

The logo features a large, stylized white letter 'A' on a blue background with a white grid. The 'A' is composed of a vertical bar on the left and a diagonal bar on the right, with a horizontal bar at the bottom. The text 'ALARIS' and 'HOLDINGS' is positioned to the left of the 'A', with 'ALARIS' on the top line and 'HOLDINGS' on the bottom line.

ALARIS
HOLDINGS

HALF YEAR RESULTS
6 MONTHS TO DECEMBER 2015

AGENDA

Highlights

Alaris overview

Acquisitions

Financial information

Future Focus Areas

Summary

Slide #

3

5-11

13-14

16-24

26

27



Always by your side

HIGHLIGHTS

- Cash generated from operations up 43% from R12.3m to R17.6m
- Cash and cash equivalents increased by R25.2m from R74.4m at year end to R99.6m
- Strong confirmed order book for delivery in second half of the year
- Results significantly boosted by net foreign exchange gains of R15.4m



OVERVIEW

GROUP OVERVIEW

Technology holding company
listed on the JSE AltX since July 2008



Alaris Antennas



Aucom



Cojot



WHAT DOES ALARIS ANTENNAS DO?



Jamming



Direction finding



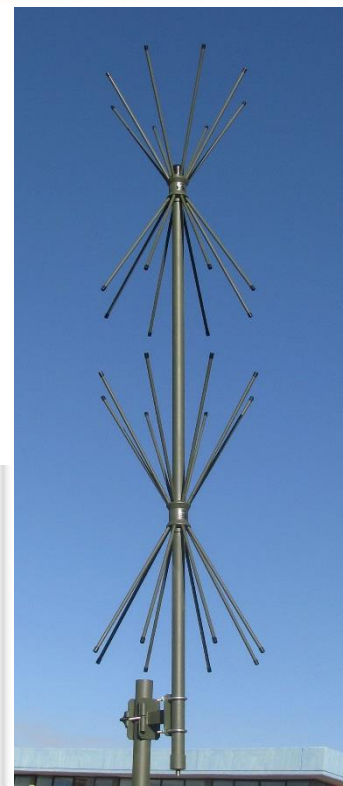
Monitoring



Masts



LPDA



Communication



Counter - RCIED



RF Electronics



Test and measurement

Handheld Direction Finding Antenna

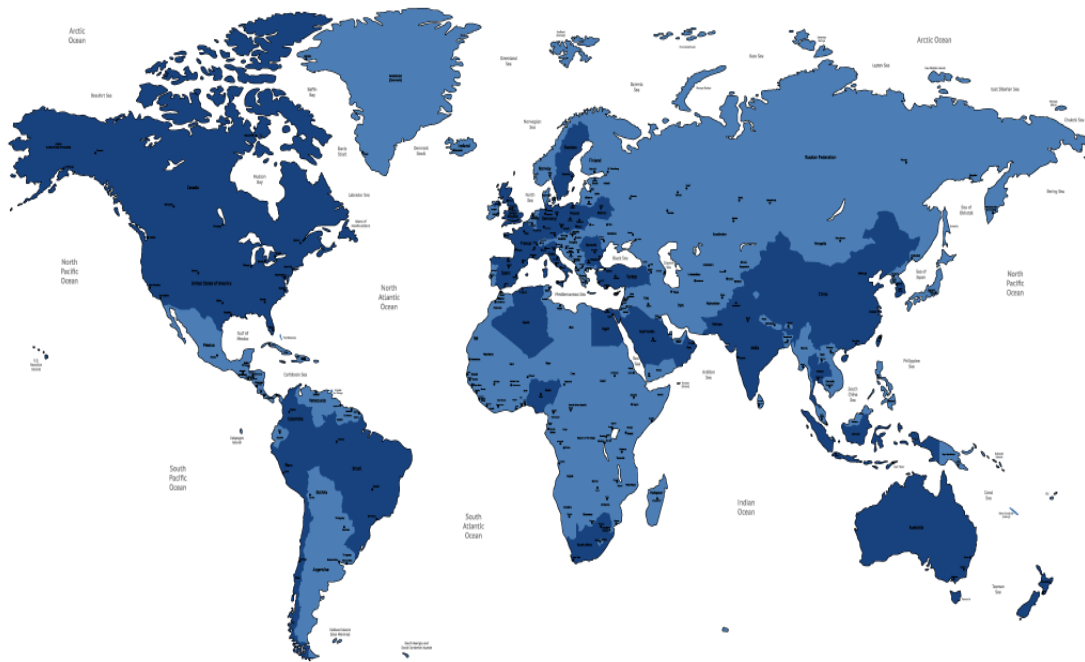
- Handheld wideband antenna for direction finding and transmitter hunting in the 20 to 8500 MHz band.
- Own IP
- Designed and manufactured on-site

WHAT DOES ALARIS ANTENNAS DO?

- Designs specialised broadband antennas and radio frequency products
- Own IP and manufactured locally
- Clients across the globe
- Exports about 75% of revenue (mainly Americas, Europe and Asia)
- Customers are system integrators, frequency spectrum regulators, test & measurement and players in the homeland security space

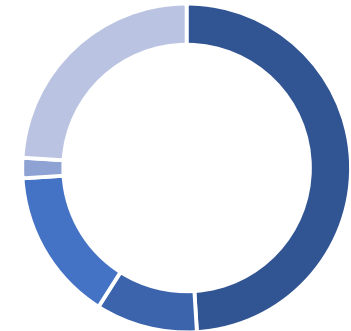


ALARIS ANTENNAS MARKET & TERRITORIES



 Presence  No Presence

Revenue % per Territory



■ Europe 49%
■ Americas 15%
■ South Africa 24%

■ Asia 10%
■ Middle East 2%

9 PRODUCT LINES

632 PRODUCTS

>30 DISTRIBUTORS

WHAT DOES AUCOM DO?



International Broadcasting System Integrator offering turnkey solutions

WHAT DOES AUCOM DO?

- Designs, sells and implements end-to-end solutions for radio and TV broadcasters
- Specific expertise in digital television distribution, multiscreen and over-the-top systems
- Migration to digital television and radio services across Africa
- Clients located in Africa and South Africa
- Service level agreements with annuity revenue



SBC project:

- Awarded contract for Seychelles Broadcasting Corporation (SBC)
- to provide the DVB T2 platform and Transmission network to migrate the current SBC analogue network to Digital
- Value of project approx. R40m
- Expect to complete by 30 June 2016

AUCOM MARKET & TERRITORIES



50%

■ South Africa

50%

■ Rest of Africa

Top Countries:

■ South Africa

■ Tanzania

■ Kenya

■ Nigeria

■ Footprint in most African countries

Clients

✓ Sentech
✓ SABC
✓ MultiChoice

✓ GOtv
✓ eTV
✓ AZAM Tanzania

✓ Platco (Open HD)
✓ NBC (Namibia)
✓ Basic Transmission Ltd Tanzania

✓ Kenya Broadcasting Corporation
✓ Times TV Malawi



Always by your side



ACQUISITIONS

- Established Finnish company – founded in 1986
- Designs and develops omnidirectional VHF/UHF/SHF wideband antennas and accessories for mobile tactical communication, electronic warfare and spectrum monitoring applications
- On our acquisition radar since 2012
- Deal terms
 - EUR 3.7m for 100% shareholding in the Company
 - NAV includes EUR1.4m free cash
 - Cojot profits were EUR 0.62m for the year ended 31 December 2015
 - Purchase consideration cash only
 - Subject to due diligence and regulatory approval
 - Expect deal to close before 30 June 2016

WHY DOES THE DEAL MAKE SENSE?

- Synergies in sales, engineering and supply chain
- Alaris understands Cojot market well
- Operate in same market – minor client and product overlap
- Improved vicinity to European market
- Access to European supply chain (Improved choices on components)



Cojot Tuneable Vehicular VHF/UHF Antenna

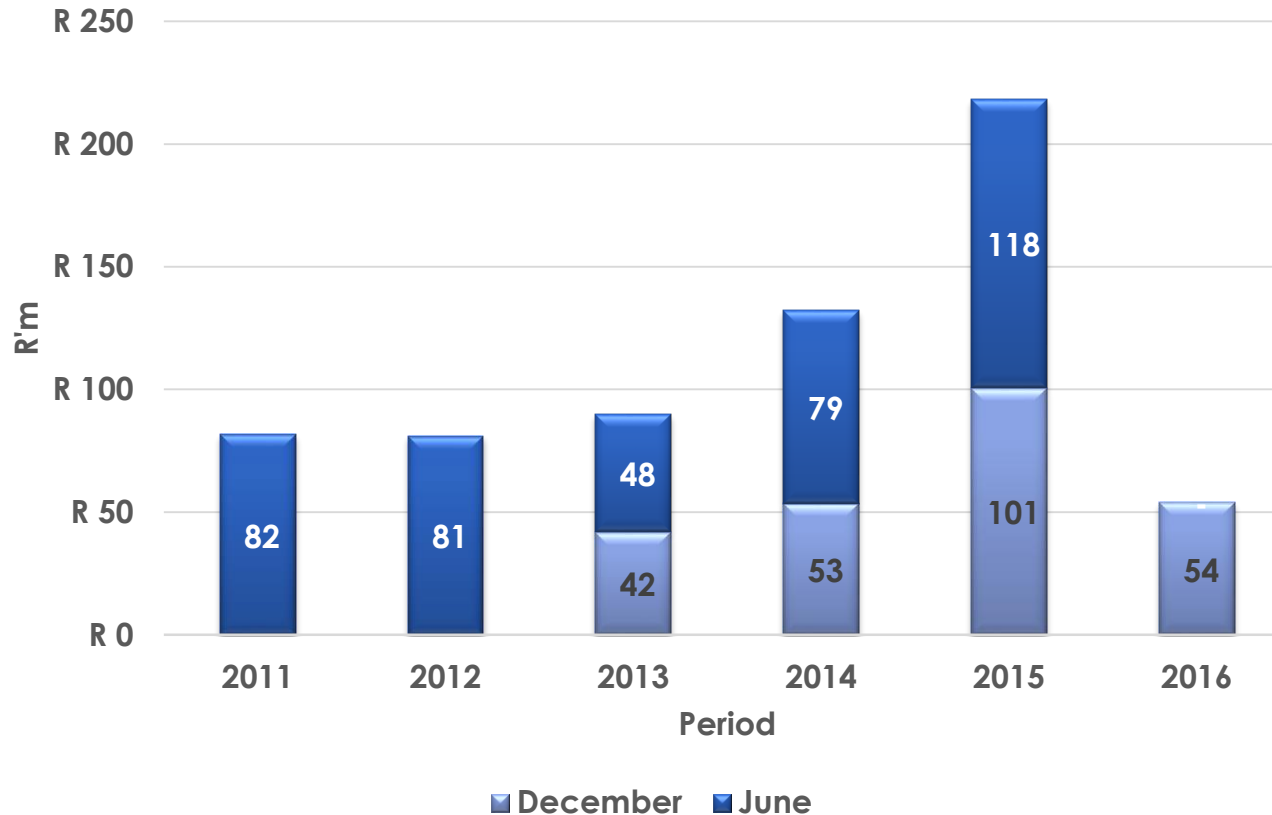
Fast tuning to a new frequency band allows the antenna to be used in different kinds of applications



FINANCIALS

ALARIS GROUP REVENUE

GROUP REVENUE - 5 YEARS



- Slow 1st 6 months
- Strong confirmed order book for 2nd half
- Compart revenue discontinued – 2015 1st half R25m

SEGMENT – ALARIS ANTENNAS

| R'000 | Unaudited six months ended | | Audited year ended |
|-----------------------------|----------------------------|-------------------|--------------------|
| | Dec 2015 | Restated Dec 2014 | Jun 2015 |
| Revenue | 36 125 | 42 380 | 88 394 |
| <i>Revenue Growth y-o-y</i> | <i>(15%)</i> | <i>13%</i> | <i>15%</i> |
| EBITDA | 10 762 | 12 298 | 30 885 |
| <i>EBITDA growth y-o-y</i> | <i>(12%)</i> | <i>(21%)</i> | <i>31%</i> |
| <i>EBITDA Margin</i> | <i>30%</i> | <i>29%</i> | <i>35%</i> |

- Revenue down 15% - low order book at start of financial year
- EBITDA margin up 1% - controlled operating expenses in light of low revenue
- Strong confirmed order book for delivery in 2nd half of year
- Added 50 new products (2014: 36)
- Growth in head count from 87 to 94 - investing in engineering and production resources.

SEGMENT – AUCOM

| R'000 | Unaudited six months ended | | Audited year ended |
|-----------------------------|----------------------------|-------------------|--------------------|
| | Dec 2015 | Restated Dec 2014 | Jun 2015 |
| Revenue | 17 770 | 33 057 | 104 640 |
| <i>Revenue growth y-o-y</i> | <i>(46%)</i> | # | # |
| EBITDA | (638) | 784 | 8 523 |
| <i>EBITDA growth y-o-y</i> | <i>(181%)</i> | # | # |
| <i>EBITDA Margin</i> | <i>(4%)</i> | <i>2%</i> | <i>8%</i> |

Not in part of the Group for comparative period.

- Revenue down to R17.8m - certain larger Africa orders delayed
- Strong confirmed order book for delivery in 2nd half of year

SEGMENT – CORPORATE & CONSOLIDATION

| R'000 | Unaudited six months ended | | Audited year ended |
|--------------------------------|----------------------------|-------------------|--------------------|
| | Dec 2015 | Restated Dec 2014 | Jun 2015 |
| Profit after tax | (4 021) | (2 246) | (29 483) |
| Contingent consideration asset | 3 954 | - | (22 206) |
| Legal and consulting cost | 2 679 | 953 | 10 070 |
| Impairment of goodwill | - | - | 33 342 |
| Normalised profit after tax | 2 612 | (1 293) | (8 277) |

- Legal and consulting fees of R2.7m – related to prior potential acquisitions that did not materialise
- Contingent consideration asset - revalued for decrease in share price – charge to statement of profit and loss of R3.9m

STATEMENT OF PROFIT AND LOSS

| | Unaudited six months ended | | Audited year ended |
|---------------------------------|----------------------------|-------------------|--------------------|
| R'000 | Dec 2015 | Restated Dec 2014 | Jun 2015 |
| Continuing Operations | | | |
| Revenue | 53 895 | 75 437 | 193 034 |
| Gross profit | 30 834 | 41 330 | 89 734 |
| Other income | 15 325 | 465 | 898 |
| Operating expenses | (35 357) | (33 191) | (72 880) |
| Trading operating profit | 10 802 | 8 604 | 17 752 |
| Finance income | 936 | 1 605 | 3 312 |
| Contingent consideration asset | (3 954) | - | 22 206 |
| Impairment of goodwill | - | - | (33 342) |
| Finance costs | (2 341) | (1 565) | (4 851) |
| Profit before taxation | 5 443 | 8 644 | 5 077 |
| Taxation | (3 801) | (2 077) | (6 317) |
| Profit / (loss) | 1 642 | 6 567 | (1 240) |
| | | | |

- Net foreign exchange profits of R15.4m included in other income
- Contingent consideration asset decreased by R3.9m from decreased share price
- Taxation charge higher than 28% from non-deductible legal expenses and high upfront payments from customers

ASSETS

| | Unaudited six months ended | | Audited year ended |
|--------------------------------|----------------------------|-------------------|--------------------|
| R'000 | Dec 2015 | Restated Dec 2014 | Jun 2015 |
| Non-Current Assets | 48 004 | 74 820 | 68 138 |
| Plant and equipment | 6 956 | 5 463 | 6 221 |
| Goodwill | 22 115 | 55 457 | 22 115 |
| Intangible assets | 11 465 | 13 900 | 13 408 |
| Deferred tax assets | 7 468 | - | 1 541 |
| Contingent consideration asset | - | - | 22 206 |
| Other financial assets | - | - | 2 647 |
| Current Assets | 192 173 | 180 478 | 136 880 |
| Inventories | 14 030 | 12 056 | 9 236 |
| Other financial assets | 8 955 | 3 500 | 8 165 |
| Current tax receivable | 179 | 3 236 | 1 665 |
| Contingent consideration asset | 18 251 | - | - |
| Trade and other receivables | 51 176 | 85 843 | 43 428 |
| Cash and cash equivalents | 99 582 | 75 843 | 74 386 |
| Total Assets | 240 177 | 255 298 | 205 018 |

- Contingent consideration asset decreased by R3.9m from decreased share price
- Increase in inventory from confirmed order book for delivery in 2nd half
- Cash and cash equivalents increased to R99.6m from weakening ZAR and improved working capital

EQUITY AND LIABILITIES

| | Unaudited six months ended | | Audited year ended |
|--------------------------------|----------------------------|-------------------|--------------------|
| R'000 | Dec 2015 | Restated Dec 2014 | Jun 2015 |
| Equity | 115 902 | 158 393 | 115 326 |
| | | | |
| Non-Current Liabilities | 51 964 | 53 963 | 53 168 |
| Current Liabilities | 72 311 | 42 942 | 36 524 |
| Loans and borrowings | 843 | 157 | 96 |
| Trade and other payables | 58 036 | 40 953 | 29 906 |
| Current tax payable | 5 974 | - | 1 138 |
| Provisions | 3 985 | 1 832 | 1 741 |
| Other financial liabilities | 3 473 | - | 3 643 |
| Total Liabilities | 124 275 | 96 905 | 89 692 |

- Significant number of customer payments received upfront included in other payables. Relating to orders deliverable before 30 June 2016

CASH FLOW

| | Unaudited six months ended | | Audited year ended |
|---|----------------------------|-------------------|--------------------|
| R'000 | Dec 2015 | Restated Dec 2014 | Jun 2015 |
| Profit before taxation | 5 443 | 3 635 | 252 |
| Adjusted for non-cash items | (4 205) | 720 | 21 167 |
| Working capital changes | 16 362 | 7 966 | (14 663) |
| Cash generated from operations | 17 600 | 12 321 | 6 756 |
| Net finance cost | (1 405) | (1 201) | (1 438) |
| Taxation paid | (3 696) | 1 274 | (6 245) |
| Net cash from / (used in) operating activities | 12 499 | 12 394 | (927) |
| Net cash used in investing activities | (3 114) | (23 718) | (10 242) |
| Net cash from / (used in) financing activities | 756 | (1 865) | (2 469) |
| Net increase / (decrease) in cash and cash equivalents for the year | 10 141 | (13 189) | (13 638) |
| Cash disposed / acquired as part of business disposal / combination | - | 2 332 | 2 332 |
| Cash and cash equivalents at the beginning of the year | 74 386 | 85 821 | 85 821 |
| Effect of exchange rate movement on cash balances | 15 055 | 879 | (129) |
| Total cash and cash equivalents at end of the year | 99 582 | 75 843 | 74 386 |

- Net foreign exchange profits of R15m on foreign currency accumulated for future foreign acquisition
- Improved working capital management

WORKING CAPITAL CHANGES

| | Unaudited six months ended | | Audited year ended |
|--|----------------------------|-------------------|--------------------|
| R'000 | Dec 2015 | Restated Dec 2014 | Jun 2015 |
| Cash impact of working capital changes | 16 362 | 7 966 | (14 663) |
| - Inventories | (4 794) | 11 585 | 2 424 |
| - Trade and other receivables | (5 891) | (16 924) | (25 515) |
| - Trade and other payables | 27 047 | 13 305 | 8 428 |

- Inventory increased from production of orders for delivery before 30 June 2016
- Higher trade payable balance from significant upfront customer payments for orders to be delivered before 30 June 2016 (relating to both Alaris and Aucom)



GROWTH PLAN

FUTURE FOCUS AREAS

- Expand regional and product diversity
- Finalise Cojot acquisition and integrate into the Group
- Secure a footprint in the US

Alaris Antennas

- Harness customer relationships and expand sales team
- Further establish Specialised Production and Electronics Facility

Aucom

- More careful bidding into Africa for digital infrastructure projects
- Expand service and support structure to offer high level support and service level agreements – annuity income

SUMMARY

- Increase in cash and cash equivalents from R76m to R100m
- Strong confirmed order book for delivery in 2nd half
- Half year results boosted by R15m net foreign exchange profits
- Significant progress made on expansion into Europe
- Remain on lookout to secure a footprint in the US



Q&A