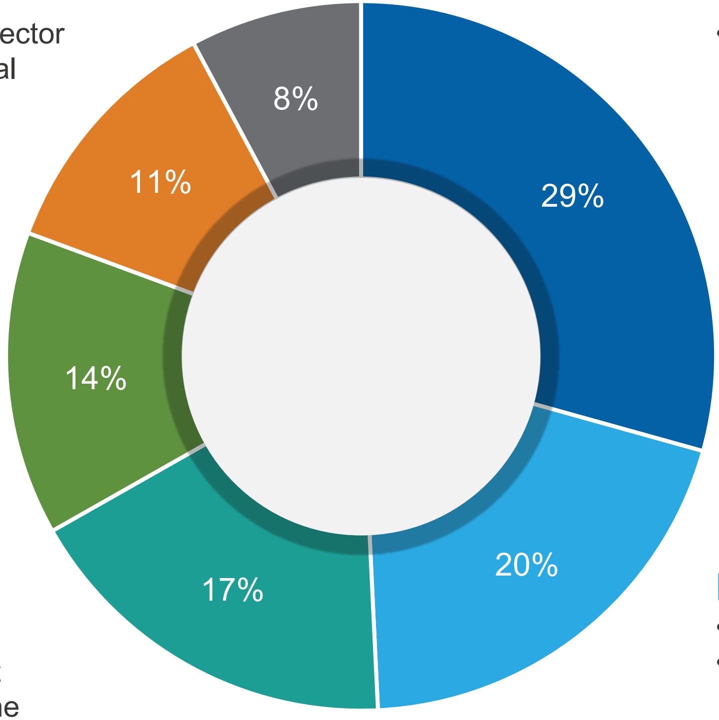
Industry analysis box holding

% of box holding

Mining & construction:
- Net increase of 6% compared to 1% in FY21
- Take-on of larger clients in the current year

Health:
- Net increase of 2% compared to prior year's increase of 4%.
- FY21 take-on of larger clients in this sector as well as previous increase in medical records following the pandemic

Financial services:
- Net decrease of 1% compared to previous year's 6% net decrease.
- Planned cyclical destructions, and destructions due to PoPIA, stabilised (less destructions in this segment than experienced during FY21)



Public sector:
- Net increase of 1%
- Lower than prior year's net increase of 9%, which mainly related to take-on of new clients
- Expect an increase in FY23 due to current public sector pipeline

Business services & communication:
- 2% net decrease compared to 3% net increase for FY21, mainly driven by the destructions due to PoPIA at the start of FY22

Retail:
- Continued positive contribution
- 5% net increase during FY22, compared to 5% for FY21

- Group net box volumes increased 2% YoY
- No major movements in percentage box holding per industry
- High client retention, with no significant loss of clients
- Strengthened our approach to the market by appointing industry experts
- This will enhance our focus, ensure a quick response to the market and a comprehensive provision of end-to-end integrated solutions and services to our customers

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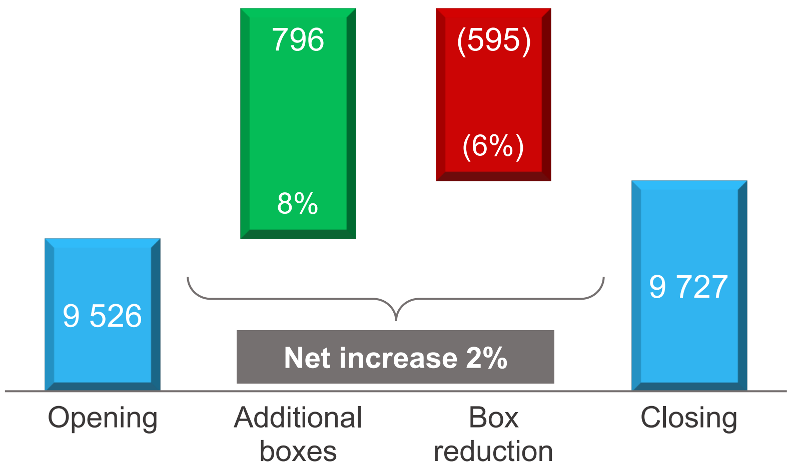
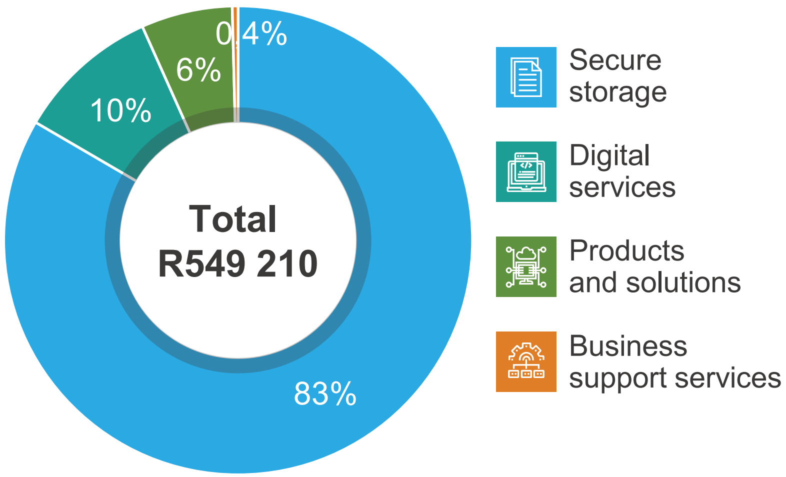
Divisional analysis: MRM South Africa

R'000	June 2022	June 2021	Variance
Revenue	539 083	549 210	(2%)
Operating profit	198 692	213 566	(7%)
EBITDA	249 534	253 518	(1%)
Operating profit margin	37%	39%	(2%)
EBITDA margin	46%	46%	0%

Box movements ('000)



Revenue drivers FY22 (R'000)

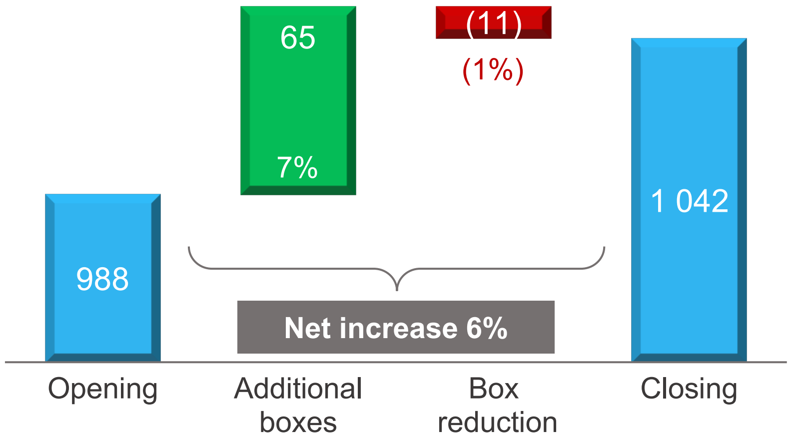


- Revenue decreased 2% due to decline in demand for paper services, partially offset by greater demand for solutions requiring less physical space, including digital services, specifically image processing projects
- Core storage remained in line with prior year
- Operating profit down 7% to R199m
- Decline in higher yield paper services and additional costs during social unrest in Gauteng and KZN, resulted in overall decline in operating margin
- Net box volume increased 2%

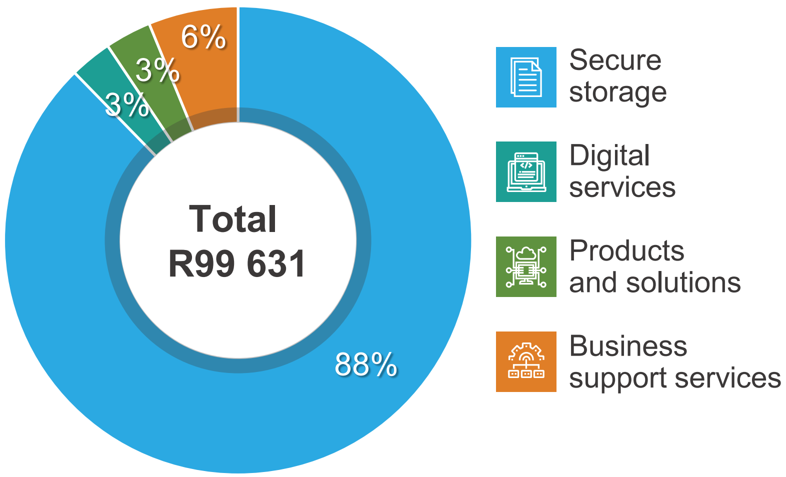
Divisional analysis: MRM Rest of Africa

R'000	June 2022	June 2021	Variance
Revenue	91 077	99 631	(9%)
Operating profit	28 156	34 955	(20%)
EBITDA	43 401	56 800	(24%)
Operating profit margin	31%	35%	(4%)
EBITDA margin	48%	57%	(9%)

Box movements ('000)



Revenue drivers FY22 (R'000)



- Operations in Botswana, Kenya and Mozambique
- Kenya experienced several headwinds, particularly in the financial services sector that contributed to the majority of the operation's revenue
- Regulatory moratoriums on lending repayments and premiums resulting in cost reduction measures. This led to pressure on services revenue within Metrofile Kenya, specifically active filing and image processing
- Revenue decreased 9% despite net box volume growth of 6%
- Operating profit was similarly impacted, resulting in 20% decrease

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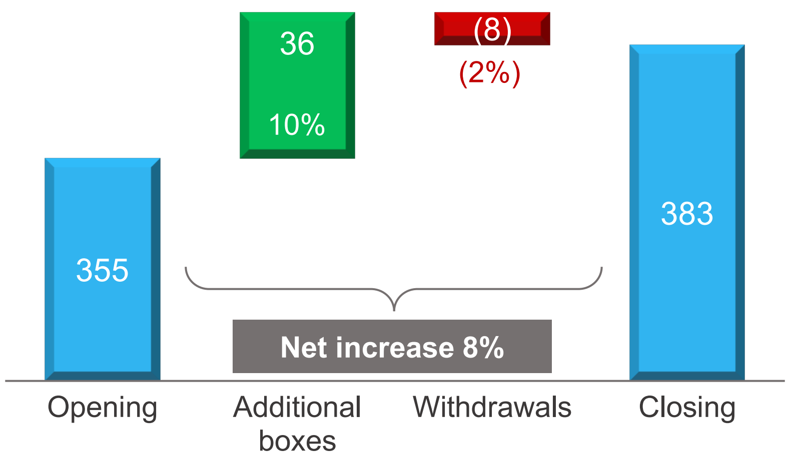
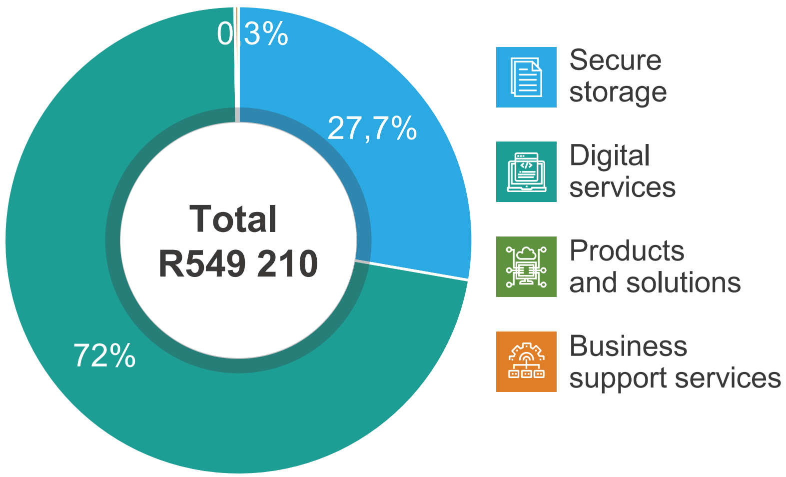
Divisional analysis: MRM Middle East

R'000	June 2022	June 2021	Variance
Revenue	85 540	77 451	10%
Operating profit	17 091	13 046	31%
EBITDA	18 884	14 582	30%
Operating profit margin	20%	17%	3%
EBITDA margin	22%	19%	3%

Box movements ('000)



Revenue drivers FY22 (R'000)

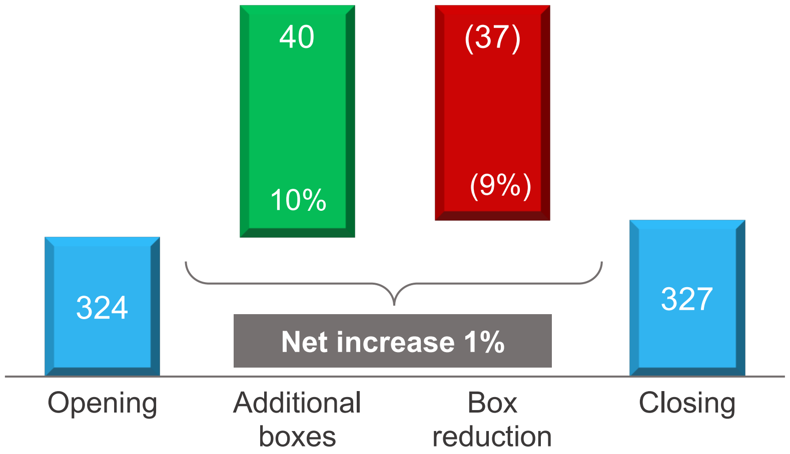


- Operations in United Arab Emirates and Oman
- Continued growth
- Expansion of digital project pipeline
- Revenue rose 10% with a respective 31% increase in operating profit
- Net box volume growth of 8%

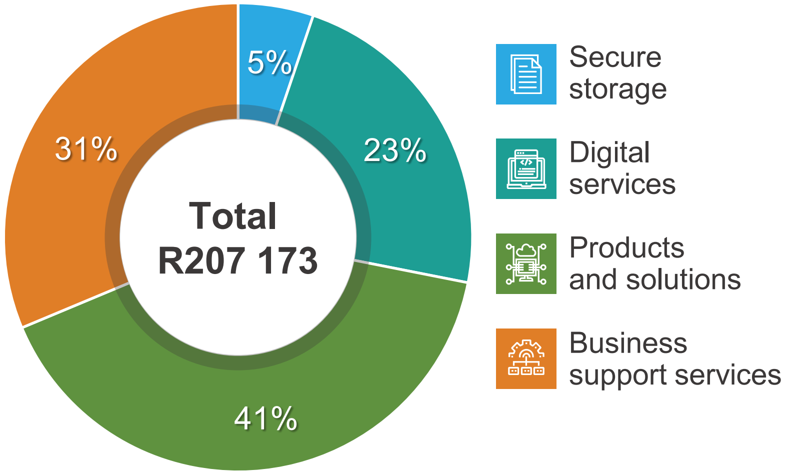
Divisional analysis: Products and Services

R'000	June 2022	June 2021	Variance
Revenue	263 977	207 173	28%
Operating profit	28 190	16 974	65%
EBITDA	47 245	33 265	42%
Operating profit margin	11%	8%	3%
EBITDA margin	18%	16%	2%

Box movements ('000)



Revenue drivers FY22 (R'000)



- Includes Tidy Files, Cleardata, Global Continuity, Metrofile Vysion and IronTree
- Challenging trading environment in 1H, however performed in line with expectations
- Significant growth in digital offering of Metrofile Vysion (business process automation) and increased confidential destruction through Cleardata
- Tidy Files had a difficult year due to loadshedding and the impact of competitor pricing, resulting in a decline in revenue and margin
- Overall, revenue increased by 28%
- Operating profit increased by 65% due to improved operational performance and digital projects
- IronTree's results included from 1 December 2021. Performance in line with expectations in relation to growth targets set at acquisition

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Outlook

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Digital and cloud services	Expansion of core capabilities in digital and cloud services distinguish Metrofile from traditional competitors and digital providers
Innovating across core offerings	Innovating across core offerings, including cloud services, to assist customers to becoming digitally transformed enterprises
Transforming Metrofile	Transforming Metrofile into a digital and cloud ready provider, by pivoting investments to strategic growth areas to enable focus on accelerated growth opportunities
Appointing industry experts	Fully dedicated to customers' growth plans and strengthened approach to the market by appointing industry experts
End-to-end integrated solutions and services	Enhanced focus to ensure quick response to market and comprehensive provision of end-to-end integrated solutions and services to customers
Local and international solution providers	Committed to working closely with local and international solution providers to efficiently implement practical solutions for customers
Data and information management sector	Optimistic future in data and information management sector

Thank you