

ALTRON

PRESENTED BY

ALTRON

KARABINA



THE ALTRON 2.0 STRATEGY

OUR PURPOSE

Delivering innovation that matters

OUR GOAL

Triple Operating Income in 5 years

- Be an employer of choice
- Best in class customer service
- Leading shareholder returns in ICT sector
- Net debt : EBITDA of 1
- A responsible ESG company

OUR GROWTH AREAS



Cloud Services



Data



Security



Automation

OUR VISION

A highly differentiated technology solutions provider

ONE SET OF VALUES

- Openness, honesty and integrity
- Collaborate across teams
- Embrace diversity and inclusion
- Get things done and enjoy doing it
- Passionate about employees, customers, partners and communities

OUR SEGMENTS



Managed Services



Digital Transformation



Own Platforms

OUR STRATEGIC PRIORITIES

- Profitable Revenue Growth
- Cash and Financial Management
- Empowered Employees
- Improve Customer Experience

SOCIETAL IMPACT

SAFETY AND SECURITY

FINANCIAL INCLUSION

HEALTHCARE MANAGEMENT

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THE ALTRON 2.0 STRATEGY



Digital
Transformation



Cloud
Services



Data



Security



01

ASSESSMENT OF WHERE
WE ARE

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- Acquired the business 2 years ago
- Lost key customer – accounted for 30% of revenue. Customer in distress overnight
- Had to re-baseline the business
- Fully integrated the business into Altron
- Sales engine had to be rebuilt
- Awarded the License Service Provider for ZA as well as Multi-Country-Cluster
- Slow start to the acquisition of customers in both territories (some success with education sector)
- Reworked the value proposition as a new entrant to leapfrog the legacy approach (some lessons learned from the UK)
- Combined sales rebuild with working with existing Altron customers to increase share of wallet
- Landed large key ERP projects: key project controls not in place has led to leakage
- Despite the effort to rebuild the business the results have been less than satisfactory

KEY ISSUES BEING ADDRESSED

Cost base not aligned to revenue flow

- Executed on restructure to right-size the business
- Reduced non-profitable business areas
- Removed overheads not in line with growth strategy

Problem Projects (stop the bleeding)

- Acquired key project management skills to drive compliance and governance
- Re-negotiated key customer contracts
- Established cadence to drive predictable outcomes



Lack of Annuity Income

- Pivoting existing offerings to have a managed services focus
- Setup a discrete unit to focus driving annuity income
- Focus and managed services and Smart Skills

Software sales not delivering expected growth

- Shifting focus to CSP growth (cloud)
- Enabling lower cost customer acquisition channels for SMB

02

**WHAT'S HAPPENING
IN THE MARKET?**

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COVID-19 FORCED ORGANISATIONS TO FOCUS ON 3 PRIORITIES

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1

Preserve cash and
optimise IT costs

2

Support and secure
a remote workplace

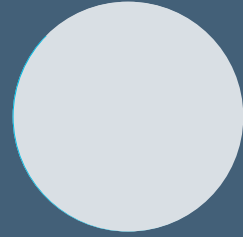
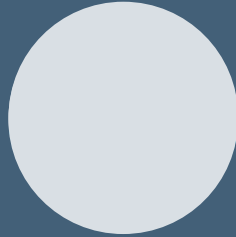
3

Ensure resiliency

Investing in cloud became a means to address all 3 of these priorities

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THE CLOUD SHIFT



Almost 70% of organisations plan to increase their cloud spending due to disruption caused by COVID-19

Cloud to make up 14.2% of the total global enterprise IT spending market in 2024, up from 9.1% in 2020

By 2024, more than 45% of IT spend will shift to cloud

Cloud infrastructure services spend to grow from \$44B in 2019 to \$81B by 2022

By 2025, 85% of enterprises will have a cloud-first principle.

ACCELERATION IN A COVID-19 WORLD

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“We have seen a year’s worth of digital transformation in two months” – April 2020

Satya Nadella

January 2021: Microsoft Revenue \$43.1 BN – increase of 17%

Revenue in Productivity and Business Processes \$13.4 BN – increase of 13%

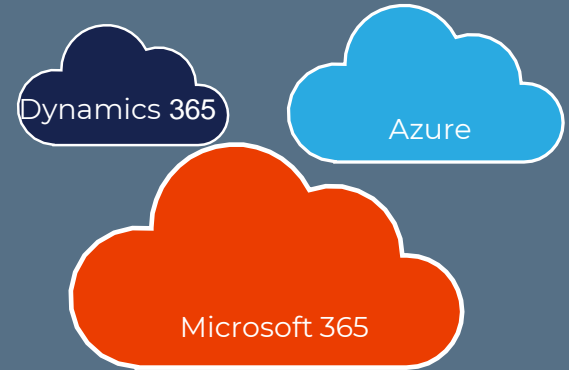
- Office 365 commercial growth of 21%
- Dynamics 365 growth of 39%

Revenue in Intelligent Cloud \$14.6 BN – increase of 23%

- Azure revenue growth of 50%

MICROSOFT'S KEY PRIORITIES

Increase adoption of the 3 Microsoft clouds



Nett new customers



Increase cloud consumption

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03

KEY SERVICES AND PRIORITIES

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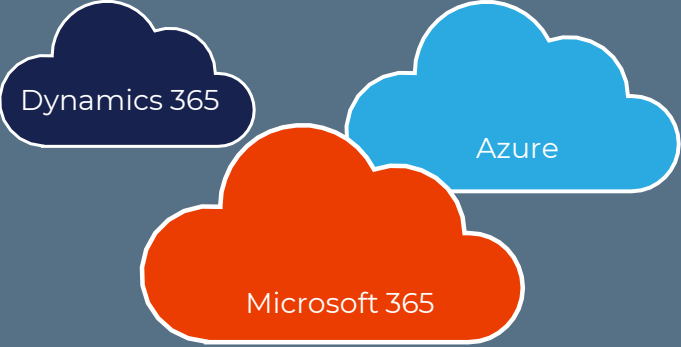




Altron Karabina has adopted a
“Cloud Smart” approach:

ALIGNING TO KEY STRATEGIC PRIORITIES

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Digital Advisory and Consulting Services

<p>Managed Services</p>	<ul style="list-style-type: none">• Launch new offerings (DRaaS, DBaaS, Monitoring)• Actively drive managed services focus as add-on
	<ul style="list-style-type: none">• D365: migrate existing on-prem customers to SaaS• Drive Power Platform as a key accelerated application development and deployment channel• M365: Drive Teams adoption and voice add-ons• Azure: Transition customer on prem workloads to the cloud, execute on application modernisation drive• Security: strategic focus on partnering with Altron Security and leveraging customers investment in E5 licenses
 <p>Expand Customer Footprint</p>	<ul style="list-style-type: none">• Further leverage existing Altron customer base• Drive software sales in ROA territory with MCC channel
 <p>Software services</p>	<ul style="list-style-type: none">• Drive CSP channel and enable migration of workloads• Drive software sales through lower cost customer acquisition channels

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04

**LOOKING FORWARD:
DELIVERING ON GROWTH**

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One of the largest global brewing companies

Won Azure data centre migration for Europe, South America, North America and Africa.

- 45% efficiency and improvements on workloads by rightsizing in Azure
- 47% reliability improvement
- 54% Security improvement
- Cost Savings achieved of \$1 069 215 per annum



Largest soft drink bottler in Africa

- Migrated core line of business apps into a single cloud environment
- Streamlined business processes with Office 365
- Modernised data landscape on Azure technology to drive business decisions
- Helped reduce IT costs of 2.85% of revenue down to just below 1.4%
- In Year 2 of 5 of the engagement



One of the big 4 banks

- Altron won a major EUC contract with AK participating
- Group Risk – Data platform for better reporting and analysis
- Group Human Capital – Consolidated view of all employees across various systems
- Supplier Development – Digitisation and automation of supplier development
- Winning with the rest of the group assists in limiting our risk around customer concentration

- 1 Recovery plan in place to get Altron Karabina back to growth and profitability
- 2 Current market conditions and Microsoft results show potential for growth in key areas of focus
- 3 Altron Karabina aligned to the market growth areas with key interventions in place to maximise the opportunity
- 4 Green shoots in place with key customer wins and delivery of value in line with the strategy

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THANK YOU

