



UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018



TRELLIDOR HOLDINGS LIMITED



SALIENT POINTS

29.8c

Headline earnings per share (2018: 35.2c)

9.1c

Interim dividend declared per share (2018: 11.0c)

R56m

EBITDA for the six months (2018: R65m)

R25m

Cash from operations for the six months (2018: R24m)

20%

Return on Invested Capital (2018: 25%)

SALIENT POINTS

- New Group CFO appointed effective 1 March 2019 to increase capacity for efficient execution of group strategies – Group
- Taylor product sales through Trellidor franchises have gone up c.150% – Group
- Implemented factory efficiency project and cost savings are ahead of target – Trellidor
- SR3 project – London Underground first installations are complete – Trellidor
- Launching new external roller-blind range in March 2019 – Taylor
- Commenced implementation of Trellidor developed production and costing system at Taylor factory – Taylor

GROUP GROWTH STRATEGIES

- **Acquisitive growth**
 - Assessment of quality acquisition potential is ongoing through FY 2019
- **Diversified product offering**
 - New external roller-blind range will be launched March 2019
- **International growth – focus on Africa**
 - Franchisees signed in Kinshasa (DRC) and Ivory Coast are now established
 - Dedicated team travels Africa servicing existing markets, developing the brand and seeking new markets
 - Exploit other opportunities as they arrive
- **SA Growth – focus on synergies**
 - Taylor product set has been introduced to the Trellidor franchise network
 - 6 month sales of R8.1m to December 2018 achieved compared to R7.8m for the 12 months to June 2018
 - Grow sales to non-residential projects across both Trellidor and Taylor products

GROUP OVERVIEW

- 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 and 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

- Taylor

- 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 and 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

NEW EXTERNAL ROLLER-BLIND





GROUP FINANCIAL OVERVIEW



TRELLIDOR HOLDINGS LIMITED

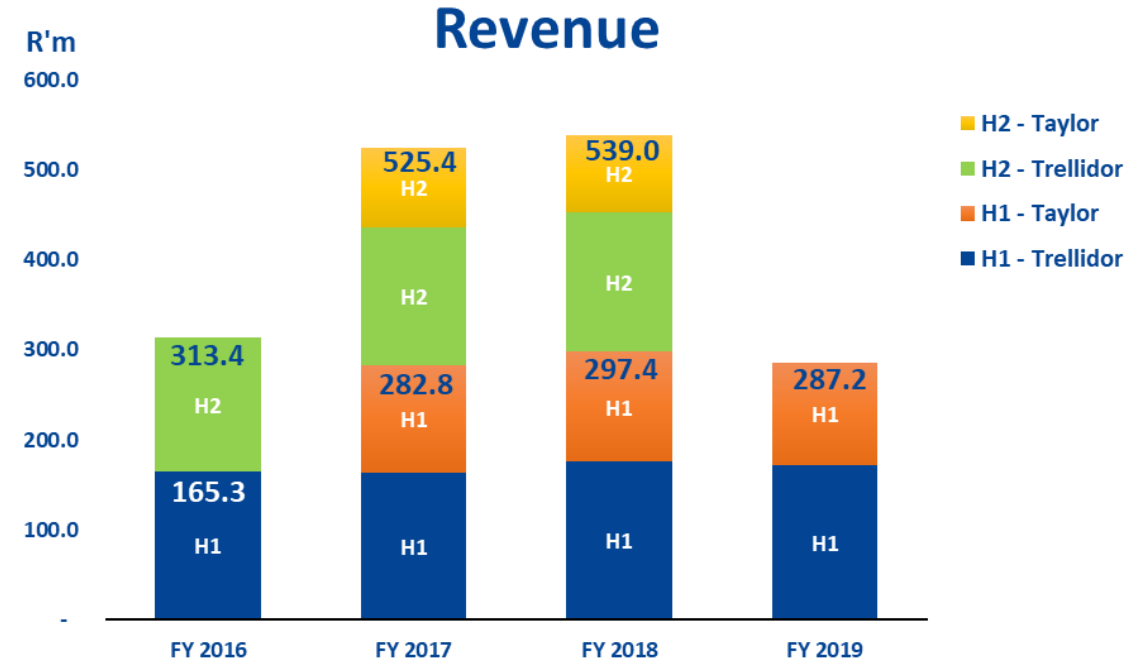


GROUP FINANCIAL PERFORMANCE

Group financial performance (R'm)	FY 2017	HY 2018	FY 2018	HY 2019	HY 19 vs
					HY 18
Revenue	525.4	297.4	539.0	286.2	-4%
Gross Profit	250.5	137.2	245.9	128.9	-6%
EBITDA	113.9	65.0	103.5	55.7	-14%
Profit after tax	66.0	39.1	59.6	32.6	-17%
Dividends paid	28.5	21.1	32.9	17.4	-17%
Diluted EPS (cents)	59.3	35.2	54.4	29.8	-15%
Diluted HEPS (cents)	59.2	35.2	54.3	29.8	-15%
Gross Margin	47.7%	46.1%	45.6%	45.0%	
EBITDA Margin	21.7%	21.9%	19.2%	19.5%	
Weighted avg shares in issue (millions)	108.3	108.1	108.0	107.6	

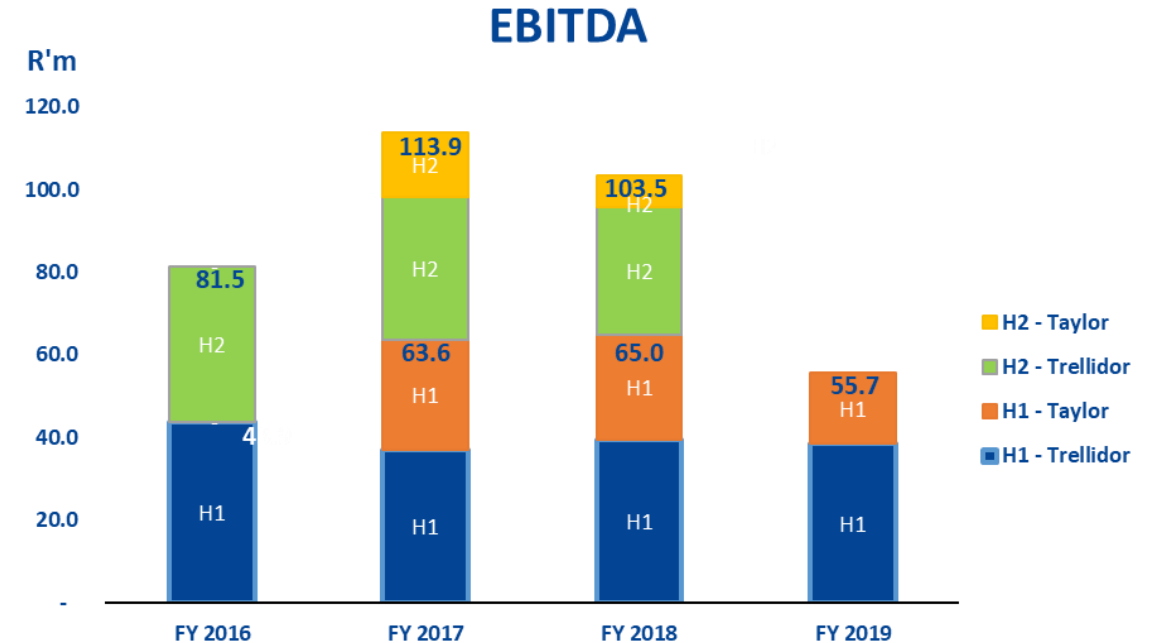
GROUP FINANCIAL PERFORMANCE

- H1 2019 trading reflects the continued tough economy
- The sharp decline in the Western Cape economy in 2018 calendar year in particular has had an impact on relative performance
- This reinforces our strategy to continue on the geographical expansion of the Taylor products



GROUP FINANCIAL PERFORMANCE

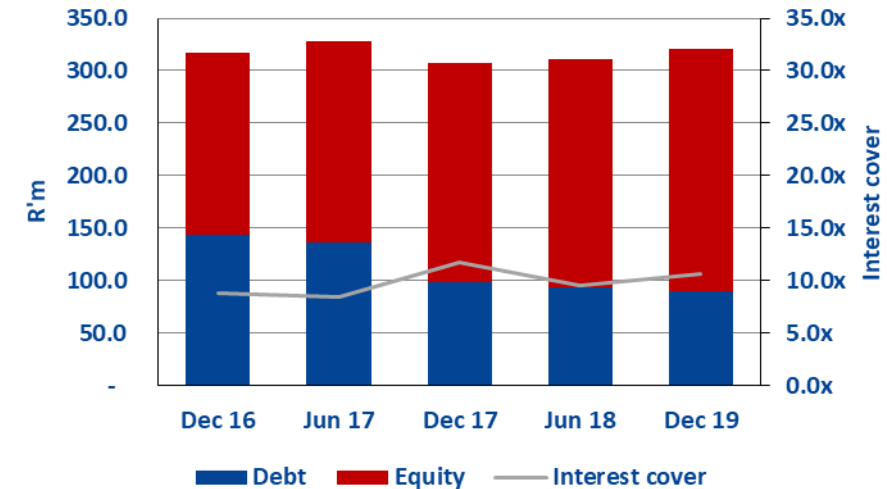
- EBITDA declined due to:
 - Lower volumes in tough economic conditions
 - Tighter margins across the product range
 - Inflationary impact on input costs
- Mitigating factors:
 - Improved factory efficiencies in Trellidor
 - Tighter cost controls across the Group
- Future interventions:
 - Trellidor production and cost system being implemented in Taylor factory
 - Group procurement from suppliers with synergy across the operations



GROUP BALANCE SHEET

- Debt/Equity ratio of 39% (2018: 47%)
- Interest bearing debt of R89.8m at 31 December 2018
- R6.1m interest bearing debt repaid during the period

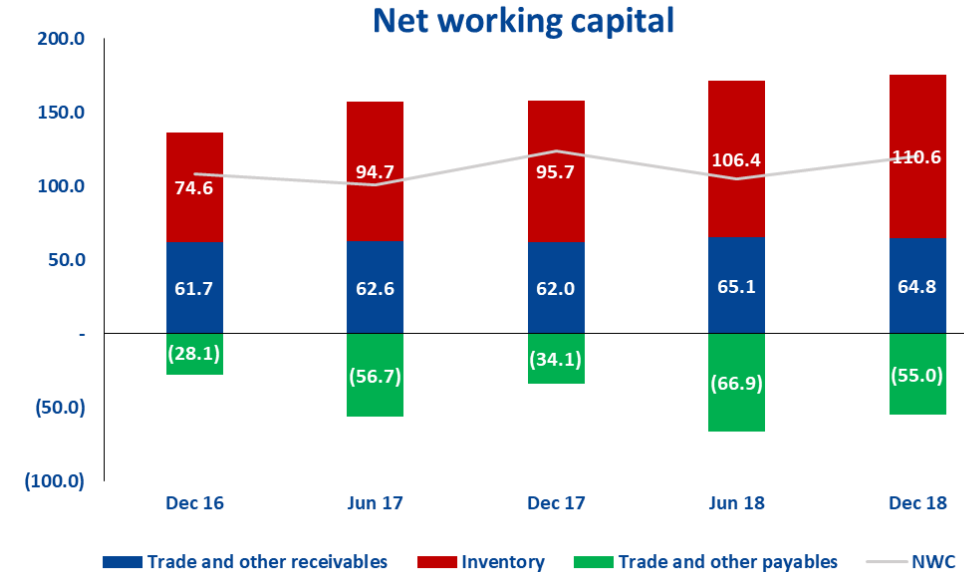
Invested capital and interest cover



Ratios	FY 2017	HY 2018	FY 2018	HY 2019
Debt/Equity	55%	47%	43%	39%
Interest Cover	8.4x	11.7x	9.6x	10.7x
Debt/EBITDA	0.9x		0.9x	

GROUP NET WORKING CAPITAL

- Working capital investment increased mainly due to increased stock levels as a result of decreased demand
- Accounts receivable are in-line with trading although slightly higher due to an extra week of trading in December 2018 for Taylor
- Group procurement initiative will assist in more effective stock management going forward



Net investment in working capital (R'm)

HY 2017	108.2
FY 2017	100.6
HY 2018	123.6
FY 2018	104.6
HY 2019	120.4

CAPITAL ALLOCATION

- Capex of R8.2m of which R6.0m was for the efficiency project at Trellidor
- Debt Servicing
 - Paydown interest bearing liabilities - R6.1m
 - Net interest - R4.1m
- Return to shareholders
 - Dividend final 2018 - R17.5m
 - Share buy-backs - R3.0m
 - 642,705 shares repurchased during the year and subsequently cancelled



SEGMENTS



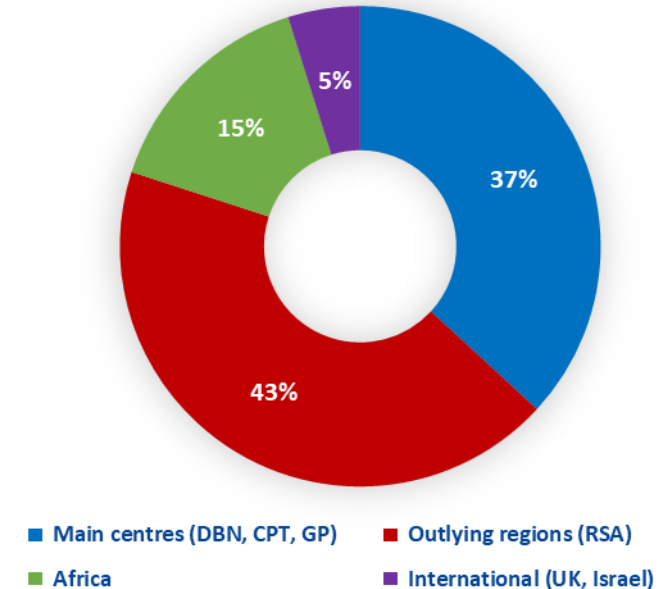
THE ULTIMATE CRIME BARRIER

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TRELLIDOR – SALES ANALYSIS

- Overall revenue has declined 1.5% across the Trellidor markets
- International revenue growth of 9% driven by excellent growth in the UK
- Sales into Africa declined driven mainly by reduced activity in Namibia, Botswana and Swaziland
- East and West Africa regions show improved results from the prior period

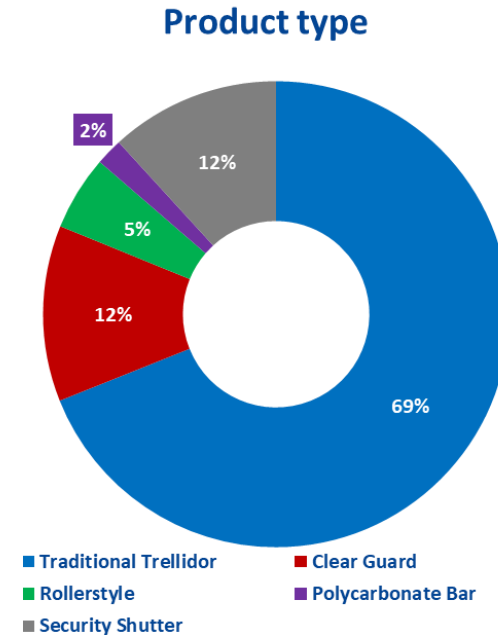
Geographical presence



Geographical Presence	HY 2018	FY 2018	HY 2019
Main centres (DBN, CPT, GP)	37%	37%	37%
Outlying regions (RSA)	45%	46%	43%
Africa	17%	15%	15%
International (UK, Israel)	1%	2%	5%

TRELLIDOR – SALES ANALYSIS

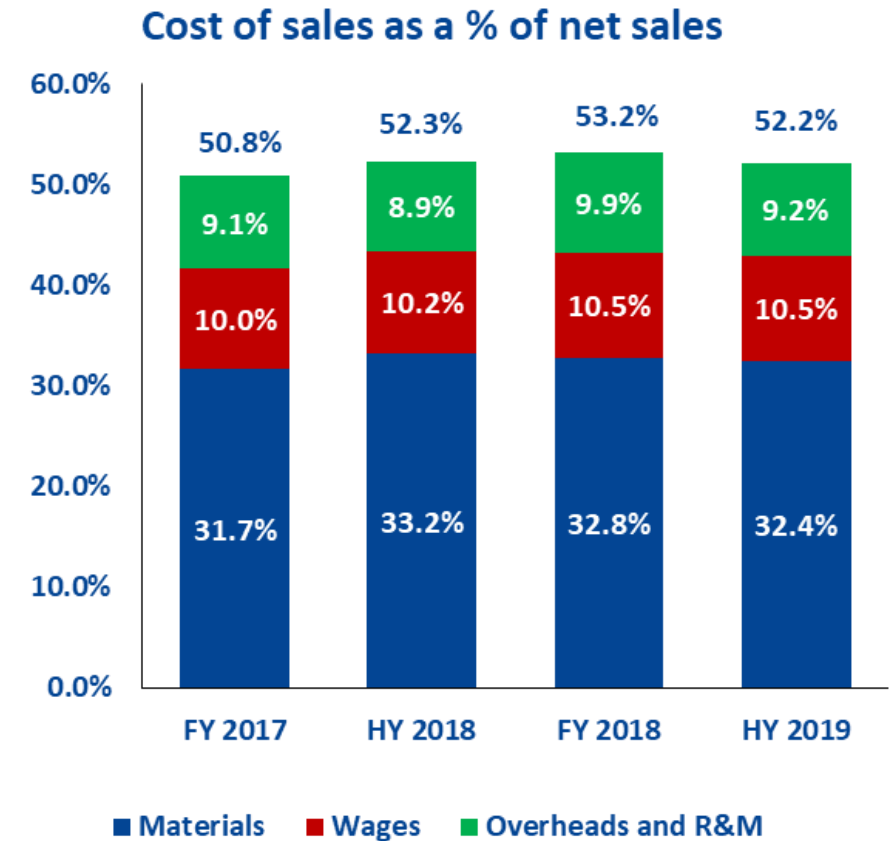
- Diversified product range spans income groups which mitigates weak middle and upper middle class economy
- As a result of the diversification the decline in sales was held to 1.5%



Product Type	HY 2018	FY 2018	HY 2019
Traditional Trellidor	68%	68%	69%
Clear Guard	12%	13%	12%
Rollerstyle	5%	5%	5%
Polycarbonate Bar	2%	2%	2%
Security Shutter	12%	11%	12%

TRELLIDOR – TRADING MARGIN

- Improved trading margin despite muted sales
- Impact of shift efficiency project:
 - Benefits have already bore fruit in H1 despite including the implementation costs
 - Savings anticipated to accelerate through H2
- Under recovery of wages and semi-variable costs due to volume pressure continues





SEGMENTS

TAYLOR
BLINDS & SHUTTERS Est.1959

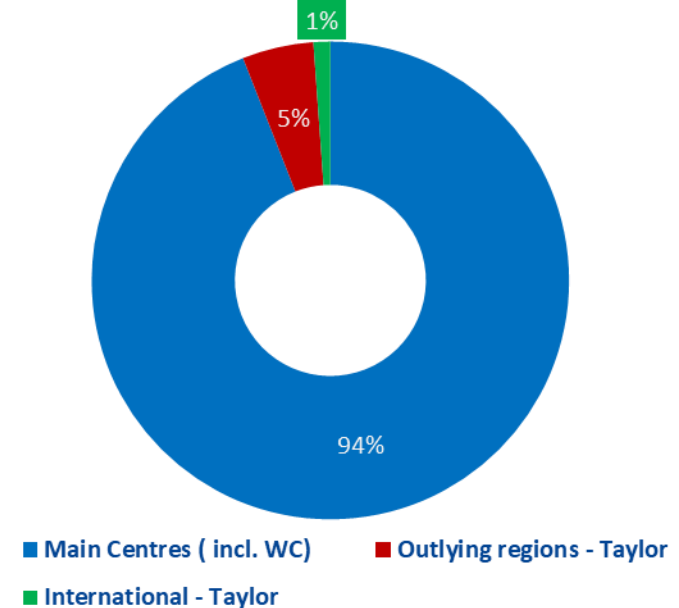


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TAYLOR – SALES ANALYSIS

- The concentration of sales in the Western and Southern Cape regions, which are experiencing a marked slowdown in economy, has had an impact and as a result revenue is down 7%
- Johannesburg was flat on the prior period which, given the trading environment, is a solid result
- Geographic growth opportunity using proven Trellidor franchise model is producing results with R8m in sales for the 6 months through this network vs. R7.8m for 12 months to June 2018.

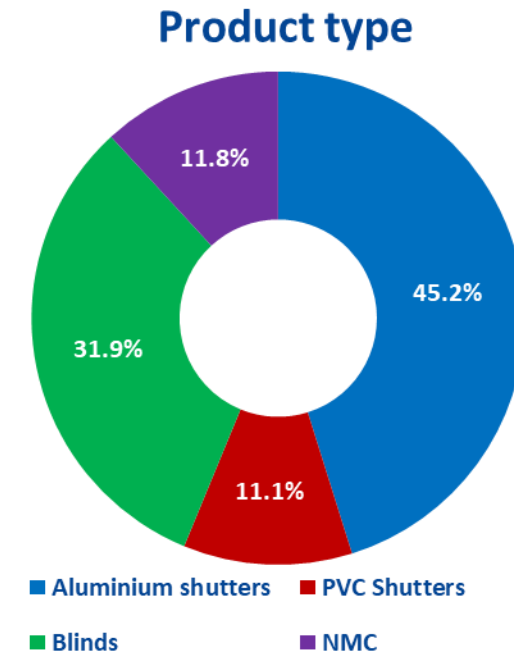
Geographical presence



Geographical Presence	HY 2018	FY 2018	HY 2019
Main centres (incl. WC)	93%	96%	94%
Outlying regions (Taylor)	6%	3%	5%
International (Taylor)	2%	1%	1%

TAYLOR – SALES ANALYSIS

- Turnover well spread by product
- Constant innovation and development to keep up with trends
- Launching of external roller-blind in March 2019
- All products custom designed and manufactured

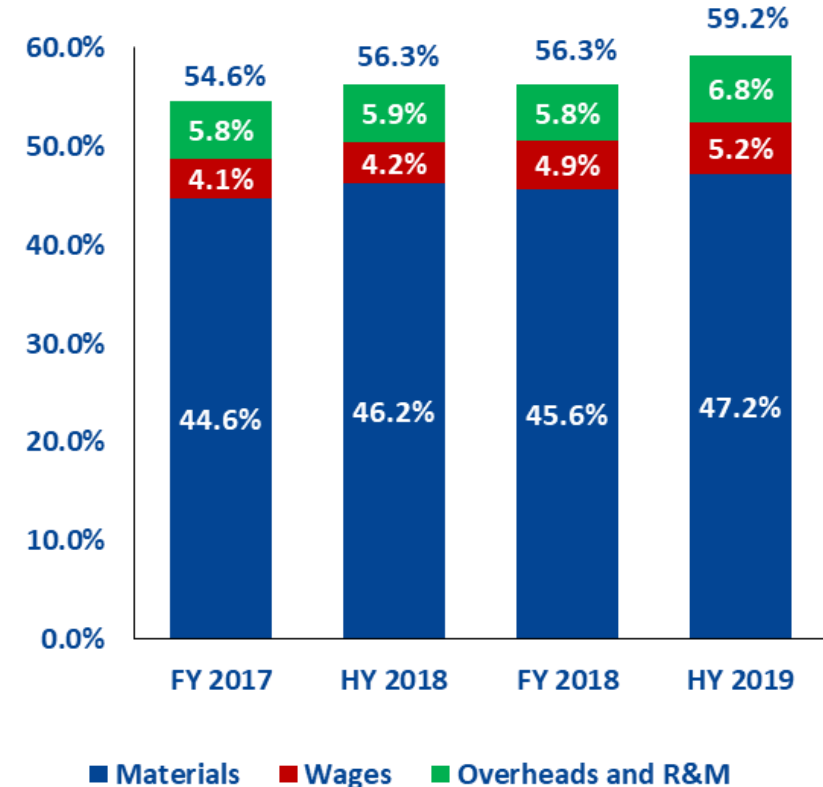


Product Type	HY 2018	FY 2018	HY 2019
Aluminium shutters	45%	43%	45%
PVC Shutters	12%	14%	11%
Blinds	31%	32%	32%
NMC	12%	12%	12%

TAYLOR – TRADING MARGIN

- Under recovery of wages and semi-variable costs due to decrease in volumes
- Increased input costs, primarily due to R/\$ fluctuations, only partially mitigated by selling price increase
- Strategy to implement group buying power with suppliers who have synergy
 - Key objective to reduce input costs and increase margin
- Key strategy at Taylor is to leverage and implement the success of the Trellidor factory process, starting with the implementation of the production and costing system

Cost of sales as a % of net sales





PROSPECTS



TRELLIDOR HOLDINGS LIMITED



PROSPECTS

- The weak economic environment in Southern Africa is anticipated to continue
- Improved market conditions in West and East Africa
- Further traction from projects in the UK is expected
- Focus on margin improvement and tight cost control will be enhanced
- Projects focused on material supply and efficiency enhancement are expected to gather momentum and yield further savings
- The geographic expansion of the Taylor business is progressing well
- Taylor is launching a new external blind during March 2019
- Excess cash will potentially be deployed to repurchase Group shares
- The recent addition of our new CFO to the executive team coupled with internal staff restructuring, will provide additional capacity to:
 - Drive strategy implementation
 - Increase focus on improving efficiencies in the operating segments



ADDITIONAL INFORMATION



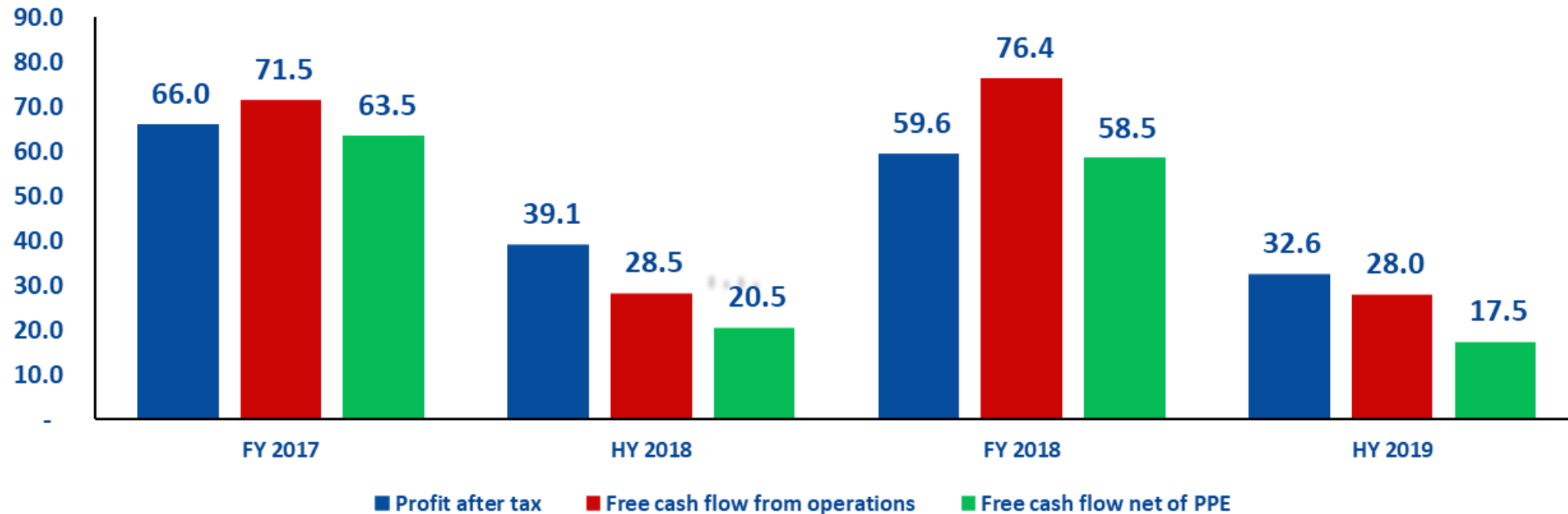
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GROUP SUMMARISED CASH FLOW

Group summarised cash flow (R'm)	FY 2016	HY 2017	FY 2017	HY 2018	FY 2018	HY 2019
EBITDA	81.5	63.5	113.9	65.0	103.5	55.7
Movement in non cash items (incl provisions)	(5.9)	1.7	4.2	0.9	3.4	1.1
Net working capital movement	(3.3)	(19.9)	(13.4)	(18.8)	0.1	(16.0)
Inventory	(9.4)	(3.9)	(23.1)	(1.0)	(12.3)	(4.2)
Accounts receivable	(3.7)	5.3	3.4	1.0	0.9	(0.8)
Accounts payable	9.8	(21.3)	6.3	(18.9)	11.4	(11.0)
Cash generated from operations	72.3	45.3	104.7	47.1	107.0	40.8
Tax paid	(21.1)	(16.1)	(33.2)	(18.7)	(30.6)	(11.8)
Net Cash from operations (excl finance costs)	51.2	29.2	71.5	28.5	76.4	29.1
Net Investment in PPE	(7.5)	(5.9)	(8.0)	(7.9)	(17.9)	(10.5)
FCF	43.7	23.3	63.5	20.5	58.5	18.6
Net interest costs	0.5	(5.0)	(9.1)	(4.2)	(8.2)	(4.1)
Acquisition of subsidiary	-	(123.1)	(124.0)	(30.0)	-	-
Repayment/raising of debt & equity	49.8	73.5	63.9	(10.0)	(45.5)	(6.1)
Investing and financing activities	50.3	(54.7)	(69.2)	(44.2)	(53.6)	(10.1)
Cash available to shareholders	94.0	(31.3)	(5.7)	(23.6)	4.9	8.4
Dividend paid to shareholders	(20.0)	(17.1)	(28.5)	(21.1)	(32.9)	(17.4)
Cash movement for the year	74.0	(48.4)	(34.2)	(44.7)	(28.1)	(9.1)
Opening cash balance	15.4	89.4	89.4	55.2	55.2	27.2
Closing cash balance	89.4	41.0	55.2	10.6	27.2	18.1

GROUP SUMMARISED CASH FLOW



GROUP SUMMARISED BALANCE SHEET

Summarised balance sheet (R'm)	FY 2016	HY 2017	FY 2017	HY 2018	FY 2018	HY 2019
Non current assets						
Property, plant and equipment	42.6	50.7	51.5	54.7	61.2	66.1
Goodwill and other intangibles	4.0	122.7	121.1	118.8	116.8	116.4
Deferred Tax	3.7	2.1	3.7	2.8	3.4	2.6
Other financial assets	0.4	0.5	0.3	0.9	0.7	0.0
	50.7	176.0	176.6	177.1	182.1	185.2
Current assets						
Inventories	30.8	74.6	94.7	95.7	106.4	110.6
Trade and other receivables	44.4	60.4	61.8	60.8	61.4	62.1
Cash	89.4	41.0	55.1	10.4	27.1	18.1
Other (Tax + Other)	1.6	1.3	0.8	1.2	3.8	2.7
	166.2	177.4	212.4	168.1	198.6	193.5
Non current liabilities						
Debt	23.4	97.4	86.1	77.7	71.4	66.4
Deferred tax	0.0	7.7	4.4	4.1	2.6	2.4
	23.4	105.0	90.5	81.8	74.0	68.8
Current liabilities						
Debt	3.0	46.4	49.9	20.9	21.7	23.4
Trade Payables	37.5	26.9	52.6	33.7	65.7	54.7
Other (Tax + Other)	4.0	1.2	4.1	0.4	1.2	0.3
	44.5	74.5	106.6	55.1	88.6	78.4
Equity	149.0	173.9	191.9	208.2	218.2	231.5



THANK YOU



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