Dimension Data –
The Transformational Journey

Jason Goodall
Chief Operating Officer – Dimension Data
2 October 2015
Wholly-owned subsidiary of the NTT Group
2015 global revenues of USD 7.5 billion… 32-year track record

Client centric, services-focused business

72% of Global Fortune 100 and 60% of Global Fortune 500 are Dimension Data clients

Dimension Data today

Over 30,000 employees with operations in 58 countries across 5 regions

Over 6,000 enterprise clients across all industry sectors

Extensive experience in emerging markets
FY15 Group Regional Review

**AMERICAS**
Revenue: USD 2,176m
Employees: 2,635
Offices: 30 in 5 countries

**EUROPE**
Revenue: USD 2,007m
Employees: 5,114
Offices: 80 in 16 countries

**ASIA PACIFIC**
Revenue: USD 1,372m
Employees: 5,398
Offices: 50 in 13 countries

**MIDDLE EAST & AFRICA**
Revenue: USD 1,081m
Employees: 7,809
Offices: 43 in 15 countries (additional 8 countries with Plessey presence)

**AUSTRALIA**
Revenue: USD 906m
Employees: 2,909
Offices: 18 in 5 states/territories
Strong multi-national account base
G20 solution in the words of the client
7000 delegates seamlessly connected

10 000 devices securely supported

8TB of data generated and transmitted over the network in two days

300 wireless access points

700 concurrent thin client desktop sessions

70KM of cabling

14 000 resource hours

112 Dimension Data personnel deployed

Dimension Data Managed Cloud Platforms
G20 solution in the **words of the client**

**Client Success Factors**
- Don’t embarrass Australia
- Don’t leave any technology behind
- Don’t waste our taxpayers money

- **7000** delegates seamlessly connected
- **10 000** devices securely supported
- **8TB** of data generated and transmitted over the network in two days
- **300** wireless access points
- **70KM** of cabling
- **14 000** resource hours
- **112** Dimension Data personnel deployed
- **220** 700 concurrent thin client desktop sessions
Growing our Vendor market share

- Intel Security
- Cisco
- Blue Coat
- Check Point
- Genesys
- FireEye
- F5
- Riverbed
- Juniper Networks
- Alcatel-Lucent
- Palomar Networks
- Fortinet
- IMPERVA
- Skype for Business
- Aruba
Dimension Data’s journey with NTT

The first 5 years

Strategic objectives:

1. Growth
2. Client satisfaction
3. Employee satisfaction
Revenue

- 2010: 4.7
- 2011: 5.8
- 2012: 5.84
- 2013: 5.85
- 2014: 6.4
- 2015: 7.5

14% revenue growth in 2011, 6% in 2012, 4% in 2013, 10% in 2014, 16% in 2015.
Acceleration through M&A

(TEM)

(Consulting)

(Applications)

(Cloud)

(Managed services)

(Applications)

(Security)
Voice of the client

Net Angel Results
Employee satisfaction

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>3.58</td>
</tr>
<tr>
<td>2006</td>
<td>3.69</td>
</tr>
<tr>
<td>2007</td>
<td>3.77</td>
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<td>2008</td>
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<td>2013</td>
<td>3.86</td>
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<tr>
<td>2015</td>
<td>3.94</td>
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Our Transformational Strategy
Our Strategy: Client engagement

A full lifecycle of services to deliver **business value**

Technology-based services  
Outcome-based services
Our Strategy: Transform to a Level 3 & 4 Services company

Supplier operating model

<table>
<thead>
<tr>
<th>Basic</th>
<th>Complex</th>
<th>Optimise</th>
<th>Outcome</th>
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<td>Level 1</td>
<td>Level 2</td>
<td>Level 3</td>
<td>Level 4</td>
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- **Great technology**
- **Technology attached services**
- **Consulting, managed & ITO services**
- **Platform services**


Business value focused
Our Strategy: Transform to a Level 3 & 4 Services company

Supplier operating model

<table>
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<th>Basic Level 1</th>
<th>Complex Level 2</th>
<th>Optimise Level 3</th>
<th>Outcome Level 4</th>
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<td>Great technology</td>
<td>Technology attached services</td>
<td>Consulting, managed &amp; ITO services</td>
<td>Platform services</td>
</tr>
<tr>
<td>1983 Product focused</td>
<td>1995</td>
<td>2005</td>
<td>2013 Business value focused</td>
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- ITaaS
- RIM
- MSS
- MSEN
- MSDC
- EMaaS…
Our Strategy: Long term margin targets

Supplier operating model

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- Great technology
- Technology attached services
- Consulting, managed & ITO services
- ITaaS, RIM, MSS, MSEN, MSDC, EMaaS...

- 10% (down)
- 20 – 25% (down)
- 30%+ (up)
- 35%+* (up)

*at scale
Clients demanding a Global Experience

- Standalone operations
- Regionalised operations
- Integrated operations

- Procurement & Logistics
- Interconnected processes & systems
- Global systems regional instances

- Technology reseller
- Multi-vendor
- Geographic expansion
- ITO

- Installation & maintenance services
- Technology leadership
- Consulting
- Cloud services

- In-country focus
- Advanced services
- Managed Services
- Shared services

Maturing Dimension Data business model

Easy to do business with
- Standardise /
- Simplify /
- Automate

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How we compete - Our client value proposition

Client Services Portal

On-premise
Cloud
Hosted

Maintain and support
Operate and optimise
Manage and transform
Utility-based ITaaS services

Business value

One framework

Procurement, Implementation and integration
Architecture and operations consulting
Project and programme management operations
Adoption services
End-user consumption

Technology towers
Driving Profitability and Growth
From FY16 – Need to Drive Profitability

1. Profitable growth
2. Transformation & growth
3. Improve margins
IBM: -1%
Cisco: +4.2%
Microsoft: 7.7%
HP: -8%
EMC²: +2%
Capgemini: +9.8%
Wipro: +8.1%
CSC: -6.3%
VMware: +8%
Infosys: +5.7%
Dimension Data: +16.0%
Huge Currency Impacting on Financials

- EU (20%)
- Australia (41%)
- South Africa (19%)
- UK (8%)
- Malaysia (32%)
- India (12%)
- Singapore (13%)
Challenges to profitability | Traditional SI operating model

Technology

Gross profit dilution as a result of:

- commoditisation
- reducing volumes
- vendor competition
- cloud

Attach services margin pressure

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How we become more profitable – 3 Key Drivers

Drive efficiency and effectiveness in Dimension Data business

1. Delivery transformation
2. Leasing
3. Shared services transformation
4. Revenue mix change

Leverage opportunity as part of NTT Group

1. NTT Group savings leverage
2. NTT Group trading leverage
3. Cloud – scale and partnerships

Foundational

1. Acquisitions (higher margin businesses, transformation enabler)
2. People and culture
Client Benefits

3-Tier Delivery model
- Typical 30-35% reduction in operational support costs

Autonomic Service management
- Significant (circa 60%) reductions in mean time to resolution

Global Service Desk Operations for Support Services
- Single Point of Contact for first Level Support with >60% FCR rates.

Flexibility and quicker time-to-benefit
- Interoperability with existing user environment
- Augment with shortfalls after office hours.
- Intelligent dispatches.

Delivery transformation: 3 tier model

- 3-Tier Delivery model
- Typical 30-35% reduction in operational support costs
- Significant (circa 60%) reductions in mean time to resolution
- Single Point of Contact for first Level Support with >60% FCR rates.
- Interoperability with existing user environment
- Augment with shortfalls after office hours.
- Intelligent dispatches.
ITO – A combined NTT Value Proposition.

- Increased share of deals multi-tower (i.e., ADM plus infra) and centered around "transition and transformation" as opposed to "Take over and optimize" to shift mix to more profitable offerings

- Transformational deals used to be ~15% in 2009.. already at 33% now and increasing trend towards more as customers look to modernize infrastructure and apps together

- NTT group full stack capability will allow for greater win rates in these deals
Leverage opportunity as Part of NTT Group

1. Cloud and platform scale
2. NTT Group savings leverage
3. NTT Group trading leverage

Strengthen Services/Operations as NTT Group (Cloud/Security etc.)

Accelerate and pair with relevant services (ITO & security) aiming for market + growth

Shift to “one NTT group” procurement model for indirect and direct:
- Hardware & Software
- Real-estate
- Contractor

Use NTT Group’s services internally

Consolidate scale; pricing between retail & wholesale, eliminate margin on margin between Op Cos

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Drive cloud and platform scale – Global footprint

Global scale, local support

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5 Drive cloud and platform scale – Cloud partners

- Cisco
- OneCloud
- Deloitte
- SAP
- EMC
- Oracle
End-to-end SLA

First Month - monitored
3000 video calls

TCV
$50m

Managed video service and video help desk

190 countries

OPEX only model

Service offerings across 60 countries

Dedicated NTT MPLS video network

€49 billion

5 year contract

Managed video service and video help desk

173,000 people

Responsible for adoption not experience

TCV $50m

First Month - monitored
3000 video calls

End-to-end SLA

5 year contract

Responsible for adoption not experience
In Dimension Data we found a partner which wasn’t just adept at the technology, but one that really took time to understand the key role video plays in us hitting our goals around agile workforce and sustainable business operations.

– Ian Dunning, Services Director, Unilever

In our first year, to August 2015

• 103 700 000 miles in air and road travel saved
• 30,180 tonnes of carbon saved
• $9,5m saved in fuel and flight costs
• 339,000 man hours saved in travelling
## Foundation – acquisitions

<table>
<thead>
<tr>
<th>Strategic</th>
<th>Gross margin</th>
<th>Business Driven</th>
<th>Gross margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scale on platforms</td>
<td>35%</td>
<td>Scale in Support Services</td>
<td>25-30%</td>
</tr>
<tr>
<td>Higher margin services Consulting - GTM</td>
<td>25-30%</td>
<td>Geographic scale</td>
<td>18-21%</td>
</tr>
<tr>
<td>ITO and Managed Services</td>
<td>25-35%</td>
<td></td>
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Our transformation... in summary

1983-1990s
- Communications VAR

Early 2000s
- World's Largest Cisco VAR

Mid-late 2000s
- Global Network Integrator

Early 2010s
- Global IT Systems Integrator

... to 2015 and beyond...
- Global systems and services provider

Client-led
- Business outcomes-focused
- Differentiated with critical IP, with significant investments in cloud
- Services tied to platforms across NTT groups and platforms
- New operating model
- Approaching full-stack
- Global presence with significant U.S. and Europe expansions

Increasing market position
- Continued growth above market for each of our major markets
- Profitability improvement approaching market in each of our major markets