TRELLIDOR HOLDINGS LIMITED

AUDITED FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2017

TRELLIDOR® THE ULTIMATE CRIME BARRIER

TAYLOR For the best in blinds!

nmc

GROUP HIGHLIGHTS

THE ULTIMATE CRIME BARRIER

68%
Revenue

43%
Core EBITDA

27%
Diluted Core Headline earnings per share – 66.0c

23%
Final dividend declared – 19.5 cents per share
Full year dividend of 30.0 cents

GROUP GROWTH STRATEGIES

- ❑ Acquisitive growth – concluded acquisition of Taylor
  - Period of bedding down
  - Further acquisitions targeted from FY19

- ❑ Diversified product offering
  - Trellidor Security Shutter launched in FY17
  - Aluminium Retractable version launched Sept 2017
  - LPCB level 3 product developed for UK market

- ❑ International growth – focus on Africa
  - Exploit other opportunities as they arrive

- ❑ Geographic expansion of Taylor – focus on synergies
  - Product set introduced to the Trellidor franchise network where appropriate

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
- 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

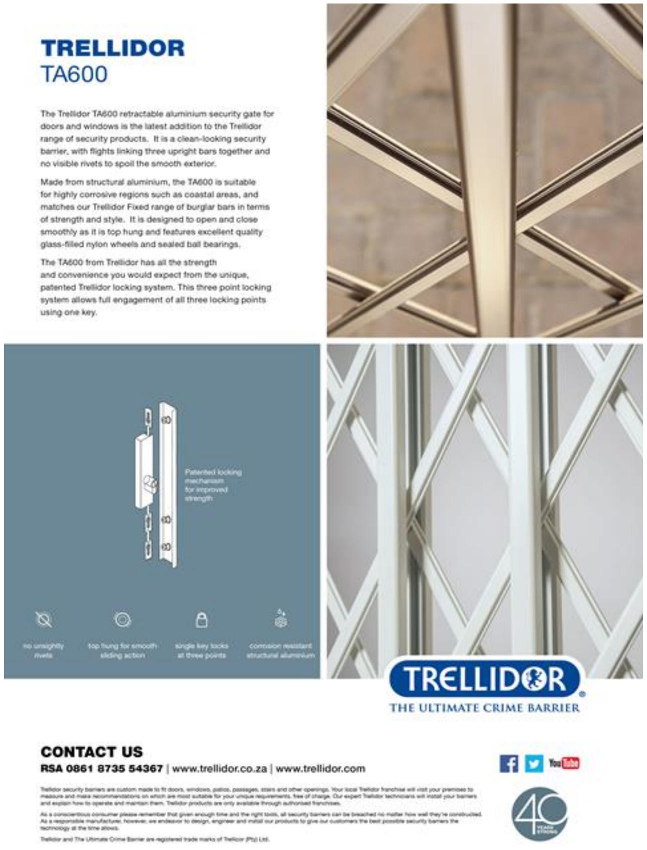
GROUP OVERVIEW

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 achieved their earnings target of an adjusted PAT before cost of debt of R33m for the twelve months ended 30 April 2017. A final payment of R30m was made in cash during July 2017. A forward PE of 5.3 was achieved

NEW PRODUCT – TA600 and LPCB SR3

THE ULTIMATE CRIME BARRIER



TRELLIDOR
TA600

The Trellidor TA600 retractable aluminium security gate for doors and windows is the latest addition to the Trellidor range of security products. It is a clean-looking security barrier, with flights linking three upright bars together and no visible rivets to spoil the smooth exterior.

Made from structural aluminium, the TA600 is suitable for highly corrosive regions such as coastal areas, and matches our Trellidor Fixed range of burglar bars in terms of strength and style. It is designed to open and close smoothly as it is top hung and features excellent quality glass-filled nylon wheels and sealed ball bearings.

The TA600 from Trellidor has all the strength and convenience you would expect from the unique, patented Trellidor locking system. This three point locking system allows full engagement of all three locking points using one key.

Patented locking mechanism for improved strength

no unsightly rivets | top hung for smooth sliding action | single key locks at three points | corrosion resistant structural aluminium

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CONTACT US
RSA 0861 8735 54367 | www.trellidor.co.za | www.trellidor.com

Trellidor security barriers are custom made to fit doors, windows, patios, passages, stairs and other openings. Your local Trellidor franchise will visit your premises to measure and make recommendations on which are most suitable for your unique requirements, free of charge. Our expert Trellidor technicians will install your barriers and explain how to operate and maintain them. Trellidor products are only available through authorised franchises.

As a conscientious consumer please remember that given enough time and the right tools, all security barriers can be breached no matter how well they're constructed. As a responsible manufacturer, however, we endeavour to design, engineer and install our products to give our customers the best possible security barriers the technology at the time allows.

Trellidor and The Ultimate Crime Barrier are registered trade marks of Trellidor (Pty) Ltd.

Substantive in-house developed product

TAYLOR/NMC

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TAYLOR
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GROUP FINANCIAL OVERVIEW

GROUP FINANCIAL PERFORMANCE

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Group financial performance (R'm)	FY 2015	FY 2016	FY 2017	FY 17 vs FY 16
Revenue	293.8	313.4	525.4	68%
Gross Profit	148.9	157.3	250.5	59%
Core EBITDA	72.8	83.2	119.1	43%
EBITDA	72.8	81.5	113.9	40%
Profit after tax	45.5	54.2	66.0	22%
Dividends paid	43.5	20.0	28.5	42%
Core diluted HEPS (cents)	45.4	51.9	66.0	27%
Diluted HEPS (cents)	45.4	50.3	59.2	18%
Diluted EPS (cents)	45.4	50.8	59.3	17%
Gross Margin	50.7%	50.2%	47.7%	
EBITDA Margin	24.8%	26.0%	21.7%	
Weighted avg shares in issue (millions)	100.0	105.6	108.3	

Revenue growth of 68% following Taylor acquisition in difficult trading conditions

GP margin diluted as expected with the Taylor acquisition

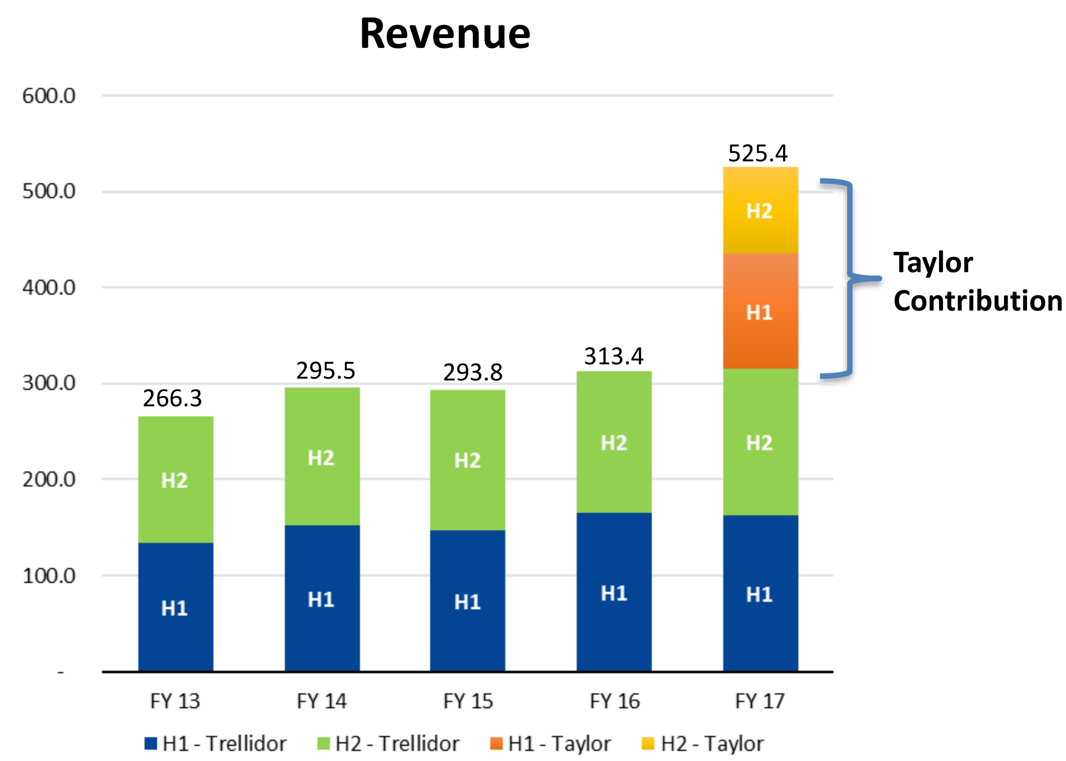
Taylor acquisition transforms financial results, in tough trading conditions

GROUP FINANCIAL PERFORMANCE

- The inclusion of Taylor for the first time boosts full year turnover by 68%

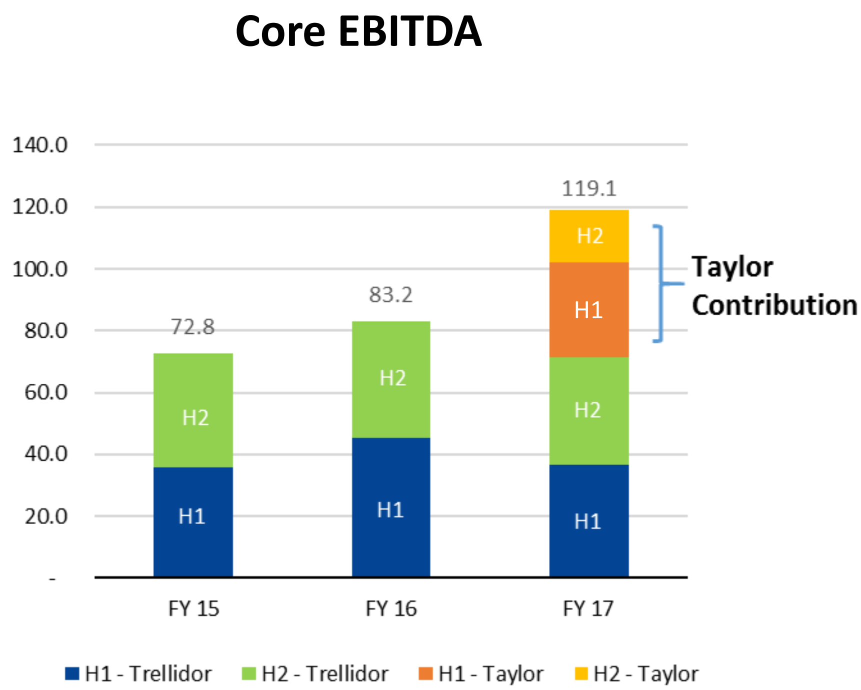
- Tough trading conditions prevailed through the year for the Trellidor Group

- Improved trading in agricultural and mining areas was achieved in H2 but tough trading prevailed in urban areas



GROUP FINANCIAL PERFORMANCE

- The inclusion of Taylor boosts EBITDA by 40% and Core EBITDA by 43%
- Lower volumes in the tough economic conditions hurt margins
- Imported input costs improved relatively in H2 but this was partially offset by higher steel prices
- Forex losses of R3.0m (June 2016: R2.3m gain) negatively impacting EBITDA by R5.3m



GROUP FINANCIAL PERFORMANCE

Core HEPS (R'm)	FY 2015	FY 2016	FY 2017	FY 17 vs FY 16
Profit attributable to ordinary shareholders	**45.4**	**53.7**	**64.3**	**20%**
Adjusted for:				
Profit on disposal of property, plant and equipment	-	(0.5)	(0.1)	
Headline earnings	**45.4**	**53.2**	**64.2**	**21%**
Adjusted for:				
Amortisation of customer database - Taylor	-	-	4.9	
Acquisition costs - Taylor	-	-	2.5	
Fair value adjustment on contingent consideration - Taylor	-	-	2.7	
Listing costs	-	1.7	-	
Tax effect thereon	-	-	(2.1)	
Non-controlling interest	-	-	(0.6)	
Core Headline earnings	**45.4**	**54.8**	**71.5**	**30%**
Diluted weighted average number of shares	100.0	105.6	108.3	3%
Diluted earnings per share (cents)	45.4	50.8	59.3	17%
Diluted headline earnings per share (cents)	45.4	50.3	59.2	18%
Diluted core headline earnings per share (cents)	**45.4**	**51.9**	**66.0**	**27%**

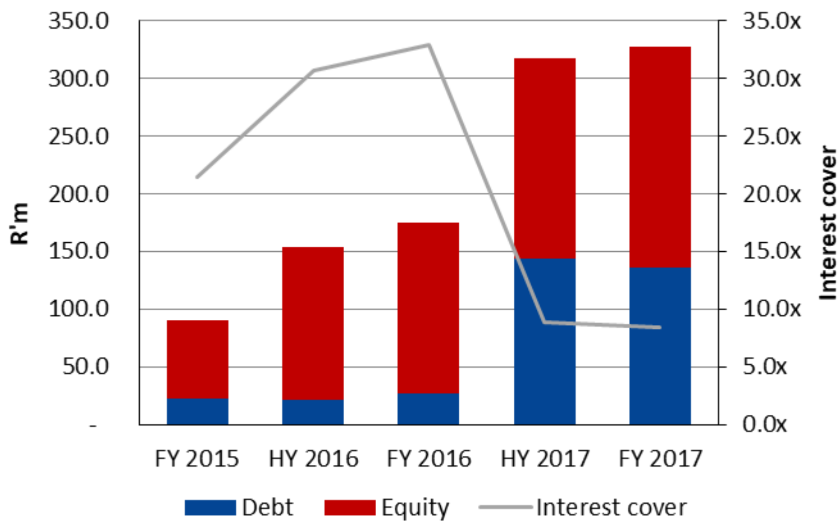
Core EBITDA adjustments

Diluted core headline earnings per share growth of 27%

GROUP BALANCE SHEET

- Debt/EBITDA ratio 0.9x
- New and acquisition debt (FNB) 5 yr amortising loans of R90.0m at prime less 0.5% raised in July 2017
- Gearing ratio is 55% (excludes contingent consideration of R30 million) – down from 66% at half year

Invested capital and interest cover



Ratios	FY 2015	HY 2016	FY 2016	HY 2017	FY 2017
Debt/Equity	33%	16%	18%	66%	55%
Interest Cover	21.4x	30.6x	32.9x	8.8x	8.4x
Debt/EBITDA	0.3x		0.3x		0.9x

Interest bearing debt of R106m at 30 June 2017

GROUP NET WORKING CAPITAL

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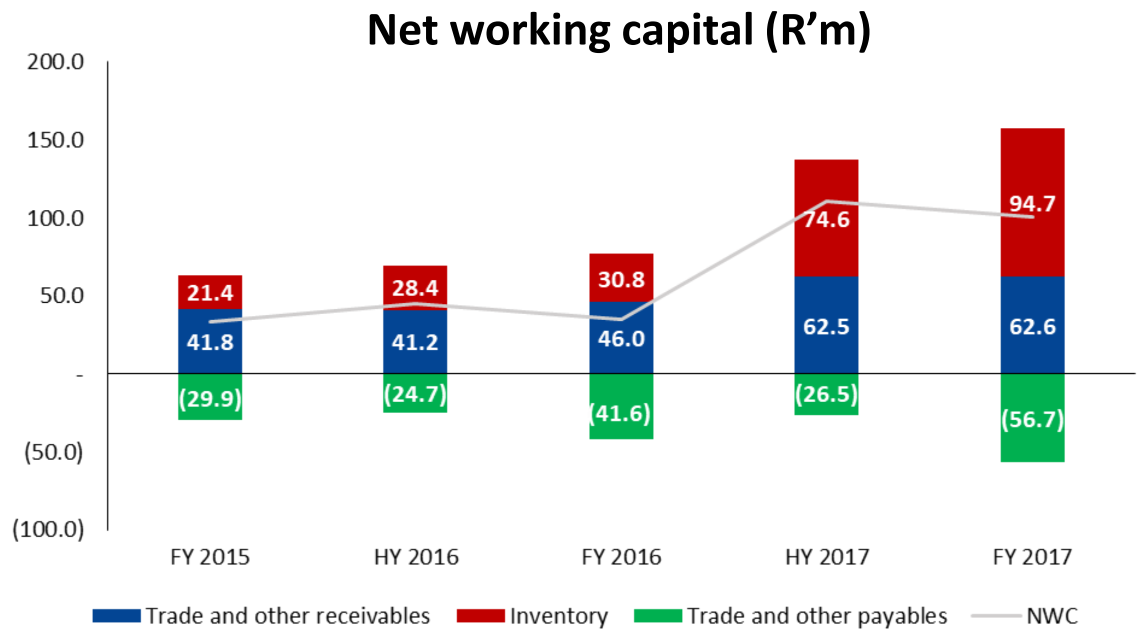
- Working capital investment has increased mainly due to acquisition of Taylor
- Accounts receivable are in line with trading – while aging has deteriorated there are no significant concerns on recoverability
- Seasonal inventory investment at year end building for high season



Net investment in working capital (R'm)	
FY 2015	33.3
HY 2016	44.8
FY 2016	35.2
HY 2017	110.6
FY 2017	100.6

Future working capital investment in line with sales growth

SEGMENTS

SALES ANALYSIS - TRELLIDOR DIVISION

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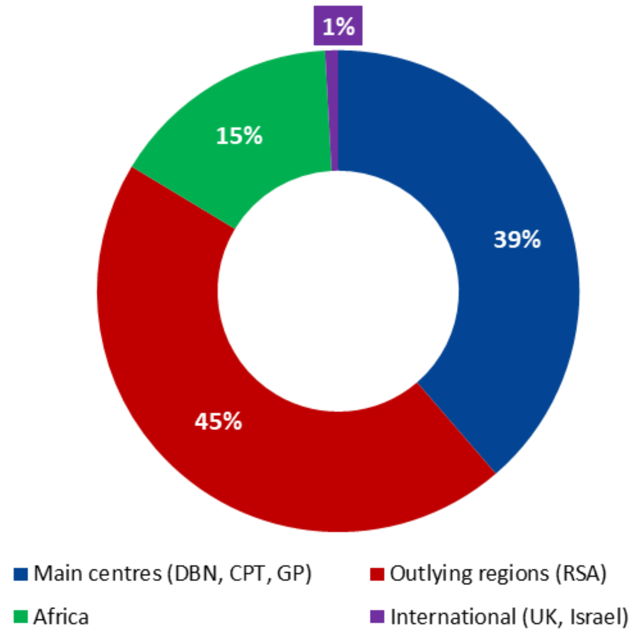
- H2 revenue in South Africa grew by 7% driven mainly by outlying areas growth of 11%
- African economies reliant on oil - remain weak, mainly Nigeria, Angola
- Africa sales growth of 4% reflects tough trading in H2. Ghana sales were flat after a disruptive year with elections and poor oil prices

Geographical Presence	FY 2016	FY 2017
Main centres (DBN, CPT, GP)	40%	39%
Outlying regions (RSA)	44%	45%
Africa	15%	15%
International (UK, Israel)	1%	1%

Geographical presence



Recovery in outlying areas

SALES ANALYSIS - TRELLIDOR DIVISION

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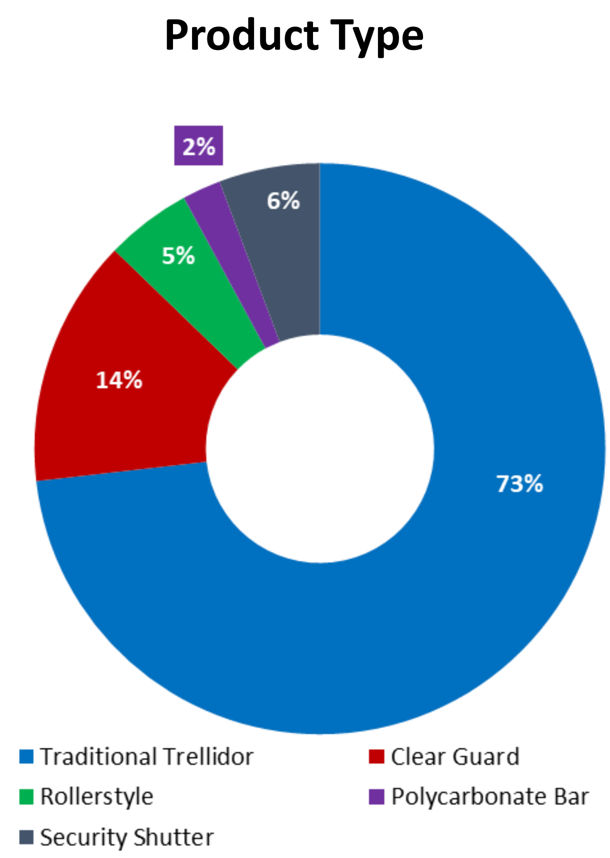
- Growth in new product sales of 33%, including the Trellidor Security Shutter launched in July 2016, which accelerated nicely in H2
- Diversified product range spans income groups which mitigates weak middle and upper middle class economy

Product Type	FY 2016	FY 2017
Traditional Trellidor	80%	73%
Clear Guard	13%	14%
Rollerstyle	6%	5%
Polycarbonate Bar	2%	2%
Security Shutter	0%	6%

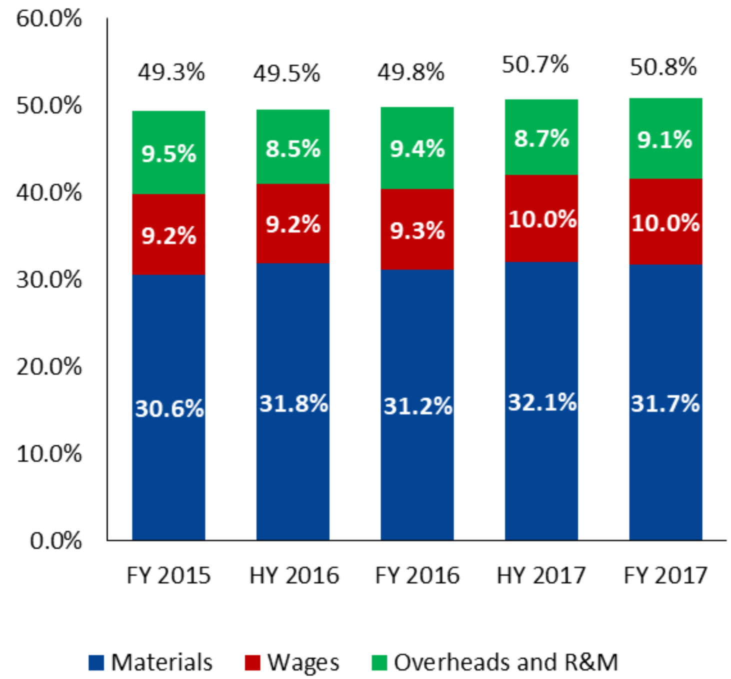


New product sales now 27% of revenue

TRADING MARGIN - TRELLIDOR DIVISION

- Relatively stable trading margin despite muted sales growth
- Super inflationary labour costs continue for H2, mitigated by improved utilisation
- New wage increment agreement signed in September 2017 sees lower increment rates than previous. Average of circa 8% vs 11%
- Materials costs improved in H2
- Imported material prices are mitigating with the stronger Rand, but local steel prices are strongly increasing, offsetting gains

Cost of sales – costs as % of net sales

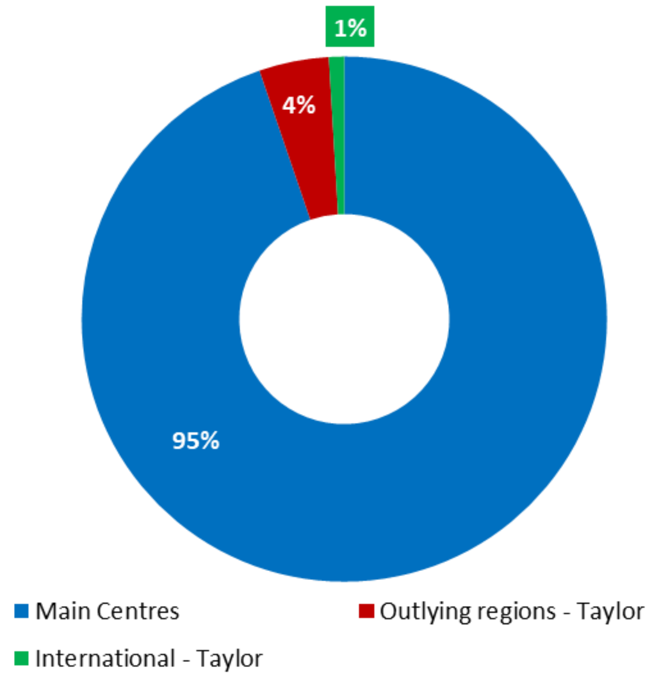


Highly profitable sustainable trading margin

SALES ANALYSIS – TAYLOR DIVISION

- Concentration of sales in the Western and Southern Cape
- Branch in Johannesburg
- Geographic growth opportunity using proven Trellidor model – Products introduced to Trellidor franchisees in Feb 2017, where appropriate
- Tough trading conditions – Revenue flat on adjusted prior year

Geographical presence



Geographic expansion opportunity

SALES ANALYSIS – TAYLOR DIVISION

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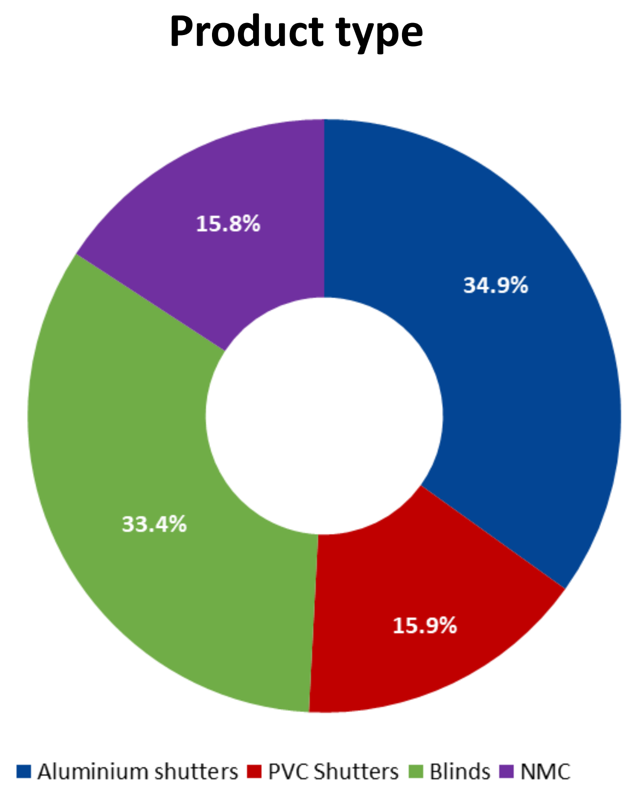
- Turnover well spread by product
- Constant innovation and development to keep up with trends
- Good growth in Roller Blinds and PVC Shutters driven by product enhancements in the year
- Custom designed and manufactured



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

TRADING MARGIN – TAYLOR DIVISION

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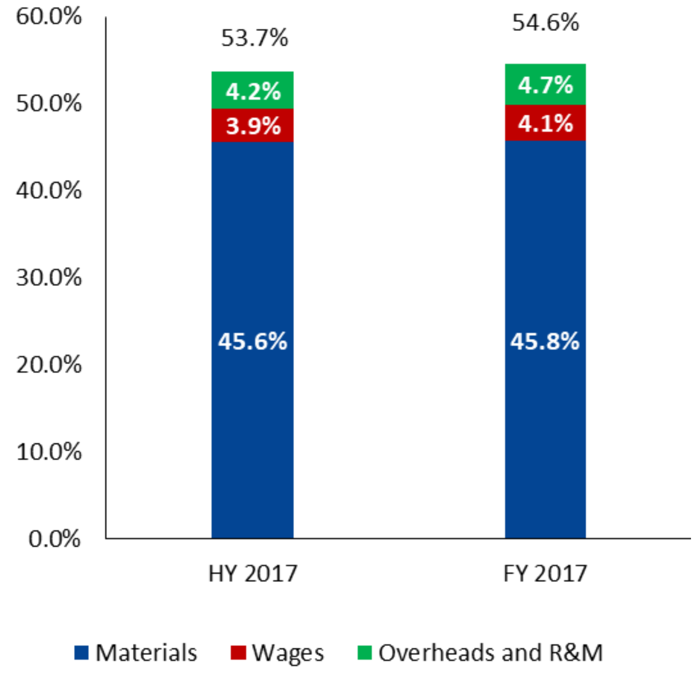
- Gross profit margins are slightly down from half year due to lower volumes and the resultant impact on recovery on wages and overheads
- Exposure to Rand fluctuations as most materials imported, offset by management of price
- Efficient factory with significant spare capacity in Blinds divisions

Cost of sales – costs as % of net sales



Well managed margins

GROUP SUMMARISED CASH FLOW

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Group summarised cash flow (R'm)	FY 2015	FY 2016	FY 2017
EBITDA	**72.8**	**81.5**	**113.9**
Movement in non cash items (incl provisions)	2.8	(5.9)	4.2
Net working capital movement	**2.9**	**(3.3)**	**(13.4)**
Inventory	0.9	(9.4)	(23.1)
Accounts receivable	2.7	(3.7)	3.4
Accounts payable	(0.7)	9.8	6.3
Cash generated from operations	**78.4**	**72.3**	**104.7**
Tax paid	(21.5)	(21.1)	(33.2)
Net Cash from operations (excl finance costs)	**57.0**	**51.2**	**71.5**
Net Investment in PPE	(3.2)	(7.5)	(8.0)
FCF	**53.8**	**43.7**	**63.5**
Net interest costs	(2.8)	0.5	(9.1)
Acquisition of subsidiary	-	-	(124.0)
Repayment/raising of debt & equity	(3.3)	49.8	63.9
Investing and financing activities	**(6.1)**	**50.3**	**(69.2)**
Cash available to shareholders	**47.7**	**94.0**	**(5.7)**
Dividend paid to shareholders	(43.5)	(20.0)	(28.5)
Cash movement for the year	**4.2**	**74.0**	**(34.2)**
Opening cash balance	11.2	15.4	89.4
Closing cash balance	**15.4**	**89.4**	**55.2**

Cash conversion rate (FCF/PAT) of 96% for the year

GROUP SUMMARISED CASH FLOW

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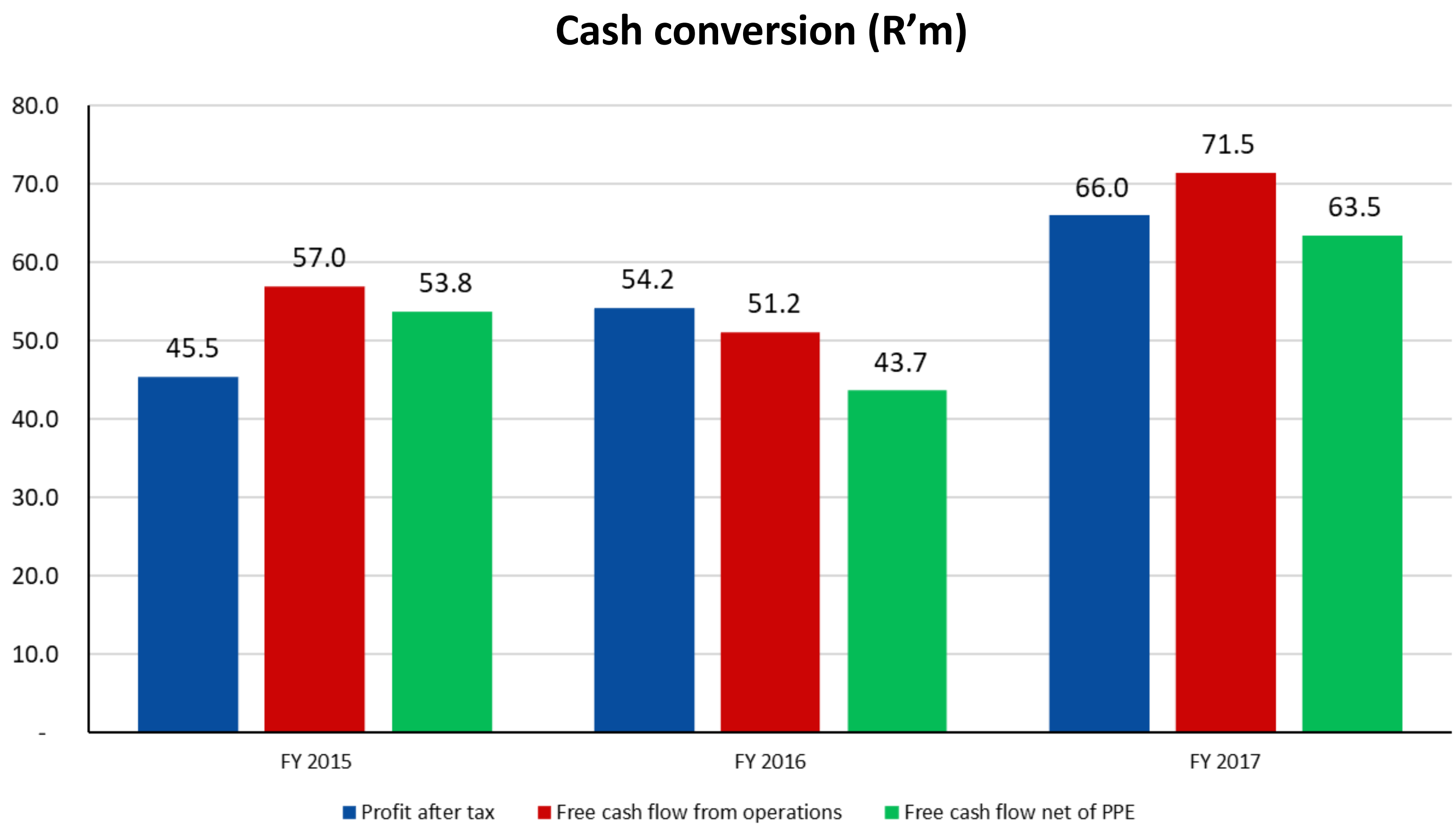

Remains highly cash generative

GROUP SUMMARISED CASH FLOW

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- Strong cash generation in H2
- New Debt servicing ± R23 m per year
- Working capital - seasonal investment in imported stock for high season
- Final dividend declared of 19.5 cents per share – up 23% on prior year
- Full year dividend declared of 30 cents per share up 20% on prior year

Final Dividend 19,5c per Share ↑ 23%

GROUP SUMMARISED BALANCE SHEET

Summarised balance sheet (R'm)	FY 2015	FY 2016	FY 2017
Non current assets			
Property, plant and equipment	41.5	42.6	51.5
Goodwill and other intangibles	3.1	4.0	121.1
Deferred Tax	2.7	3.7	3.7
Other financial assets	0.4	0.4	0.3
	47.7	**50.7**	**176.6**
Current assets			
Inventories	21.4	30.8	94.7
Trade and other receivables	40.7	44.4	61.8
Cash	15.4	89.4	55.1
Other financial assets	1.1	1.6	0.8
	78.6	**166.2**	**212.4**
Non current liabilities			
Debt	18.8	23.4	86.1
Deferred tax	0.0	0.0	4.4
Provisions	5.6	0.0	0.0
	24.4	**23.4**	**90.5**
Current liabilities			
Debt	3.7	3.0	49.9
Trade Payables	27.7	37.5	52.6
Other (Tax + Other)	2.2	4.0	4.1
	33.6	**44.5**	**106.6**
Equity	**68.3**	**149.0**	**191.9**

Seasonal investment in imported raw materials

PROSPECTS

- Driving geographic growth in Taylor
- Continued focus in Africa driving sales in recently appointed franchise areas. Service opportunities arising from elsewhere on an ad hoc basis
- Improving economic conditions in the outlying regions of South Africa are being experienced with a stronger agricultural sector and better resource prices boosting mining. Africa market conditions are also seen to be improving
- Further acquisitions are targeted from FY19
- Overall 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