

# Our value creation business model

The Group has a decentralised business model which empowers its divisional management teams to make operational decisions that are best suited to their individual operating needs but within a strategic operating and financial framework set by the Group to ensure sustained value for all stakeholders.



## OUR INVESTMENT PROPOSITION

**GLOBAL PRESENCE** – located in over 50 countries supported by close to 10 000 skilled employees and experienced multinational management

**DIVERSITY** – related but operationally dissimilar businesses diversify income and provide unique growth opportunities

**FOCUS** – on high-value, fast-growing sectors of the ICT market

**OPERATE** – at multiple points of the ICT supply chain

**STRATEGIC RELATIONSHIPS** – well positioned in strong technology areas and managed services with leading technology vendors and quality customer profile

**WHAT MAKES US DIFFERENT**

Datatec offers shareholders an opportunity to invest in a leading international ICT group that is uniquely positioned to take advantage of best-in-class solutions in information security, networking, unified collaboration, cloud and data centre technologies.

**OUR ACTIVITIES**

The Group's offering spans various sectors of the ICT market

**LOGICALIS**  
Integration and managed services  
Logicalis' principal revenue stream is product sales

**HOW WE CREATE VALUE**

We are improving shareholder returns by optimising our business for the current environment which includes cost and liquidity management.

We continue to pursue organic and acquisition expansion activities.



Provides wide geographical exposure

**WESTCON INTERNATIONAL**  
Technology distribution  
Westcon International's principal revenue stream is product sales



Improving operating profitability

**MANAGEMENT CONSULTING AND FINANCIAL SERVICES**  
Specialist consulting and research offerings  
Alternative financing expertise  
Management Consulting and Financial Services' principal revenue streams are professional services



Improving revenues and profit margins

**WHAT IMPACTS OUR ABILITY TO CREATE VALUE**

- ▶ Fluctuating exchange rates
- ▶ Global macroeconomic and Covid-19 uncertainty
- ▶ Cash generation ability
- ▶ Acquisition opportunities

**KEY OUTCOMES FOR STAKEHOLDERS**

**SHAREHOLDERS**

- ▶ Improved shareholder returns and value
  - 13.6 US cents underlying\* earnings per share (“uEPS”)
  - Reduced net debt
  - 293 US cents net asset value per share
  - Improved liquidity
  - Dividend declared

**FINANCIAL INSTITUTIONS AND PROVIDERS OF FINANCING**

- ▶ US\$28 million in interest to providers of financing

**EMPLOYEES**

- ▶ Fair remuneration
  - US\$636 million in salaries and benefits
  - Recognition of employees through performance rewards
- ▶ More inclusive and diverse workplace

**CUSTOMERS**

- ▶ Strong customer relationships
  - Positive feedback from customer satisfaction surveys

**VENDORS (SUPPLIERS)**

- ▶ Strong vendor relationships
  - Positive feedback from vendor satisfaction surveys

**FOUNDATION BENEFICIARIES**

- ▶ Improved education and opportunities created for less fortunate
  - R8.7 million spent on CSI activities at Datatec head office

**GOVERNMENTS AND REGULATORS**

- ▶ Compliance with regulatory requirements
  - US\$29 million directly distributed to governments

**ENVIRONMENT**

- ▶ Reduced carbon footprint
- ▶ Energy savings
- ▶ Reduced waste

**GOVERNANCE AND ETHICS**

Datatec's business model is underpinned by strong governance and ethics. Datatec is committed to maintaining the highest standards of ethics and business conduct and to being ethical, honest, socially responsible corporate citizens.

\* Underlying earnings exclude impairments of goodwill and intangible assets, profit or loss on sale of investments and assets, amortisation of acquired intangible assets, unrealised foreign exchange movements, acquisition-related adjustments, fair value movements on acquisition-related financial instruments, restructuring costs relating to fundamental reorganisations, and the taxation effect on all of the aforementioned.