

UNAUDITED SUMMARISED GROUP INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

Metrofile

Group

REVENUE UP TO

R473M

▲ 8%

OPERATING PROFIT
UP TO

R108M

▲ 12%

HEPS UP TO

12.9c

▲ 26%

EPS UP TO

12.1c

▲ 19%

DPS UP TO

6c

▲ 20%

NET DEBT
IMPROVED TO

R572M

▼ 3%

SUMMARISED FINANCIALS

R '000	Unaudited six months ended 31 Dec 19	Unaudited six months ended 31 Dec 18
Revenue	472 772	437 680
EBITDA	150 855	118 534
Operating profit	107 942	96 564
Profit for the period	49 661	40 733
EPS	12.1c	10.2c
HEPS	12.9c	10.2c
DPS	6c	5c
Net debt	571 880	635 972

INTRODUCTION

Metrofile Group is a leading global records and information management specialist, 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 across South Africa, Kenya, Zambia, Botswana, Mozambique and the Middle East. Group companies operate from 68 facilities, at 38 locations, covering 118 747 square metres of warehousing space.

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

FINANCIAL REVIEW

Revenue

Revenue from continuing operations increased by 8% to R473 million (1H2019: R438 million).

Secure storage contributed 64% to Group revenue and was up 6% year-on-year mainly as a result of increased box volumes. Closing box volumes for the Group as at 31 December 2019 amounted to 11.3 million (30 June 2019: 11.1 million) as net box volume growth of 1% was achieved for the six-month period. New box volume intake for the six months increased 5% from

new and existing customers and was partially offset following destructions and withdrawals. Geographical performance in terms of box volume growth resulted in net box volume growth in South Africa of 1%, Rest of Africa of 5% and the Middle East of 2%.

Digital services contributed 13% to Group revenue and was up 12% year-on-year mainly as a result of an increase in the number of images processed. Products and solutions and business support services contributed 17% and 6% respectively to Group revenue. These revenue streams increased 14% and 9% respectively as an overall improvement in volumes was realised, despite the impact of the challenging economic conditions.

Operating profit and EBITDA

Operating profit from continuing operations increased by 12% to R108 million (1H2019: R97 million) mainly as a result of the improved revenue performance as well as tighter cost control. EBITDA from continuing operations increased by 27% to R151 million (1H2019: R119 million) as a result of improved operational performance as well as the adoption of IFRS 16 Leases.

Cash and debt

Net finance costs increased by 3% to R35 million (1H2019: R34 million) following the adoption of IFRS 16 Leases. Excluding the impact of the new accounting standard, net finance costs improved by 9% as a result of lower debt levels. Net debt reduced by 3% to R572 million for the six-month period since 30 June 2019 following improved cash generation and free cash flow ("FCF"). FCF improved 32% to R66 million (1H2019: R50 million) mainly as a result of an improvement in cash from operating activities.

UPDATE RELATING TO THE PROPOSED TRANSACTION

Metrofile shareholders are referred to the cautionary announcement dated 4 March 2020 relating to the ongoing discussions between the Company and the Housatonic Consortium regarding the potential acquisition of the entire issued share capital of Metrofile.

The Housatonic Consortium has advised Metrofile that its funding arrangements are near-final, however, arrangements with a BEE partner are taking longer than expected to finalise. The Housatonic Consortium expects to finalise arrangements with a BEE partner by 31 March 2020.

Shareholders are advised to continue to exercise caution when dealing in the Company's securities until a further announcement is made in this regard.

OUTLOOK

The positive effects of the strategic review and restructuring concluded in the 2019 financial year continued to yield benefits in the first half of the 2020 financial year. Despite the tough macro-economic conditions, the Group remains cautiously optimistic that the improved performance will continue in the second half of the financial year. Secure storage remains core to the business and will continue to be a key focus area along with enhancing the Group's digital services.

9 March 2020

Dividend declaration

Notice is hereby given that an interim gross cash dividend of 6 cents per share in respect of the period ended 31 December 2019 has been declared payable, from income reserves, to the holders of ordinary shares recorded in the books of the Company on Friday, 3 April 2020. The last day to trade cum-dividend will therefore be Tuesday, 31 March 2020 and Metrofile shares will trade ex-dividend from Wednesday, 1 April 2020. Payment of the dividend will be on Monday, 6 April 2020. Share certificates may not be dematerialised or rematerialised from Wednesday, 1 April 2020 (which is ex-date) to Friday, 3 April 2020, 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 4.8 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.

Metrofile Holdings Limited: Incorporated in the Republic of South Africa ("Metrofile" or "the Company" or "the Group")

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Registration number: 1983/012697/06

Share code: MFL ISIN: ZAE000061727

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Sponsor: The Standard Bank of South Africa Limited

Transfer secretaries: Computershare Investor Services (Pty) Ltd

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/2020/jse/isse/mfl/MFLH1FY20.pdf>. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement. The full announcement is also available at our registered offices for inspection, at no charge, during office hours. Electronic copies of the full announcement may be requested by contacting Paige Atkins: paige@rspconsulting.co.za.