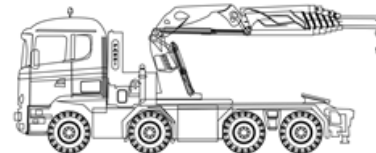
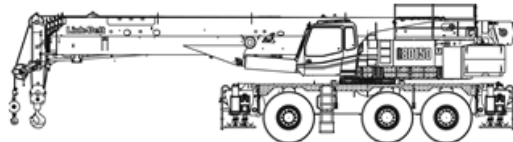
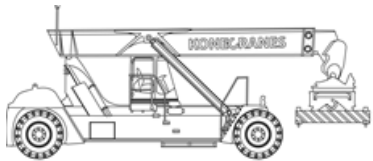


# EIE

**CAPITAL MARKETS DAY – 13 JUNE 2017**



# Our History



**1984**

- ❖ Awarded Toyota Industrial equipment distributorship
- ❖ First forklift locally manufactured

**1992**

- ❖ SIE purchased 6 acre property in Elandsfontein to accommodate JHB branch, factory and HQ

**1993**

- ❖ Awarded BT distributorship

**1994**

- ❖ Signed distributor agreement with Kalmar Industries

**1995**

- ❖ Acquired by Imperial Holdings

**2000**

- ❖ Acquired Impact Handling in UK

**2001**

- ❖ Moved into new larger premises in Port Elizabeth
- ❖ Rental fleet reaches 5000 units

**2003**

- ❖ Awarded International Excellence Status by TICO
- ❖ Moved into new larger premises in Durban

**2004**

- ❖ Moved into new custom built Cape Town premises
- ❖ Revenue exceeds R1 billion

**2006**

- ❖ Awarded distributorship for Raymond warehousing equipment

**2007**

- ❖ Rental Fleet reaches 10 000 units

**2008**

- ❖ Unbundled from Imperial and became part of Eqstra Holdings

**2010**

- ❖ Awarded CatLift distributorship in UK

**2011**

- ❖ Terminated agreement with Kalmar Industries as they came direct to market themselves and signed distributor agreement with Konecranes
- ❖ Revenue exceeds R1,5 billion

**2016**

- ❖ Revenue exceeds R3 billion
- ❖ TICO Premier Club – Outstanding Effort Award

## SALES AWARDS

2012  
2014  
2015  
2016

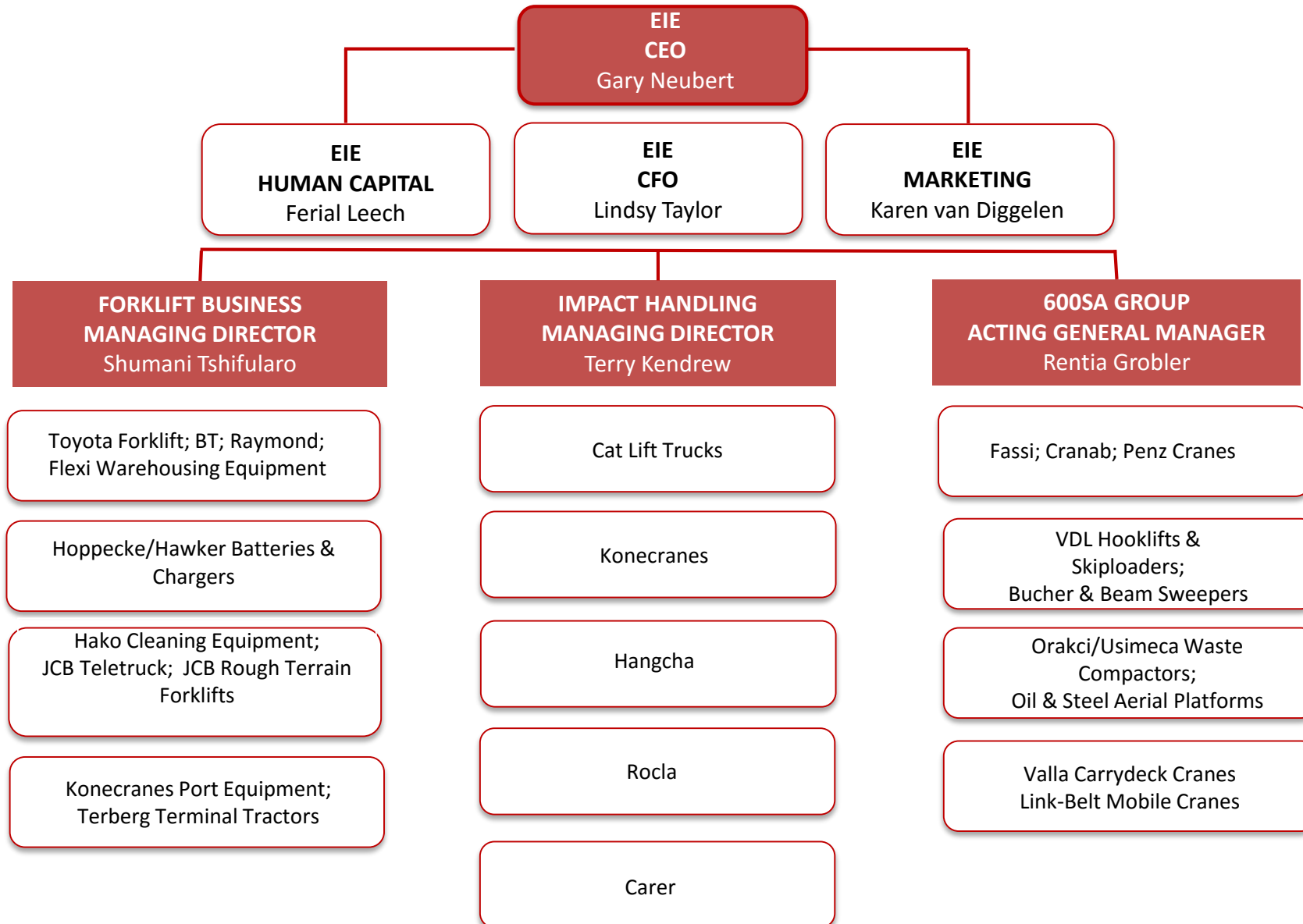
# World Ranking 2015 (2017 see red #)



1  
3

2015 Rank	Company	2014 Rank	2014 Revenue (in millions)	2015 Revenue* (in millions)	% Change 2014-2015	North American brands	World headquarters
1	Toyota Industries Corporation	1	7712	8346	8.2%	Toyota, Raymond	Aichi, Japan
2	KION Group	2	5314	5659	6.5%	Linde, Still, Baoli, Egemin	Wiesbaden, Germany
3	Jungheinrich AG	3	3033	2998	-1.2%	Sold in NA by MCFA	Hamburg, Germany
4	Crown Equipment Corp.	5	2500	2640	5.6%	Crown, Hamech	New Bremen, Ohio
5	Hyster-Yale Materials Handling	4	2767	2578	-6.8%	Hyster, Yale	Cleveland, Ohio
6	Mitsubishi Nichiyu Forklift Co.	6	2159	2012	-6.8%	Mitsubishi, CAT, Jungheinrich (NA only)	Kyoto, Japan
7	UniCarriers Corp.	7	1533	1625	6.0%	UniCarriers, TCM, Atlet, Barrett	Tokyo, Japan
8	Anhui Forklift Truck Group	8	1123	907	-19.2%	Heli	Hefei, Anhui, China
9	Komatsu Ltd.	10	900	760	-15.6%	Komatsu	Tokyo, Japan
10	Clark Material Handling International	11	741	739	-0.3%	Clark	Seoul, South Korea
11	Doosan Industrial Vehicle	12	683	706	3.4%	Doosan	Seoul, South Korea
12	Hangcha Group Co., Ltd.	9	971	704	-27.5%	HC, Hangcha	Hangzhou, China
13	Hyundai Heavy Industries	13	477	477*	0.0%	Hyundai	Ulsan, South Korea
14	Combilift Ltd.	16	190	212	11.6%	Combilift	Monaghan, Ireland
15	Lonking Forklift Co., Ltd.	14	190	163	-14.2%	Lonking	Shanghai, China
16	EP Equipment Ltd.	N/A	135	160	18.5%	Big Joe	Hangzhou, China
17	Hytsu	18	82	82*	0.0%	Hytsu	Shanghai, China
18	Hubtex	17	75	76	1.3%	Hubtex	Fulda, Germany
19	Palettrans Equipment	20	69	69*	0.0%	Palettrans	Cravinhos, Brazil
20	Godrej & Boyce Manufacturing	19	76	67	-11.8%	Not available in North America	Mumbai, India
		TOTAL	\$30,730	\$30,980	Figures based on currency exchange rates as of 12/31/15. * 2015 revenues were not available by press time.		

# Our STRUCTURE



# Our POSITIONING STATEMENT



“EIE Group is the partner of choice

*(Employer, Supplier, Investment)*

in distribution, rental, value-added services and used in the

Industrial and Materials Handling market;

offering a *total solution*, providing *best-in-class brands* and delivering

*optimal life-time value* for our customers.”

# Business Model



## Distribute

- Outright sales



## Rental



## Value Add

Service,  
maintenance and  
Parts



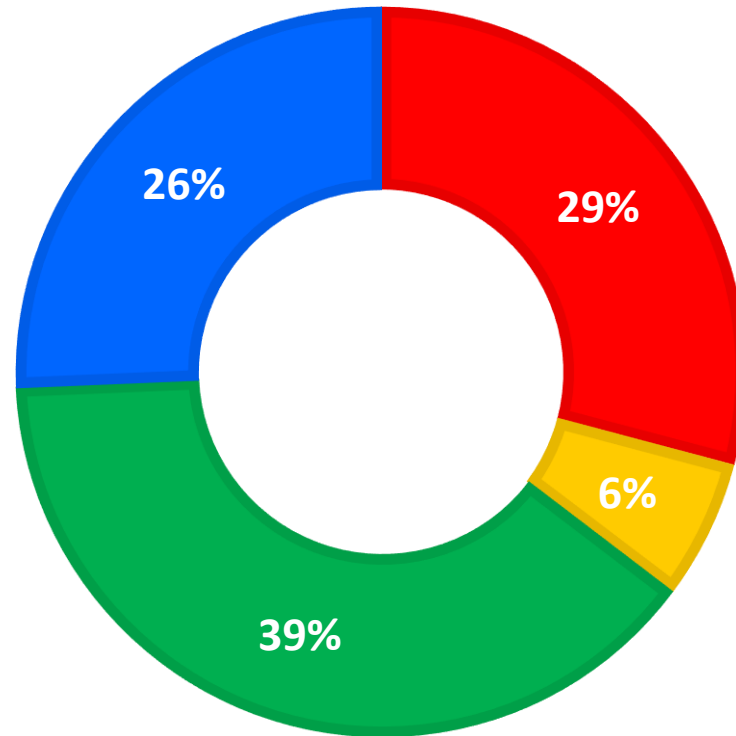
## Used Sales

Repurchasing of second hand  
units

Refurbishment of  
second hand units

Refurbished units  
sold in second hand  
market OR  
utilized in short  
term lease fleet

# Value Chain: Revenue



■ Distribution (New Equipment)

■ Sell (Used Equipment)

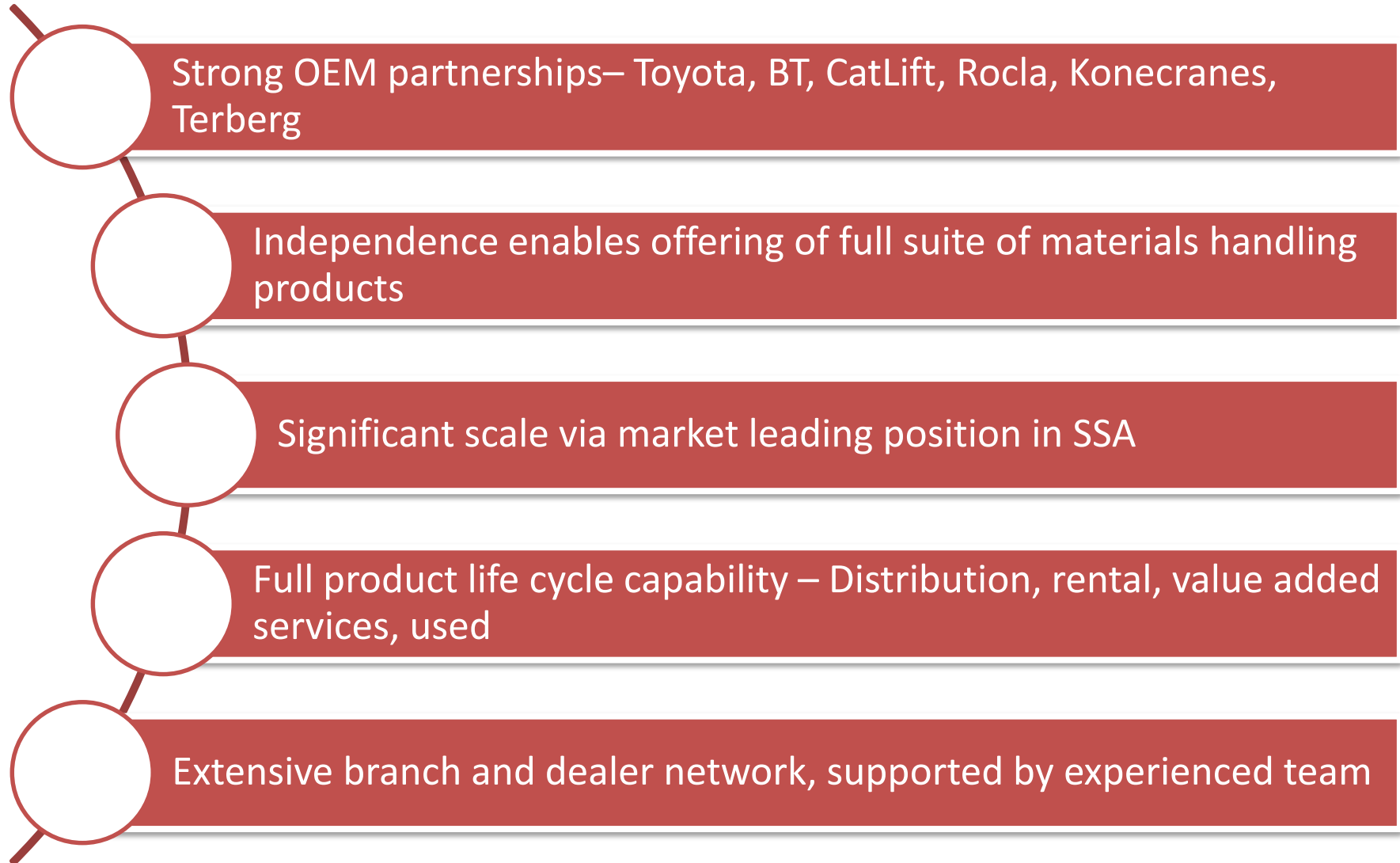
■ Rental

■ Value add (services, maintenance, parts)

# Staff Numbers

Forklift Business – South Africa	977
600SA (including Heavy Lift)	91
Shared Services	56
Forklift Business – UK	297
	<b>1 421</b>
<b>SA OPERATIONS</b>	
- Technicians	514
- Apprentices	39
<b>UK OPERATIONS</b>	
- Engineers	128
- Apprentices	11

# Our KEY DIFFERENTIATORS



# TOYOTA FORKLIFT



Toyota Forklift founded  
in 1984  
*32 Years*

BT Warehousing Equipment  
1993



Raymond 2006



Flexi 2010



# JCB/HAKO

Hako Industrial Cleaning Equipment  
2008



JCB Teletruk in  
2007



# INDUSTRIAL POWER



Traction and Reserve Power  
2013



# PORT HANDLING

Large & medium container equipment

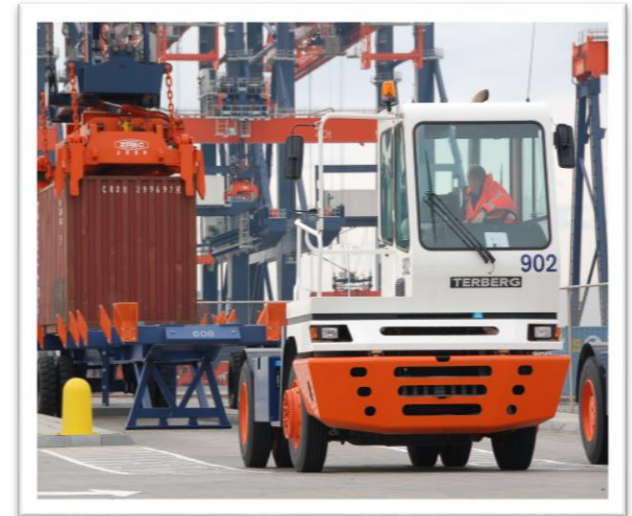
Container Lift Truck - EC



Reach Stacker RST – FC



Terberg

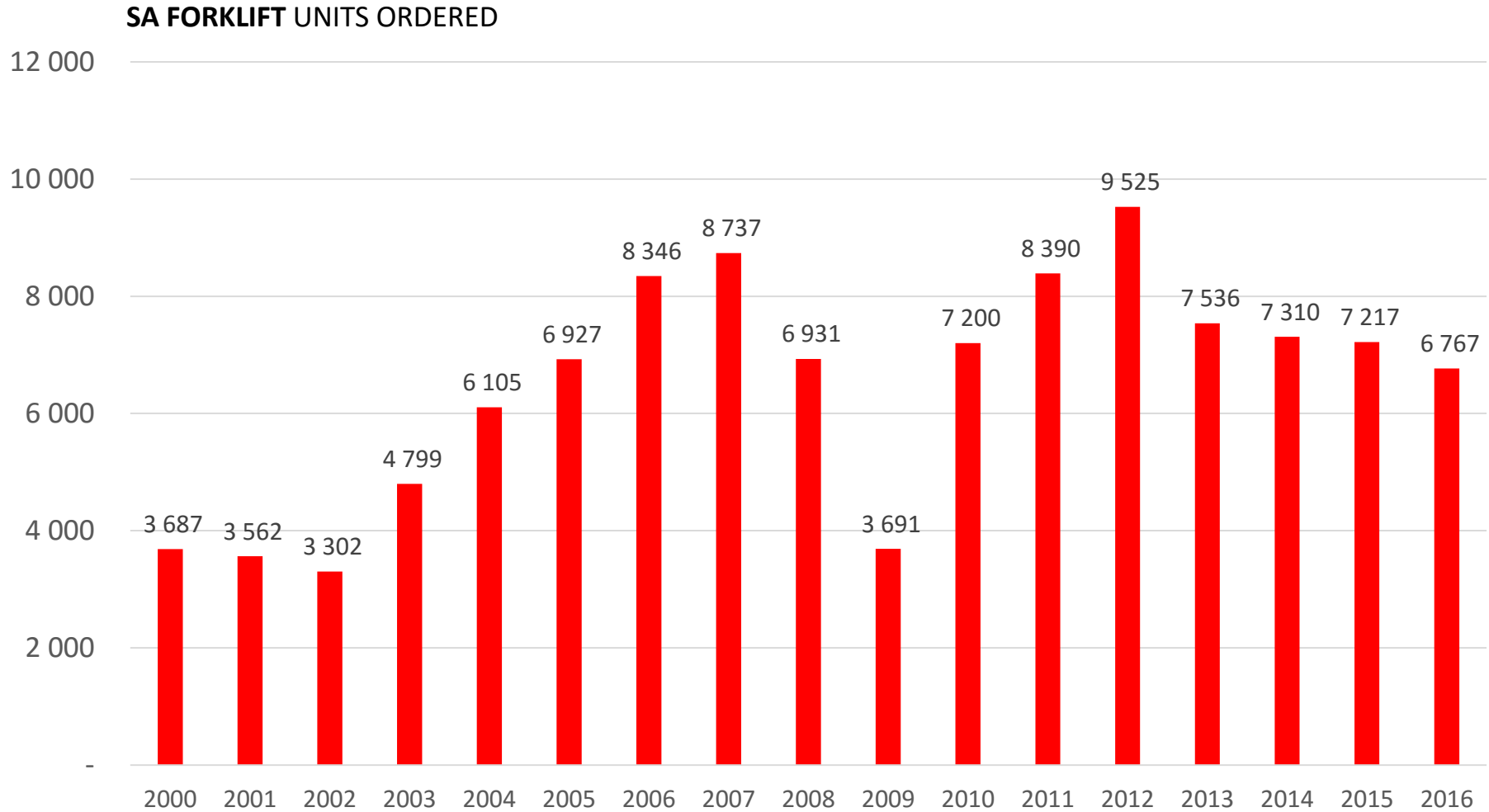


# 600SA

## Lifting, Loading & Waste Management 2012

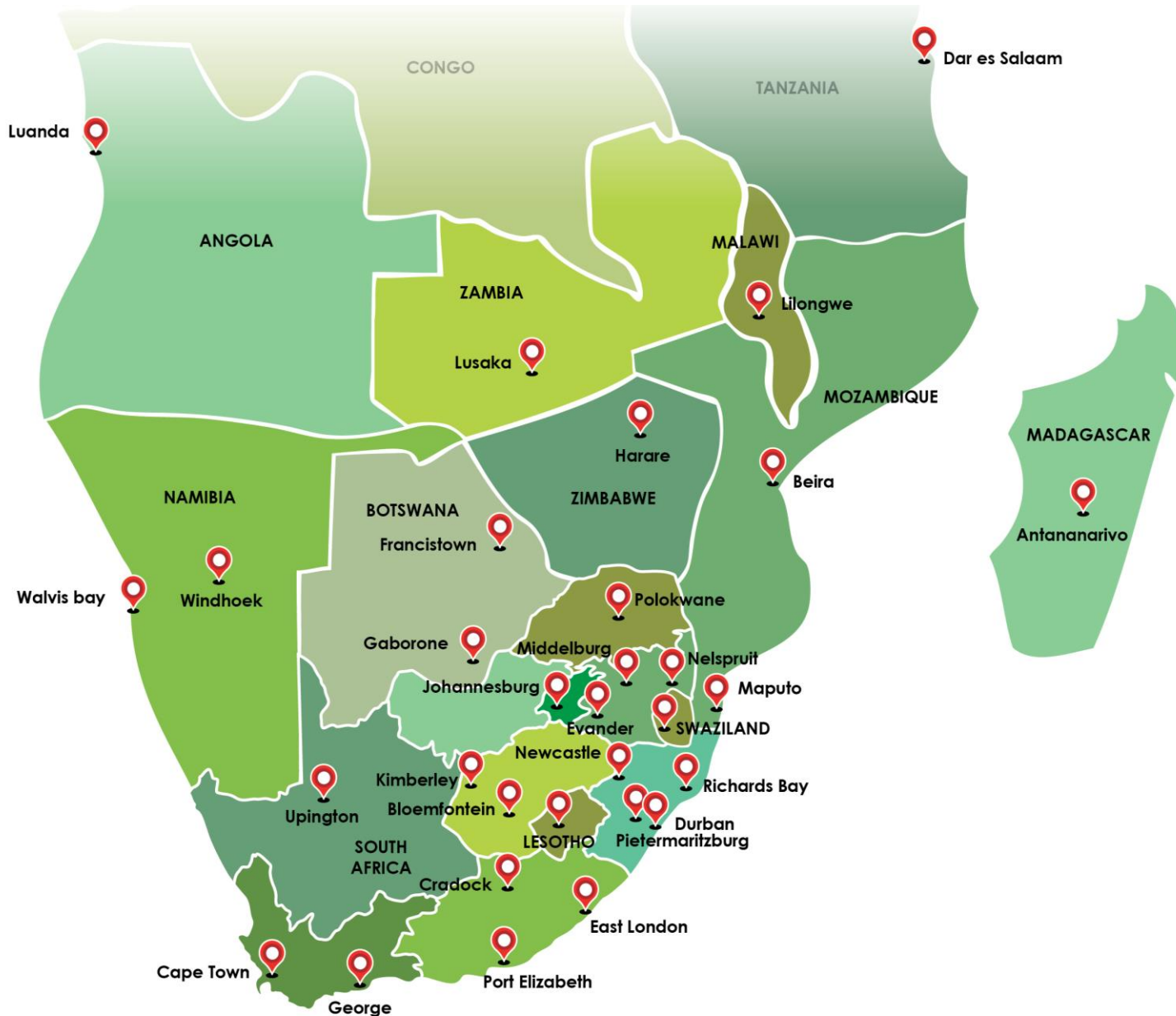


# Market trends - SA



Source: World Industrial Trucks Statistics (WITS)

# African Market Coverage



# Target Market

Logistics

Manufacturing

FMCG

Agricultural  
industry

Retail

Automotive

Mining

Container  
handling

Port operations

Airports

Municipalities

Waste  
management

Government

Contract  
cleaning

# Key Accounts - SA

EIE



TOYOTA



Nampak  
packaging excellence

SHOPRITE



TIGER BRANDS



Unilever



MASS  
DISCOUNTERS

some **DIC** WIRE

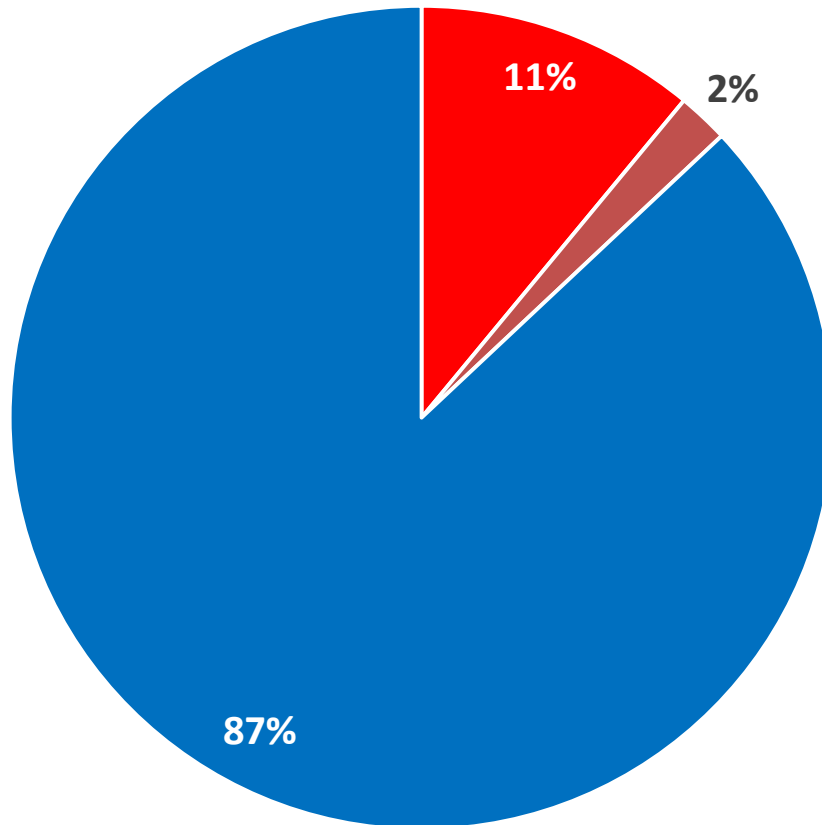


WOOLWORTHS

# Broad Customer Base - SA



## Leasing Book Composition



■ % of Leasing Book Made Up By Top 10 Rental Customers

■ % of Leasing Book Made Up By Largest Customer

■ Rest

# Competitors

## FORKLIFTS - SA

Goscor (Doosan & Crown)

Mitsubishi

Linde

Barlow Handling (Hyster / Utelev)

Jungheinrich

Manhand

Nissan (Unicarrier)

TCM (Unicarrier)

Komatsu

Tailift

# Competitors



PORT EQUIPMENT – SA		600SA
Kalmar		Palfinger
Hyster		Smith Capital
Sany		Cargotech – Hiab
MAFI		TFM Waste
		Duncanmec
		Crane & Forestry
		Bonfiglioli
		Liebherr
		Grove
		Terex Cranes



*We can handle it.*

# Exclusive Brands

EIE

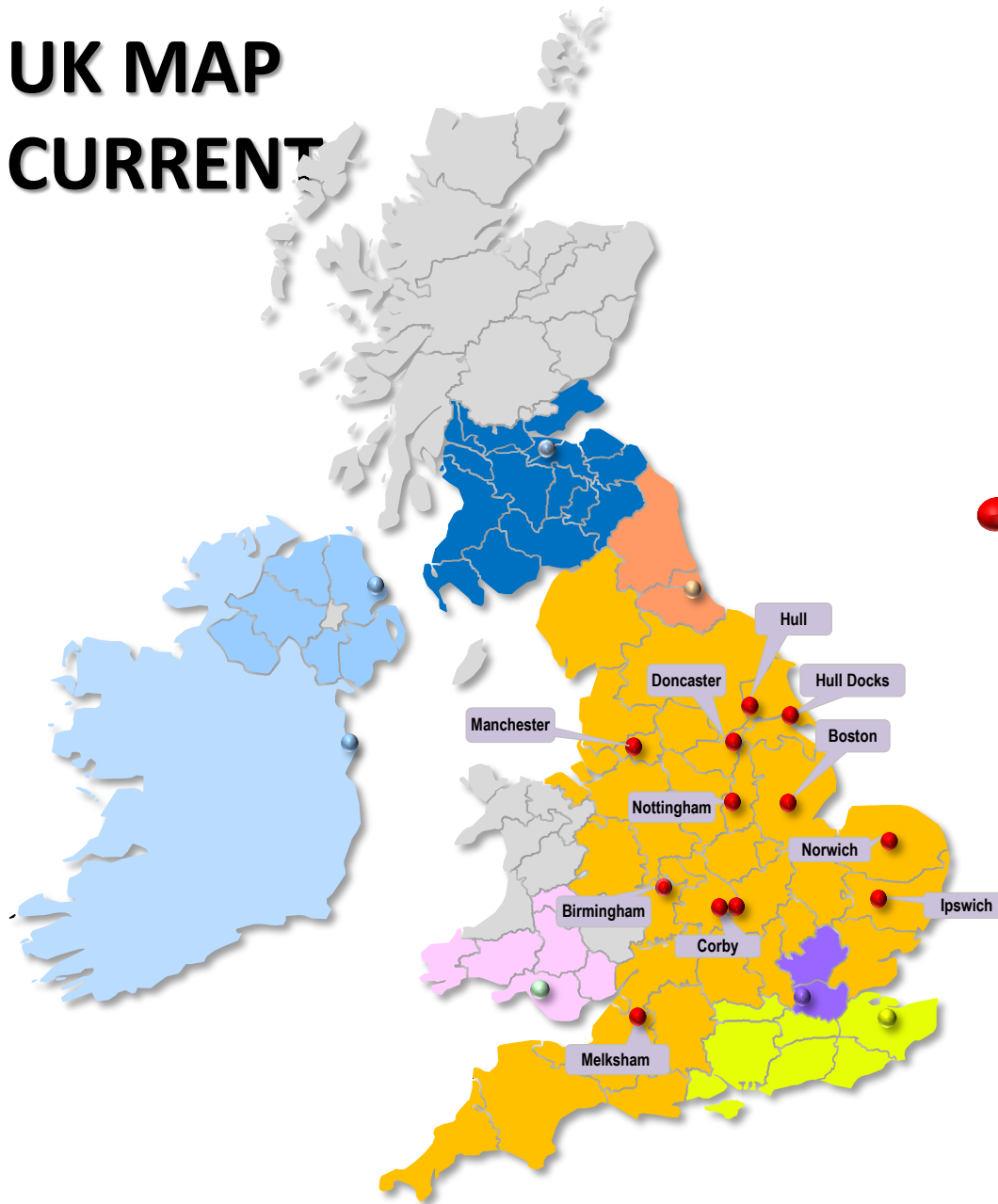


Distribution partner of  
**KONECRANES®**

*We can handle it.*



# UK MAP CURRENT



## Current Market Coverage Position

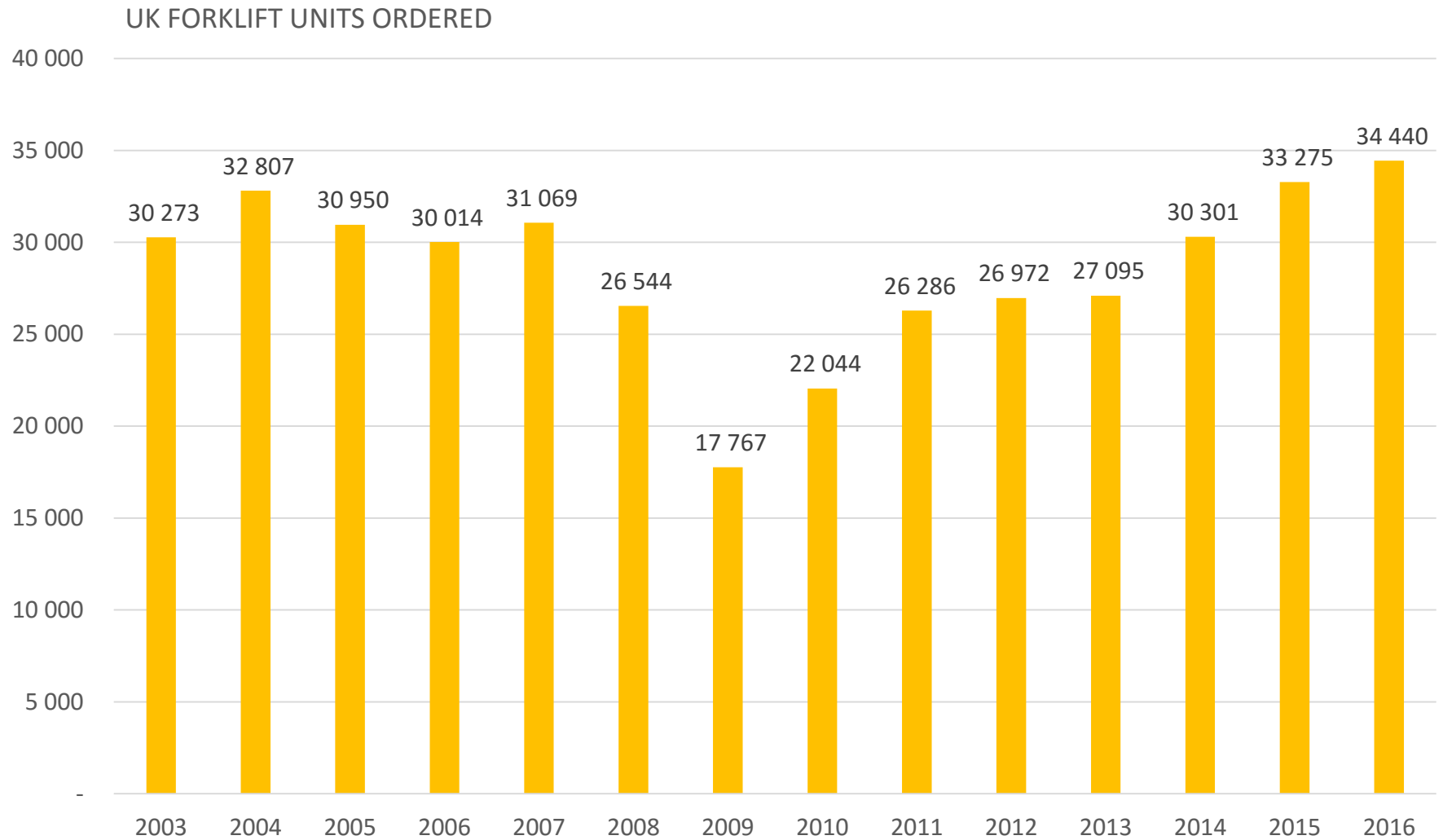
Market Size	-	33,000 pa
Impact Direct Coverage	-	58%
Sub-Dealer Coverage	-	21%
Total market Potential	-	79%

## Current Impact Business Statistic:

Hire Fleet Size	-	+4,600 units
COP Fleet Size	-	4700 units
Projected Market Share	-	4.2%
Employees	-	>300

*We can handle it.*

# Market Trends - UK



Source: World Industrial Trucks Statistics (WITS)

*We can handle it.*

# Key Accounts – UK

EIE



**BOMBARDIER**



**IMPACT**

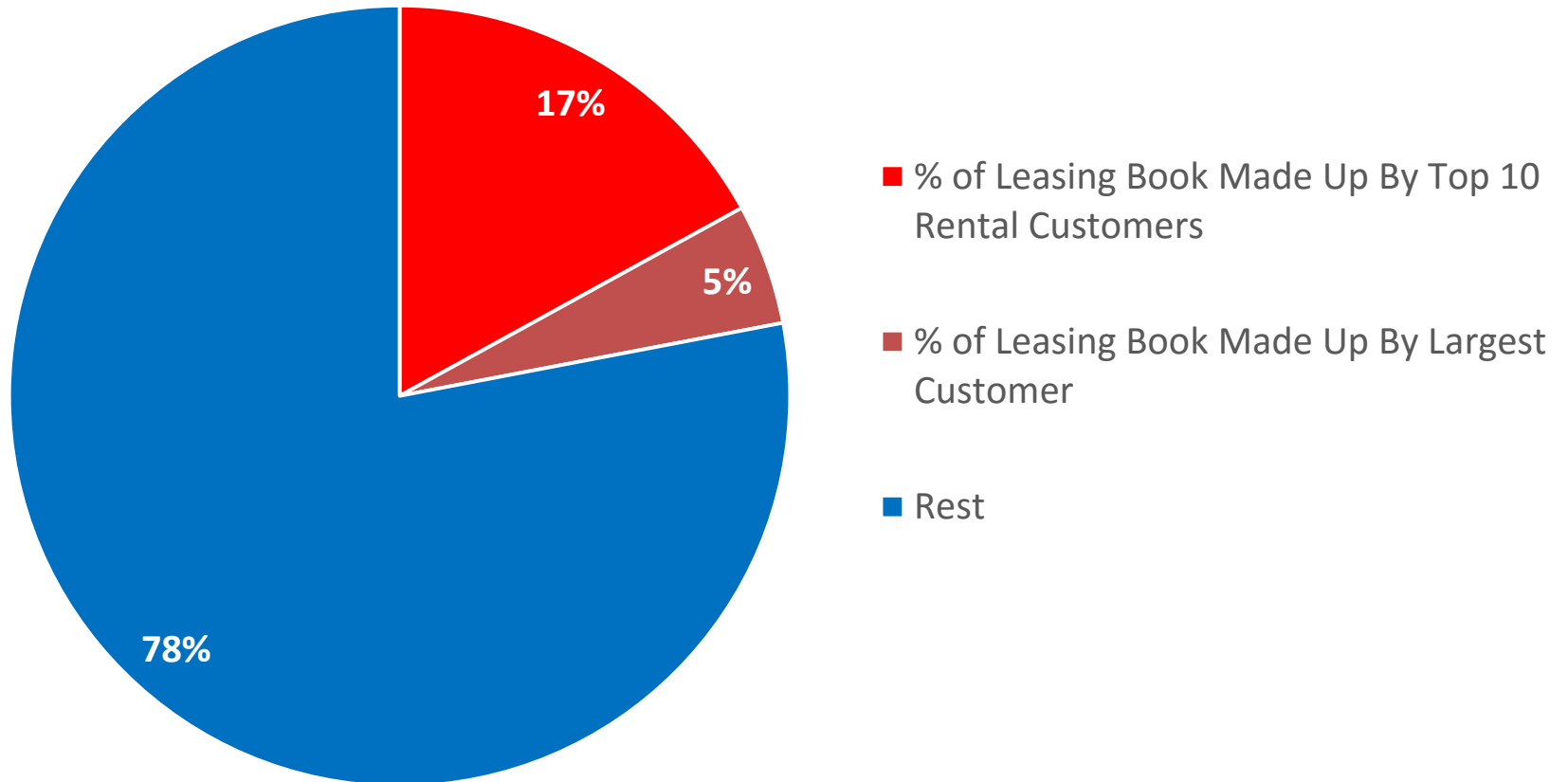


*We can handle it.*

# Top Rental Customers - UK



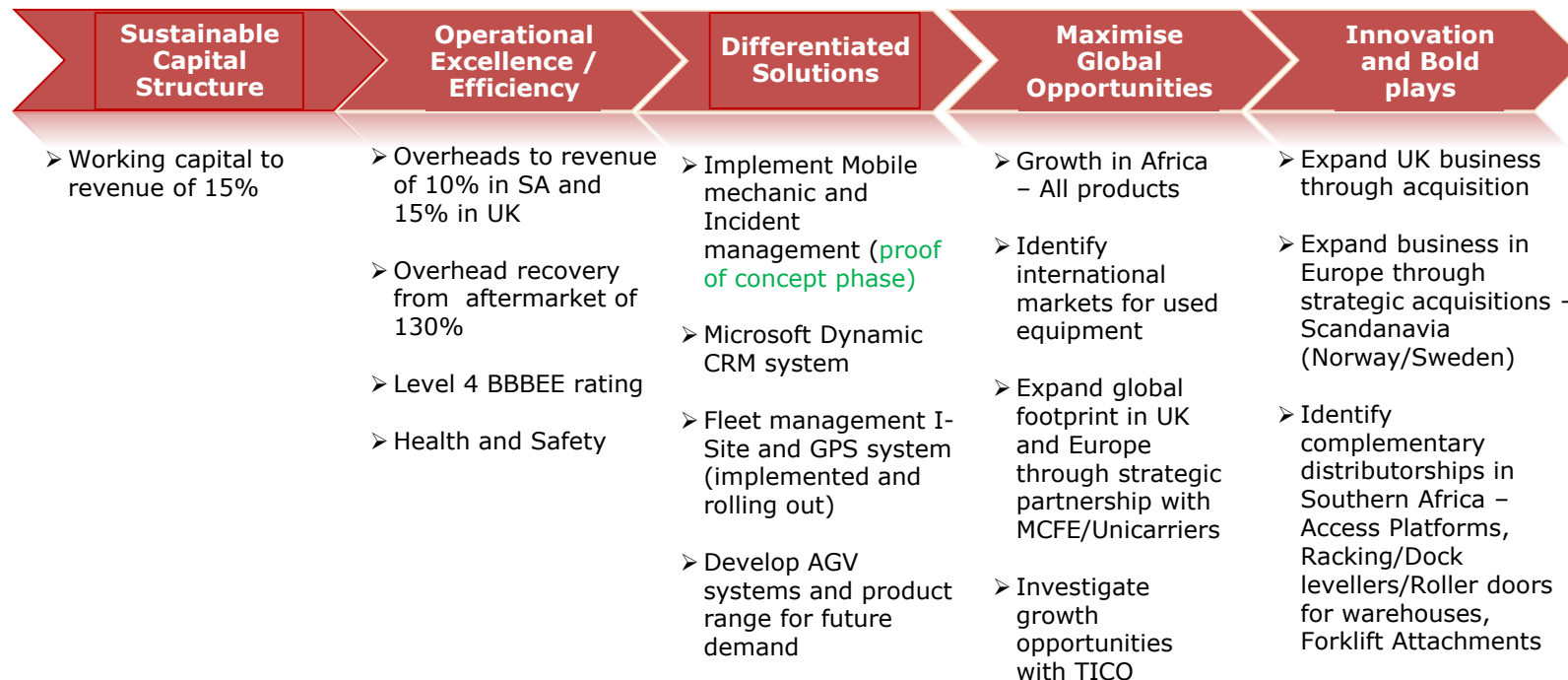
## Leasing Book Composition - UK



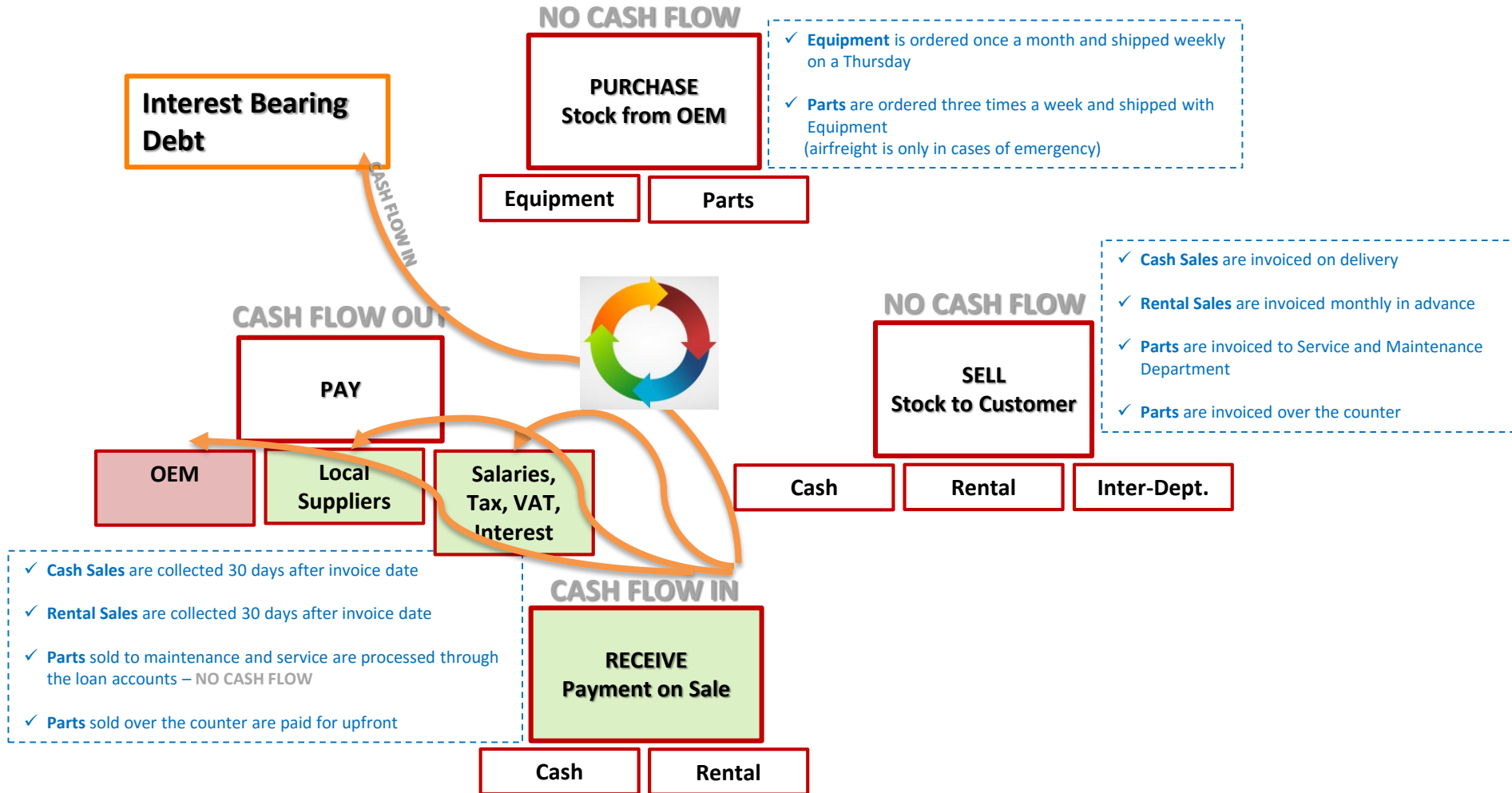
*We can handle it.*



# EIE Divisional Strategy



# Cash Flow Cycle



# Basic Accounting Principles

KEY INCOME STATEMENT	COMPOSITION	ACCOUNTING TREATMENT
<b>Revenue</b>	<ul style="list-style-type: none"> <li>▪ Sales (new, used and parts)</li> <li>▪ Rental (long and short term)</li> <li>▪ Services rendered (service and maintenance)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sales of goods for CASH are invoiced on delivery (30 day terms)</li> <li>▪ Sale of goods on RENTAL are invoiced monthly in advance over lease period (30 day terms)</li> <li>▪ Units coming off rental are:               <ul style="list-style-type: none"> <li>▪ Disposed as CASH sales invoiced on delivery (30 day terms)</li> <li>▪ Refurbished and sold as RENTAL invoiced monthly in advance over lease period (30 day terms)</li> </ul> </li> </ul>
<b>Cost of Sales</b>	<ul style="list-style-type: none"> <li>▪ Equipment (landed cost of unit)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cost of sales are linked directly to sales (per unit)</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Maintenance revenue is linked to the rental contract</li> <li>▪ The maintenance fund is released to 80% monthly and in full at the end of the financial year</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintenance revenue is deferred monthly</li> <li>▪ Expenses incurred on rental contracts are recorded against deferred revenue in the month incurred</li> <li>▪ Maintenance fund net profits are released up to 80% monthly and in full at financial year end</li> <li>▪ Full deferral is released annually</li> </ul>
<b>Fleet Depreciation</b>	<ul style="list-style-type: none"> <li>▪ Depreciation charge relating to leased units</li> </ul>	<ul style="list-style-type: none"> <li>▪ Straight line basis to residual value over the lease term</li> </ul>
<b>Interest</b>	<ul style="list-style-type: none"> <li>▪ Interest accrued on interest bearing borrowings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accrual basis</li> </ul>

# Basic Accounting Principles

Key Balance Sheet Line Item	ACCOUNTING TREATMENT
<b>Fleet</b>	<ul style="list-style-type: none"> <li>▪ Units sold into rental fleet at cost and zero margin</li> <li>▪ Recognised at depreciated cost of leasing assets</li> </ul>
<b>Maintenance Fund</b>	<ul style="list-style-type: none"> <li>▪ Unrealised maintenance profits after monthly expense deduction</li> </ul>
<b>Debtors</b>	<ul style="list-style-type: none"> <li>▪ Cash, rental and services rendered billings still due and payable net of provision</li> </ul>
<b>Inventory</b>	<ul style="list-style-type: none"> <li>▪ New and used units in stock net of obsolescence provisions</li> <li>▪ Parts stock net of obsolescence provisions</li> </ul>
<b>Inventory Provisioning Policy</b>	<ul style="list-style-type: none"> <li>▪ New Stock - lower of cost and net realisable value together with aging</li> <li>▪ Used Stock - sliding scale based on aging commencing after 90 days</li> <li>▪ Parts Stock - re-order categories (fast, medium, slow etc.)</li> </ul>
<b>Debtors Provisioning Policy</b>	<ul style="list-style-type: none"> <li>▪ 90+ days overdue accounts provided for in full excluding VAT</li> </ul>
Cash Flow Line Item	ACCOUNTING TREATMENT
<b>Cash generated from operations (pre-working capital)</b>	<ul style="list-style-type: none"> <li>▪ Customary cash flows</li> </ul>
<b>Movement in working capital</b>	<ul style="list-style-type: none"> <li>▪ Movement in stock, accounts receivable and accounts payable</li> </ul>
<b>Capital expenditure</b>	<ul style="list-style-type: none"> <li>▪ Cash outflows for fleet expansion and replacement into the rental fleet</li> </ul>

# Health & Safety: Zero Harm



**Zero Harm** Safety Campaign 2017

**Safety is Your Responsibility**



# Business Strengths



**1. Annuity revenues**

**2. Diversified blue-chip customer base**

**3. Strong relationship with OEMs that results in many ancillary benefits**

**4. Market leader in SSA**

**5. Control over all aspects of distribution value chain**

**6. Long history of profitability**

**7. UK Growth opportunities**