SUMMARISED PRELIMINARY CONSOLIDATED FINANCIAL RESULTS

for the six months ended 28 February 2021

Revenue from continuing operations
R3.147 billion
(2020: R3.095 billion) ↑ 2%

Profit from continuing operations before depreciation and amortisation
R758.1 million
(2020: R832.2 million) ↓ 9%

Cash generated before financing activities:
R336.1 million
(2020: outflow of R275.1 million)

Net asset value per share
R13.91
(2020: R17.77)

NATURE OF BUSINESS

enX Group ("enX" or the "Group") 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 the three business segments as follows:

- enX Equipment ("**Equipment**"):
  - **EIE SA** provides distribution, rental and value-added services for industrial and materials handling equipment in South Africa and other African countries;
  - During November 2020, the Board decided to proceed with the disinvestment of **Impact Handling (UK)** to reduce overall gearing of the Group. With effect from 1 February 2021, Impact Handling (UK) was classified as an asset held for sale in terms of IFRS 5;
  - **New Way Power** which manufactures, installs and maintains diesel generators, distributes a range of industrial and marine engines and provides temporary power solutions; and
  - **Austro** which distributes professional woodworking equipment and tooling and the provision of associated services.
- enX Fleet ("Fleet"):
  - Eqstra Fleet Management ("**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.
  - In 2019, the Board decided to divest of its ownership in Eqstra. The final outstanding condition precedent to the disinvestment of Eqstra to Bidvest Bank Limited was not fulfilled and accordingly, the disinvestment transaction did not become effective. As a result, Eqstra, which was previously classified as an asset held for sale, was reclassified as a continuing operation in May 2020 and the summarised consolidated statement of profit or loss and other comprehensive income and summarised consolidated statement of financial position has been represented as though Eqstra was a continuing operation in the prior period.
- enX Petrochemicals ("Petrochemicals"):
  - African Group Lubricants ("**AG 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 Quaker Houghton International's Advanced Fluids Solutions and Services; and
  - West African International ("**WAG**") distributes plastics, polymers, rubber and speciality chemicals into Southern Africa.

FINANCIAL RESULTS

Overview

The six months ended 28 February 2021 remained challenging but continued to improve with increasing activity as COVID-19 restrictions were eased. Despite the economic outlook for South Africa remaining weak and challenging in the immediate and medium term, the results for the period reflect operational progress across most of the businesses.

Revenue from continuing operations increased by 2% to R3.147 billion (2020: R3.095 billion), a good performance as the prior period was unaffected by the COVID-19 lock down restrictions which commenced during March 2020. Profit from operations before depreciation and amortisation was down by 9% to R758.1 million (2020: R832.2 million), a result of a change in mix of revenue to more annuity-based revenue.

Operating profit from continuing operations was R240.3 million (2020: R569.3 million).

Effect of accounting for Eqstra and Impact Handling (UK) as an asset held for sale

Eqstra – Represented as a continuing operation in prior period

Eqstra was required to be recorded as an asset held for sale as at 28 February 2020 and was only represented as a continuing operation during May 2020. In terms of IFRS 5, enX was required to cease amortisation and depreciation from 15 July 2019 and assess the carrying value of the asset held for sale in terms of the transaction value. Consequently, depreciation and amortisation of R283.5 million (after tax: R204.1 million) was not recorded in the six months ended 29 February 2020 which had an effect of increasing Headline Earnings per share for 2020 by 113 cents per share. The representation of Eqstra as though Eqstra was a continuing operation resulted in Group EPS and HEPS remaining unchanged with only the split between continuing and discontinued operations changing.

Impact Handling (UK) Limited – shown as an asset held for sale and discontinued operation

During November 2020, the Board decided to proceed with the divestment of one of enX businesses with the aim of reducing the overall gearing of the Group.

Shareholders are referred to the SENS announcement dated 15 April 2021 announcing the disposal of Impact Handling (UK).

In line with IFRS 5, Impact Handling (UK) has been reported as an asset held for sale and discontinued operation from 1 February 2021, the date that the conditions were met to be classified as an asset held for sale. The Group was required to cease depreciation and amortisation and to assess the carrying value of the asset held for sale for terms of the transaction value. Consequently, depreciation and amortisation from 1 February 2021 of R24.7 million (after tax: R17.8 million) was not recorded in this period which had the effect of increasing Headline Earnings per share for 2021 by 10 cents per share.

The proforma financial information of enX is set out below. The proforma earnings of enX have been prepared for illustrative purposes only to show the financial effects of the Eqstra and the Impact Handling (UK) transactions and because of its nature, may not fairly present the Group's financial position, changes in equity, results of operations and cash flows. The directors are responsible for compiling the proforma financial information. The pro forma information has not been audited or reviewed by the Group's external auditors.

The proforma impact for the six months ended 28 February 2021 if like-for-like depreciation and amortisation has been applied in both the current and prior six months would have been as follows:

R '000 (unless stated)	28 Feb 2021 Reported	28 Feb 2021 IFRS5 adjust-ments (note 1)	28 Feb 2021 *Proforma*	29 Feb 2020 Reported	29 Feb 2020 IFRS5 adjust-ments (note 2)	29 Feb 2020 *Proforma*
Continuing operations						
Profit from operations before depreciation and amortisation	**758 128**	**–**	**758 128**	832 176	–	832 176
Profit before interest and tax	**231 180**	**–**	**231 180**	569 343	(283 526)	285 817
Net finance charges	**(138 302)**	**–**	**(138 302)**	(198 891)	–	(198 891)
Net profit before taxation	**104 886**	**–**	**104 886**	376 307	(283 526)	92 781
Headline earnings	**69 837**	**–**	**69 837**	271 222	(204 139)	67 083
Earnings per share (cents per share)	**39**	**–**	**39**	151	(113)	38
Diluted earnings per share (cents per share)	**39**	**–**	**39**	149	(112)	37
Headline earnings per share (cents per share)	**39**	**–**	**39**	150	(113)	37
Total operations						
Headline earnings	**110 927**	**(17 752)**	**93 175**	300 089	(204 139)	95 950
Earnings per share (cents per share)	**63**	**(10)**	**53**	167	(113)	54
Diluted earnings per share (cents per share)	**62**	**(10)**	**52**	165	(112)	53
Headline earnings per share (cents per share)	**61**	**(10)**	**51**	166	(113)	53

(1) *The proforma figures include the impact of reinstating the depreciation and amortisation of R24.7 million (after tax: R17.8 million) or 10 cents per share for the period 1 February 2021 to 28 February 2021 due to Impact Handling (UK) being classified as an asset held for sale from 1 February 2021*

(2) *The proforma figures include the impact of reinstating the depreciation and amortisation of R283.5 million (after tax: R204.1 million) or 113 cents per share for the period 1 September 2019 to 29 February 2020 due to Eqstra being classified as an asset held for sale from 15 July 2019.*

Proforma profit before interest and tax from continuing operations was R231.2 million (2020: R285.8 million) down 19%, primarily due to a change in mix with annuity revenue performing well, but new equipment sales being unfavorably impacted by subdued demand. In addition, a charge of R9.1 million was incurred relating to unamortised bank restructuring fees from the prior financing arrangements, which was written off in full subsequent to the refinancing of EIE SA and Eqstra concluded in December 2020.

Proforma net finance charges from continuing operations were R138.3 million (2020: R198.9 million), a reduction of 30% from reduced borrowings at lower funding rates.

Proforma Headline Earnings per share from continuing operations for the six months ended 28 February 2021 was 39 cents per share (2020: 37 cents per share), up 5%.

Proforma Total Headline Earnings per share was 51 cents per share (2020: 53 cents per share).

Capex

Capital expenditure for the six months ended 28 February 2021 was R871.3 million (2020: R1.105 billion), and was mainly deployed to grow the leasing book within EIE SA, Impact Handling (UK) and Eqstra.

Funding

The Group's total net interest-bearing liabilities decreased to R4.622 billion (31 August 2020: R5.015 billion), a reduction of 8%.

EIE SA and Eqstra

New funding arrangements with bank lenders achieved financial close during December 2020, whereby both EIE SA and Eqstra businesses raised their own independent ring-fenced funding facilities. The proceeds were used to repay all existing bank borrowings and all debt capital market instruments were redeemed. The refinance resulted in a significant extension of maturities for EIE SA and Eqstra with the first maturity at Eqstra arising in December 2022. Furthermore, there are material undrawn facilities for both businesses to meet existing requirements and fund foreseeable growth.

Trading

The South African trading businesses continued to retain their own dedicated banking facilities. The composition of the facilities evolved during December 2020 with the term loan being fully repaid, while the limit on our revolving credit facilities was reduced by R30 million to R45 million. The general banking facility of R150 million, together with indirect facilities of R80 million and a revolving credit facility of R45 million, remains. We believe this provides adequate liquidity for these businesses to continue to trade and grow. The maturity of the revolving credit facility was extended to 31 August 2022.

Liquidity

Liquidity in all our businesses remains robust with well managed working capital, specifically inventory. All financial covenants for the measurement periods covered by this report have been met.

Cash flows

Net cash inflows before financing activities amounted to R336.1 million (2020: R275.1 million outflow). Included in working capital inflows of R446.3 million (2020: R64.5 million) is the reclassification of leasing assets into inventories amounting to R289.2 million (2020: R387.7 million).

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 28 February 2021 R'000	Unaudited as at 29 February 2020 R'000	Audited as at 31 August 2020 R'000
ASSETS			
Non-current assets	**5 313 706**	7 949 915	7 019 397
Property, plant and equipment	**480 615**	697 675	621 446
Leasing assets	**4 659 499**	6 375 747	6 087 417
Goodwill	**–**	401 815	92 461
Intangible assets	**28 555**	337 515	73 308
Investment in associate	**82 924**	65 107	70 916
Unlisted investments and loans	**4 245**	12 036	9 175
Deferred taxation	**54 823**	51 161	60 050
Trade, other receivables and derivatives	**3 045**	8 859	4 624
Current assets	**2 070 173**	3 037 876	3 592 610
Trade, other receivables and derivatives	**833 313**	1 147 268	1 064 879
Inventories	**992 945**	1 630 182	1 622 021
Taxation receivable	**32 561**	6 705	19 801
Bank and cash balances	**211 354**	253 721	885 909
Assets held for sale	**2 066 679**	–	–
Total assets	**9 450 558**	10 987 791	10 612 007
EQUITY AND LIABILITIES			
Total shareholders' interests	**2 557 276**	3 248 975	2 497 447
Stated capital	**3 134 092**	3 134 092	3 134 092
Other reserves	**(649 472)**	(662 204)	(595 867)
Accumulated profits	**38 174**	739 533	(75 261)
Equity attributable to equity holders of the parent	**2 522 794**	3 211 421	2 462 964
Non-controlling interests	**34 482**	37 554	34 483
Non-current liabilities	**3 725 568**	4 882 894	4 159 009
Interest-bearing liabilities	**3 147 394**	4 100 702	3 620 250
Deferred vendor consideration	**–**	2 950	–
Lease liabilities	**166 062**	236 799	95 741
Employee benefits	**5 455**	4 221	5 090
Deferred taxation	**406 657**	538 222	437 928
Current liabilities	**1 638 814**	2 855 922	3 955 551
Interest-bearing liabilities	**502 823**	1 387 878	2 241 028
Deferred vendor consideration	**–**	–	33 895
Lease liabilities	**40 152**	18 071	115 675
Trade, other payables, provisions and derivatives	**1 061 307**	1 342 511	1 536 226
Taxation payable	**30 160**	104 031	23 350
Bank overdrafts	**4 372**	3 431	5 377
Liabilities associated with assets held for sale	**1 528 900**	–	–
Total equity and liabilities	**9 450 558**	10 987 791	10 612 007
Supplementary information:			
Number of shares in issue	**182 312 650**	182 312 650	182 312 650
Number of shares in issue (net of treasury shares)	**181 344 084**	180 686 948	181 017 311
Net asset value per share (cents)	**1 391**	1 777	1 361
Net tangible asset value per share (cents)	**1 380**	1 420	1 280

* *During the 2019 financial year, the Group entered into an agreement with Bidvest Bank to divest its ownership in Eqstra. This resulted in Eqstra being recognised as a discontinued operation as at 29 February 2020. However, the divestment did not take place in the prior year and therefore the statement of financial position for February 2020 has been represented in accordance with IFRS 5.*

B-BBEE Scorecard

During November 2020, the Group was rated a level 3 B-BBEE contributor with a improved ownership score.

OPERATIONAL OVERVIEW

Continuing operations

Equipment

The South African Forklift markets recovered with total units for the six months ended 28 February 2021 increasing 5% based on purchases made from OEMs. **EIE SA** revenue for the six months ended 28 February 2021 was R1.037 billion (2020: R1.074 billion), down 3%. While aftermarket revenue and pre-owned unit sales remained strong, the new equipment market remained under pressure. 70% of new equipment sales went to the rental fleet compared with 50% in the previous period. As a result, EIE SA operating margins reduced from 13.9% in the prior period to 9.4% and profit before tax reduced to R33 million (2020: R60 million). Profit after tax was also impacted by R4.5 million of unamortised bank structuring fees from the previous bank financing arrangements, which was written off in full following the refinancing of EIE SA in December 2020.

New Way Power continued to be impacted by a challenging construction industry environment and the aftermath of the COVID-19 lockdown restrictions. Load-shedding continued to create some opportunities. Despite the complete closure of the events industry, which make use of short-term rental of generators, revenue for the six months ended 28 February 2021 was R195 million (2021: R169 million), up 15% due to the roll out of a large data centre installation. Loss before tax increased to R17 million (2020: -R10 million). Profitability was impacted by margin pressures mainly within the data application space.

Austro continued to recover. Revenue for the six months ended 28 February 2021 was R68 million, a similar amount to the pre-COVID-19 revenue in the prior year. Profit before tax was R2 million (2020: Loss of R10 million), a significant improvement on the prior year enhanced by significant operating cost reductions.

Fleet

Eqstra revenue for the six months ended 28 February 2021 decreased to R896 million (2020: R975 million), a decrease of 8%. While unit rentals of vehicles were slightly lower than last year, used vehicles sales were down on last year, albeit at higher than expected margins. Eqstra profit before tax on a like-for-like basis was R57 million (2020: R66 million), a 14% decrease impacted by lower earnings from average interest earned. Profitability was also impacted by R4.6 million of unamortised bank structuring fees from the previous bank financing arrangements, which was written off in full following the refinancing of Eqstra.

Petrochemicals

AG Lubricants revenue increased to R411 million (2020: R392 million), an increase of 5% from higher volumes mainly from the mining sector. Profit before tax was R28 million (2020: R14 million), significantly up on the prior year. Profitability was favourably impacted by a more profitable mix of product with lower manufacturing overheads compared to the same period last year.

WAG revenue increased to R565 million (2020: R437 million), up significantly against last year due to volume growth from customers stocking up ahead of anticipated global shortages and on the back of demand from the mining sector. Profit before tax was R12 million (2020: R16 million) but was impacted by an unrealised foreign exchange charge of R10 million.

Discontinued operation

Impact Handling (UK) revenue increased to R756 million (2020: R730 million), a 4% increase year-on-year in Rand terms. In GBP terms, revenue was flat on last year. Profit before tax was R34 million (2020: R36 million).

As detailed in the SENS announcement of 15 April 2021, enX Leasing Investments, a wholly owned subsidiary of the enX Group Limited, has entered into a Share Purchase Agreement (SPA) with Aprolis Holding SAS (the purchaser), a subsidiary of Monnoyeur SAS, for the disposal of 100% of the issued share capital of Impact Handling (UK). The disposal represents an attractive opportunity for enX to monetise its investment at a valuation that the Board believes fairly reflects the future prospects and cash flows of the business and at a higher value that is incorporated in the enX share price. The disposal consideration of £31 million plus the profit after tax from 1 September 2020 to date of closure (subject to a maximum purchase price of £33 million) less any cost to sell, will be used to reduce debt. One of the conditions precedent is the approval by the shareholders of the Group, being classified as a category 1 transaction in terms of the JSE Listings Requirements.

OUTLOOK

The South African economy is expected to recover slowly as the COVID-19 vaccination programme is rolled out but the board is cognisant of the possible impacts of a third COVID-19 wave. Trading activities have recovered to around pre-COVID levels in most of the businesses as lockdown restrictions have eased. Inventories, which are at an all time low, will need to be replenished.

The raising of independent financing within EIE SA and Eqstra concluded in December 2020 has improved the debt maturity profiles of enX. With the better management of working capital, net debt levels, at lower borrowing rates, continue to fall.

The proceeds from the sale of Impact Handling (UK), subject to regulatory and shareholder approval, will be used to reduce debt with possibly lower negotiated funding rates and will strengthen the balance sheet.

While new equipment sales have improved in EIE SA there is a tendency to either acquire used equipment or rent. New equipment sales remain under pressure, while the used equipment and aftermarket components remain buoyant.

Within Eqstra, the diversified customer base with annuity revenue and in use fleet provides a stable revenue stream. Some growth is expected as the economy recovers and replacement business, which was interrupted from the affects of COVID-19, continues. The impact of the lower funding rates passed onto customers continues to impact the business. The used car market sales should increase as restrictions have eased, but at lower margins as the used car market normalises.

Trading within New Way Power and Austro will remain challenging, as both businesses operate in difficult markets. Supply chain from OEMS have been negatively impacted by the pandemic.

Within AG Lubricants and WAG, trading should remain buoyant, however, concern has been raised regarding global shortages within these industries as the supply chains have been negatively impacted by the after effects of COVID-19 and the resultant shortages of raw materials.

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Continuing operations	Unaudited for the six months ended 28 February 2021 R'000	Unaudited for the six months ended 29 February 2020 R'000	Audited for the year ended 31 August 2020 R'000
Revenue	**3 147 381**	3 094 849	5 757 613
Net operating expenses	**(2 389 253)**	(2 262 673)	(4 366 462)
Profit from operations before depreciation and amortisation	**758 128**	832 176	1 391 151
Depreciation and amortisation	**(492 239)**	(254 765)	(1 116 393)
Profit on disposal of property, plant and equipment	**838**	1 667	2 872
Share-based payment credit	**–**	(3 090)	(2 547)
Foreign exchange (losses)/gains	**(26 455)**	(6 645)	15 389
Operating profit	**240 272**	569 343	290 472
Impairment of goodwill and intangible assets	**–**	–	(543 080)
Adjustment on deferred vendor loan	**–**	–	(30 688)
Write off of debt restructuring fee	**(9 092)**	–	–
Profit before interest and taxation	**231 180**	569 343	(283 296)
Net finance costs	**(138 302)**	(198 891)	(369 308)
Interest received	**5 900**	3 078	13 945
Interest expense	**(144 202)**	(201 969)	(383 253)
Share of profit from associate	**12 008**	5 855	11 711
Profit/(loss) before taxation	**104 886**	376 307	(640 893)
Taxation	**(34 447)**	(102 738)	87 149
Profit/(loss) after taxation	**70 439**	273 569	(553 744)
Attributable to:			
Equity holders of the parent	**70 440**	272 422	(553 283)
Non-controlling interests	**(1)**	1 147	(461)
Profit/(loss) after taxation	**70 439**	273 569	(553 744)
Discontinued operations			
Profit for the year from discontinued operations*	**42 995**	29 082	40 814
Net profit/(loss) after taxation ("PAT")	**113 434**	302 651	(512 930)
Attributable to:			
Equity holders of the parent	**113 435**	301 504	(512 469)
Continuing operations	**70 440**	272 422	(553 283)
Discontinued operations	**42 995**	29 082	40 814
Non-controlling interests	**(1)**	1 147	(461)
Net profit/(loss) after taxation	**113 434**	302 651	(512 930)
Other comprehensive income net of taxation:			
Net profit/(loss) after taxation	**113 434**	302 651	(512 930)
Items that may be reclassified subsequently to profit or loss:			
– Foreign currency translation reserve	**(52 718)**	35 461	102 941
Total comprehensive income/(loss)	**60 716**	338 112	(409 989)
Attributable to:			
Equity holders of the parent	**60 717**	336 965	(409 528)
Non-controlling interests	**(1)**	1 147	(461)
Total comprehensive income/(loss)	**60 716**	338 112	(409 989)
Profit/(loss) per share from continuing operations			
Basic earnings/(loss) per share (cents)	**39**	151	(306)
Diluted earnings/(loss) per share (cents)**	**39**	149	(306)
Headline earnings/(loss) per share (cents)	**39**	150	(41)
Profit per share from discontinued operations			
Basic earnings per share (cents)	**24**	16	23
Diluted earnings per share (cents)	**24**	16	22
Headline earnings per share (cents)	**23**	16	21
Weighted average number of shares in issue	**181 344 084**	180 686 948	179 676 859
Weighted average diluted number of shares in issue	**182 312 650**	182 312 650	181 625 743

* *During the 2019 financial year, the Group entered into an agreement with Bidvest Bank to divest its ownership in Eqstra. This resulted in Eqstra being recognised as a discontinued operation in February 2020. However, the divestment was not concluded in May 2020 and therefore the statement of profit or loss and other comprehensive income for February 2020 was represented in accordance with IFRS 5. In addition during the current year, the Group entered into an agreement with Aprolis Holdings SAS to divest its ownership in Impact Handling (UK). This resulted in Impact Handling (UK) being recognised as a discontinued operation in February 2021. The statement of profit or loss and other comprehensive income for the six months ending 28 February 2020 and statement of profit or loss and other comprehensive income for the year ending 31 August 2020 has been represented in accordance with IFRS 5.*

** *The dilutionary instruments have an anti-dilutionary effect in August 2020.*

HEADLINE EARNINGS AND EBIT RECONCILIATION*

	Unaudited for the six months ended 28 February 2021 R'000	Unaudited for the six months ended 29 February 2020 R'000	Audited for the year ended 31 August 2020 R'000
Net profit/(loss) after taxation attributable to equity holders of the parent	**113 435**	301 504	(512 469)
Adjusted for:			
Profit on disposal of property, plant and equipment	**(3 483)**	(1 965)	(6 410)
Impairment of goodwill and intangible assets	**–**	–	544 111
Taxation effect on adjustments	**975**	550	(61 642)
Headline earnings/(loss) attributable to ordinary shareholders	**110 927**	300 089	(36 410)
Reconciliation of headline earnings/(loss) – continuing operations			
Net profit/(loss) after taxation attributable to equity holders of the parent	**70 440**	272 422	(553 283)
Adjusted for:			
Profit on disposal of property, plant and equipment	**(838)**	(1 667)	(2 872)
Impairment of goodwill and intangible assets	**–**	–	544 111
Taxation effect on adjustments	**235**	467	(62 632)
Headline earnings/(loss) attributable to ordinary shareholders – continuing operations	**69 837**	271 222	(74 676)
Reconciliation of headline earnings – discontinued operations			
Net profit after taxation attributable to equity holders of the parent	**42 995**	29 082	40 814
Adjusted for:			
Profit on disposal of property, plant and equipment	**(2 645)**	(298)	(3 538)
Taxation effect on adjustments	**741**	83	991
Headline earnings attributable to ordinary shareholders – discontinued operations	**41 091**	28 867	38 267
EBIT RECONCILIATION			
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	**933 742**	1 028 194	1 254 784
Depreciation and amortisation	**(627 608)**	(402 103)	(1 446 802)
Earnings before interest and taxation ("EBIT")	**306 134**	626 091	(192 018)
EBITDA – continuing operations	**732 371**	828 827	850 363
Depreciation and amortisation	**(501 191)**	(259 484)	(1 133 659)
EBIT – continuing operations	**231 180**	569 343	(283 296)
EBITDA – discontinued operations	**201 371**	199 367	404 421
Depreciation and amortisation	**(126 417)**	(142 619)	(313 143)
EBIT – discontinued operations	**74 954**	56 748	91 278

* *This reconciliation is unaudited.*

SUBSEQUENT EVENTS

There have been no material events subsequent to period end that have been taken into account in the financial statements.

DIVIDENDS

In line with the Group policy to reduce gearing coupled with prevailing uncertainties, which remain, no cash dividend has been declared for the period.

DIRECTORS

Executive directors: A Hannington (Chief Executive Officer), R Lumb (Chief Financial Officer)

Non-executive directors: P Baloyi (Chairman), W Chapman, V Jarana^, O Mabandla, Z Matthews*, L Molefe*, B Ngonyama*

(Independent)*
(^ Lead independent)

No changes in directors took place during the period.

For and on behalf of the Board

A Hannington
Chief Executive Officer

R Lumb
Chief Financial Officer

19 May 2021

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

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

Transfer secretaries:
Computershare Investor Services Proprietary Limited

Release date:
19 May 2021

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited for the six months ended 28 February 2021 R'000	Unaudited for the six months ended 29 February 2020 R'000	Audited for the year ended 31 August 2020 R'000
Stated capital	**3 134 092**	3 134 092	3 134 092
Balance at beginning of the period	**3 134 092**	3 117 031	3 117 031
Transfer from treasury shares to issued shares	**–**	17 061	17 061
Other reserves	**(649 472)**	(662 204)	(595 867)
Balance at beginning of the period	**(595 867)**	(684 860)	(684 860)
Foreign currency translation reserve	**(52 718)**	35 461	102 941
Share-based payment expense	**(887)**	(12 805)	(13 948)
Accumulated profits	**38 174**	739 533	(75 261)
Balance at beginning of the period	**(75 261)**	437 208	437 208
Adjustment to the opening balance arising from the initial application of IFRS 9, IFRS 15 and IFRS 16 (net of tax)	**–**	821	–
Balance as at 1 September	**(75 261)**	438 029	437 208
Total comprehensive income for the period	**113 435**	301 504	(512 469)
Non-controlling interests	**34 482**	37 554	34 483
Balance at beginning of the period	**34 483**	36 375	36 375
Total comprehensive income for the period	**(1)**	1 179	(461)
Dividends paid to minority shareholders	**–**	–	(1 431)
Balance at end of the period	**2 557 276**	3 248 975	2 497 447

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited for the six months ended 28 February 2021 R'000	Unaudited for the six months ended 29 February 2020 R'000	Audited for the year ended 31 August 2020 R'000
Cash flows from operating activities	**1 196 349**	826 248	1 995 525
Cash generated from operations before working capital movements	**927 236**	1 049 070	1 860 593
Working capital movements	**446 281**	64 520	610 280
Interest received	**5 900**	3 078	13 945
Interest paid	**(159 792)**	(238 438)	(417 032)
Taxation paid	**(23 276)**	(51 982)	(72 261)
Cash flows from investing activities	**(860 258)**	(1 101 308)	(1 771 570)
Capital expenditure	**(871 258)**	(1 105 312)	(1 789 159)
Proceeds on disposal of assets	**11 000**	4 004	15 300
Cash inflow from unlisted investments and loans	**–**	–	2 289
Cash flows from financing activities	**(931 010)**	101 107	243 311
Proceeds from interest-bearing liabilities	**3 311 949**	124 416	693 550
Repayment of interest-bearing liabilities	**(4 192 382)**	(23 309)	(395 927)
Deferred vendor consideration paid	**(30 319)**	–	–
Repayment of lease liability	**(20 258)**	–	(52 881)
Dividends paid to minority shareholders	**–**	–	(1 431)
Net (decrease)/increase in cash and cash equivalents	**(594 919)**	(173 953)	467 266
Effect of exchange rate changes on cash and cash equivalents	**6 477**	(2 260)	(13 237)
Cash and cash equivalents at beginning of the period	**880 532**	426 503	426 503
Cash and cash equivalents at end of the period	**292 090**	250 290	880 532
Bank and cash balances – continuing operations	**211 354**	250 290	880 532
Amount included in assets held for sale	**80 736**	–	–
Total group cash and cash equivalents	**292 090**	250 290	880 532

SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

	Equipment			Fleet [2]			Petrochemicals			Group, financing and consolidation			Total		
	Unaudited for the six months ended 29 February 2021 R'000	Unaudited for the six months ended 29 February 2020 R'000	Audited for the year ended 31 August 2020 R'000	Unaudited for the six months ended 29 February 2021 R'000	Unaudited for the six months ended 29 February 2020 R'000	Audited for the year ended 31 August 2020 R'000	Unaudited for the six months ended 29 February 2021 R'000	Unaudited for the six months ended 29 February 2020 R'000	Audited for the year ended 31 August 2020 R'000	Unaudited for the six months ended 29 February 2021 R'000	Unaudited for the six months ended 29 February 2020 R'000	Audited for the year ended 31 August 2020 R'000	Unaudited for the six months ended 29 February 2021 R'000	Unaudited for the six months ended 29 February 2020 R'000	Audited for the year ended 31 August 2020 R'000
Revenue	**1 300 303**	1 312 127	2 272 692	**895 949**	974 916	1 859 651	**976 443**	828 635	1 674 032	**(25 314)**	(20 829)	(48 762)	**3 147 381**	3 094 849	5 757 613
– South Africa	**1 298 402**	1 310 868	821 746	**816 087**	897 334	1 699 154	**905 285**	745 771	1 505 131	**(5 183)**	–	–	**3 014 591**	2 953 973	4 026 031
– Rest of world	**–**	–	1 448 496	**69 653**	65 385	137 246	**63 512**	76 057	146 870	**–**	–	–	**133 165**	141 442	1 732 612
– Intercompany	**1 901**	1 259	2 450	**10 209**	12 197	23 251	**7 646**	6 807	22 031	**(20 131)**	(20 829)	(48 762)	**(375)**	(566)	(1 030)
EBITDA[1]	**315 931**	386 217	654 931	**381 802**	431 155	742 456	**46 327**	44 756	93 160	**(11 689)**	(33 301)	(640 184)	**732 371**	828 827	850 363
Depreciation and amortisation	**(229 234)**	(248 333)	(495 017)	**(262 613)**	–	(594 558)	**(8 733)**	(8 220)	(16 670)	**(611)**	(2 931)	(27 414)	**(501 191)**	(259 484)	(1 133 659)
EBIT	**86 697**	137 884	159 914	**119 189**	431 155	147 898	**37 594**	36 536	76 490	**(12 300)**	(36 232)	(667 598)	**231 180**	569 343	(283 296)
– South Africa	**86 697**	137 884	67 289	**93 357**	411 781	114 776	**30 198**	28 846	62 135	**(12 300)**	(36 232)	(667 598)	**197 952**	542 279	(423 397)
– Rest of world	**–**	–	92 625	**25 832**	19 374	33 122	**7 396**	7 690	14 355	**–**	–	–	**33 228**	27 064	140 101
Net finance costs	**(68 614)**	(97 400)	(182 328)	**(62 445)**	(95 767)	(177 122)	**(9 267)**	(11 822)	(23 510)	**2 024**	6 098	13 652	**(138 302)**	(198 891)	(369 308)
Interest received	**604**	928	1 446	**26 945**	3 984	17 081	**676**	1 672	2 914	**(22 325)**	(3 506)	(7 496)	**5 900**	3 078	13 945
Interest expense	**(69 218)**	(98 328)	(183 774)	**(89 390)**	(99 751)	(194 203)	**(9 943)**	(13 494)	(26 424)	**24 349**	9 604	21 148	**(144 202)**	(201 969)	(383 253)
Share of profit from associate	**–**	–	–	**–**	–	–	**12 008**	5 855	11 711	**–**	–	–	**12 008**	5 855	11 711
Profit/(loss) before taxation	**18 083**	40 484	(22 414)	**56 744**	335 388	(29 224)	**40 335**	30 569	64 691	**(10 276)**	(30 134)	(653 946)	**104 886**	376 307	(640 893)
Total assets	**3 339 264**	5 754 390	5 864 824	**3 011 847**	3 328 564	3 116 518	**985 865**	922 871	1 055 791	**2 113 582**	981 966	574 874	**9 450 558**	10 987 791	10 612 007
– Goodwill and intangibles	**1 092**	78 916	87 931	**26 241**	19 308	20 773	**1 366**	2 309	1 842	**(144)**	638 797	55 223	**28 555**	739 330	165 769
– Leasing assets	**1 962 406**	3 207 754	3 351 653	**2 674 362**	2 854 218	2 731 600	**–**	–	–	**22 731**	313 775	4 164	**4 659 499**	6 375 747	6 087 417
– Investment in associate	**–**	–	–	**–**	–	–	**82 924**	65 107	70 916	**–**	–	–	**82 924**	65 107	70 916
– Inventories	**601 640**	1 236 898	1 158 887	**29 688**	40 610	26 787	**361 616**	352 675	436 347	**1**	(1)	–	**992 945**	1 630 182	1 622 021
– Trade, other receivables, provisions and derivative financial assets	**322 619**	629 526	567 216	**192 401**	273 483	175 782	**316 730**	251 124	316 489	**4 608**	(18 089)	10 016	**836 358**	1 136 044	1 069 503
– Other assets	**451 507**	601 295	699 137	**89 155**	140 945	161 576	**223 229**	251 657	230 197	**2 086 386**	47 484	505 471	**2 850 277**	1 041 381	1 596 381
Total liabilities	**2 463 270**	4 405 505	4 491 506	**2 244 293**	2 573 205	2 382 940	**638 799**	645 098	734 154	**1 546 920**	115 008	505 960	**6 893 282**	7 738 816	8 114 560
– Interest-bearing liabilities and overdraft	**1 849 362**	3 316 307	3 408 566	**1 639 435**	1 979 276	1 779 350	**184 940**	224 701	251 783	**(19 148)**	(28 273)	426 956	**3 654 589**	5 492 011	5 866 655
– Deferred vendor consideration	**–**	–	–	**–**	–	–	**–**	2 950	33 895	**–**	–	–	**–**	2 950	33 895
– Trade and other payables and provisions	**339 565**	703 953	768 252	**338 105**	289 314	332 703	**387 226**	346 626	424 989	**(8 497)**	2 618	8 762	**1 056 399**	1 342 511	1 534 706
– Other liabilities	**274 343**	385 244	314 688	**266 753**	304 615	270 887	**66 633**	70 822	23 487	**1 574 565**	140 663	70 242	**2 182 294**	901 344	679 304
Capital expenditure net of proceeds	**368 476**	604 098	991 503	**346 311**	489 793	772 380	**17**	10 474	13 560	**4 420**	947	11 716	**719 224**	1 105 312	1 789 159
Number of employees	**1 265**	1 945	1 754	**410**	467	379	**179**	130	135	**9**	8	7	**1 863**	2 550	2 275
GEOGRAPHICAL SEGMENTATION															
Total assets	**3 339 264**	5 754 390	5 864 824	**3 011 846**	3 328 564	3 116 518	**985 865**	922 871	1 055 791	**2 113 582**	981 966	574 874	**9 450 558**	10 987 791	10 612 007
– South Africa	**3 339 264**	3 685 087	3 521 093	**2 556 245**	2 870 631	2 659 772	**934 133**	857 641	1 007 104	**100 879**	981 966	574 874	**6 930 522**	8 395 325	7 762 843
– Rest of world	**–**	2 069 303	2 343 731	**455 601**	457 933	456 746	**51 732**	65 230	48 687	**2 012 703**	–	–	**2 520 036**	2 592 467	2 849 164
Total liabilities	**2 463 270**	4 405 505	4 491 506	**2 244 293**	2 573 205	2 382 940	**638 799**	645 098	734 154	**1 546 920**	115 008	505 960	**6 893 282**	7 738 816	8 114 560
– South Africa	**2 463 270**	2 771 001	2 650 009	**2 075 294**	2 392 857	2 204 326	**626 674**	612 389	724 693	**18 020**	115 008	505 960	**5 183 258**	5 891 255	6 084 988
– Rest of world	**–**	1 634 504	1 841 497	**168 999**	180 348	178 614	**12 125**	32 709	9 461	**1 528 900**	–	–	**1 710 024**	1 847 561	2 029 572

(1) Excludes intercompany management fees.

(2) During the 2019 financial year, the Group entered into an agreement with Bidvest Bank to divest its ownership in Eqstra. This resulted in Eqstra being recognised as a discontinued operation in February 2020. Therefore, the statement of financial position and the statement of profit or loss and other comprehensive income for February 2020 has been represented in accordance with IFRS 5. The comparative numbers in the segment have also been represented to include Eqstra. In addition during the current year, the Group entered into an agreement with Aprolis Holdings SAS to divest its ownership in Impact Handling (UK). This resulted in Impact Handling (UK) being recognised as a discontinued operation from 1 February 2021. With part of the equipment segment being reflected as an asset held for sale as at 28 February 2021 and no longer forming part of the segmental analysis in the prior and current year.

(3) Total depreciation and amortisation includes depreciation disclosed as part of cost of sales.

NOTES

1. **Basis of preparation**

The summarised unaudited interim financial results for the six months ended 28 February 2021 have been prepared in accordance with IFRS and complies with IAS 34 – Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Board, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act, No. 71 of 2008 of South Africa and the Listings Requirements of the JSE Limited. The accounting policies used in the preparation of the condensed unaudited interim financial results for the six months ended 28 February 2021 are consistent with those applied in the audited financial statements for the year ended 31 August 2020.

During the current period, the Group adopted those standards and interpretations in issue and effective for the period. The adoption of these new and amended standards and interpretations has not had a significant impact on the Group's adopted accounting policies.

These results have been compiled under the supervision of Robert Lumb CA(SA), the Chief Financial Officer. The condensed interim financial results have not been reviewed or reported on by the group auditors.

	Unaudited for the six months ended 28 February 2021 R'000
2. Assets held for sale and liabilities associated with assets held for sale - Impact Handling (UK)	
enX shareholders are referred to the announcement released on SENS on Wednesday, 18 November 2020 in terms of which enX shareholders were advised the enX has received a non-binding expression of interest for the acquisition of 100% of the issued share capital of a major subsidiary of enX. enX shareholders were further advised on Thursday, 15 April 2021, that enX has entered into a share purchase agreement with Aprolis Holdings SAS for the disposal of 100% of the issued share capital of Impact Fork Trucks Ltd ("Impact Handling (UK)").	
Operating assets	**1 975 606**
Other assets	**91 073**
Total assets held for sale	**2 066 679**
Operating liabilities	**1 465 781**
Other liabilities	**63 119**
Total liabilities relating to assets held for sale	**1 528 900**

	Unaudited for the six months ended 28 February 2021 R'000	Unaudited for the six months ended 29 February 2020 R'000	Audited for the year ended 31 August 2020 R'000
3. Discontinued operations			
Consolidated discontinued statement of comprehensive income			
Revenue	**756 196**	729 798	1 448 496
Net operating expenses	**(557 090)**	(528 207)	(1 044 884)
Profit from operations before depreciation	**199 106**	201 591	403 612
Depreciation and amortisation	**(126 417)**	(142 619)	(313 143)
Loss on disposal of property, plant and equipment	**2 645**	298	3 538
IFRS 2 charges	**1 464**	(340)	–
Foreign exchange (gains)losses	**(1 844)**	(2 182)	(2 729)
Profit before interest and taxation	**74 954**	56 748	91 278
Interest expense	**(16 301)**	(20 519)	(40 044)
Net profit before tax	**58 653**	36 229	51 234
Taxation	**(15 658)**	(7 147)	(10 420)
Net profit after taxation from discontinued operations	**42 995**	29 082	40 814
Cash flows from discontinued operations			
Net cash flows from operating actives	**216 830**	148 277	569 965
Net cash flow from investing activities	**(152 648)**	(280 263)	(537 790)
Net cash flow from financing activities	**(113 888)**	87 188	28 497
Net cash (outflow)/inflow	**(49 706)**	(44 798)	60 672
4. Interest-bearing borrowings and overdraft			
Medium Term Note Program	**–**	1 023 391	917 934
Bank debt and overdraft – South Africa	**3 599 500**	3 157 184	3 542 443
Bank debt and overdraft – Rest of world	**1 233 553**	1 311 436	1 406 278
Deferred vendor consideration	**–**	2 950	33 895
	4 833 053	5 494 961	5 900 550
Comprising:			
Non-current	**3 147 394**	4 103 652	3 620 250
Current	**507 195**	1 391 309	2 280 300
Held for sale	**1 178 464**	–	–
	4 833 053	5 494 961	5 900 550

	Unaudited for the six months ended 28 February 2021 R'000	Unaudited for the six months ended 29 February 2020 R'000	Audited for the year ended 31 August 2020 R'000
5. Net finance costs			
Interest received	**5 900**	3 078	13 945
Interest expenses	**(157 198)**	(215 095)	(414 776)
Deemed interest expense	**–**	(295)	(552)
Interest on lease liability	**(3 305)**	(7 098)	(7 969)
	(154 603)	(219 410)	(409 352)
Continuing operations	**(138 302)**	(198 891)	(369 308)
Discontinuing operations	**(16 301)**	(20 519)	(40 044)
	(154 603)	(219 410)	(409 352)

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 period.

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.

The net market value of all forward exchange contracts at year-end was calculated by comparing the forward exchange contract rates to the equivalent half year market foreign exchange rates.

Level 3 – Valuations based on unobservable inputs include:

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

Unlisted investments are valued based on operational performance of the entities which is considered to be appropriate taking into account that the investments are very insignificant to the Group.

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

28 February 2021	Level 2 R'000	Level 3 R'000	Fair value R'000
Financial assets			
Unlisted investments and loans	**–**	**4 245**	**4 245**
Designated as fair value through profit and loss			
– Derivative financial assets	**409**	**–**	**409**
	409	**4 245**	**4 654**