

METROFILE HOLDINGS LIMITED

Incorporated in the Republic of South Africa

(Registration number 1983/012697/06

Share Code: MFL ISN: ZAE000061727

("Metrofile" or "the Company" or "the Group")

UNAUDITED SUMMARISED GROUP INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

SALIENT FEATURES

REVENUE DOWN TO R455M - DECREASED BY 4%

EBITDA UP TO R155M - INCREASED BY 3%

NET DEBT IMPROVED TO R472M - DECREASED BY 10%

EPS UP TO 14.8c - INCREASED BY 22%

HEPS UP TO 14.8c - INCREASED BY 15%

DPS UP TO 7c - INCREASED BY 17%

SUMMARISED FINANCIALS

	Unaudited six months ended 31 Dec 2020	Unaudited six months ended 31 Dec 2019
R'000		
Revenue	454 948	472 772
EBITDA	155 074	150 855
Operating profit	114 179	107 942
Profit for the period	65 300	49 661
EPS	14.8c	12.1c
HEPS	14.8c	12.9c
DPS	7c	6c
Net debt	472 203	571 880

INTRODUCTION

Metrofile Group is a leading records and information management specialist in Africa and the Middle East, providing clients with end-to-end solutions for the complete data management lifecycle, while ensuring they extract maximum value from their information assets. The operations service clients of all sizes and sectors across South Africa, Kenya, Botswana, Mozambique and the Middle East. Group companies operate from 64 facilities, at 35 locations, covering 114 350 square metres of warehousing space.

Empowerment partner and strategic shareholder, Mineworkers Investment Company, owns 36.56% of Metrofile's equity.

FINANCIAL REVIEW

REVENUE

Revenue decreased by 4% to R455 million (1H2020: R473 million) due to the continued impact of the lockdown measures in the digital services and products and solutions revenue streams.

Secure storage contributed 67% to Group revenue and was up 1% year-on-year, despite net flat volumes and a reduction in handling activities. Closing box volumes for the Group as at 31 December 2020 amounted to 11.1 million (30 June 2020: 11.1 million) as net box volumes remained flat for the six-month period. New box volume intake for the six months increased by 4% from new and existing customers and was offset by destructions and withdrawals. Geographical performance in terms of box volume growth resulted in a reduction in South Africa of 1%, growth in the Rest of Africa of 3% and growth in the Middle East of 19%.

Digital services contributed 11% to Group revenue and was down 18% year-on-year, mainly as a result of a delay in the start of digital projects and a decrease in scanning activities. Products and solutions and business support services contributed 16% and 6% respectively to

Group revenue. Both these revenue streams decreased by 9% as a result of the impact of the challenging economic conditions.

OPERATING PROFIT AND EBITDA

Operating profit rose by 6% to R114 million (1H2020: R108 million) mainly as a result of cost reduction measures being in place. EBITDA increased by 3% to R155 million (1H2020: R151 million) due to improved operational performance.

CASH AND DEBT

Net finance costs decreased by 26% to R26 million (1H2020: R35 million). Excluding the impact of IFRS 16, net finance costs improved by 37% as a result of lower debt levels. Net debt reduced by 10% to R472 million for the six-month period since 30 June 2020 following improved cash generation.

UPDATE RELATING TO THE PROPOSED TRANSACTION

Following the withdrawal of the cautionary announcement on 16 October 2020 whereby negotiations were placed on hold, the Housatonic Consortium are still not able to travel to South Africa due to Australian travel restrictions and quarantine requirements. Furthermore, the second interested party referred to in the trading update issued on 15 December 2020 has withdrawn from discussions. However, despite this we expect the consortium to resume discussions for the potential acquisition of Metrofile once travel restrictions have been lifted.

OUTLOOK

The Group has continued to show resilience and positive performance on the back of the improved operating model. The focus on ramping up operations in the first half of the 2021 financial year has yielded positive results. Cost reduction initiatives have continued to protect profitability despite the economic challenges. The Group will continue to focus on maintaining the current level of profitability, supported mainly by predictable annuity revenue and accelerated adoption of our digital offerings.

DIVIDEND DECLARATION

Notice is hereby given that an interim gross cash dividend of 7 cents per share in respect of the period ended 31 December 2020 has been declared payable, from income reserves, to the holders of ordinary shares recorded in the books of the Company on Thursday, 1 April 2021. The last day to trade cum-dividend will therefore be Monday, 29 March 2021 and Metrofile shares will trade ex-dividend from Tuesday, 30 March 2021. Payment of the dividend will be on Tuesday, 6 April 2021. Share certificates may not be dematerialised or rematerialised from Tuesday, 30 March 2021 (which is ex-date) to Thursday, 1 April 2021, both days inclusive. Withholding tax on dividends will be deducted for all shareholders who are not exempt in terms of the legislation at a rate of 20% which will result in a final net cash dividend of 5.6 cents per share. The Company's issued share capital at the period end is 452 649 116 shares and the Company's tax number is 9375/066/71/0.

This short form is the responsibility of the directors and the information contained herewith has not been reviewed or reported on by the auditors. The full announcement is published on the Company's website: www.metrofilegroup.com and is also accessible via the JSE link:

<https://senspdf.jse.co.za/documents/2021/jse/isse/mfl/MFLH1FY21.pdf>.

Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement. Electronic copies of the full announcement may be requested by contacting Paige Atkins: paige@rspconsulting.co.za.

8 March 2021

DIRECTORS

CS Seabrooke (Chairman)^*, MS Bomela (Deputy Chairman)*, PG Serima (CEO), S Mansingh (CFO), MZ Abdulla*, P Langeni†*, LE Mthimunye^*, GD Wackrill*, SV Zilwa^*, L Rood (Alternate)^*

^Independent *Non-executive †Lead independent

COMPANY SECRETARY

P Atkins

REGISTERED OFFICE

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INVESTOR RELATIONS

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SPONSOR

The Standard Bank of South Africa Limited

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, Gauteng, South Africa