



**NEW WAY**

*powering africa*

**Capital Markets Day**

**June 2017**

## enX Power Cluster



- **Manufactures**, supplies, installs and maintains **diesel power generators**, UPS Solutions, Solar Solutions
- Provides 24/7 support including servicing, repairs, diesel refuelling services and generator refurbishments



- Providing **temporary power rental** solutions. Strong presence in the events industry.
- Fleet of 240 rental units nationwide



- **Engine distributorship**, importing and distributing premium quality engines and parts to other Generator OEMs and the pump industry
- Exclusive SA Distributor of **John Deere** and **Mitsubishi** engines

# Industry Presence since 1983

1983

New Way founded by Jonathan Freed in 1983



2007

New Way acquired by Austro Group Limited for R200m

2007

New Way acquires Neptune Plant Hire – Cape Town based generator rental company

2011

Development and occupation of purpose-built generator manufacturing facility – Jacoba Street



2013

Wild Rose Capital becomes shareholder of reference in Austro Group. Freed family exits business

2014

Engine distributorship, PowerO<sup>2</sup> established



2016

Acquisition of Genmatics – Durban based generator rental company for R70m. Entire rental business rebranded as Genmatics



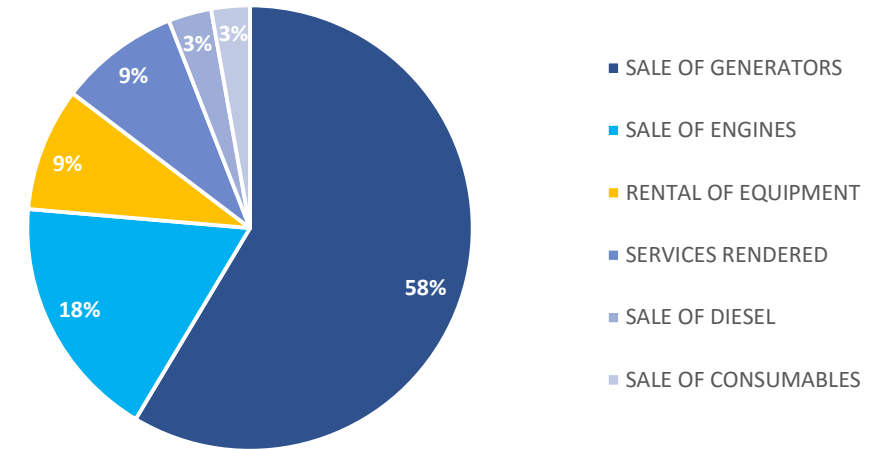
## Key Differentiators

1. Purpose-built **ISO 9001** accredited **30 000m2 manufacturing facility** with capability to produce high quality **customised solutions**
2. **Authorised OEM** for leading engine and alternator brands:
  1. **Sole:** Mitsubishi, John Deere
  2. **Distributor:** Volvo, Cummins, Perkins, LeRoy Somer, Marelli Motori
3. **Industry leading technical team** providing 24/7 support
4. Pro-active **off-site monitoring**

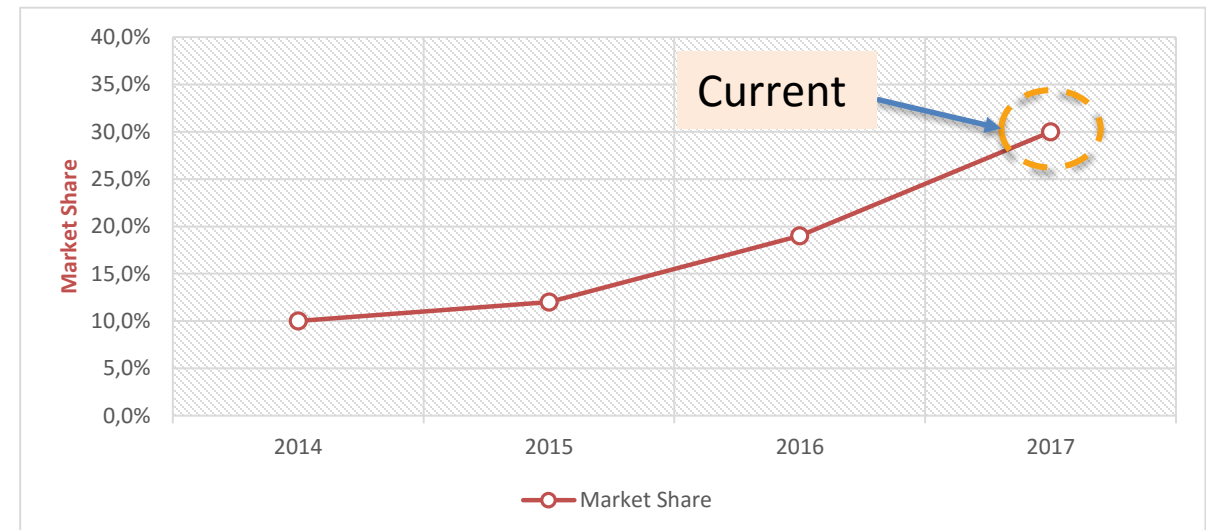
## Market Dynamics

- Generator market in SA is **highly fragmented** with many smaller operators
- **Pricing** is a **key differentiator**
- Several **international competitors** entered the SA market during **loadshedding** period of 2015/2016
- New Way has made **significant gains in market share** in 2016/2017 following adoption of aggressive pricing approach

## Revenue Composition



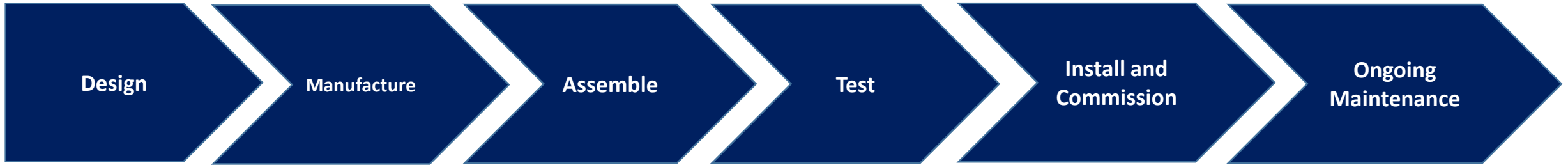
## Market Share



Note: Estimated market share



- Unrivaled **30 000m<sup>2</sup>** South African manufacturing facility
- **228** employees with branches in Johannesburg, Cape Town and Durban.
- Designing and engineering **customized** power solutions
- Continuously striving to achieve new heights in **quality, differentiating** New Way from the competition
- **ISO 9001** accredited 2016



- Open/Closed Set Generators
- Electrical Enclosures
- Generator Housings
- Generator Containers
- Sound Attenuation Solutions
- Louvres
- Silencer Systems
- Electrical Control Panels
- Base Fuel Tanks
- Bulk Fuel Tanks (2000Ltr Max)
- Skid Frames
- Generator Refurbishments



# Partnering with Leading Global Brands...



- Authorised OEM for manufacture of generators powered by leading engine and alternator brands: **Mitsubishi, John Deere**, Volvo, Cummins, Perkins, LeRoy Somer, Marelli Motori
- Manufacturing of generator units between **30kVA** and **2200kVA** to customer specific requirements
- Resourced to design, manufacture, test, deliver and install with average capacity of **50 units per month** across all power bands to various industries and applications. Capacity to increase to **100 units per month**. Double shifts were employed during load shedding period in 2015.





- Industry leading technical team providing **24/7 support** to our customers on a national level. Currently 20 technicians nationwide.
- **Pro-active off-site monitoring** via New Way control centre
- Projects team equipped to provide **turnkey service**



Recently added to our portfolio:



**Solar** Solutions (StandAlone and Hybrid)  
and Power Storage



**UPS** Solutions 10 to 200kVA



- Rental fleet ranging from 25kVA to 1000kVA – **240 units nationally**
- Technical **support team** for deliveries, termination, commissioning and maintenance of rental fleet
- Leading presence in **entertainment industry** providing backup for prestigious events:
  - 94.7 Cycle Challenge
  - Jeep Warrior Race
  - Vodacom Durban July
  - Various major concerts: Mariah Carey, Chris Brown
  - Idols
  - Indaba Travel Show
  - International Aids Conference



- Official distributor to OEMs in RSA of **John Deere** and **Mitsubishi** engines and spare parts
- Technical **support team** for warranty related issues on distributed brands



**JOHN DEERE**

# Key Customers



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD



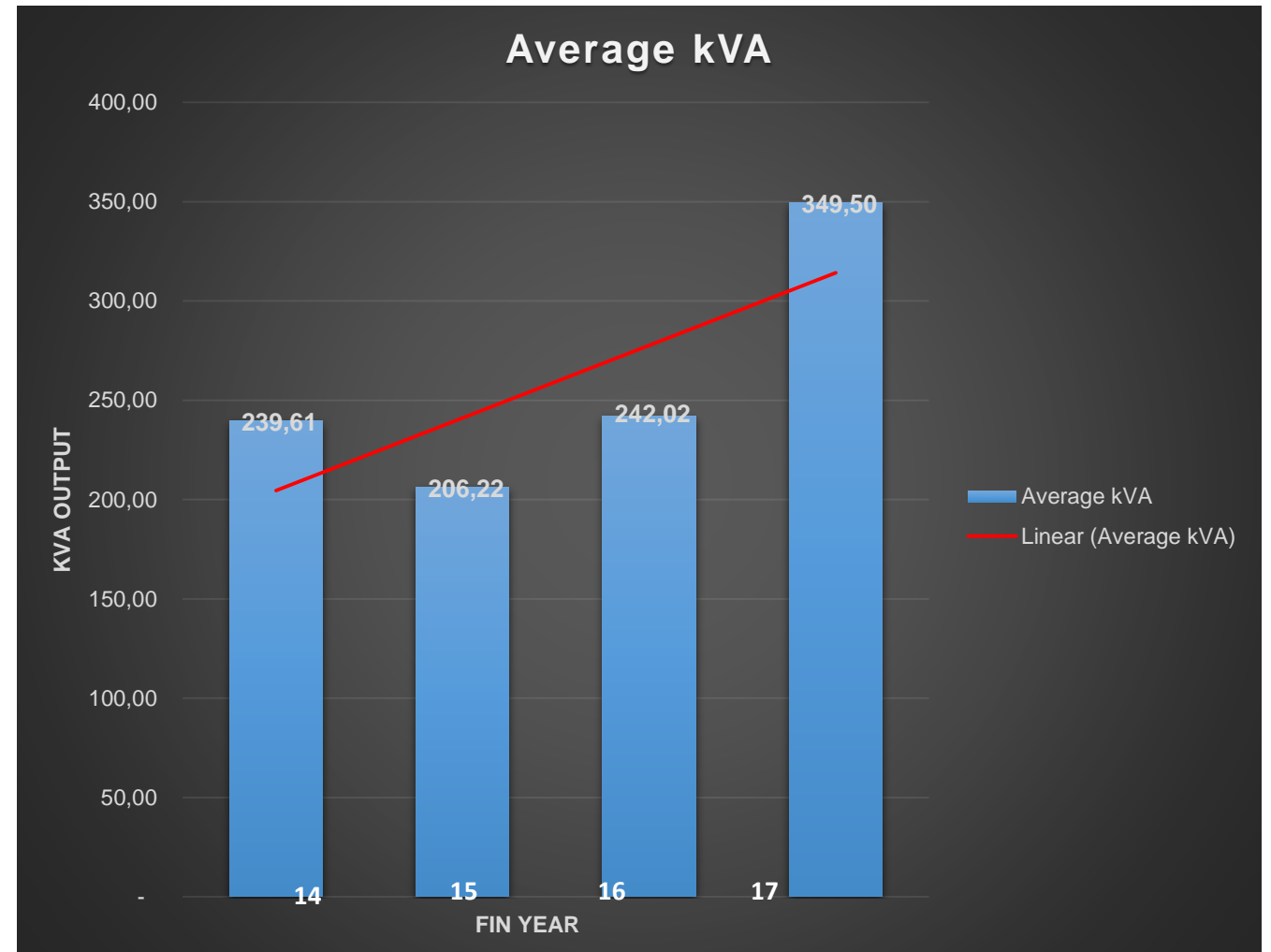
WOOLWORTHS



# Historical Genset Sales Analysis

Fin Year	Total KVA	Average kVA
2014	128430	239
2015	166419	206
2016	90031	242
*2017 (YTD)	96112	349

\*2017 YTD – Actuals for 8 months year to date

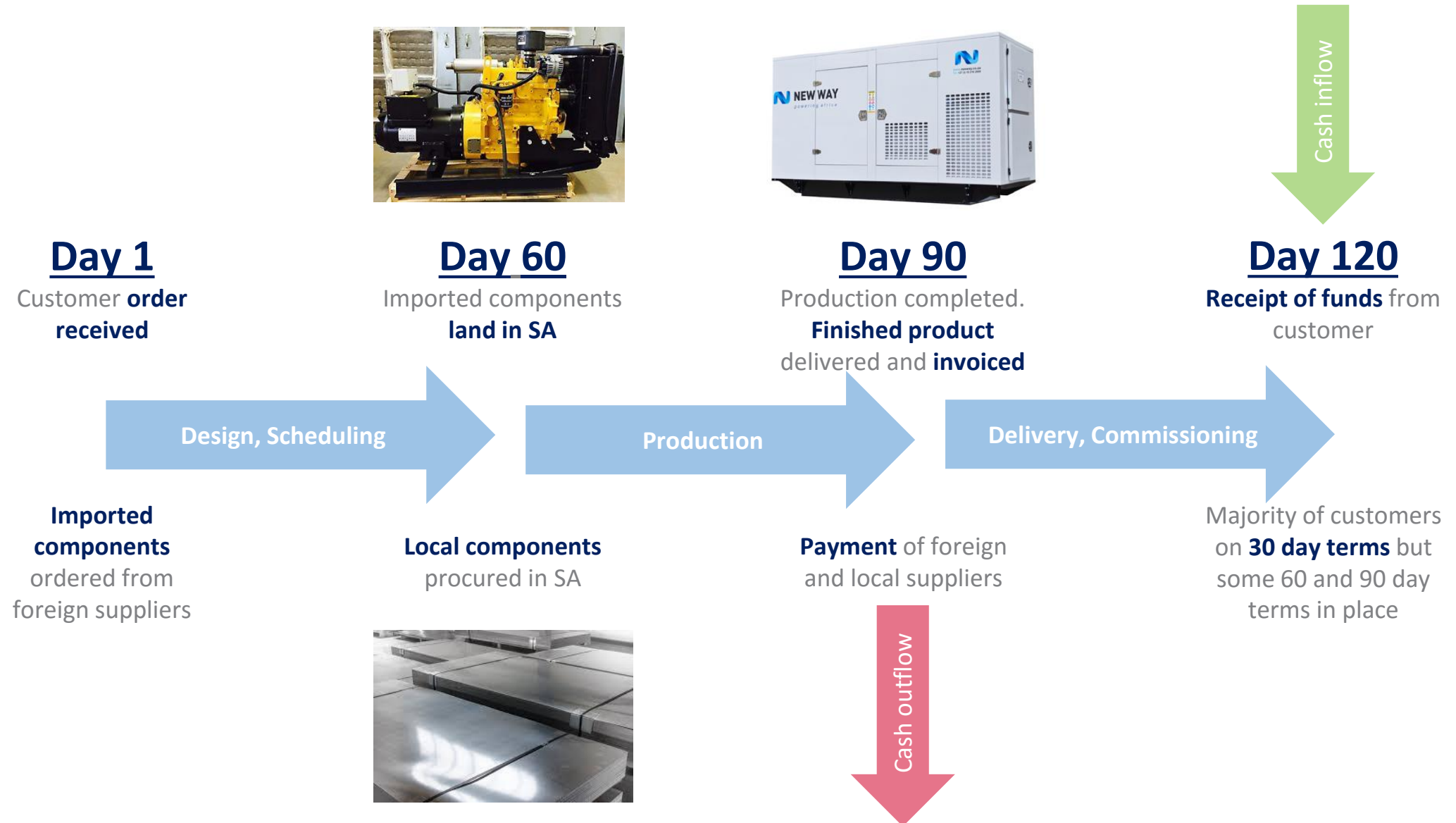


# Our Major Competitors

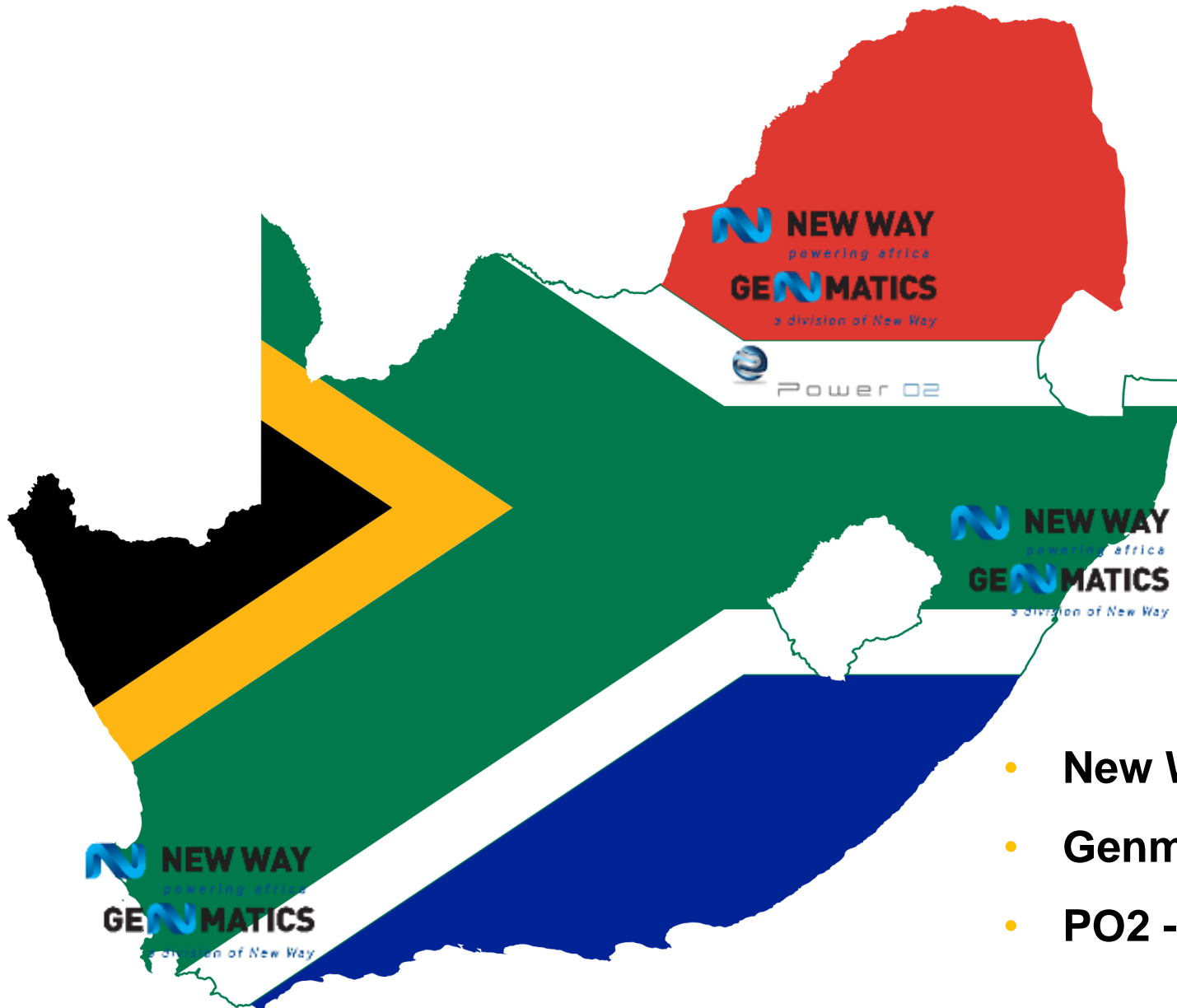


New Way	Genmatics	PO2
Diesel Electric Services (SDMO agents)	Aggreko	Volvo SA
Zest Weg Group	Himoinsa	Cummins SA
Cummins SA		Barloworld (Perkins)
FG Wilson		Scania
Aksa Power Generation		Deutz Diesel
Himoinsa		Iveco (EngineCo)
DooPower (Doosan)		Jubaili Bros (Perkins)
EngineCo		

# Cash Flow Cycle – Generator Projects

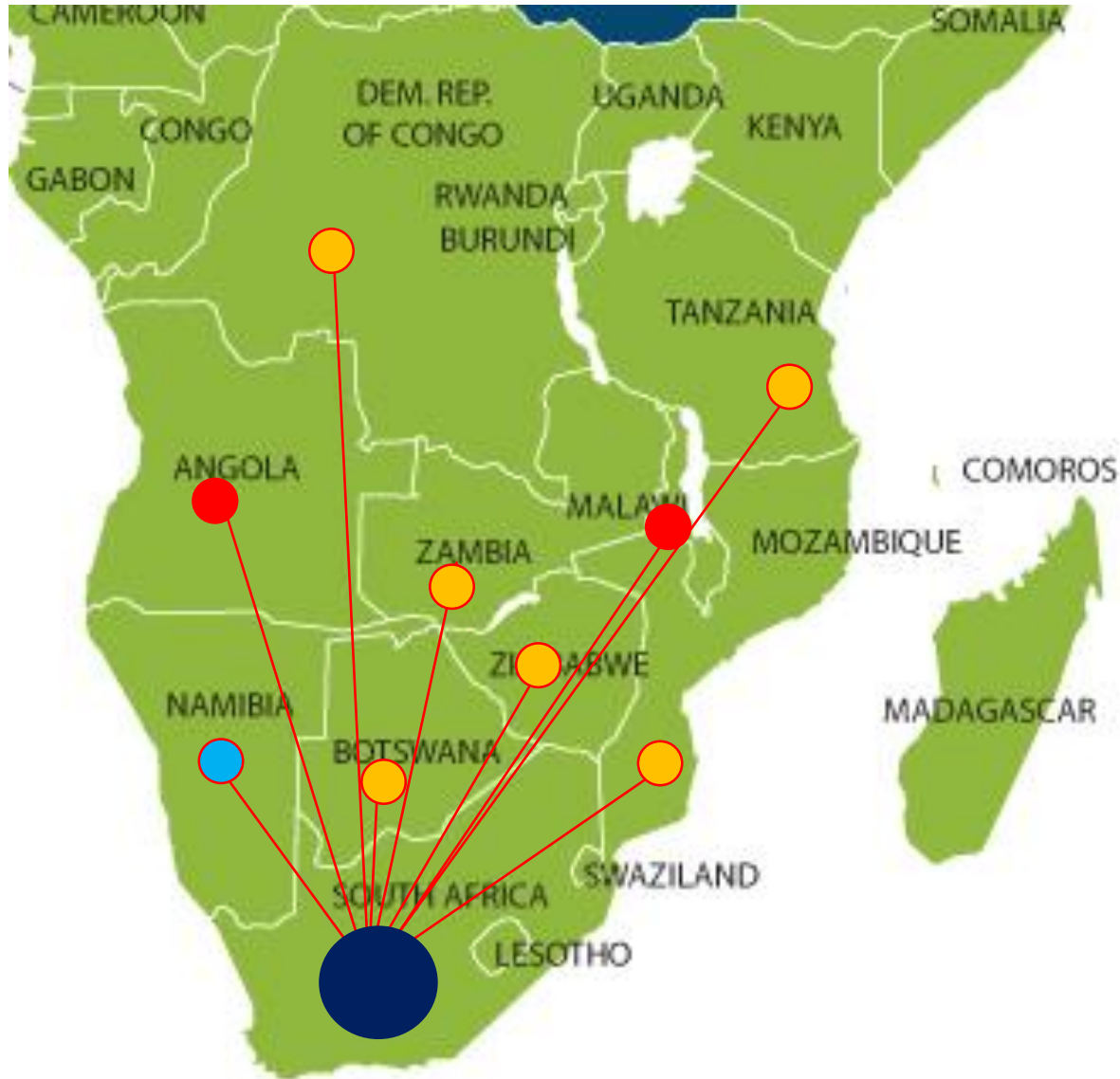


# National Branches



- New Way – JHB, DBN, CPT
- Genmatics – JHB, DBN, CPT
- PO2 - JHB

# African Footprint



- Limited exposure through direct local customers.
- Appointed in-country partner NEC
- No exposure

## Bigger Is Better....



Large Generator Prime Power Plant (Sales and Rentals)



Prime Power Plant (Low Speed, Gas Powered)



Substantial Solar & Renewable Energy Installations

## FY2018 Strategies

1. Introduction of **new revenue streams**
  - **Contract Manufacturing**
  - **New rental products** and markets
2. **Optimization of working capital**
3. Optimization of **rental fleet utilization**
4. **Just in time** production management
5. **Expanding Genmatics sales force**
6. Grow revenues by distribution of **engine/alternator combination kits**
7. Develop **sub-distributor network**

## Bold/Blue Sky Strategies

1. To remain opportunistic with regards to **potential acquisitions** in ancillary industries – power distribution and automation
2. Expansion into **prime power rental projects into Africa**
3. Commercial/Industrial **Solar & Renewable Energy** Installations