ANNUAL RESULTS PRESENTATION
FOR THE YEAR ENDED 30 JUNE
2019

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DISCLAIMER

- At Adapt IT Holdings Limited ("Adapt IT") we appreciate the need for transparency and accountability and wish to use this presentation to provide general information about our company. We do not intend for the information to constitute investment or other professional or financial product advice. We also do not intend for you to use information as the basis for making an investment decision. You must consult professional advisers before making such an investment decision or taking any action which might affect your personal finances or business.

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- A significant portion of the information that we disclose in this presentation contains "forward-looking information," as described in the Financial Markets Act of 2014 (and which we collectively refer to as forward-looking statements). Only statements of historical fact are not forward-looking statements. Information that constitutes forward-looking statements in this presentation includes, but is not limited to, (i) the expected development and progression of our business and projects; (ii) the execution of our vision and growth strategy, including future mergers and acquisitions activity and international growth; and (iii) the continuation or renewal of our current customer, collaborator, supplier and other key agreements.

BUSINESS OVERVIEW

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ABOUT ADAPT IT

1 088 employees
10 000+ customers
53 Countries served in Africa and worldwide
JSE listed ADI Software and Services Provider
Level 2 B-BBEE contributor

National offices:	Johannesburg, Durban, Cape Town
International offices:	Mauritius, Australia, Botswana, Singapore, Ireland, Kenya, Nigeria and New Zealand
Strategic Partners:	SAP™ | Oracle | Microsoft | IBM

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DIRECTORATE

NON-EXECUTIVE DIRECTORS

CRAIG CHAMBERS

CFA, PDM, BCom

Independent Chairman

Appointed 3 May 2011

OLIVER FORTUIN

MBA

Lead Independent Director

Appointed 8 February 2013

BONGIWE NTULI

CA (SA) AMP (Harvard)

Independent Director

Appointed 27 May 2008

CATHERINE KOFFMAN

BA, LLB, LLM Admitted Attorney

Independent Director

Appointed 9 February 2015

ZIZIPHO NYANGA

CA (SA), GEDP

Independent Director

Appointed 27 May 2019

DIRECTORATE

EXECUTIVE DIRECTORS

SIBUSISO (SBU) SHABALALA

BCom

Chief Executive Officer

Appointed
5 December 2007

TIFFANY DUNSDON

CA (SA)

Chief Commercial Officer

Appointed
18 April 2002

NOMBALI MBAMBO

CA (SA)

Chief Financial Officer

Appointed
18 August 2016

10 YEARS OF GROWTH

OCT 2007	InfoWave merges with Adapt IT creating a software business.
OCT 2008	Adapt IT, specialising in software for the Manufacturing sector, moves to the main board of the JSE.
AUG 2009	Education specialisation through the acquisition of Integrated Tertiary Software (ITS) – a leader in tertiary education ERP systems expanding the company into Europe and Asia Pacific.
OCT 2012	The Swicon360 acquisition extends the manufacturing offering with SAP™ Human Capital Management Business Process Outsourcing.
OCT 2013	Energy sector entry through the Aquilon acquisition expands Adapt IT into Africa's growing energy, sector, serving major oil companies.
SEP 2014	Telecommunications intelligence management software added through the AspiviaUnison acquisition.

JAN 2016	Financial Services Sector is entered through the acquisition of CQS.
AUG 2016	EasyRoster acquisition expands the Manufacturing division offering with rostering optimisation software services to staffing solutions business.
JUL 2017	Micros South Africa, a leader in Hospitality Software, is acquired by Adapt IT.
JUN 2018	Adapt IT acquired LGR Telecommunications Group, provider of end-to-end data warehouse and business intelligence systems with presence in Africa and Australia.
JAN 2019	Acquisition of Conor group, specialist in high-performance telco and mobile financial service solutions to extend the Telecoms division service offering.
MAR 2019	Wisenet group, a provider of software as a Service Learning Relationship Management System in the Asia Pacific education sector, is acquired.

SECTOR FOCUS

adapt IT

EDUCATION

- ITS Integrator Support
- Implementation, Customisation, Development and Integration
- Automated Exam and Class Timetabling
- Training and Consulting
- Learning Relationship Management System

MANUFACTURING

- Business Advisory
- Software Development, Implementations, Systems Integration
- Sustainability Reporting
- ERP Support

FINANCIAL SERVICES

Software implementation services in support of:

- Audit
- Financial reporting
- Practice Management
- Tax and Secretarial solutions

VALUE PROPOSITIONS

The division's in-depth understanding of the challenges faced by the education sector enables it to design, develop, implement and maintain a range of education software products and services.

VALUE PROPOSITIONS

The division is a provider of specialised software products for sugar producers, security providers, power stations, mines and other heavy industry. The software productions are serviced by subject matter experts in the sectors in which we operate.

VALUE PROPOSITIONS

The division has specialised in the design, development and deployment of software solutions for financial professionals for over 23 years.

SECTOR FOCUS

ENERGY

- Supply Chain Technology and Innovation
- Supply Chain and Operational Advisory
- SAP™ IS-OIL Services and Integration
- SAP™ Services and Support
- Terminal Management and Services Support
- Fuel Retail Network Services and Support
- Industry Solution Development, Deployment and Integration
- Business Process Outsourcing (BPO)

VALUE PROPOSITIONS

The division has deep sector knowledge in niche solutions and services within the oil and gas industry. It has a track record in large scale SAP™ and supply chain solution implementations and is a lead terminal automation software provider and implementer in Africa.

COMMUNICATIONS

- Software as a Service (SaaS)
- APN-as-a-Service
- Analytics-as-a-Service
- Telecommunication and Technology Expense Management
- Customer Experience (CX) and Self-Service Advisory
- Enterprise Data Services and Connectivity
- Enterprise Performance Management

VALUE PROPOSITIONS

Expertise in telephone expense management, customer experience, self-service/self-care and advanced telecoms analytics. Support into tier 1 mobile network operators speaks to competence in this sector.

HOSPITALITY

- Consulting
- Project Management
- Implementation Services
- Hosting and Database Services
- Application Services
- 24/7 Support

VALUE PROPOSITIONS

The Hospitality division has 21 years of experience in the hospitality, retail, and food and beverage industries. Throughout this period, we have been the market leader in bringing best of breed technology to and enabling the Hospitality sector.

SECTOR FOCUS CUSTOMERS

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University of Johannesburg
Nelson Mandela Metropolitan University for tomorrow
Maynooth University National University of Ireland Maynooth
University of KwaZulu-Natal
Eskom
BHP
G4S
Newmont

Atterbury It's a matter of association
pwc
AngloGold Ashanti
KPMG
Deloitte.
Gauteng Provincial Government Republic of South Africa
Macsteel
Sugar Illovo Africa An AB Sugar company

Mercedes-Benz
Clicks
Shell
Chevron
Total
bp
Engen
Nando's there's no saying no
Steers real food made real good
Wimpy
KFC

Fidelity A Member of the Fidelity Security Group
ADT
Puma Energy
AB InBev
sasol reaching new frontiers
Spiga Estd 1979 Vivere con passione
vodacom
IS.
Liquid Telecom

Cell C
Discovery
City of Cape Town Isixeko saseKapa Stad Kaapstad
MMI Holdings
Peermont Hotels Casinos Resorts
Mugg & Bean
Sun International A Million Thrills. One Destination.
Tsogo Sun
Liberty
Protea Hotels
Bidvest Tank Terminals
Botswana Oil Your Fuel. Your Future

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FINANCIAL HIGHLIGHTS FOR THE YEAR

14%	5%	9%	3%	-6%
REVENUE GROWTH	ORGANIC REVENUE GROWTH	ACQUISITIVE REVENUE GROWTH	EBITDA GROWTH	HEPS
FROM CONTINUING OPERATIONS	FROM CONTINUING OPERATIONS		FROM CONTINUING OPERATIONS	FROM CONTINUING OPERATIONS

KEY HIGHLIGHTS FOR THE YEAR

IMPROVED REVENUE DIVERSIFICATION

- Improved diversification of revenue by **geography**
- Diversified **portfolio of products and solutions**
- Won targeted **new clients**
- Strengthened **strategic sales** function
- Appointed as a key partner and value-added reseller of **SAP™ Software and Solutions**

CAPITAL ALLOCATION

- Effected **share buy-back**
- **Strategic acquisitions** to enhance industry offerings:
  - Education: Strive Software and Wisenet group
  - Communications: LGR Telecommunications and Conor Solutions

EXTENDED GEOGRAPHIC REACH

Pan African presence

- Market share gained in **Kenya** and **Botswana**

Global presence

- **Australia, New Zealand** and **Singapore** expansion

BUSINESS INTEGRATION

- Successfully commissioned the **Johannesburg campus**
- Enhanced **Shared Services** capabilities
- Complete and comprehensive **strategy review**
- Enhanced Adapt IT **culture** and **values**

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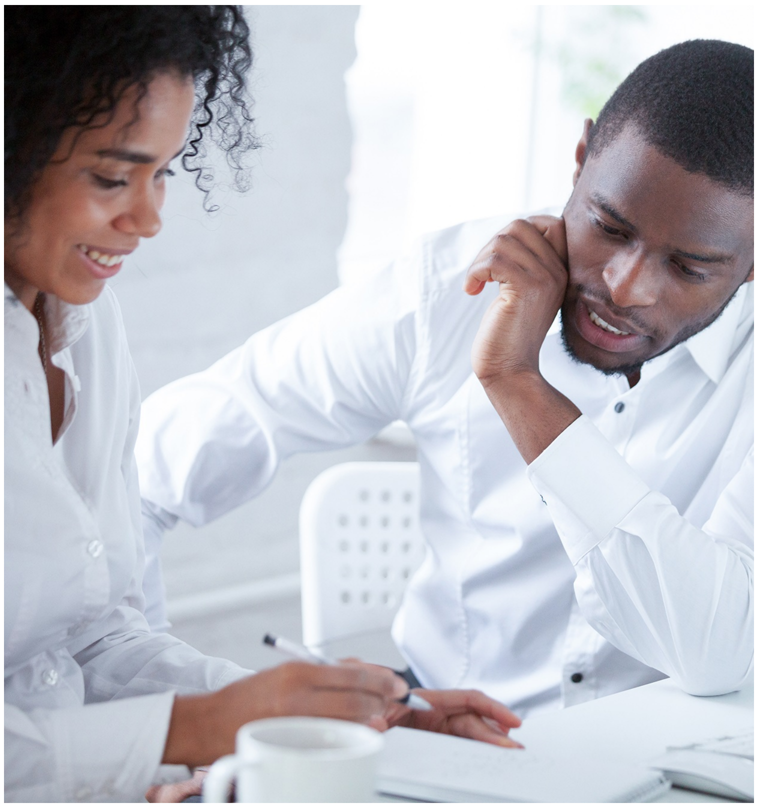
EDUCATION ACQUISITION



- Concluded July 2018
- R12.4 million purchase consideration
- EV/EBITDA: 3.5x
- P/E: 4.8x
- Provides:
  - Modular, flexible and integrated holistic campus and student administration system
  - Implemented in over 20 South African Private Higher Education Institutions

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EDUCATION ACQUISITION

- Effective 1 March 2019
- R54 million purchase consideration, plus contingent earn out
- EV/EBITDA: 5x
- P/E: 7x
- Provides:
  - Cloud Software as a Service (“SaaS”)
  - Learning Relationship Management System (Student Lifecycle Management and Compliance)
- New Singapore office

TRANSFORMATION

LEVEL 2 B-BBEE CONTRIBUTOR

SCORECARD	2018	TARGET SCORE
Ownership	18,00	25
Management & Control	18,00	23
Skills Development	16,92	20
Enterprise Development	51,52	50
Socio-Economic Development	12,00	12
OVERALL SCORE	116,44	130

2019 B-BBEE rating is in progress

SOCIAL RESPONSIBILITY

2019 ADOPT-A-SCHOOL FOUNDATION

- Supporting **592** schools
- Benefitting **1 107 900** learners
- Adapt IT donation **R4 700 000**

Adopt-a-School FOUNDATION

Adapt IT has a long track record of investing in the upliftment of disadvantaged South African communities and remains committed to continuing with this practice through its sustainable finance practices and policy of extending the impact of projects to embrace more beneficiaries.

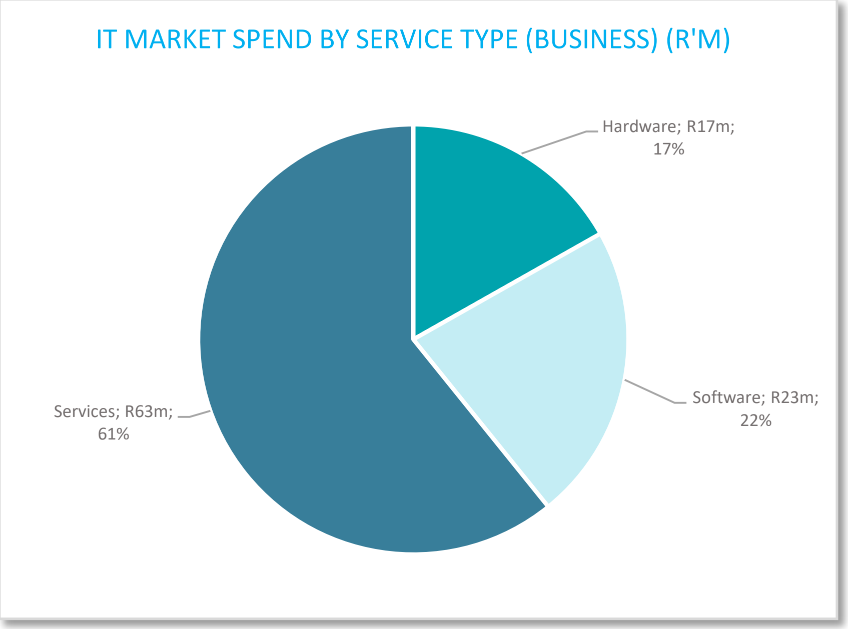
The company continues to invest in larger longer-term initiatives that are sustainable and provide the most benefit for disadvantaged South African communities.

DRIVING OUR STRATEGY

OPPORTUNITIES FOR ADAPT IT

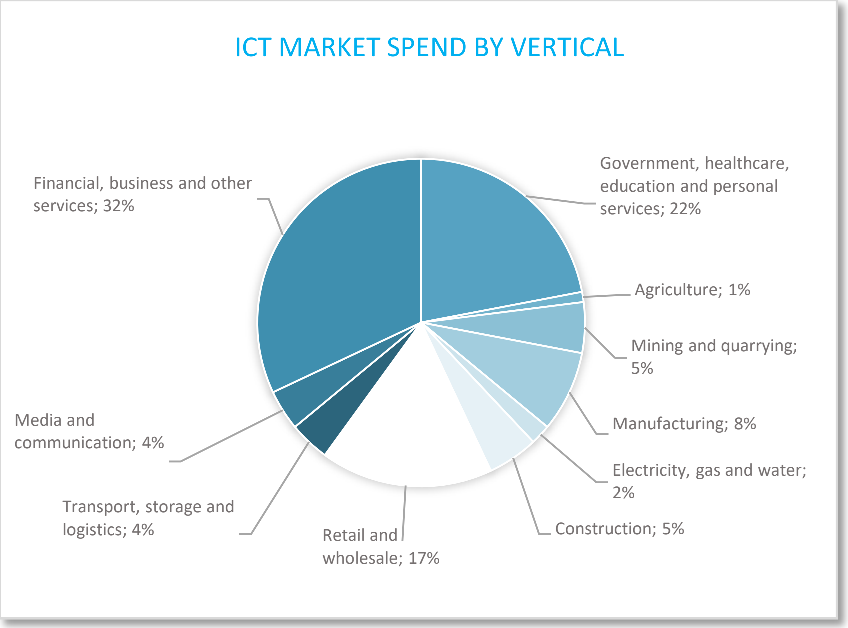
The services sector is the largest revenue driver and Financial Services is the biggest sector – this represents a significant market diversification opportunity for Adapt IT.

IT Services sector is the **biggest revenue driver: 61%** of business market spend.



Source: BMIT, SA IT Enterprise Market Sizing Forecast 2018

The **Financial, business and other services** sector is the **largest sector**.



MARKET SHARE

ADAPT IT MARKET SHARE

Market	Market Size
Adapt IT Total SA Revenue	R1 billion
Addressable SA Market Size (Current Products and Services)	R5 billion
Share of Addressable Market	17%
Broader Software + Services Market (excluding BPO)	R48 billion
Adapt IT share of broader market	2.2%

ADDRESSABLE INDUSTRY

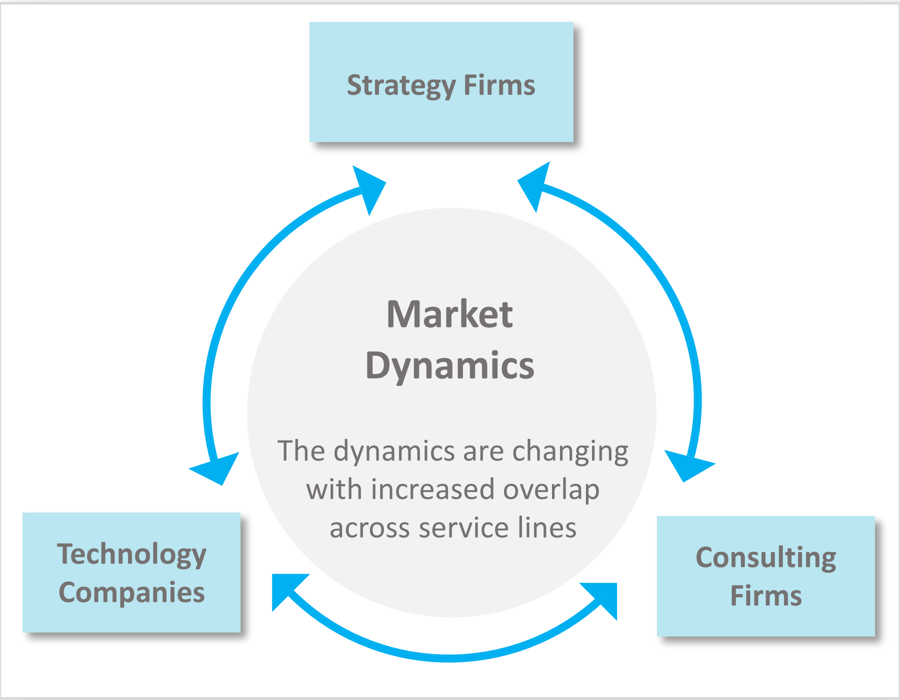
Division	Estimated SA Market Share
Education	40% - 50%
Manufacturing	15% - 20%
Hospitality	85% - 95%
Financial Services	55% - 65%
Energy	10% - 20%
Communications	55% - 60%

We are recognised as **industry leaders** in many of the markets we operate in.

Source: BMIT, SA IT Enterprise Market Sizing Forecast 2018

REMAINING STRATEGIC

Adapt IT will need to be more strategic and value adding to clients to maintain a competitive advantage.



The market landscape is changing and corporate services companies are **diversifying** to offer complementary solutions.

- Strategy Firms are diversifying into consulting and information technology services offerings.
- Consulting Firms are diversifying into strategy and information technology service offerings.

There is increased overlap between **Professional and IT Services** organisations.

EXTRACT OF ADAPT IT VISION

"To be a leader in specialised software and digitally-led business solutions"

PROPOSITIONS & BRANDS

- We provide leading specialised software and digitally-led business solutions that assists clients, across the targeted industries, to Achieve more by improving their:
  - Customer Experience
  - Core Business Operations
  - Business Administration
  - Enterprise Resource Planning
  - Public Service Delivery

CLIENTS & CHANNELS

- Primary Specialised Industries
  - Education
  - Telecommunications
  - Finance Professionals
  - Hospitality
  - Energy & Natural Resources
  - Financial Services
- Targeted large accounts
  - Private sector
  - Public sector

MARKETS & REGIONAL STRUCTURES

- Pan African Market
  - Southern African Development Community (SADC) Countries
  - East Africa
  - West Africa
- International Market
  - Australia
  - New Zealand
  - Singapore

CORE BUSINESS PROCESSES AND CAPABILITIES

- Software Sales
- Technology Innovation
- Application Development
- Application Support
- Industry Specific IP Development
- Industry Consulting
- Digitally-Led Business Consulting
- Software Enabled Business Process Outsourcing

STRATEGIC PRIORITIES

PAN AFRICA GROWTH

STRENGTHENED SALES

INNOVATION ON OWN INTELLECTUAL PROPERTY

APAC GROWTH

EFFECTIVE STRUCTURE

ENHANCED ORGANISATIONAL CULTURE

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FINANCIAL RESULTS

ANNUAL RESULTS 30 JUNE 2019

14%

REVENUE GROWTH

FROM CONTINUING OPERATIONS

5%

ORGANIC REVENUE GROWTH

FROM CONTINUING OPERATIONS

9%

ACQUISITIVE REVENUE GROWTH

3%

EBITDA GROWTH

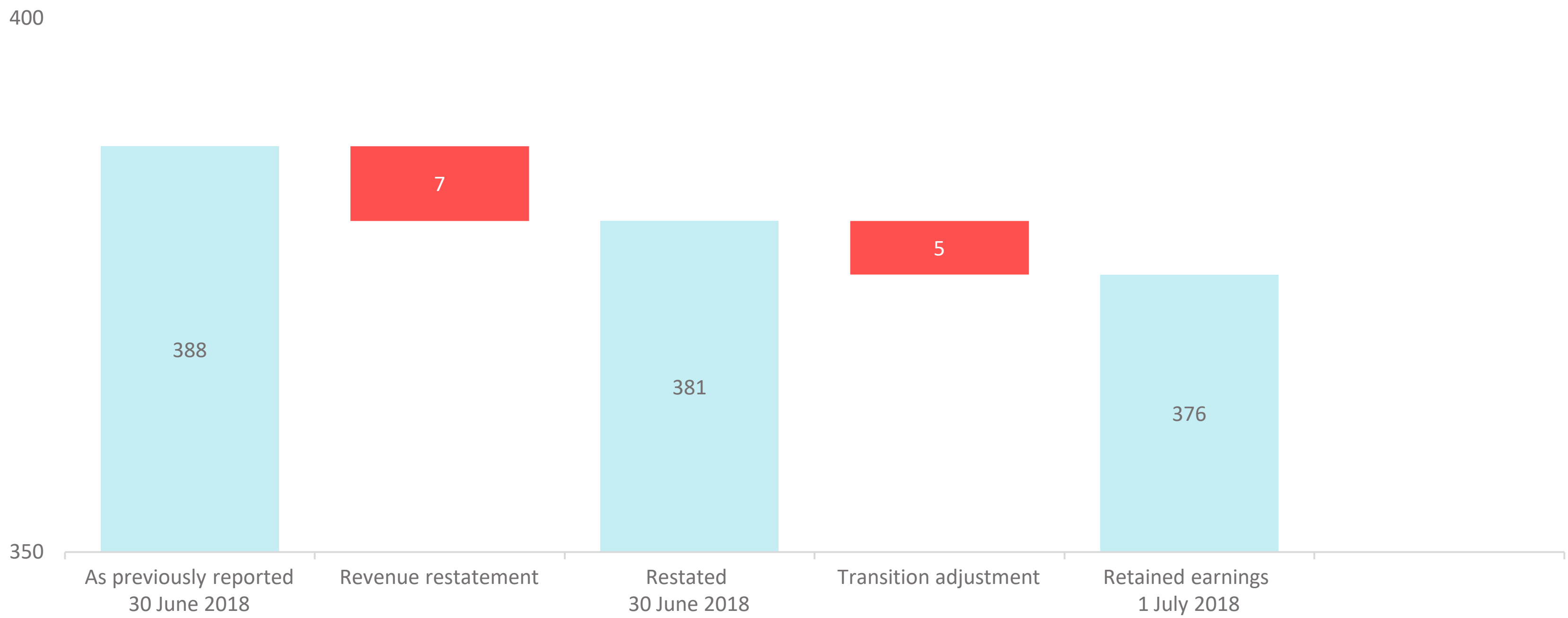
FROM CONTINUING OPERATIONS

-6%

HEPS

FROM CONTINUING OPERATIONS

RETAINED EARNINGS (R'm)



Pursuant to the process of adopting IFRS 15 a prior year revenue recognition error was corrected. Other minor corrections were also made. On adoption of IFRS 15 and IFRS 9 adjustments to opening retained income were made as permitted by the standards.

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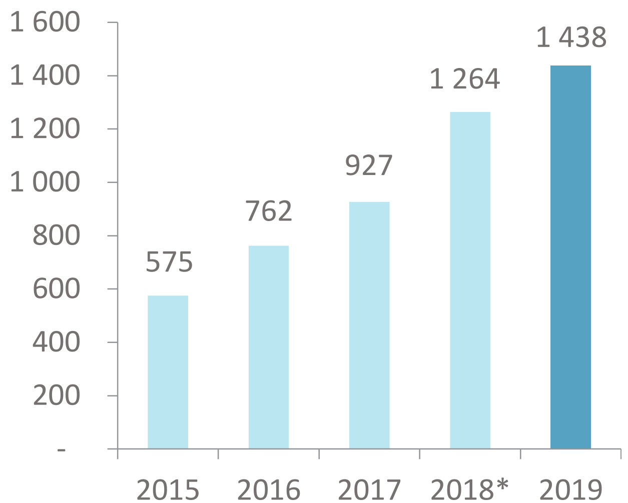
ADI 5 YEAR REVIEW

FROM CONTINUING OPERATIONS

REVENUE (R'm)



REVENUE

14%

ORGANIC REVENUE GROWTH FROM CONTINUING OPERATIONS

5%

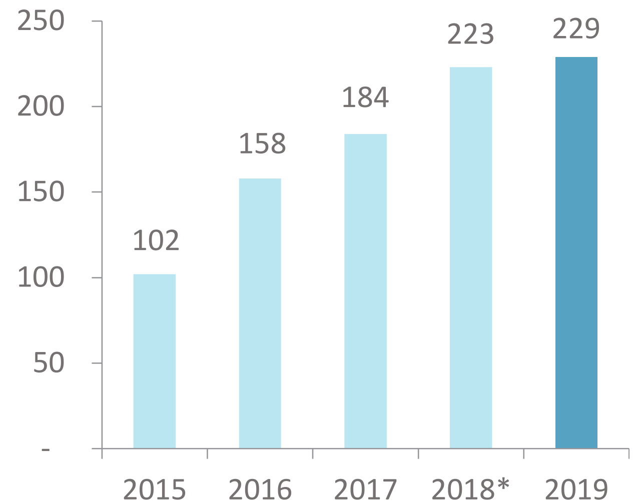
ACQUISITIVE REVENUE GROWTH

9%

REVENUE CAGR

20%

EBITDA (R'm)



EBITDA

3%

EBITDA MARGIN

16%

EBITDA CAGR

18%

* Restated

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GEOGRAPHIC REVENUE

GEOGRAPHY

76%
South Africa

15%
Pan Africa

6%
Asia Pacific

3%
Other

CURRENCY

85%
Rands

6%
US $

5%
Australian $

2%
New Zealand $

1%
Euro

1%
Other

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ADI ABRIDGED CONSOLIDATED STATEMENTS (IFRS)

adapt IT

COMPREHENSIVE INCOME

	Consolidated 2019 R'000	Consolidated 2018* R'000	% Change
REVENUE	1 438 138	1 332 849	8
Cost of sales	(645 556)	(527 789)	22
Gross profit	792 582	805 060	(2)
Operating expenses	(564 041)	(544 994)	3
EBITDA	228 541	260 066	(12)
Depreciation and amortisation	(26 636)	(18 002)	48
Amortisation of intangible assets acquired	(36 154)	(34 119)	6
Profit from operations	165 751	207 945	(20)
Net finance cost	(39 797)	(23 067)	73
Profit before taxation	125 954	184 878	(32)
Income tax expense	(49 592)	(62 729)	(21)
Profit for the year	76 362	122 149	(37)
Headline earnings	84 033	97 723	(14)
Amortisation of intangible assets acquired net of deferred tax	26 952	24 638	9
Fair value adjustment to financial liability	4 089	8 048	(49)
Gain arising on derecognition of financial liability measured at amortised cost	-3 262	-	(100)
Normalised headline earnings	111 812	130 409	(14)
Weighted average number of ordinary shares in issue	146 730	157 415	(7)
HEPS (cents)	57.27	62.08	(8)
Normalised HEPS (cents)	76.20	82.84	(8)

* Restated

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EBITDA BRIDGE (R'm)

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ADI ABRIDGED CONSOLIDATED STATEMENTS (IFRS)

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FINANCIAL POSITION

	Consolidated 2019 R'000	Consolidated 2018* R'000
Non-current assets	1 155 273	981 570
Current assets	464 251	391 594
Total assets	1 619 524	1 373 164
Total equity	679 035	747 457
Non-current liabilities	87 869	286 780
Current liabilities	852 620	338 927
Total equity and liabilities	1 619 524	1 373 164
Net gearing ratio	65.5%	17.5%

* Restated

Due to a technical breach of the debt service cover ratio debt covenant at 30 June 2019 on the 100% of the Standard Bank borrowings were required to be classified as current under IFRS. Having regard to the circumstances, the bank waived the breach on 9 October 2019 with the result that the debt due later than 12 months after the date of waiver will be reclassified as non-current.

ADI ABRIDGED CONSOLIDATED STATEMENTS (IFRS)

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CASH FLOWS

	Consolidated 2019 R'000	Consolidated 2018* R'000
OPERATING ACTIVITIES		
Cash generated from operations	178 688	259 995
Finance income	3 034	3 958
Finance costs	(41 669)	(24 690)
Dividends paid	(28 907)	(34 971)
Taxation paid	(68 838)	(68 951)
Net cash flow generated from operating activities	42 308	135 341
Net cash flows utilised in investment activities	(238 194)	(171 110)
Net cash inflow from financing activities	168 511	23 504
Net decrease in cash resources	(27 375)	(12 265)
Exchange differences on translation	(798)	794
Cash and cash equivalents at the beginning of the period	86 578	98 049
Cash and cash equivalents at end of year	58 405	86 578

* Restated

Cash generated from operations before working capital changes amounts to **R 232 199 817 (**2018: **R 232 779 859).**
Without the discontinued operations, the business generated the same level of cash.
The cash conversion ratio was 1,08 times (2018: 1,25 times)

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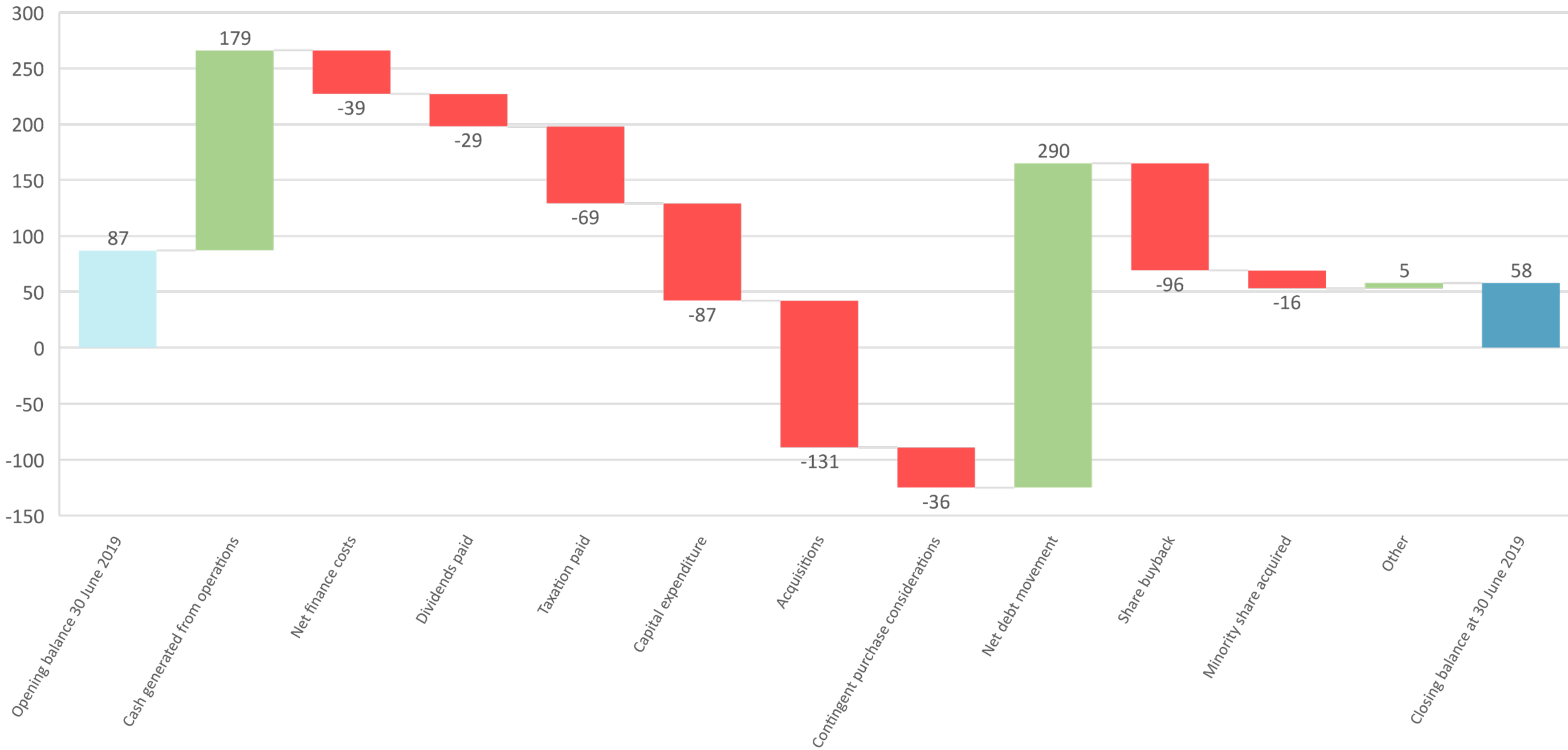
CASH FLOW BRIDGE (R'm)



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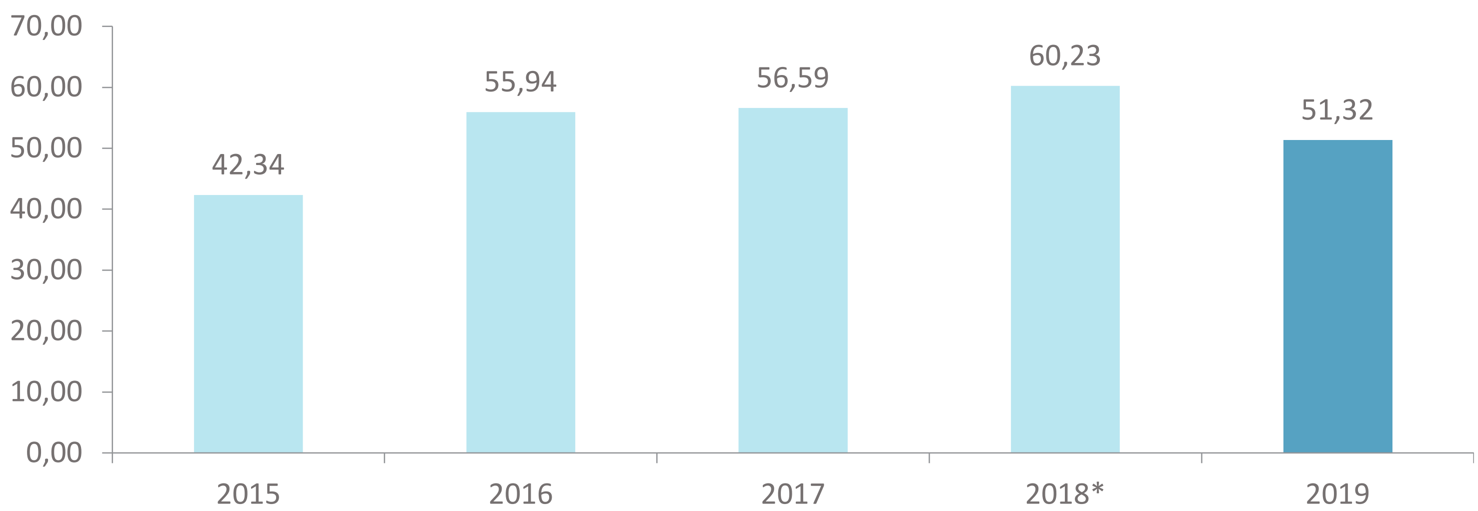
ADI 5 YEAR REVIEW

FROM CONTINUING OPERATIONS

BEPS (cents)



BEPS
-15%

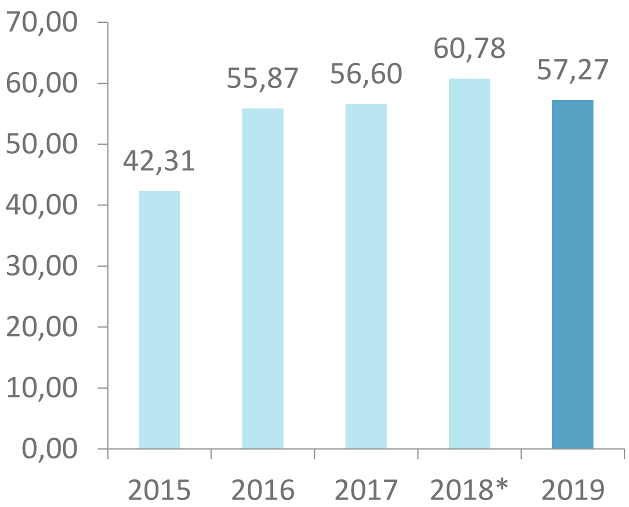
BEPS CAGR
4%

* Restated

ADI 5 YEAR REVIEW

FROM CONTINUING OPERATIONS

HEPS (cents)



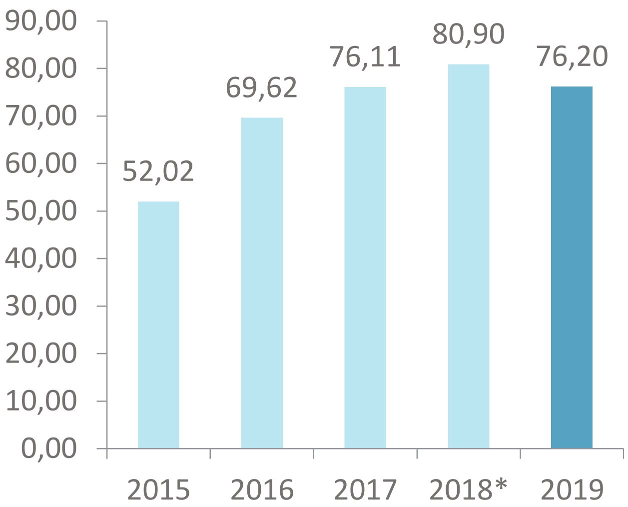
HEPS

-6%

HEPS CAGR

6%

NORMALISED HEPS (cents)



NORMALISED HEPS

-6%

NORMALISED HEPS CAGR

8%

* Restated

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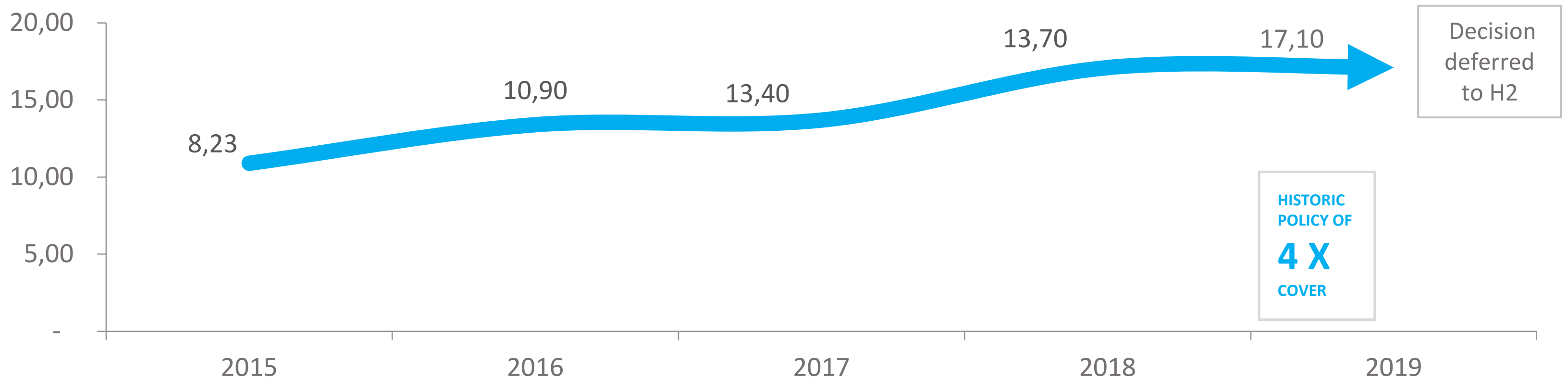
ROE AND DIVIDENDS

The Return on Equity declined to 10,56% (2018: 16,18%*)
This is below the target of 15%

The board has taken a decision that it is prudent to defer the consideration of a dividend until after the 31 December 2019 interim reporting period when cash flows of the group are generally stronger from a seasonality perspective.

DIVIDEND HISTORY (cents per share)



* Restated

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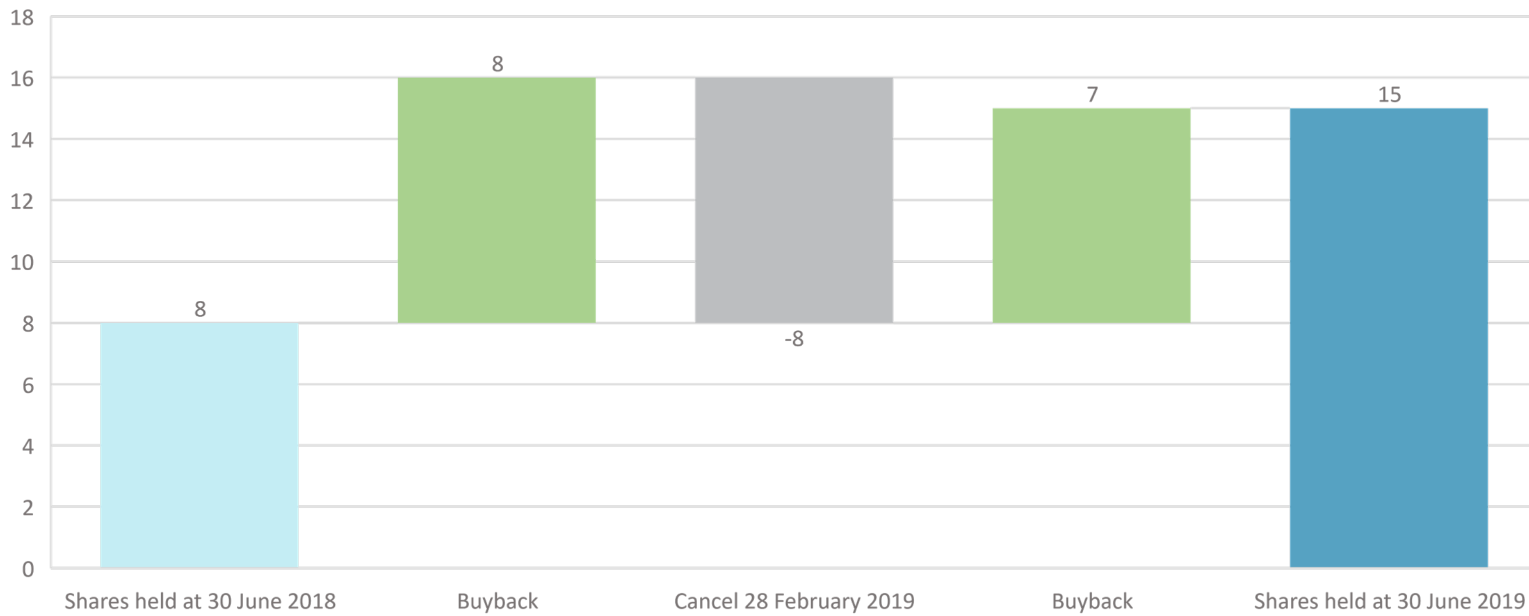
SHARE BUYBACK

NUMBER OF SHARES (Million)



AVERAGE PRICE

609 cps

TREASURY SHARES AS % OF SI

10%

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

-8%

WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE (WANOS)

147 million

NUMBER OF SHARES IN ISSUE, NET OF TREASURY SHARES

137 million

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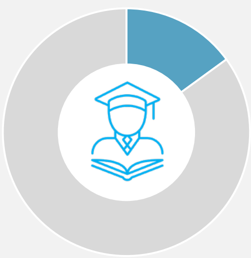
SECTOR RESULTS

SECTOR CONTRIBUTION - REVENUE

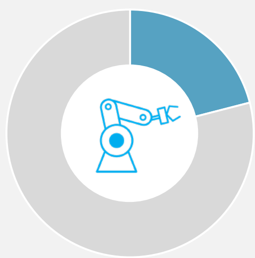
FROM CONTINUING OPERATIONS

EDUCATION



15%

MANUFACTURING

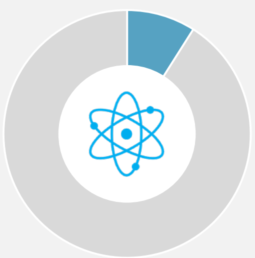


21%

FINANCIAL SERVICES

19%

ENERGY

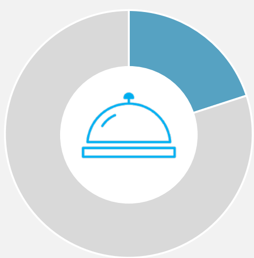


9%

COMMUNICATIONS

16%

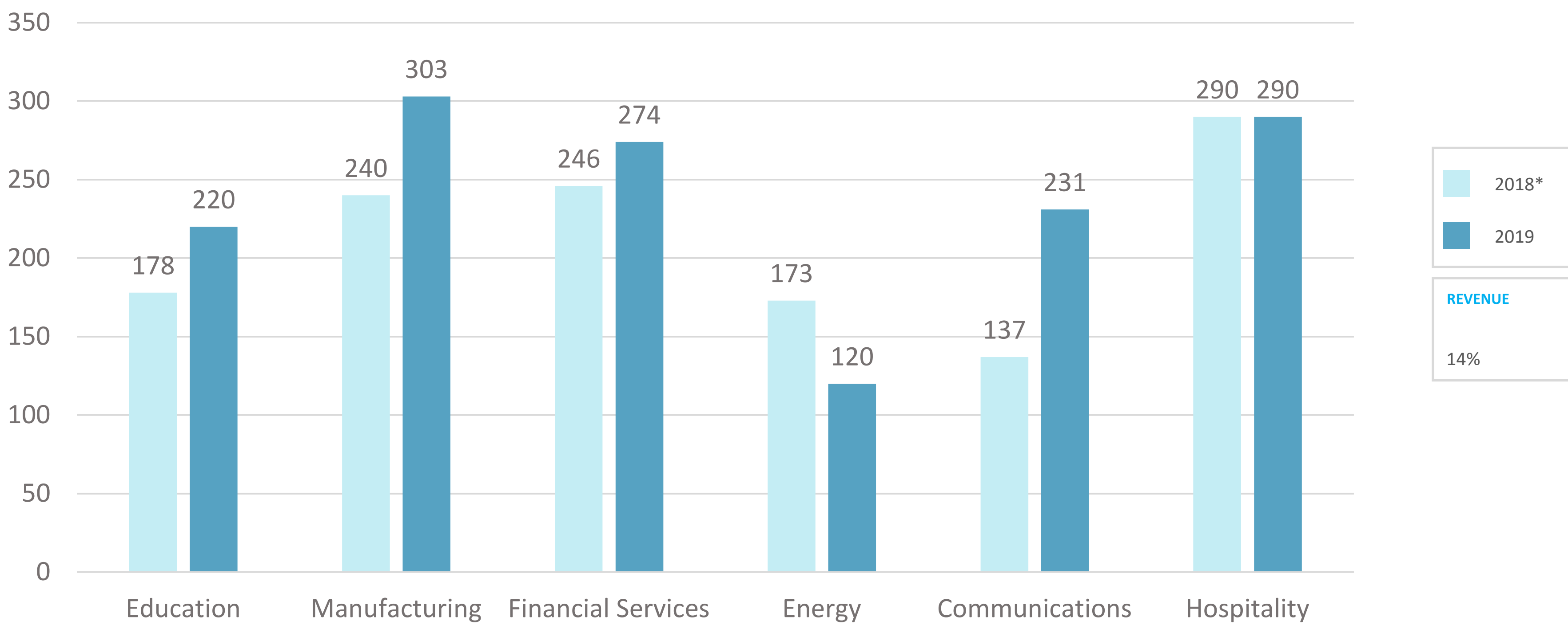
HOSPITALITY



20%

REVENUE BY SECTOR (R'm)

FROM CONTINUING OPERATIONS



REVENUE

14%

* Restated

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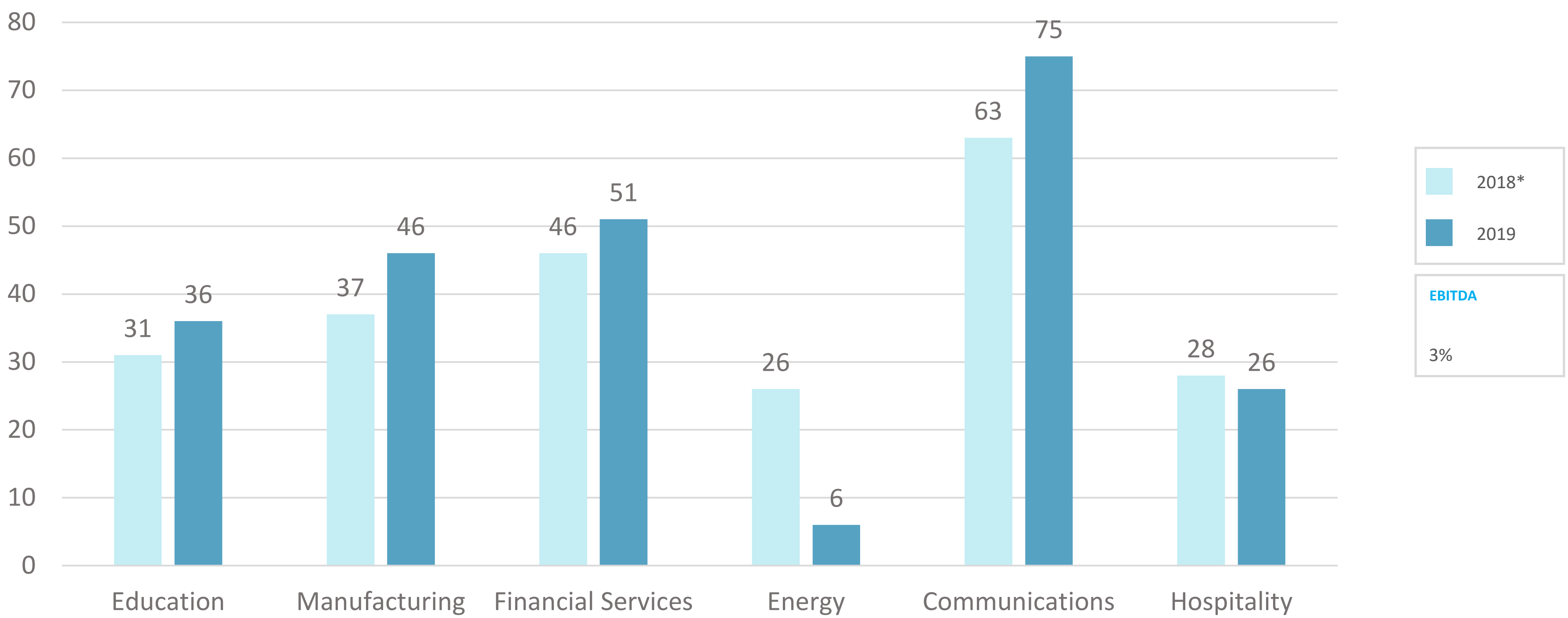
EBITDA BY SECTOR (R'm)

FROM CONTINUING OPERATIONS



* Restated

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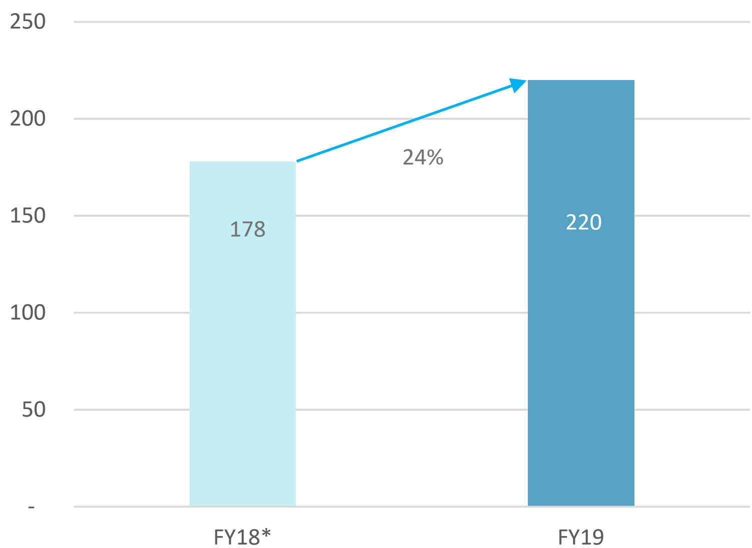
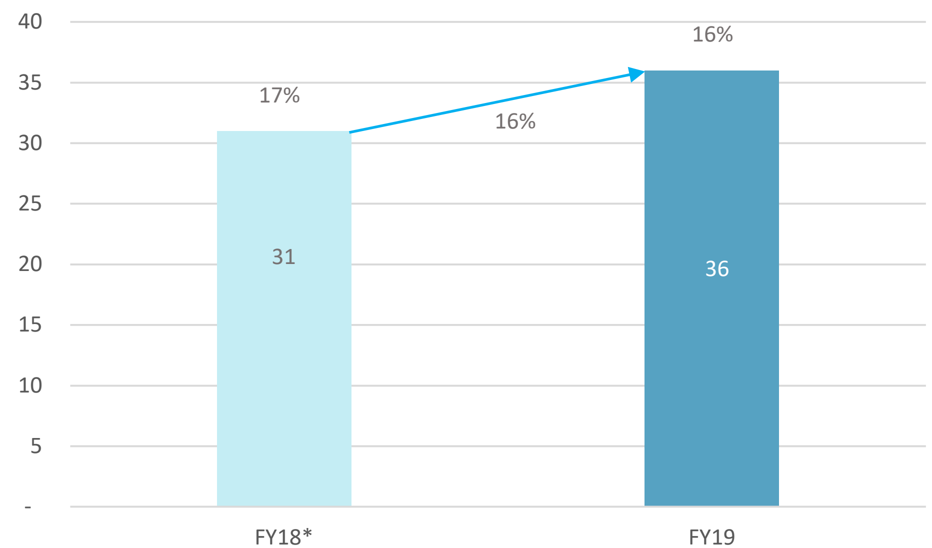
EDUCATION

FROM CONTINUING OPERATIONS

REVENUE (R’m)



EBITDA (R’m) and EBITDA margin (%)



* 2018 Restated

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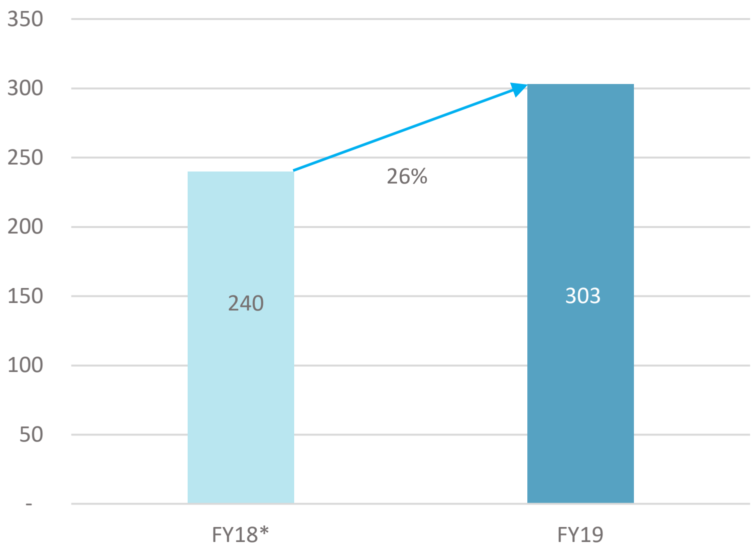
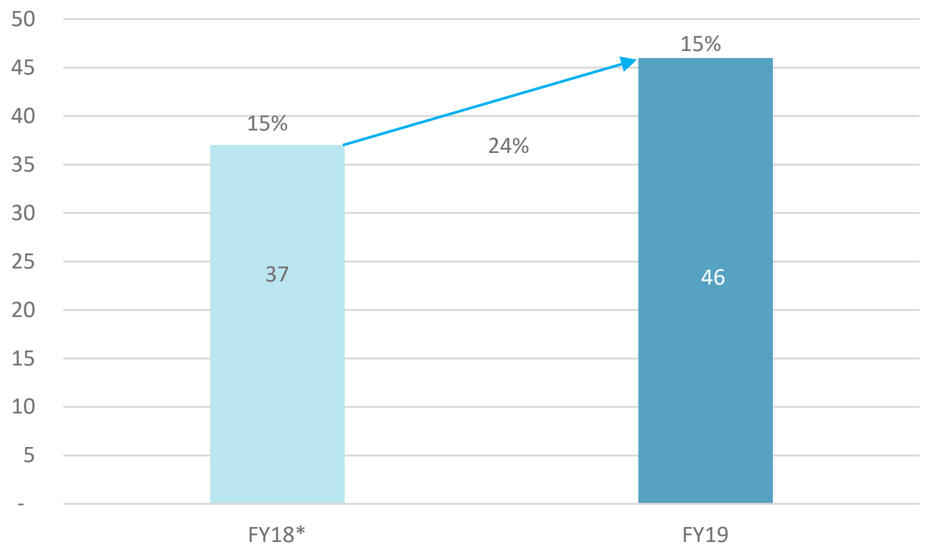
MANUFACTURING

FROM CONTINUING OPERATIONS

REVENUE (R'm)



EBITDA (R'm) and EBITDA margin (%)



* 2018 Restated

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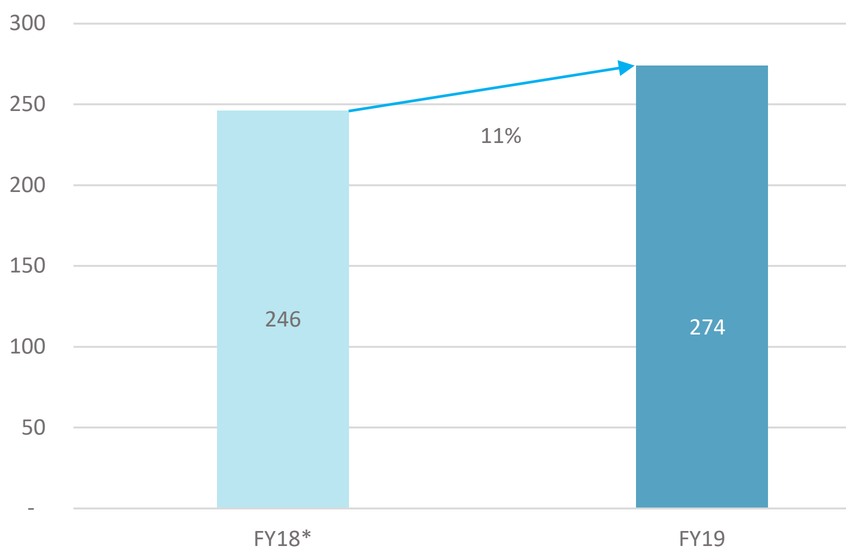
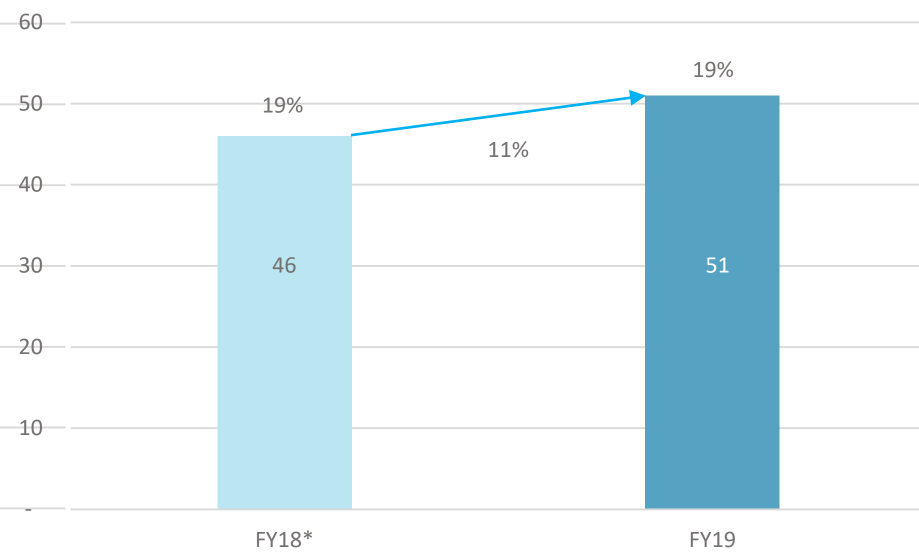
FINANCIAL SERVICES

FROM CONTINUING OPERATIONS

REVENUE (R'm)



EBITDA (R'm) and EBITDA margin (%)



* 2018 Restated

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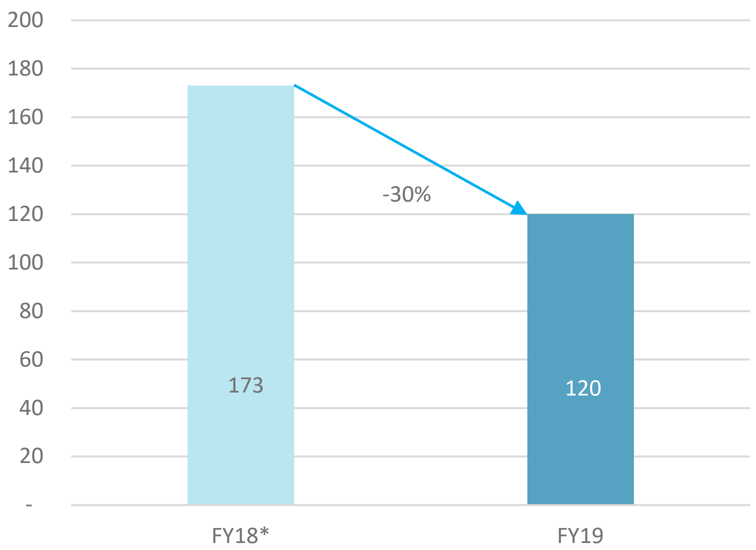
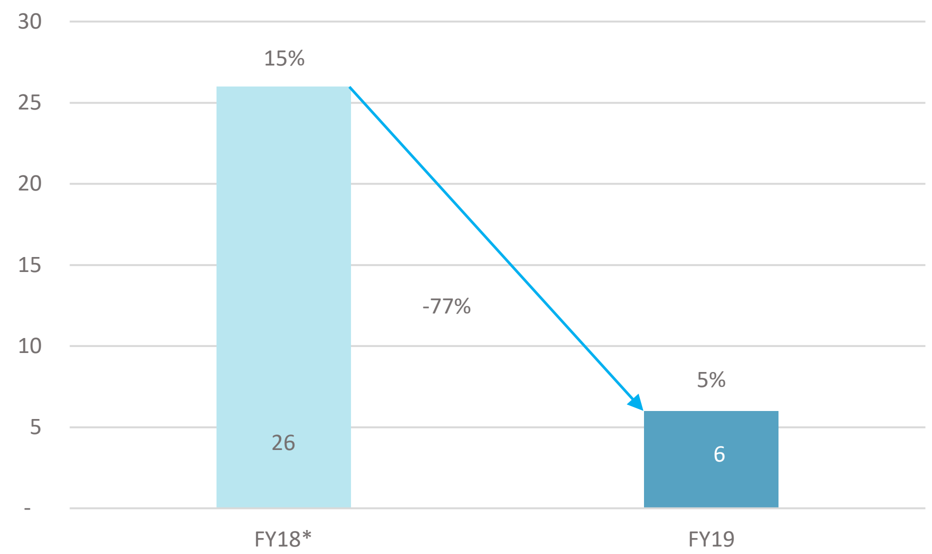
ENERGY

FROM CONTINUING OPERATIONS

REVENUE (R’m)



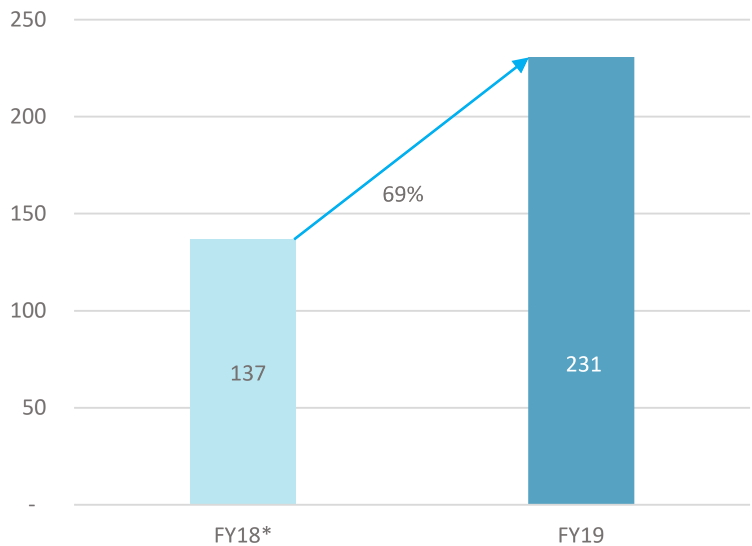
EBITDA (R’m) and EBITDA margin (%)



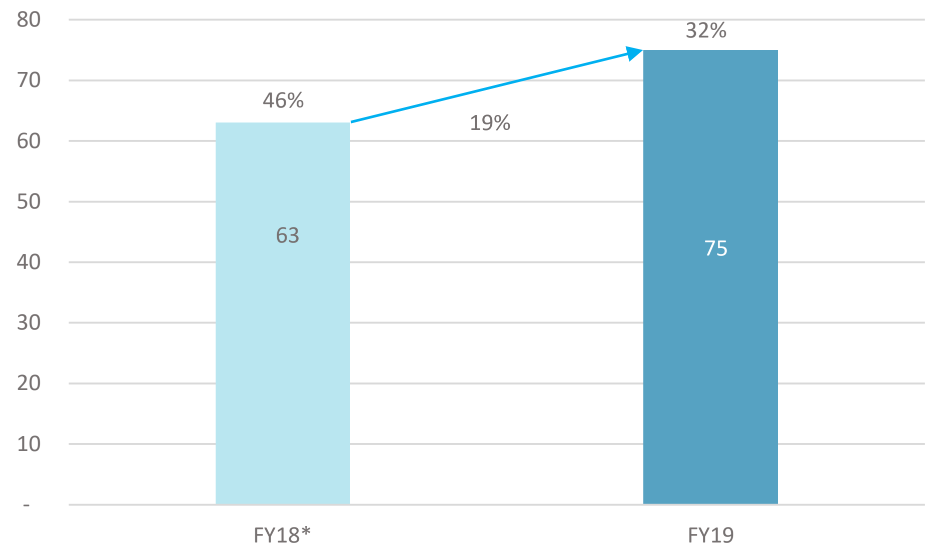
* 2018 Restated

COMMUNICATIONS

REVENUE (R'm)



EBITDA (R'm) and EBITDA margin (%)

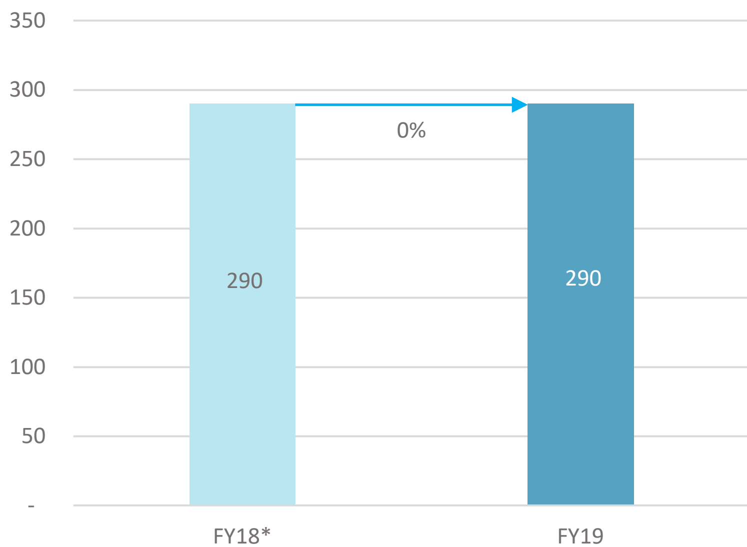


* 2018 Restated

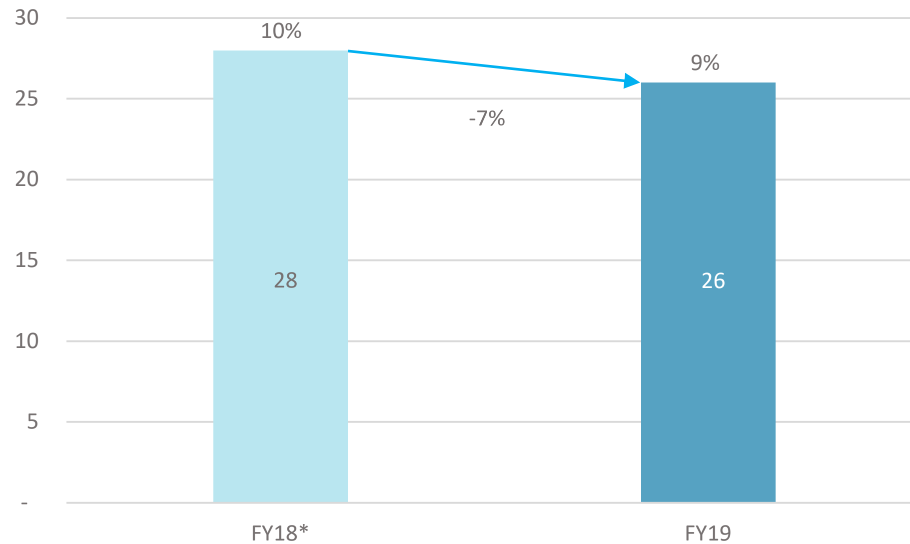
HOSPITALITY

FROM CONTINUING OPERATIONS

REVENUE (R’m)



EBITDA (R’m) and EBITDA margin (%)



* 2018 Restated

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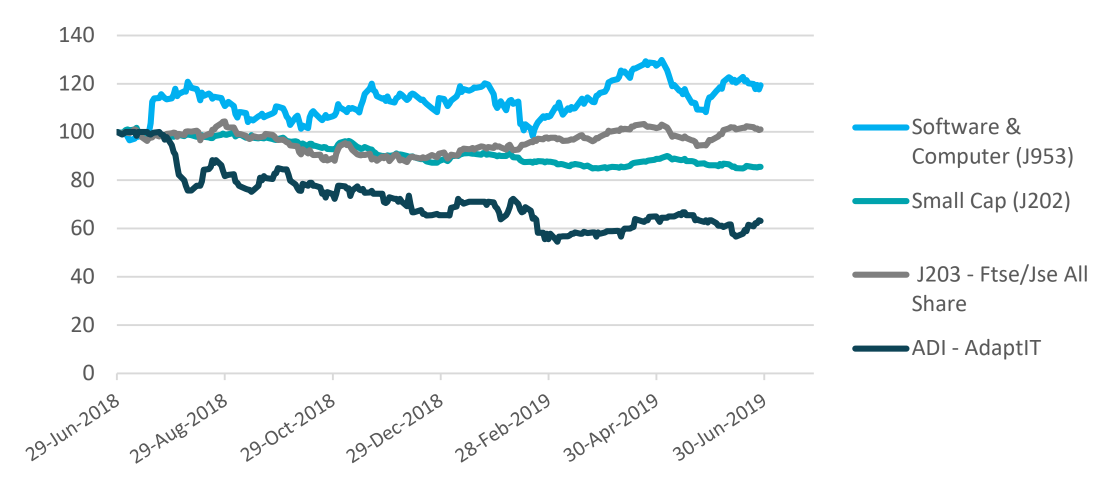
LOOKING AHEAD

ADI INVESTMENT CASE

SHARE MOVEMENT BASED TO 100



	30 June 2019
Shareholder distribution	
Free Float	67%
Held by Directors, Management and Staff	23%
Held in treasury	10%
Share Liquidity	19%
Estimated future dilution (from transactions already executed)	-

GOOD TRACK RECORD

- Successful acquisitions
- Solid growth record
- Sector diversified

SUSTAINABLE GROWTH STRATEGY

- Annuity income
- Software and Services
- Mergers and Acquisitions

SOLID PERFORMANCE

- Strong revenue growth CAGR
- Healthy margins
- Strong cash conversion

RELATED PARTY DISCLOSURE

Subsequent to the conclusion of the Johannesburg Campus development and lease, which were negotiated at arms' length with the assistance of industry experts Jones Lange Lasalle, when the developer wished to dispose of the property to a third party, the CEO, Sbu Shabalala purchased the property. No financial assistance was provided by Adapt IT.

The company has obtained a ruling from the JSE Limited that this was not a related party transaction.

Should the terms of the lease be amended such transaction would be subject to the related party provisions of the JSE Listings Requirements.

The procurement spend is advantageous from a BEE perspective.

An explanatory note number 31 is included on page 144 of the 2019 Integrated Annual Report.

ANNUAL GENERAL MEETING

Shareholders are requested to take note that there are several additional resolutions proposed to be passed at the forthcoming AGM on 22 November 2019:

- To convert the par value shares to no par value shares
- To increase the authorized share capital from 200 million to 300 million shares
- To remove the time limit for the submission of proxies
- To allow the board to appoint interim directors until the next AGM
- To approve a consolidated revised MOI, incorporating the above
- To consider amendments to the share incentive scheme

Shareholders are kindly requested to engage management prior to the AGM should they have any questions regarding the rationale for the proposed resolutions.

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ENABLING OUR INVESTORS TO
Achieve more.