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## **AYO Delivers Excellent Interim Results, Setting a strong platform for Growth**

*Cape Town, 14 May 2018 – JSE-listed AYO Technology Solutions Limited (AYO), one of South Africa's largest black economic empowered ICT companies, today announced outstanding interim results to 28 February 2018, showing excellent revenue and profit growth for the period under review.*

AYO is fully compliant with the new ICT BBBEE codes and has exceeded the minimum requirements.

Having successfully listed on 21 December 2017, AYO has effectively been listed for 2 months of the reporting period and in the 5 months to date has already shown excellent organic progress in delivering on its strategy presented in its pre-listing statement, issued on 13 December 2017 ("Pre-Listing Statement").

### **Highlights**

- Revenue increased by 49% from R234m to R349m
- Operating profit increased by 55% from R29m to R45m
- Profit before tax increased by 173% from R30m to R82m
- Earnings per share increased by 111% from 8.37 cents to 17.68 cents
- Headline earnings per share increased by 107% from 8.37 cents to 17.36 cents

Mr Kevin Hardy, Chief Executive officer of AYO is confident in the Group's performance saying, "I am exceptionally pleased with the interim financial results for the six months to 28 February 2018, especially since the company has only been listed for two months to this reporting date. AYO is very firmly on track with its growth plans.

"AYO is extremely well positioned on the JSE as a leading black economic empowerment Information Communication Technology ("ICT") Company, and with the current market conditions and regulations as they pertain to ICT charter and Sector Codes – Act 53 of 2002 as amended and has exceeded all the minimum requirements. AYO is in a favourable position to attract growing ICT spend across the South African market."

AYO currently services customers in Southern and Northern Africa, Europe and Mauritius amongst others. Its strategic alliance with British Telecommunications South Africa (BTSA) provides access to global technology trends as well as access to the global market.

AYO's interim results reflect strong growth with revenue having increased by 49% from R234m to R349m as compared to the prior interim period. All its divisions benefited from the Group's synergies, ownership, empowerment credentials and excellent management expertise, gaining significant clients across several major sectors, including the financial services, as well as blue-chip corporations.

Group operating profit increased by 55% from R29m to R45m as reported in the prior interim period. This was mainly from the organic growth in revenue and a rigorous approach to increasing margins through better sourcing across the business and driving new market share.

Profit before tax for the period increased by 173% from R30m to R82m, as a result of revenue, margin growth and streamlining of business processes.

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Headline earnings per share (“HEPS”) increased by 107% from 8.37 cents to 17.36 cents and earnings per share (“EPS”) increased by 111% from 8.37 cents to 17.68 cents for the six months under review. This is significant as the Group has only effectively been listed for a period of 2-months to February 2018.

The Group’s asset base increased by 2 301% from R188m to R4 583m. This includes the capital raised from the listing, which has been earmarked for further growth and acquisitions as per the pre-listing-statement (PLS).

Net asset value (“NAV”) increased by 23 717% from R18m to R4 356m due to the cash generated from the listing and the strong asset growth from its underlying investments. The NAV per share increased by 14 565% from 8.57 cents to 1 257 cents.

“Under challenging circumstances and in a very limited period, the dedicated team at AYO remained focused and determined to accomplish what we promised to our stakeholders - to aggressively grow the Group, to transform the ICT industry and to ultimately, increase stakeholder value. While there is still much for our recently listed ICT Group to accomplish, I am delighted with the interim results to date, which have set an extremely solid platform for our business to grow,” remarked Hardy.

AYO’s “Go to” strategy is set to capture between 5 and 8% of the vast South African ICT market by 2022. This would be achieved by leveraging AYO’s competitive advantages, namely its empowerment credentials, business and management’s track record, global alliances and, expanding its digital ecosystem through organic growth, as well as strategic and synergistic acquisitions.

The Group has a strategic alliance with British Telecommunications South Africa (BTSA) and maintains strong relationships and holds key value-added reseller or supplier agreements with principals such as Nokia Siemens Networks South Africa (Pty) Ltd (“Nokia Siemens”), Plantronics, InterSystems Corporation, Cisco Systems, Microsoft Corporation, IBM and Riverbed Technology Inc, which provides the Group with continuous access to up to date technologies.

The Group’s growth is in line with the listing plans set out in the PLS. A cautionary notice dated 18 April 2018 advised shareholders that AYO has entered into an agreement to provide products and

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services to a multinational client, which may have a material effect on the price of the Company's securities. Details of this agreement and a full announcement will be made in due course.

AYO is superbly positioned to take significant market share and to challenge and disrupt the South African ICT landscape. It has the opportunity to build a digital ecosystem that addresses the needs of the industry and partners with its customers as they make their journey into the digital arena.

Hardy noted: "AYO is looking to disrupt in everything it does and to challenge the status quo in the industry" confirmed Hardy. "The Group has attracted some very exciting acquisition propositions, which will further enhance AYO's already substantial offering and will underscore our positioning as a truly transformed market leader and innovator. Having no legacy to hold the company back is a huge advantage. The Group is also debt free and cash generative".

In building out this ecosystem, AYO intends to keep its overhead structure lean and it will only invest in what will drive industry specific knowledge, innovate through disruptive strategies or synergies across the ecosystem.

Mr Salim Young, Chairman of AYO stated "The AYO Group will continue to leverage off its strong black economic empowerment credentials to drive acquisitive and organic growth, leverage off its strategic alliance with BT and other partnerships, as well as developing and sourcing market leading technologies. I am confident that AYO and its strong management team has what it takes to lead the African ICT space."

No dividends have been declared for the period ended 28 February 2018.

Hardy concluded with a vote of confidence to his team, "I have an excellent motivated and diligent team that I know will do justice to a great story. We have a job to do in our country and industry, and that is to ensure we are a major catalyst for real transformation, that we add immense value to our customers in their journey to a digital world and at the same time create stakeholder and shareholder value, #transformyourdigital"

**ENDS**

For further information, contact:

Kevin Hardy | CEO of AYO Technology Solutions

Email: [kevin@ayotsl.com](mailto:kevin@ayotsl.com)

Mobile: +27 83 675 9113

Web: [ayotsl.com](http://ayotsl.com)