enX GROUP

SUMMARISED PRELIMINARY CONSOLIDATED FINANCIAL RESULTS

for the year ended 31 August 2019

Revenue from continuing operations
↑ R5.8 billion
2018: R5.3 billion

EIE PBT of
↑ R245 million
2018: R212 million

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

Classified enX Fleet as discontinued post-divestment announcement

NATURE OF BUSINESS

enX is a diversified industrial group that provides quality branded industrial, petrochemical, fleet management and logistics products and services, and represents leading global brands. enX is organised into three business segments as follows:

- enX Equipment ("**Equipment**"):
  - 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**");
  - **Power** comprises New Way Power which manufactures, installs and maintains diesel generators, Power 02 which distributes a range of industrial and marine engines as well as provides temporary power through Genmatics; and
  - **Wood** trades through Austro, which distribute professional woodworking equipment, tooling, adhesives and the provision of associated services.
- enX Petrochemicals ("**Petrochemicals**"):
  - Centlube and African Group Lubricants ("**Lubricants**") 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; and
  - West African International ("**Chemicals**") distribute plastics, polymers, rubber and speciality chemicals into Southern African. They are the sole agents and distributors of ExxonMobil chemicals in South Africa.
- Discontinued operations enX Fleet ("**Fleet**"):
  - Fleet 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. The Eqstra's commercial vehicle operations are supported by a nationwide network of workshops and panel repair shops.
  - Following a strategic review, the board decided to divest of its ownership in Fleet. This has resulted in the enX Fleet segment being classified as a discontinued operation.

FINANCIAL RESULTS

Overview

The year under review was extremely challenging. The solid performance from EIE and Fleet was largely offset by the disappointing results from the lubricants and Wood businesses. Earnings from continuing operations, which exclude Fleet, decreased from 52.8 cents per share to a loss of 40.1 cents per share and headline earnings from continuing operations decreased from 84.6 cents per share to 41.2 cents per share.

The annual review of the assumptions underlying the carrying values of the businesses comprising the Petrochemicals segment was undertaken. As a consequence of this review, the carrying values of this segment were impaired by R166.4 million. Therefore goodwill and intangible assets amounting to R93.5 million and R72.9million respectfully, including associated deferred tax assets, relating to the Lubricants CGU and Chemicals CGU respectively were impaired in the current year.

The poor performance at group level can largely be attributed to a pre-taxation loss of R79 million (2018: profit of R7 million) in the Lubricants business, a pre-taxation loss of R20 million (2018: profit of R10 million) in the Wood business and a sub-optimal performance in the Power business.

Remuneration policies have been improved to more closely align shareholder and management interests with the objective of maximising return on invested capital and growth over the long term. Roles have been modified with particular focus on reducing head office costs, which has relocated to the EIE premises. This has already resulted in direct cost benefit. The business model will be to operate a decentralised business model, but where possible take advantage of shared services and group buying power.

The most significant initiative undertaken during this financial year was the divestment of the enX Fleet segment.

Earnings

Headline earnings decreased to R253 million (2018: R283 million). This translates into headline earnings per share of 141.0 cents (2018: 158.0 cents) and comprises headline earnings per share of 41.2 cents from continuing operations and headline earnings per share of 99.8 cents from discontinued operations. Earnings have been impacted by general sluggish economic market conditions.

Capex

Aligned to our growth strategy, capital expenditure increased to R2 157 million (2018: R1 781 million), primarily invested in leasing fleets.

Funding

The group's interest-bearing liabilities increased to R5 282 million (2018: R4 782 million). Leasing assets increased to R5 937 million (2018: R5 377 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 R406 million (2018: R377 million).

The group redeemed maturing debt amounting to R476 million during the year.

enX Fleet divestment

On 15 July 2019 the group announced a transaction whereby Bidvest Bank will subscribe for shares in the enX Fleet business with enX fully divesting from the enX Fleet business at the same time. enX will retain the Fleet Management and Logistics' businesses in Lesotho and Zambia which are both in the process of being wound down. We await regulatory and shareholder approval for this transaction.

In terms of IFRS, enX is required to cease depreciation and amortisation on held-for-sale assets. This has resulted in a post-tax reduction in enX's depreciation expense of R44.7million. Had this depreciation been normally incurred, the effect would have been to reduce the Total and Discontinued EPS, Diluted EPS and HEPS as disclosed by 25cps respectively.

The divestment of enX Fleet will result in a substantial reduction in group debt and present the opportunity to restructure the remaining South African EIE debt with debt that is more closely aligned with EIE's underlying cash flows. Some of the cash raised may be deployed organically or to acquisitively grow the UK forklift business, where attractive returns in excess of our cost of capital are being generated. Unfortunately, as detailed in this report, Power, AGL and Wood have experienced operational setbacks and will require recapitalisation, which will be financed from the proceeds from the sale. Excess cash can also be returned to shareholders.

Further information relating to the divestment is detailed in the circular released on 1 November 2019. The board are working towards trying to close this transaction in the first quarter of 2020.

Cash flow

Cash flows from operating activities after capital expenditure amounted to an outflow of R421 million (2018: R226 million inflow). Included in working capital movements of R 296 million (2018: R560 million) is the reclassification of leasing assets into inventories, amounting to R493 million (2018: R512 million) in the current financial year.

OPERATIONAL OVERVIEW

Equipment

EIE produced profit before tax (PBT) of R245 million (2018: R212 million) from revenue of R3.5 billion (2018: R3.2 billion). In South Africa, revenue was R2.2 billion (2018: R2.4 billion) with PBT of R175 million (2018: R157 million), and in the UK turnover was R1.3 billion (2018: R1.0 billion) with PBT of R70 million (2018: R55 million).

The EIE Group celebrated 35 years as sole distribution of Toyota Forklifts in South Africa and performed well in the current financial year, despite extreme spikes and drops in market demand throughout the year. With the launch of two new products, namely CT Power Forklifts (owned by Toyota) and Sinoboom (an aerial platform solution), as well as completing the acquisition of Grant Handling in the UK, EIE continues to deliver as the group's flagship business. Our expanded UK footprint through Grant Handling provides enX with a solid foothold in the UK market, further positioning the group's future plans for European expansion.

Austro had an extremely challenging year, delivering a poor financial result. Unfortunately, there had been a build-up of stock in the business, in particular second-hand trade-in stock, which necessitated a stock write down of R8.5 million, which, on top of the trading loss of R11.5 million resulted in a loss before tax of R20 million (2018: R10 million profit). The market remains tough and we have therefore taken measures to improve profitability by reducing headcount, closing satellite offices, improving the business's virtual presence and invested in improving the sales team's utilisation. Further restructuring may be required in the 2020 financial year.

Power has had another disappointing year. Turnover for the year was R339 million (2018: R288 million) and unfortunately a loss of R3 million (2018: R53 million loss) was incurred. Subsequent to year-end a new management structure has been put in place in order to try return the business to profitability in FY2020. During the year, Power secured the agency for Moteurs Baudouin (part of Chinese manufacturing group, Weichai Power), to target a new market segment and augment our existing range of solutions with brand leaders John Deere, Mitsubishi and Grupel.

Petrochemicals

Chemicals's revenue increased 5% from R863 million to R910 million, PBT declined from R39 million in 2018 to the current year's R19 million. The polyethylene market (approximately 50% of our revenue) has become more competitive with the arrival of large quantities of very keenly priced material from competitors across the globe, as a result of new capacities coming on line and cheap feedstocks driven by shale gas availability in North America. This, coupled with an economy that is lacklustre, saw the demand from plastics convertors in our sector of the market very muted, creating an over-supplied situation. An extensive exercise was performed to assess the carrying value of Chemicals. As a consequence of the detailed review, a decision was taken to impair the goodwill by R52.5 million and the intangible assets by R14.7 million.

Lubricants incurred a loss of R79 million before tax (2018: R7 million profit). The business has largely completed the roll out of the ExxonMobil blending contract. It is focused now on growing its distribution and contract manufacturing volumes. Although local blending has strengthened the business's strategic positioning, our relationship with ExxonMobil, alignment with the government's local procurement policies, working capital management, price competitiveness and general business flexibility, the transition has proven to be far more challenging than anticipated. This led to a material contraction in gross margins and significant inventory impairments amounting to approximately R60 million. In addition, retrenchment and other restructuring costs have had to be incurred to improve production efficiencies. A new management team was introduced and is addressing these issues. We are closely monitoring and assessing the ability of this business to generate an appropriate return on capital. As a consequence of the poor performance goodwill was impaired by R42.7 million and the intangible assets by R36.6 million.

Fleet

Fleet performed satisfactorily despite a challenging macro environment. The strategy to invest in technology and automation has improved its overall value proposition and competitiveness. The investment in their core system has positioned the business well by improving customer satisfaction and reducing costs for both the company and its customers..

SUBSEQUENT EVENTS

Improved maturity profile

The group negotiated an amendment to the repayment terms pertaining to its main term loan facility by moving out the 29 May 2020, 31 August 2020 and 30 November 2020 repayments of R216,5 million each, across the remaining amortisation periods. This will increase the quarterly repayments to R 298 million. Repayments will commence on the 26 February 2021.

The group negotiated an amendment to the covenant levels pertaining to the credit facility relating to the Trading Business (Lubricants, Chemicals, Power and Wood CGU's) and a reduction in the revolving credit facility limit from R100 million to R75 million. The group has committed to introduce R80 million of subordinated funding the earlier of the first quarter end post the closing of the Fleet transaction and 1 December 2020.

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

OUTLOOK

Our immediate priorities are to complete the Fleet disposal and to continue with the turnaround of the underperforming businesses. We will follow a "back to basics" strategy by focusing on optimising those areas under our control and dealing decisively with the inherent structural inefficiencies in these businesses. Although we are confident that the underperforming businesses will produce positive cash flow we do not anticipate that they will earn the required return on invested capital in the short term.

The performance of EIE is dependent on trading conditions in South Africa. Although trading conditions remain challenging, we are hopeful that EIE will produce an acceptable result. A key focus area for EIE in the year ahead is to optimise its investment in working capital.

Due to its relatively small market share, our Impact Fork Trucks Limited ("**Impact UK**") business is less dependent on local market conditions, which have been disrupted as a consequence of the uncertainty around Brexit. We expect to show moderate growth in the UK as the benefits of the Grant Handling acquisition are realised.

We will continue to focus on reducing head office costs and other costs in all of our businesses. Our ongoing intention is to dispose of assets where we believe a return in excess of our cost of capital cannot be achieved in the medium term.

This outlook information has not been reviewed and reported on by the company's external auditors.

DIVIDENDS

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

For and on behalf of the board

GD Neubert
Chief Executive Officer

JS Friedman
Chief Financial Officer

25 November 2019

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited as at 31 August 2019 R'000	Audited as at 31 August 2018 R'000
ASSETS		
Non-current assets	**3 923 783**	6 781 132
Property, plant and equipment	**371 352**	397 055
Leasing assets	**3 043 620**	5 377 858
Goodwill	**209 221**	478 746
Intangible assets	**174 365**	400 245
Investment in associate	**59 205**	54 240
Unlisted investments and loans	**5 273**	18 214
Deferred taxation	**54 409**	47 234
Trade, other receivables and derivatives	**6 338**	7 540
Current assets	**2 847 069**	2 928 340
Trade, other receivables and derivatives	**930 761**	1 117 551
Inventories	**1 512 480**	1 352 939
Taxation receivable	**3 136**	6 545
Bank and cash balances	**400 692**	451 305
Assets held for sale	**3 591 421**	–
Total assets	**10 362 273**	9 709 472
EQUITY AND LIABILITIES		
Capital and reserves	**2 905 754**	2 793 220
Stated capital	**3 117 031**	3 103 455
Other reserves	**(684 860)**	(681 952)
Accumulated profits	**437 208**	335 715
Equity attributable to equity holders of the parent	**2 869 379**	2 757 218
Non-controlling interests	**36 375**	36 002
Non-current liabilities	**2 205 753**	4 420 505
Interest-bearing liabilities	**1 986 307**	3 870 081
Deferred vendor considerations	**2 655**	11 989
Non-current financial liabilities	**846**	13 513
Deferred taxation	**215 945**	524 922
Current liabilities	**2 611 297**	2 495 747
Interest-bearing liabilities	**1 260 520**	832 161
Deferred vendor considerations	**–**	23 342
Trade, other payables, provisions and derivatives	**1 294 844**	1 548 604
Taxation payable	**23 700**	46 931
Bank overdrafts	**32 233**	44 709
Liabilities associated with assets held for sale	**2 639 469**	–
Total equity and liabilities	**10 362 273**	9 709 472
Supplementary information:		
Number of shares in issue	**182 312 650**	181 317 725
Number of shares in issue (net of treasury shares)	**179 676 859**	179 288 484
Net asset value per share (cents)	**1 597.0**	1 537.9
Net tangible asset value per share (cents)#	**1 410.7**	1 110.1

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

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Continuing operations	Audited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000
Revenue	**5 802 764**	5 345 290
Net operating expenses	**(4 739 876)**	(4 231 974)
Profit from operations before depreciation and amortisation	**1 062 888**	1 113 316
Depreciation and amortisation	**(723 246)**	(664 623)
Profit/(loss) on disposal of property, plant and equipment	**659**	(1 011)
Share-based payment credit/(expense)	**7 026**	(20 702)
Foreign exchange losses	**(9 526)**	(39 266)
Operating profit	**337 801**	387 714
Impairment of goodwill and intangible assets	**(166 395)**	(56 184)
Profit before interest and taxation	**171 406**	331 530
Net finance costs	**(213 402)**	(193 519)
Interest received	**5 237**	22 428
Interest expesne	**(218 639)**	(215 947)
Share of profits from associate	**4 965**	1 246
(Loss)/profit before taxation	**(37 031)**	139 257
Taxation	**(32 148)**	(39 959)
(Loss)/profit after taxation	**(69 179)**	99 298
Attributable to:		
Equity holders of the parent	**(72 019)**	94 357
Non-controlling interests	**2 840**	4 941
(Loss)/profit after taxation	**(69 179)**	99 298
Discontinued operations		
Profit for the year from discontinued operations*	**177 830**	131 365
Net profit after taxation ("PAT")	**108 651**	230 663
Attributable to:		
Equity holders of the parent	**105 811**	225 722
Continuing operations	**(72 019)**	94 357
Discontinuing operations	**177 830**	131 365
Non-controlling interests	**2 840**	4 941
Net profit after taxation	**108 651**	230 663
Other comprehensive income net of taxation:		
Profit after taxation	**108 651**	230 663
Items that may be reclassified subsequently to profit or loss:		
– Foreign currency translation reserve	**(8 190)**	41 578
Total comprehensive income	**100 461**	272 241
Attributable to:		
Equity holders of the parent	**97 621**	267 300
Non-controlling interests	**2 840**	4 941
Total comprehensive income	**100 461**	272 241
(Loss)/profit per share from continuing operations		
Basic (loss)/earnings per share (cents)	**(40.1)**	52.8
Diluted (loss)/earnings per share (cents)**	**(40.1)**	52.1
Headline earnings per share (cents)	**41.2**	84.6
Profit per share from discontinued operations		
Basic earnings per share (cents)	**99.0**	73.4
Diluted earnings per share (cents)	**97.9**	72.6
Headline earnings per share (cents)	**99.8**	73.5
Weighted average number of shares in issue	**179 676 859**	178 851 235
Weighted average diluted number of shares in issue	**181 625 743**	180 968 812

* *During the current year the group entered into an agreement with Bidvest Bank to divest its ownership in enX Fleet. This resulted in enX Fleet being recognised as a discontinued operation in 2019. Therefore the statement of profit or loss and other comprehensive income for 2018 has been re-represented in accordance with IFRS 5.*

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

HEADLINE EARNINGS AND EBIT RECONCILIATIONS

	Audited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000
Profit after taxation attributable to equity holders of the parent	**105 811**	225 722
Adjusted for:		
Loss on disposal of property, plant and equipment	**1 468**	1 036
Impairment of goodwill and intangible assets	**166 395**	56 184
Taxation effect on adjustments	**(20 359)**	(290)
Headline earnings attributable to ordinary shareholders	**253 315**	282 652
Reconciliation of headline earnings – continuing operations		
Net (loss)/profit for the year attributable to equity holders of the parent	**(72 019)**	94 357
Adjusted for		
Profit on disposal of property, plant and equipment	**(659)**	1 011
Impairment of goodwill and intangible assets	**166 395**	56 184
Taxation effect on adjustment	**(19 763)**	(283)
Headline earnings attributable to ordinary shareholders – continuing operations	**73 954**	151 269
Reconciliation of headline earnings – discontinued operations		
Net profit for the year attributable to equity holders of the parent	**177 830**	131 365
Adjusted for		
Loss on disposal of property, plant and equipment	**2 127**	25
Taxation effect on adjustment	**(596)**	(7)
Headline earnings attributable to ordinary shareholders – discontinued operations	**179 361**	131 383
EBIT RECONCILIATION*		
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	**1 748 167**	1 834 322
Depreciation and amortisation	**(1 157 387)**	(1 149 281)
Earnings before interest and taxation (EBIT)	**590 780**	685 041
EBITDA – continuing operations	**905 077**	1 004 313
Depreciation and amortisation	**(733 671)**	(672 783)
EBIT – continuing operations	**171 406**	331 530
EBITDA – discontinued operations	**843 090**	830 009
Depreciation and amortisation	**(423 716)**	(476 498)
EBIT – discontinued operations	**419 374**	353 511

* *This reconciliation is unaudited*

enX GROUP LIMITED (Incorporated in the Republic of South Africa) (Registration number 2001/029771/06) JSE share code: ENX ISIN: ZAE000222253 ("enX" or "the Group")

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000
Stated capital	**3 117 031**	3 103 455
Balance at beginning of the year	**3 103 455**	3 087 083
Increase through the issue of shares	**12 138**	10 803
Transfer from treasury shares to issued shares	**1 438**	7 690
Additional treasury shares acquired	**–**	(2 121)
Other reserves	**(684 860)**	(681 952)
Balance at beginning of the year	**(681 952)**	(725 389)
Foreign currency translation reserve	**(8 190)**	41 578
Share-based payment expense	**5 282**	1 859
Accumulated profits	**437 208**	335 715
Balance at beginning of the year	**335 715**	322 145
Adjustment to the opening balance arising from the initial application of IFRS 9 and 15 (net of taxation)	**12 695**	–
Balance as at 1 September 2018	**348 410**	322 145
Total comprehensive income for the year	**105 811**	225 722
Acquisition of minority interest in subsidiary	**(17 013)**	–
Unbundling dividend to shareholders	**–**	(212 152)
Non-controlling interest	**36 375**	36 002
Balance at beginning of the year	**36 002**	31 411
Acquisition of minority interest in subsidiary	**(32)**	–
Total comprehensive income for the year	**2 840**	4 941
Dividends paid to minority shareholders	**(2 435)**	(350)
Total shareholders' interests	**2 905 754**	2 793 220

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000
Cash flows from operating activities	**1 736 384**	2 007 418
Cash generated from operations before working capital movements	**1 908 585**	1 893 662
Working capital movements	**296 421**	559 935
Interest received	**7 231**	24 423
Interest paid	**(399 374)**	(401 022)
Taxation paid	**(76 479)**	(69 580)
Cash flows from investing activities	**(2 267 615)**	(1 656 842)
Capital expenditure	**(2 157 149)**	(1 781 109)
Additional purchase consideration enX Fleet segment	**–**	(11 983)
Proceeds on disposal of assets	**5 047**	9 177
Business combinations	**(112 404)**	(67 179)
Cash (outflow)/inflow from unlisted investments and loans	**(3 109)**	194 252
Cash flows from financing activities	**546 754**	(248 827)
Proceeds from interest-bearing liabilities	**1 036 868**	–
Repayment of interest-bearing liabilities	**(476 475)**	(238 803)
Deferred vendor consideration paid	**(11 204)**	(9 674)
Dividends paid to minority shareholders	**(2 435)**	(350)
Net increase in cash and cash equivalents	**15 523**	101 749
Effects of exchange rate changes on cash and cash equivalents	**4 384**	3 390
Cash and cash equivalents at beginning of the year	**406 596**	301 457
Cash and cash equivalents at end of the year	**426 503**	406 596
Bank and cash balances - continuing operations	**368 459**	406 596
Amount included in assets held for sale	**58 044**	–
Total group cash and cash equivalents	**426 503**	406 596

Registered office:
11 Gross Street, Tunney Industrial, Elandsfontein

Postal address:
PostNet Suite X86, Private Bag X7, Aston Manor, 1630

Sponsor:
The Standard Bank of South Africa Limited

Transfer secretaries:
Computershare Investor Services Proprietary Limited

Auditors:
Deloitte & Touche

Company secretary:
Acorim Secretarial and Governance (represented by Natasha Petrides)

Release date:
25 November 2019

DIRECTORS

Executive directors:	GD Neubert (Chief Executive Officer), JS Friedman (Financial Director)
Non-executive directors:	SF Booysen* (Chairman), PC Baloyi, A Joffe, LN Molefe*,B Ngonyama*, PS O'Flaherty, AJ Phillips*
	(Independent)*

The following changes to directorships took place during the year:

- M Makwana resigned as non-executive director, effective 31 July 2019;
- N Lila resigned as non-executive director, effective 12 July 2019;
- S Joffe resigned as director, effective 19 July 2019;
- GD Neubert appointed director and CEO effective 1 September 2019;
- B Ngonyama was appointed independent non-executive director, effective 19 July 2019;
- SF Booysen appointed chairman of the board, effective 3 July 2019; and
- JS Friedman resigned as CFO, effective 31 March 2020.

SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

	Equipment		Fleet [3]		Petrochemicals		Group, financing and consolidation		Total	
	Audited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000	Audited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000	Audited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000	Audited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000	Audited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000
Revenue[1]	**4 045 741**	3 718 995	**–**	2 134 020	**1 713 959**	1 624 632	**43 064**	(48 353)	**5 802 764**	7 429 294
– South Africa	**2 708 677**	2 689 005	**–**	1 932 375	**1 552 197**	1 477 800	**–**	47 712	**4 260 874**	6 146 892
– Rest of World	**1 334 258**	1 017 326	**–**	179 717	**159 958**	133 075	**49 351**	–	**1 543 567**	1 330 118
– Intercompany	**2 806**	12 664	**–**	21 928	**1 804**	13 757	**(6 287)**	(96 065)	**(1 677)**	(47 716)
EBITDA[2]	**1 108 655**	971 717	**–**	857 140	**(20 054)**	87 044	**(183 524)**	(81 579)	**905 077**	1 834 322
Depreciation and amortisation	**(686 733)**	(622 491)	**–**	(482 338)	**(12 851)**	(10 169)	**(34 087)**	(34 283)	**(733 671)**	(1 149 281)
EBIT	**421 922**	349 226	**–**	374 802	**(32 905)**	76 875	**(217 611)**	(115 862)	**171 406**	685 041
– South Africa	**319 817**	270 820	**–**	335 215	**(40 811)**	53 840	**(211 755)**	(115 862)	**67 251**	544 013
– Rest of World	**102 105**	78 406	**–**	39 587	**7 906**	23 035	**(5 856)**	–	**104 155**	141 028
Net finance costs	**(200 321)**	(177 933)	**–**	(183 127)	**(29 151)**	(24 414)	**16 070**	8 298	**(213 402)**	(377 176)
Interest received	**1 335**	4 812	**–**	9 710	**3 053**	1 184	**849**	8 717	**5 237**	24 423
Interest expense	**(201 656)**	(182 745)	**–**	(192 837)	**(32 204)**	(25 598)	**15 221**	(419)	**(218 639)**	(401 599)
Share of profits from associate	**–**	–	**–**	–	**4 965**	–	**–**	1 246	**4 965**	1 246
Profit/(loss) before taxation	**221 601**	171 293	**–**	191 675	**(57 091)**	52 461	**(201 541)**	(106 318)	**(37 031)**	309 111
Headline earnings	**142 072**	179 424	**–**	151 732	**(41 257)**	37 881	**(26 861)**	(86 385)	**73 954**	282 652
Total assets	**5 374 840**	4 676 400	**–**	3 050 455	**877 745**	997 906	**4 109 688**	984 711	**10 362 273**	9 709 472
– Goodwill and intangible assets	**66 070**	30 077	**–**	26 543	**2 950**	3 295	**314 566**	819 076	**383 586**	878 991
– Leasing assets	**3 043 620**	2 763 398	**–**	2 614 460	**–**	–	**–**	–	**3 043 620**	5 377 858
– Investment in associate	**–**	–	**–**	–	**59 205**	–	**–**	54 240	**59 205**	54 240
– Inventories	**1 161 216**	877 462	**–**	13 918	**350 272**	461 559	**992**	–	**1 512 480**	1 352 939
– Trade, other receivables and derivative financial assets	**632 034**	544 970	**–**	256 029	**298 015**	344 446	**712**	(20 354)	**930 761**	1 125 091
– Other assets	**471 900**	460 493	**–**	139 505	**167 303**	188 606	**3 793 418**	131 749	**4 432 621**	920 353
Total liabilities	**4 088 070**	3 567 297	**–**	2 457 554	**623 729**	778 819	**2 744 720**	112 582	**7 456 519**	6 916 252
– Interest-bearing liabilities and overdraft	**2 965 854**	2 553 820	**–**	1 874 605	**249 506**	284 609	**63 700**	33 917	**3 279 060**	4 746 951
– Deferred vendor consideration	**–**	5 000	**–**	–	**2 655**	30 331	**–**	–	**2 655**	35 331
– Trade, other payables, provisions and derivatives	**903 296**	768 342	**–**	307 696	**369 170**	453 553	**21 988**	19 013	**1 294 454**	1 548 604
– Other liabilities	**218 919**	240 135	**–**	275 253	**2 399**	10 326	**2 659 032**	59 652	**2 880 350**	585 366
Capital expenditure net of proceeds	**1 035 154**	851 287	**–**	893 843	**10 025**	26 768	**–**	34	**1 045 179**	1 771 932
Number of employees	**1 830**	1 811	**–**	563	**131**	129	**10**	15	**1 971**	2 518
GEOGRAPHICAL SEGMENTATION	**–**						**–**		**–**	
Total assets	**5 374 840**	4 676 400	**–**	3 050 455	**877 745**	997 906	**4 109 688**	984 711	**10 362 273**	9 709 472
– South Africa	**3 563 585**	3 155 168	**–**	2 674 156	**821 471**	952 563	**3 995 584**	984 711	**8 380 640**	7 766 598
– Rest of World	**1 811 255**	1 521 232	**–**	376 299	**56 274**	45 343	**114 104**	–	**1 981 633**	1 942 874
Total liabilities	**4 088 070**	3 567 297	**–**	2 457 554	**623 729**	778 819	**2 744 720**	112 582	**7 456 519**	6 916 252
– South Africa	**2 648 867**	2 370 495	**–**	2 339 710	**593 469**	754 511	**2 719 047**	112 582	**5 961 383**	5 577 298
– Rest of World	**1 439 203**	1 196 802	**–**	117 844	**30 260**	24 308	**25 673**	–	**1 495 136**	1 338 954

(1) No single customer exceeds 10% of group revenue.
(2) Excludes intercompany management fees.
(3) The Fleet segment is held for sale as at 31 August 2019 and therefore no longer forms part of the segmental analysis in the current year.

BASIS OF PREPARATION

The summarised preliminary consolidated financial statements for the year ended 31 August 2019 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, and are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements except for the changes due to the adoption of IRFS9 and IFRS 15 in the current year. For the full impact of the adoption of these account policies please refer to the 2019 annual financial statements. The opening balance impact of these changes has been disclosed in the statement of changes in equity.

Information included in the preliminary report is extracted from audited information, but is not itself audited.

NOTES

		Audited for the year ended 31 August 2019 R'000
1.	**Assets held for sale and liabilities associated with assets held for sale – Fleet**	

enX Shareholders are referred to the announcement released on SENS on Monday, 15 July 2019 in terms of which enX Shareholders were advised that enX had concluded a Subscription Agreement with Bidvest Bank ("Bidvest") which, once implemented, will result in enX divesting of the enX Fleet business.

Operating assets	**3 531 051**
Other assets	**60 370**
Total assets held for sale	**3 591 421**
Operating liabilities	**2 297 419**
Other liabilities	**342 050**
Total liabilities relating to assets held for sale	**2 639 469**

		2019 R'000	2018 R'000
2.	**Discontinued operations**		
	Consolidated discontinued statement of comprehensive income		
	Revenue	**1 988 087**	2 084 004
	Net operating expenses	**(1 142 456)**	(1 247 895)
	Profit from operations before depreciation and amortisation	**845 631**	836 109
	Depreciation and amortisation	**(423 716)**	(476 498)
	Loss on disposal of property, plant and equipment	**(2 127)**	(25)
	IFRS 2 charges	**(447)**	(5 408)
	Foreign exchange gains/(losses)	**33**	(667)
	Profit before interest and taxation	**419 374**	353 511
	Net finance costs	**(193 078)**	(183 657)
	Interest received	**1 994**	1 995
	Interest expense	**(195 072)**	(185 652)
	Net profit before taxation	**226 296**	169 854
	Taxation	**(48 466)**	(38 489)
	Net profit after taxation from discontinued operations	**177 830**	131 365
	Cash flows from discontinued operations		
	Net cash flows from operating activities	**982 384**	1 010 327
	Net cash flows from investing activities	**(1 105 947)**	(863 407)
	Net cash flows from financing activities	**122 924**	(122 540)
	Net cash flow	**(639)**	24 380

		Audited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000
3.	**Interest-bearing liabilities**		
	Medium Term Note Programme	**1 041 380**	1 106 166
	Bank debt and overdraft – South Africa	**3 097 335**	2 645 323
	Bank debt and overdraft – Rest of world	**1 175 561**	995 462
	Deferred vendor considerations	**2 655**	35 331
		5 316 931	4 782 282
	Comprising:		
	Non-current	**1 988 962**	3 882 070
	Current	**1 292 753**	900 212
	Held for sale	**2 035 216**	–
		5 316 931	4 782 282

		Audited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000
4.	**Net finance costs**		
	Interest received – other	**7 231**	11 875
	Interest expense	**(412 674)**	(400 728)
	Deemed interest (expense)/income	**(1 037)**	11 677
		(406 480)	(377 176)
	Continuing operations	**(213 402)**	(193 519)
	Discontinued operations	**(193 078)**	(183 657)
		(406 480)	(377 176)

		Audited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000
5.	**Revenue**		
	Revenue recognised at a point in time		
	Sale of capital goods	**1 501 322**	1 449 991
	Sale of goods, consumables and parts	**2 014 577**	1 859 000
	Sale of used goods	**671 466**	650 572
	Total revenue recognised at a point in time	**4 187 365**	3 959 563
	Revenue transferred over time		
	Leasing rentals	**2 315 542**	2 218 116
	Maintenance and service revenue	**1 111 114**	1 042 610
	Value added products	**148 347**	168 211
	Other revenue	**28 483**	40 794
	Total revenue transferred over time	**3 603 486**	3 469 731
	Total revenue	**7 790 851**	7 429 294
	Discontinued operations	**1 988 087**	2 084 004
	Continuing operations	**5 802 764**	5 345 290

6. **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 2019	Level 2 R'000	Level 3 R'000	Fair value R'000
Financial assets			
Unlisted investments and loans	**–**	**5 273**	**5 273**
Designated as fair value through profit and loss – Derivative financial assets	**21 225**	**–**	**21 225**
	21 225	**5 273**	**26 498**

BUSINESS COMBINATIONS

The UK operation of EIE, Impact Fork Trucks Limited, acquired 100% of the share capital in Grant Handling Limited during the year, thus expanding its geographical footprint. Its business operates in broadly the same geographical, product and customer markets as Impact Fork Trucks Limited's current business operations.

The acquisition was funded from existing cash and funding resources within the UK. The aggregate amount paid for this company was GBP6.5 million.

Effect of Grant Handling Limited business combination	R'000
Non-current assets	**132 712**
Current assets	**96 959**
Non-current liabilities	**(46 591)**
Current liabilities	**(54 826)**
Total identifiable net assets acquired	**128 254**
Total consideration transferred paid	**128 254**
Cash balances taken over	**(15 850)**
Net cash outflow on total acquisitions	**112 404**

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

Revenue of R136.0 million (£7.4 million) and net profit after taxation of R5.8 million (£313 thousand) have been included in these results with effect from the acquisition date. If the acquisition had occurred on 1 September 2018, the following amounts would have been included in the group results: Revenue of R314.3 million (£17.1 million) and net profit after taxation of R14.2 million (£772 thousand).

In addition, enX completed the acquisition of the remaining 15% of GPS Tracking Solutions, a company trading in the Fleet segment, for R17 million. This payment was recorded as additional goodwill in the Fleet cash-generating unit.

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 2019. 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 25 November 2019.

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 2019 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 2019.