



enX Group Capital Markets Day
13 June 2017

A business built on almost **40 years of operating** within the woodworking industry...

... customers count on Austro for outstanding, **best-in-class products, technical service and support**

Selected Key Brands

Equipment Brands:



Tooling:



Edging:



Glue and Adhesives:



Austro is South Africa's **leading distributor of cutting edge, high-tech woodworking equipment**, including:

- Machines, machine tools, PVC edging and adhesives for the woodworking industry;
- Supported through the supply of spare parts, tool manufacturing, blade sharpening and technical services

A history dating back almost 40 years, Austro is the sole distributor of Biesse⁽¹⁾ and Felder equipment, Leitz Tooling⁽¹⁾, Rayt and Kleiberit Adhesives and Proadec Edging among others, for Southern Africa

- Reputation for quality machinery, backed up by ongoing support, has contributed to well-established relationships among a **loyal base of customers**

Products and Services

Machines

- Provides a comprehensive range of cutting-edge high-technology products and solutions covering the entire industrial processing cycle of wood⁽²⁾ and wood derivatives to fulfil customers' most challenging projects which include:
 - Furniture manufacturing
 - Window and door manufacturing
 - Kitchen and built-in-cupboards manufacturing
 - Shopfitting component manufacturing
 - Boat building and construction
 - General joinery

Installation and Commissioning

- All machines sold by Austro are installed and commissioned to ensure a complete end-to-end solution and that the machine delivers up to customer expectations
- Austro guarantees:
 - Highly professional installation technicians
 - Fulfilment of requests or promises made during negotiation of the sale
 - Theoretical and practical training of customer personnel
 - Machine immediately ready for production (turn-key service)
 - Easy machine adjustments and fine-tuning basic change-over and maintenance procedures

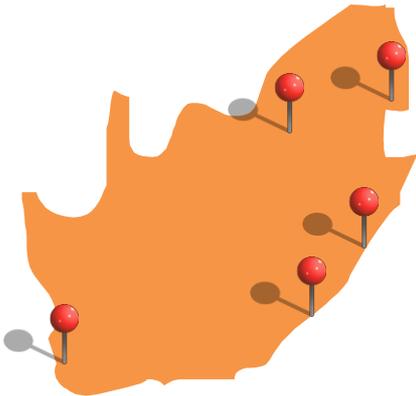
Notes:

- (1) Austro own the exclusive distribution rights for Biesse and Leitz Tooling for sub-Saharan Africa
- (2) Panel based wood industry and particle chip board

Equipment

National presence ensures rapid delivery service and installation of spare parts:

- Johannesburg (head office)
 - Cape Town
 - Durban
- East London
- Nelspruit



Staffing:

- 156 staff employed on a permanent basis

Services

Technical Sales

- Customers receive the highest level of technical and after-sales service, and a commitment to constant innovation in the Austro service offering
- By providing on-going services to customers, Austro enhances customer's confidence in the products sold which results in strong customer loyalty to the group
- The proficiency of a national team of 18 highly-trained field service representatives (FSR's), with the experience and expertise to solve any mechanical, electrical and computerised machinery problems
 - Fleet of vehicles, and substantial stock holding of spare parts results in fast, efficient responses to customer's needs at all times

Installation and Commissioning

- All machines sold by Austro are installed with the complete fulfilment of customers' expectations in mind
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Spare Parts

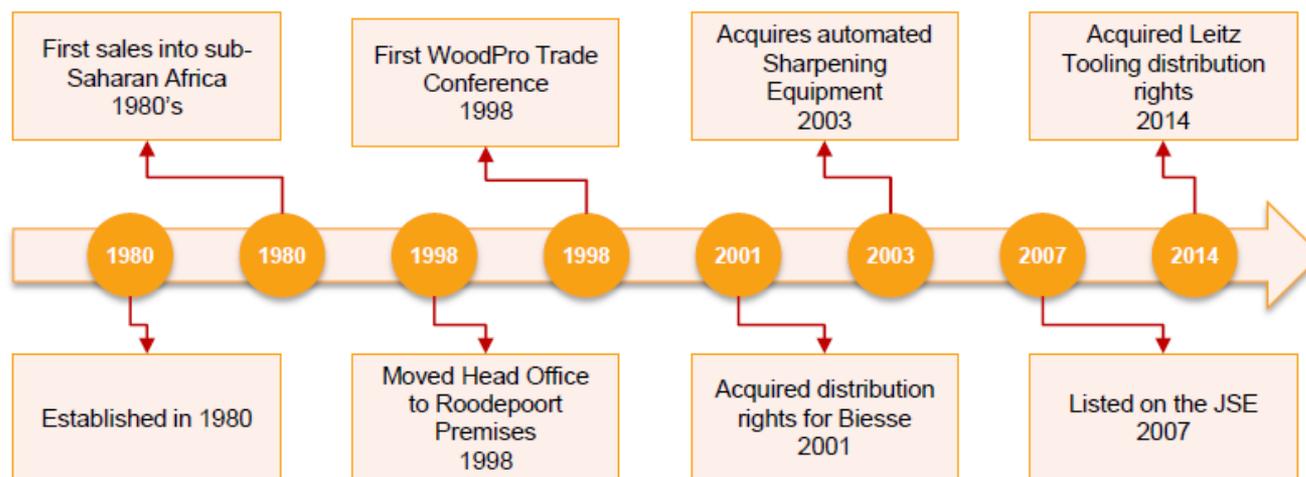
- The spares department of our technical support division manages the after sales supply of spare parts for all the brands within Austro
- Efficient nationwide service ensures:
 - Rapid delivery of guaranteed spares
 - Prompt assistance in problem solving
 - Continuous and competent service for spare parts and assistance with the documentation (i.e. manuals) accompanying the machine

The Biesse Story

Biesse SpA is an Italian-based company engaged in the machinery industry

- It designs and manufactures machinery and systems used in the manufacturing of furniture, doors and windows, as well as kitchens and built-in-cupboards
- Austro is responsible for the distribution, servicing and support of machinery and systems for Biesse and offers the complete range of high quality, value rich woodworking machines that are specifically designed for high tech woodworking
- In addition, all Biesse products are supported by the expertise of Austro through the highly trained technical team
- With trends and technology changing rapidly, high technology is providing customers with the competitive edge required to compete internationally and Austro, with Biesse, is at the forefront of these developments

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| Mission | <ul style="list-style-type: none"> • Austro strives to build on its position of leadership in the markets in which it serves by: <ul style="list-style-type: none"> • Developing enduring relationships through the provision of technical expertise necessary to solve the challenges of customers; • Providing a comprehensive range of quality products and services to the specific needs of customers; and • Providing customers with ongoing support for the life of their machines |
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Austro has the greatest market share amongst suppliers and distributors of woodworking machinery ⁽¹⁾

The Company is well placed to **take advantage of local market consolidation as opportunities arise from manufacturing and infrastructure developments** as well as the export markets into Europe and sub-Saharan Africa

Industries supplied by Austro are significant employers and likely to benefit from:

- Increasing **government support**;
- **Exporting opportunities** into the global markets; and
 - **Infrastructure development** across sub-Saharan Africa

- Austro serves an extensive customer base across a range of industries:
 - No single customer accounted for more than 5% of total revenue in FY2015
- In particular, the following markets are considered to be key customers of Austro:
 - **Furniture manufactures:**
 - Inclusive of the manufacturing of furniture for export to Europe and into sub-Saharan Africa
 - **Shopfitting:**
 - Set to benefit from the continued strength of retail property developments across Southern Africa
 - **Kitchens and built-in-cupboards:**
 - Following on the back of either new residential property developments or the refurbishment of existing residential property developments - likely to contribute to the growth of Austro from kitchen and built in cupboards
 - **Independent and small-scale sawmilling:**
 - A key industry focus by government to growing employment, particularly in rural areas



Selected Competitive Insights ⁽²⁾

REM

- Specialise in the supply of new and second hand woodworking machines
- Key brands include Fraval (edgebanding), Masterwood (CNC machines) and Elcon (vertical panel saw)

Geerlings

- Operating since 1971, and specializes in the supply of a wide variety of woodworking machinery
- Key brands include SCM (woodworking machinery), Cefla (finishing products), Holytek (Taiwanese machinery) and Freud (tooling)

Donald Fuchs

- Sole distributor for the Homag Group
- Key brands include Weeke (CNC machines), Holzma (beamsaws) and Brandt (edgebanders)

CMC

- Supplies woodworking machinery; represents a number brands
- Key brands include Casadei (woodworking machinery), EMC (sanding machines), CKM (Moulders) and Kuang Yung (Chinese machinery)

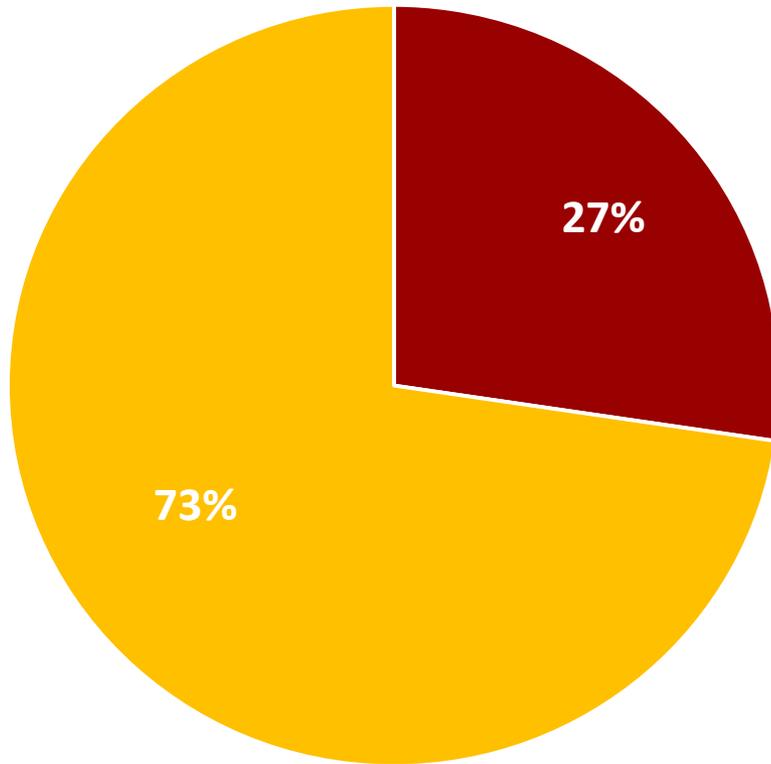
Notes:

- (1) Estimations of market share provided by the Management Team; no formal industry statistics available
- (2) Based on consultation with the Management Team



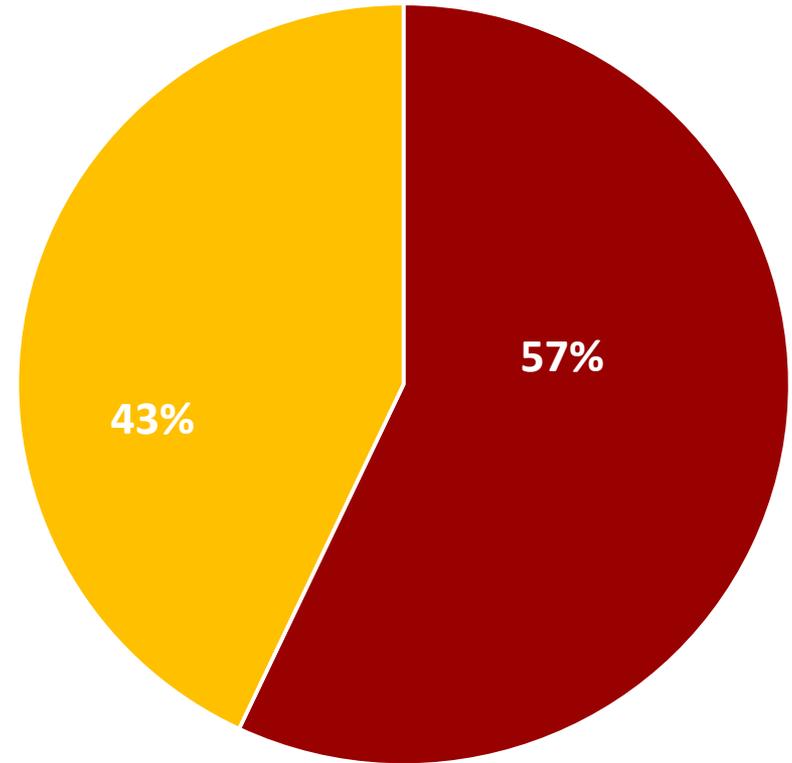


Revenue from Top 10 Customers



■ Revenue from Top 10 Customers ■ Rest

Revenue Contribution



■ Capital Goods ■ Aftermarket

Highlights

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| Market Leader | <ul style="list-style-type: none">• Almost 40 years of world-class service to international suppliers whose best-in-class brands are represented by Austro in Southern Africa.• Products and services are well positioned to capitalise on growing property developments (commercial and residential), positively shifting demographics and forecast growth in infrastructure spend. |
| Highly Experienced Team | <ul style="list-style-type: none">• The most experienced and knowledgeable technical sales force in Africa, supplemented by national representation• Proven operational experience and extensive knowledge of the local market conditions and dynamics• Provides Austro with a unique, competitive advantage. |
| World Class Tooling Supply Centre & Production Facility | <ul style="list-style-type: none">• Best in class range of Leitz's Tooling solutions and supporting service centre• Linked to a production facility for the manufacturing of specific tools required by key market sectors. |
| Integrated Business Model | <ul style="list-style-type: none">• Total Production Solution:<ul style="list-style-type: none">• Ability to supply key components to the 'furniture' manufacturing sector (equipment / tooling / edging / technical support) - single source supplier. |

Highlights (Continued)

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| <p>Strong Base of Loyal Customers</p> | <ul style="list-style-type: none">• At the core of Austro’s success are strong, established relationships with a broad base of customers across various sectors• Long-standing customers, including nationwide retailers and blue-chip, publicly listed forestry businesses.• Austro has earned the loyalty of its customers over. |
| <p>Strategic Platform for Growth:</p> <ul style="list-style-type: none">• Product range; and• Geographic reach | <ul style="list-style-type: none">• By virtue of its best in class supplier arrangements, sought after brands and distribution capabilities, Austro has the ability to grow its market share locally and extend its geographical reach into Africa.• Anchor blue-chip clients offer ready access to African markets and relationships• Sub-Saharan Africa will become an increasingly attractive market as the industrial sectors and infrastructure continue to develop |
| <p>Entrepreneurial Culture</p> | <ul style="list-style-type: none">• The Management Consortium have ambitious plans to grow the business and are intent on investing alongside a suitable Funding Partner |
| <p>Long-standing and Valuable Distribution Rights</p> | <ul style="list-style-type: none">• Owns the distribution rights (mostly exclusive distribution rights) for leading international brands in Southern Africa• Rich legacy of procuring and retaining profitable distribution rights |

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| 1. Gradual evolution of business model |  | <ul style="list-style-type: none">• Convert cash sales to leases/rental |
| 2. Introduction of new products and distributorships |  | <ul style="list-style-type: none">• Rollout of Panotec packaging machines• Aluminium cutting• Composite materials cutting |
| 3. Rollout of Austro Mark coding system |  | <ul style="list-style-type: none">• This will allow for better customer service and communication |
| 4. Development of Sage e-commerce platform |  | <ul style="list-style-type: none">• Offer customers online experience |
| 5. Growth of edging business |  | <ul style="list-style-type: none">• More aggressive sales strategy and stock control procedures• Appointment of industry leading salesman |
| 6. Opening of Austro Training Centre |  | <ul style="list-style-type: none">• Offering training and upskilling of operators for woodworking machinery |
| 7. Potential international acquisitions |  | <ul style="list-style-type: none">• Opportunities for acquisitions in the machines, parts and service for wood, plastics and aluminium processors businesses |