TRELLIDOR HOLDINGS LIMITED

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

TRELLIDOR®
THE ULTIMATE CRIME BARRIER

TAYLOR
For the best in blinds!

nmc

GROUP HIGHLIGHTS

71%
Revenue

40%
Profit before interest

71%
Cash from operating activities

24%
Headline earnings per share – 33.5c

31%
Diluted Core Headline earnings per share – 37.7c

14%
Interim dividend declared – 10.5 cents per share

GROUP GROWTH STRATEGIES

- Acquisitive growth – concluded acquisition of Taylor
- Diversified product offering – Trellidor Security Shutter launched
- International growth – focus on Africa
- Geographic expansion of Taylor – focus on synergies

Foundation in place – now to build

GROUP OVERVIEW

Trellidor Group now consists of Trellidor and Taylor.

Trellidor

- Trellidor is the market leading manufacturer of custom-made barrier security products
- Distribution through dedicated and skilled owner operated franchisees in South Africa and throughout Africa
- Further representation in Israel, UK, parts of Europe and Australia
- Products manufactured at the Group's modern facility in Durban, supported by assembly shops in parts of Africa including the Group's subsidiary in Ghana

GROUP OVERVIEW – cont.

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Taylor

- Acquisition of Taylor Blinds and Shutters and NMC South Africa "Taylor" business effective 7 July 2016 diversifies revenue
- Taylor is a major manufacturer and distributor of a range of custom-made blinds, and a range of decorative and security shutters
- Strong distribution in Western and Southern Cape
- A limited presence in Gauteng, the rest of South Africa and Africa
- Products are manufactured at the factory in Cape Town
- NMC distributes imported decorative mouldings out of branches in Johannesburg, Durban and Cape Town.
- The sellers are tasked with achieving an adjusted PAT before cost of debt of R33m for the twelve months ended 30 April 2017. Current performance is on track.

NEW PRODUCT

THE ULTIMATE CRIME BARRIER

Substantive in house developed product

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TAYLOR/NMC ACQUISITION

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GROUP FINANCIAL OVERVIEW

GROUP FINANCIAL PERFORMANCE

THE ULTIMATE CRIME BARRIER

	Audited 12 months Jun-15 R'm	Unaudited 6 months Dec-15 R'm	Audited 12 months Jun-16 R'm	Unaudited 6 months Dec-16 R'm	Dec-16 v Dec-15
Revenue	293.8	165.3	313.4	282.8	71%
Gross Profit	148.9	83.5	157.3	136.0	63%
Core EBITDA	72.8	45.6	83.2	67.4	48%
EBITDA	72.8	43.9	81.5	63.5	45%
Profit after tax	45.5	28.7	54.2	37.4	30%
Dividends paid	43.5	10.0	20.0	17.1	
Core diluted HEPS (cents)	45.4	28.8	51.9	37.7	31%
HEPS (cents)	45.4	27.1	50.3	33.5	24%
EPS (cents)	45.4	27.6	50.8	33.5	21%
Gross Margin	50.7%	50.5%	50.2%	48.1%	
EBITDA Margin	24.8%	26.6%	26.0%	22.5%	
Weighted avg shares in Issue (millions)	100.0	103.0	105.6	108.3	

Revenue growth of 71% following Taylor acquisition albeit in difficult trading conditions
GP margin dilutes as expected with the Taylor acquisition

Taylor acquisition transforms financial results, albeit in tough trading conditions

GROUP FINANCIAL PERFORMANCE

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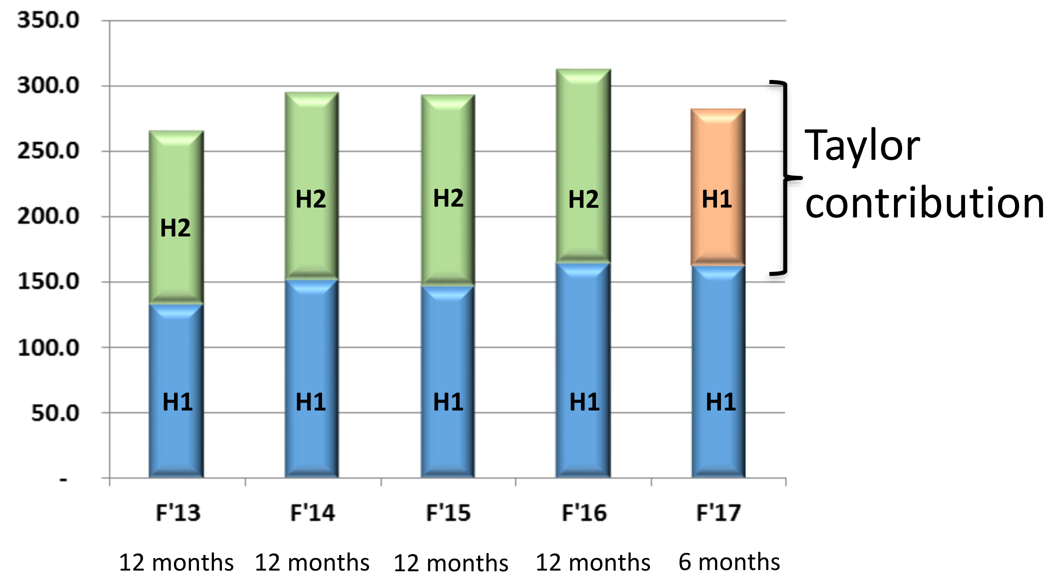
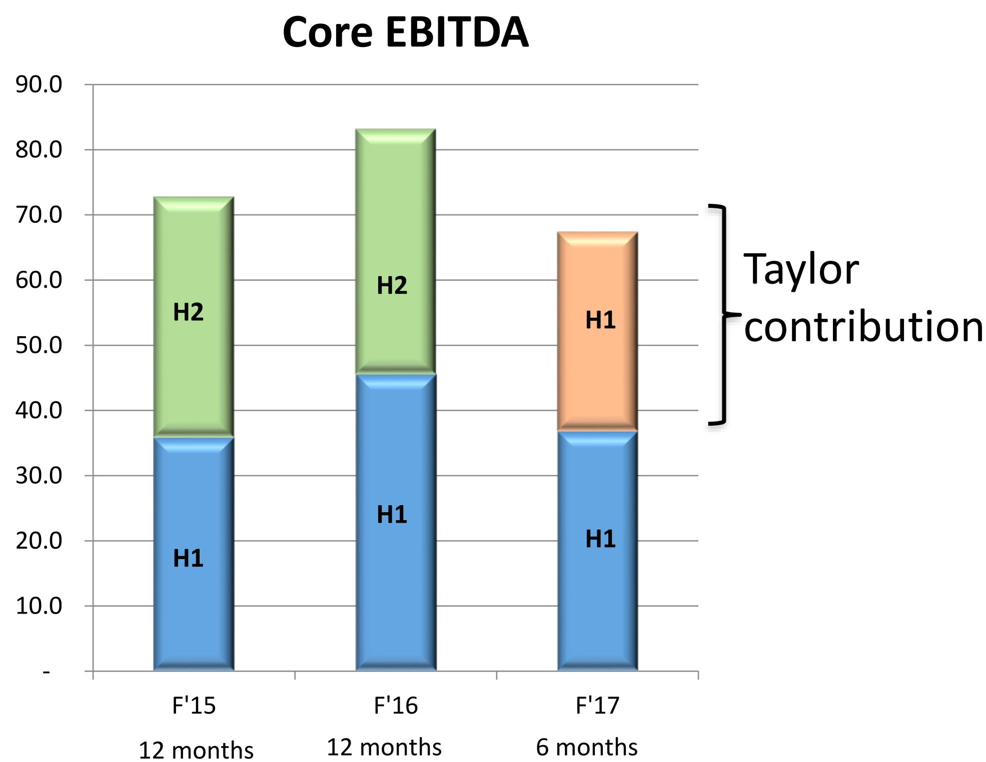
- The inclusion of Taylor for the first time boosts H1 turnover by 71%
- Tough trading conditions prevailed through H1 for the Trellidor Group
- Some relief is anticipated in H2 with an easing of the drought and improved mining performance

Revenue



GROUP FINANCIAL PERFORMANCE

- The inclusion of Taylor boosts EBITDA by 45% and Core EBITDA by 48%
- Lower volumes in the tough economic conditions hurt margins
- Super inflationary input costs driven by a strongly weaker Rand in early 2016, are seen to be mitigating through H2
- Core EBITDA has been adjusted for certain once of expenses and IFRS required costs for business combinations - see slide 12 for detailed reconciliation
- Forex losses of R2.2m (Dec 2015: R2.2m gain)



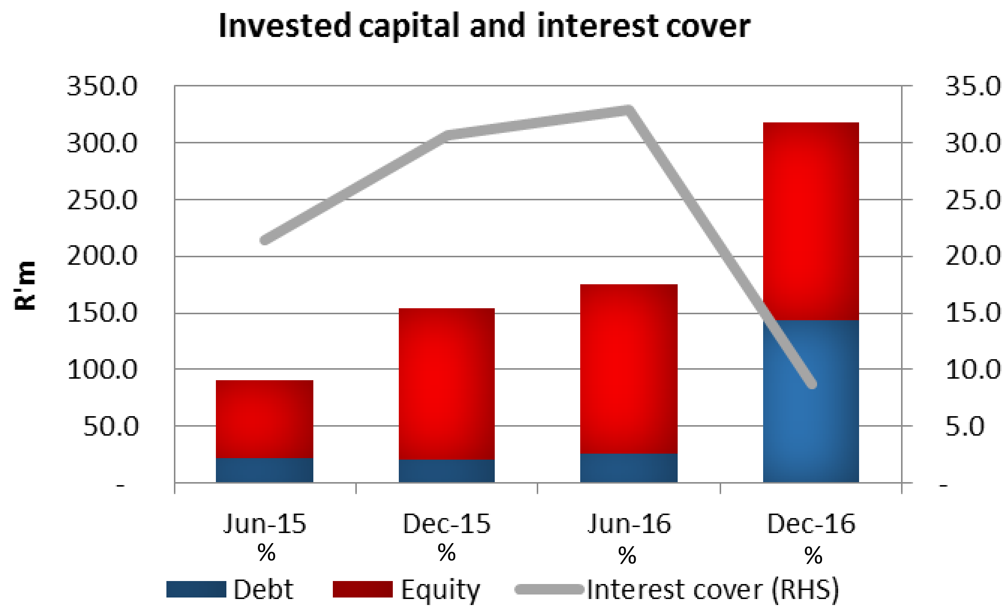
GROUP FINANCIAL PERFORMANCE

THE ULTIMATE CRIME BARRIER

	Audited 12 months Jun-15 R'm	Unaudited 6 months Dec-15 R'm	Audited 12 months Jun-16 R'm	Unaudited 6 months Dec-16 R'm
EBITDA	72.8	43.9	81.5	63.5
Adjusted for:				
Acquisition costs - Taylor	-	-	-	2.5
Fair value adjustment on contingent consideration - Taylor	-	-	-	1.5
Listing costs	-	1.7	1.7	-
CORE EBITDA	72.8	45.6	83.2	67.4

GROUP BALANCE SHEET

- Gearing ratio increased as a result of Taylor acquisition
- Interest cover reduction due to increased interest expense
- New and acquired debt (FNB) 5 yr amortising loans of R90.0m at prime less 0.5%
- Gearing is 66% (excludes contingent consideration of R28.7 million)



Cash and gearing deployed on earnings enhancing acquisition in July 2016

GROUP NET WORKING CAPITAL

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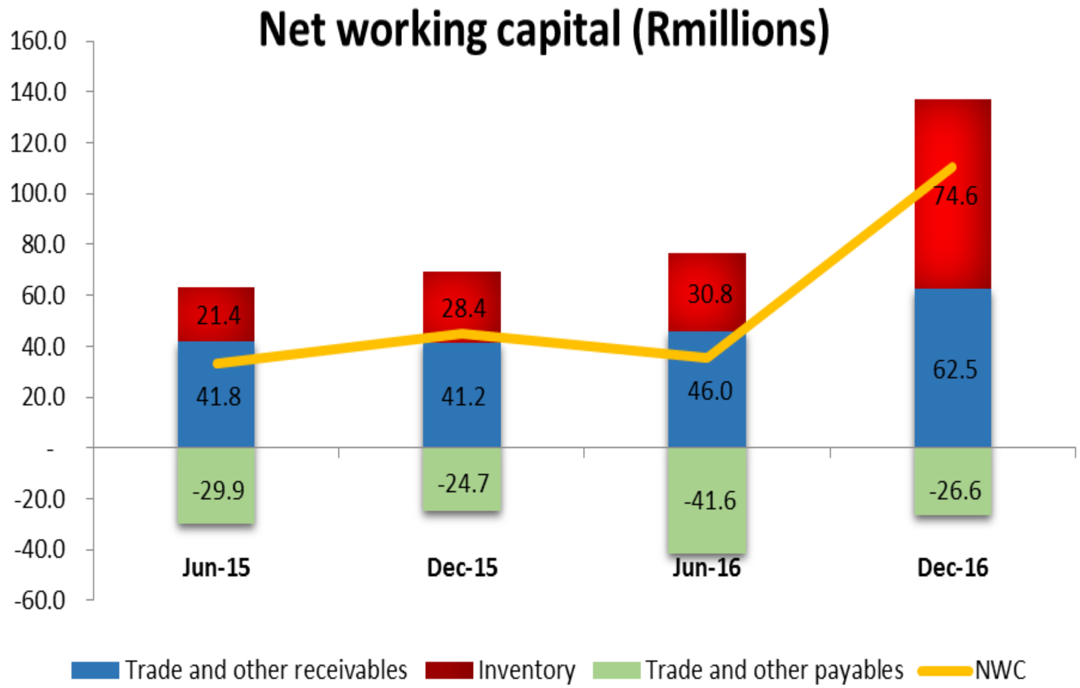
Working capital investment has increased mainly due to acquisition of Taylor.

- Taylor model requires investment in inventory
- Accounts receivable are in line with trading – no significant concerns on recoverability
- Working capital levels are subject to a degree of seasonality



Net investment in working capital	R'm
Jun-15	33.3
Dec-15	44.8
Jun-16	35.2
Dec-16	110.6

Future working capital investment in line with sales growth

SEGMENTS

SALES ANALYSIS - TRELLIDOR DIVISION

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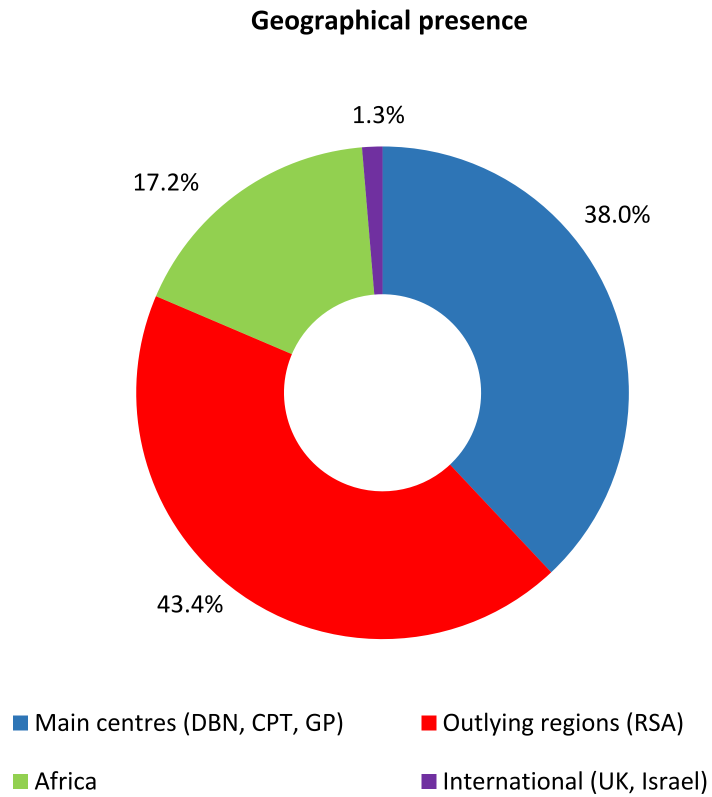
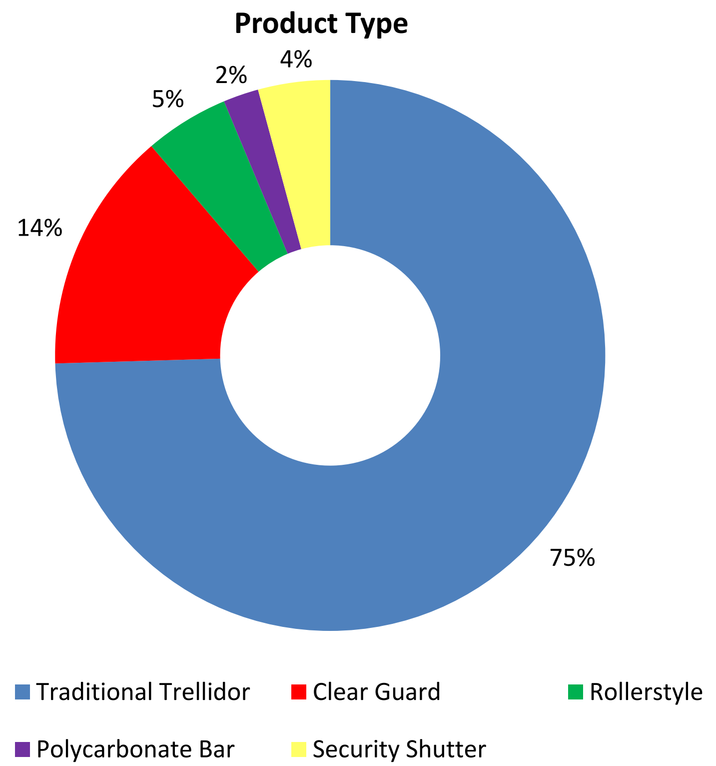
- Africa sales growth of 17% is pleasing despite currency shortages in several countries.
- African economies reliant on oil remain weak, mainly Nigeria, Angola
- Subdued trading in South Africa main centres and outlying areas
- Impact of drought and weak resource prices are now easing and a recovery is anticipated in the outlying regions in H2 F’17



Africa growth of 17%

SALES ANALYSIS - TRELLIDOR DIVISION (cont.)

- Growth in new product sales of 18%, including the Trellidor Security Shutter launched in July 2016
- Diversified product range spans income groups which mitigates weak middle and upper middle class economy



New product sales now 25% of revenue

TRADING MARGIN - TRELLIDOR DIVISION

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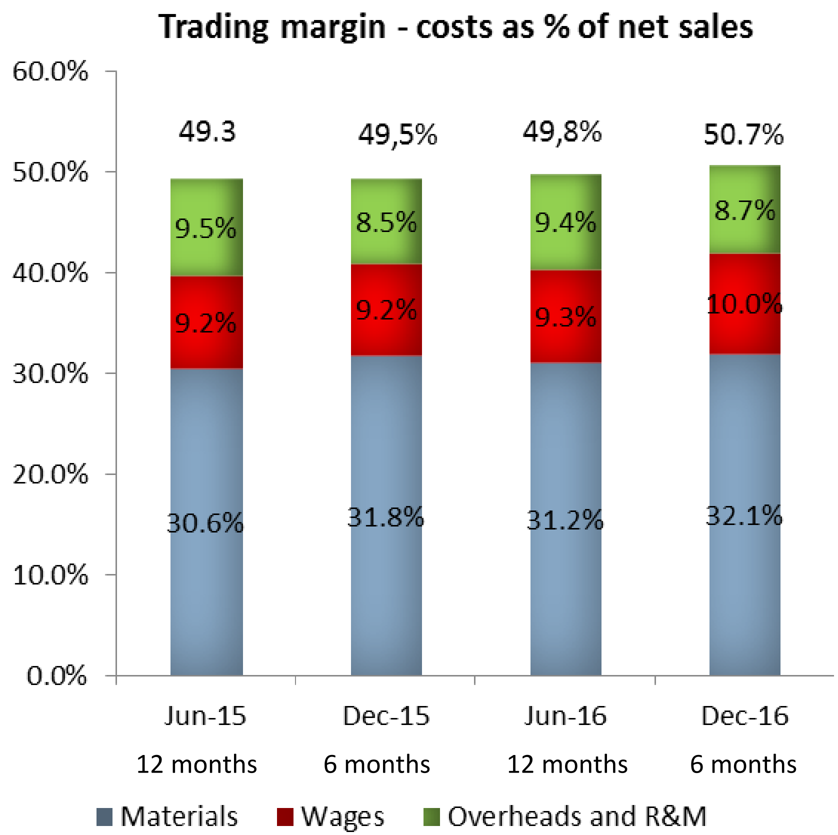
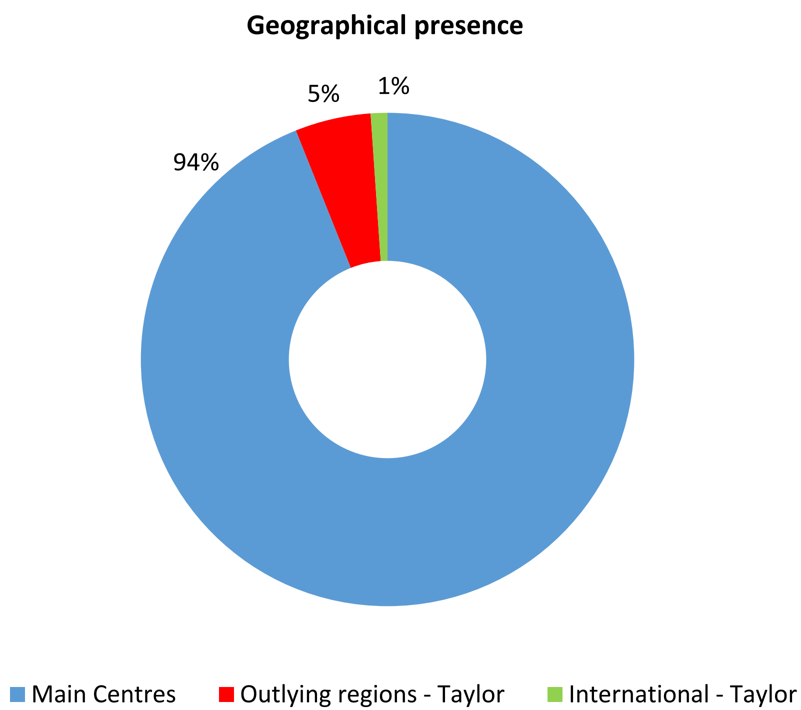
- Relatively stable trading margin despite rand devaluation and muted sales growth
- Super inflationary labour costs continue, mitigated by improved utilisation
- Manufacturing overhead cost contained
- Materials costs have been under pressure but well managed in the conditions
- Imported material prices are mitigating with the stronger Rand, but local steel prices are strongly increasing , offsetting gains



Highly profitable sustainable trading margin

SALES ANALYSIS - TAYLOR

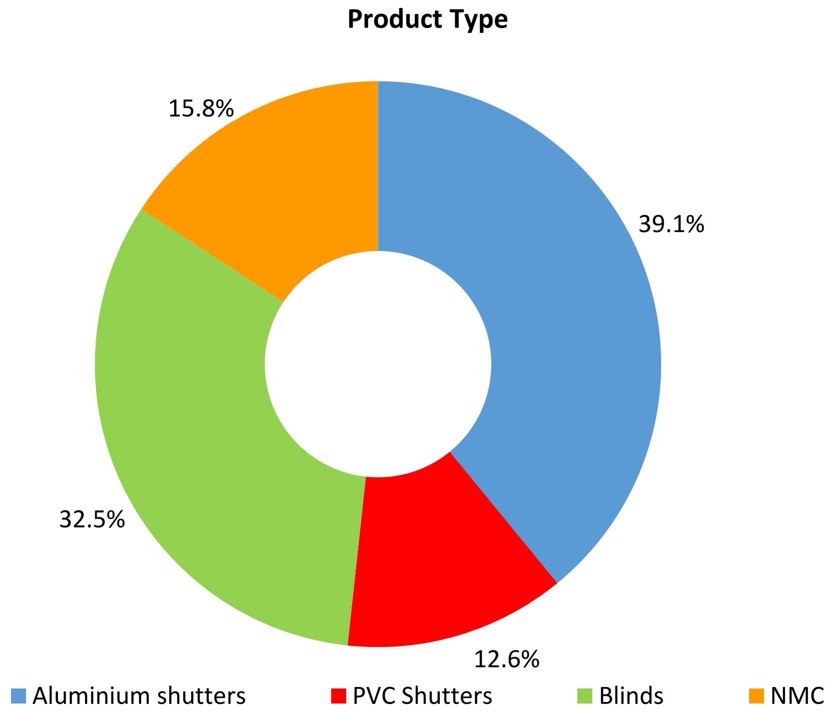
- Concentration of sales in the Western and Southern Cape
- Branch in Johannesburg
- Geographic growth opportunity using proven Trellidor model
- Tough trading conditions – 6% growth on prior H1 2015



Geographic expansion opportunity

SALES ANALYSIS – TAYLOR (cont.)

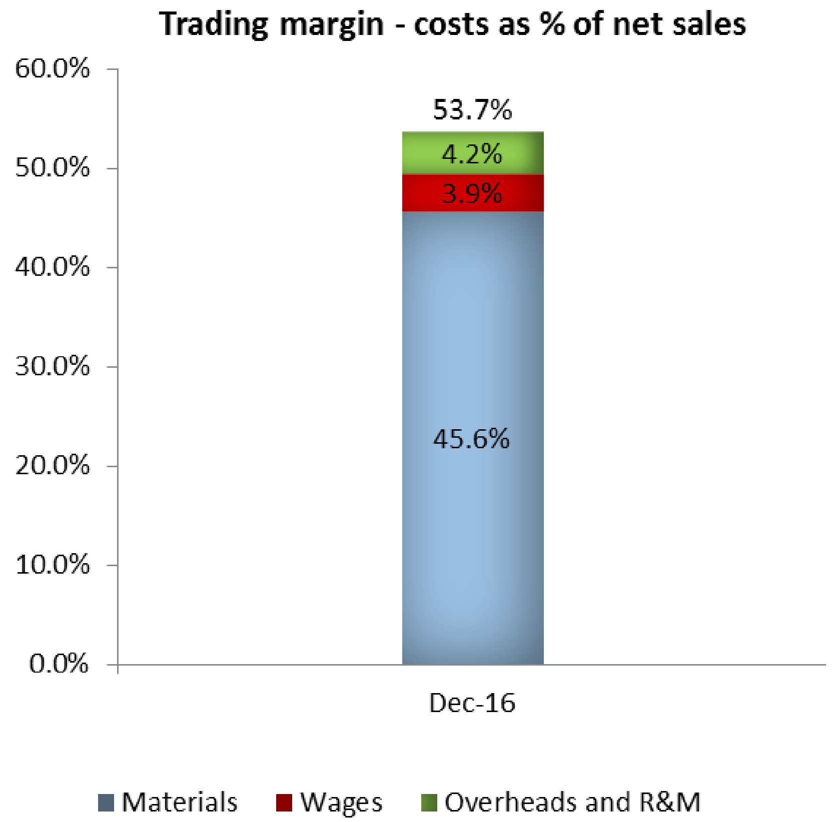
- Turnover well spread by product
- Constant innovation and development to keep up with trends
- Good growth in Roller Blinds and PVC Shutters in the period
- Custom designed and manufactured



Well spread product range – focus on "Lifestyle" product set

SALES ANALYSIS – TAYLOR (cont.)

- Gross profit margins are relatively stable across the product range
- Exposure to Rand fluctuations as most materials imported, offset by management of price
- Efficient factory with significant spare capacity in Blinds divisions



Well managed margins

GROUP SUMMARISED CASH FLOW

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	Audited 12 months Jun-15 R'm	Unaudited 6 months Dec-15 R'm	Audited 12 months Jun-16 R'm	Unaudited 6 months Dec-16 R'm
EBITDA	72.8	43.9	81.5	63.5
Movement in non cash items (incl provisions)	2.8	-5.5	-5.9	1.7
Net working capital movement	2.9	-11.8	-3.3	-19.9
Inventory	0.9	-7.0	-9.4	-3.9
Accounts receivable	2.7	0.4	-3.7	5.3
Accounts payable	-0.7	-5.2	9.8	-21.3
Cash generated from operations	78.4	26.6	72.3	45.3
Tax paid	-21.5	-11.8	-21.1	-16.1
Net Cash from operations (excl finance costs)	57.0	14.8	51.2	29.2
Net Investment in PPE	-3.2	-3.1	-7.5	-5.9
FCF	53.8	11.7	43.7	23.4
Net interest costs	-2.8	-0.6	0.5	-5.0
Acquisition of subsidiary	0.0	0.0	0.0	-123.1
Repayment/raising of debt & equity	-3.3	45.8	49.8	73.5
Investing and financing activities	-6.1	45.2	50.3	-54.7
Cash available to shareholders	47.7	56.9	94.0	-31.3
Dividend paid to shareholders	-43.5	-10.0	-20.0	-17.1
Cash movement for the year	4.2	46.9	74.0	-48.4
Opening cash balance	11.2	15.4	15.4	89.4
Closing cash balance	15.4	62.3	89.4	41.0

Cash conversion rate before PPE of 78% for the year

GROUP SUMMARISED CASH FLOW

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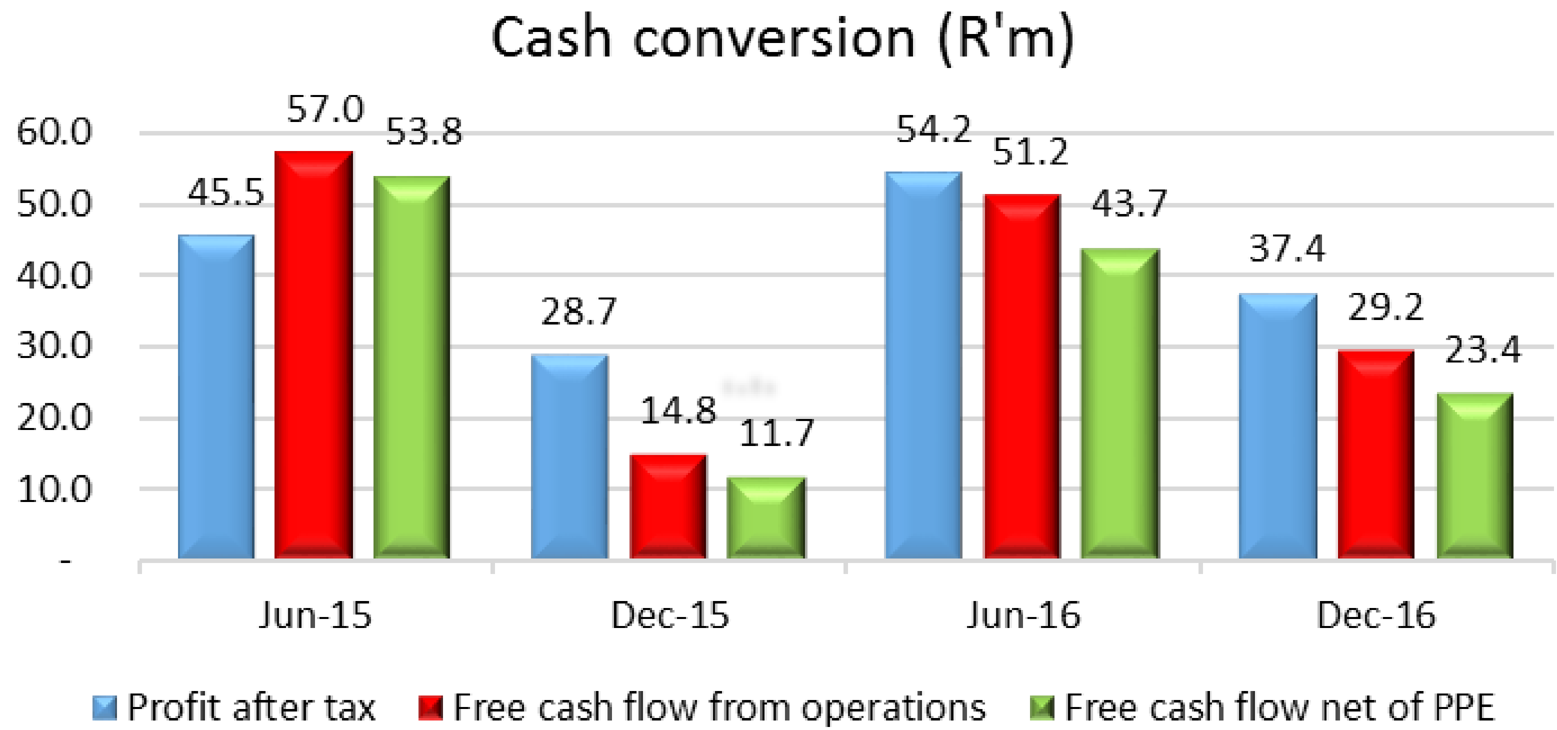

Remains highly cash generative

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GROUP SUMMARISED CASH FLOW

- Business combination dilutes cash conversion, but remains robust
- Debt servicing will use ± R23 m per year
- Working capital distorted by seasonal reduction in payables at 31st December 2016
- Interim dividend declared of 10,5 cents per share – up 14% on prior year

Dividend 10,5c per Share ↑ 14%

GROUP SUMMARISED BALANCE SHEET

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	Jun-15	Dec-15	Jun-16	Dec-16
Non current assets				
Property, plant and equipment	41.5	42.1	42.6	50.8
Goodwill and other intangibles	3.1	3.0	4.0	112.8
Deferred Tax	2.7	2.9	3.7	2.0
Other financial assets	0.4	0.3	0.4	0.5
	47.7	48.3	50.7	166.1
Current assets				
Inventories	21.4	28.4	30.8	74.6
Trade and other receivables	40.7	40.3	44.4	61.3
Cash	15.4	62.3	89.4	41.0
Other financial assets	1.1	0.8	1.6	1.3
	78.6	131.8	166.2	178.2
Non current liabilities				
Debt	18.8	17.5	23.4	97.4
Provisions	5.6	1.2	0.0	0.0
	24.4	18.7	23.4	97.4
Current liabilities				
Debt	3.7	3.7	3.0	46.4
Trade Payables	27.7	22.5	37.5	25.4
Other (Tax + Other)	2.2	2.2	4.0	1.2
	33.6	28.4	44.5	73.0
Equity	**68.3**	**133.0**	**149.0**	**173.9**

	Jun-15	Dec-15	Jun-16	Dec-16
Financial Risk				
Debt/Equity	33%	16%	18%	66%
Interest Cover	21	31	33	9
FCF/PAT	118%	41%	81%	62%

Cash raised on listing utilised in July 2016 for the purchase of the Taylor and NMC business

PROSPECTS

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- Bedding down the Taylor acquisition and driving growth opportunities after “earn out” period
- Africa remains focus for International growth. Two new Nigeria franchisees now fully trained and paid up and sales activity anticipated in H2. Sales already received from the DRC
- Improving economic conditions in the outlying regions of South Africa anticipated with the easing of the drought and better resource prices boosting mining
- Tough overall economic conditions are expected to remain, and continued focus on overhead control and efficiency remains

Growth strategies implemented - enhanced foundation to grow

Thank You

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