

01 Our Huge story

Our operating context

The environment in which Huge operates impacts on its ability to deliver the Growing Huge Strategy

Topic	> Issue	> Our response
SME customer base	Huge's customer real estate is predominantly SMEs	<p>Huge is an entrepreneurial business which is skilled in delivering to SMEs. Large service providers are not well positioned to deliver value to an SME customer base. SME customers have a sensitivity to price but cannot substitute quality, which is a core tenant of their own requirements to deliver their business imperative. Huge is able to deliver quality solutions at a low cost.</p> <p>Focus on the SME market provides Huge Group entities with the ability to cross-sell solutions from a captive distribution point.</p>
Challenging political, social and economic environment	The low growth rate prevalent in the country has a negative impact on sustainability of SMEs	<p>There is a positive outlook for economic recovery under the current political government regime. Huge's local focus is based in the view that it remains easier to make R15 in the South African economy than it is to make US\$1 in an international market.</p> <p>The key to successful economic reform lies in the ability of SMEs to grow. In order to grow, SMEs require cost effective and efficient means of communication, which Huge can provide. While the susceptibility of SMEs to economic challenges has increased Huge's churn rate, Huge remains well positioned to assist SMEs in remaining sustainable and growing the economy.</p>
Abundance of communication infrastructure	Huge is able to operate across various infrastructure platforms which provides it with improved purchasing and delivery power	<p>Huge has the ability to arbitrage the best cost structure for its customer real estate. As infrastructure has been commoditised, differentiation can only take place at a service level. Huge believes it has proven itself in this regard. Huge's expanded product and service offering also allows it to design options which match the customer's needs.</p> <p>Huge recognises that to be successful, its SME customer base has an imperative to deliver the same value as their larger competitors. To do so, these businesses require good quality connectivity at a low cost. Huge is well positioned to provide this for its customer base.</p>
Explosion in fintech opportunities	Investment in fintech is a strategic initiative of the Growing Huge Strategy but with a plethora of opportunities comes a concomitant degree of risk	<p>Through its Investment Committee, Huge focuses on accurate modelling and risk mitigation. Huge aims to build and acquire capacity and invests in the correct skills to leverage fintech opportunities correctly.</p> <p>Huge will therefore only invest in brownfields opportunities, which have a track record of delivery and ongoing commitment from the founding management teams, who retain 'skin in the game'.</p>
Rapid growth of Huge	Huge has grown exponentially in the last five years and anticipates that it will continue to do so in the future	<p>The past two financial years have seen considerable commitment from the Board in capacitating the head office to deliver the Growing Huge Strategy.</p> <p>Huge's growth strategy leverages the value from the compounding impact of growth in annuity revenue, which will deliver the cash generative growth required from investors.</p>