

Ansys Limited
(“Ansys” or “the company” or “the Group”)

(Incorporated in the Republic of South Africa)

(Registration Number: 1987/001222/06)

Share Code: ANS

ISIN: ZAE000097028

Abridged Audited Consolidated Financial Statements
for the year ended 31 March 2017 and notice of annual general meeting

HIGHLIGHTS

- **Revenue increased to R806 million from R474 million (up 70%)**
 - **EBITDA improved to R113.1 million from R42.8 million (up 164%)**
 - **Profit after tax improved to R67.8 million from R20 million (up 239 %)**
 - **Headline Earnings per share increased to 14.71 cents from 4.86 cents (up 203%)**
 - **Basic Earnings per share increased to 14.72 cents from 4.86 cents (up 203%)**
 - **Tangible Net Asset Value increased to 32.6 cents from 17.5 cents (up 86%)**
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Abridged consolidated statement of financial position

As at 31 March 2017

Notes	31 March 2017 (Audited)	31 March 2017 (Review ed)	31 March 2016 (Re- stated)	31 March 2016 (Previously reported)
	R'000	R'000	R'000	R'000
Assets				
Non-current assets	179 010	186 616	166 297	175 492
Property, plant and equipment	53 158	53 158	43 053	43 053
Intangible assets	118 692	118 692	120 418	120 418
Other financial assets	1 010	-	-	-
Deferred tax asset	6 150	14 766	2 826	12 021
Current assets	304 794	305 804	249 489	249 489
Inventories	101 099	101 099	84 774	84 774
Trade and other receivables	124 404	124 404	121 682	121 682
Cash and cash equivalents	79 291	79 291	42 358	42 358
Other financial assets	-	1 010	675	675
Total assets	483 804	492 420	415 786	424 981
Equity and liabilities				
Equity	269 022	269 022	201 271	201 271
Share capital	212 141	212 141	212 141	212 141
Accumulated profit/(loss)	56 652	56 652	(11 224)	(11 224)
Minority interest	229	229	354	354
Non-current liabilities	38 060	46 676	39 692	48 887
Interest bearing borrowings	36 602	36 602	32 509	32 509
Other financial liabilities	-	-	6 372	6 372
Deferred tax liability	1 458	10 074	811	10 006
Current liabilities	176 722	176 722	174 823	174 823
Provisions	1 186	1 186	1 503	1 503
Interest bearing borrowings	5 211	5 211	2 703	2 703
Other financial liabilities	-	-	2 070	2 070
Trade and other payables	166 467	166 467	152 382	152 382
Current tax payable	3 802	3 802	1 460	1 460
Cash and cash equivalents	56	56	14 705	14 705
Total equity and liabilities	483 804	492 420	415 786	424 981

Abridged consolidated statement of comprehensive income

For the year ended 31 March 2017

	12 months ended 31 March 2017	12 months ended 31 March 2017	13 months ended 31 March 2016
Note	(Audited)	(Reviewed)	(Audited)
	R'000	R'000	R'000
Revenue	806 019	806 019	474 066
Cost of sales	(593 887)	(593 887)	(351 054)
Gross profit	212 132	212 132	123 012
Other income	969	969	703
Operating costs	(130 304)	(130 304)	(88 917)
Other gains/(losses)	17 409	17 409	(2 719)
Operating profit	100 206	100 206	32 079
Finance income	3 106	3 106	1 419
Finance costs	(9 132)	(9 132)	(4 996)
Profit before taxation	94 180	94 180	28 502
Taxation	(26 429)	(26 429)	(8 529)
Total comprehensive income for the period	67 751	67 751	19 974
Attributable to:			
Equity holders of the company	67 876	67 876	20 010
Non-controlling interest	(125)	(125)	(36)
	67 751	67 751	19 974
Basic earnings per share (cents)	14.72	14.72	4.86
Diluted earnings per share (cents)	14.72	14.72	4.86

Abridged consolidated statement of cash flows

For the year ended 31 March 2017

	Year ended 31 March 2017 (Audited)	Year ended 31 March 2017 (Reviewed)	13 months ended 31 March 2016 (Audited)
	R'000	R'000	R'000
Cash flows from operating activities			
Cash receipts from customers	787 654	789 489	445 616
Cash paid to suppliers and employees	(679 864)	(681 699)	(468 638)
Cash generated from/(utilised in) operations	107 790	107 790	(23 022)
Interest paid	(9 132)	(9 132)	(4 996)
Interest received	3 106	3 106	1 419
Taxation paid	(26 765)	(26 763)	(7 196)
Net cash flow generated from/(utilised in) operating activities	74 999	75 001	(33 795)
Cash flows from investing activities			
Purchase of property, plant and equipment	(15 371)	(15 371)	(4 688)
Proceeds from disposal of property, plant and equipment	612	611	81
Cash payment for acquisition of subsidiary net of cash acquired	-	-	7 281
Investment in intangible assets	(6 482)	(6 482)	(1 430)
Increase in other financial assets	(335)	(335)	(330)
Net cash flow (utilised in)/generated from investing activities	(21 576)	(21 577)	914
Cash flows from financing activities			
Issue of share capital	-	-	17 200
Decrease in related party loans	-	-	(5 998)
Decrease in other financial liabilities	(8 442)	(8 442)	-
Increase in interest bearing borrowings	6 601	6 601	29 940
Net cash flow (utilised in)/generated from financing activities	(1 841)	(1 841)	41 143

Net increase in cash, cash equivalents and bank overdrafts	51 582	51 583	8 262
Cash, cash equivalents and bank overdrafts at beginning of year	27 653	27 652	19 391
Cash, cash equivalents and bank overdrafts at end of year	79 235	79 235	27 653

Abridged consolidated statement of changes in equity

For the year ended 31 March 2017

	Issued share capital	Accumu lated (losses)/ profit	Non- controlling interest	Total
	R'000	R'000	R'000	R'000
Balance as at 1 March 2015 (Audited)	73 668	(31 234)	-	42 434
Movements during the period				
Shares issued	26 270	-	-	26 270
Business combination	112 203	-	390	112 593
Profit for the period	-	20 010	(36)	19 974
Balance as at 31 March 2016 (Audited)	212 141	(11 224)	354	201 271
Movements during the period				
Profit for the period	-	67 876	(125)	67 751
Balance as at 31 March 2017 (Reviewed)	212 141	56 652	229	269 022

Balance as at 1 March 2015 (Audited)	73 668	(31 234)	-	42 434
Movements during the period				
Shares issued	26 270	-	-	26 270
Business combination	112 203	-	390	112 593
Profit for the period	-	20 010	(36)	19 974
Balance as at 31 March 2016 (Audited)	212 141	(11 224)	354	201 271
Movements during the period				
Profit for the period	-	67 876	(125)	67 751
Balance as at 31 March 2017 (Audited)	212 141	56 652	229	269 022

Abridged consolidated segment report

For the 13 months ended 31 March 2016

	Year ended 31 March 2017 (Audited)	Year ended 31 March 2017 (Reviewed)	13 months ended 31 March 2016 (Re-stated)	13 months ended 31 March 2016 (Previously reported)
	R'000	R'000	R'000	R'000
Segment revenue				
Rail	100 240	100 240	137 016	137 016
Defence and Cyber Security	187 623	187 623	90 145	90 145
Mining and Industrial	89 320	89 320	42 548	42 548
Telecommunications	428 836	428 836	204 357	204 357
Total	806 019	806 019	474 066	474 066
Segment profit				
Rail	5 530	5 530	15 871	15 871
Defence and Cyber Security	14 721	14 721	15 997	15 997
Mining and Industrial	7 734	7 734	4 029	4 029
Telecommunications	82 248	82 248	6 130	6 130
Sub total	110 233	110 233	42 027	42 027
Corporate costs	(10 027)	(10 027)	(9 948)	(9 948)
Finance costs	(9 132)	(9 132)	(4 996)	(4 996)
Finance income	3 106	3 106	1 419	1 419
Profit before taxation	94 180	94 180	28 502	28 502
Financial position ^				
Assets	483 804	492 420	415 786	424 981
Rail	80 748	110 741	76 906^	107 011^
Defence and Cyber Security	142 045	132 022	143 599^	134 765^
Mining and Industrial	61 511	59 354	53 379^	50 456^
Telecommunications	198 290	189 092	134 648^	125 494^
Corporate assets	1 211	1 211	7 255^	7 255^
Liabilities	214 782	223 398	214 515	223 710
Rail	12 090	13 537	36 553^	38 112^
Defence and Cyber Security	61 872	66 595	70 340^	76 252^
Mining and Industrial	22 753	25 186	12 402^	14 069^
Telecommunications	114 977	114 990	92 400^	92 457^
Corporate liabilities	3 090	3 090	2 820^	2 820^

^ In the current reporting period, the segment assets and liabilities have been allocated using the same principles in allocating the segment profit and loss. This entails assets and liabilities being allocated, as far as possible, directly to the segments they relate, and the remaining assets and liabilities in the entities apportioned to segments based on the gross profit contribution of each segment they operate in. The March 2016 periods have been restated to align to these new allocation principles.

In the prior periods the segment assets/liabilities were stated as follows:

13 months

ended
31 March 2016

Assets	424 981
Rail	98 043
Defence and Cyber Security	70 700
Mining and Industrial	33 207
Telecommunications	127 308
Corporate assets	95 723
Liabilities	223 710
Rail	1 263
Defence and Cyber Security	23 995
Mining and Industrial	-
Telecommunications	94 271
Corporate liabilities	104 181

NOTES TO THE FINANCIAL INFORMATION

1. Restatement of reviewed results for the year ended 31 March 2017

The reviewed financial results for the year ended 31 March 2017 which was released on SENS on 21 June 2017, as well as the audited financial results for the period ended 31 March 2016 have been restated due to the following items:

- The re-classification of "other financial assets" from current assets to non-current assets.
- The re-classification of Deferred Tax Assets and Deferred Tax Liabilities to reflect the net amounts that relate to the same tax authority.
- The re-classification of Deferred Tax Assets and Deferred Tax Liabilities also had an impact on the segment assets and liabilities which has been adjusted accordingly.
- In the segment assets, the re-classification of Goodwill allocated as part of the Parsec transaction to the relevant segments.
- Other minor reclassifications as specified in the notes below.

The effect of the restatement applies to the reviewed 31 March 2017 figures as well as the audited 2016 figures. The impact of the reclassifications are not material with regards to the 2015 results.

There were no changes to the Statement of Comprehensive Income and hence there was no change to any of the key indicators that relate to this, including the Earnings per Share and Headline Earnings per share. The effect on the individual line items are contained in the notes below:

1.1 Deferred tax asset and liabilities

	31 March 2017 (Audited)	31 March 2017 (Reviewed)	Difference
	R'000	R'000	R'000
Deferred tax assets	6 150	14 766	(8 616)
Deferred tax liability	1 458	10 074	(8 616)

	31 March 2016 (Restated)	31 March 2016 (Previously)	Difference
	R'000	R'000	R'000
Deferred tax assets	2 826	12 021	(9 195)
Deferred tax liability	811	10 006	(9 195)

The movement in the deferred tax asset and liabilities for both reporting periods relate to the re-classification of deferred tax assets and liabilities to show then net deferred tax asset or liability position that relate to the same tax authority.

1.2 Other financial assets

	31 March 2017 (Audited)	31 March 2017 (Reviewed)	Difference
	R'000	R'000	R'000
Non-current assets			
Other financial assets	1 010	-	1 010
Current assets			
Other financial assets	-	1 010	(1 010)

In the March 2017 reviewed figures the total assets relating to this item was classified as current assets. On the audited figures, this total liability was re-classified as non-current assets due to the nature of the expected repayment terms on this asset.

1.3 Cash flow statement

The following rounding adjustments and reclassifications were made in order to achieve consistency between the current and prior years. The net aggregated amounts are unchanged.

	Year ended 31 March 2017 (Audited)	Year ended 31 March 2017 (Reviewed)	Difference
	R'000	R'000	R'000
Cash flows from operating activities			
Cash receipts from customers	787 654	789 489	1 835
Cash paid to suppliers and employees	(679 864)	(681 699)	(1835)
Taxation paid	(26 765)	(26 763)	(2)
Net cash flow generated from operating activities	74 999	75 001	(2)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment	612	611	1
Net cash flow (utilised in)/generated from investing activities	(21 576)	(21 577)	1

1.4 Segment assets/liabilities

Goodwill from the acquisition from the Parsec transaction was previously allocated to all segments in which the Ansys Group operates, whilst it should only have been allocated to the segments in which the Parsec business relate. This was corrected as follows:

	31 March 2017 (Audited)	31 March 2017 (Reviewed)	Difference
	R'000	R'000	R'000
Rail	-	28 546	(28 546)
Defence and Cyber Security	40 299	25 553	14 746
Mining and Industrial	12 543	7 953	4 590
Telecoms	25 171	15 961	9 210
Total	78 013	78 013	-

	31 March 2016 (Restated)	31 March 2016 (Previously)	Difference
	R'000	R'000	R'000
Rail	-	28 546	(28 546)
Defence and Cyber Security	40 299	25 553	14 746
Mining and Industrial	12 543	7 953	4 590
Telecoms	25 171	15 961	9 210
Total	78 013	78 013	-

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND AUDIT REPORT

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

Auditor's report

This summarised report is extracted from audited information, but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office.

The directors take full responsibility for the preparation of the abridged report and that the financial information has been correctly extracted from the underlying annual financial statements.

PREPARER

These results were prepared under the supervision of Burt Lamprecht CA (SA), the Chief Financial Officer.

GOING CONCERN

The directors have reviewed the Group's budget and cash flow forecast for the year to 31 March 2018. On this basis and in light of the Group's current financial position, the directors are satisfied that the Group will continue to operate for the foreseeable future and have adopted the going concern basis in preparing these abridged financial results.

EVENTS SUBSEQUENT TO PERIOD END

The directors are not aware of any significant events, other than noted above, that have occurred between the year ended 31 March 2017 and the date of this report that may materially affect the results of the Group for the year or its financial position as at 31 March 2017.

ISSUE OF AUDITED ANNUAL FINANCIAL STATEMENTS

Shareholders are advised that the audited consolidated financial statements and the notices of the annual general meetings for Ansys Limited have been sent to shareholders. The Ansys Limited Integrated Report and the audited consolidated financial statements for 2017 are available online on the group's website (www.ansys.co.za).

ANNUAL GENERAL MEETING

In compliance with section 3.22 of the JSE Listing Requirements shareholders are advised that the annual general meeting of the shareholders of Ansys will be held on Friday 3 November 2017 at 10h00 at Equinox Board Room, Parsec, 76 Regency Drive, Route 21 Corporate Park, Irene to deal with the business as set out in the notice of annual general meeting forming part of the annual report.

By order of the board

Teddy Daka Burt Lamprecht
Chief Executive Officer Chief Financial Officer
29 September 2017

Directors

CP Bester, T Daka* (CEO); BC Lamprecht* (CFO); Dr. SJ Khoza, N Medupe, NS Mjoli-Mncube;
SP Mzimela, AR van der Watt*

**Executive*

Company secretary

M van den Berg

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Registered office: 140 Bauhinia Street Centurion, Pretoria 0157 (PO Box 95361, Waterkloof, Pretoria)

Designated adviser: Exchange Sponsors (2008) (Pty) Ltd

Transfer secretaries: Computershare Investor Services (Pty) Ltd