



RESULTS PRESENTATION

for the six months ended
29 February 2020



■ Disclaimer

Certain statements in this presentation regarding enX's business operations may constitute "forward looking statements." All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of enX are forward looking statements. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute enX's current expectations based on reasonable assumptions. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. enX neither intends to nor assumes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In preparation of this document we used certain publicly available data. While the sources we used are generally regarded as reliable we did not verify their content. enX does not accept any responsibility for using any such information.



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WHO WE ARE

1. WHO IS ENX?

Who is enX?



EQUIPMENT



PETROCHEMICALS



FLEET#



Distribution, leasing, rental, after-market and value-added services for:

- Forklifts
- Port and crane equipment
- Materials handling equipment
- Power generators and wood machinery



Manufacturing and distribution of petrochemicals

- Oil lubricants and base oils
- Rubber chemicals, fillers, additives, natural and synthetic rubber
- Polyethylene, polystyrene and polypropylene



Full fleet of **Fleet management solutions** across all vehicle classes:

- Leasing
- Fleet management products and services
- Tracking
- Insurance and remarketing

enX Fleet was classified as a discontinued operation from 15 July 2019

The final outstanding condition precedent was not fulfilled by the long stop date of 4 May 2020, after half year

Fleet will be reclassified as a continuing operation during the second half of the 2020 financial year



WHO WE REPRESENT



WHO WE REPRESENT

Brand Recognition

Marketing Expertise

Research and Development

Growth Opportunities

GLOBAL BRAND



ExxonMobil

KONECRANES®



MARKET POSITION

1

3

1

2

1

1



KEY FOCUS AREAS



■ KEY FOCUS AREAS – Back to Basics

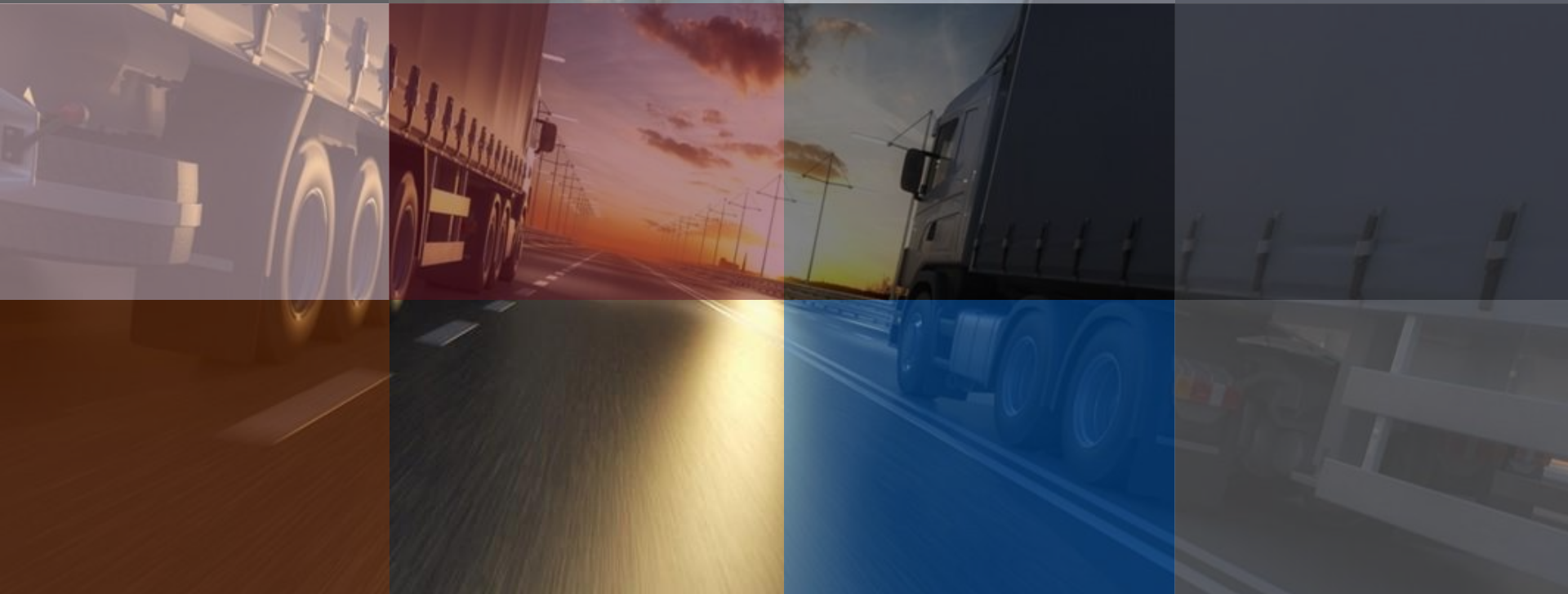
1. Steering our way through Covid-19 and returning stronger/more resilient
2. Fleet operation reclassified from discontinued back to continuing operations in H2 2020
3. Follow a “back to basics” strategy by:
 - Focus on optimising those areas under our control
 - Dealing decisively with the inherent structural inefficiencies in underperforming businesses
4. Driving operational costs lower through centralisation
5. Continued realignment of remuneration structures with shareholder interest

■ KEY FOCUS AREAS – Impacts of COVID-19

- Board & Exco constantly monitoring and considering developments
- Business Continuity Policy issued setting out detailed response plan
- Executive war room set up to respond to challenges
- Material negative impacts for Group:
 - Inability for customers to maintain payments within terms
 - Revenue lost from customers unable to operate
 - A general decline in revenues
 - Exchange rate volatility increasing the price of imports
- Majority of enX's businesses have been able to trade, but at lower capacity and revenues
- Gradual easing of lock down restrictions has lifted activity levels and improved revenue
- Health and safety of our stakeholders remains highest priority
- Stringent hygiene controls and protocols have been implemented



FINANCIAL PERFORMANCE



■ FINANCIAL PERFORMANCE – Profit before tax

- Challenging half-year
- Revenue from continuing operations of R2.850 billion (2019: R2.780 billion), up 3% on last year
- Robust performance from EIE, Chemicals and Lubricants
- Disappointing results from Power and Wood

PBT R' million			
Continuing	H1 2020	H1 2019	Variance
EIE	97	109	(12)
Chemicals	16	14	2
Lubricants	14	5	9
New Way Power	(10)	(2)	(8)
Wood	(10)	(1)	(9)
Discontinued	H1 2020*	H1 2019	Variance
Fleet	57	83	(26)

* In terms of IFRS 5, enX is required to cease depreciation and amortisation on held-for-sale assets
This has resulted in a reduction in enX's fleet depreciation expense of R269.6 million before tax
The impact of this has been adjusted for in the Fleet profit before tax to provide a like-for-like comparison
This has no impact on the prior year numbers



BUILDING OUR SEGMENTS

SEGMENTAL ANALYSIS – EIE



EIE*

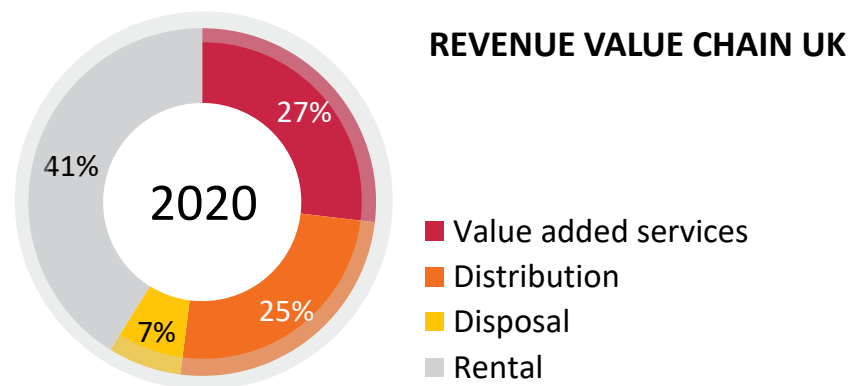
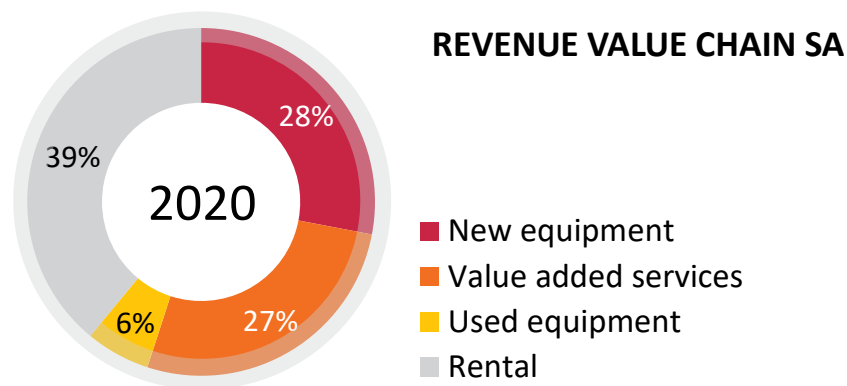
Rm	H1 2020	H1 2019
Revenue	1 804	1 655
EBIT	210	203
PBT	96	109
Leasing assets	3 207	2 849
Total assets	5 272	4 556
Interest-bearing liabilities	3 274	2 668

EIE (South Africa)

- Y-on-Y SA forklift market ↓ 14%
- Leasing assets ↑ 7%
- Higher borrowings to fund inventory and leasing assets
- Improvement in overhead recovery from aftermarket

EIE (United Kingdom)

- Acquired Grant Handling in March 2019
- Y-on-Y UK forklift market ↓ 11%
- Higher borrowings to fund inventory and leasing assets
- Very strong long-term rental performance
- Leasing assets ↑ 22%
- New sales revenue negatively impacted by rental/retail mix
- Robust service & parts revenue at good margins



■ SEGMENTAL ANALYSIS – EIE Leasing Book

EIE business:

Leasing book remains healthy with risks well managed:

- **Credit risk:** The book remains well diversified with the largest customer comprising ~2.0% and top 10 customers comprising ~11% of the long-term forklift leasing book
- **Interest rate risk:** Most of the contracts are variable and hence matched to funding
- **Residual value risk:** Residual values remain conservative and well within board mandated ranges
- **Sustainability:** The weighted average age of the long-term fleet:
 - Is ~3 300 hours (vs useful life of a forklift around 13 000 hours)
 - Is 25 expired contract period months (vs average contract period of 52 months)
- **Growth:** Capital inflows exceed depreciation over most of the run-off period of 60 months

SEGMENTAL ANALYSIS – Power and Wood



POWER AND WOOD*

Rm	H1 2020	H1 2019
Revenue	238	244
EBIT	(15)	(4)
PBT	(20)	(3)
Leasing assets	1	1
Total assets	482	410
Interest-bearing liabilities	87	71

H1 2020

Power

- Y-on-Y Revenue ↑ 8%
- Load shedding opportunities in residential market
- Increase in generator / engine sales
- Pressure on generator and engine margins, mainly in the data centre application space
- Increase in bad debt provisions

Wood

- Extremely depressed market
- Y-on-Y Revenue ↓ 22%
- Lower new equipment sales
- Restructuring charges and increased stock obsolescence provision

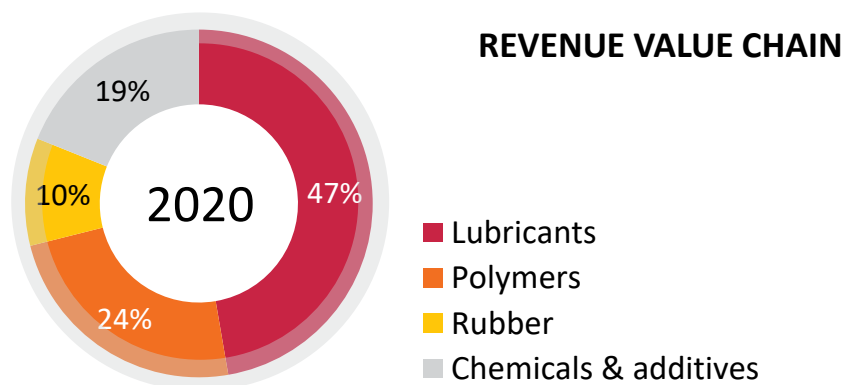
* Excludes EIE, will not agree to the segment report

SEGMENTAL ANALYSIS – Petrochemicals



PETROCHEMICALS

Rm	H1 2020	H2 2019
Revenue	828	866
EBIT	36	36
PBT	30	24
Inventories	353	465
Total assets	923	909
Interest-bearing liabilities	225	299



H1 2020

Lubricants

- Y-on-Y Revenue ↓ 3%
- Revenue decrease due to a change in product mix
- Profitability improved due to a shift towards higher margin products

Chemicals

- Y-on-Y Revenue ↓ 5%
- Profitability improved ↑ 14%
- Increased demand for rubber and chemical products offset by lower volumes of raw material for packaging products

SEGMENTAL ANALYSIS – Fleet

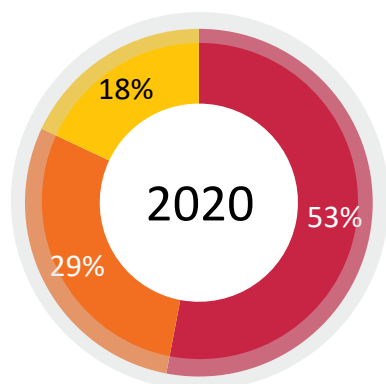


FLEET

Rm	H1 2020	H1 2019
Revenue	975	970
EBIT	422	178
Adjusted EBIT*	152	178
PBT	327	83
Adjusted PBT*	57	83
Leasing assets	3 168	2 762
Total assets	3 973	3 224
Interest-bearing liabilities	2 059	1 965

H1 2020

- Y-on-Y Revenue ↑ 1%
- Used vehicle market impacted by a depressed economy with many customers electing to extend leases rather than replace
- Growing revenues from value-added products with healthy margins
- Healthy growth in leasing book indicated by increase in capital spend of 13% Y-on-Y
- Investment in the ERP system, Quest, continued to deliver improved efficiencies
- Credit risk increasing placing pressure on profitability



REVENUE VALUE CHAIN

- Lease/rent
- Value add
- Remarketing

* In terms of IFRS 5, enX is required to cease depreciation and amortisation on held-for-sale assets
 This has resulted in a reduction in enX's Fleet depreciation expense of R269.6 million before tax
 The impact of this has been adjusted for in the Adjusted EBIT and adjusted PBT lines
 This has no impact on the prior year's numbers

■ SEGMENTAL ANALYSIS – Fleet Leasing Book

Fleet business:

Leasing book remains healthy with risks well managed:

- **Credit risk:** The book remains well diversified in terms of industry exposure and primarily blue-chip customers. The Top 5 customers account for around 40% of the Leasing Asset Net Book Value
- **Interest rate risk:** Primarily variable in nature and linked to prime rate movements
- **Residual value risk:** Residual values remain conservative with a positive achievement of residual values
- **Sustainability:** The weighted average age of the leasing book remains mid-life
 - 24.8 months for passenger vehicles
 - 37.6 months for commercial fleet
- **Customer Retention:** Reported a 90% customer retention and 16 new customers were added to the book during the period under review
- **Revenue Composition:** Sustained diversification of products showing a 50:50 split between leasing and value-added product (including used vehicle sales) revenue streams



FLEET DIVESTMENT



■ FLEET DISINVESTMENT – Subsequent event

- On 15 July 2019, enX announced the disinvestment of Fleet to Bidvest Bank and Fleet was classified as an asset held for sale
- From this date, depreciation and amortisation on the assets held for sale ceased in terms of IFRS 5
- Final condition precedent, being approval by the Prudential Authority as required by the Banks Act, was not fulfilled by the Long Stop date (4 May 2020)
- enX could not reach agreement with Bidvest to extend the Long stop date
- Subscription Agreement concluded did not become effective, which is a post balance sheet event after enX's Interim Reporting Date (29 February 2020)
- As a result, Fleet, which was classified as an asset held for sale at 31 August 2019 and at 29 February 2020, will be reclassified as a continuing operation in the second half of 2020 financial year
- Depreciation and amortisation from 15 July 2019 to 29 February 2020 will be re-instated
 - Post tax reduction in fleet depreciation and amortisation of R251.6 million or 139 c per share



FINANCIAL REVIEW

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2. Segmental analysis
3. Condensed statement of profit and loss
4. Condensed statement of financial position
5. Condensed statement of cash flows
6. Gross interest-bearing borrowings
7. Capital market evolution
8. Liquidity and funding

FINANCIAL PERFORMANCE

Performance showing as if fleet had been disclosed as a continuing operation

Total (R m)	29 Feb 2020 Reported	Adjustment ¹	29 Feb 2020 Proforma	28 Feb 2019 Reported	% change
EBITDA ²	1 032.1	-	1 032.1	976.5	+6%
EBIT	629.9	(283.5)	346.4	378.3	-8%
Net finance charges ²	223.3	-	223.3	196.3	+14%
Headline earnings	300.1	(204.1)	96.0	127.4	-25%
Basic earnings per share	166.9	(113.0)	53.9	71.2	-24%
Headline earnings per share	166.1	(113.0)	53.1	71.2	-25%

¹ The proforma figures include the impact of re-instating depreciation and amortisation for the six months ended 29 February 2020 on all assets for sale fleet designated assets amounting to an after-tax impact of R204.1 million (before tax R283.5 million) or 113 c per share

² EBITDA was positively impacted by R41.9 million being the reclassification of operating lease charges to depreciation and interest of R29.8 million and R12.1 million (continuing : R11.2 million and discontinued operations : R0.9 million) respectively in line with the adoption of IFRS16: Leases

■ FINANCIAL REVIEW

Proforma items shown as if Fleet had been disclosed as a continuing operation

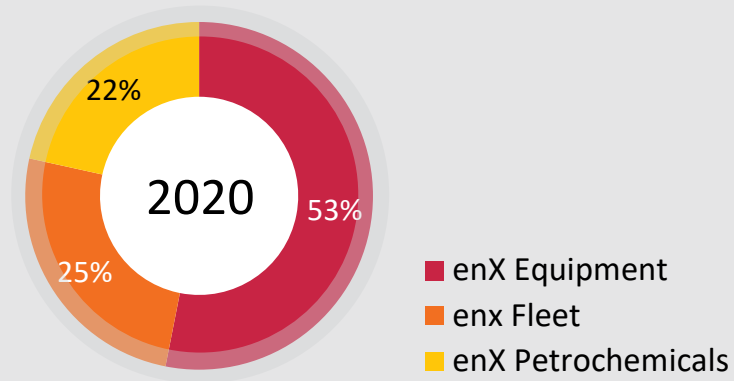
Key performance indicators – total operations

R'000	H1 2020	H1 2019
Revenue	3 824 647	3 749 868
Operating profit	629 961	378 321
Headline earnings	300 089	127 410
Pro-forma Headline earnings ¹	95 952	127 410
Pro-forma Basic earnings per share (cents) ¹	53.9	71.2
Pro-forma Diluted earnings per share (cents) ¹	53.4	70.2
Pro-forma Headline earnings per share (cents) ¹	53.1	71.2
Number of shares in issue	182 312 650	181 317 725
Weighed average number of shares in issue (net of treasury)	180 686 948	178 939 229
Net asset value per share (cents)	1 777.3	1 608.9
Net tangible asset value per share (cents)	1 586.6	1 186.2

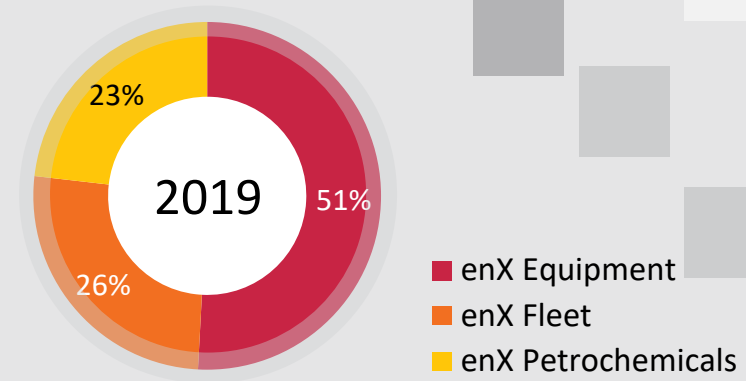
1. The proforma figures include the impact of re-instating depreciation and amortisation for the six months ended 29 February 2020 on all assets for sale fleet designated assets amounting to an after tax impact of R204.1 million (before tax R283.5 million) or 113 c per share

FINANCIAL REVIEW – Segmental analysis

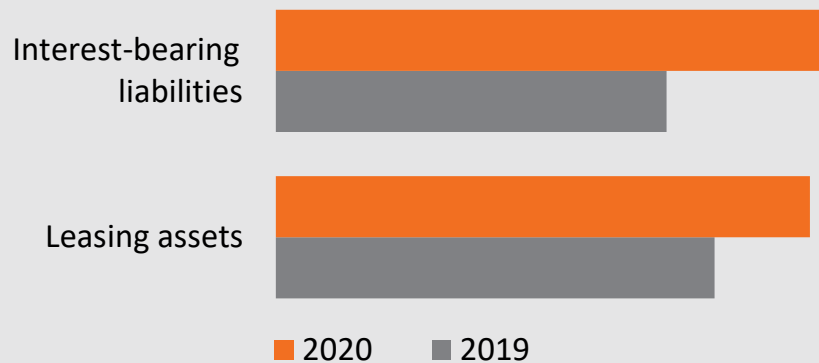
REVENUE



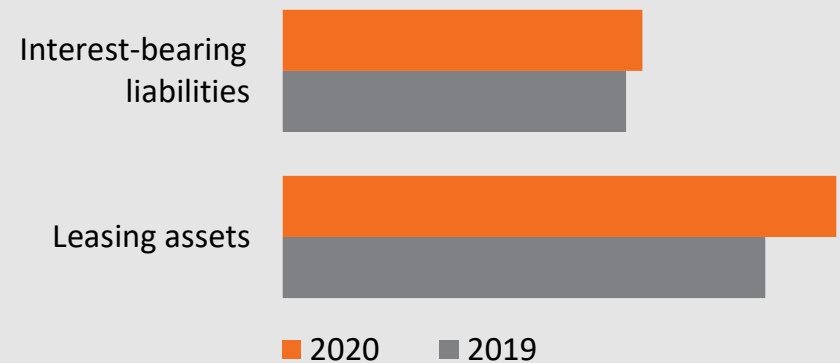
REVENUE



EQUIPMENT



FLEET



FINANCIAL REVIEW

Condensed statement of profit and loss



Continuing operations

R'000	H1 2020	H1 2019
Revenue	2 849 654	2 780 078
Net operating expenses	(2 235 374)	(2 214 228)
Profit before depreciation and amortisation	614 280	565 850
Depreciation and amortisation	(397 385)	(353 191)
Profit/(loss) on disposal of property, plant and equipment	1 965	(73)
Share-based payment expense	(1 086)	(3 014)
Foreign exchanges losses	(10 040)	(9 106)
Operating profit	207 734	200 466
Share of profit from associates	5 855	1 837
Net finance costs	(128 121)	(101 453)
Profit before taxation	85 468	100 850
Taxation	(25 363)	(35 505)
Profit after taxation from continuing operations	60 105	65 345
Profit for the year from discontinued operations – enX Fleet	242 546	63 985
Profit after taxation	302 651	127 357

FINANCIAL REVIEW

Condensed statement of profit and loss



Discontinued operations

R'000	H1 2020	H1 2019
Revenue	974 993	969 790
Net operating expenses	(551 738)	(551 032)
Profit before depreciation and amortisation	423 255	418 758
Depreciation and amortisation	-	(240 171)
Share-based payment expense	(1 135)	(710)
Foreign exchanges gains/(losses)	107	(22)
Operating profit	422 227	177 855
Net finance costs	(95 160)	(94 822)
Profit before taxation	327 067	83 033
Taxation	(84 521)	(19 048)
Profit after taxation from discontinued operations	242 546	63 985

In terms of IFRS 5, enX is required to cease depreciation and amortisation on held-for-sale assets

This has resulted in a reduction in enX's fleet depreciation expense of R269.6 million and amortisation of held for sale intangibles of R13.8 million (total depreciation and amortisation R283.4 million) for the six months ended 29 February 2020

The impact of this has not been adjusted in the Condensed Statement of Profit and Loss shown above

FINANCIAL REVIEW

Condensed statement of financial position



R'000	H1 2020	H1 2019
Goodwill	220 226	478 461
Leasing assets	3 207 754	5 611 832
Inventories	1 590 388	1 559 177
Trade, other receivables and derivatives	886 472	1 055 946
Other assets	913 932	925 383
Bank and cash balances	196 355	283 893
Assets held for sale – enX Fleet	3 972 664	-
Total assets	10 987 791	9 914 692

R'000	H1 2020	H1 2019
Total shareholders' interests	3 248 975	2 914 460
Interest-bearing borrowings, overdraft, vendor loans	3 436 391	4 947 324
Deferred taxation	220 475	542 985
Trade, other payables and derivatives	1 054 828	1 445 820
Other liabilities	262 123	64 103
Liabilities associated with assets held for sale – enX Fleet	2 764 999	-
Total equity and liabilities	10 987 791	9 914 692

FINANCIAL REVIEW

Condensed statement of financial position



Adjusted for comparatives

R'000	Per SENS H1 2020	Fleet Segment H1 2020	Adjusted total H1 2020	Per SENS H1 2019
Goodwill	220 226	181 589	401 815	478 461
Leasing assets	3 207 754	3 167 993	6 375 747	5 611 832
Inventories	1 590 388	39 794	1 630 182	1 559 177
Trade, other receivables and derivatives	886 472	269 655	1 156 127	1 055 946
Other assets	913 932	256 267	1 170 199	925 383
Bank and cash balances	196 355	57 366	253 721	283 893
Assets held for sale – enX Fleet	3 972 664	-	-	-
Total assets	10 987 791	3 972 664	10 987 791	9 914 692

R'000	H1 2020	H1 2020	H1 2020	H1 2019
Total shareholders' interests	3 248 975	-	3 248 975	2 914 460
Interest-bearing borrowings, overdraft, vendor loans	3 436 391	2 058 570	5 494 961	4 947 324
Deferred taxation	220 475	317 747	538 222	542 985
Trade, other payables and derivatives	1 054 828	287 683	1 342 511	1 445 820
Other liabilities	244 689	118 433	363 122	64 103
Liabilities associated with assets held for sale – enX Fleet	2 782 433	-	-	-
Total equity and liabilities	10 987 791	2 782 433	10 987 791	9 914 692

FINANCIAL REVIEW

Condensed statement of cash flows



R'000	H1 2020	H1 2019
Cash generated from operations before working capital movements	1 049 070	969 028
Working capital movements	64 520	(4 484)
Cash generated from operations	1 113 590	964 544
Net cash flows from interest and taxation	(287 342)	(244 736)
Net cash flows from operating activities	826 248	719 808
Net cash flows from investing activities	(1 101 308)	(1068 601)
Net cash flows from financing activities	101 107	207 872
Net increase in cash and cash equivalents	(173 953)	(140 921)

FINANCIAL REVIEW

■ Gross interest-bearing borrowings



Funding facilities (R'million)		Facility size	Utilised	Unutilised
enX Leasing (EIE and EFML) – South Africa		4 328	3 963	365
General banking		400	68	332
Term		2 583	2 583	-
Note specific liquidity		319	286	33
Outstanding notes		1 026	1 026	-
enX Leasing (EIE and EFML) – Rest of world		1 550	1 363	187
Asset backed funding	UK (EIE)	1 451	1 300	151
Other	UK (EIE)	93	60	33
General banking	Zambia (EFML)	6	3	3
enX Trading		289	236	53
General banking		150	117	33
Term (including revolving credit facility)		125	105	20
Deferred vendor consideration		3	3	-
Other		11	11	-
Total funding		6 167	5 562	605

Notes

As at 29 February 2020

Excludes deferred debt raising fees being amortised over the term of the debt

FINANCIAL REVIEW

■ Gross interest-bearing borrowings (continued)



enX Leasing SA Covenants ZAR (x)		Level	H1 2020	FY2019
Net total debt : EBITDA	Marginal increase	≤3.00	2.45	2.39
EBITA : net finance charges	Marginal decrease	≥1.20	1.74	1.87
Net total debt : equity	Stable	≤3.37	1.89	1.87
Loan to value	Stable	≤0.85	0.62	0.63

enX Trading SA Covenants ZAR (x)		Level ²	H1 2020	FY2019
Net debt to EBITDA ratio	Marginal increase	<3.50	1.71	1.58
Net interest cover ratio	Stable	>2.25	2.60	2.62
Security cover ratio	Decline	>1.40	7.64	8.67

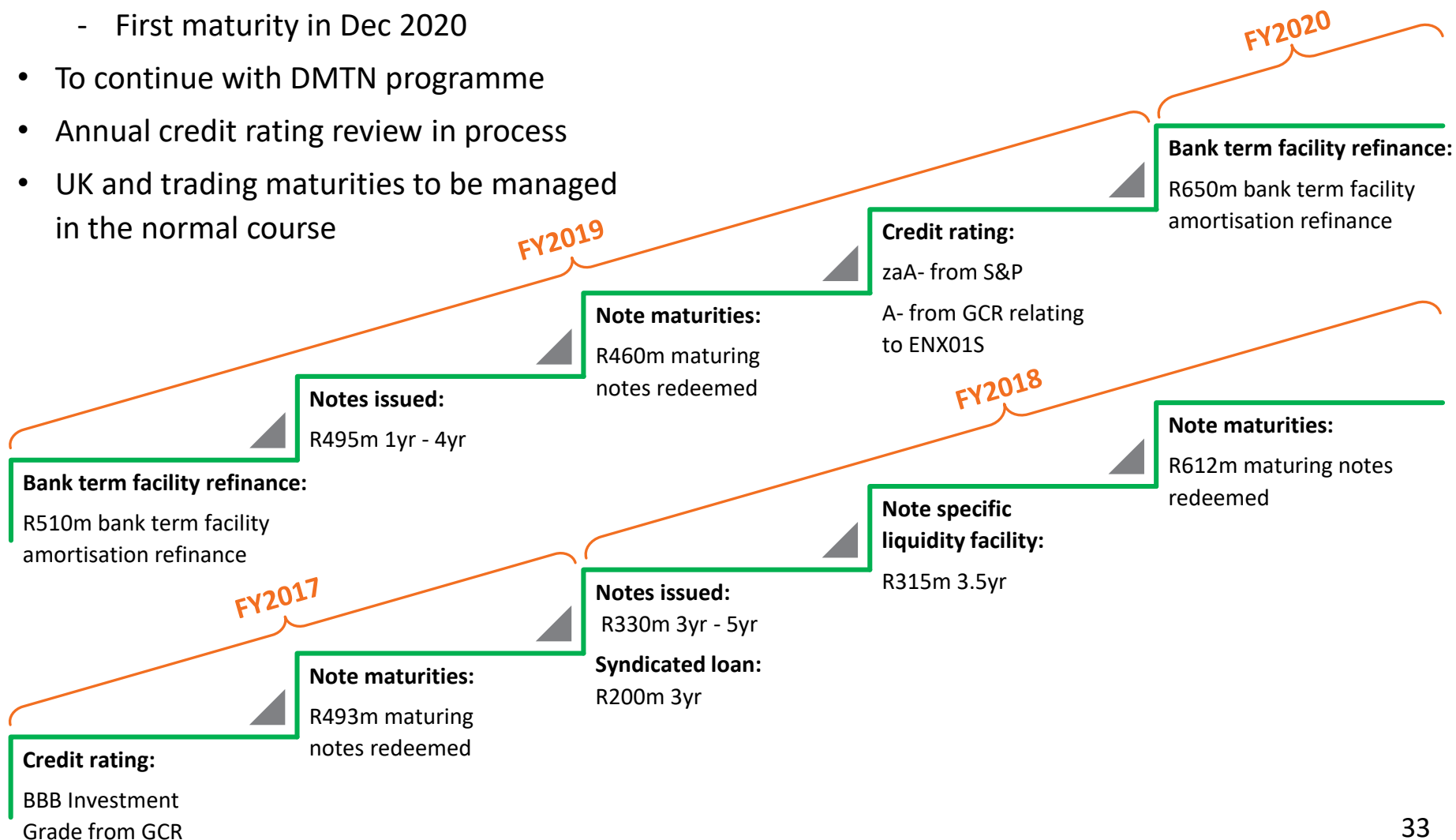
Impact UK Covenants GBP (x)		Level	H1 2020	FY2019
Net tangible assets	Improving	>9.5 million	21.5	19.2
Gross borrowing to EBITDA	Stable	<4.5	3.4	3.2
EBITDA to gross financing costs	Stable	>4.5	9.6	9.6
Rental fleet value cover	Stable	<0.9	0.88	0.897

Notes

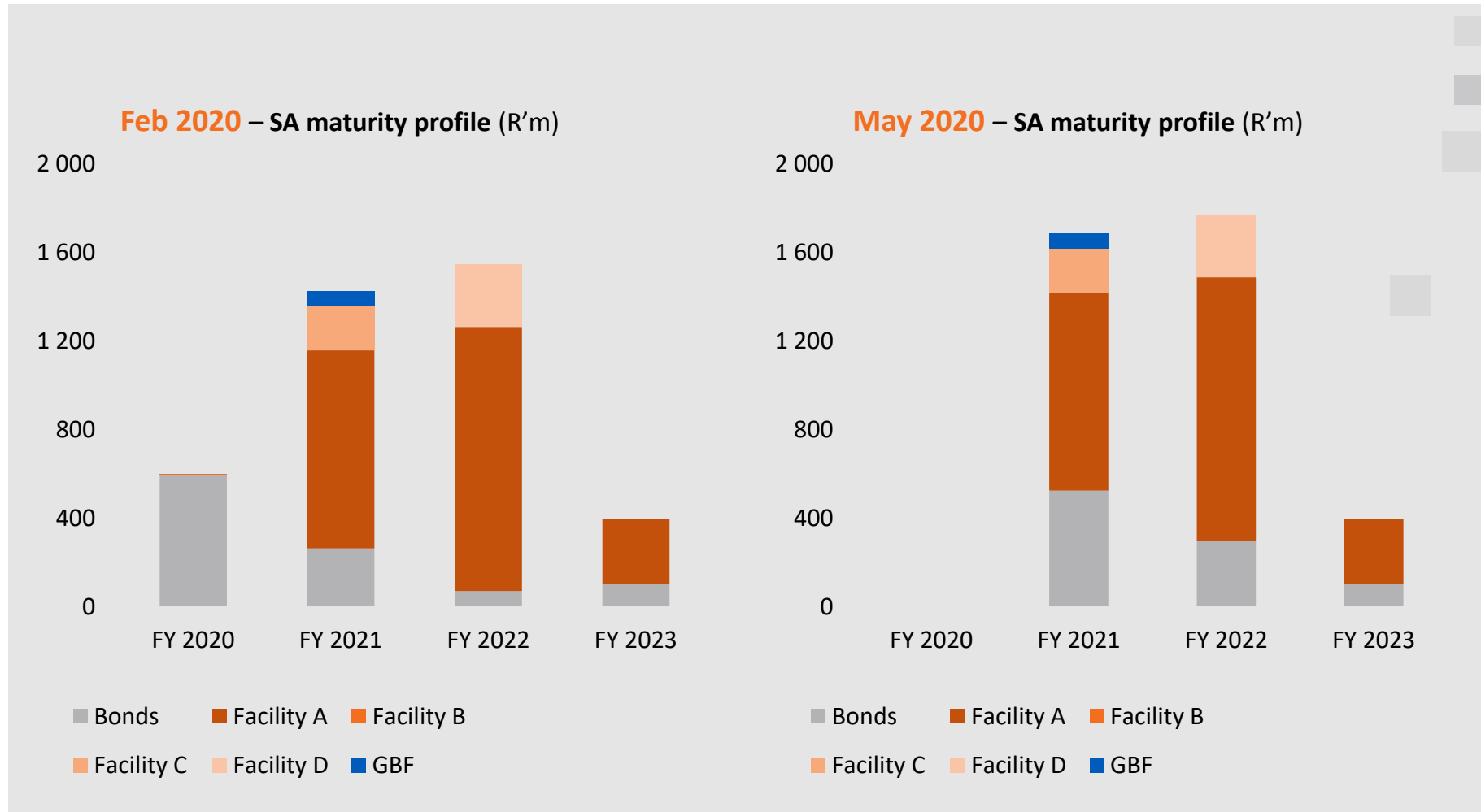
1. As at 29 February 2020
2. Shows renegotiated covenant levels

Capital structure to be refinanced

- SA Leasing bank term facilities to be refinanced
 - First maturity in Dec 2020
- To continue with DMTN programme
- Annual credit rating review in process
- UK and trading maturities to be managed in the normal course



FINANCIAL REVIEW – Liquidity and funding



* Assumes that ENX06 will be rolled



OUTLOOK



■ OUTLOOK

- Impact of COVID-19 uncertain: expect year-on-year declines in revenue and profitability for the full year
- Priority to preserve cash and maintain a positive operating profit position
- Short term priority is to refinance debt
- Trading businesses other than WAG extremely challenging
- Leasing businesses well positioned
- Interest rate declines supportive in the medium term



Q&A