enX GROUP

SUMMARISED PRELIMINARY CONSOLIDATED FINANCIAL RESULTS

for the year ended 31 August 2018

Revenue
R7.4 billion
(2017: R6.2 billion)

Operating profit
R741 million
(2017: R673 million)

Adjusted HEPS
188.5 cps
(2017: 181.2 cps)

Obtained a zaA- credit rating from S&P Global Ratings

eXtract unbundled and R250 million loan repayment received in full

NATURE OF BUSINESS

enX is a diversified industrial Group that provides quality branded industrial equipment, petrochemical, fleet management and logistics products and related services.

enX is organised into three business segments as follows:

- enX Equipment ("**Equipment**"):
  - enX Industrial Equipment ("**EIE**") provides distribution, rental and value added services for industrial and materials handling equipment in South Africa, other African countries and the United Kingdom and Ireland ("**UK**"). EIE in South Africa is the market leader in materials handling and the sole distributor of Toyota Forklifts, BT warehousing equipment, Konecranes heavy duty forklifts and container handling equipment, Terberg Terminal Tractors, Hawker batteries and chargers, Hako Industrial cleaning equipment and Fassi truck mounted cranes in sub-Saharan Africa. Its UK operation, Impact**,** is the exclusive distributor for Cat Lift Trucks and Konecranes heavy duty forklifts and container handling equipment in the UK.
  - **Power** comprise New Way Power which manufactures, installs and maintains diesel generators as well as provides temporary power through Genmatics. The business also distributes a range of industrial and marine engines and components through Power O^2 which is the sole distributor of John Deere and Mitsubishi industrial engines in South Africa; and
  - **Wood** trades through Austro, which distribute professional woodworking equipment, tooling, edging and the provision of associated services such as blade sharpening and equipment maintenance. It is the sole distributor of Biesse equipment and Leitz tooling in South Africa.
- enX Fleet ("**Fleet**"):
  - The Eqstra Fleet Management and Logistics business ("**EFML**" or "**Eqstra**") provides a full spectrum of passenger vehicle services including leasing, fleet management, outsourcing solutions, maintenance, warranty management and vehicle tracking solutions. It also provides fleet management solutions for commercial vehicle fleet owners and logistics solutions. Its footprint is South Africa and sub-Saharan Africa. Eqstra's commercial vehicle operations are supported by a nationwide network of workshops and panel repair shops.
- enX Petrochemicals ("**Petrochemicals**"):
  - Centlube and African Group Lubricants ("**AGL**") produce and market oil lubricants and greases in South Africa and sub-Saharan Africa. They are the sole distributors of ExxonMobil lubricants (excluding marine and aviation) and Houghton International's Advanced Fluids Solutions and Services.
  - West African International ("**WAI**") and enX Polymers distribute plastics, polymers, rubber and speciality chemicals into Southern African. They are the sole agents and distributors of ExxonMobil chemicals in South Africa.

enX has a proven track record of acquiring quality industrial assets that have strong market positions that represent leading global brands with committed customer partnerships. We instil entrepreneurial management to drive returns through the disciplined allocation of capital. enX was founded in 2007, operates in fourteen countries and has over 2 500 employees.

FINANCIAL RESULTS

Overview

Revenue for the year increased to R7.4 billion (2017: R6.2 billion) with the inclusion of EIE and EFML for twelve months compared to ten months in the previous year. Consistent with prior disclosures, management has elected to disclose adjusted EBIT which provides a more meaningful reflection of sustainable earnings. Adjusted EBIT increased to R815 million (2017: R736 million).

Earnings

Adjusted headline earnings increased to R337 million (2017: R281 million) and translated into adjusted HEPS of 188.5 cents (2017: 181.2 cents). Earnings have been impacted by general sluggish economic market conditions especially in the Power industry.

Capex

Aligned to our growth strategy, capital expenditure increased to R1 781 million (2017: R1 385 million) primarily to re-invest in leasing fleets.

Funding

The Group's interest-bearing liabilities decreased slightly to R4 782 million (2017: R4 890 million). Leasing assets increased to R5 378 million (2017: R5 078 million). Bank covenants were all met during the year. The Group's higher average net borrowings for the year resulted in an increased net interest charge to R377 million (2017: R292 million).

The Group redeemed maturing notes amounting to R612 million during the year.

Investments

In October 2017 the Group unbundled its investment in eXtract Group Limited. During the year the Group purchased three forklift dealerships in the UK to grow its EIE geographic footprint, amounting to R76 million. In addition, the Group invested R53 million for 37% in a base oil supplier.

Cash flow

Cash flows from operating activities after capital expenditure amounted to R226 million (2017: R256 million). In addition, eXtract repaid its R250 million loan in full.

OPERATIONAL OVERVIEW

Equipment

Revenue of R3 719 million (2017: R3 063 million), adjusted EBIT of R401 million (2017: R346 million) and adjusted PBT of R223 million (2017: R197 million) were achieved.

The year under review produced satisfactory results for EIE. By all metrics the performance was better than the previous year. Margins are continuing on an acceptable trajectory. Both the SA and UK businesses performed well, and this is testament to the superior solutions, products and partnerships that have been forged over the years. The bulk of the revenue is earned from after-market sales and services. EIE's focus on its overhead recovery percentage contributed to performance. Despite the volatility in exchange rates all the businesses remained price competitive.

The Power business experienced difficult trading conditions in the first half of the year but managed to turn the performance in the second half despite a subdued trading environment. The Wood business experienced a small improvement in revenue however, due to this growth being driven more by lower margin equipment sales rather than higher margin consumables and services, profitability was down. The business introduced a rental solution to clients which has been well received.

Fleet

Revenues of R2 134 million (2017: R1 650 million), adjusted EBIT of R380 million (2017: R327 million) and adjusted PBT of R197 million (2017: R181 million) were achieved. Eqstra continued to attract new business with the emphasis on investment in sales resources as well as the implementation of "Quest", a bespoke integrated IT solution for Eqstra and its clients. Eqstra maintained its high quality blue chip customer base.

Unit and revenue growth in value added products ("**VAPs**"), particularly GPS and accident management, contributed positively to margins for the year.

Petrochemicals

The petrochemicals business achieved revenue of R1 625 million (2017: R1 539 million), adjusted EBIT of R80 million (2017: R101 million) and adjusted PBT of R56 million (2017: R77 million). The decline in profitability was the result of lower sales volumes to an overstocked blending customer depleting its existing stock holdings. This has subsequently reversed, and sales volumes are increasing. A new lubricants blend plant was commissioned during the year to service greater demand in production volumes, enabling growth in capacity. All key clients were retained with a number of additional mandates awarded during the year. A late surge in revenue at WAI contributed to revenue growth of 28%. This, together with strong margins, drove growth in profit of 69% on the prior year. Working capital requirements increased to support sales volumes.

PROSPECTS

Strategy

Our long-term goal is to build a growing, cash generative industrial business which over time consistently delivers returns on equity in excess of its cost of capital. We aim to do this by investing in assets and opportunities that:

- Drive differentiation and scale;
- Strengthen our partnerships with leading global brands;
- Expand our businesses geographically;
- Build an entrepreneurial culture;
- Maintain strong financial disciplines; and
- Ensure an ongoing social licence to conduct business.

We believe that operating on a decentralised basis is the most effective way to drive these strategies. As a result we have had success executing on many objectives that fall within these themes. Focusing our organic and acquisitive growth initiatives within our segments reduces the risks of growing as we have experienced teams, industry knowledge and infrastructure in place. The specific initiatives that we are pursuing are set out below:

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited as at 31 August 2018 R'000	Audited as at 31 August 2017 R'000
ASSETS		
Non-current assets	**6 781 132**	6 557 215
Property, plant and equipment	**397 055**	374 470
Leasing assets	**5 377 858**	5 077 814
Goodwill	**478 746**	504 510
Intangible assets	**400 245**	428 943
Trade, other receivables and derivatives	**7 540**	3 140
Investment in associate	**54 240**	–
Other investments and loans	**18 214**	142 908
Deferred taxation	**47 234**	25 430
Current assets	**2 928 340**	3 093 649
Trade, other receivables and derivatives	**1 117 551**	1 213 608
Inventories	**1 352 939**	1 229 624
Other investments and loans	**–**	94 415
Taxation receivable	**6 545**	26 020
Bank and cash balances	**451 305**	317 806
Assets held for distribution – eXtract	**–**	212 176
Total assets	**9 709 472**	9 650 864
EQUITY AND LIABILITIES		
Total shareholders' interests	**2 793 220**	2 715 250
Stated capital	**3 103 455**	3 087 083
Other reserves	**(681 952)**	(725 389)
Accumulated profits	**335 715**	322 145
Equity attributable to equity holders of the parent	**2 757 218**	2 683 839
Non-controlling interests	**36 002**	31 411
Non-current liabilities	**4 420 505**	4 534 345
Interest-bearing liabilities	**3 870 081**	4 002 506
Deferred vendor considerations	**11 989**	24 186
Non-current financial liabilities	**13 513**	–
Deferred taxation	**524 922**	507 653
Current liabilities	**2 495 747**	2 401 269
Interest-bearing liabilities	**832 161**	820 125
Deferred vendor considerations	**23 342**	26 898
Trade, other payables, provisions and derivatives	**1 548 604**	1 500 073
Taxation payable	**46 931**	37 824
Bank overdrafts	**44 709**	16 349
Total equity and liabilities	**9 709 472**	9 650 864
Supplementary information:		
Number of shares in issue	**181 317 725**	180 439 427
Number of shares in issue (net of treasury shares)	**179 288 484**	178 156 727
Net asset value per share (cents)	**1 537.9**	1 506.4
Net tangible asset value per share (cents)#	**1 110.1**	**1 047.7**

#Equity attributable to equity holders of the parent/Number of ordinary shares in issue net of treasury shares.

Equipment:
Growing our operations with the support of our global OEM partners

- EIE aims to expand its UK footprint and market share through the acquisition of complementary forklift businesses and strengthen its long-term partnership with Mitsubishi Caterpillar Forklifts Europe, the supplier of Cat Lift Trucks. EIE will also seek to grow forklift market share in line with Toyota's aspirations and improve operational efficiencies.
- The Board is exploring the potential disposal of the Power and Wood businesses.

Fleet:
Leveraging data to differentiate our product offering

- Eqstra is focused on growing revenues derived from VAPs, which are non-capital intensive, and which differentiates its offering. Capital has been made available to support their initiative to increase retention rates on existing business and pursue new leasing contracts. Following the implementation of Quest, further data and technology opportunities are being extracted to enhance our fleet management services and internal operational efficiencies. The board is in the process of considering a potential divestment of the fleet business to unlock maximum value for shareholders.

Petrochemicals:
Building a leading independent petrochemicals business in partnership with ExxonMobil

- The lubricants business will focus on growing its distribution and contract manufacturing volumes in sub-Saharan Africa. These growth opportunities have been enabled through the successful commissioning of its new inland blending plant, integrated customer relationships and strong partnership with ExxonMobil. It will continue to seek and develop new product distribution opportunities through this relationship.
- The chemicals business will focus on growing volumes in selected polymer and speciality chemicals. The business will also seek new distributorships, whereby it can increase sales volumes through its existing infrastructure.

Group:

The Group's aim is to continue to grow its investment in the EIE and Petrochemicals businesses.

Our funding plan over the next 18 months is aimed at extending our debt maturity profile, attracting a more diverse source of funds and achieving an "A" credit rating.

Outlook

The Group is in the process of assessing its investment portfolio with a view of optimising its allocation of capital and achieve its strategy of being an entrepreneurial, diversified industrial company with a shared ambition to be a preferred custodian of leading global brands. This process may involve divestment of some of its current investments.

On a constant currency basis, EIE is expected to deliver annualised earnings growth driven by the UK operations. Southern African forklift operations are expected to deliver solid performances.

The lubricant business received approval from ExxonMobil, allowing them to locally blend certain products. Local blending should make us more competitive. Supportive conditions in the polymers and rubber markets are expected to drive higher volumes and profitability.

Macro-economic conditions remained subdued. Whilst recognising this, enX believes that its business model defensive characteristics given the annuity generating nature of its products and assets, strong market positions, brand partnerships and long-term client commitments. The Group has an experienced, entrepreneurial management team who will continue to maintain strong relationships with its OEM's, customers, drive cost efficiencies and be alert to growth opportunities.

DIVIDENDS

In line with the Group policy to reinvest for growth, no cash dividend has been declared for the current and prior years.

NOTES

For and on behalf of the board

SB Joffe
Chief Executive Officer

JS Friedman
Chief Financial Officer

29 October 2018

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the year ended 31 August 2018 R'000	Audited for the year ended 31 August 2017 R'000
Revenue	**7 429 294**	6 218 342
Net operating expenses	**(5 479 869)**	(4 485 094)
Profit from operations before depreciation and amortisation	**1 949 425**	1 733 248
Depreciation and amortisation	**(1 141 121)**	(1 026 379)
(Loss)/profit on disposal of property, plant and equipment	**(1 036)**	27
Share-based payment expense	**(26 110)**	(6 708)
Foreign exchange losses	**(39 933)**	(27 085)
Operating profit	**741 225**	673 103
Impairment of goodwill	**(56 184)**	–
Fair value adjustment of investments	**–**	(736 563)
Profit/(loss) before interest and taxation	**685 041**	(63 460)
Net finance costs	**(377 176)**	(291 679)
Interest received	**24 423**	71 803
Interest paid	**(401 599)**	(363 482)
Share of profit/(loss) from associates	**1 246**	(2 620)
Profit/(loss) before taxation	**309 111**	(357 759)
Taxation	**(78 448)**	(103 368)
Profit/(loss) after taxation	**230 663**	(461 127)
Attributable to:		
Equity holders of the parent	**225 722**	(467 313)
Non-controlling interests	**4 941**	6 186
Profit/(loss) after taxation	**230 663**	(461 127)
Other comprehensive profit/(loss) net of taxation:		
Profit/(loss) after taxation	**230 663**	(461 127)
Items that may be reclassified subsequently to profit or loss:		
– Foreign currency translation reserve	**41 578**	4 108
Total comprehensive income/(loss)	**272 241**	(457 019)
Attributable to:		
Equity holders of the parent	**267 300**	(463 205)
Non-controlling interests	**4 941**	6 186
Total comprehensive income/(loss)	**272 241**	(457 019)
Supplementary information:		
Basic earnings/(loss) per share (cents)	**126.2**	(301.2)
Headline earnings/(loss) per share (cents)	**158.0**	(301.2)
Adjusted headline earnings per share (cents)	**188.5**	181.2
EBITDA	**1 835 568**	967 869
Adjusted EBIT	**815 185**	735 626
Adjusted headline earnings	**337 073**	281 072
Diluted earnings/(loss) per share	**124.7**	**
Weighted average number of shares in issue	**178 851 235**	155 154 559
Weighted average diluted number of shares in issue	**180 968 812**	**

*** The dilutionary instruments in issue have an anti-dilutionary effect.*

HEADLINE EARNINGS AND ADJUSTED HEADLINE EARNINGS RECONCILIATIONS

	Audited for the year ended 31 August 2018 R'000	Audited for the year ended 31 August 2017 R'000
Profit/(loss) after taxation attributable to equity holders of the parent	**225 722**	(467 313)
Adjusted for:		
Loss/(profit) on disposal of property, plant and equipment	**1 036**	(27)
Impairment of goodwill	**56 184**	–
Taxation effect on adjustments	**(290)**	8
Headline earnings/(loss) attributable to ordinary shareholders	**282 652**	(467 332)
Adjusted for:		
Share-based payment expense	**26 110**	6 708
Restructuring and transaction costs	**7 382**	28 720
Retrenchment costs	**5 636**	–
Amortisation of intangible assets*	**33 586**	27 311
Interest received – eXtract	**–**	(60 800)
Fair value adjustment of investments and associate losses – eXtract	**–**	738 967
Taxation effect on adjustments	**(18 293)**	7 498
Adjusted headline earnings attributable to ordinary shareholders^	**337 073**	281 072
EBIT RECONCILIATION		
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	**1 835 568**	967 869
Depreciation and amortisation	**(1 149 281)**	(1 033 949)
Earnings/(loss) before interest and taxation (EBIT)	**686 287**	(66 080)
Share-based payment expense	**26 110**	6 708
Restructuring and transaction costs	**7 382**	28 720
Retrenchment Costs	**5 636**	–
Amortisation of intangible assets*	**33 586**	27 311
Fair value adjustment of investments and associate losses – eXtract	**–**	738 967
Impairment of goodwill	**56 184**	–
Adjusted EBIT^	**815 185**	735 626
Adjusted EBIT %	**11**	12

^ *Adjusted headline earnings per share and adjusted EBIT take into account all the profits and losses from operational, trading, and funding activities for the year and exclude once off transaction costs, IFRS 2 costs, intangible asset amortisation (excluding software), fair value adjustments of investments and other once off items.*

* *The amortisation of intangible assets arising as part of business combinations has been added back for adjusted headlines earnings and adjusted EBIT.*

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited for the year ended 31 August 2018 R'000	Audited for the year ended 31 August 2017 R'000
Stated capital	**3 103 455**	3 087 083
Balance at beginning of the year	**3 087 083**	634 565
Increase through the issue of shares (net of costs)	**18 493**	2 494 201
Treasury shares	**(2 121)**	(41 683)
Other reserves	**(681 952)**	(725 389)
Balance at beginning of the year	**(725 389)**	(40)
Foreign currency translation reserve	**41 578**	4 108
Share-based payment expense	**1 859**	7 106
Transfer from accumulated profits of the fair value adjustment of investments	**–**	(736 563)
Accumulated profits	**335 715**	322 145
Balance at beginning of the year	**322 145**	52 895
Total comprehensive income /(loss) for the year	**225 722**	(467 313)
Transfer to other reserves of the fair value adjustment of investments	**–**	736 563
Unbundling dividend to shareholders	**(212 152)**	**–**
Non-controlling interest	**36 002**	31 411
Balance at beginning of the year	**31 411**	–
At acquisition of subsidiary	**–**	27 812
Total comprehensive income for the year	**4 941**	6 186
Dividends paid to minority shareholders	**(350)**	(2 587)
Total shareholders' interests	**2 793 220**	2 715 250

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited for the year ended 31 August 2018 R'000	Audited year ended 31 August 2017 R'000
Cash flows from operating activities	**2 007 418**	1 640 721
Cash generated from operations before working capital movements	**1 893 662**	1 699 545
Working capital movements	**559 935**	391 735
Interest received	**24 423**	71 803
Interest paid	**(401 022)**	(356 864)
Taxation paid	**(69 580)**	(165 498)
Cash flows from investing activities	**(1 656 842)**	(2 636 043)
Capital expenditure	**(1 781 109)**	(1 384 740)
Additions to goodwill	**(11 983)**	–
Proceeds on disposal of assets	**9 177**	12 859
Business combinations	**(67 179)**	(1 315 228)
Proceeds from other investments and loans	**194 252**	51 066
Cash flows from financing activities	**(248 827)**	1 288 782
Net movement in interest-bearing borrowings	**(238 803)**	(109 193)
Deferred vendor considerations paid	**(9 674)**	(40 989)
Payments on transactions with non-controlling interests	**(350)**	(2 587)
Net proceeds from shares issued	**–**	1 441 551
Net increase in cash and cash equivalents	**101 749**	293 460
Effects of exchange rate charges on cash and cash equivalents	**3 390**	–
Cash and cash equivalents at beginning of the year	**301 457**	7 997
Cash and cash equivalents at end of the year	**406 596**	301 457

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Sponsor
The Standard Bank of South Africa;

Transfer secretaries
Computershare Investor Services Proprietary Limited

Auditors
Deloitte & Touche

Company secretary
L Möller

Release date
29 October 2018

SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

	Equipment		Fleet		Petrochemicals		Group, financing and consolidation		Total	
	Audited for the year ended 31 August 2018 R'000	Audited for the year ended 31 August 2017 R'000	Audited for the year ended 31 August 2018 R'000	Audited for the year ended 31 August 2017 R'000	Audited for the year ended 31 August 2018 R'000	Audited for the year ended 31 August 2017 R'000	Audited for the year ended 31 August 2018 R'000	Audited for the year ended 31 August 2017 R'000	Audited for the year ended 31 August 2018 R'000	Audited for the year ended 31 August 2017 R'000
Revenue	**3 718 995**	3 062 983	**2 134 020**	1 649 884	**1 624 632**	1 538 666	**(48 353)**	(33 191)	**7 429 294**	6 218 342
– South Africa	**2 689 005**	2 322 261	**1 932 375**	1 453 546	**1 477 800**	1 449 123	**47 712**	72 785	**6 146 892**	5 297 715
– Rest of World	**1 017 326**	736 944	**179 717**	175 169	**133 075**	81 299	**–**	–	**1 330 118**	993 412
– Intercompany	**12 664**	3 778	**21 928**	21 169	**13 757**	8 244	**(96 065)**	(105 976)	**(47 716)**	(72 785)
EBITDA*	**971 717**	858 530	**857 140**	807 432	**87 044**	108 767	**(80 333)**	(806 860)	**1 835 568**	967 869
Depreciation and amortisation	**(622 491)**	(515 328)	**(482 338)**	(482 684)	**(10 169)**	(10 870)	**(34 283)**	(25 067)	**(1 149 281)**	(1 033 949)
EBIT	**349 226**	343 202	**374 802**	324 748	**76 875**	97 897	**(114 616)**	(831 927)	**686 287**	(66 080)
– South Africa	**270 820**	293 027	**335 215**	293 097	**53 840**	84 981	**(114 616)**	(831 927)	**545 259**	(160 912)
– Rest of World	**78 406**	50 175	**39 587**	31 651	**23 035**	13 006	**–**	–	**141 028**	94 832
Adjusted EBIT	**400 660**	345 706	**380 210**	326 760	**80 434**	101 381	**(46 119)**	(38 221)	**815 185**	735 626
Net finance costs	**(177 933)**	(149 047)	**(183 127)**	(145 735)	**(24 414)**	(23 960)	**8 298**	27 063	**(377 176)**	(291 679)
Adjusted profit/(loss) before taxation	**222 727**	196 659	**197 083**	181 025	**56 020**	77 421	**(37 821)**	(11 158)	**438 009**	443 947
Total assets	**4 676 400**	4 320 170	**3 050 455**	3 117 237	**997 906**	840 424	**984 711**	1 373 033	**9 709 472**	9 650 864
– Goodwill and intangible assets	**30 077**	13 235	**26 543**	8 391	**3 295**	2 881	**819 076**	908 946	**878 991**	933 453
– Leasing assets	**2 763 398**	2 494 411	**2 614 460**	2 583 403	**–**	–	**–**	–	**5 377 858**	5 077 814
– Inventories	**877 462**	810 449	**13 918**	27 630	**461 559**	391 545	**–**	–	**1 352 939**	1 229 624
– Trade, other receivables and derivative financial assets	**544 970**	612 677	**256 029**	290 651	**344 446**	311 547	**(20 354)**	1 873	**1 125 091**	1 216 748
– Other assets	**460 493**	389 398	**139 505**	207 162	**188 606**	134 451	**185 989**	462 214	**974 593**	1 193 225
Total liabilities	**3 567 297**	3 341 322	**2 457 554**	2 482 791	**778 819**	766 238	**112 582**	345 263	**6 916 252**	6 935 614
– Interest-bearing liabilities and overdraft	**2 553 820**	2 474 841	**1 874 605**	1 884 969	**284 609**	289 830	**33 917**	189 340	**4 746 951**	4 838 980
– Deferred vendor consideration	**5 000**	9 413	**–**	–	**30 331**	41 671	**–**	–	**35 331**	51 084
– Trade, other payables, provisions and derivatives	**768 342**	649 298	**307 696**	319 655	**453 553**	430 321	**19 013**	100 799	**1 548 604**	1 500 073
– Other liabilities	**240 135**	207 770	**275 253**	278 167	**10 326**	4 416	**59 652**	55 124	**585 366**	545 477
Capital expenditure net of proceeds	**851 287**	736 540	**893 843**	615 677	**26 768**	19 219	**34**	445	**1 771 932**	1 371 881
Number of employees	**1 811**	1 736	**563**	611	**129**	97	**15**	14	**2 518**	2 458
GEOGRAPHICAL SEGMENTATION										
Total assets	**4 676 400**	4 320 170	**3 050 455**	3 117 237	**997 906**	840 424	**984 711**	1 373 033	**9 709 472**	9 650 864
– South Africa	**3 155 168**	3 134 732	**2 674 156**	2 777 549	**952 563**	812 091	**984 711**	1 373 033	**7 766 598**	8 097 405
– Rest of World	**1 521 232**	1 185 438	**376 299**	339 688	**45 343**	28 333	**–**	–	**1 942 874**	1 553 459
Total liabilities	**3 567 297**	3 341 322	**2 457 554**	2 482 791	**778 819**	766 238	**112 582**	345 263	**6 916 252**	6 935 614
– South Africa	**2 370 495**	2 402 197	**2 339 710**	2 381 130	**754 511**	742 208	**112 582**	345 263	**5 577 298**	5 870 798
– Rest of World	**1 196 802**	939 125	**117 844**	101 661	**24 308**	24 030	**–**	–	**1 338 954**	1 064 816

* *Excludes intercompany management fees.*
No single customer exceeds 10% of group revenue.

BASIS OF PREPARATION

The summarised preliminary consolidated financial statements for the year ended 31 August 2018 have been prepared in accordance with the requirements of the JSE Listings Requirements applicable to summarised preliminary reports and the requirements of the Companies Act, No. 71 of 2008 of South Africa applicable to summarised financial statements. The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("**IFRS**"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting.

This report was compiled under the supervision of JS Friedman CA(SA), CFO of enX.

The accounting policies applied in the preparation of the consolidated financial statements (from which these summarised results are derived) are, in terms of IFRS, from and are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements.

	Audited for the year ended 31 August 2018 R'000
1. Capital commitments	
Total capital commitments contracted	**–**

Future expenditure will be financed from cash generated from operations and existing banking facilities.

Capital commitments of R16.5 million existed in the prior year.

On 13 February 2017 shareholders approved financial assistance in the form of a R15 million enX indemnity with regards to Capleverage Proprietary Limited.

There were no contingent liabilities at 31 August 2018.

2. Assets held for sale – eXtract

These assets were distributed via an *in specie* dividend declaration to enX shareholders on 13 October 2017, as part of the eXtract restructure agreement.

	Audited for the year ended 31 August 2018 R'000	Audited for the year ended 31 August 2017 R'000
3. Interest-bearing liabilities		
Medium Term Note Programme	**1 106 166**	1 233 897
Bank debt and overdraft – South Africa	**2 645 323**	2 776 806
Bank debt and overdraft – Rest of world	**995 462**	828 277
Deferred vendor considerations	**35 331**	51 084
	4 782 282	4 890 064
Comprising:		
Non-current	**3 882 070**	4 026 692
Current	**900 212**	863 372
	4 782 282	4 890 064

	Audited for the year ended 31 August 2018 R'000	Audited for the year ended 31 August 2017 R'000
4. Net finance costs		
Interest received – other	**11 875**	11 003
Interest received – eXtract	**–**	60 800
Interest paid	**(400 728)**	(356 864)
Deemed interest income/(expense)	**11 677**	(6 618)
	(377 176)	(291 679)

5. Fair value hierarchy disclosures

Valuation methodology

Level 1 – Valuations with reference to quoted prices in an active market:

Financial instruments valued with reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis. There are no level 1 financial instruments in the current year.

Level 2 – Valuations based on observable and unobservable inputs include:

Financial instruments valued using inputs other than quoted prices as described above for level 1 but which are observable for the asset or liability, either directly or indirectly, such as a quoted price for similar assets or liabilities in an active market; a quoted price for identical or similar assets or liabilities in inactive markets; a valuation model using observable inputs; and a valuation model using inputs derived from/corroborated by observable market data.

Level 3 – Valuations based on unobservable inputs include:

Financial instruments are valued using significant inputs which are not based on observable market data.

The table below shows the Group's financial assets and liabilities that are recognised and subsequently measured at fair value, analysed by valuation technique.

31 August 2018	Level 2 R'000	Level 3 R'000	Fair value R'000
Financial assets			
Other investments and loans	**–**	**18 214**	**18 214**
Designated as fair value through profit and loss – Derivative financial assets	**38 548**	**–**	**38 548**
	38 548	**18 214**	**56 762**
Financial liabilities			
	–	**–**	**–**

BUSINESS COMBINATIONS

The UK operation of EIE, Impact, acquired 100% of the share capital of three UK companies during the year, thus expanding its geographical footprint. The companies acquired were Bendigo Mitchell Limited on 17 October 2017, MacBrown Fork Truck Services Limited on 8 December 2017 and on 1 July 2018, Dechmont Forklift Trucks Limited, a dealer of CAT Fork Lift Trucks. These businesses operate in broadly the same geographical, product and customer markets as our current business operations.

In addition enX completed the acquisition of the Fleet business in Botswana by paying R12 million. This payment was recorded as additional goodwill in the Fleet cash-generating unit.

	R'000
Non-current assets	**73 820**
Current assets	**35 637**
Non-current liabilities	**(7 237)**
Current liabilities	**(25 949)**
Total identifiable net assets acquired	**76 271**
Total consideration transferred paid	**76 271**
Cash balances taken over	**(9 092)**
Net cash outflow on total acquisitions	**67 179**

The purchase price allocation is provisional and will be finalised on the first anniversary of the business combination.

Revenue of R48,5 million (£2.8 million) and net profit after taxation of R34,6 million (£0.2 million) have been included in these results with effect from the acquisition dates. If the acquisitions had occurred on 1 September 2017, the following amounts would have been included in the group results: Revenue of R90,1 million (£5.2 million) and net profit after taxation of R5,2 million (£0.3 million).

SUBSEQUENT EVENTS

Improved maturity profile

Post year-end the Group obtained a zaA- long-term national scale credit rating from S&P Global Ratings. This achievement enabled to Group to raise funds in the capital market at improved rates and also broaden the scope of potential investors.

The banks agreed to extend R510 million of amortising bank term debt, improving the maturity profile of the Group over the next 18 months. In addition, R96 million of four-year notes were raised in the capital market.

The Group utilised cash received to early redeem R45 million of EQS05 bonds that were due to mature in April 2019.

Apart from the above, there have been no other material events subsequent to year-end.

AUDIT REPORT

enX's independent auditor, Deloitte & Touche, has issued its opinion on the consolidated and separate financial statements for the year ended 31 August 2018. The audit was conducted in accordance with International Standards on Auditing. Deloitte & Touche has issued an unmodified opinion. A copy of the independent auditor's report together with a copy of the audited consolidated and separate financial statements is available for inspection at enX's registered office during normal business hours from 29 October 2018.

The summarised preliminary consolidated financial statements have been derived from and are consistent in all material respects with the consolidated financial statements for the year ended 31 August 2018 but are not audited. The directors take full responsibility for the preparation of these summarised preliminary consolidated financial results and confirm that the financial information has been correctly extracted from the underlying audited consolidated financial statements. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditor. Shareholders are advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report together with the consolidated and separate audited consolidated financial statements as at 31 August 2018.

DIRECTORS

Executive directors: SB Joffe (Chief Executive Officer), JS Friedman (Financial Director)
Non-executive directors: PM Makwana* (Chairman), PC Baloyi, SF Booysen*, A Joffe, NV Lila*, LN Molefe*, PS O'Flaherty, AJ Phillips*
(Independent)*

The following changes to directorships took place during the year:

- TC Moodley resigned as a non-executive director, effective 21 December 2017;
- P Mansour, the previous Executive Deputy Chairman resigned as director, effective 31 December 2017 and was appointed Chief Investment Officer;
- JL Serfontein resigned as CEO, effective 31 December 2017;
- SB Joffe, the previous Chairman, was appointed CEO effective 1 January 2018;
- MP Makwana was appointed independent Chairman, effective 1 January 2018;
- LL von Zeuner resigned as independent non-executive director, effective 13 July 2018;
- IM Lipworth resigned as CFO and director, effective 31 August 2018;
- JS Friedman was appointed as CFO and director effective 1 September 2018; and
- A Joffe was appointed non-executive director effective 5 September 2018.