

Building the JSE's Next Industrial Titan

R1,5 billion Capital Raise for enX/Eqstra transaction

October 2016



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Unpacking enX Valuation Post Transaction....Upside Potential

Placement price

2100_{cps}

Illustrative post transaction valuation range – FY17 Earnings

2737_{cps}
▲ 30%

3327_{cps}
▲ 58%

The placement price leaves potential for **upside** gains as value is unlocked. **Future acquisitions** off a larger and stronger base not taken into account

	Low Value (R 'm)		High Value (R 'm)
Earnings Multiple	336	Industrial Businesses: FY17 12 month run rate forecast headline earnings ⁽¹⁾	336
	8.0x		11.0x
	P/E multiple range ⁽²⁾		
NAV Components	2 688	Industrial Valuation	3 696
	2 166	eXtract investment	2 166
	50	Extract option value ⁽³⁾	100
	4 904	Equity Valuation	5 962
Shares in Issue ('m): 179,2			

1. Earnings represents run-rate Adjusted Headline Earnings contribution from industrial businesses only, adjusted for (i) once-off transaction costs, and (ii) amortisation expenses relating to intangibles recognised on acquisition
2. The average forward P/E multiple for the comparable peer group is **10.8x** (see slide 31)
3. External valuation range

Unpacking enX Valuation Post Transaction....Upside Potential

Placement price

2100_{cps}

Illustrative post transaction valuation range – FY18 Earnings

2960_{cps}
▲ 41%

3783_{cps}
▲ 80%

The placement price leaves potential for **upside** gains as value is unlocked. **Future acquisitions** off a larger and stronger base not taken into account

	Low Value (R 'm)		High Value (R 'm)
Earnings Multiple	475	Industrial Businesses: FY18 12 month run rate forecast headline earnings ⁽¹⁾	475
	6.5x		9.5x
NAV Components	3 088	Industrial Valuation	4 513
	2 166	eXtract investment	2 166
	50	Extract option value ⁽³⁾	100
	5 304	Equity Valuation	6 779
Shares in Issue ('m): 179,2			

1. Earnings represents run-rate Adjusted Headline Earnings contribution from industrial businesses only, adjusted for (i) once-off transaction costs, and (ii) amortisation expenses relating to intangibles recognised on acquisition
2. The average forward P/E multiple for the comparable peer group is **10.8x** (see slide 31)
3. External valuation range

Salient Terms of the Capital Raise

Total Capital Raise	R1.5 billion
- Underwriting consortium	R1.0 billion
- Private placement participants	R500 million
Placement Shares ⁽¹⁾	~23.8 million enX shares
Use of Proceeds	Fund the Proposed Transaction
Underwrite	Fully underwritten at R21.00 per share
Underwrite Commission	3.5% (excl VAT)
Underwriter Lock-up Period	180 days from date of issue ⁽²⁾
Form of the Placement	Shares to be offered to selected participants by way of a private placement
Suspensive Conditions	The Proposed Transaction becoming unconditional as to its terms
Financial Year End	31 August
Price/adjusted HEPS ⁽³⁾ - historic	10.1x⁽⁴⁾
- forward FY17	7.7x
- forward FY18	5.8x
Timeline	
Offer Opens	Thursday, 20 October
Offer Closes	Friday, 21 October
Listing of New enX Shares	Friday, 28 October
Bookrunner	Java Capital

1. Post 11:1 share consolidation

2. Unless as otherwise agreed between the parties

3. Based on an underwrite price of R21.00 per share divided by adjusted headline earnings per share (being headline earnings per share adjusted for once-off, non-recurring items and is intended to reflect a more meaningful presentation of sustainable performance

4. Historic EBIT (737m) + WAI Acquisition (64m) – PF Interest (450m) – PF Central (55m) + Interest and Divs on Mining (202m) - PF Taxes (132m) = 366m / 179,2 = 2.04cps

A Sizeable Industrial Platform Well Positioned for Growth

FY2017 12 month Run Rate Forecast⁽¹⁾

Revenues : R7,4 billion

EBITDA : R2,3 billion

Earnings : R490 million⁽²⁾

HEPS : R2,73⁽³⁾

Day 1 Financial Position⁽⁴⁾

Assets : R12,5 billion

NAV : R4,4 billion

NAV per share : R24,50

Employees : 2,500

Partnering with preeminent global OEMs

TOYOTA

MITSUBISHI

CAT Lift Trucks

JOHN DEERE

ExxonMobil

eni

PUMA ENERGY

BIESSE

leitz LEITZ TOOLING SYSTEMS PTY LTD
We Shape The Future

Serving South Africa's blue-chip clients

SHOPRITE

MTN

VOLVO

Clover

Tiger Brands

W WOOLWORTHS

SAB MILLER

McDonald's

CAT







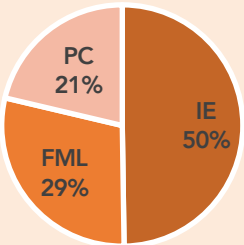
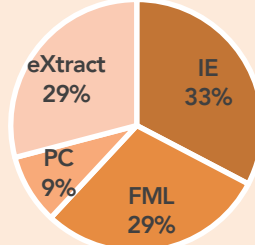
Albany BAKERIES

AFROX

DISTELL

1. Revenues and EBITDA based on full 12-month contribution from Eqstra IE and FML to 31 August 2017 ("Run-rate Contribution")
2. Earnings represents run-rate Adjusted Headline Earnings, adjusted for (i) once-off transaction costs, and (ii) amortisation expenses relating to intangibles recognised on acquisition
3. HEPS is based on Run-Rate Contribution from Eqstra IE and FML to 31 August 2017. The Adjusted HEPS disclosed in the Circular (being R2,70) is based on a proportional contribution from Eqstra IE and FML
4. Assets, NAV and NAV per share as per the Pro Forma Financial Effects disclosed in circular to shareholders

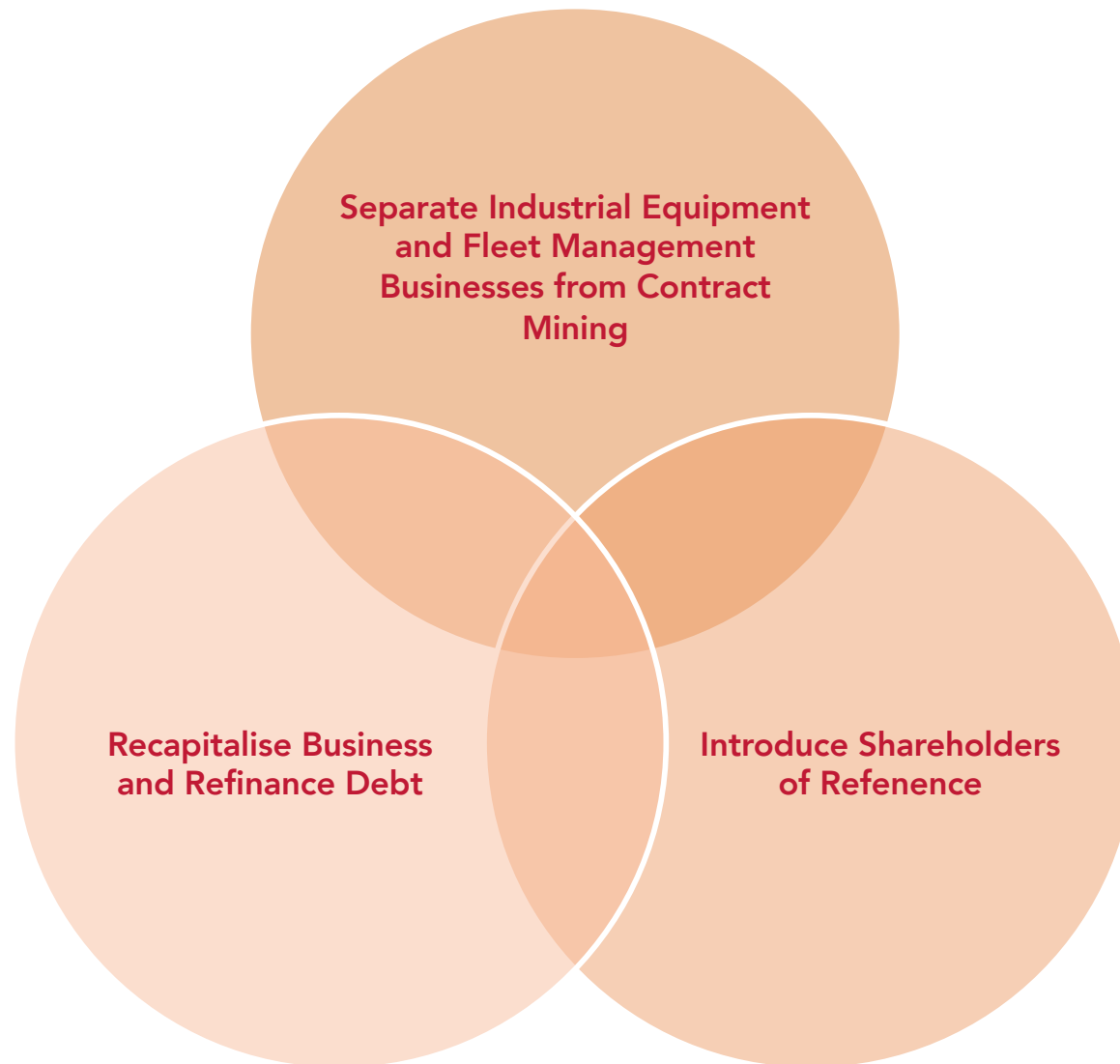
Post Transaction enX – Three Industrial Clusters + Investment in Contract Mining

	INDUSTRIAL EQUIPMENT (100%)			PETROCHEMICALS (100%)			FLEET MANAGEMENT (100%)			CONTRACT MINING (20%)		
Operating Entity	  			 								
Business Description	<ul style="list-style-type: none"> • Distribution, leasing rental, after-market and value-added services for: <ul style="list-style-type: none"> • Forklifts • Port and crane equipment • Power generators • Hi-tech wood machinery 			<ul style="list-style-type: none"> • Manufacturing, marketing and distribution of oil lubricants • Leading reseller and distributor of polymer, rubber, fillers and specialised chemicals 			<ul style="list-style-type: none"> • Corporate leasing and fleet management for: <ul style="list-style-type: none"> • Passenger vehicles • Light, medium and heavy commercial vehicles 			<ul style="list-style-type: none"> • Mining services: <ul style="list-style-type: none"> • Drilling • Blasting • Load and haul • Short-term plant rental • Long-term plant leasing 		
Projected Earnings ⁽¹⁾⁽²⁾	Revenue	FY17 3 750	FY18 4 150	Revenue	FY17 1 450	FY18 1 550	Revenue	FY17 2 150	FY18 2 350	Post-tax Interest from MCC Loans	FY17 124	FY18 124
	PAT	178	252	PAT	48	65	PAT	150	201	Pref. Div's	30	50
	PAT Margin	5%	6%	PAT Margin	3%	4%	PAT Margin	7%	8%			
Earnings Composition (FY17)	<div>Revenue - R7.4bn</div> 						<div>PAT - R490m</div> 					

1. Excluding central cost allocation

2. Invested capital: Shareholders funds + Interest earning debt – surplus cash

Three Steps to Unlocking Value

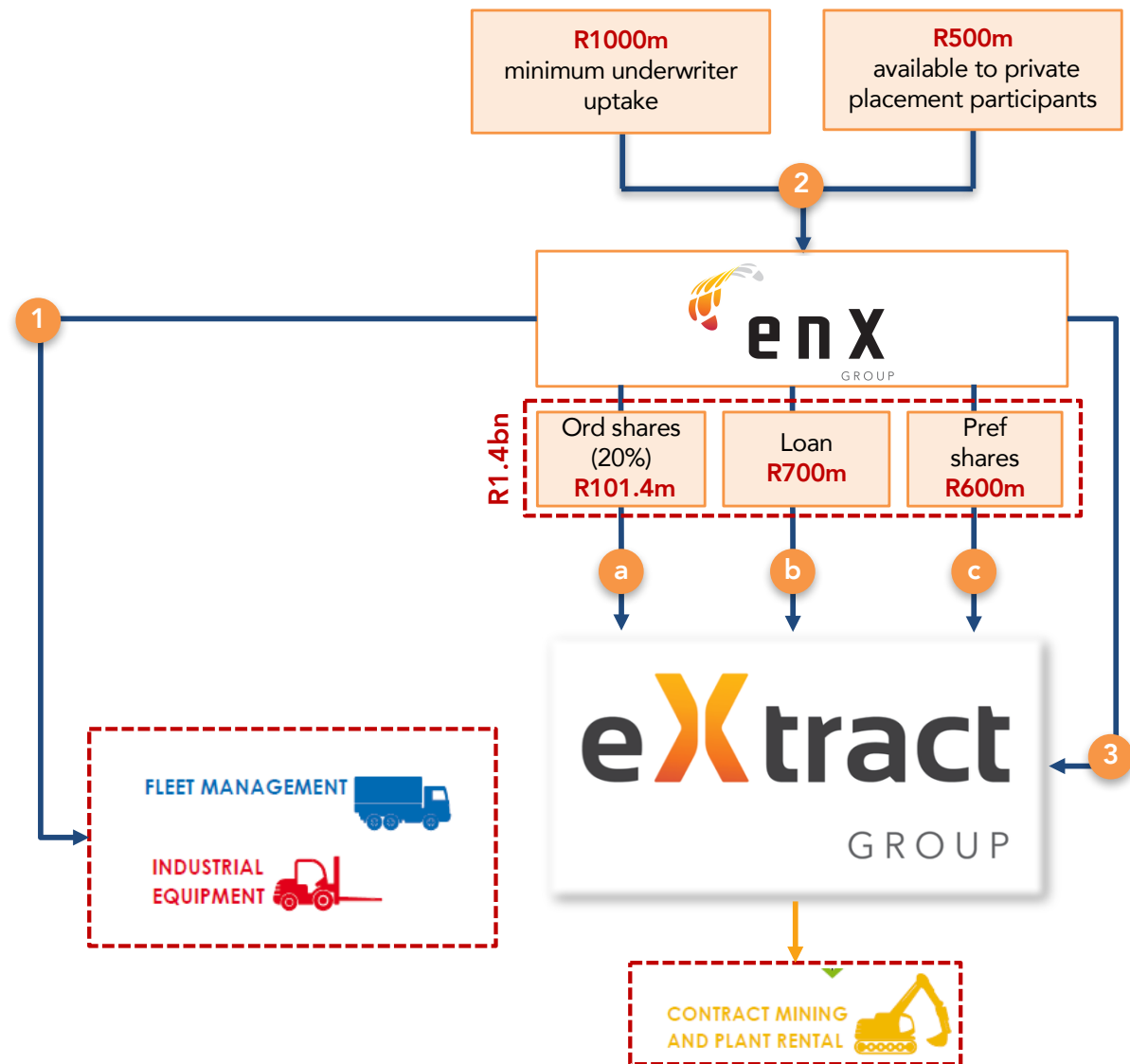


Eqstra Transaction Implemented as Follows...

Transaction Steps:

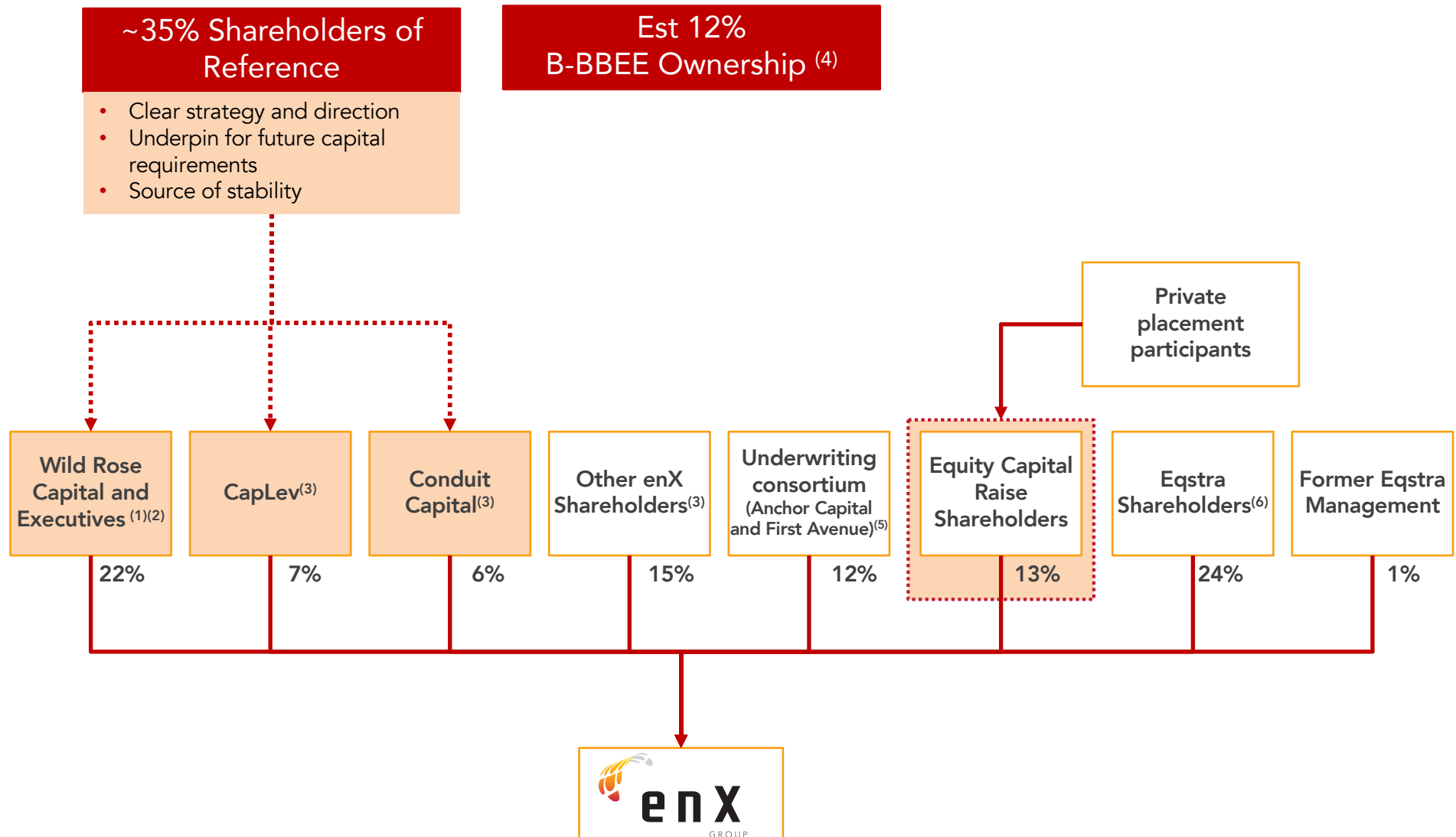
1. enX acquires Industrial Equipment (IE) and Fleet Management and Leasing (FML) in exchange for **52.6m⁽¹⁾** enX shares. enX shares unbundled by Eqstra
2. enX raises **R1,5bn⁽²⁾** in fresh equity. enX injects **R1,4bn** into eXtract as follows:
 - (a) **R101.4m** for ordinary shares in eXtract (20%)
 - (b) **R700m** subordinated loan
 - (c) **R600m** preference shares

Capital used to repay senior lenders
3. enX assumes **~R900m** of eXtract senior debt. Becomes part of subordinated loan due to enX



1. Excluding treasury shares
 2. The balance of R100m will be held as cash to settle transaction costs and debt

Shareholders of Reference Provide Long Term Stability and Strategic Direction



1. Includes shares issued to enX Executive Management as per SENS announcement released on 26 Jan 2016
2. Includes R500m Classic International participation in the equity capital raise
3. Assumes Caplev, Conduit and existing enX shareholders do not subscribe for shares in the capital raise
4. Estimate based on current B-BBEE Codes applying available exclusion of Mandated Investments
5. Committed subscription
6. enX shares unbundled by Egstra, excluding Conduit Capital and associated entities

Significant Institutional Backing

Significant long term focused institutional shareholders provides a share price stability, improved liquidity for smaller market participants and capacity for enX to raise equity via additional rounds of capital raising

enX Share Count ('million) ^(1/2)	
Shares in Issue: Feb 2016	51,1
Shares Issued: Management Subscription ⁽¹⁾	0,7
Shares Issued: WAI Transaction	2,7
Shares in Issue: Pre EQS Transaction	54,5
enX Capital Raise	71,4
Shares Issued to Eqstra and unbundled	52,6
Shares Issued to Eqstra Management	1,5
Shares in Issue: Post EQS Transaction	180,0
Less Treasury Shares	(0,8)
Total shares for HEPS purposes	179,2

Existing Larger EQS Institutional Shareholders	
	
	

Note: The institutions represented above were shareholders as at **6 September 2016**. They are free to sell their shares, may have sold in the intervening period and have made no commitments to remain shareholders of enX

1. Includes shares issued to enX Executive Management as per SENS announcement released on 26 Jan 2016
2. enX Share count after 11:1 share consolidation

Achievable Earnings Bridge to FY2017 Projections...Undemanding Organic Growth

R' millions		Add: Once - off Costs / Acquisitions					FY2017E EBIT (full year)	Annual Organic Growth % ⁽¹⁾
Operating Division	FY2016 Actual EBIT	Head Office Charges Included	Staff Termination Costs	WAG Acquisition	AGL Acquisition	Annual Organic Growth		
Fleet Management and Leasing	372	32	-	-	-	44	448	11%
Industrial Equipment	316	28	2	-	-	45	391	13%
Petrochemicals ⁽²⁾⁽³⁾	25	-	-	42	22	3	92	12%
Power ⁽²⁾	1	-	4	-	-	16	21	<u>Note</u>
Wood ⁽²⁾	15	-	1	-	-	2	18	12%
Total	737	60	7	42	22	100	970	11%

Note: Power business growth off a low base. Assumes gradual recovery of market to pre- load-shedding levels. Early signs of recovery in Sept and Oct orders. EBITDA of **R42m** generated in FY2014 (unaffected by load shedding) and **R10m** since added as acquisitive growth (Genmatics)

Less: Central Costs	(55)
Plus: Mining Earnings	202
Less: Net Interest	(450)
Less: Taxation	(177)
Post-Tax Earnings	490

▲
Ex Power

1. Excluding acquisitions. After add back of head office costs and staff termination costs
2. FY2016 numbers are unaudited and remain subject to board approval
3. Excludes 2 months earnings from WAI and AGL

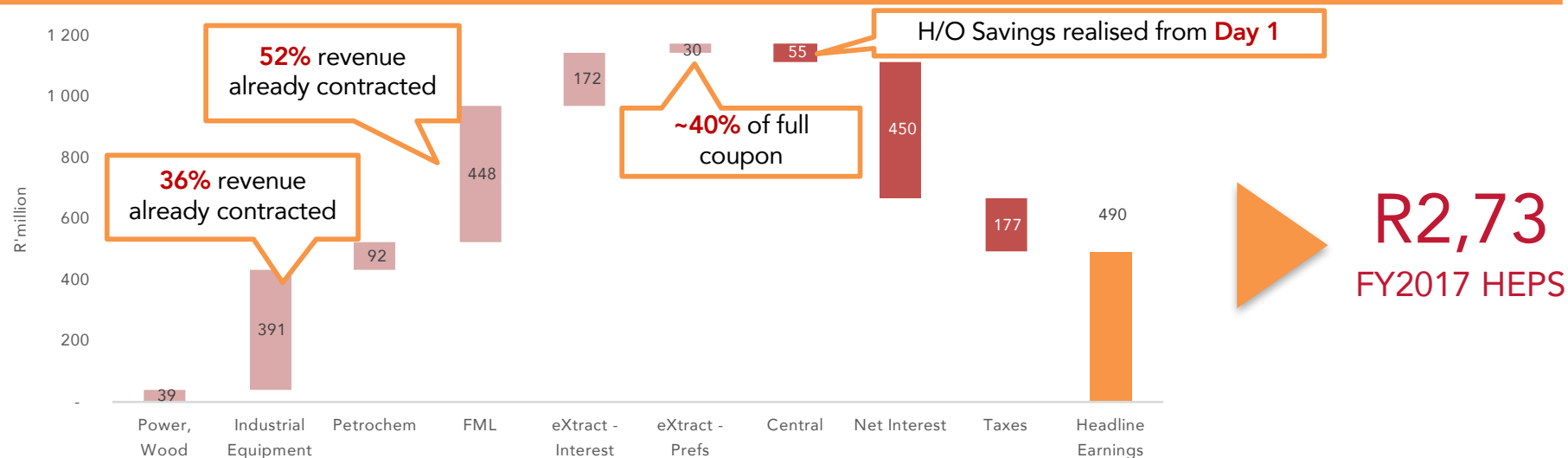
Execution of FY2018 Underlying Growth Drivers Already Well Advanced

R' millions	FY2017E EBIT (full year)	Planned Acquisitions	Annual Organic Growth	FY2018E EBIT (full year)	Annual Organic Growth % ⁽¹⁾	Key Growth Drivers
Operating Division						
Fleet Management and Leasing	448	-	56	504	13%	Capex availability to invest in new fleet
Industrial Equipment	391	25	50	466	13%	Full year of earnings from UK acquisition. Recovery to FY2015 volume levels
Petrochemicals	92	-	14	106	15%	Full year of ExxonMobil margin captured through blending. Growth in Puma toll blending and Mobil volumes
Power	21	-	27	48	129%	Recovery to FY2014 profitability (ex load-shedding)
Wood	18	-	2	20	11%	Inflationary growth
Total	970	25	149	1 144	13%	➤ Excluding Power Growth
Less: Central Costs				(60)		
Plus: Mining Earnings				222		
Less: Net Interest				(430)		
Less: Taxation				(227)		
Post-Tax Earnings				649		

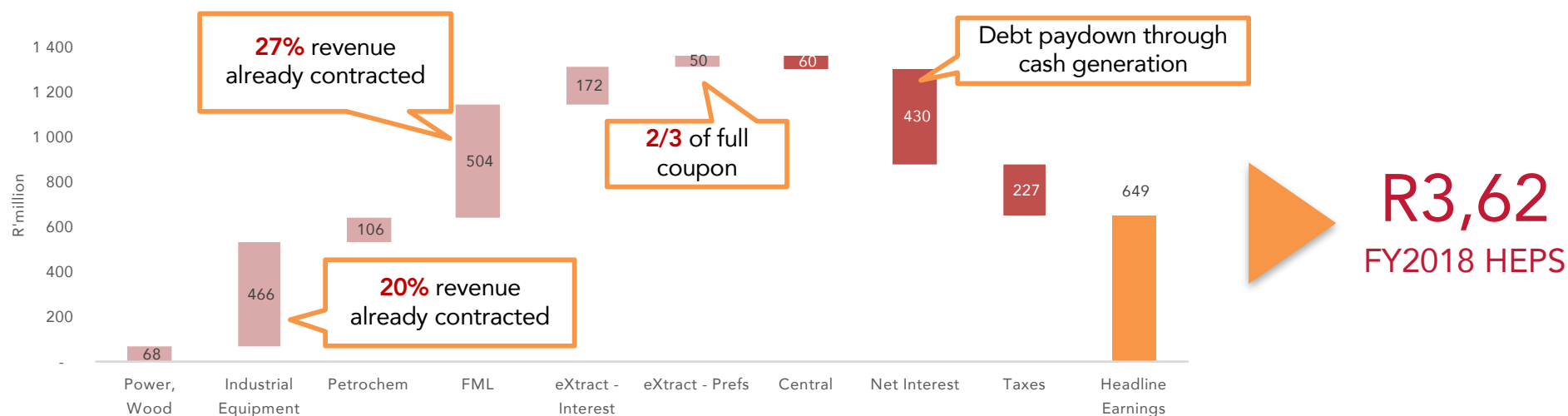
1. Excluding acquisitions

FY2017 and FY2018 Build-up of Earnings

FY2017 Earning Contribution (1)(2)



FY2018 Earning Contribution



1. Earnings Contribution based on Run-Rate Contribution from Eqstra IE and FML to 31 August 2017
2. Assumes no attributable earnings from eXtract for 20% shareholding

FY2016 Results....Rebasing and Restructuring Clears Way for Future Growth

Industrial Equipment

Forklifts:

- **Increased market share** and new and used unit sales in a declining SA market (▼ **21%**) by securing a number of new contracts with major blue-chip companies
- Rapid decline in ZAR:Yen increased prices by 45% impacting volumes
- **Solid performance** from **UK** operations
- **Cost reductions made** and underperforming **operations discontinued**: Heavy Equipment, Agri, 600SA manufacturing, Air Supreme

Power:

- **Challenging H2** in light of rapid drop off in orders post-loading shedding
- **Significant restructuring** to re-align cost base with lower revenues
- **Potential impairment of goodwill associated** with genset manufacturing and sales. Rental business goodwill intact
- Monthly **order levels** have **stabilised** and pipeline is much improved

Wood:

- Performance driven by **strong equipment sales**
- Services and new consumable revenue streams supported flat tools and part revenues

Fleet Management and Leasing

- **Value add products** continued to record **growth**
- **Leased assets declined**, on the back of exiting a few sub optimal contracts and limited access to capital
- Solid growth in South Africa operations. PBT ▲ **9%**
- **Commodities** business sold during the year and **Nigeria** operations **closed**
- **Acceleration** in **new product development**:
 - Car allowance solution
 - Tyre management
 - Telematics for insurance market

FY2016 Results....Rebasing and Restructuring Clears Way for Future Growth



Petrochemicals

- Strong **revenue** and **profitability** growth
- Full year of ExxonMobil distributorship included with **gross margins** now at **acceptable levels**
- Substantial **toll blending volume growth**
- Houghton distributorship concluded
- **West Africa acquisition concluded** on 1 July; 2 months of profit included
- **Move to new plant** in 2017 to create additional manufacturing capacity

eXtract

- Significant **impairment of surplus assets** down to depressed market value
- **Profitable continuing operations** (at EBIT level)
- **Settlement agreement reached with ICVL** on working capital amounts owing. Funds applied to repay external bank lenders to Mozambique in full by Nov 2016
- Surplus Mozambique assets either in the process of being sold or have been profitably redeployed on neighbouring Vale Coal Mine
- SA surplus and plant leasing assets in process of being sold
- Funds to be realised from assets disposals to be used to **repay debt** or extend life of existing assets

Attractive Visible Growth Opportunities for Each Cluster. Potential for New Clusters

Industrial Equipment

- **Grow SA market share:** 37% currently ▲ 40% in +24 months.
- **Increase UK market share:** 5% currently ▲ 8% in +36 months
 - Bolt on acquisitions of dealers to achieve national coverage
 - Equity partnership with OEM
- **Africa Market:** Opportunity to be more aggressive on sale side and support African dealers
- **Bolt on acquisitions:** Other acquisitions in the Industrial Equipment space where acquisition criteria are met

Petrochemicals

Lubricants

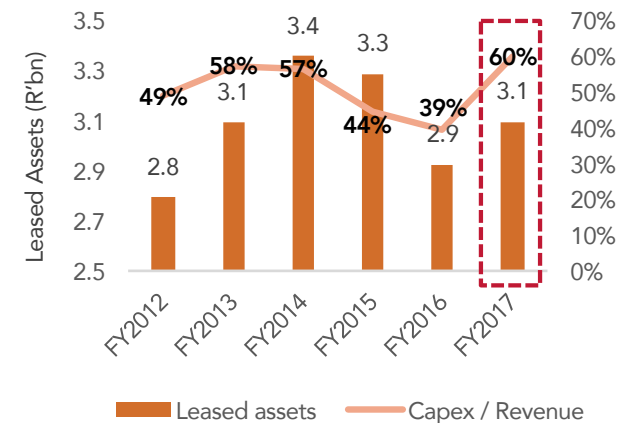
- Local production for ExxonMobil
- Integration of ExxonMobil distributorships to drive down costs and improve efficiencies
- Volume growth for toll blending products, supported by move to new plant
- Distributorships for other ExxonMobil products

Chemicals

- Transition of direct to market ExxonMobil chemical products to distributorship model
- Introduction of **new products** through distribution network

Fleet Management and Leasing

- **Growth Capex:** Capex previously constrained. **R0,5bn** additional growth capex over 5 years for growth



- **Value-added Products:** Continue to diversify revenue to VAP's. Already achieved 0% - 47% in 8 years. Exciting new products in pipeline
- **ERP System:** Implemented Nov 2016. Big data initiative to drive customer service and improve workflow efficiencies

New industrial clusters could be opportunistically added

Industrial company mindset... NOT a quasi bank

1. Smooth maturity profile

- **Smooth maturity profile**
- Manageable refinancing quantum
- Retain access to both bank and bond markets to maintain refinance flexibility. Look to tap other pools of readily available capital

2. Moderate gearing consistent with business model

- Industrial business model (as opposed to historic quasi bank model)
- Target leverage **<2.0x** (dividends can then be considered)
- Debt well **covered by asset base**
- Appropriate **interest service** coverage

3. Ample Liquidity Facilities

- **Sufficient liquidity** to manage maturity profile and trading requirements

4. Credit Exposure to Stable Businesses

- Note holder ring fenced exposure to stable **cash generative** businesses
- Capital structure to release cash for **capex** to grow business
- Target min **BBB+** rating

The Improved Credit Profile of enX Group

Funding Facilities and Capitalisation (R'm) ⁽¹⁾		
	Facility Size	Day 1 Utilisation
IE and FML	6 454	5 094
Term Debt	2 383	2 383
General Banking Facility	400	-
Liquidity Facility	600	-
Note Holders	1 679	1 679
Offshore Debt	1 392	1 032
Wood, Power, Petrochem	485	280
Term Debt	185	90
General Banking Facility	205	95
Other (incl deferred vendor cons.)	95	95
Total Gross Debt	6 939	5 374
Add: Shareholders Equity ⁽²⁾		4 376
Total Capitalisation		9 750
Equity: Capitalisation		45%

Pro-Forma Credit Metrics				
	Metric	PF FY16 ⁽³⁾	FY17E	FY18E
Financial Performance	EBITDA (R 'm)	2 081	2 272	2 463
	Depreciation	(1 344)	(1 346)	(1 406)
	PF Net Interest (R 'm)	(450)	(450)	(430)
Leverage ratios	Gross Debt / EBITDA	2.6x	2.4x	2.2x
	Day 1 Asset Cover ⁽⁴⁾	1.1x		
Serviceability	Interest Coverage ⁽⁵⁾	1.64x	1.69x	1.75x



Note: PF Credit Metrics well within covenant levels

1. Eqstra Facilities and Capitalisation as per annual financial results to 30 June 2016, adjusted for effects of transaction
2. Shareholders Equity as per Pro Forma Financial Effects
3. enX components unaudited and subject to board approval
4. Asset Cover ratio: (Leasing Assets + Trade Receivables) / Net Total Debt
5. Interest Cover ratio: EBITA / Net Finance Cost

Financial Position (R'million)	PF 30 June 2016 ⁽¹⁾
Leasing Assets and PPE	2 121
Trade and Other Receivables	714
Other Assets (Incl Cash of R148m)	322
Net Assets Available for Sale	735
Total Assets	3 892
External Debt	620
Preference Shares	600
enX Loans	1 600
Other Liabilities	452
Total Liabilities	3 272
Shareholders Equity	620
NAV per share	1,23
Financial Performance (R'million)	PF 30 June 2016
Revenue	2 964
EBITDA	563
Continuing Operating Profit	151
PF Interest on External Debt	(60)
PF Interest on Subordinated Debt	(172)
PF Preference Share Dividends	(78)
Net Profit Before Tax	(159)

Assets Held for Sale (R'million)	30 June 2016
Contract Mining - SA	135
Contract Mining - Benga	511
Plant Rental	163
Total	809
Less: Tax Liabilities	(74)
Net	735

Funding Source (R'million)	Utilised
SA Term Funding	465
SA General Bank Facility (R200m facility)	-
Offshore Funding (Botswana)	155
Liabilities associated with assets held for sale (excluding tax liability)	-
Day 1 Debt Balances	620
Subordinated Loans due to enX	1 600
Preference Shares due to enX	600
Total Debt	2 820

Sensitivities	S1	S2	S3
Operating Profit (R'm)	350	400	450
HEPS (cps)	21	28	35

Scheduled capital repayments on term facilities - 30 month capital moratorium

Moz bank debt to repaid in full by 1 Nov

Interest and capital repayments based on cash sweep after external funders have been serviced

Significant financial leverage

1. Balances as at 30 June 2016, amended for change in debt structure and equity injection

Improved Profitability

KEY CONTRACTS

**New key
profitable
contracts** to
diversify
revenue base

EVOLVING BUSINESS MODEL

**Reduce
contract risks**
combined
with upside
participation

ACQUISITIONS

Building a
**mining
services** group

OPTIMISATION

Doing **more
with less** -
driving fleet,
operating and
mining
efficiencies

DE-LEVERAGE

Repaying debt
through asset
monetisation

A Well Incentivised and Aligned Management Team



Key Executive	Steven Joffe	Paul Mansour	Jannie Serfontein	Irwin Lipworth	Gary Neubert	Jacqui Carr	Brent Hean	Clint Nickall	Christian Neuberger
Position	Non-Executive Chairman	Executive Deputy Chairman	Group CEO	Financial Director	Industrial Equipment	FML	Chemicals	Lubricants	Power, Wood
Years in respective businesses	2.5	3.5	5	0.5	16	27	18	1.5	3.5
Total enX Shares, FSP and SARs ('m)	4,4	1,5	1,2	0,3	0.8	0,8	0,5	0,3	1,0

Total enX Shares + FSP: Issued Shares

▶ 3.8%

Total SARs : Issued Shares

▶ 1.8%

Breakdown of equity interest									
enX Shares ⁽¹⁾⁽²⁾	4,356,500	880,900	240,280	-	184,800	203,600	227,400 ⁽³⁾	-	779,800
FSP ⁽⁴⁾	-	-	322,200	107,100	237,500	237,700	-	94,700	-
SARs ⁽⁴⁾	-	647,200	647,200	214,300	357,800	358,200	262,900	234,800	228,600

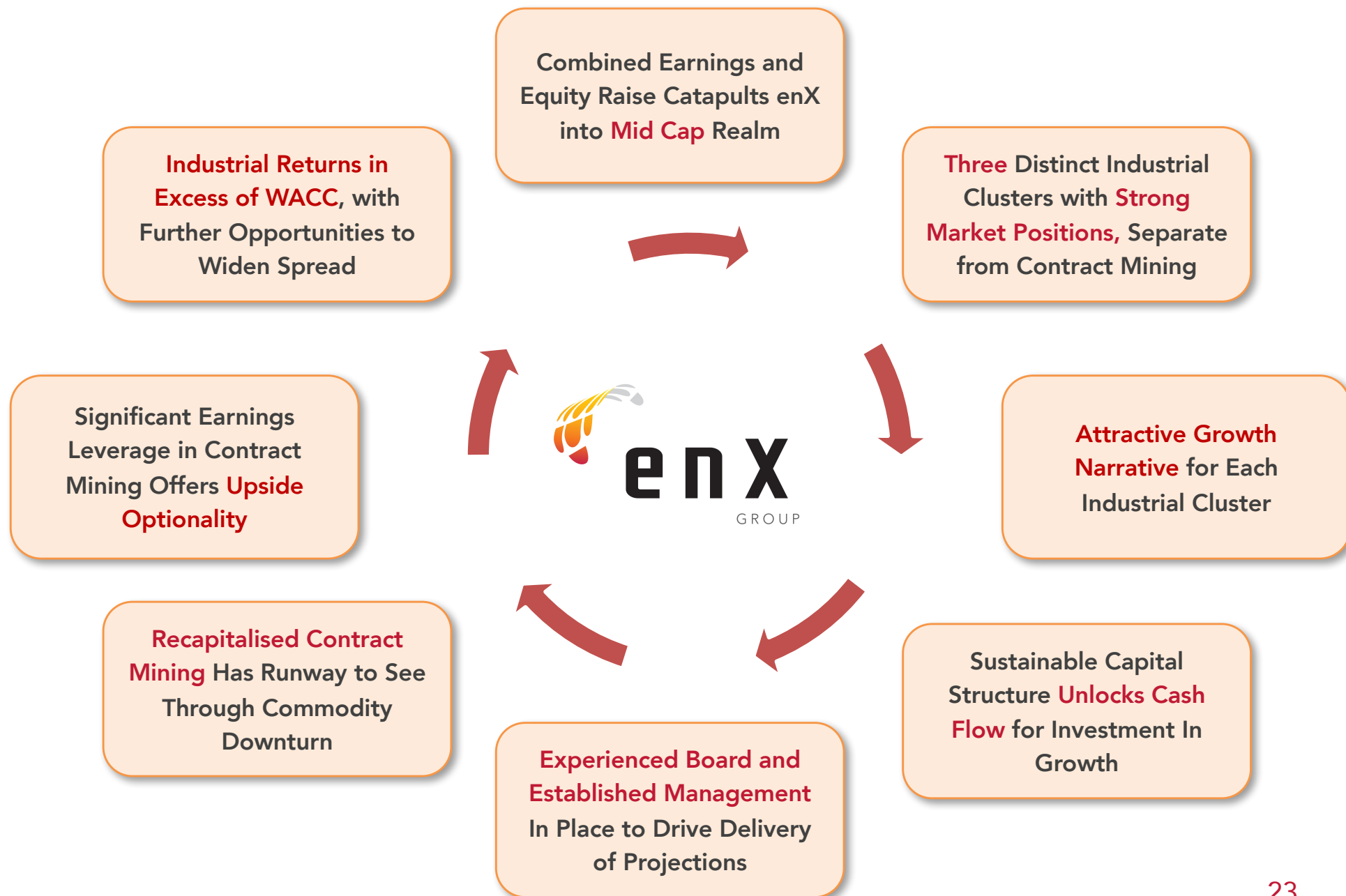
Key: FSP: Forfeitable share Plan / SARs: Share Appreciation Rights

1. All numbers shown post consolidation, rounded for ease of reference

2. Includes shares to be acquired through distribution of enX shares by Eqstra based on holdings disclosed in Eqstra circular

3. 250,550 additional shares subject to earn-out if targets are met. Shares issued may change based on actual earnings and share price movements

4. To be approved by board



Annexures:

- Investment case
- Debt Terms
- Comparable Companies



Investment Case: Industrial Equipment

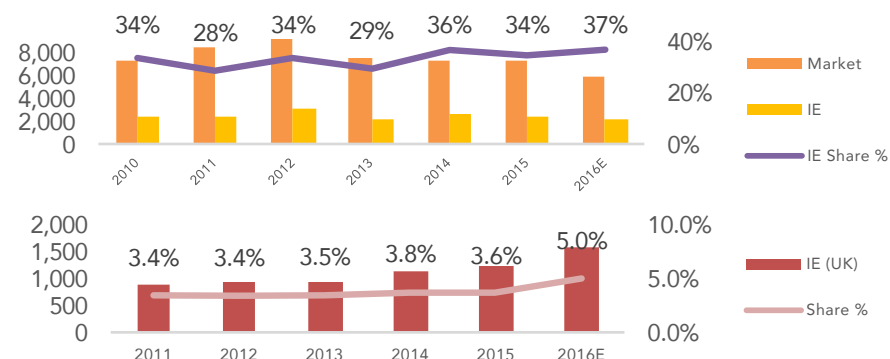
Business Strengths – Industrial Equipment

- **Market leader** in the Southern African forklift segment
- Top 3 manufacturer and rental of diesel gensets
- Represent leading global OEMs: Toyota, Mitsubishi, John Deere, Konecranes, JCB, Hoppecke, 600SA
- Significant after –market capability
- Leasing, short term rental and after-market provide annuity type revenues
- Diverse and blue chip customer base: Shoprite, Tiger Brands, Nampak, UTI
- Sizeable long and short term fleet:
 - Forklift rental fleet: **12,604 units** (8170 SA / 4434 UK)
 - Genset rental fleet: **260 units**
- Footprint extends across South Africa, various African countries, the United Kingdom and Ireland

Market Dynamics - Forklifts

SA 37% Market Share (Units)

UK 5% Market Share (Units)

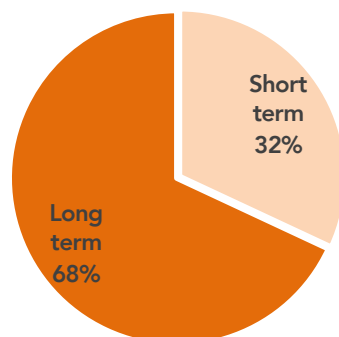


Key Competitors:

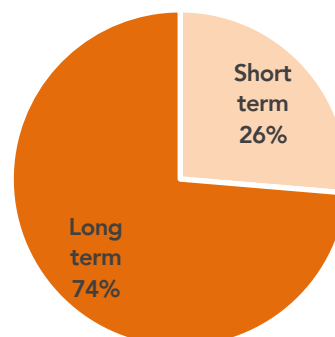
- SA Market: Linde, Hyster, Mitsubishi, Goscor (Crown, Doosan)
- UK Market: Toyota, Linde, Hyster, Yale, Jungheinrich

Business composition – Materials Handling

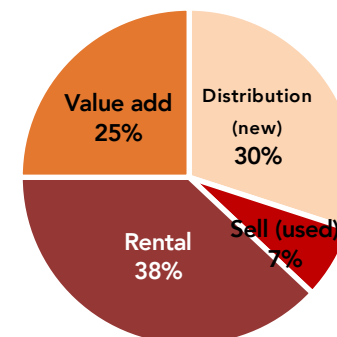
SA - Leasing assets



UK - Leasing assets



Value chain analysis

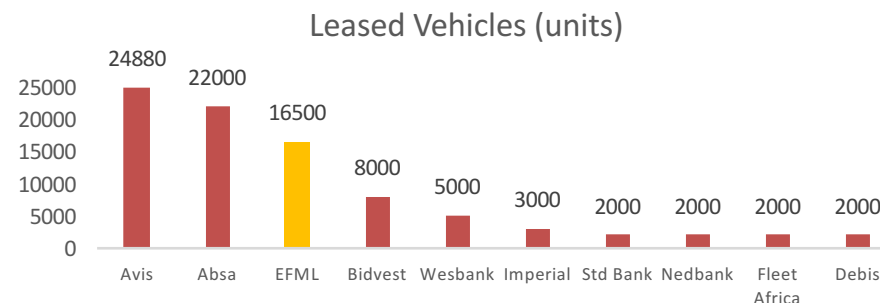


Investment Case: Fleet Management and Leasing

Business Strengths

- **Extensive Fleet:**
 - Manage more than **140,000 fleet managed and leased**
 - Blue-chip private sector customers contribute **91%** of revenue in SADEC. Clover / SAB / Distell / Albany Bakeries / Afrox
- **ERP System** (Microsoft AX) a key differentiator:
 - Provides customers with a single view of their fleet
 - Ability to leverage across other asset classes
- **Integrated Value-added Services:**
 - Improves quality of earnings
 - Comprises 53% revenue
- **Annuity revenues:**
 - **R4.4 billion** ~ approx. 2 years revenue

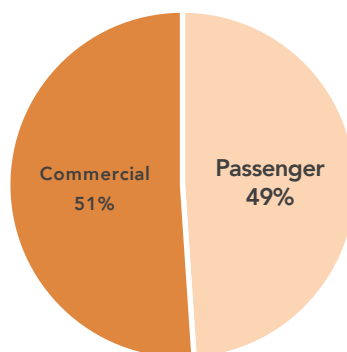
Market Dynamics



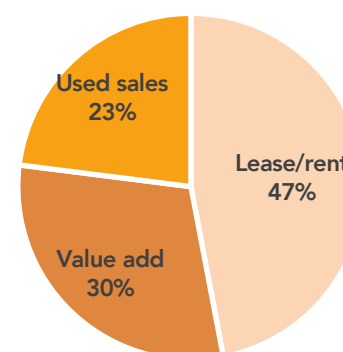
- **Competitive Elements:**
 - Cost of funding
 - Access to Capital
 - Partnerships (e.g. dealerships)
 - Residual Values
 - Value added services

Business Composition

Leasing assets



Value chain analysis



Investment Case: Petrochemicals

Business Strengths

Oil Lubricants:

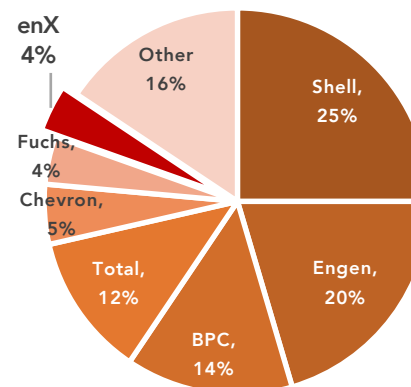
- Distribute **80%** of all ExxonMobil Oil Lubricants in Southern Africa
- **Blue-chip Customer Base**
- Integrated service offering (production and marketing)
- African Group Lubricants revenues (**15%** of total Fuel and Chemicals) is **USD denominated**

Chemicals:

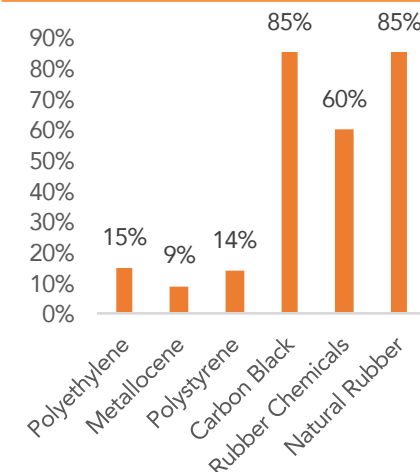
- Market leader in rubber, plastics and polymers
- Highly cash generative business with stable earnings profile
- Number 1 or 2 in market share across various product lines
- Well developed Southern Africa distribution footprint

Market Dynamics

Oil Lubricants Market Share



Chemicals Market Share

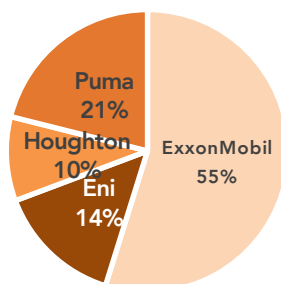


Key Competitors Chemicals:

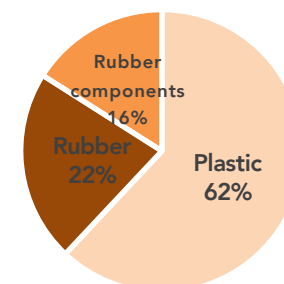
- **Polyethylene:** Sasol / Safripol / MBT / Plastomark
- **Metallocene:** Plastomark / Emeraude / Sam Chem
- **Polystyrene:** Protea Chemicals / Emeraude / Vinmar
- **Rubber:** Rubberchem

Business Composition⁽¹⁾

Lubricants Sales Volume



Chemical Sales Volume

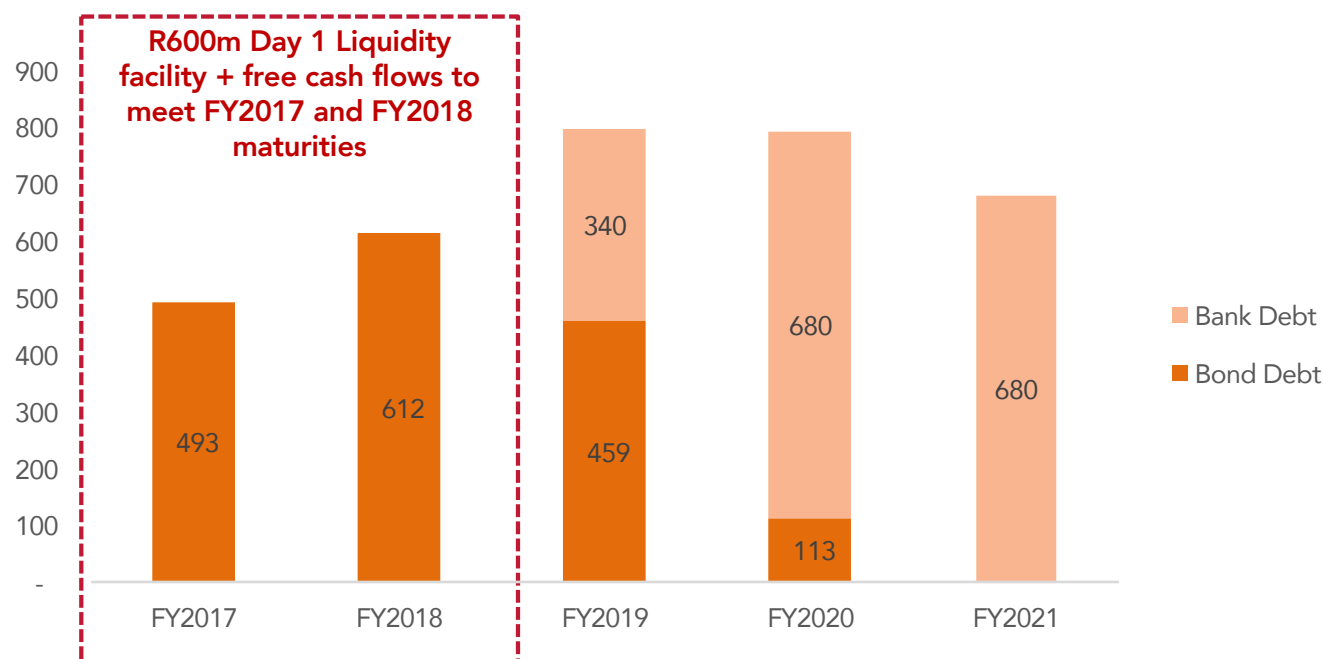


1. Revenues forecast to FY2017

New Smoothed Maturity Schedules across EIE and FML

R' million	Total utilised	FY2017	FY2018	FY2019	FY2020	FY2021
EQS05 - 25 April 2017 ⁽²⁾	900	300	300	300	-	-
EQS06 - 9 April 2018 ⁽²⁾	340	-	113	113	114	-
EQS07 - 9 April 2018	106	-	106	-	-	-
EQS08A - 04 Oct 2018	233	93	93	47	-	-
EQS09 - 29 Nov 2016	100	100	-	-	-	-
Liquidity facility ⁽³⁾	-	-	-	-	-	-
Term facility - SA ⁽⁴⁾	2 383	-	-	340	680	680
General banking facility - SA	-	-	-	-	-	-
Total SA Debt	4,062	493	612	799	793	680
Off shore	1 032	-	-	1 032	-	-
Total Debt	5 094⁽¹⁾					

- Smooth maturity profile
- Manageable refinancing quantum
- Access to bank and capital markets
- Liquidity for +24m



1. Total Debt Balances as per Eqstra Annual Results to 30 June 2016
2. Maturities of Notes EQS05 (25 Apr 2017) and EQS06 (9 Apr 2018) are rescheduled following the redemption of one third of each of the Notes
3. Liquidity facility of R600 million proposed for purposes of partial redemption of EQS05, EQS06 and EQS07
4. Banking Facilities are rescheduled over a 6 year period with a capital moratorium in FY2017, FY2018 and partially in FY2019

Indicative Terms of the Bank Debt in new Eqstra HoldCo

Bank Debt			
Facilities	Term	General Banking	Liquidity ⁽¹⁾
Amount (R'm)	2 383	400	600
Repayment profile	<ul style="list-style-type: none"> • 6 years; and • 30 month capital moratorium 	<ul style="list-style-type: none"> • 364 day notice period 	<ul style="list-style-type: none"> • Allocated to the scheduled redemptions of EQS05, EQS06 and EQS07 notes • Liquidity Facility repaid quarterly (R25m per quarter) and balance on Termination Date (being 36 months from the Advance Date) PLUS cash sweep based on amounts received from MCC
Collateral	<ul style="list-style-type: none"> • Guarantees from IE and FML⁽²⁾ • enX Guarantee 		
Pricing	<ul style="list-style-type: none"> • JIBAR + 245 bps 		
Bank Covenants	<ul style="list-style-type: none"> • Net Total Debt / EBITDA \leq 3.0x • Net Total Debt / Equity \leq 3.37x • Interest Cover⁽³⁾ \geq 1.2x up until 31 Dec 2016; \geq 1.4x thereafter • Debt Cover: Dividends limited to 100% of profit after tax of the New Holdco (no dividends as long as the Liquidity Facility is being utilised) <p>All ratio's are based on the financial information of the South African Group</p>		

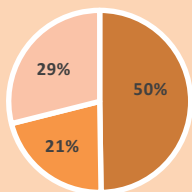
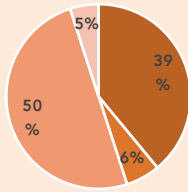
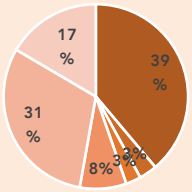
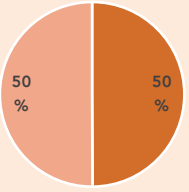
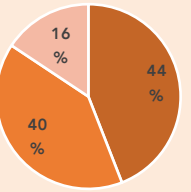
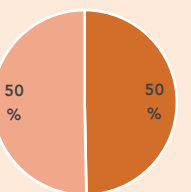
1. As proposed by enX for purposes of the partial redemption of EQS05 (one third being R300 million in each of April 2017, April 2018 and April 2019) and EQS06 (one third being R113 million in each of April 2018, April 2019, and April 2020) and the redemption of EQS07 (in full being R106 million in April 2018)
2. New Holdco, Eqstra TA Equipment (Pty) Ltd, Saficon Industrial Equipment (Pty) Ltd and Eqstra NH Equipment (Pty) Ltd
3. Interest Cover is defined as EBITA / Net Finance Charges

Indicative Terms of the Debt in eXtract

Bank Debt			
Facilities	Term	General Banking	enX Sub Loan
Amount (R'm)	465 (1 865 with immediate pay down to 465)	200	1 466
Repayment profile	<ul style="list-style-type: none"> Amount of R1 400m to be injected immediately ⁽¹⁾ 6 years 30 month capital moratorium (thereafter quarterly capital repayments of R28.5m⁽²⁾) 	<ul style="list-style-type: none"> 364 day notice period 	<ul style="list-style-type: none"> Quarterly cash sweep after bank interest and capital has been serviced
Collateral ⁽³⁾	<ul style="list-style-type: none"> Special notarial bond over certain high value assets General notarial bond over all movable assets ⁽³⁾⁽⁴⁾ Cession of bank accounts and receivables ⁽³⁾⁽⁴⁾ Cession of loan accounts and pledge of shares ⁽⁵⁾ 		<ul style="list-style-type: none"> Second lien over assets
Pricing	<ul style="list-style-type: none"> JIBAR + 290 bps 		<ul style="list-style-type: none"> JIBAR + 450 bps
Bank Covenants	<ul style="list-style-type: none"> Net Total Debt / EBITDA \leq 1.5x LTV \leq 0.33x (LTV : Total Debt / (Leasing Assets, Receivables and cash)) 		<ul style="list-style-type: none"> None
General terms	<ul style="list-style-type: none"> Breach in covenants limited to two equity cures ⁽⁶⁾ 		<ul style="list-style-type: none"> None

- To be injected in the form of subordinated financial instruments by enX Group Limited or one of its subsidiaries, to be immediately applied to the repayment of the Term Facility, as follows: R100m subscription for ordinary shares; R600m subscription for subordinated preference shares; and R700m advance of a subordinated loan
- Final capital payment of R29.5m
- A ring-fenced special purpose vehicle to be established for the sole purpose of acting as debt guarantor, in favour of which collateral will be granted, which in turn will provide a guarantee in favour of the lenders
- Granted by the CMA-based MCC group companies
- In and to all subsidiary companies, associates and investments of Eqstra Holdings Ltd
- Only applicable to ordinary share equity cures

Comparable Company Analysis

	enX	Barloworld		Super Group		KAP		Invicta		Hudaco		
Contribution to revenue	 <div><div>Industrial Equip</div><div>Petrochemicals</div><div>Fleet Management</div></div>	 <div><div>New equipment</div><div>Used equipment</div><div>Product support</div><div>Rental</div></div>	 <div><div>Supply chain SA</div><div>SG Fleet</div><div>Dealerships - SA</div><div>Dealerships - UK</div></div>	 <div><div>Diversified Logistics</div><div>Diversified Industrial</div></div>	 <div><div>Capital Equipment</div><div>Engineering Consumables</div><div>Building Supplies</div></div>	 <div><div>Consumer-related products</div><div>Engineering consumables</div></div>						
	Revenue (R'm)	7,422	63,999		25,949		16,232		10,636		5,188	
	EBITDA (R'm)	2,272	6,466		2,729		2,790		998		627	
	EBIT (R'm)	970	3,756		1,952		1,964		846		559	
	HEPS (cents per share)	273	780		287		47		375		1,095	
Shares in issue ('m)	179	213		347		2,441		108		32		
Market Cap (R'm)	3,768	18,419		14,428		17,990		5,859		3,322		
Interest Bearing Debt (R'm)	5,374	14,231		4,491		4,671		7,329		1,438		
Less: Cash (R'm)	(450)	(2,318)		(3,128)		(2,602)		(782)		(54)		
Enterprise Value (R'm)	8,692	30,332		15,791		20,059		12,406		4,706		
Multiples	FWD	LTM	FWD	LTM	FWD	LTM	FWD	LTM	FWD	LTM	FWD	
EV / EBITDA ⁽¹⁾	2.9x ⁽³⁾	4.7x	4.5x	5.8x	5.6x	7.2x	6.9x	12.4x	10.9x	7.5x	7.0x	
P / E ⁽²⁾	7.7x	11.1x	9.2x	14.5x	11.3x	15.6x	13.6x	14.4x	14.0x	9.6x	8.9x	

Source: Company financials, Bloomberg, i-net, broker reports

1. Average EV/EBITDA: 7.5x (LTM) ; 6.5x (FWD)
2. Average P/E Multiple: 13.0x (LTM) ; 10.8x (FWD)
3. Excludes investment in mining

