TRELLIDOR HOLDINGS LIMITED

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

TRELLIDOR® THE ULTIMATE CRIME BARRIER

TAYLOR For the best in blinds!

nmc

GROUP HIGHLIGHTS

5%
Revenue

5%
PAT

5%
HEPS – 35.2c

5%
Interim dividend declared – 11.0 cents per share

GROUP GROWTH STRATEGIES

TRELLIDOR®
THE ULTIMATE CRIME BARRIER

- Acquisitive growth
  - Further acquisitions targeted from mid to late FY2019
- Diversified product offering
  - Aluminium Retractable version launched Sept 2017
  - LPCB level 3 certified product developed for UK market
  - Strong growth in the Trellidor Security Shutter in the period
- International growth – focus on Africa
  - Africa slowly improving economy on back of better commodity prices
  - Strong demand from UK commencing December 2017 – 2 major projects
- Geographic expansion of Taylor – focus on synergies
  - Product set introduced to the Trellidor franchise network where appropriate
  - Strategy working and should escalate going forward

Foundation in place – now to build

GROUP OVERVIEW

Trellidor Group 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 franchises 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

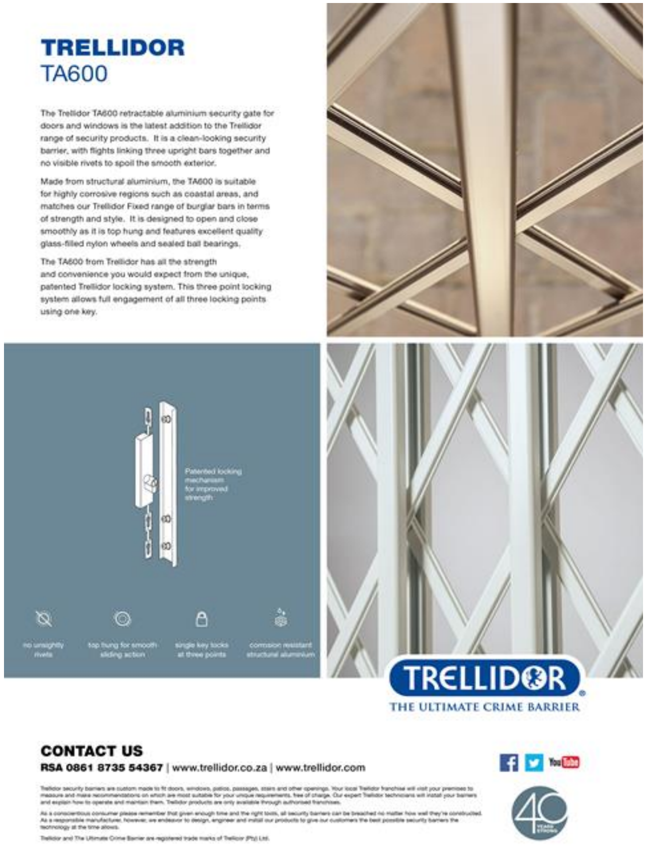
THE ULTIMATE CRIME BARRIER

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
- A limited presence in Gauteng, the rest of South Africa and Africa
- Products are manufactured at the factory in Cape Town
- NMC division distributes imported decorative mouldings out of branches in Johannesburg, Durban and Cape Town
- The sellers achieved their earnings target. A final payment of R30m was made in cash during July 2017. A forward PE of 5.3x was achieved

NEW PRODUCT – TA600 and LPCB SR3

TRELLIDOR
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

TRELLIDOR
THE ULTIMATE CRIME BARRIER

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 endeavor 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

For the best in blinds!

nmc

TRELLIDOR®

THE ULTIMATE CRIME BARRIER

THE ULTIMATE CRIME BARRIER

GROUP FINANCIAL OVERVIEW

GROUP FINANCIAL PERFORMANCE

TRELLIDOR®
THE ULTIMATE CRIME BARRIER

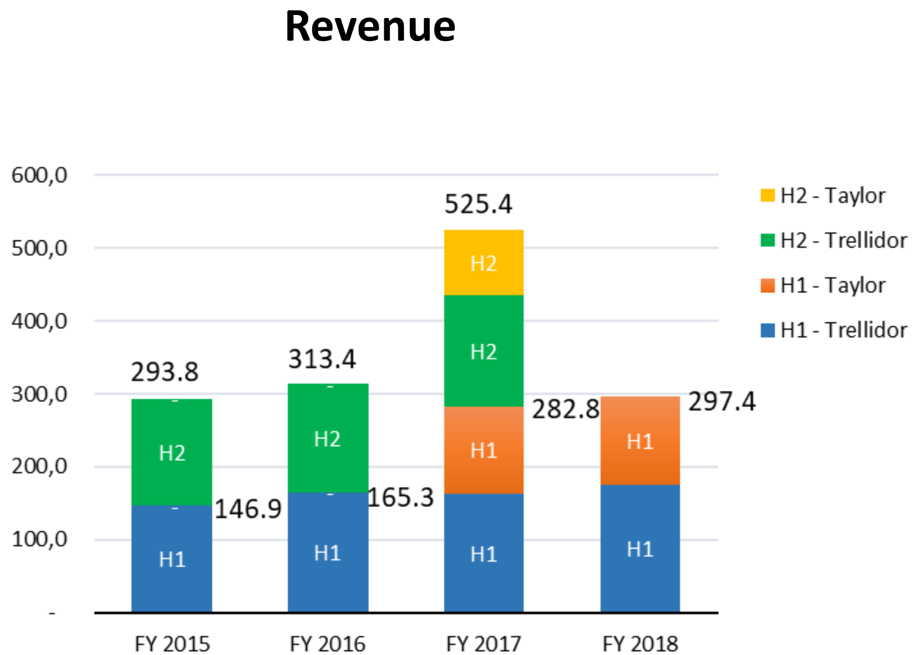
Group financial performance (R'm)	FY 16	HY 17	FY 17	HY 18	HY 18 vs HY 17
Revenue	313,4	282,8	525,4	297,4	5%
Gross Profit	157,3	136,0	250,5	137,2	1%
Core EBITDA	83,2	67,4	119,1	65,0	-4%
EBITDA	81,5	63,5	113,9	65,0	2%
Profit after tax	54,2	37,4	66,0	39,1	5%
Dividends paid	20,0	17,1	28,5	21,1	23%
EPS (cents)	50,8	33,5	59,3	35,2	5%
HEPS (cents)	50,3	33,5	59,2	35,2	5%
Core HEPS (cents)	51,9	38,0 *	66,0	36,7	-3%
Gross Margin	50,2%	48,1%	47,7%	46,1%	
EBITDA Margin	26,0%	22,5%	21,7%	21,8%	
Weighted avg shares in issue (millions)	105,6	108,3	108,3	108,1	

* Restated – See note 5 Interim Results

GROUP FINANCIAL PERFORMANCE

- Tough trading conditions continued to prevail throughout the period for the Trellidor Group

- Improved trading in agricultural and mining areas but weaker trading prevailed in urban areas, particularly in Gauteng

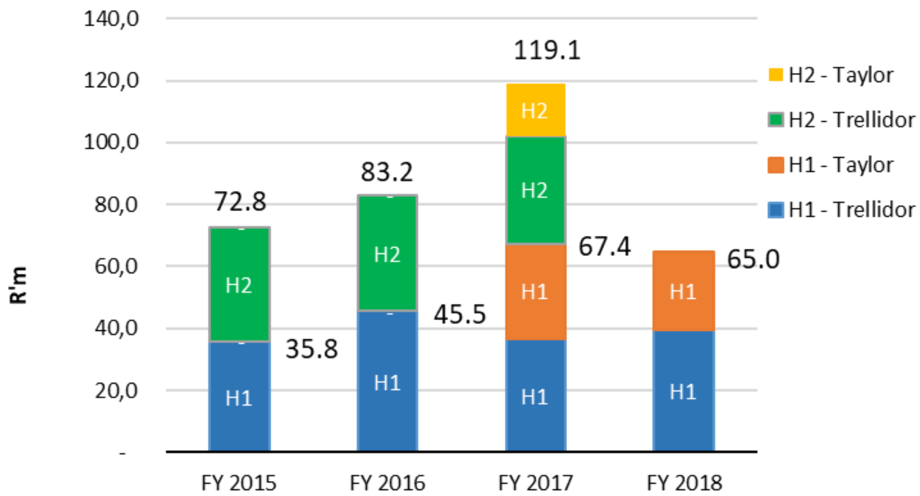


GROUP FINANCIAL PERFORMANCE

THE ULTIMATE CRIME BARRIER

- Sales volumes marginally down on comparative prior period – c.2%
- Input costs increased in excess of product price increases, squeezing margins
- Forex losses of R1.3m in December due to stronger Rand, however will have a positive impact on input costs in H2 and F2019

Core EBITDA



GROUP FINANCIAL PERFORMANCE

TRELLIDOR®
THE ULTIMATE CRIME BARRIER

Core Headline Earnings (R'm)	FY 16	HY 17	FY 17	HY 18	HY 18 vs HY 17
Profit attributable to ordinary shareholders	**53,7**	**36,3**	**64,3**	**38,1**	**5%**
Adjusted for:					
Profit on disposal of property, plant and equipment	(0,5)	0,0	(0,1)	0,0	
Headline earnings	**53,2**	**36,3**	**64,2**	**38,1**	**5%**
Adjusted for:					
Amortisation of customer database - Taylor	-	2,4	4,9	2,4	
Acquisition costs - Taylor	-	2,5	2,5	-	
Fair value adjustment on contingent consideration - Taylor	-	1,5	2,7	-	
Listing costs	1,7	-	-	-	
Non-controlling interests	-	(0,4)	(0,6)	(0,1)	
Tax effect thereon	-	(1,1)	(2,1)	(0,7)	
Core Headline earnings	**54,8**	**41,2**	**71,5**	**39,7**	**-4%**
Weighted average number of ordinary shares	105,6	108,3	108,3	108,1	
Earnings per share (cents)	50,8	33,5	59,3	35,2	**5%**
Headline earnings per share (cents)	50,3	33,5	59,2	35,2	**5%**
Core headline earnings per share (cents)	51,9	38,0	66,0	36,7	**-3%**

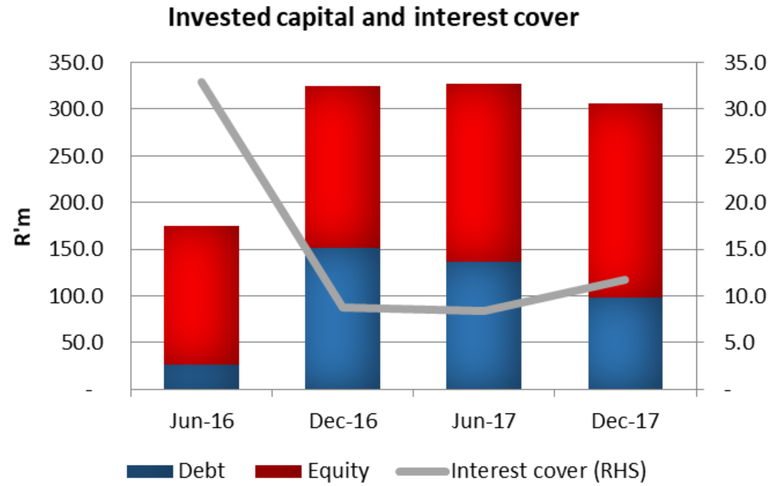
Core EBITDA adjustments

Core headline earnings per share – 36.7c

GROUP BALANCE SHEET

TRELLIDOR®
THE ULTIMATE CRIME BARRIER

- Debt/EBITDA ratio 0.8x
- Debt servicing of R15m
- Gearing ratio is 47% – down from 55% at year end June 2017
- 2nd tranche Taylor of R30m paid in July 2017

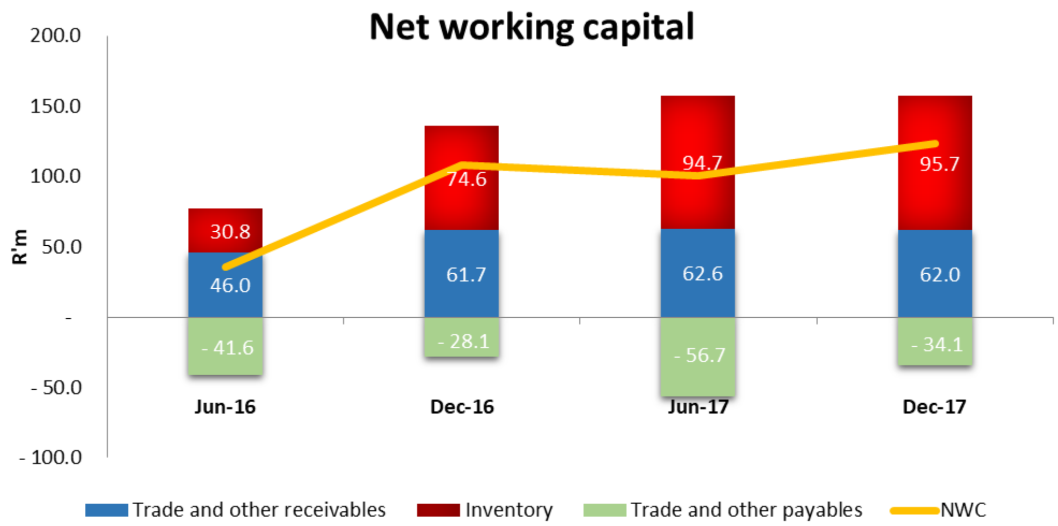


Ratios	FY 16	HY 17	FY 17	HY 18
Debt/Equity	18%	70%	55%	47%
Interest Cover	32.9x	8.8x	8.4x	11.7x
Debt/EBITDA	0.3x	1.2x	1.2x	0.8x

Interest bearing debt reduced by R10m

GROUP NET WORKING CAPITAL

- Seasonal reduction in trade and other payables
- Stock increased on prior year with increased goods in transit and increased product lines



Net investment in working capital	R'm
FY 2015	33,3
HY 2016	44,8
FY 2016	35,2
HY 2017	108,2
FY 2017	100,6
HY 2018	123,6

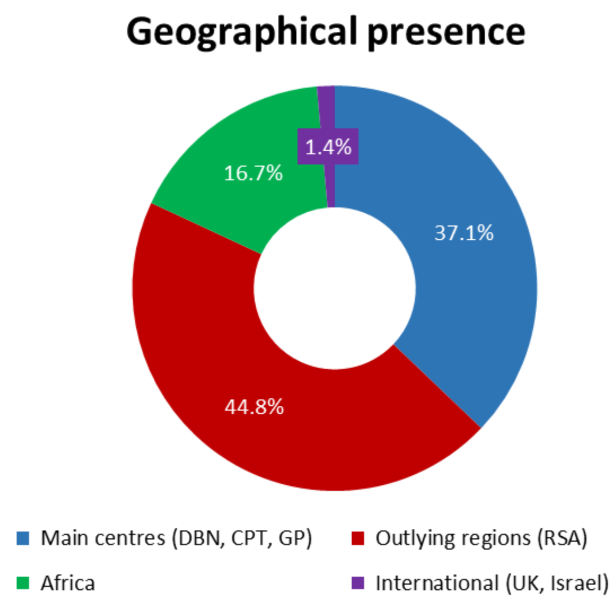
Future working capital investment in line with sales growth

SEGMENTS

SALES ANALYSIS - TRELLIDOR DIVISION

TRELLIDOR®
THE ULTIMATE CRIME BARRIER

- H1 revenue in South Africa grew by c.9% driven mainly by outlying areas growth of c.12%
- African economies reliant on oil - remain weak, mainly Nigeria, Angola
- Africa sales growth of c.7% reflects tough trading in H1



Geographical Presence	FY 2017	HY 2018
Main centres (DBN, CPT, GP)	39%	37%
Outlying regions (RSA)	45%	45%
Africa	15%	17%
International (UK, Israel)	1%	1%

Recovery in outlying areas

SALES ANALYSIS - TRELLIDOR DIVISION

TRELLIDOR®
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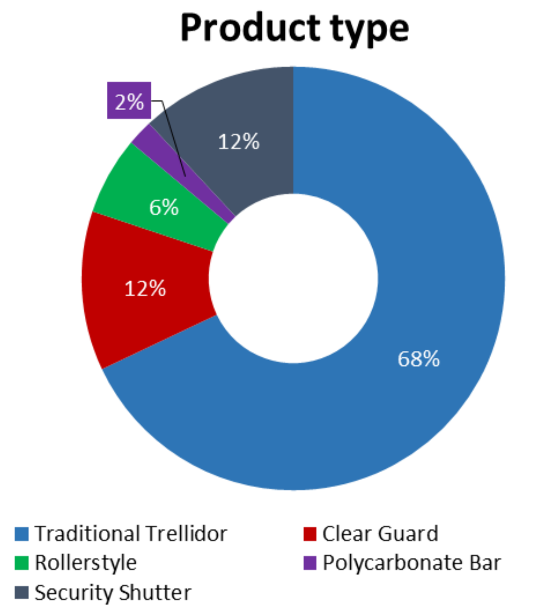
- New product sales grew by c.34%
- Diversified product range spans income groups which mitigates weak middle and upper class economy



Product Type	FY 2017	HY 2018
Traditional Trellidor	73%	68%
Clear Guard	14%	12%
Rollerstyle	5%	6%
Polycarbonate Bar	2%	2%
Security Shutter	6%	12%

New product sales now 32% of revenue

TRADING MARGIN - TRELLIDOR DIVISION

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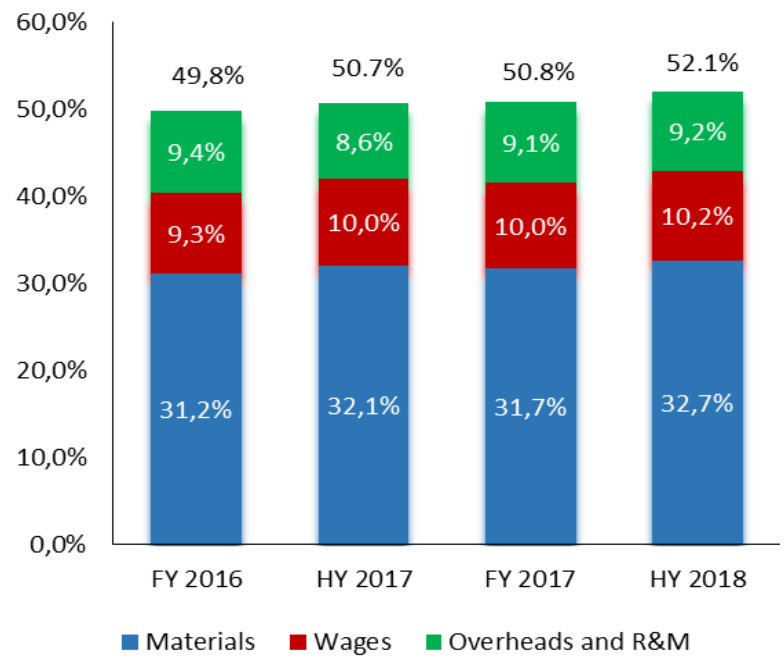
- Reduced trading margin due to input price pressure and changing sales mix. Should improve in H2
- Labour utilisation good in a weak demand environment
- New wage increment agreement signed in September 2017 sees lower increment rates than before. Average of c.8% vs c.11%
- Materials costs will improve in H2 - stronger Rand
- Steel prices up by 13% on H1 2017
  Aluminium prices up by 9% on H1 2017

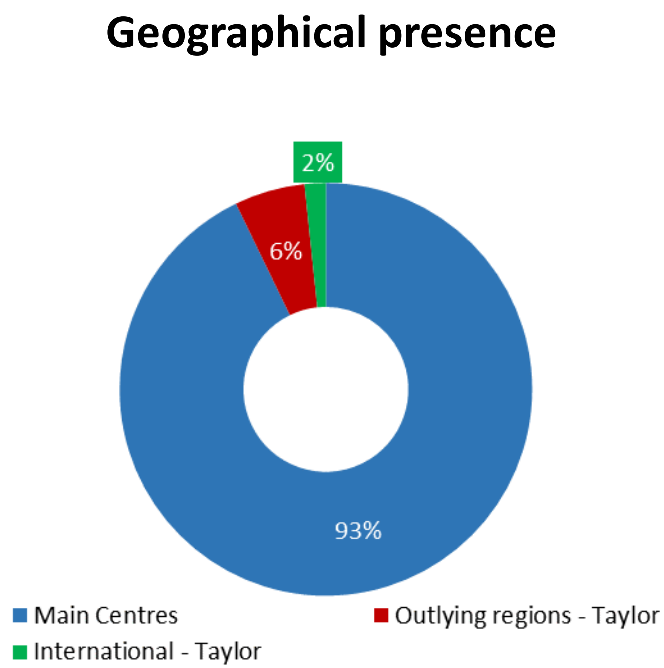
Cost of sales – costs as % of net sales



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 – now at c.3% of sales
- Tough trading conditions – revenue up c.2% with volumes down c.2%

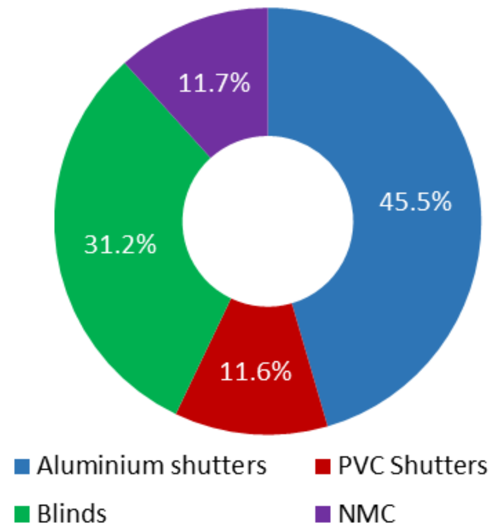


Geographic expansion opportunity remains

SALES ANALYSIS – TAYLOR DIVISION

- Turnover well spread by product
- Constant innovation and development to keep up with trends
- Strong growth in aluminium shutters in a competitive market
- Good growth in Roller Blinds and PVC Shutters driven by product enhancements in the year
- Custom designed and manufactured
- Weak performance from NMC Mouldings division – particularly in Gauteng

Product type



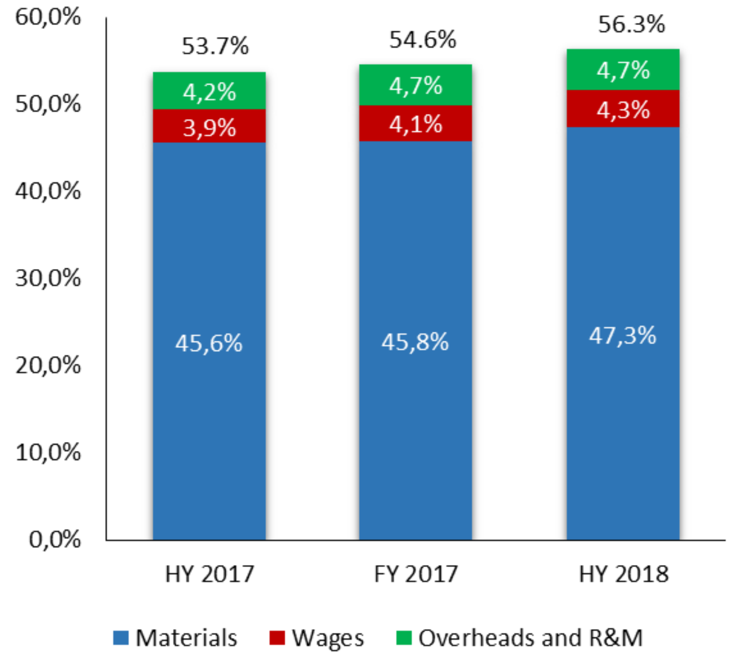
Well spread product range – focus on "Lifestyle" product set

TRADING MARGIN – TAYLOR DIVISION

TRELLIDOR® THE ULTIMATE CRIME BARRIER

- Stronger Rand will benefit input costs in H2 and FY2019
- Gross profit margins down due to increased input costs. Selling prices adjusted mid H2
- Efficient factory with significant spare capacity.

Cost of sales – costs as % of net sales



Margins under pressure – but plans in place to rectify

GROUP SUMMARISED CASH FLOW

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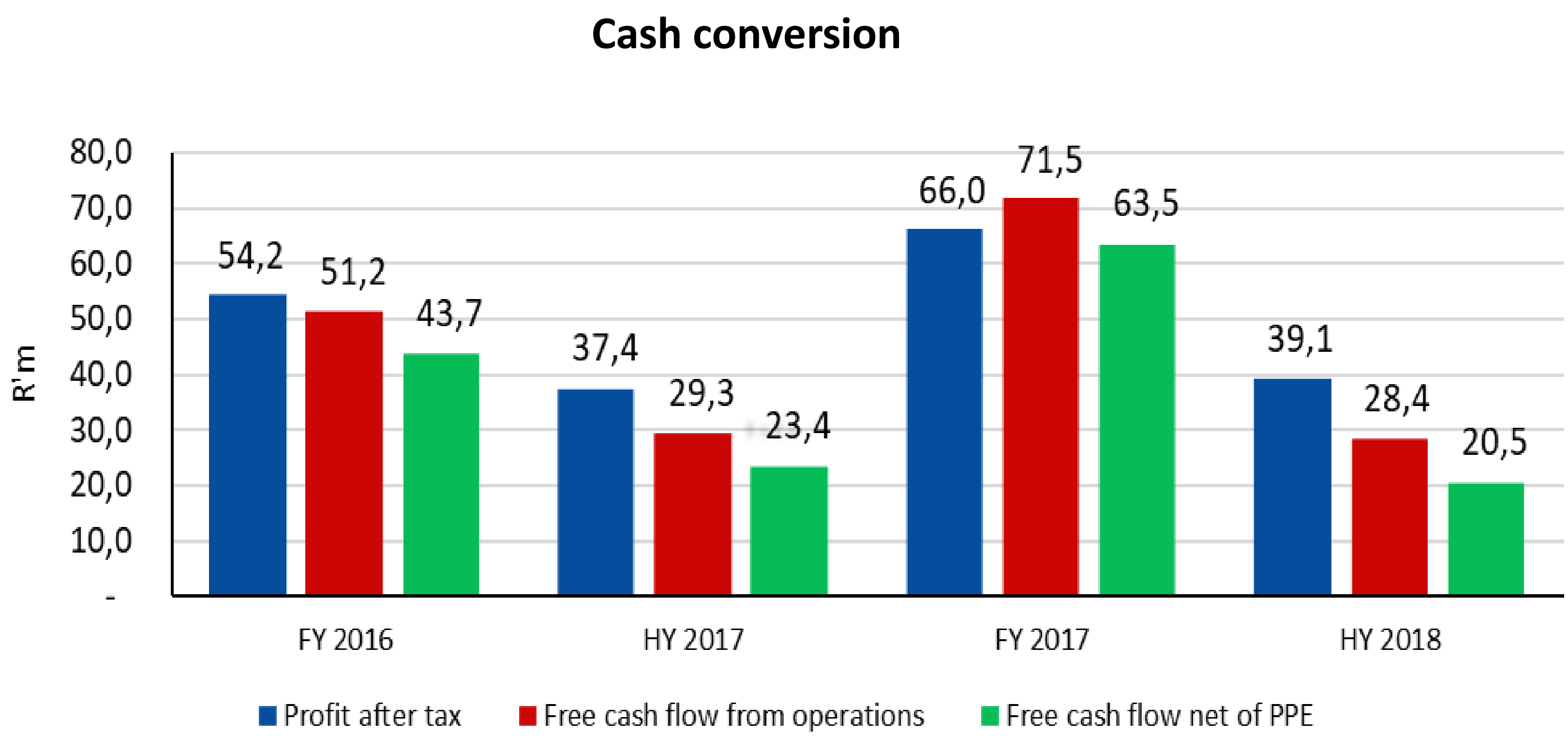
Group summarised cash flow (R'm)	FY 2016	HY 2017	FY 2017	HY 2018
EBITDA	**81,5**	**63,5**	**113,9**	**65,0**
Movement in non cash items (incl provisions)	(5,9)	2,1	4,2	0,9
Net working capital movement	**(3,3)**	**(20,2)**	**(13,4)**	**(18,8)**
Inventory	(9,4)	(3,9)	(23,1)	(1,0)
Accounts receivable	(3,7)	5,0	3,4	1,0
Accounts payable	9,8	(21,3)	6,3	(18,9)
Cash generated from operations	**72,3**	**45,4**	**104,7**	**47,1**
Tax paid	(21,1)	(16,1)	(33,2)	(18,7)
Net cash from operations (excl finance costs)	**51,2**	**29,3**	**71,5**	**28,4**
Net investment in PPE	(7,5)	(5,9)	(8,0)	(7,9)
FCF	**43,7**	**23,4**	**63,5**	**20,5**
Net interest costs	0,5	(5,0)	(9,1)	(4,2)
Acquisition of subsidiary	-	(123,1)	(124,0)	(30,0)
Repayment/raising of debt & equity	49,8	73,5	63,9	(10,0)
Investing and financing activities	**50,3**	**(54,7)**	**(69,2)**	**(44,2)**
Cash available to shareholders	**94,0**	**(31,2)**	**(5,7)**	**(23,7)**
Dividend paid to shareholders	(20,0)	(17,1)	(28,5)	(21,1)
Cash movement for the year	**74,0**	**(48,3)**	**(34,2)**	**(44,7)**
Opening cash balance	15,4	89,4	89,4	55,2
Closing cash balance	**89,4**	**41,1**	**55,2**	**10,5**

Cash conversion rate (FCF/PAT) of 52% for the year

GROUP SUMMARISED CASH FLOW



- Cash conversion cycle in line with expectation for Interims. This should improve by Year End

GROUP SUMMARISED CASH FLOW

TRELLIDOR®
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- New debt servicing ± R15m per year
  - Capital repaid of R10m
  - Interest serviced of R5.0m

- Interim dividend declared of 11.0 cents per share – payable in April 2018

Interim Dividend 11 cents per Share ↑ 5%

GROUP SUMMARISED BALANCE SHEET

TRELLIDOR® THE ULTIMATE CRIME BARRIER

Summarised balance sheet (R'm)	FY 2016	HY 2017 *	FY 2017	HY 2018
Non current assets				
Property, plant and equipment	42,6	50,8	51,5	54,7
Goodwill and other intangibles	4,0	122,8	121,1	118,8
Deferred tax	3,7	1,6	3,7	2,8
Other financial assets	0,4	0,5	0,3	0,9
	50,7	175,6	176,6	177,1
Current assets				
Inventories	30,8	74,6	94,7	95,7
Trade and other receivables	44,4	60,4	61,8	60,8
Cash	89,4	41,0	55,1	10,4
Other financial assets	1,6	1,3	0,8	1,2
	166,2	177,4	212,4	168,1
Non current liabilities				
Debt	23,4	104,5	86,1	77,7
Deferred tax	-	-	4,4	4,1
	23,4	104,5	90,5	81,8
Current liabilities				
Debt	3,0	46,4	49,9	20,9
Trade payables	37,5	26,9	52,6	33,7
Other (tax + other)	4,0	1,2	4,1	0,4
	44,5	74,6	106,6	55,1
Equity	**149,0**	**173,9**	**191,9**	**208,2**

* Restated – See note 5 Interim Results

PROSPECTS

TRELLIDOR®
THE ULTIMATE CRIME BARRIER

- Improved consumer sentiment after ANC elections in December 2017
- Stronger Rand – positive impact on gross profit margin due to reduced input costs
- 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
- African economics improving on the back of sustained better commodity prices
- Strong sales from the UK from two projects commenced in December 2017
- Further acquisitions are targeted from FY2019
- Efficiency enhancement project at Trellidor business unit with a calculated payback of 2 years. c.R12m Capex on machines and factory space

Growth strategies implemented - enhanced foundation to grow

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Thank You