Results for the six months ended

31 December 2022

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Agenda

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Strategy update	Pfungwa Serima
Financial and operational results	Shivan Mansingh
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Update on FY23 key priorities

1
Digital and cloud services

- Second largest revenue contributor
- Largest growth area over recent years
- Revenue up 61%

2
Innovating across core offerings with local and international solution providers

- Continuous engagements with both local and international service providers to ensure we are offering the most innovative solutions to our clients

3
Transforming Metrofile

- Metrofile has been transformed into a digital and cloud ready provider, in addition to its traditional service offerings

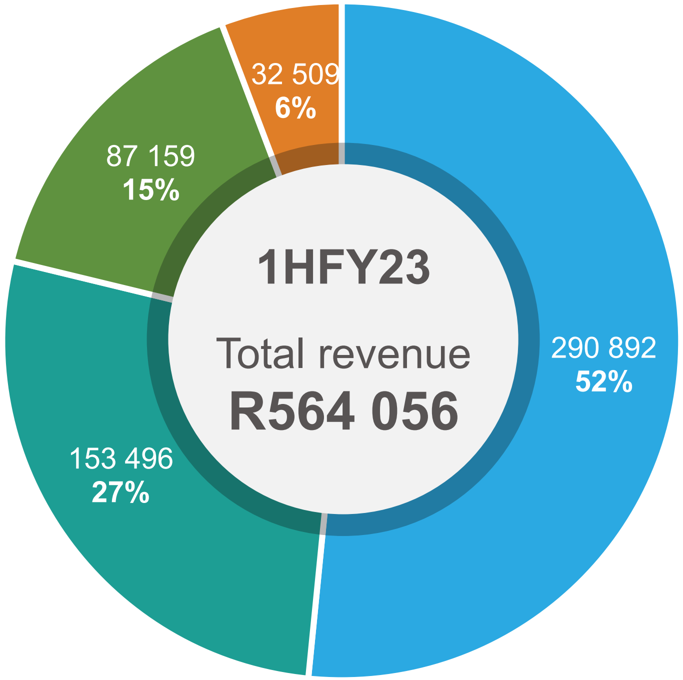
4
Appointing industry experts

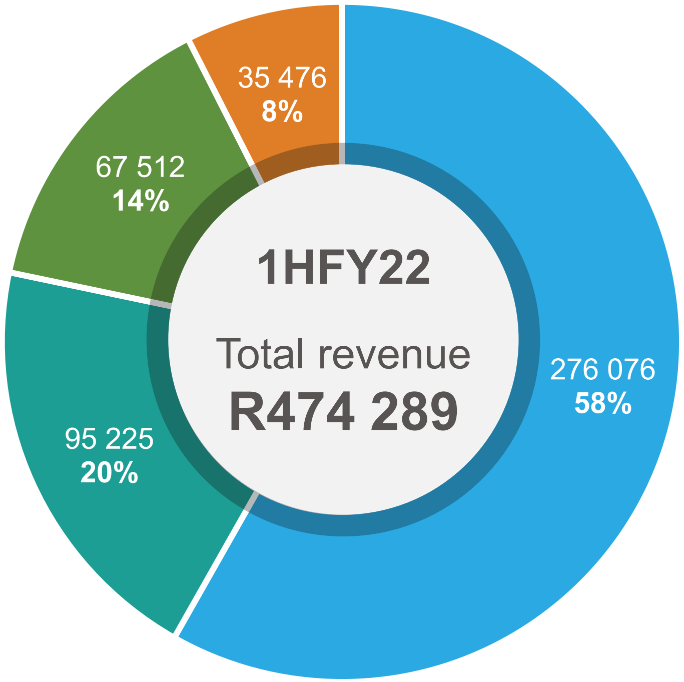
- Growth in secure storage, image processing and products and solutions due to investment in go-to-market industry team

5
End-to-end integrated solutions and services

- Enhanced core capabilities through leveraging off our trusted record management solutions

Revenue drivers – 1HFY23 (R'000)





Secure storage | Digital services | Products and solutions | Business support services

- Secure storage revenue up 5%
- Digital services continues to be second largest revenue contributor and largest growth area over recent years
- Digital services revenue up 61% mainly due to the full inclusion of IronTree for the period, increase in image processing and growth in workflow automation solutions through Metrofile VYSION
- Products and solutions increased 29% as demand returned for filing solutions through Tidy Files, as well as growth in the number of flat boxes sold
- Business support services decreased by 8% following the reduction in work area recovery services

Strategy update

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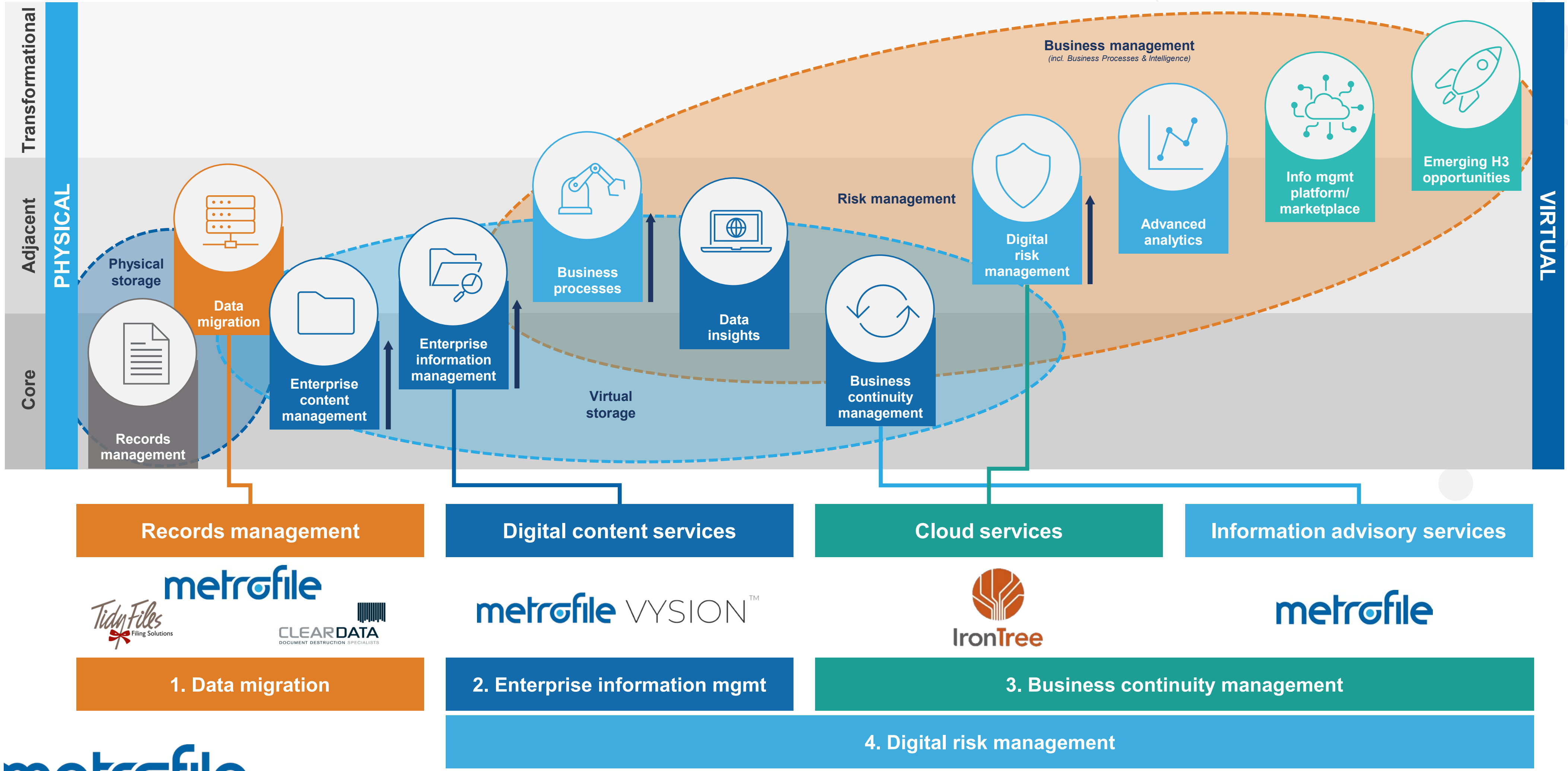
Strategy update and core capabilities

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

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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

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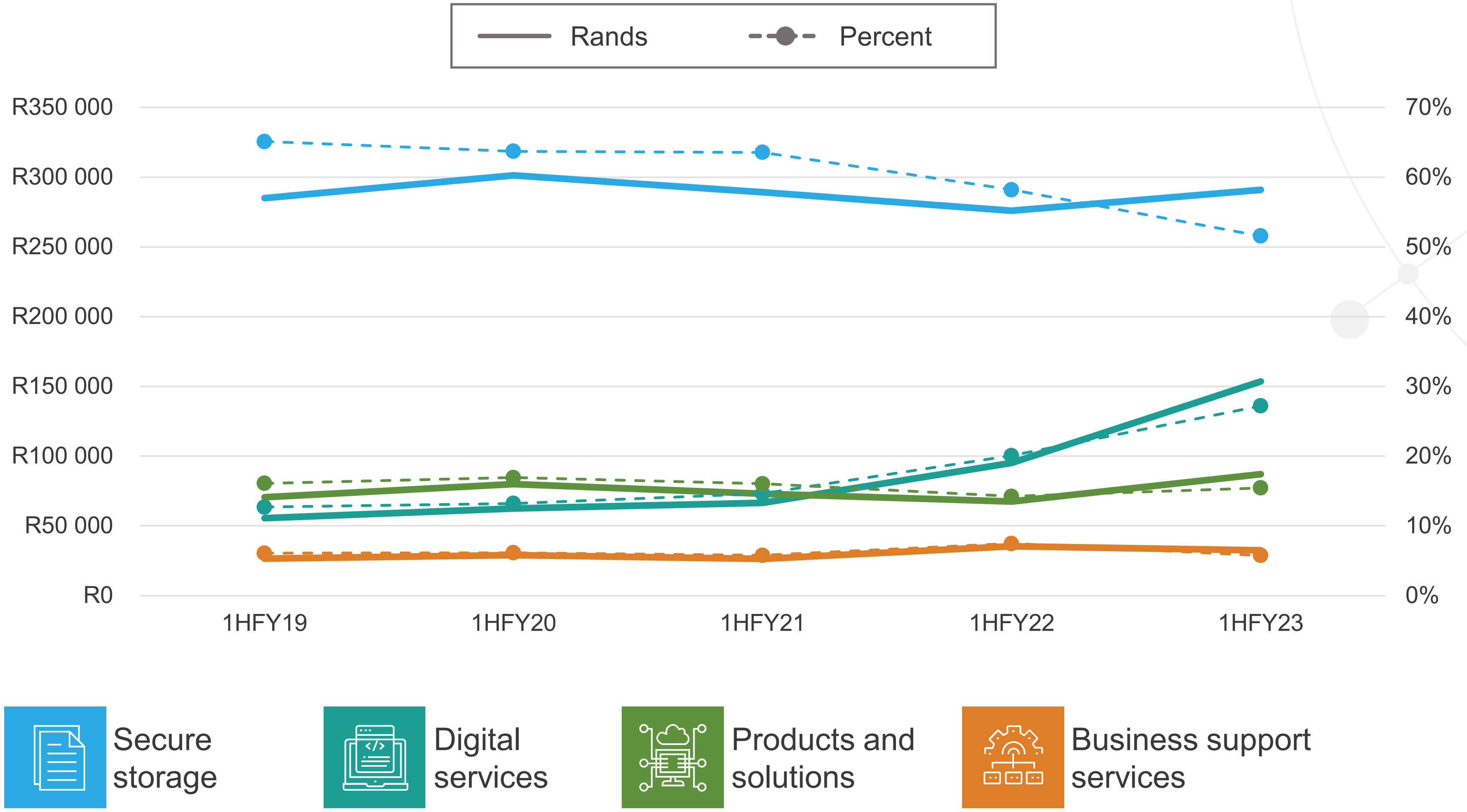
1HFY23 salient features

Revenue	R564m	▲ 19%
EBITDA	R166m	▲ 6%
DPS	9.0c	► 0%
EPS	15.0c	▲ 1%
HEPS	15.0c	▲ 1%
Share buy-back	R22.6m	

Revenue contribution (Rand and %)



- Secure storage has shown a recovery mainly driven by the increase in paper services
- Digital services continues to be second largest revenue contributor and largest growth area over recent years
- Consistent period-on-period growth for last 5 years

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Statement of comprehensive income

For the 6 months ended 31 December 2022

	Dec 2022 R'000	Dec 2021 R'000	% change
Revenue	**564 056**	**474 289**	**19%**
EBITDA	**166 028**	**157 327**	**6%**
Operating profit	**117 953**	**112 356**	**5%**
Net finance costs	(26 990)	(23 220)	16%
Profit before tax	**90 963**	**84 729**	**7%**
Tax	(23 711)	(16 521)	43%
Profit after tax	**67 252**	**68 208**	**(2%)**
EBITDA %	**29%**	**33%**	**(4%)**
Operating profit %	**21%**	**24%**	**(3%)**
HEPS (cents)	**15.0**	**14.9**	**1%**
EPS (cents)	**15.0**	**14.9**	**1%**
DPS (cents)	**9.0**	**9.0**	**-**

Key features

- Excluding IronTree revenue, revenue increased by 13%, primarily due to significant growth in digital services
- Growth in secure storage, digital services and products and solutions due to actions taken in last quarter of FY22 (eg investment in go-to-market industry team)
- Operating profit grew by 5% as a result of increased revenue
- Operating margin lower due to additional costs and a change in revenue mix, mainly as a result of contribution from lower margin image processing
- Additional costs driven by inflationary pressure, investment in the go-to-market industry team and an increase in IT related costs (upgrades to IT infrastructure and application environment)

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Statement of financial position

For the 6 months ended 31 December 2022

Assets	Dec 2022 R'000	Dec 2021 R'000
Property, plant and equipment	600 998	609 790
Goodwill	372 361	381 953
Intangible assets	68 381	39 933
Right-of-use asset	111 557	129 890
Deferred tax	10 769	20 091
Cash and cash equivalents	57 005	69 842
Other assets (inventories, trade receivables, vendor consideration)	320 286	225 319
Total assets	**1 541 357**	**1 476 818**

Liabilities	Dec 2022 R'000	Dec 2021 R'000
Total equity	580 924	541 745
Interest bearing borrowings	512 292	500 187
Bank overdraft	38 116	17 225
Trade and other payables	116 346	110 471
Lease liabilities	132 398	148 796
Acquisition related liabilities	77 483	86 725
Deferred tax and other liabilities	153 798	158 394
Total equity and liabilities	**1 541 357**	**1 476 818**

Key features

- Net finance costs 16% higher following an increase in interest rates and net debt
- Net debt rose by 10% due to settlement of the first tranche of the IronTree payment, higher dividends and an increase in debtors
- Increase in debtors related to higher level of revenue achieved in last two months of the period, with average revenue of approximately R100 million per month achieved.
- Decrease in goodwill, and increase in intangible assets due to finalising of accounting entries for acquisition of IronTree
- Net debt:EBITDA (pre-IFRS 16) increased by 11% to 1.72x (FY22: 1.55x) due to the increase in revenue

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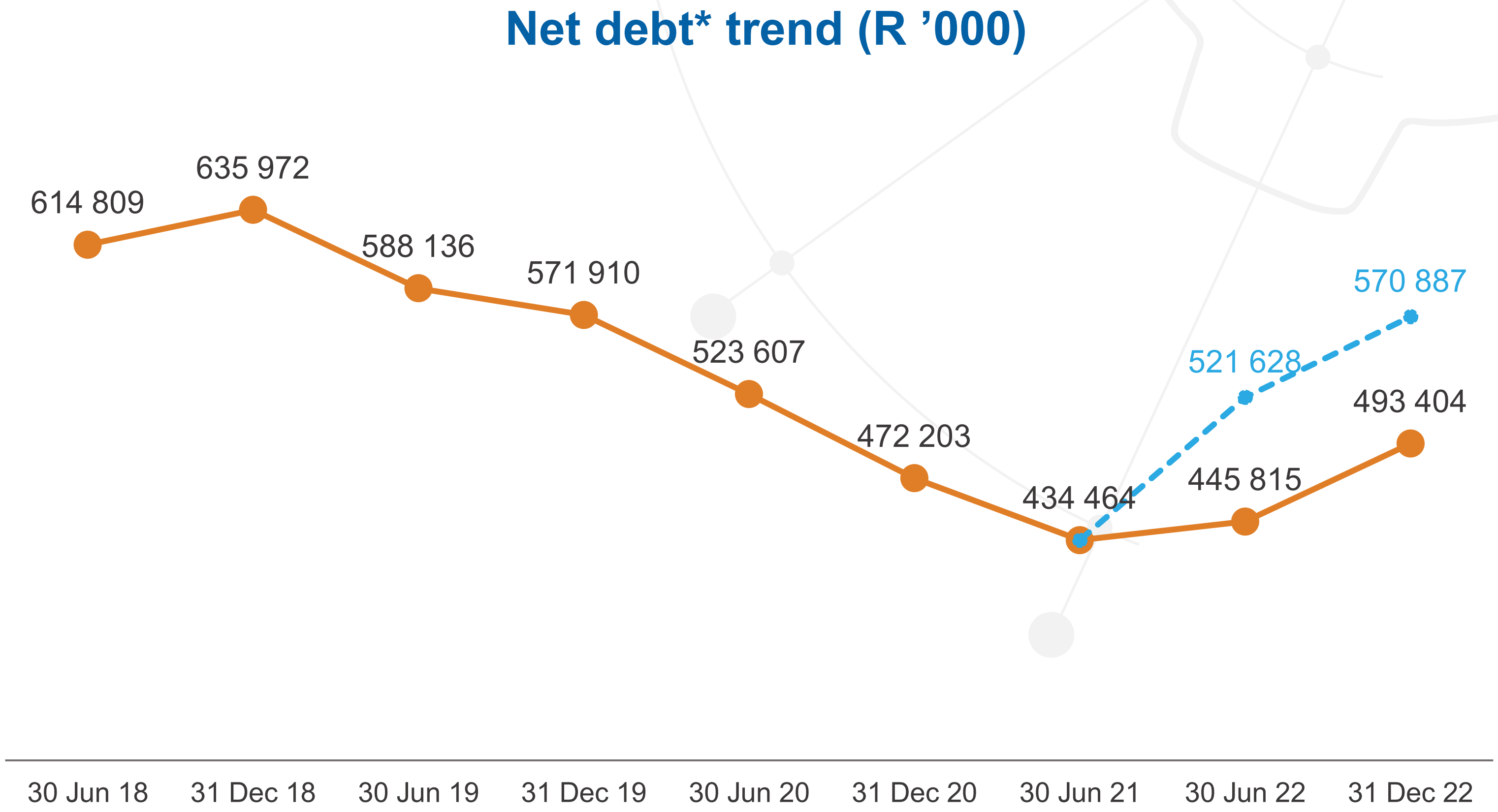
Sound capital management

Net debt increased to R493m due to settlement of first tranche of IronTree payment, higher dividends and increased debtors

Remaining well within covenants

Liquidity and solvency headroom R120m facilities unutilised



* Net debt excludes IFRS 16 lease liabilities
** Net debt including acquisition related liabilities

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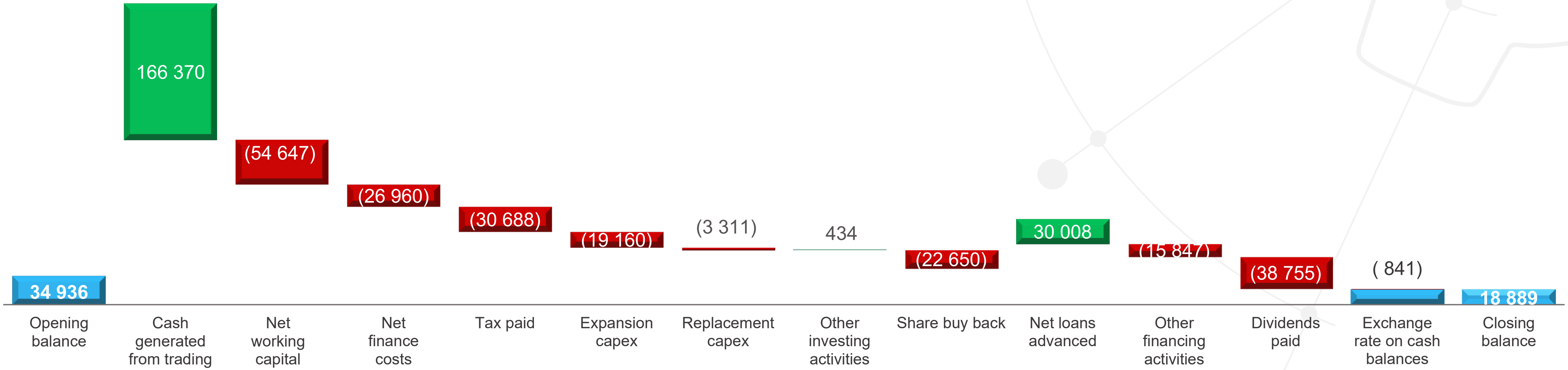
Cash flow

For the 6 months ended 31 December 2022



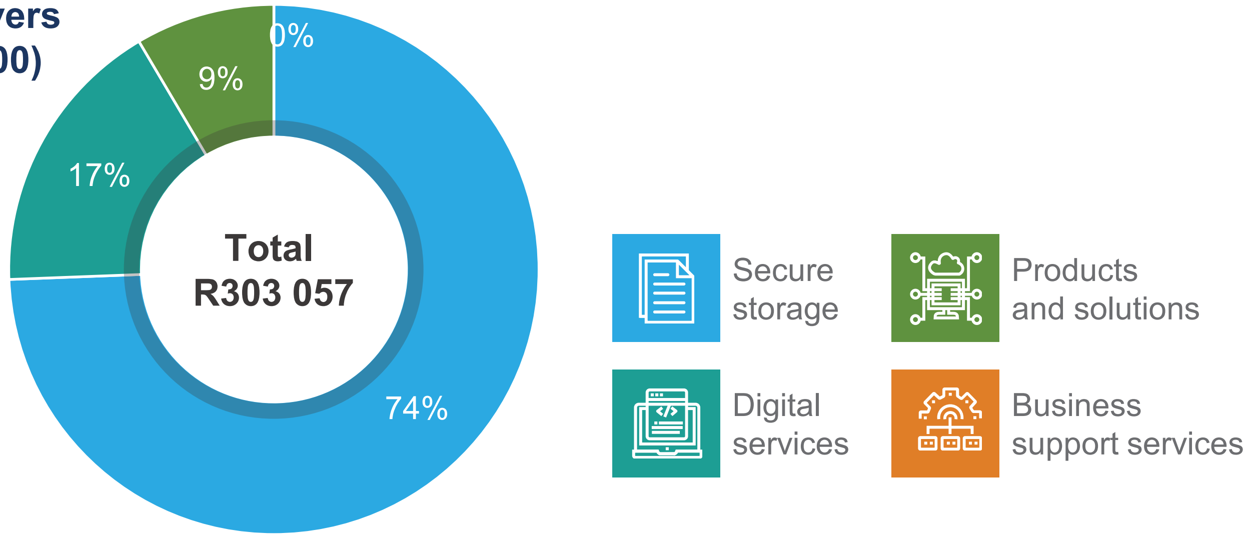
- Decrease in operating cash conversion ratio* to 67% (FY22: 95%) due to increase in debtors linked to revenue growth. However cash conversion remains high
- Decrease in capex spend by to R22m due to capex spend on initiatives and growth requirements already deployed in previous financial period
- Increase in financing activities due to share buy-back initiative of R22.6m

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

Divisional analysis: MRM South Africa

R'000	Dec 2022	Dec 2021	Variance
Revenue	303 057	265 088	14%
Operating profit	94 477	90 913	4%
EBITDA	114 865	116 307	(1%)
Operating profit margin	31%	34%	(3%)
EBITDA margin	38%	44%	(6%)

Revenue drivers 1HFY23 (R'000)

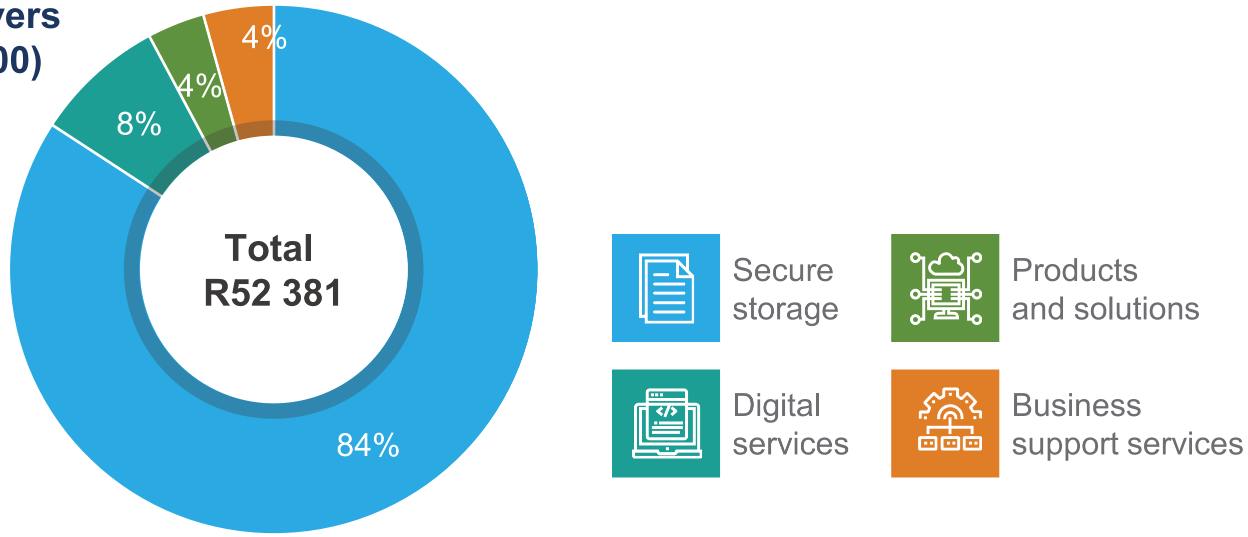


- Revenue increased by 14% mainly as a result of growth in image processing, paper services and improved sales volumes of flat boxes
- Operating profit grew by 4% as a result of revenue growth and includes additional costs related to the go-to-market industry team
- Operating margin reduced due to change in revenue mix
- Anticipate recovery in margin by the continued growth in utilisation of investments made
- Net box volume decreased by 1%

Divisional analysis: MRM Rest of Africa

R'000	Dec 2022	Dec 2021	Variance
Revenue	52 381	44 918	17%
Operating profit	13 195	9 953	32%
EBITDA	24 712	21 325	16%
Operating profit margin	25%	22%	3%
EBITDA margin	47%	47%	-

Revenue drivers 1HFY23 (R'000)



- Operations in Botswana, Kenya and Mozambique
- Revenue increased by 17% to R52 million
- Operating profit grew by 32%
- Positive results achieved in all territories with growth in net box volumes as well as digital services from existing and new clients
- Net box volume growth of 2%

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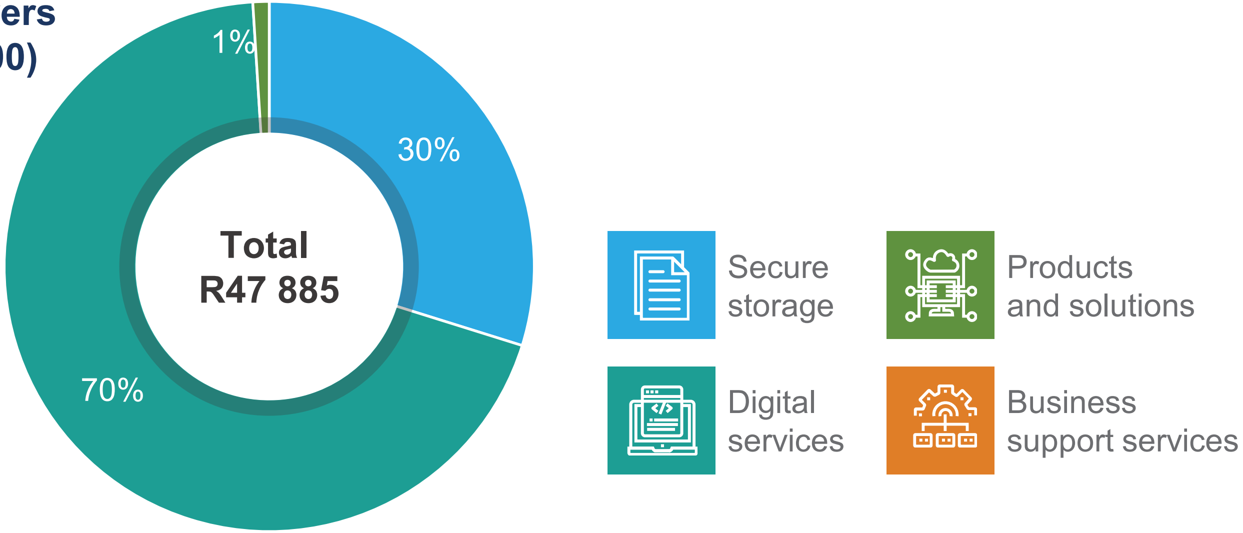
Divisional analysis: MRM Middle East

R'000	Dec 2022	Dec 2021	Variance
Revenue	47 885	46 623	3%
Operating profit	10 611	13 865	(23%)
EBITDA	11 932	14 667	(19%)
Operating profit margin	22%	30%	(8%)
EBITDA margin	25%	31%	(6%)

Revenue drivers 1HFY23 (R'000)

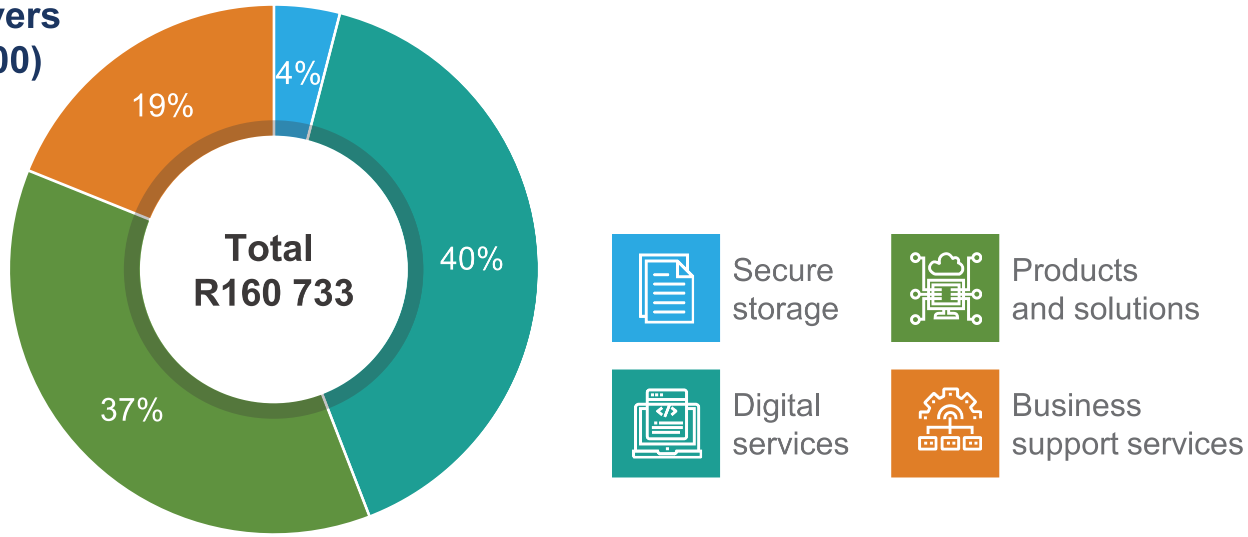


- Operations in United Arab Emirates and Oman
- Continued to grow and expansion of digital project pipeline
- Revenue increased by 3% to R48 million
- Lower comparable operating margin and lower operating profit due to prior period including once-off billing that has not been repeated in the current period
- Net box volume growth of 5%

Divisional analysis: Products and Services

R'000	Dec 2022	Dec 2021	Variance
Revenue	160 733	117 660	37%
Operating profit	17 501	13 335	31%
EBITDA	30 407	21 519	41%
Operating profit margin	11%	11%	-
EBITDA margin	19%	18%	1%

Revenue drivers 1HFY23 (R'000)



- Includes Tidy Files, Cleardata, Metrofile VYSION and IronTree
- Excluding the previously acquired IronTree, revenue increasing by 12%
- Tidy Files achieved improved revenue due to increased demand from clients, notwithstanding a challenging operating environment
- Tidy Files productivity impacted by extended loadshedding schedules, as well as an early factory closure in December due to flooding
- Metrofile VYSION, continued to grow significantly with workflow automation related sales improving by more than 50%
- IronTree continued to grow in line with expectations, with the addition of Sendmarc to its SecureIT suite of services

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Outlook

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	Continued growth in revenue contribution from digital services has validated our strategy of innovating across our core offerings, including cloud services and workflow automation solutions, 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 and streamlined internal operations	To offer holistic and differentiated services in an ever-increasing competitive landscape
Trade receivables is a key focus area	We have begun to see an increase in collections post the December interim period, and debtor collections will be a key area for the second half of the financial year
Data and information management sector	Optimistic future in data and information management sector

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Thank you

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