

Building the JSE's Next Industrial Titan

ACQUISITION OF EQSTRA'S INDUSTRIAL EQUIPMENT AND
FLEET MANAGEMENT DIVISIONS AND A STRATEGIC
INVESTMENT IN EQSTRA HOLDINGS LIMITED

Transaction Presentation

June 2016



This Presentation (this “**Presentation**”) is prepared for the financial community (the “**Recipient**”) to provide a summary of the transaction as announced by enX Group Limited (“**enX**”) on SENS on 30 June 2016. The sole purpose of this Presentation is to inform the Recipient in respect of the transaction as presented by enX. This Presentation does not purport to contain all of the information that may be required to evaluate all of the factors which would be relevant to the Recipient considering entering into any transaction and the Recipient should conduct its own investigation and analysis.

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In addition, this Presentation includes certain projections and forward-looking statements provided by enX with respect to the anticipated future performance of enX. Such projections and forward-looking statements reflect various assumptions of management concerning the future performance of enX, which assumptions may or may not prove to be correct. The actual results will vary from the anticipated results and such variations may be material. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or the projections or forward-looking statements based thereon.

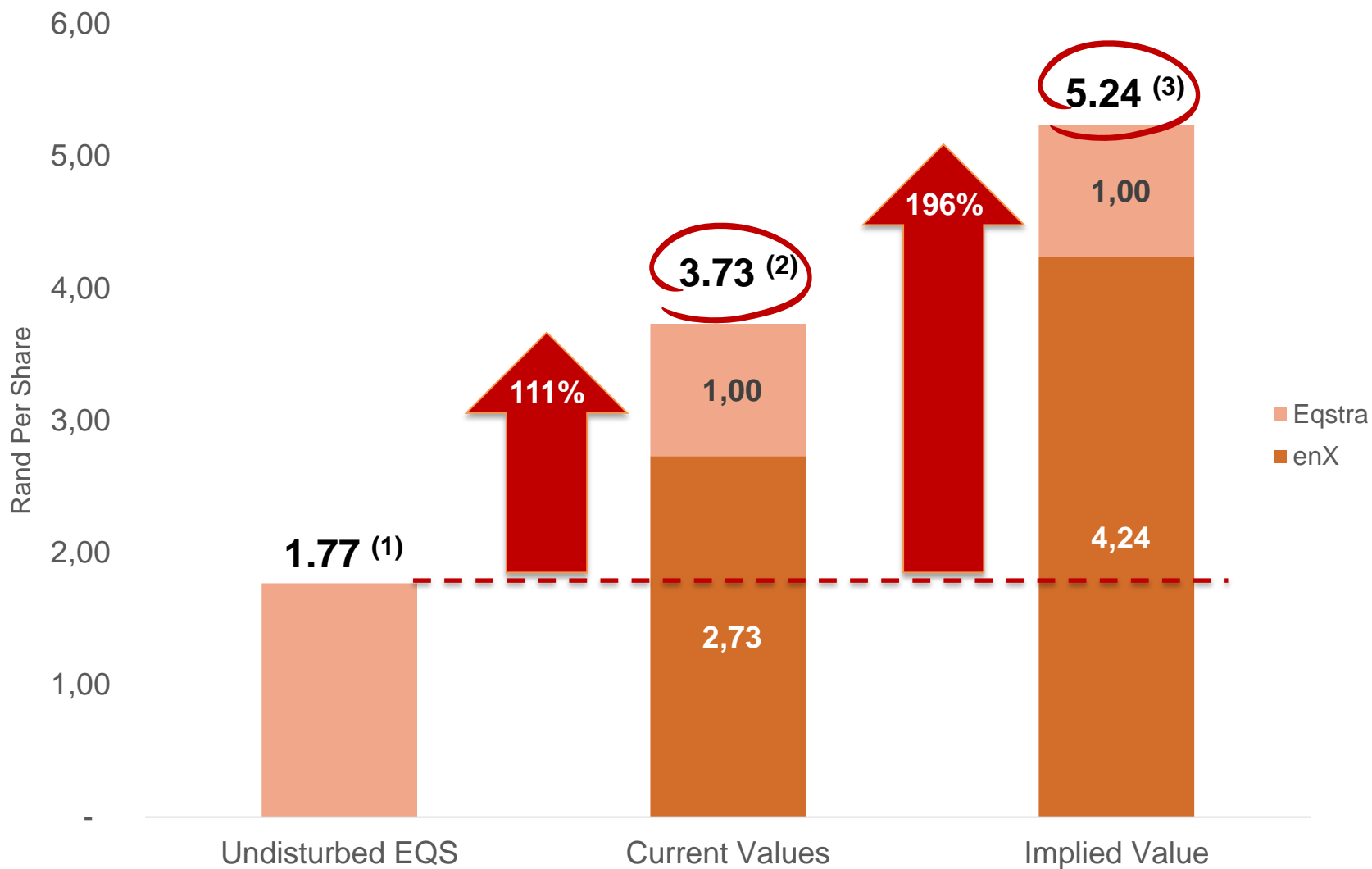
The Transaction

- Issue of **52,7m enX shares** to Eqstra in exchange for Industrial Equipment (“IE”) and Fleet Management (“FML”) businesses
- Assumption of **R5,2bn** of re-profiled bank and note holder debt
- enX shares **distributed** to Eqstra shareholders
- **R1,5bn capital raise in enX**, of which R1,4bn is used to recapitalise Contract Mining (“CM”)

What Eqstra Shareholders Get

- **0.13 : 1.0** enX shares for every Eqstra share
- Retain share in contract mining

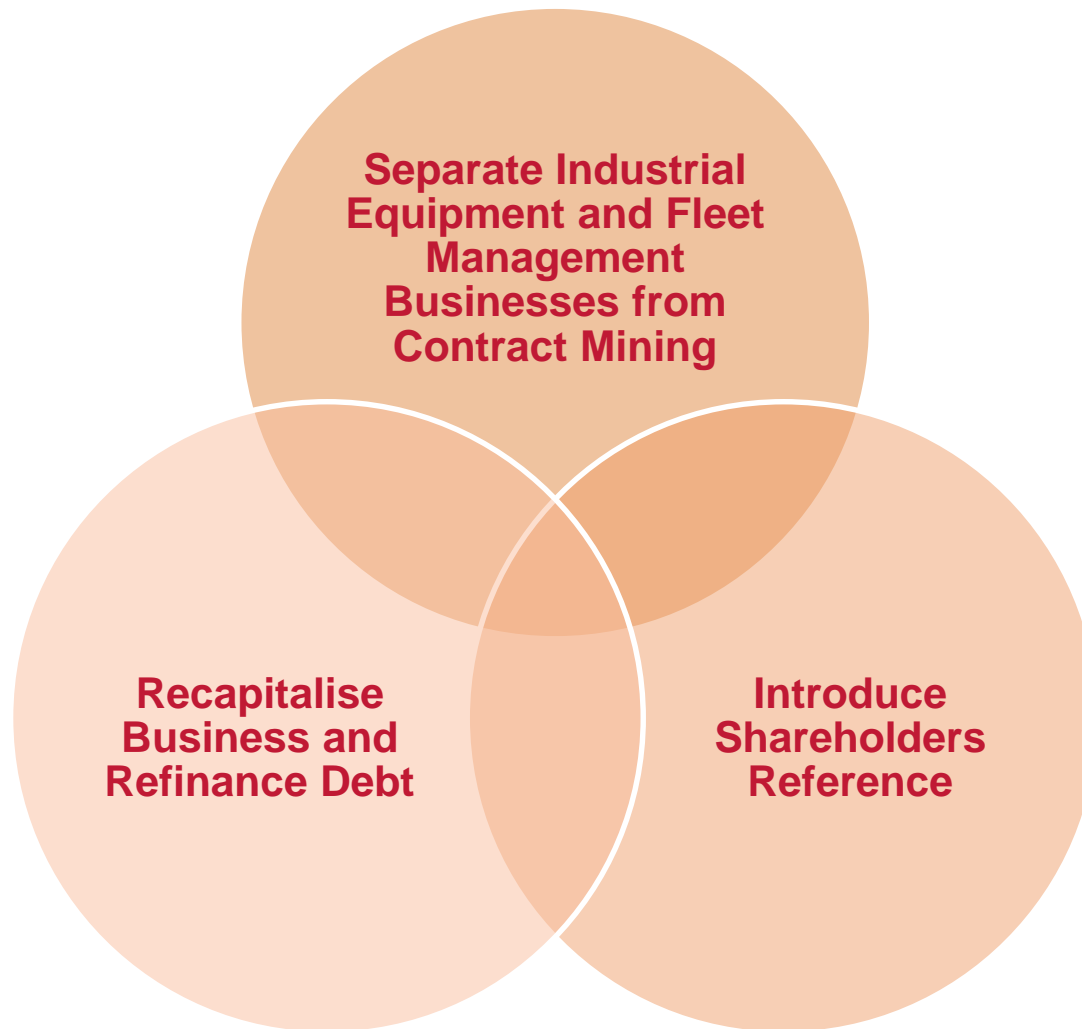
Potential Value Uplift for Eqstra Shareholders



1. 30 day VWAP of Eqstra immediately prior to cautionary announcement released 8 April 2016

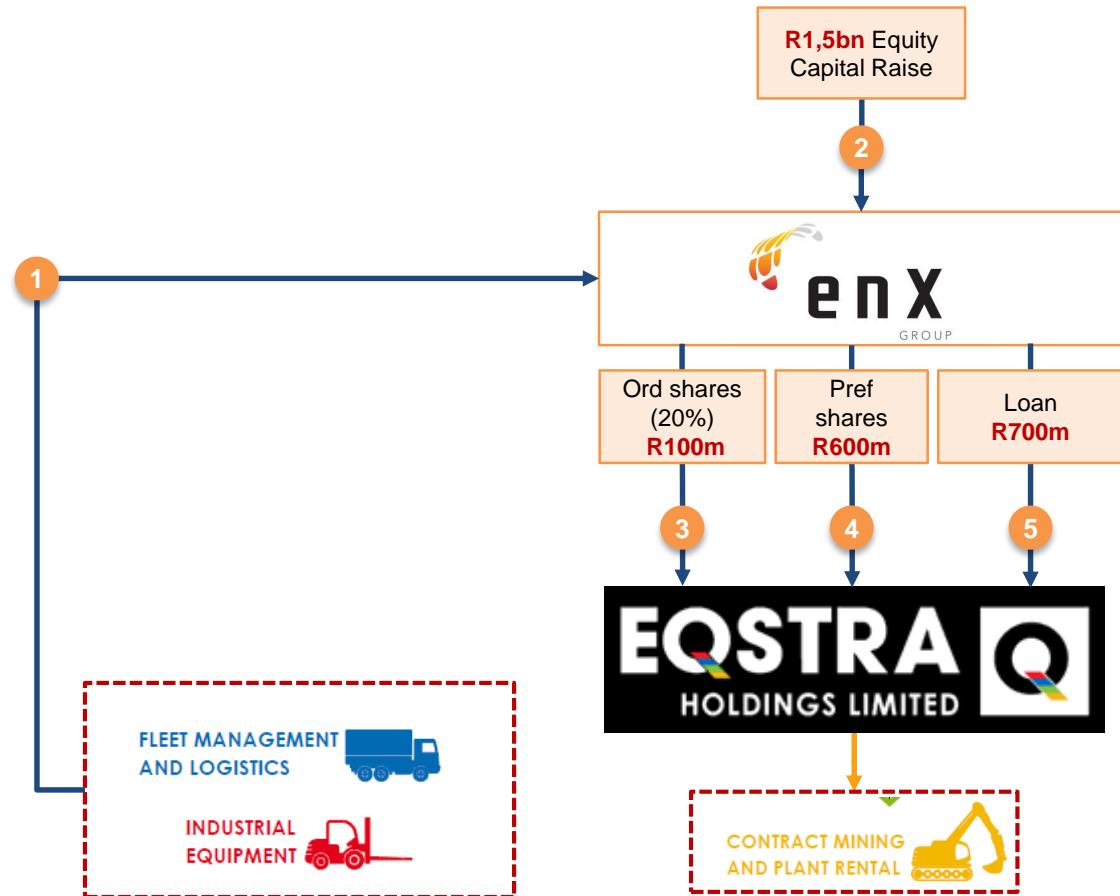
2. Based on 0.13x enX shares at R21 per share (underwrite price) + 1.0x Eqstra share at R1,00 per share (subscription price of recapitalisation)

3. Values enX share at R32,58 based on 362 cps forward HEPS at 9.0x PER + 1.0x Eqstra share at R1,00 per share



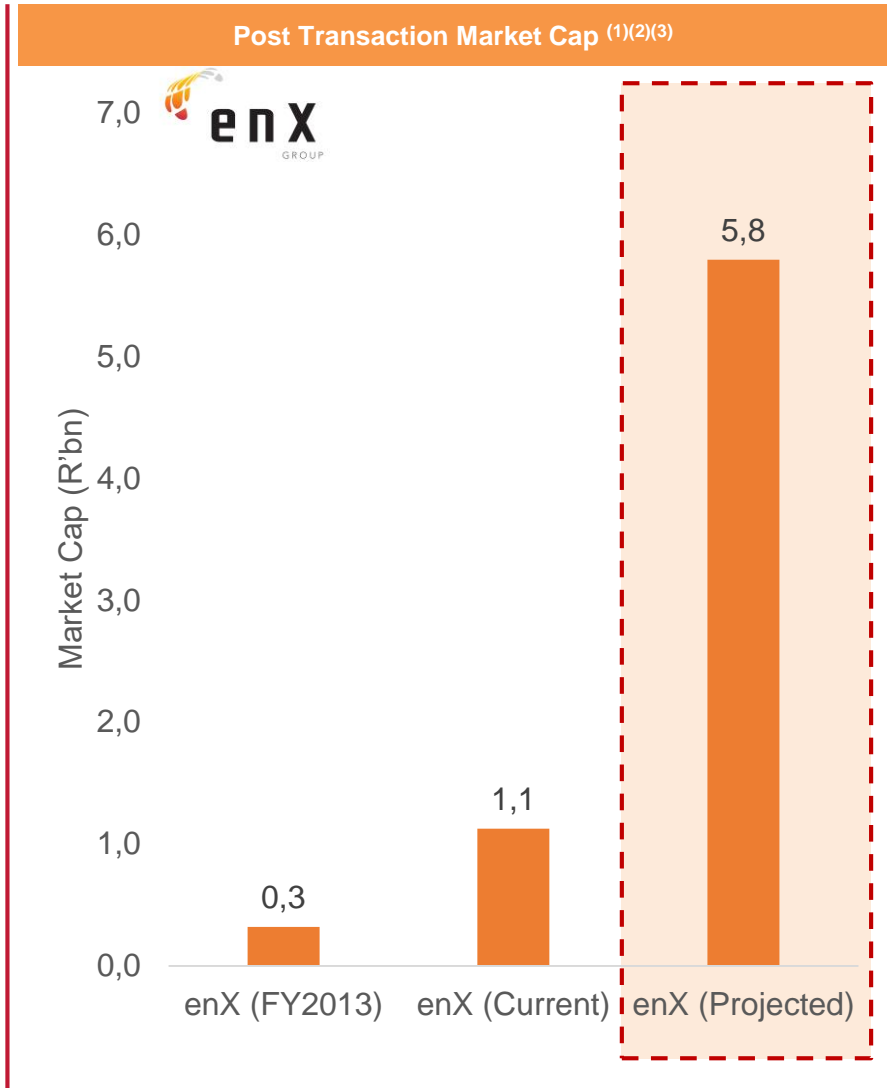
Transaction Steps:

1. enX acquires Industrial Equipment (IE) and Fleet Management and Logistics (FML) in exchange for **52,7m** enX shares
 - enX shares unbundled by Eqstra
2. enX raises **R1,5bn⁽¹⁾** in fresh equity. Applied as follows:
 3. enX subscribes for **R100m** ordinary shares in EQS (20%). Proceeds used to repay bank debt
 4. enX subscribes for **R600m** subordinated preference shares in EQS⁽²⁾. Proceeds used to repay bank debt
 5. enX provides **R700m subordinated** loan to EQS⁽²⁾



1. The balance of R100m will be held as cash on the enX balance sheet less amounts deployed to settle the proposed transaction costs
 2. Instruments to be held by Contract Mining directly

- ***Our vision is to build the next industrial powerhouse***
- ***The transaction with Eqstra represents an opportunity to take a significant step towards achieving our goal***



1. enX (FY2013) based on enX share price of R0.81 as at 31 Aug 2013
2. enX (Current) based on enX share price of R20 (implied current share price following share consolidation)
3. enX (Projected) based on implied enX share price of R32.58 (based on forward PE multiple of 9.0x (average Industrial Sector forward multiple))

Selected Pro Forma and Profit Forecast - enX



Financial Performance ⁽¹⁾		Year ending 31 August 2017	Year ending 31 August 2018
Revenue	R'bn	6.1	7.8
EBIT	R'bn	0.7	1.1
EPS	cps	964	349
HEPS	cps	249	349
Adjusted HEPS	cps	270	362
Estimated Transaction Close			Nov 2016
Monthly run rate of 35 cps is met			June 2017
Selected Financial Effects ⁽²⁾		enX last published results	After Eqstra transaction
Net asset value	cps	123.1	2 448.4
Net tangible asset value	cps	91.1	2 113.0
Number of shares in issue	'000	562 327	178 691

Notes:

1. The assumptions used to prepare the Profit Forecasts are fully set out in the enX Group Limited SENS announcement released on 30 June 2016
2. The assumptions used to prepare the Pro Forma Financial Effects are fully set out in the enX Group Limited SENS announcement released on 30 June 2016

Post Transaction enX – a Substantial Industrial platform

	INDUSTRIAL EQUIPMENT	FUEL AND CHEMICALS	FLEET MANAGEMENT	CONTRACT MINING (20%)																
Operating Entity	 	 																		
Overview	<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 logistics 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 																
Composition (1)(2)	<p style="text-align: center;">Revenue - R7.8bn</p> <table border="1"> <caption>Revenue Composition</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Industrial Equipment (IE)</td> <td>53%</td> </tr> <tr> <td>Fleet Management (FML)</td> <td>22%</td> </tr> <tr> <td>Fuel and Chemicals (FC)</td> <td>18%</td> </tr> </tbody> </table>		Category	Percentage	Industrial Equipment (IE)	53%	Fleet Management (FML)	22%	Fuel and Chemicals (FC)	18%	<p style="text-align: center;">EBIT - R1.1bn</p> <table border="1"> <caption>EBIT Composition</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Industrial Equipment (IE)</td> <td>42%</td> </tr> <tr> <td>Fleet Management (FML)</td> <td>40%</td> </tr> <tr> <td>Fuel and Chemicals (FC)</td> <td>10%</td> </tr> </tbody> </table>		Category	Percentage	Industrial Equipment (IE)	42%	Fleet Management (FML)	40%	Fuel and Chemicals (FC)	10%
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1. Forecast to August 2018
 2. FML = Fleet Management / IE = Industrial Equipment / FC = Fuel and Chemicals

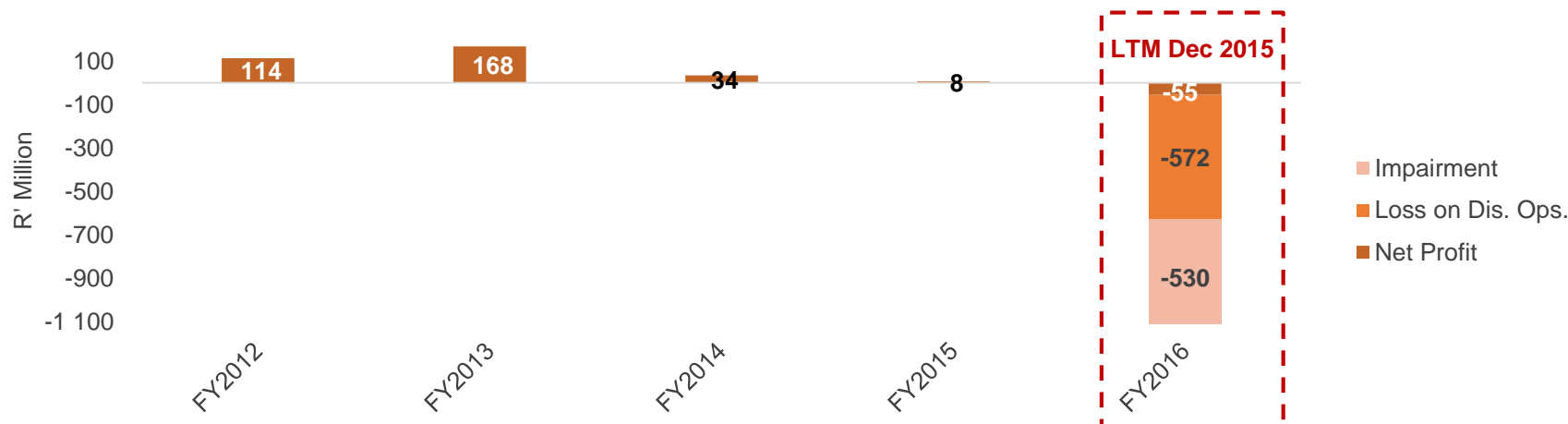
Risk Mitigation

- Contract mining is now **ring-fenced**
- Robust new capital structure** is more able to sustain operational volatility. R200m of Day 1 liquidity
- Contract mining clients are running **profitable or breakeven operations** with a margin of safety on the cost curve to protect against downward commodity cycle movements
- Significant operational assets** provide shareholders with a degree of protection should the businesses not perform in line with expectations and monetisation of assets is required to fund operations or exit the sector

Acquisition rationale

- Contract mining presents an entry in the mining services sector at or close to, what appears to be, the **bottom of the cycle**
- Proceeds from asset disposals will mostly likely be utilised to repay senior and junior debt
- Opportunities** exist to expand into new geographies, commodities and service offerings
- The Contract Mining business essentially represents a levered exposure to a recovery in the commodity cycle

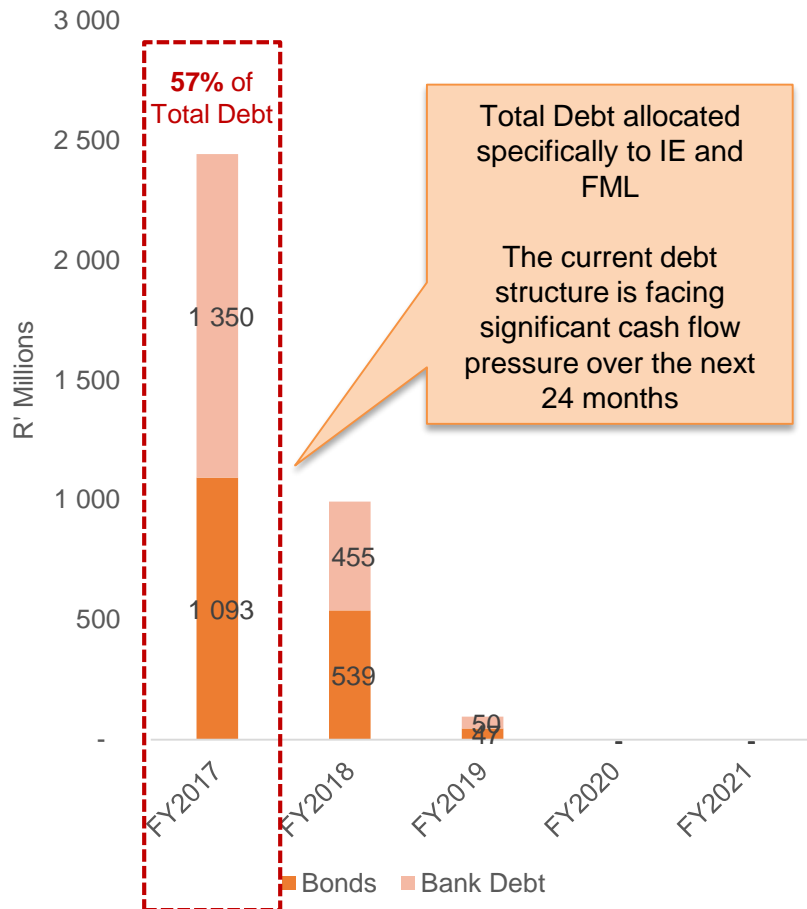
Declining Contract Mining Performance and Idle Assets



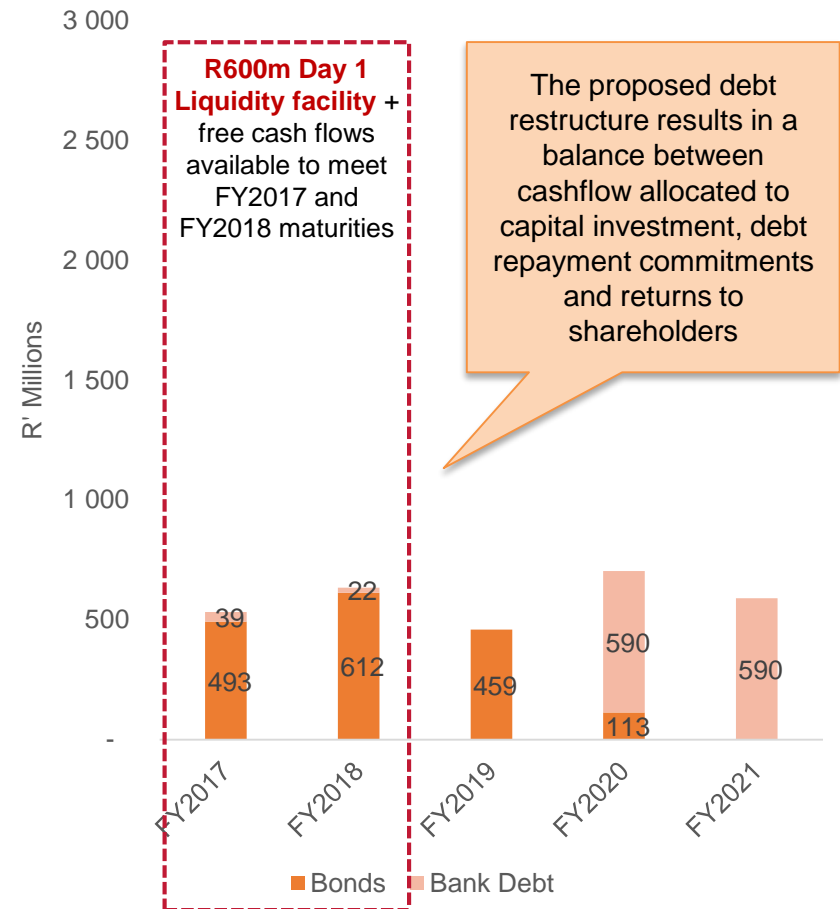
1. Source: FY2012 - FY2015: Annual Financial Results; FY2016: Interim Financial Results

Addressing Eqstra's Challenges - New Smooth Debt Maturity Profile ⁽¹⁾

Bunched Maturities



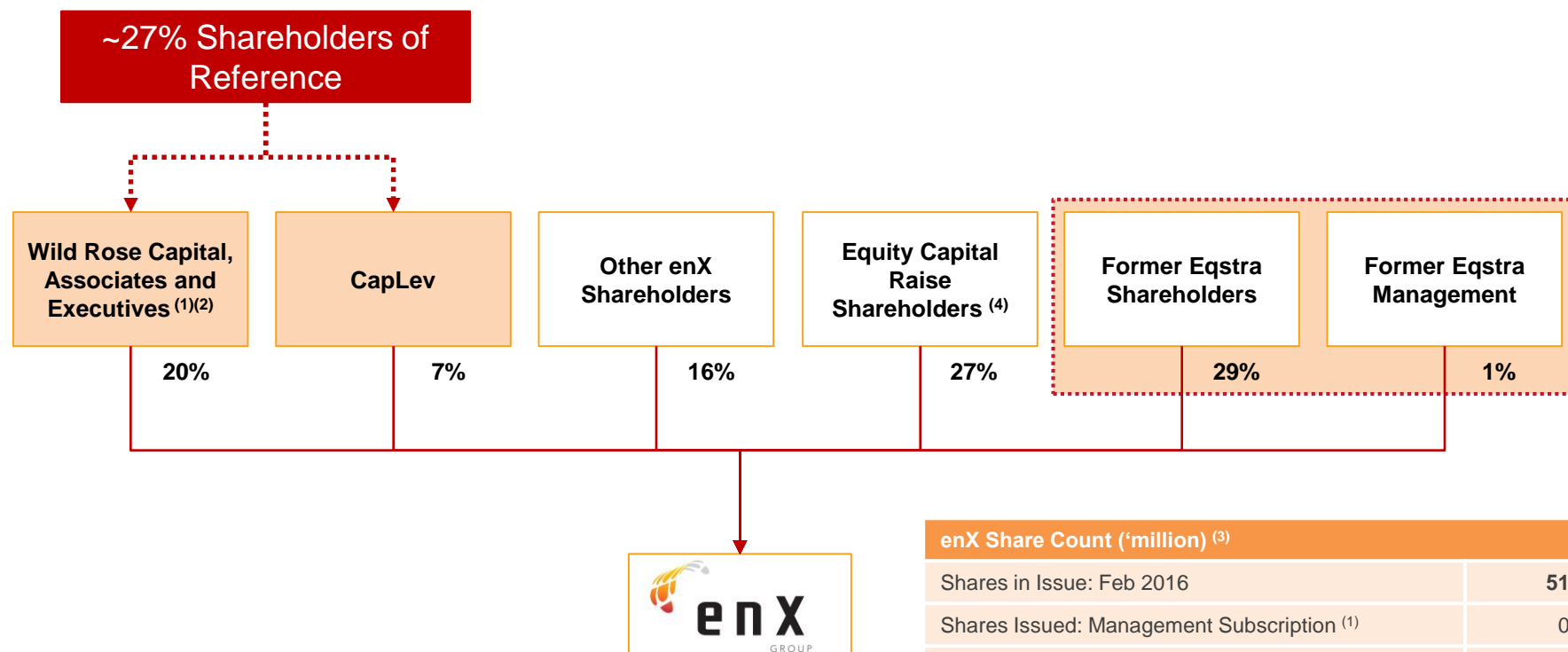
Smooth Maturities



Notes:

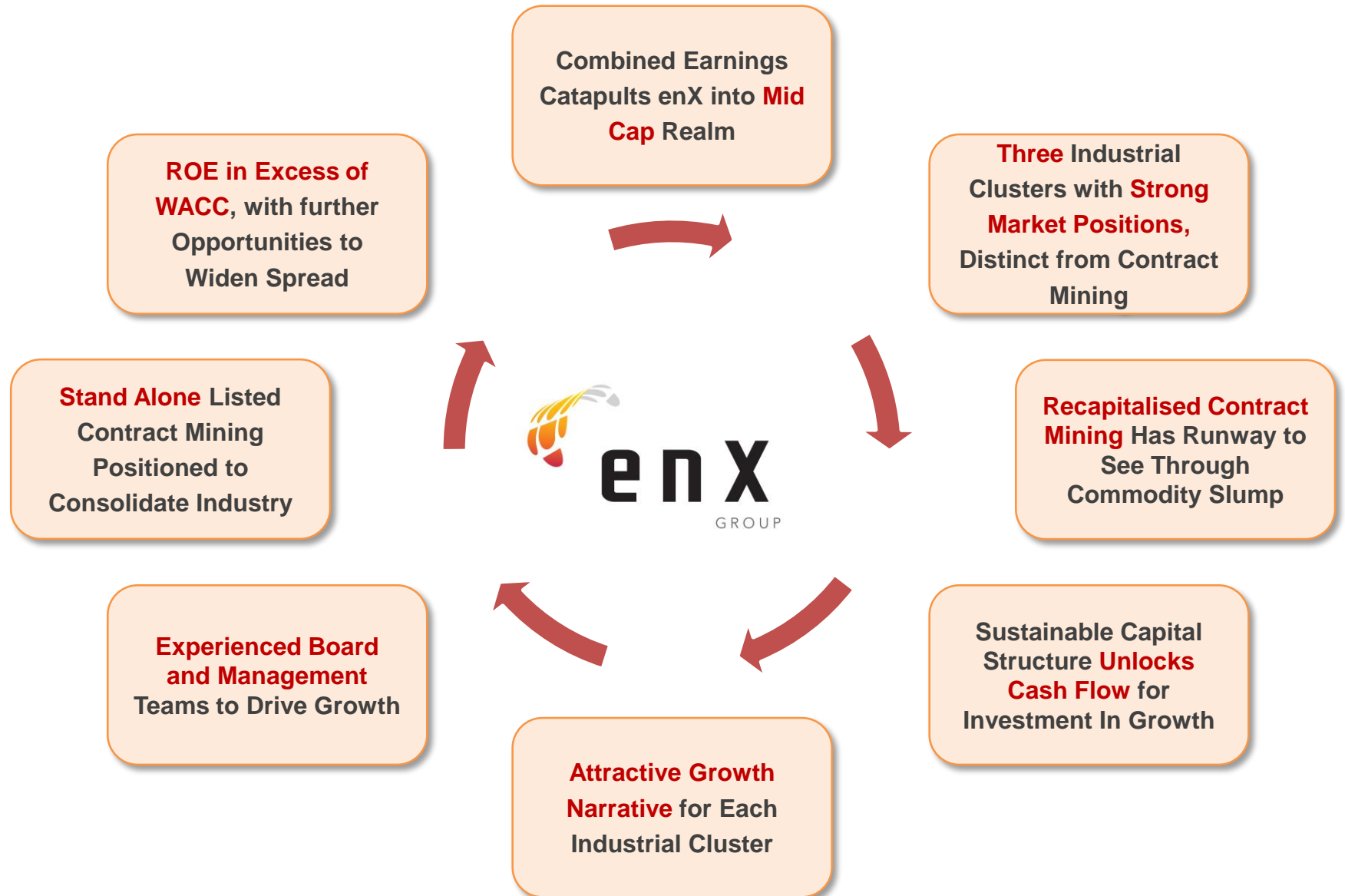
1. Debt Balances for IE and FML only, as per the Eqstra Interim Results to 31 December 2015
2. Maturities of Notes EQS05 (25 Apr 2017) and EQS06 (9 Apr 2018) are rescheduled following the redemption of one third of each of the Notes
3. Liquidity facility of R600 million proposed for purposes of redeeming EQS05 and EQS06 maturities in 2017 and 2018
4. Banking Facilities are rescheduled over a 6 year period with a capital moratorium until June 2020

Shareholders of Reference

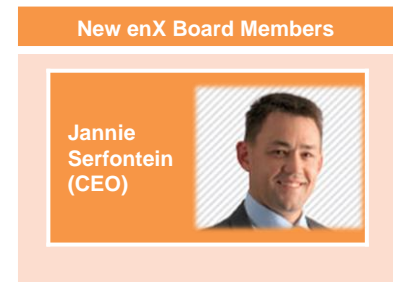


enX Share Count ('million) ⁽³⁾	
Shares in Issue: Feb 2016	51,1
Shares Issued: Management Subscription ⁽¹⁾	0,7
Shares Issued: WAI Transaction	2,7
Shares in Issue – Sub-Total	54,5
enX Capital Raise	71,4
Shares Issued to Eqstra Shareholders	52,7
Shares in Issue (used for HEPS calc)	178,7

1. Includes shares issued to enX Executive Management as per SENS announcement released on 26 Jan 2016
2. Assumes Wild Rose Capital, Associates and Executives participate in the equity capital raise up to R500m
3. enX Share count after share consolidation
4. Shareholding of Equity Capital Raise Shareholders excludes Wild Rose Capital, Associates and Executives



Directors of enX Group



- **Three** further **independent non-executive** Board Members currently associated with EQS to be added to the enX Board



Total	Independent Non-Executive (INE)	Non-Executive (NE)	Executive	Empowered
12	6 (50%)	3 (25%)	3 (25%)	4 (33%)

Executive Management



Paul Mansour
(Exec Deputy Chairman)



Jannie Serfontein
(CEO)



Irwin Lipworth
(Financial Director)

100%

Industrial Equipment



Gary Neubert
CEO of Eqstra Industrial Equipment



Christian Neuberger
CEO of New Way Power / Austro

100%

Fuel and Chemicals



Clint Nickall
CEO of Centlube / African Group Lubricants



Brent Hean
CEO of West African Group Chemicals

100%

Fleet Management



Jacqui Carr
CEO of Eqstra Fleet Management and Logistics

20%

Contract Mining



Justin Colling
CEO of Contract Mining and Plant Rental

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