adapt IT

Adapt IT unaudited condensed consolidated

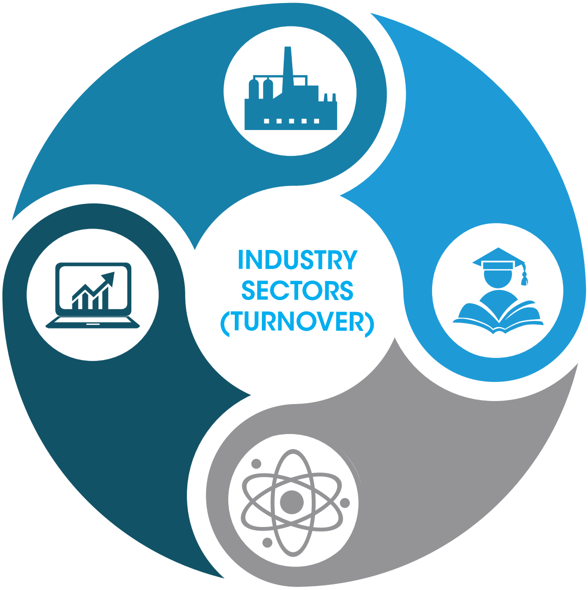
INTERIM GROUP RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER

2016

OVERVIEW

Adapt IT is an innovative information technology (IT) services and solutions provider, delivering a variety of specialised software solutions and services to the Manufacturing, Education, Financial Services and Energy sectors across 40 countries.



Manufacturing
27%

- ERP Implementation
- Human Capital Management Services
- Development and Integration Services
- SHEQ Solutions
- Operational Management Solutions
- Rostering Optimisation Software Services

Education
18%

- Education Management Systems
- Development and Integration Services
- Support Services

Energy
20%

- Business Advisory Services
- Technical Advisory Services
- SAP IS-OIL
- Fuel-FACS
- Utilities Management

Financial Services
35%

- Audit and Risk Management Software
- Business Intelligence and Analytics
- Project Management
- Recruitment Services

OUR BUSINESS

Adapt IT has formed strategic partnerships with the world's leading technology and business software providers in order to provide customers with robust, reliable and enduring solutions and services. These uniquely tailored solutions set Adapt IT apart and power the day-to-day efficiencies within our clients' businesses in the following areas:

Consulting

- **Business Consulting**
  Guiding leading enterprises to achieve business transformation
- **IT Consulting**
  Leveraging technologies to improve business efficiencies
- **Innovation**
  Applying new technology solutions to exceed client requirements

Software

- **Web-based Solutions**
  Efficiently developed Cloud-ready proprietary software solutions
- **On Premise**
  Leveraging our clients' existing technology infrastructure
- **Cloud Solutions**
  Providing Software as a Service for maximised efficiency
- **Mobile Solutions**
  Ensuring accessibility to solutions from anywhere

Support

- **SLA Management**
  Providing both remote and on-site support, either 24/7, fixed hours or block hours, based on customer's needs and requirements
- **ITIL Certified**
  Support team processes are ITIL certified

GEOGRAPHIC TURNOVER

73%	15%	6%	4%	1%	1%
South Africa	Other African countries	The Americas	Australasia	Europe	Asia

FINANCIAL HIGHLIGHTS

48% Turnover	44% EBITDA	20% Normalised HEPS

FINANCIAL REVIEW

Turnover for the six months ended 31 December 2016 increased 48% to R460,7 million (2015: R310,4 million), organic growth was 4% and acquisitive growth was 44%. Organic growth was muted due to ongoing pressure in several industries, particularly the higher education, manufacturing, resources and banking segments. Acquisitive growth was boosted in the period by the inclusion of the CQS group (CQS) which was consolidated with effect from 31 December 2015 and had no contribution to turnover in the prior interim results. Earnings before interest, tax, depreciation and amortisation (EBITDA) increased 44% to R89,9 million (2015: R62,3 million). Operating profit increased 32% to R69,5 million (2015: R52,5 million).

Adapt IT has disclosed normalised headline earnings per share (HEPS) for the first time as a result of the high non-cash expenses in terms of International Financial Reporting Standards (IFRS) due to our acquisitions. Non-cash acquisition-related expenses are mainly amortisation of intangible assets (such as internally developed software and customer relationships) and notional interest on deferred purchase considerations, which is based on the achievement of profit warranties.

Non-cash amortisation costs of R13,5 million and notional interest costs of R5,3 million, which totalled R18,8 million (2015: R7,8 million) were expensed for the half year. As acquisitions of this nature will be an ongoing hallmark of Adapt IT in line with its growth strategy, normalised headline earnings will be reported on an ongoing basis, as we believe this will add value to the reader. Normalised HEPS grew 20% to 34,74 cents (2015: 28,89 cents). By comparison, HEPS grew 2% after taking into account the non-cash expenses described above, together with higher bank interest paid on the higher level of borrowings to fund the CQS acquisition.

Cash utilised in operations was primarily affected by an increase in trade receivables due to slow payments by debtors due to market conditions. In December 2016, Adapt IT utilised the general authority granted by its shareholders at the latest Annual General Meeting to issue shares for cash, raising R84,0 million of fresh equity in support of its acquisitive growth strategy. These funds have been temporarily offset against borrowings until they are applied in due course.

Ordinary dividend number 14, in respect of the year ended 30 June 2016, of 13,40 cents per share, on a four times dividend cover ratio, was paid to shareholders on 19 September 2016. It is our policy to declare a dividend after financial year-end and not at the interim reporting date.

ACQUISITION

Adapt IT Proprietary Limited acquired the EasyRoster group of companies (EasyRoster) effective 1 August 2016, in line with our acquisitive growth strategy. EasyRoster is the leading provider of rostering optimisation software services to staffing solutions businesses in South Africa and the rest of Africa. EasyRoster is a software-as-a-service (SaaS) solutions business, and bolsters the manufacturing services segment of Adapt IT. Adapt IT is pleased to welcome another very successful team to the Group. EasyRoster's results for the five months are included in these interim results. Refer to the business combination note 9 on page 13 and 14.

POST BALANCE SHEET EVENTS

No matters have occurred between the reporting date and the date of approval of the interim financial statements, which would have had a material effect on these financial statements.

STRATEGY

Adapt IT continues to realise synergies between its specialised software businesses. Further strategic business acquisitions will be pursued.

OUTLOOK

Whilst the current market conditions are challenging, our outlook remains positive as we continue to build on the strong, well-diversified foundation that we have established to create a sizeable, leading ICT business that delivers above sector average growth and returns.

BOARD

Nombali Mbambo was appointed to the board as Chief Financial Officer on 18 August 2016. Tiffany Dunsdon reverted to being Commercial Director for the Group and Managing Director of International Operations.

APPRECIATION

We thank our customers, partners and service providers for their continued support and members of the board and Adapt IT Group employees for their dedication, which underpins our success.

On behalf of the board,

Craig Chambers
Independent non-executive Chairman

Sbu Shabalala
Chief Executive Officer

13 February 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Unaudited 6 months ended 31 Dec 2016 R'000	Unaudited 6 months ended 31 Dec 2015 R'000	Audited Year ended 30 June 2016 R'000	Period-on-period variance %
Revenue		**462 985**	314 608	803 338	47
Turnover		**460 691**	310 438	796 178	48
Cost of sales		**(198 314)**	(143 826)	(343 573)	38
Gross profit		**262 377**	166 612	452 605	57
Operating expenses		**(172 508)**	(104 359)	(287 465)	65
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**89 869**	62 253	165 140	44
Depreciation and amortisation		**(6 892)**	(5 354)	(11 667)	29
Amortisation of intangible assets acquired		**(13 501)**	(4 390)	(17 084)	208
Profit from operations		**69 476**	52 509	136 389	32
Finance income	2	**2 294**	4 170	7 159	(45)
Finance costs	3	**(15 292)**	(7 864)	(22 298)	94
Share of profits of equity accounted investment after tax		**829**	460	1 636	80
Profit before taxation		**57 307**	49 275	122 886	16
Income tax expense		**(20 251)**	(17 567)	(41 929)	15
Profit for the period		**37 056**	31 708	80 957	17
Attributable to:					
Equity holders of the parent		**35 489**	31 708	78 357	12
Non-controlling interests		**1 567**	–	2 600	–
Items that may be reclassified subsequently to profit and loss		**(665)**	3 841	789	
Exchange differences arising from translation of foreign operations		**(665)**	3 841	789	
Total comprehensive income		**36 391**	35 549	81 746	2
Attributable to:					
Equity holders of the parent		**34 824**	35 549	79 146	(2)
Non-controlling interests		**1 567**	–	2 600	
Headline earnings:					
Profit attributable to ordinary shareholders		**35 489**	31 708	78 357	12
Loss/(profit) on sale of property and equipment		**26**	(35)	(98)	(174)
Headline earnings		**35 515**	31 673	78 259	12
Normalised headline earnings	4	**50 535**	38 186	97 481	32
Number of ordinary shares in issue (000)		**152 355**	139 875	140 062	9
Weighted average number of ordinary shares in issue (000)		**145 476**	132 178	136 016	10
Diluted average number of ordinary shares in issue (000)		**145 476**	132 178	141 752	10
Basic earnings per share (cents)		**24,40**	23,99	57,61	2
Diluted basic earnings per share (cents)		**24,40**	23,99	55,28	2
Headline earnings per share (cents)		**24,41**	23,96	57,54	2
Diluted headline earnings per share (cents)		**24,41**	23,96	55,21	2
Normalised headline earnings per share (cents)	4	**34,74**	28,89	71,67	20
Dividend per share (cents)		**13,40**	10,90	10,90	23

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited 6 months ended 31 Dec 2016 R'000	Unaudited 6 months ended 31 Dec 2015* R'000	Audited Year ended 30 June 2016 R'000
ASSETS				
Non-current assets		**771 574**	707 489	705 321
Property and equipment		**37 120**	36 287	37 367
Intangible assets		**189 123**	170 437	170 032
Goodwill	6	**520 911**	472 515	472 515
Equity accounted investment		**2 633**	628	1 804
Deferred taxation asset		**21 787**	27 622	23 603
Current assets		**377 959**	340 293	259 556
Trade and other receivables		**284 681**	233 343	170 600
Asset held for sale		**–**	9 733	–
Current tax receivable		**6 854**	1 624	11 232
Cash and cash equivalents		**86 424**	95 593	77 724
Total assets		**1 149 533**	1 047 782	964 877
EQUITY AND LIABILITIES				
Equity				
Share capital		**15**	14	14
Share premium		**319 922**	198 615	200 831
Other capital reserves		**32 580**	13 734	34 574
Equity compensation reserve		**7 207**	4 030	5 725
Foreign currency translation reserve		**2 544**	6 260	3 209
Revaluation reserve		**3 544**	3 544	3 544
Retained earnings		**234 638**	176 400	218 783
Equity attributable to shareholders of the company		**600 450**	402 597	466 680
Non-controlling interest		**7 839**	7 558	6 008
Total equity		**608 289**	410 155	472 688
Non-current liabilities		**251 352**	282 394	190 767
Interest-bearing borrowings	7	**160 449**	237 432	145 791
Financial liabilities		**39 986**	–	–
Deferred taxation liability		**50 917**	44 962	44 976
Current liabilities		**289 892**	355 233	301 422
Trade and other payables		**103 559**	105 292	105 552
Provisions		**17 101**	26 833	42 938
Deferred income	8	**109 116**	103 661	67 271
Current tax payable		**–**	10 423	6 811
Financial liabilities		**38 789**	72 576	59 476
Current portion of interest-free borrowings		**841**	–	–
Current portion of interest-bearing borrowings	7	**20 486**	36 448	19 374
Total equity and liabilities		**1 149 533**	1 047 782	964 877
Net asset value per share	(cents)	**399,26**	293,23	337,48
Tangible net asset value per share	(cents)	**13,54**	(83,41)	(34,18)
Liquidity ratio	(times)	**1,30**	0,96	0,86
Solvency ratio	(times)	**2,12**	1,64	1,96
Market price per share				
Close	(cents)	**1 598**	1 300	1 242
High	(cents)	**1 699**	1 400	1 450
Low	(cents)	**1 163**	820	800
Capital expenditure for the period	(R'000)	**5 779**	4 854	10 478
Capital commitments	(R'000)	**7 305**	4 950	13 084

** Refer to note 9.2*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Unaudited 6 months ended 31 Dec 2016 R'000	Unaudited 6 months ended 31 Dec 2015 R'000	Audited Year ended 30 June 2016 R'000
OPERATING ACTIVITIES				
Cash (utilised in)/generated from operations		(8 056)	27 193	173 602
Finance income	2	968	3 627	5 091
Finance costs	3	(9 993)	(4 512)	(15 377)
Dividends paid		(19 634)	(14 481)	(18 630)
Taxation paid		(25 816)	(17 471)	(55 029)
Net cash flow (utilised in)/generated from operating activities		(62 531)	(5 644)	89 657
INVESTING ACTIVITIES				
Property and equipment acquired		(4 044)	(3 851)	(7 934)
Intangible assets acquired and developed		(1 735)	(1 003)	(2 544)
Proceeds on disposal of property and equipment		138	70	178
Proceeds on disposal of asset held for sale		–	–	9 733
Net cash inflow/(outflow) on acquisition of subsidiaries	9.1	4 779	(129 927)	(137 791)
Net cash flows utilised in investment activities		(862)	(134 711)	(138 358)
FINANCING ACTIVITIES				
Proceeds from borrowings		201 500	227 478	267 431
Repayment of borrowings		(189 392)	(24 343)	(173 011)
Payment of financial liabilities		(24 860)	–	–
Issue of shares for cash		84 000	–	2 216
Net cash inflow from financing activities		71 248	203 135	96 636
Net increase in cash resources		7 855	62 780	47 935
Exchange differences on translation		845	3 841	817
Cash and cash equivalents at beginning of period		77 724	28 972	28 972
Cash and cash equivalents at end of period		86 424	95 593	77 724

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Other capital reserves R'000	Equity compen-sation reserve R'000	Asset revaluation reserve R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Attributable to equity holders of the parent R'000	Non-controlling interest R'000	Total R'000
Balance at 30 June 2015 (audited)	13	128 820	26 595	530	3 544	2 419	159 173	321 094	–	321 094
Total comprehensive income for the period	–	–	–	–	–	3 841	31 708	35 549	–	35 549
Profit for the period	–	–	–	–	–	–	31 708	31 708	–	31 708
Other comprehensive income for the period	–	–	–	–	–	3 841	–	3 841	–	3 841
Non-controlling interest arising on the acquisition of subsidiaries	–	–	–	–	–	–	–	–	7 558	7 558
Share-based payments	–	–	–	3 500	–	–	–	3 500	–	3 500
Issue of shares for business combination	1	69 795	(12 861)	–	–	–	–	56 935	–	56 935
Dividend paid	–	–	–	–	–	–	(14 481)	(14 481)	–	(14 481)
Balance at 31 December 2015 (unaudited)	14	198 615	13 734	4 030	3 544	6 260	176 400	402 597	7 558	410 155
Balance at 30 June 2016 (audited)	**14**	**200 831**	**34 574**	**5 725**	**3 544**	**3 209**	**218 783**	**466 680**	**6 008**	**472 688**
Total comprehensive income for the period	–	–	–	–	–	(665)	35 489	34 824	1 567	36 391
Profit for the period	–	–	–	–	–	–	35 489	35 489	1 567	37 056
Other comprehensive income for the period	–	–	–	–	–	(665)	–	(665)	–	(665)
Share-based payments	–	–	–	2 000	–	–	–	2 000	–	2 000
Issue of shares for business combination	–	34 574	(34 574)	–	–	–	–	–	–	–
Shares issued during the year	1	84 517	–	(518)	–	–	–	84 000	264	84 264
Shares to be issued	–	–	32 580	–	–	–	–	32 580	–	32 580
Dividend paid	–	–	–	–	–	–	(19 634)	(19 634)	–	(19 634)
Balance at 31 December 2016 (unaudited)	**15**	**319 922**	**32 580**	**7 207**	**3 544**	**2 544**	**234 638**	**600 450**	**7 839**	**608 289**

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim results for the six months ended 31 December 2016 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports, the requirements of the Companies Act applicable to condensed financial statements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and contain information required by IAS 34 Interim Financial Reporting. The accounting policies applied in preparation of these condensed consolidated interim results are in terms of IFRS and are consistent with those applied in the previous annual financial statements.

The report was prepared under the supervision of the Chief Financial Officer, Ms Nombali Mbambo CA(SA), and has not been audited by the Group's external auditors.

The unaudited condensed consolidated interim results were approved by the board of directors on 10 February 2017.

	Unaudited 31 Dec 2016 R'000	Unaudited 31 Dec 2015 R'000	Audited 30 June 2016 R'000
2. FINANCE INCOME			
Imputed interest	**1 326**	543	2 068
Bank interest	**968**	283	1 436
CQS	**–**	3 344	3 344
Other interest	**–**	–	311
Total finance income	**2 294**	4 170	7 159
3. FINANCE COSTS			
Borrowings	**9 993**	4 512	15 377
Financial liabilities (imputed)	**5 299**	3 352	6 921
Total finance cost	**15 292**	7 864	22 298

4. NORMALISED HEADLINE EARNINGS

Normalised headline earnings are calculated by adding back to headline earnings the amortisation of acquired intangible assets net of deferred taxation, as a consequence of the purchase price allocations completed in terms of IFRS 3 Business Combinations and fair value adjustments to financial liabilities (imputed interest) on outstanding contingent purchase considerations.

	Unaudited 31 Dec 2016 R'000	Unaudited 31 Dec 2015 R'000	Audited 30 June 2016 R'000
Reconciliation between headline earnings and normalised headline earnings for the period:			
Headline earnings	**35 515**	31 673	78 259
Amortisation of intangible assets acquired	**13 501**	4 390	17 084
Deferred taxation on amortisation of intangible assets acquired	**(3 780)**	(1 229)	(4 783)
Fair value adjustment to financial liability (imputed interest)	**5 299**	3 352	6 921
Normalised headline earnings	**50 535**	38 186	97 481
Weighted average number of ordinary shares in issue (000)	**145 476**	132 178	136 016
Normalised headline earnings per share (cents)	**34,74**	28,89	71,67

5. DIVIDENDS

Ordinary dividend number 14 of 13,40 cents per share was paid to shareholders on 19 September 2016.

It is Group policy to consider declaration of dividends at the end of the financial year and not at the interim reporting date.

	Unaudited 31 Dec 2016 R'000	Unaudited 31 Dec 2015 R'000	Audited 30 June 2016 R'000
6. GOODWILL			
Carrying amount at beginning of period	**472 515**	276 525	276 525
Acquisition of CQS	**–**	195 990	195 990
Acquisition of EasyRoster	**48 396**	–	–
Carrying amount at end of period	**520 911**	472 515	472 515
Comprising:			
Cost	**520 911**	527 466	472 515
Goodwill is allocated as follows:			
– Adapt IT Proprietary Limited	**276 525**	276 525	276 525
– CQS	**195 990**	195 990	195 990
– EasyRoster	**48 396**	–	–
Total	**520 911**	472 515	472 515

The recoverable amount of goodwill has been determined based on a value-in-use calculation using cash flow projections from financial forecasts approved by senior management covering a five-year period. Cash flow projections take into account past experience and external sources of information. The valuation method used is consistent with the prior year. There have been no accumulated impairment losses recognised to date.

The key assumptions used in the testing of goodwill are:

- Discount rate of 14% (2015: 12%) (weighted average cost of capital); and
- Projected cash flows for the five years based on a 5% (2015: 5%) growth rate.

	Unaudited 31 Dec 2016 R'000	Unaudited 31 Dec 2015 R'000	Audited 30 June 2016 R'000
7. INTEREST-BEARING BORROWINGS			
Non-current borrowings	**160 449**	237 432	145 790
– Investec Bank Limited	**148 555**	199 611	124 989
– Sanlam Capital Markets Limited	**11 894**	37 821	20 801
Current borrowings	**20 486**	36 448	19 374
– Investec Bank Limited	**1 576**	27 867	1 182
– Sanlam Capital Markets Limited	**18 910**	8 581	18 192
Total	**180 935**	273 880	165 164

The Investec Bank Limited loan was obtained in July 2015. The loan is a 60-month credit facility.

The interest is based on three month JIBAR plus a 3,2% margin. The interest rate during the period ranged between 10,508% and 10,558%.

The loan is secured by 100% of the shares held in Adapt IT Proprietary Limited and cession of book debts held by Adapt IT Holdings Limited and its subsidiaries.

Excess cash resources are used from time to time to reduce the facilities.

CQS has a loan with Sanlam Capital Markets Limited. The interest is charged at a fixed rate of 9,22% over a five-year loan period.

The loan is repayable in variable bi-annual instalments ending 28 February 2018. The loan is secured by a pledge of issued share capital, a cession of trade receivables and a notarial bond over all moveable assets of CQS.

	Unaudited 31 Dec 2016 R'000	Unaudited 31 Dec 2015 R'000	Audited 30 June 2016 R'000
8. DEFERRED INCOME			
Education segment	**91 020**	90 362	52 289
Manufacturing segment	**7 044**	9 666	4 630
Energy segment	**6 827**	3 258	5 088
Financial segment	**4 225**	375	5 264
Total	**109 116**	103 661	67 271

The Education segment deferred income relates to annual maintenance fees invoiced in advance for the year and usually collected at the end of January and February, the start of the education year.

The deferred income of other segments includes long-term software projects in progress, ongoing upgrades and other software-related projects for clients.

9. BUSINESS COMBINATIONS

9.1 Acquisition of subsidiary

On 1 August 2016, the Group acquired the entire issued share capital of EasyRoster Proprietary Limited and EasyRoster Software Proprietary Limited (`EasyRoster'). EasyRoster is South African registered.

EasyRoster is a leading Information Technology company with more than 20 years' experience and excellence in the development of software tools for operational management.

EasyRoster has an extensive national and international customer footprint in over 25 countries.

The purchase consideration consists of R1,6 million in cash paid on 12 January 2017, R17,1 million in shares to be issued in December 2017 at 1 595 cents per share, with a further contingent consideration of a maximum amount of R68,6 million, which is contingent upon the achievement by EasyRoster of EBITDA performance warranties over 48 months.

The fair value of the net assets acquired amounted to R23,0 million, resulting in goodwill of R48,4 million at acquisition. The purchase consideration paid for the combination effectively included amounts in relation to the benefit of the expected synergies, revenue growth, new market penetration and future market development.

The acquisition, which is in line with Adapt IT's strategy of targeted acquisitive growth, will augment the Group's Manufacturing segment.

The fair values of the identifiable net assets and liabilities of EasyRoster as at the date of acquisition were:

	Fair value recognised on acquisition R'000
9. BUSINESS COMBINATIONS CONTINUED	
9.1 Acquisition of subsidiary continued	
Assets	
Property and equipment	27
Intangible assets	33 201
Deferred taxation	256
Trade and other receivable	1 283
Cash and cash equivalents	4 779
Total assets	39 546
Liabilities	
Deferred tax liabilities	9 296
Current portion of interest-bearing borrowings	4 503
Trade and other payables	1 168
Current tax payable	1 534
Total liabilities	16 501
Total identifiable net assets	23 045
Goodwill arising on acquisition	48 396
Fair value of consideration payable:	71 441
Cash payable 12 January 2017	1 615
Shares to be issued in December 2017	17 155
Fair value of contingent purchase consideration owing in respect of acquisition and settled through cash when relevant warranties have been fulfilled	52 671
Fair value of consideration payable	71 441
Cash outflow on acquisition:	
Net cash acquired with the subsidiary	4 779
Cash paid	–
Net cash inflow on acquisition	4 779

The acquisition is provisionally accounted for in terms of the allowance per IFRS 3 Business Combinations.

From the date of acquisition, EasyRoster has contributed R4,0 million (R4,8 million if acquired with effect from 1 July 2016) to the profit after tax of the Group. Non-cash acquisition related expenses (amortisation of intangible assets and notional interest on deferred purchase consideration) amounted to R3,7 million after tax.

Cash acquisition related costs of R0,5 million have been expensed and are included in operational expenses on the statement of profit or loss and other comprehensive income.

9. BUSINESS COMBINATIONS CONTINUED

9.2 Measurement period adjustment

At 31 December 2015, the CQS acquisition was provisionally accounted for in terms of the allowance per IFRS 3 Business Combinations. The purchase price allocation valuation was completed by the year ended 30 June 2016 and included in the fair value of assets and liabilities recognised on acquisition.

Consequently, the comparative figures for 31 December 2015 have been adjusted. The effect of the adjustment is disclosed in the table below. There is no impact on the profit/loss for the period.

The effect on 31 December 2015 Group results is as follows:

Condensed consolidated Statement of financial position	As originally reported R'000	Measurement period adjustment R'000	Restated amount R'000
ASSETS			
Non-current assets	673 188	34 301	707 489
Property and equipment	36 287	–	36 287
Intangible assets	81 185	89 252	170 437
Goodwill	527 466	(54 951)	472 515
Equity accounted investment	628	–	628
Deferred taxation asset	27 622	–	27 622
Current assets	330 560	9 733	340 293
Trade and other receivables	233 343	–	233 343
Asset held for sale	–	9 733	9 733
Current tax receivable	1 624	–	1 624
Cash and cash equivalents	95 593	–	95 593
Total assets	1 003 748	44 034	1 047 782
EQUITY AND LIABILITIES			
Equity			
Share capital	14	–	14
Share premium	198 615	–	198 615
Other capital reserves	13 734	–	13 734
Equity compensation reserve	4 030	–	4 030
Foreign currency translation reserve	6 260	–	6 260
Revaluation reserve	3 544	–	3 544
Retained earnings	176 400	–	176 400
Equity attributable to shareholders of the company	402 597	–	402 597
Non-controlling interest	–	7 558	7 558
Total equity	402 597	7 558	410 155
Non-current liabilities	257 403	24 991	282 394
Interest-bearing borrowings	237 432	–	237 432
Deferred taxation liability	19 971	24 991	44 962
Current liabilities	343 748	11 485	355 233
Trade and other payables	98 985	6 307	105 292
Provisions	26 833	–	26 833
Deferred income	103 661	–	103 661
Current tax payable	5 245	5 178	10 423
Financial liabilities	72 576	–	72 576
Current portion of interest-bearing borrowings	36 448	–	36 448
Total equity and liabilities	1 003 748	44 034	1 047 782

10. SEGMENT ANALYSIS

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Monthly management meetings are held to evaluate segment performance against budget and forecast.

Management does not monitor assets and liabilities by segment.

The following tables present turnover and EBITDA information regarding the Group's operating segments for the six months ended 31 December 2016 and 31 December 2015, respectively:

	Education R'000	Manu-facturing R'000	Financial Services R'000	Energy R'000	Other R'000	Total R'000
Six months ended 31 December 2016						
Turnover	**84 655**	**122 315**	**162 472**	**91 249**	**–**	**460 691**
Segment EBITDA	**14 591**	**29 889**	**23 648**	**22 486**	**(745)**	**89 869**
EBITDA margin (%)	**17**	**24**	**15**	**25**	**–**	**20**
Six months ended 31 December 2015						
Turnover	87 753	112 533	42 725	67 427	–	310 438
Segment EBITDA	16 663	22 666	7 493	18 893	(3 462)	62 253
EBITDA margin (%)	19	20	18	28	–	20

CORPORATE INFORMATION

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Registration number 1998/017276/06
Share code: ADI
ISIN: ZAE000113163

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Sbu Shabalala *(Chief Executive Officer)*
Tiffany Dunsdon *(Commercial Director)*
Nombali Mbambo *(Chief Financial Officer)*
Bongiwe Ntuli*
Catherine Koffman*
Oliver Fortuin*
** Independent non-executive director*

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CORPORATE BANKERS
The Standard Bank of South Africa Limited
ABSA Bank

LEGAL REPRESENTATIVES
Garlicke & Bousfield
Eversheds
Shepstone & Wylie
Michalsons
Read Hope Phillips Thomas Cadman Incorporated

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