

Metrofile Holdings Limited: Incorporated in the Republic of South Africa  
(Registration number 1983/012697/06)  
Share code: MFL ISIN: ZAE000061727  
("Metrofile" or "the Company" or "the group")

AUDITED SUMMARISED GROUP RESULTS  
for the 12 months ended 30 June 2018

#### REVENUE

Up R953.0m

#### EBIDTA

Up R270.2m

#### EPS

Down 31.0c

#### HEPS

Down 29.2c

#### NHEPS

Up 32.1c

#### DPS

FOR THE YEAR

Down 21.0c

#### THE GROUP IN CONTEXT

- Metrofile is Africa's market leader in records and information management, offering a range of physical storage and digital services, as well as the confidential destruction of records.
- Founded and listed in South Africa, the Group is growing steadily in the Middle East and other African countries.
- The Records Management division operates from 52 facilities, at 27 locations, covering 101 309 square metres of warehousing and office space.
- Metrofile is a 57.4% black-owned company. Its empowerment partner and shareholder of reference, Mineworkers Investment Company ("MIC"), owns 36.95% of Metrofile's equity.

#### STRATEGIC SYNOPSIS - EMBRACING THE FUTURE

The world is moving into an ever-digitised phase, presenting unique opportunities for the Group. Our move into the digital realm, allows Metrofile to offer record and information management solutions that bridge the divide between legacy storage and new data management systems. Our records and information prowess spans more than 35 years and as the world evolves, we are evolving with it, to bring relevant business solutions to our diverse range of clients

We are well-positioned to bridge the gap between legacy storage and new data platforms through leveraging technology within our solutions and taking it to a wider, agile marketplace.

#### RESTRUCTURING OUR OPERATING MODEL

We are shifting from a regional management structure towards an integrated management framework through industry categorisation and specialisation in both the private and public sectors. This involves streamlining and increasing the efficiencies of our operations.

#### ENHANCING OUR CLIENT RELATIONSHIPS

We are intensifying our client relationships through stepped up visits and satisfaction surveys to gain insights into improving our interactions with them.

#### STRATEGIC ACQUISITION AND EXPANSION

We continue to embark on strategic acquisitions and partnerships with companies that are positioned to increase our innovation pipeline and increase our geographical reach.

#### NIMBLE AND TAILOR-MADE SOLUTIONS

We are segmenting our targeted markets and developing detailed go-to-market strategies for each. We are also reviewing our solutions in terms of applicability to our new digital future and value to clients.

#### EVOLUTION INTO THE DIGITAL SPACE

We are launching a new incubator developed for Metrofile's

products and services as part of our digital transformation.

#### OUR PERFORMANCE

- Revenue increased by 23.9% to R953.0 million (2017: R769.2 million)
- EBITDA increased by 9.3% to R270.2 million (2017: R247.3 million)
- EBIT increased by 4.4% to R221.8 million (2017: R212.4 million)
- R80,3 million in capital expenditure was incurred of which R64,5 million was expansionary capex.
- Metrofile recorded revenue growth of 28.0% from our operations outside of South Africa, which contributed 11.6% of the total revenue for the year.
- Acquired 100% interest in Tidy Files (SA) Proprietary Limited.
- Acquired 100% interest in G4S Secure Data (Kenya) Limited.
- Acquired the remaining 30% non-controlling interest in Cleardata Proprietary Limited.
- Disposed of Rainbow Management Proprietary Limited.
- Invested a 62.5% majority interest in Dexterity Digital Solutions, a start-up focusing on digital product development in the information and records management area.

Our acquisitions, disposals and investments form part of our growth strategy and ensure we are constantly evolving, nimble and adaptive to change and opportunity.

#### DIVIDENDS

The Group's net interest-bearing debt amounted to R614.8 million which equates to a Debt: EBITDA ratio of 2.28 times. While the Group was under borrowed, dividends were paid representing a cover ratio of 1,1:1 The Group is now at the maximum debt capacity ratio acceptable to the Board. As a result, the Board has resolved to increase the dividend cover for the 2018 financial year to the upper level of the previously announced target range of 1,25 to 1,5 times. The Board has also resolved that an appropriate normalised cover ratio for future years will be 2,0 times thereby facilitating capacity to fund new bolt-on acquisitions partially from future retained earnings.

The dividend for the full year of 21.0 cents per share represents dividend cover of 1,52 times relative to normalised HEPS (NHEPS).

Notice is given that a final gross cash dividend of 8.0 cents per share in respect of the year ended 30 June 2018 has been declared payable, from income reserves, to the holders of ordinary shares recorded in the books of the Company on Friday, 5 October 2018. The last day to trade cum-dividend will therefore be Tuesday, 2 October 2018 and Metrofile shares will trade ex-dividend from Wednesday, 3 October 2018. Payment of the dividend will be on Monday, 8 October 2018. Share certificates may not be dematerialised or re-materialised from Wednesday, 3 October 2018 (which is ex-date) to Friday, 5 October 2018, 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 6.4 cents per share. The Company's issued share capital at the period end is 416 164 210 shares and the Company's tax number is 9375/066/71/0.

#### BASIS OF PREPARATION AND ACCOUNTING POLICIES

The directors take full responsibility for the preparation of these Preliminary Audited Group Results. The group results have been prepared, under the supervision of Mr MC McGowan, CA(SA). The summarised financial information has been prepared in accordance with the framework concepts and measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the information as required by IAS 34: Interim Financial Reporting, the JSE Listings Requirements and the requirements of the Companies Act of South Africa. The report has been prepared using accounting policies that comply with IFRS and are consistent with those applied in the consolidated financial statements for the year ended 30 June 2018. Certain accounting pronouncements became effective during the current financial year; however, these do not have an impact on either transactions or disclosures.

#### AUDIT OPINION

The independent auditors, Deloitte & Touche, have issued their unmodified audit opinion, on the consolidated financial statements for 30 June 2018 year-end, in accordance with International Standards on Auditing. These summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent in all material respects, with the consolidated financial statements. A copy of the unmodified audit report on the summarised consolidated financial statements, the audited consolidated financial statements and the unmodified audit report thereon are available for inspection at the Company's registered office. The auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a full copy of the auditor's report, together with the accompanying consolidated financial information from the issuer's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the Company's auditors.

#### CHANGES TO THE BOARD OF DIRECTORS

Ms Phumzile Langeni was appointed as Lead Independent Director with effect from 10 July 2018. As previously announced, Mr Zaheer Abdulla, has been appointed as a Non-Executive Director of Metrofile Holdings with effect from 15 September 2018 in place of Mrs Cynthia Pongweni who will resign from the Board, effective 15 September 2018.

#### SUMMARISED CONSOLIDATED INCOME STATEMENT

	Audited	Audited
	12 months	12 months
	ended	ended
R'000	30 June 18	30 June 17

Revenue	952 988	769 239
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	270 175	247 329
Depreciation	(40 450)	(34 917)
Operating profit	229 725	212 412
Acquisition-related expenses	(15 495)	-
Profit on disposal of business	7 592	-
Earnings before net finance costs	221 822	212 412
Net finance costs	(46 241)	(18 056)
Finance income	1 502	3 649
Finance costs	(47 743)	(21 705)
Profit before tax	175 581	194 356
Taxation	(50 288)	(54 979)
Profit for the year	125 293	139 377
Attributable to:		
Owners of the parent	129 052	135 019
Non-controlling interests	(3 759)	4 358
Profit for the year	125 293	139 377
Further information		
Number of ordinary shares in issue (thousands)	416 164	421 103
Weighted average number of ordinary shares in issue (thousands)	417 233	424 554
Basic earnings per ordinary share		
Basic earnings per ordinary share (cents)	31.0	31.8
Diluted earnings per ordinary share		
Diluted earnings per ordinary share (cents)	29.2	31.8
Headline earnings per ordinary share		
Headline earnings per ordinary share (cents)	29.2	31.8
Dividend per ordinary share		
Interim dividend per ordinary share - paid (cents)	13.0	13.0
Final dividend per ordinary share - proposed/paid (cents)	8.0	17.0

#### SUMMARISED SEGMENTAL INFORMATION

	Revenue		EBITDA	
	Audited 12 months ended 30 June 18	Audited 12 months ended 30 June 17	Audited 12 months ended 30 June 18	Audited 12 months ended 30 June 17
R'000				
Records Management	671 673	629 701	162 191	165 304
Property Companies (Occupied by Records Management businesses)	73 853	66 964	73 853	66 964
CSX Customer Services	79 457	69 337	(1 514)	(2 362)
Tidy Files	158 928	-	19 656	-
Other	55 014	85 983	15 989	17 423
Intergroup	(85 937)	(82 746)	-	-
Total	952 988	769 239	270 175	247 329
South African operations	842 238	682 726	254 931	235 635
Non-South African operations	110 750	86 513	15 244	11 694

	Operating profit		Tangible assets	
	Audited 12 months ended 30 June 18	Audited 12 months ended 30 June 17	Audited 12 months ended 30 June 18	Audited 12 months ended 30 June 17
R'000				
Records Management	134 194	138 589	411 637	337 861
Property Companies (Occupied by Records Management businesses)	73 853	66 964	343 971	318 151
CSX Customer Services	(2 794)	(3 439)	37 453	32 428
Tidy Files	14 236	-	41 984	-
Other	10 236	10 298	58 131	62 046
Total	229 725	212 412	893 176	750 486

South African operations	220 464	205 407	772 960	674 039
Non-South African operations	9 261	7 005	120 216	76 447

"Records Management" represents the global document storage and management and scanning business units which are managed and operated geographically.  
"Other" includes Metrofile Holdings, Rainbow Paper Management, Global Continuity and Cleardata.

#### SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Accumulated profits/(losses)	Other reserves	Total equity before minority apportionment	Non-controlling	Total
Balance at 30 June 2016	2 625	579 359	50 046	11 367	643 397	16 943	660 340
Purchase of Treasury Shares		(58 732)			(58 732)		(58 732)
Issue of Ordinary Shares	50	39 184			39 234		39 234
IFRS 2 equity reserve relating to share schemes				6 198	6 198		6 198
Share scheme settlement				(2 797)	(2 797)		(2 797)

Reversal of prior year non-controlling interest and loss of joint venture			731		731	1 700	2 431
Minority contribution on acquisition of subsidiary			(1 016)		(1 016)	(7 724)	(8 740)
Dividends declared			(136 230)		(136 230)		(136 230)
Total comprehensive income for the year ended 30 June 2017			135 019	(2 813)	132 206	2 107	134 313
Balance at 30 June 2017	2 675	559 811	49 566	11 955	624 007	23 636	647 643
Purchase of Treasury Shares		(19 937)			(19 937)		(19 937)
IFRS 2 equity reserve relating to share schemes				5 076	5 076		5 076
Share scheme settlement				(6 498)	(6 498)		(6 498)
Purchase of remaining non-controlling interest of subsidiary						2 886	2 886
Dividends declared			(125 979)		(125 979)		(125 979)
Total comprehensive income for the year ended 30 June 2018			129 052	5 417	134 469	(2 742)	131 727
Balance at 30 June 2018	2 675	539 874	51 623	15 950	610 122	13 170	623 292

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Audited 12 months ended 30 June 18	Audited 12 months ended 30 June 17
R'000			
Profit for the period		125 293	139 377
Other comprehensive income for the period net of tax*		6 434	(5 064)
Currency movement on translation of foreign subsidiary		6 434	(5 064)
Total comprehensive income for the period		131 727	134 313
Attributable to:			
Owners of the parent		134 469	132 206
Non-controlling interests		(2 742)	2 107

\* All items will subsequently be reclassified to profit and loss.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Audited as at 30 June 18	Audited as at 30 June 17
R'000			
<b>ASSETS</b>			
Non-current assets		1 138 666	769 061
Property	1	359 213	331 556
Plant and equipment		230 605	206 547
Goodwill		527 621	216 938
Investment		9 353	7 739
Long-term receivable		2 419	375
Deferred tax asset		9 455	5 906
Current assets		300 939	212 009
Inventories		34 747	19 068
Trade receivables		184 726	134 582
Other receivables		29 135	30 493
Bank balances		52 331	27 866
Total assets		1 439 605	981 070
<b>EQUITY AND LIABILITIES</b>			
Equity and reserves		623 292	647 643
Equity attributable to owners of the parent		610 122	624 007
Non-controlling interests		13 170	23 636
Non-current liabilities		622 985	181 978
Interest-bearing liabilities		597 118	156 904
Deferred taxation liability		25 867	25 074
Current liabilities		193 328	151 449
Trade and other payables		101 765	73 761
Deferred revenue		13 661	12 968
Bank overdraft		3 288	3 273
Provisions		4 093	2 351
Taxation		3 787	2 814
Interest-bearing liabilities		66 734	56 282
Total equity and liabilities		1 439 605	981 070

Note:  
1. The majority of the group's properties have been pledged as security against the group's debt facilities.

Christopher Seabrooke  
Non-executive Chairman

Pfungwa Serima  
Group Chief Executive Officer

Senderwood  
7 September 2018

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited 12 months ended 30 June 18	Audited 12 months ended 30 June 17
R'000		
Cash generated from operations		

before net working capital changes	255 577	251 620
(Increase)/decrease in net working capital	(24 594)	24 568
Cash generated from operations	230 983	276 188
Net finance costs paid	(46 241)	(18 056)
Normal taxation paid	(51 361)	(60 191)
Net cash inflow from operating activities	133 381	197 941
Net cash outflow from investing activities:		
Investment in property: expansion	(26 167)	(37 669)
Investment in plant and equipment: expansion	(38 356)	(36 398)
Investment in plant and equipment: replacement	(15 818)	(5 832)
Proceeds on disposal of property, plant and equipment	13 623	1 326
Effects of foreign currency differences on fixed assets	(2 598)	1 827
Acquisition of investment in unlisted associate and joint venture	-	(7 259)
Increase in loans to associate company	(1 500)	-
Acquisition of subsidiaries	(335 516)	-
Proceeds on disposal of subsidiary	12 235	-
Net cash inflow/(outflow) from financing activities:		
Issue of shares in terms of vendor placements	-	39 234
Purchase of Treasury Shares	(19 937)	(58 732)
Dividends declared	(125 682)	(135 900)
Loans repaid	(14 147)	(34 317)
Loans drawn down	444 932	75 000
Net increase (decrease) in cash and cash equivalents	24 450	(779)
Cash and cash equivalents at the beginning of the year	24 593	25 372
Cash and cash equivalents at the end of the year	49 043	24 593

Represented by:		
Bank balances	52 331	27 866
Bank overdrafts	(3 288)	(3 273)

RECONCILIATION OF HEADLINE EARNINGS

	Audited 12 months ended 30 June 18	Audited 12 months ended 30 June 17
R'000		
Profit attributable to owners of the parent	129 052	135 019
Profit on disposal of subsidiary	(7 592)	-
Loss/(profit) on disposal of plant and equipment	48	(132)
Tax effect of above items	194	314
Headline earnings	121 702	135 201
Headline earning per ordinary share (cents)	29.2	31.8

RECONCILIATION OF NORMALISED EARNINGS

	Audited 12 months ended 30 June 18	Audited 12 months ended 30 June 17
R'000		
Headline earnings for purposes of headlines earnings per share	121 702	135 201
Adjusted for after tax:		
Acquisition-related costs	12 024	-
Normalised headline earnings for purposes of normalised headline earnings per share	133 726	135 201
Normalised headline earnings per share ("NHEPS") (cents)	32.1	31.8

Sponsor: The Standard Bank of South Africa Limited

Transfer secretaries: Computershare Investor Services (Pty) Limited  
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196

Directors: CS Seabrooke\*\* (Chairman), MS Bomela\* (Deputy Chairman),  
PG Serima (CEO), MC McGowan (CFO), P Langeni†, CN Pongweni\*,  
L Mthimunye-Bakoro\*, GD Wackrill\*, SV Zilwa\*\*  
Lead independent\*Independent\*Non-executive

†

Company Secretary: P Atkins

CORPORATE INFORMATION

Registered office: 41 Wordsworth Avenue Senderwood Bedfordview 2007  
www.metrofileholdings.com