



Investing in the leading pan-African facilities services provider

~€150m* equity to be invested

~60%* equity stake

Transaction to be closed in the coming weeks

Unrivalled footprint in Africa, with presence in 23 countries

Attractive growth prospects organically and through acquisition

Strong cash generation

Resilient business model

Clive Smith – CEO of Tsebo



- Clive has had **leadership experience across the group Tsebo over the last 20 years**, including time as CEO of Drake and Scull and as CEO of Fedics.
- He has a **strong financial background**, many years of experience in **leading large employee groups**, operating companies and driving organic and acquisitive growth strategies.
Since taking up his position as **Tsebo's CEO in 2004**, Tsebo has enhanced its transformation credentials and delivered consistent customer and shareholder value.
- Clive is a **dynamic leader** who believes in **empowerment as a business strategy** and not merely a compliance requirement. It is a vision that has seen Tsebo grow to unprecedented size over the last 10 years.



WENDEL



Tsebo

Clive Smith, CEO

Focus areas

An **overview of Tsebo** and its positioning

Our view of the **facility services market in Africa and its potential**

Tsebo's strategy to **exploit potential growth levers** and selected opportunities

The leading pan-African facilities services provider

(catering, cleaning, security, facilities management...)

Founded in **1971**, 'homegrown' African company

ZAR 6.33bn of sales⁽¹⁾

ZAR 507m of Ebitda⁽¹⁾

7,000+ client sites across a variety of industries

34,000+ staff



A long history of outperformance, organic growth and acquisitions integration

From a single-service, single-country business to a pan-African player

"Structuring and consolidation"

"Investment for growth driven by M&A"



1971
Founded as a contract catering business

1998
Rebranded as Tsebo Outsourcing Group

2005
One of the first organizations of its size to achieve 'excellent' B-BBEE accreditation

2007
Investment of ABSA Capital (now Rockwood PE) into Tsebo, alongside B-BBEE shareholders

1997
Listed (as Fedics) on the JSE; introduction of BEE shareholders; delisting in 2000 by Ethos

2008
Strategy reset to long-term pan African facility services play

2012
M&A: Ubunye Cleaning and Servco Catering (Mozambique)
1st Pan-African contract (Barclays)

2015
M&A: Malandela and Thorburn (Security)

2016
3 additional pan-African banking contract wins

2014
M&A: Backbone Management, Callguard Security

Merge with ATS (All Terrain Services Group)

2009
M&A: TsAfrika (Catering)

2008
Middle East / Oil & Gas expansion (through Karam-Fedics)

Our team

	C Smith	T Walters	C Jardine	W Louw	J Wentzel	M Kalawe	FC Smit	S Narain	K Khan
	CEO	CFO	Exec Director Operations	CEO clearing / CIO	CEO – FS	CEO – CS	CEO – Security	CEO – ATS	GM – Karam
									
Years at Tsebo	24	15	6	12	5	2	2	20	27
Qualification	ACIS	CA	PhD	BSc Eng. CA	PhD	BSc Eng. CA	n.a.	BTech	MBA
Countries working in	15	15	10	15	10	9	12	15	5

	D Thobye	B Doran	R van der Zwan	Ken Fussell	W Gould	D Govender	A McElnea	G Maina	J Tuck
	HR Director	CFO – Int.	Marketing Director	COO – Catering	CEO – Energy	CPO	COO – FS	GM – East Africa	Nat Ops Dir – Clearing
									
Years at Tsebo	5	3	7	27	22	2	14	15	19
Qualification	BA	CA	BSocSc, MBA	N. Dip	PrEng. BCom	N. Dip, MBA	EDP (GIBS)	BA	N.Dip, BCom
Countries working in	5	30	20	10	5	26	10	5	1

Average tenure at Tsebo: 13 Years

Average age: 49 Years

28 on executive payroll

Average countries worked in: 10

Average qualification: Post Graduate

A clear brand strategy, to support current positioning and enter markets

A powerful Mother Brand

Complemented by a limited number of sub-brands that serve specific markets that the Mother Brand cannot serve as effectively



Five agreed Power Brands, smaller brands to be retired

Our DNA – A major competitive advantage in Africa



African Expertise

***Deep understanding of
operating within African societies***

Genuine love of our continent, with its diversity of traditions, cultures, geographies and religions

We understand how to provide authentic, sustainable community up-liftment, skills transfer, job creation, local procurement that makes a real impact on peoples' lives



Global Standards

***Ingrained commercial and operating DNA
that reflects global best practices***

Delivery standards, expertise in health and safety, financial management, operational procedures, business transparency, tax and regulatory compliance, labor management, ethics and governance, skills building and use of technology are aligned with global best practices

Our business

The facility services industry covers a wide range of activities

	COMMERCIAL FM	INFRASTRUCTURE MANAGEMENT		TECHNICAL FM
		FOODSERVICE RELATED	OFFICE RELATED	
Self-Perform	Procurement	Catering / Canteen	Office Cleaning	HVAC
	<i>Cost Planning</i>	Vending / Beverage	Hygiene	Health & Safety
	<i>Insurance</i>	Events/ Functions	Access/ Security	Building Maintenance
	<i>Public Charges</i>	Remote Mine Camps	Reception	Waste Management
	<i>Facility Accounting</i>	Oil Rig Life Support	Office Churns	Energy/ Utilities
Sub-Contract			Mailroom	Mechanical Services
			<i>Gardening</i>	Audio-visual
			<i>Archiving</i>	<i>Fire Suppression</i>
			<i>Pest Control</i>	<i>Lifts And Escalators</i>

 Activities which Tsebo can self-perform

Areas of self-performance focus on site-based services, leveraging core competencies

Our value proposition and our clients

Our Value Proposition



Some of our clients



"The company behind the best companies in Africa"

Our culture (entrepreneurial, disciplined, results-oriented) and key skills

Driven to attain stretch targets



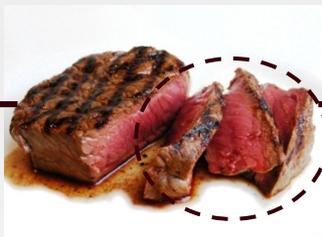
First Pan-African contract with Barclays Plc
Managing 2,000 sites in 12 countries

Granular management, data analytics



Tight controls, finger on the pulse

180g steak
15% margin



Additional 0-20g
0% margin

c. 75 million meals per annum across 1,100 catering sites

Building businesses

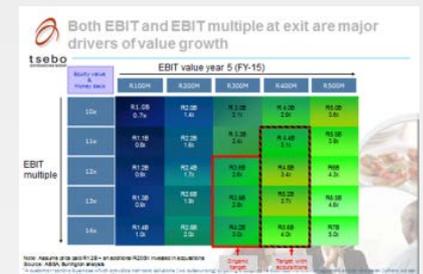


Managing distributed labour

- Managing turnover (churn >30% p.a.)
- Labour controls and payroll of >7,000 sites
- Ongoing training and capacity building
- Multiplicity of client industries and needs
- Maintaining service through strikes is normal
- Successfully serviced clients through the Ebola crisis

Robust forecasting, results driven

- Monthly management forecast reviews by division, by CEO / CFO



Corporate Governance and risk management are an integral part of our DNA

- **Corporate governance and risk management approach**
 - Zero tolerance policy
 - Annual risk review
- **ABAC**
 - UK Bribery Act
 - US Foreign Corrupt Practices Act
 - RSA Prevention and Combating of Corrupt Practices Act – Venus modelled on UK Act
 - Status of ABAC strategy
- **Ethics**
 - Employee accountability and tip-off hotline
 - Code of ethics and good business practice
- **Audit**
- **Regulatory environment**

Comprehensive risk matrix developed and managed

A diversified model, with a strong & resilient growth track-record

Through organic & external growth

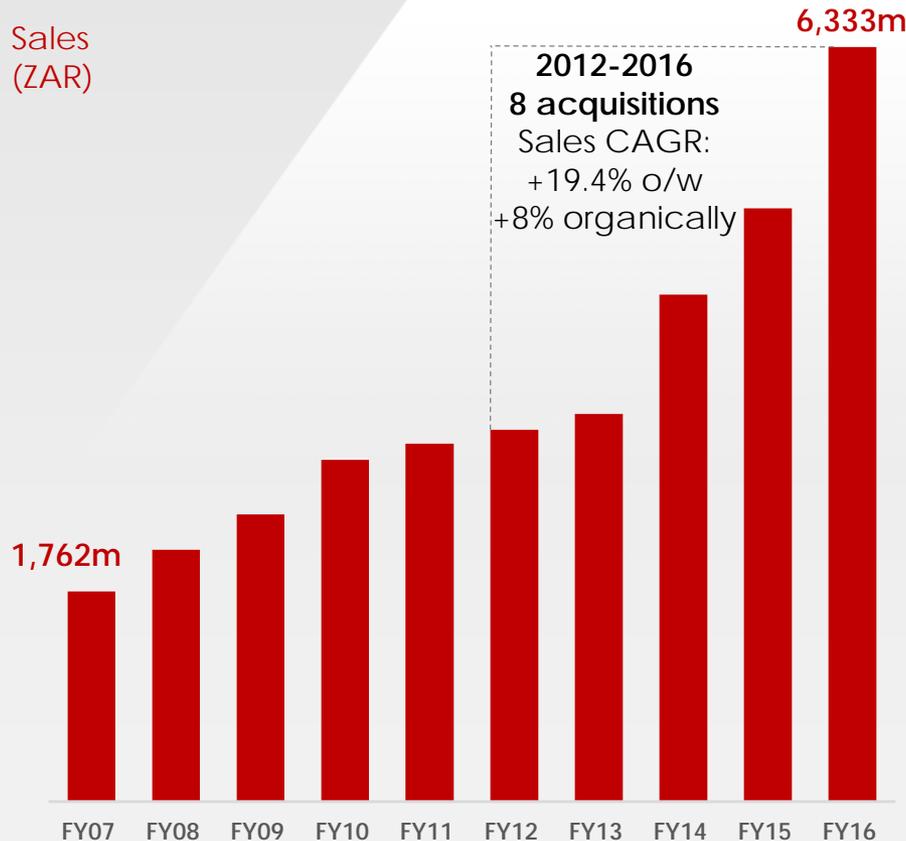
Growth driven by a combination of organic and external growth

2007-2016

Sales CAGR: +15.3%

EBITDA margin : +220 bps, from 5.8% to 8.0%

Sales
(ZAR)



On-going diversification (services, geographies)

2010 Sales

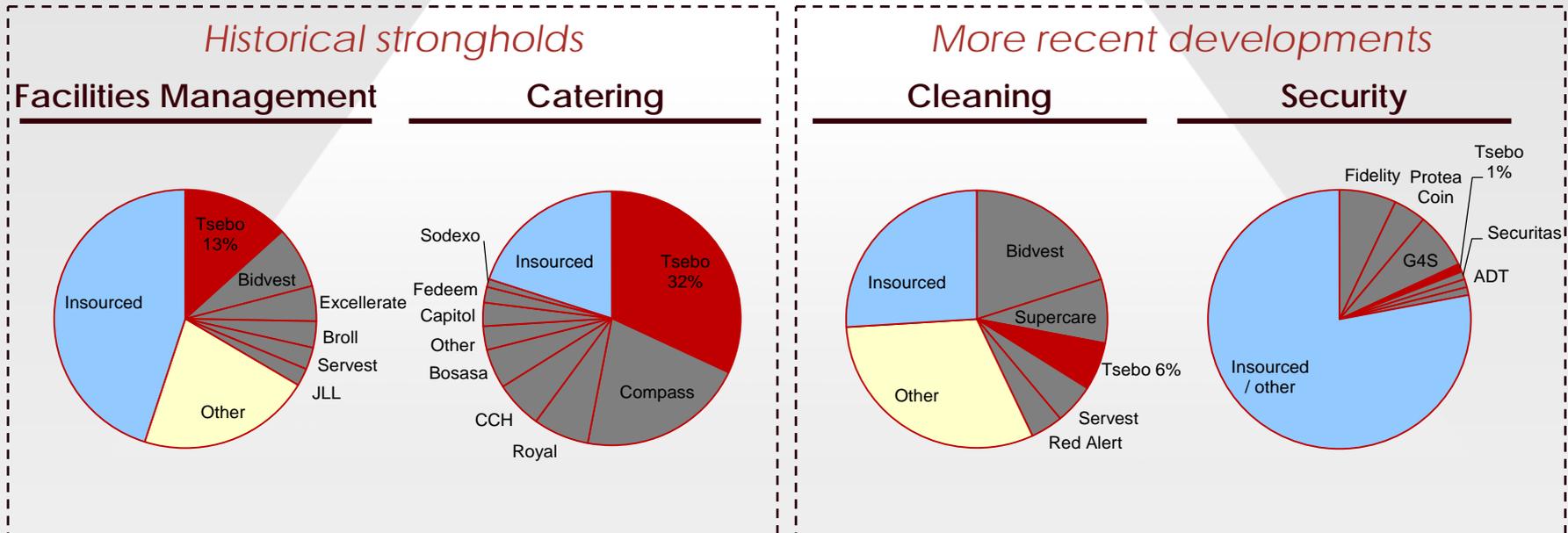


2016 Sales



South Africa, our historical market

Still large room for growth (increased outsourcing, organic market shares gain, M&A)



Rest of Africa: our investment thesis

Strong macro fundamentals, urbanization and increased consumer spending
attracting our global customers into Africa and **developing local markets**

These **global customers** are seeking **global solutions**;
all are seeking **less complexity, enhanced compliance and productivity**

In a currently **highly underpenetrated market (>2/3 insourced)**, Tsebo is **already a leader and ideally positioned to capture the opportunity**

Tsebo's African target market growth is driven by strong fundamentals

Economic and population growth

- Sub-Saharan Africa¹ expected (IMF) to grow 3.4% in 2017, 4.6% in 2021 (2nd fastest after Emerging and Developing Asia)
- Population to exceed China's in 20 years
- 20 SSA countries expected to grow over 5% in 2017
- 7 countries expected over 6%



Urbanization

- By 2025, >80 African cities will have >1m inhabitants, driving c. 60% of GDP
- They will service over 300m middle class consumers, who will require \$180bn p/a of infrastructure spending to support growth



Improving Ease of Doing Business

- Political stability
- Governance
- Infrastructure
- ...



Attracting our global customers into Africa, developing local markets

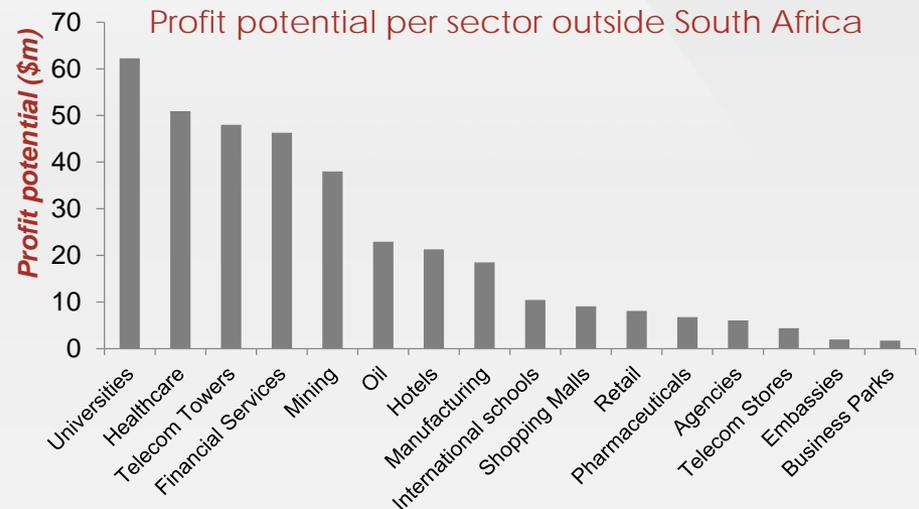
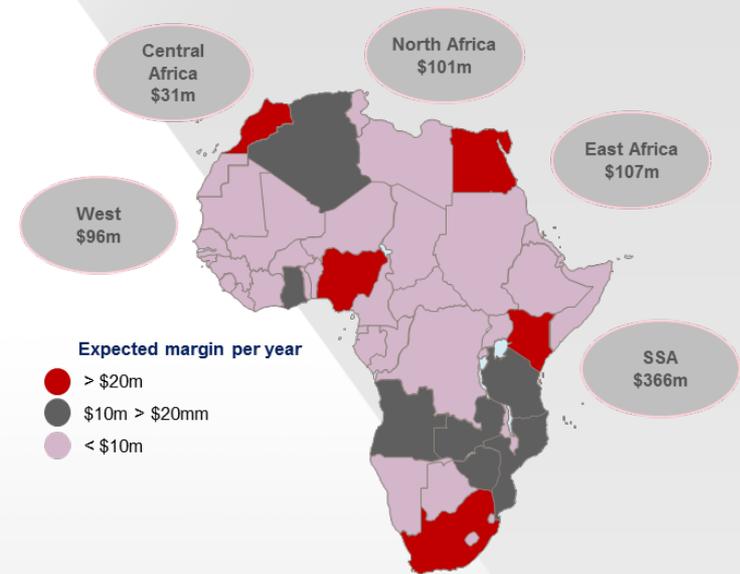
We have confirmed the potential through a proprietary assessment

Bottom-up, proprietary database

- Proprietary African Facility Services Market Database, 4 years in development
- Individual potential contracts mapped to “location” in key industries and countries, enabling a data-driven market strategy
- African Facility Services Market 2016: 16 market sectors totaling a conservative \$701m profit potential, of which \$357m outside RSA (based on management assumptions)

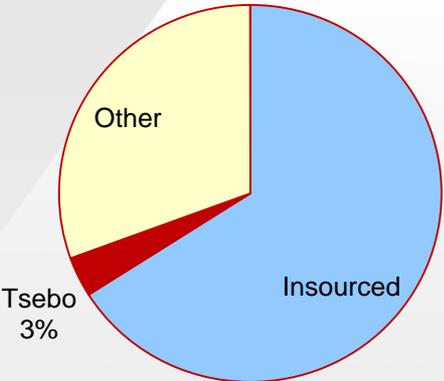
Selected database highlights

- 193 Universities, 3.7m students
- 874 Hospitals, 130,000 beds
- 106 International schools
- 19,200 Financial services branches
- 158 Shopping malls
- 88 Operating mines
- 34 O&G operators, drilling 107 rigs
- ...

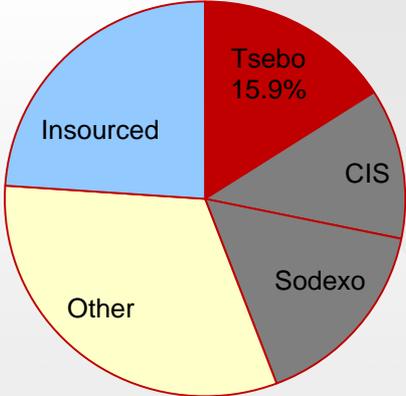


In a currently highly underpenetrated market (Rest of Africa)...

Tsebo's estimated market
(across Africa)



Remote sites
(across Tsebo countries excl. RSA)



...Tsebo is already a leader and ideally positioned to capture the opportunity

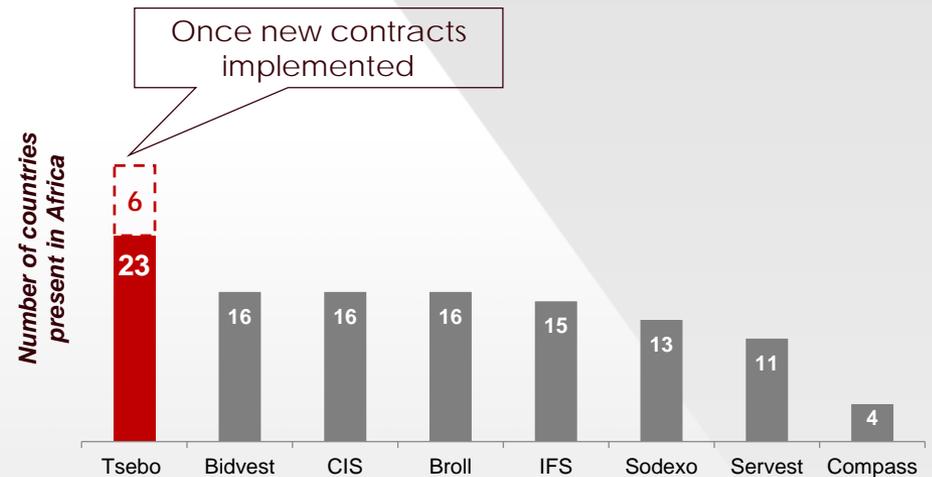
Experience in 33 countries



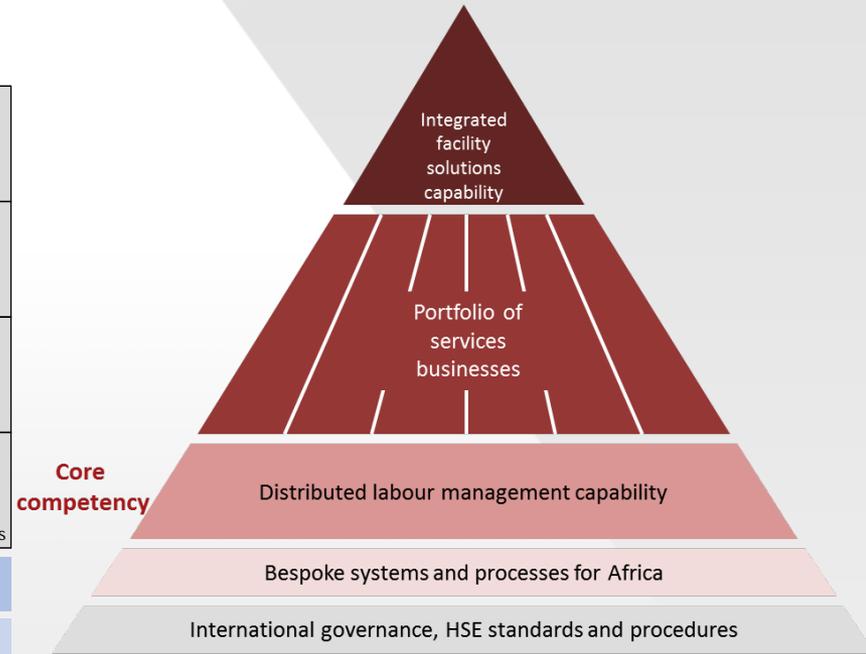
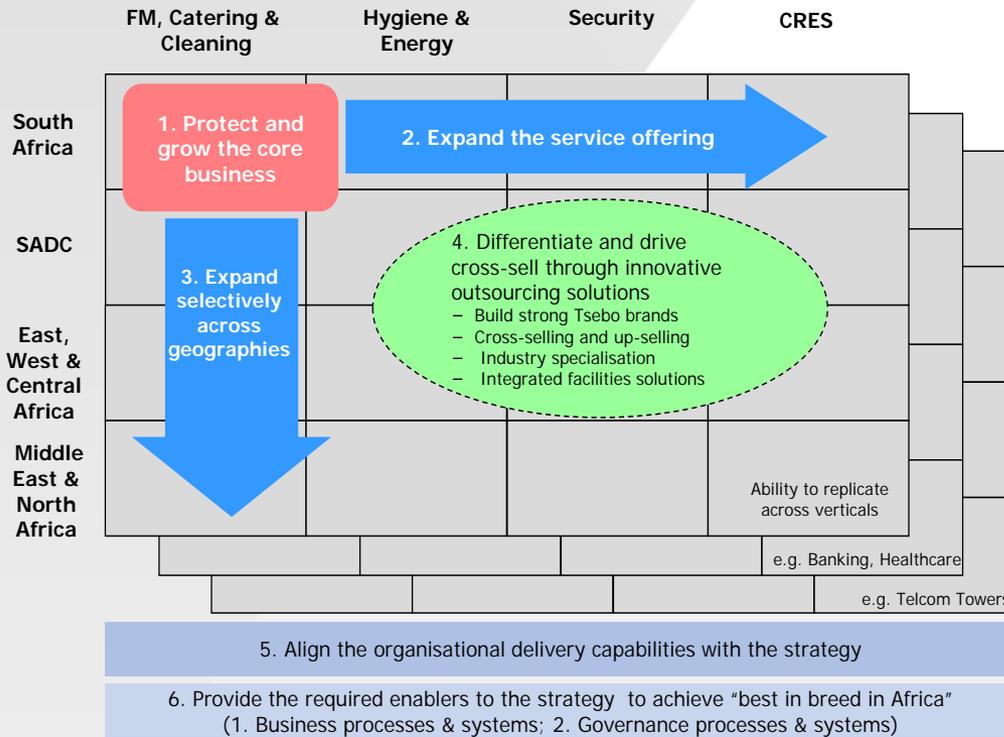
■ Current areas of operation
■ Past areas of operation

Source: Company websites, Management information

The largest African footprint relative to key peers



A robust, executable, strategy to capture pan-African opportunity

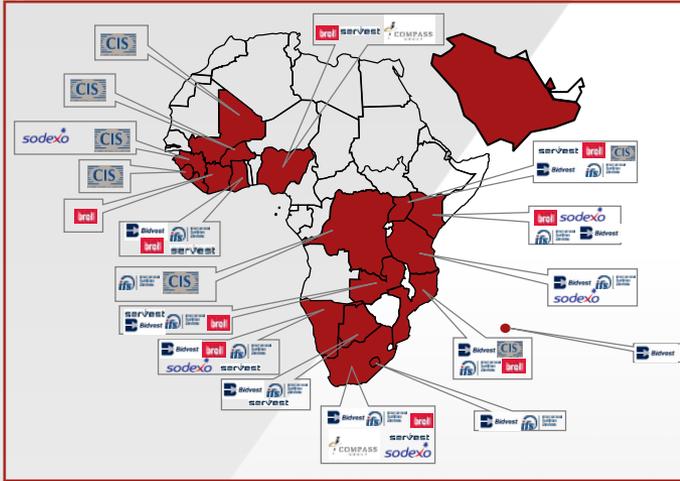


Key execution levers

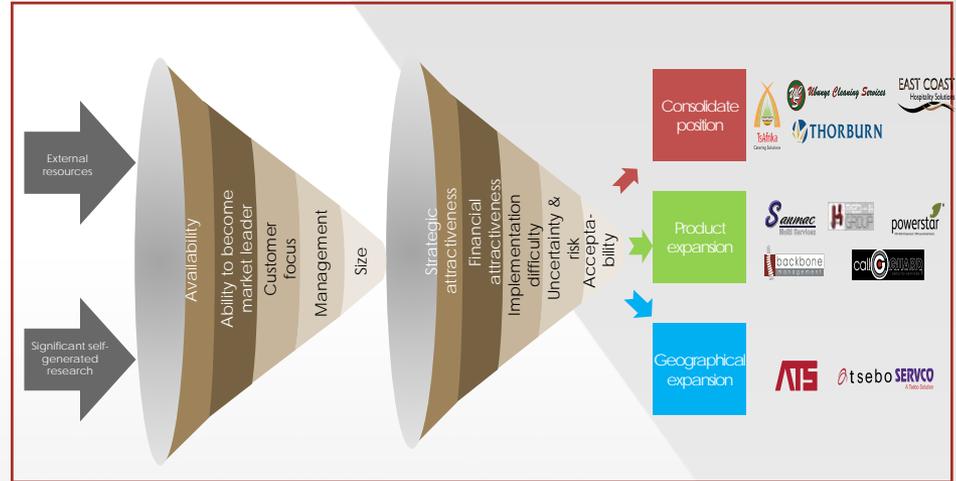


Supported by successful M&A track record

A Comprehensive competitor analysis



B Detailed filtering process



C Universe of filtered opportunities

	Number of targets	EBIT
Catering	13	\$ 9,25m
Cleaning	11	\$ 4,3m
FM	14	\$ 59,13m
Security	15	\$ 62m
TOTAL	53	\$ 134,68m

D Deal execution and integration



Actionable short-term pipeline, in several countries and across business lines

Deep-rooted Corporate Citizenship, Ethics and Localization commitment



Massive community-based supplier development programs in rural areas



Embedded Corporate Governance



Investment in sponsoring 150 managers on post-graduate MBA / MAP studies

Leader in corporate SA on BEE

First large corporate to receive Level 1 on new codes

PREMIER VERIFICATION

B-BBEE Verification Certificate
Issued to:
Tsebo Solutions Group (Pty) Ltd
Including Subsidiaries and Divisions as listed on Annexure A
Tsebo House, 7 Arnold Road, Rosebank, 2196
Company Registration: 1996/0088207
VAT: 4740291907

LEVEL ONE (1) CONTRIBUTOR
B-BBEE RECOGNITION LEVEL- 135 %

Generic Scorecard
Codes of Good Practice 2013 (Section 8(1) : 2692B)

Criteria	Result	Weight	Element	Result
Ownership	25.00	25.00	Black Ownership	66.50%
Management Control	13.82	15.00	Black Female Ownership	37.91%
Skills Development	16.92	20.00	Designated Group Supplier	No
Enterprise & Supplier Development	40.36	40.00	Modified Flow Through Applied	No
Socio-Economic Development	5.00	5.00	Empowering Supplier	Yes
Overall Result	101.10	105.00	Issue Date	10 October 2016
Priority Elements Achieved	Yes		Expiry Date	06 October 2017
Nature of Business	Multi Service Company		Certificate Number	PV_1610069C022016

Digitally Signed
Premier Verification (Pty) Ltd

sanas
BVA100

Company Reg: 2004/000495/07
Premier Verification (Pty) Ltd
10, 3 Second Road, Tsebo Park
Fountain Grove Office Park, Block 1, Johannesburg, 2114

Tel: 010 951 0585
Fax: 010 951 7654
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Largest skills developer in the industry (35,000 staff trained over last 3 years)



Vibrant company Foundation that supports communities



Industry leader in development of disabled staff (2.3% of workforce)

Using Digitalization to achieve 'Global Standards'

Specific business needs

- Distributed Business
- Mobile Middle Management
- Reliable accurate information
- Analytics
- Scalability as business grows

	Group	Catering	Cleaning	Facilities	Security	Rest of Africa
Business Intelligence	Qlikview					Qlikview
Bespoke	SharePoint and hosted Websites	POS	Handhelds			
Operations		Intellifin		Infort:AM	Remote Monitoring	Infort:AM
Financial Systems	Microsoft Dynamics AX 2009					Sage X3/Pastel
Procurement	Hyperion					
Procurement	mymarket.com			TBC	TBC	
Payroll	Educos Vision			TBC	TBC	
Connectivity	Head Office MPLS Network			MPLS	TBC	
Connectivity	Site Connectivity			TBC	TBC	
Data Centre Infrastructure	Tier IV Data Centre with State of the art Security					Tier IV
Data Centre Infrastructure	Managed Services					Mng. Serv

IT Team endeavors to be a key enabler to the business

- Strategically align with Business
- Provide tight central control
- IT Governance
- Real business value

Samples of progress to add business value

Infrastructure



- South Africa operations connected to tier 4 world class data center
- Rest of Africa in next year

Biometrics



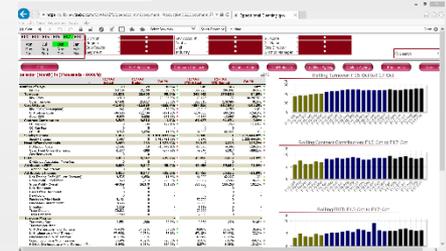
- >20,000 employees clock daily in SA
- Fingerprint to pay slip
- Piloting Rest of Africa

Mobile E-Learning



- Training developed for smart phone distribution
- 50 courses done
- 4 live in test mode

Business Intelligence



- Financial BI in all Divisions (Qlikview)

Key takeaways

African facility services market, **a large, fragmented and growing market, thus we have huge potential to sell, consolidate and replicate**

Tsebo has crafted **pan-African leadership position, and built a robust platform** with the largest footprint in the industry

Tsebo is ideally **positioned to capture** an important share of this growth through organic and acquisitive growth

Investment in **brands, culture, systems and the consolidation engine** are supported by strong cash generation and a stable, passionate team

The key to success is the **careful prioritization of limited resources** to unlock the potential

The team is excited to **continue the journey with international shareholders** of reference



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Investor Day

December 1, 2016