TRELLIDOR HOLDINGS LIMITED

ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2021

TRELLIDOR THE ULTIMATE CRIME BARRIER

TAYLOR BLINDS & SHUTTERS Est.1959

nmc DESIGN ELEMENTS

PROUDLY SOUTH AFRICAN

THE TRELLIDOR GROUP

2021 SALIENT POINTS

40.8 cents (2020: 13.8 cents)	Headline earnings per share
R96 million (2020: R55 million)	Cash from operations for the year
R518 million (2020: R422 million)	Revenue for the year
21.0 cents (2020: 8.0 cents)	Total dividends declared per share
R12 million (2020: R22 million)	Buy-back of shares

TERRY DENNISON
GROUP CEO

STRATEGIC OBJECTIVES FOR 2021

The Group prioritised its key strategies for F21 as follows:

- Enhancement of route to market in South Africa and abroad to facilitate growth
- Cash preservation and generation
- Focus on improving operational efficiencies and active cost management within the Group
- Introduction of new products both locally and abroad
- Continue with the share buy-back program

TERRY DENNISON
GROUP CEO

STRATEGIC OBJECTIVES UPDATE

Enhancement of route to market in South Africa and abroad to facilitate growth

- The Durban and Johannesburg West branches are now fully integrated, and the results have been excellent
- Comparative sales through the Trellidor branches have increased 46%
- The purchase of the Trellidor UK business has been completed effective 02 November 2020 with performance for the year in line with our expectations
- Further details of the acquisition are disclosed in note 2 of results release booklet

Africa sales were negatively impacted by Covid restrictions and logistical difficulties

- Africa sales declined 11% from the comparative period
- Cross border disruptions and severe tourism constraints, couple with national elections in key territories impacted results

TERRY DENNISON
GROUP CEO

STRATEGIC OBJECTIVES UPDATE

TERRY DENNISON
GROUP CEO

Cash preservation and generation:

- Cash generation has been excellent
- Cash from operation is up 75% to R96m from R55m in the prior year
- Particularly pleasing the improvement in Taylor's cash generation, which is also up 75% year-on-year

Focus on improving operational efficiencies and active cost management within the Group:

- Gross Profit margins have been maintained despite once-off restructuring costs, significant increases in the cost of raw materials and freight
- Operating expenses have been well managed, increasing 4.3% year-on-year which includes the operating expenses of the recently acquired Durban and Johannesburg West branches, as well as eight months of the newly acquired Trellidor UK business. This comparison is after excluding the F20 impairment in goodwill charge.

STRATEGIC OBJECTIVES UPDATE

Introduction of new products both locally and abroad

- 4 new products were launched through the second half of H2 F21 to meet changing customer needs, and improve market penetration in certain sectors, primarily being gated estates
- An extension to the commercial product offering is planned for F22 for the RSA market

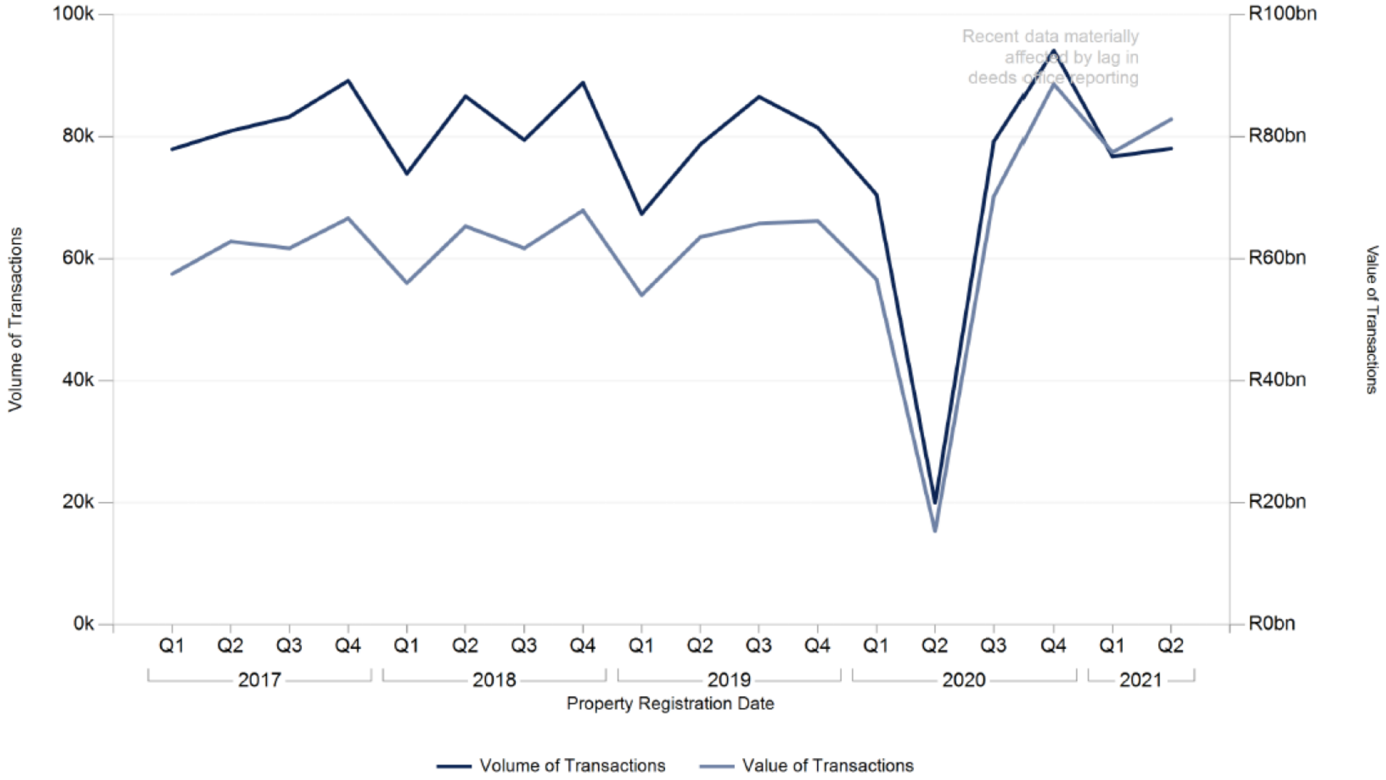
Continue with the share-buy buy program

- Since the buy-back programme commenced in F18, 13.1m (12.1%) shares have been repurchased and cancelled
- During F21 5.0m shares at an average price of R2.35 were repurchased and cancelled
- Currently we have 95.2m shares in issue

TERRY DENNISON
GROUP CEO

PROSPECTS

The continued Covid-19 restrictions, the third wave and the looting and riots has subdued demand in late F21 and early F22. This is also reflected by a decline in housing transaction volumes following the sharp recovery post the National lockdown



Source: Lightstone February 2021

TERRY DENNISON
GROUP CEO

PROSPECTS

- Sales in July and August are in line with prior year with the impact of the looting and riots being mitigated by improved performance by our UK operation as the UK economy starts to unlock with the relaxing of Covid-19 restrictions
- Our UK branch is now fully staffed and will be included in F22 results for the full year (F21 included 8 months trading)
- In July 2021 we completed the acquisition of the Johannesburg North and Midrand franchises which have been consolidated into our existing Johannesburg branch
- Following the initial success of the main centre franchise repurchase strategy through F21, we will continue to execute on these opportunities as and when they become available

TERRY DENNISON
GROUP CEO

PROSPECTS

- We anticipate a recovery in our Africa markets, and have increased investment in marketing and management support for these markets
- Product innovation remains a key strategy for both Trellidor and Taylor. Trellidor will be launching additional product configurations to its newly launched Estate range as well as expanding its commercial product offering with the introduction of a high-end roller shutter into the RSA market
- The recently introduced product derivatives in H2 F21, have started to gain traction and have been well accepted in the market

TERRY DENNISON
GROUP CEO

PROSPECTS

- The impact of significant raw material and freight cost increases, in particularly steel and aluminium, will put pressure on margins and will be responded to through selling price increases through H1 F22 to partially offset the impact
- Dividend
  - A final dividend of 11c per share has been declared, which bring the total dividend declared for F21 to 21c, representing a circa. 6.4% dividend yield based on the 30 Day VWAP share price for August
- Share-buy back program
  - The Board will continue to assess the opportunity to repurchase shares with excess cash to enhance shareholder value

TERRY DENNISON
GROUP CEO

GROUP FINANCIAL PERFORMANCE

TRELLIDOR
THE ULTIMATE CRIME BARRIER

TAYLOR
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GROUP FINANCIAL PERFORMANCE

	FY 2018	HY 2019	FY 2019	HY 2020	FY 2020	HY 2021	FY 2021	FY 21 vs FY 20	CAGR
Revenue	539.0	286.2	514.9	274.8	421.5	281.6	518.4	23%	-1%
Gross profit	245.9	128.9	231.9	122.5	175.5	125.6	219.4	25%	-3%
EBITDA	103.5	55.7	81.2	49.1	11.6	57.8	85.4	638%	-5%
Profit after tax	59.6	32.6	43.0	26.8	-24.5	31.2	40.3	264%	
Dividends paid	32.9	17.4	27.2	11.7	11.7	-	17.7	51%	
Diluted EPS (cents)	54.4	29.8	40.0	25.1	-20.8	30.6	40.7	296%	
Diluted HEPS (cents)	54.3	29.8	40.1	25.6	13.8	30.6	40.8	194%	
Gross margin	45.6%	45.0%	45.0%	44.6%	41.6%	44.6%	42.3%		
EBITDA margin	19.2%	19.5%	15.8%	17.9%	2.7%	20.5%	16.5%		
Weighted avg shares in issue (millions)	108.0	107.6	107.2	104.6	102.4	99.3	97.7		

DAMIAN JUDGE
GROUP CFO

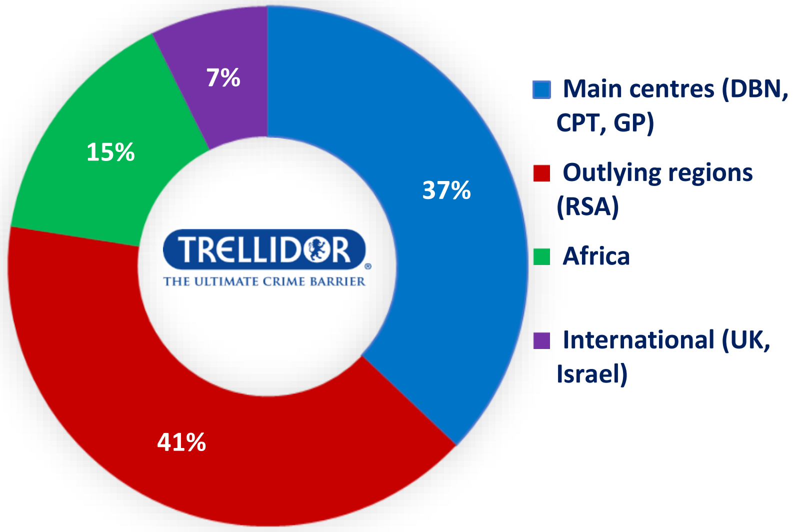
SALES ANALYSIS – GEOGRAPHICAL PRESENCE

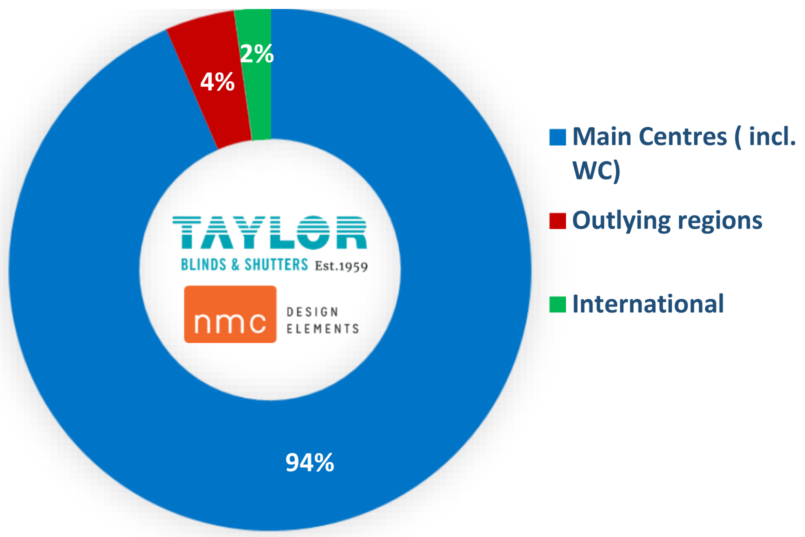
Trellidor revenue has increased by 23%

- Main centres' contribution up 6% to 37% driven mainly by the 46% growth in the Trellidor branches
- The International contribution has grown 3% to 7% as a result of the acquisition of the UK franchise

Taylor revenue has increased by 24%

- Sales continue to be concentrated to the Western Cape and Gauteng
- It is pleasing to note that sales through the Trellidor network continue to grow with a 50% increase year-on-year





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GROUP CFO

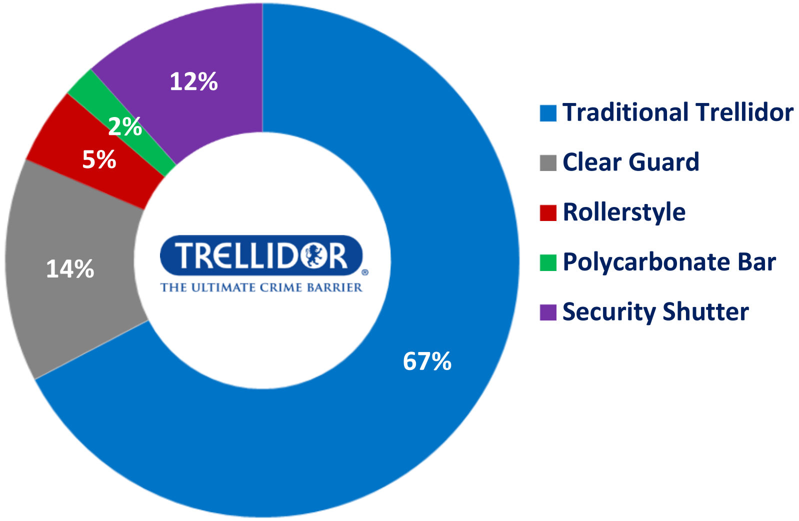
SALES ANALYSIS – PRODUCT TYPE

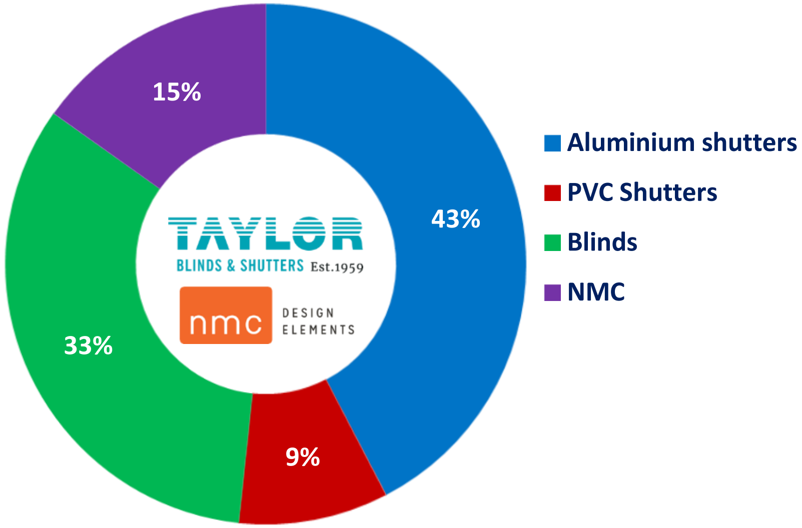
Trellidor's traditional retractable range continues to be the primary contributor to the topline

- Retractable's contribution has declined 1% year-on-year as a result of reduced demand from Africa
- The growth in the more aesthetic focused products (Security Shutters and ClearGuard) was pleasing, reflecting an increase of 2% year-on-year

Taylor's aluminium shutters continue to be the major contributor to revenue

- NMC's contribution has been maintained following a strong performance in F21
- Thermowood Shutter range has increased its contribution by 2% year-on-year





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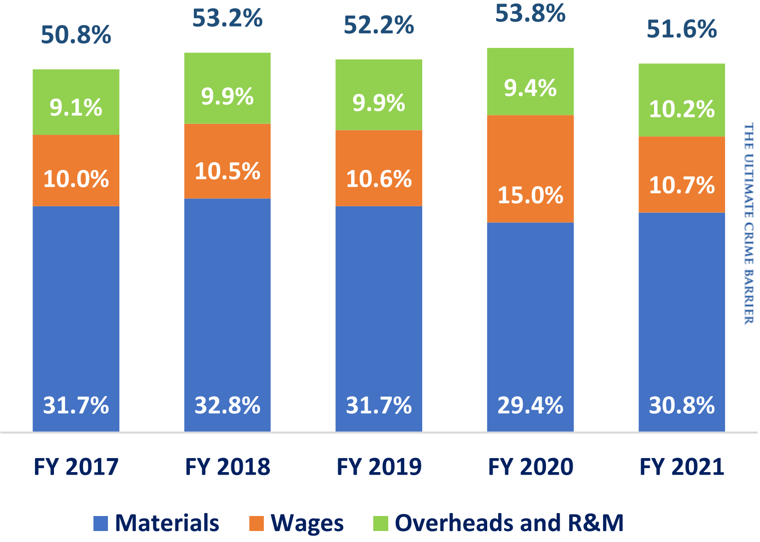
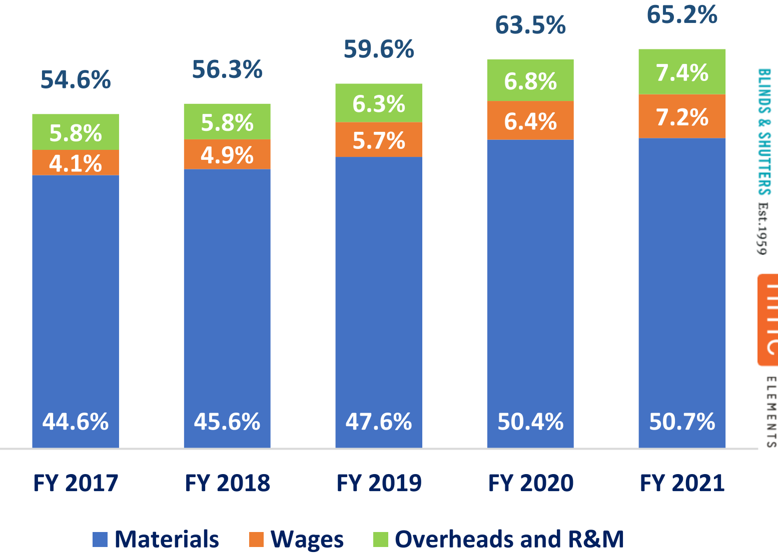
GROUP CFO

TRADING MARGIN

- At a group level, margins have improved to 42.3% in F21
- This included once-off restructuring costs in Trellidor and the restructuring of commission costs in Taylor
- Raw Material costs have been well-managed in Trellidor although we did start to see margin pressure through Q4 F21
- Material shortages and shipping delays resulted in Taylor being more directly impacted by material cost increases during F21
- Shipping delays also had a knock-on effect into production and as result Taylor incurred increased overtime during H2 F21 to keep up with customer demand





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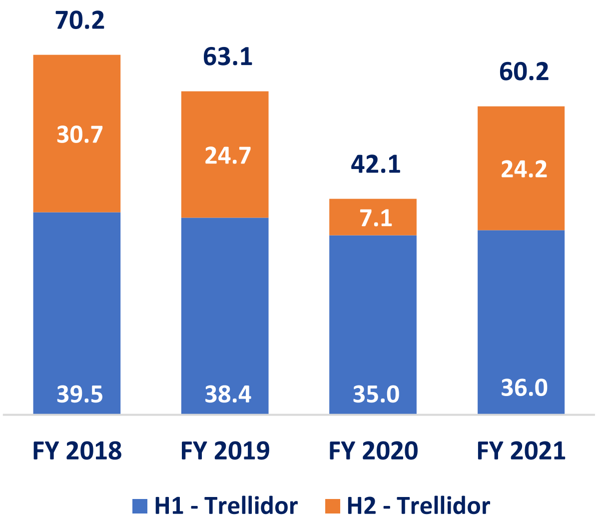
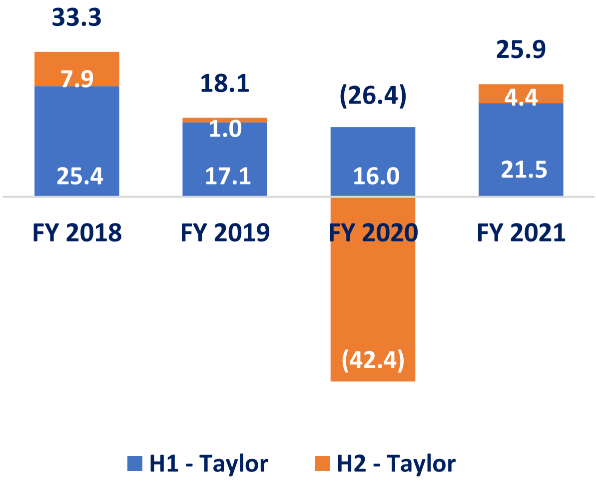
GROUP CFO

EBITDA

- The group's EBITDA has increased 638% to R85.4m from R11.6m in F20 which was obviously significantly impacted by the national lockdown
- F20 included a R37.4m impairment in Goodwill in Taylor which resulted in H2 loss
- Trellidor is tracking back in line with pre-Covid levels in F21
- Taylor is recovered to exceed F19 levels in both H1 and H2 F21





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GROUP FINANCIAL POSITION

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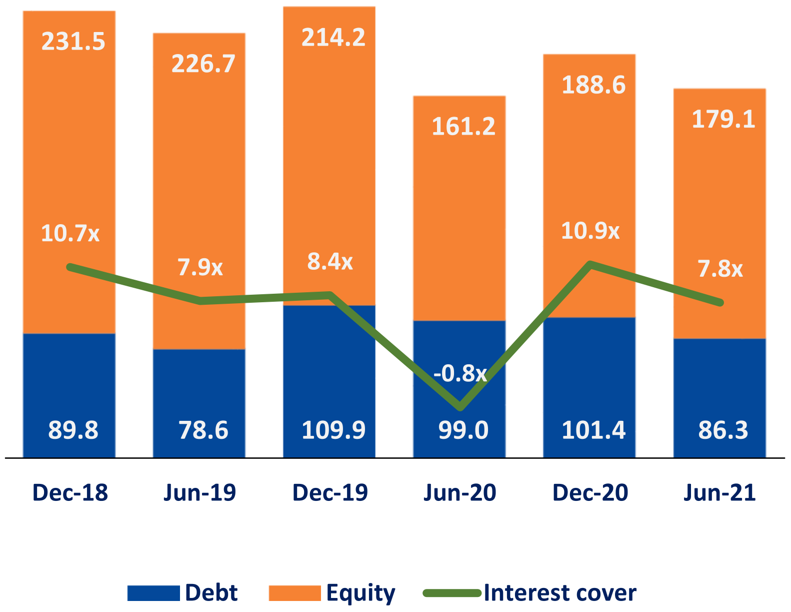
GROUP BALANCE SHEET

- Debt/Equity ratio of 48% (F20: 61%) – change driven by a 11% increase in equity and a decrease in debt by 13%
- Interest cover ratio of 7.8x (F20: -0.8x) – which has improved and in-line with F19 levels
- Interest bearing debt of R80.4m (F20: R99.0m)



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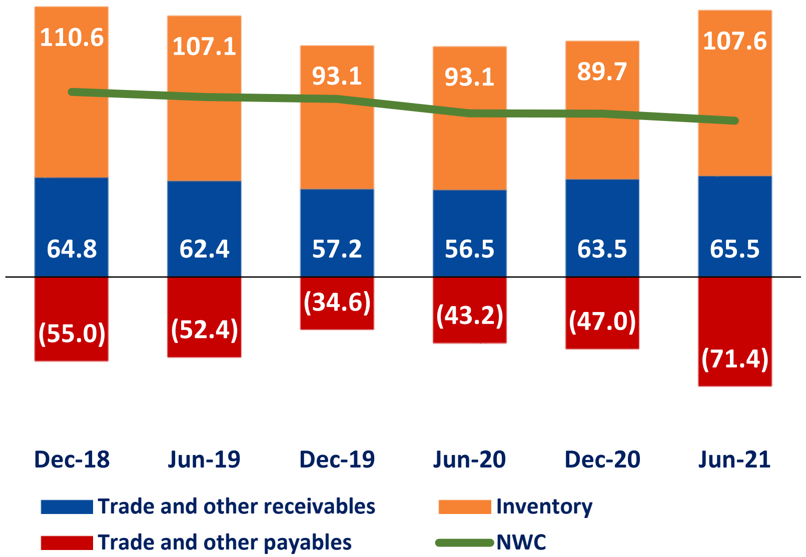
GROUP CFO

GROUP NET WORKING CAPITAL

- Increase in inventory is necessary to mitigate the current supply chain challenges
- Payables have increased due to increased inventory and the Trellidor UK acquisition
- The debtor’s book recoverability during F21 has been exceptional which has resulted in a reduced expected credit loss allowance



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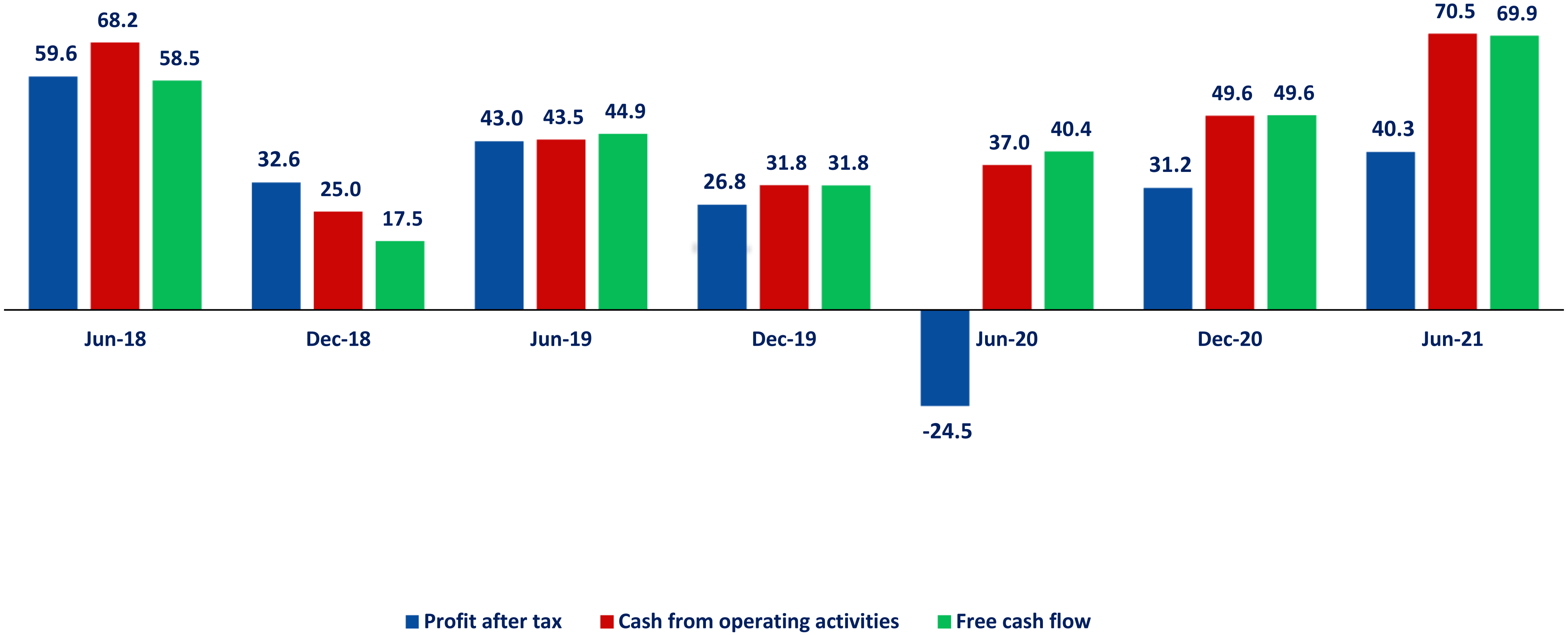
GROUP CFO

GROUP SUMMARISED CASH FLOW



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GROUP CFO

CAPITAL ALLOCATION

- Return to shareholders
  - F20 Postponed Interim dividend of R8m was paid
  - F21 Interim dividend of R10m was distributed
  - R12m spent on the buy-back of 4 993 776 shares at an average price of R2.35 per share

- Debt Servicing
  - Paydown interest bearing liabilities of R24m (including interest)
  - Net interest R3.5m

- CAPEX
  - R7.1m which is in line with our targeted spend and is in line with depreciation

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GROUP CFO

CAPITAL ALLOCATION

- UK Franchise Acquisition
  - 100% of the shares in UK Franchise was acquired for R33.0m
  - The purchase price net of cash is R17.5m
  - R12m was deployed from SA cash reserves to part fund the first and second purchase price instalments

- H1 F22 Capital Allocation
  - F21 final dividend of 11.0c per share has been declared
  - R6m will be deployed for the third purchase price instalment for the UK franchise out of cash reserves
  - R4m acquisition of Johannesburg North and Midrand franchises
  - Capital reserved for further main centre franchise acquisitions
  - CAPEX is planned to exceed depreciation with the installation of a Solar Panel installation of R4m
  - Excess cash will be applied for Share Buy-Backs

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GROUP CFO

ADDITIONAL INFORMATION

TRELLIDOR THE ULTIMATE CRIME BARRIER
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THE TRELLIDOR GROUP

EARNINGS PER SHARE

	FY 2018	HY 2019	FY 2019	HY 2020	FY 2020	HY 2021	FY 2021	FY 21 vs FY 20
Profit attributable to ordinary shareholders	**58.8**	**32.1**	**42.9**	**26.3**	**-21.3**	**30.4**	**39.8**	**287%**
Adjusted for:								
Profit on disposal of property, plant and equipment	(0.1)	-	0.2	0.5	(0.1)	(0.0)	0.1	
Impairment of goodwill					34.6	-	-	
Impairment of PPE					1.0	-	-	
Headline earnings	**58.7**	**32.1**	**43.0**	**26.8**	**14.2**	**30.4**	**39.8**	**181%**
Weighted average number of ordinary shares	108.0	107.6	107.2	104.6	102.4	99.3	97.7	
Earnings per share (cents)	54.4	29.8	40.0	25.1	-20.8	30.6	40.7	**296%**
Headline earnings per share (cents)	54.3	29.8	40.1	25.6	13.8	30.6	40.8	**194%**

DAMIAN JUDGE
GROUP CFO

GROUP SUMMARISED BALANCE SHEET

	FY 2018	HY 2019	FY 2019	HY 2020	FY 2020	HY 2021	FY 2021
Non current assets							
Property, plant and equipment	61.2	66.1	64.9	57.2	56.8	58.2	57.6
RoU Assets	-	-	-	21.0	19.6	20.0	15.4
Goodwill and other intangibles	116.8	116.4	113.5	111.7	82.7	89.6	88.5
Deferred Tax	3.4	2.6	1.6	0.5	3.1	3.2	7.6
Other financial assets	0.7	0.0	0.8	0.7	3.3	4.8	4.8
	182.1	**185.2**	**180.8**	**191.1**	**165.5**	**175.9**	**173.8**
Current assets							
Inventories	106.4	110.6	107.1	93.1	93.1	89.7	107.6
Trade and other receivables	61.4	62.1	58.4	55.3	53.0	60.2	61.5
Cash	27.1	18.1	12.6	21.8	23.4	34.2	17.8
Other (Tax + Other)	3.8	2.7	4.0	5.8	5.3	4.9	4.1
	198.6	**193.5**	**182.1**	**175.9**	**174.8**	**189.0**	**190.9**
Non current liabilities							
Debt	71.4	66.4	29.5	78.8	81.5	76.6	63.7
Lease liabilities	-	-	-	8.9	9.2	20.7	14.9
Deferred tax	2.6	2.4	1.0	1.1	0.3	0.2	0.4
	74.0	**68.8**	**30.6**	**88.8**	**91.0**	**97.5**	**79.0**
Current liabilities							
Debt	21.7	23.4	49.1	10.2	17.5	24.8	22.6
Lease liabilities	-	-	-	11.9	12.1	0.0	0.0
Trade Payables	65.7	54.7	52.1	34.3	42.6	46.7	70.9
Other (Tax + Other)	1.2	0.3	0.3	0.3	8.6	0.3	0.5
Bank overdraft	-	-	4.1	7.3	7.3	7.0	12.6
	88.6	**78.4**	**105.6**	**64.0**	**88.1**	**78.8**	**106.6**
Equity	**218.2**	**231.5**	**226.7**	**214.2**	**161.2**	**188.6**	**179.1**

DAMIAN JUDGE
GROUP CFO

GROUP SUMMARISED CASH FLOW

	FY 2018	HY 2019	FY 2019	HY 2020	FY 2020	HY 2021	FY 2021
EBITDA	**103.5**	**55.7**	**81.2**	**49.1**	**11.6**	**57.8**	**85.4**
Movement in non cash items (incl provisions)	3.4	1.1	3.1	(1.9)	45.4	(1.4)	(2.6)
Net working capital movement	**0.1**	**(16.0)**	**(13.6)**	**(0.6)**	**(2.0)**	**7.5**	**13.5**
Inventory	(12.3)	(4.2)	(2.2)	14.0	11.0	6.4	(11.8)
Accounts receivable	0.9	(0.8)	2.5	3.1	(3.7)	2.1	1.2
Accounts payable	11.4	(11.0)	(13.9)	(17.7)	(9.3)	(1.0)	24.1
Cash generated from operations	**107.0**	**40.8**	**70.7**	**46.7**	**55.0**	**63.9**	**96.3**
Tax paid	(30.6)	(11.8)	(19.1)	(11.2)	(8.8)	(12.8)	(19.3)
Net Cash from operations (excl finance costs)	**76.4**	**29.1**	**51.6**	**35.5**	**46.2**	**51.1**	**77.0**
Net Investment in PPE	(17.9)	(2.5)	(6.6)	(3.9)	(15.8)	(3.7)	(9.3)
FCF	**58.5**	**26.6**	**44.9**	**31.6**	**30.4**	**47.4**	**67.7**
Net interest costs	(8.2)	(4.1)	(8.1)	(3.6)	(9.2)	(3.5)	(6.5)
Repayment/raising of debt & equity	(45.5)	(14.1)	(28.3)	(10.2)	(1.9)	(18.5)	(42.8)
Business combinations	-	-	-	-	-	(6.3)	(11.5)
Investing and financing activities	**(53.6)**	**(18.1)**	**(36.4)**	**(13.8)**	**(11.1)**	**(28.3)**	**(60.8)**
Cash available to shareholders	**4.9**	**8.4**	**8.5**	**17.7**	**19.3**	**19.1**	**6.9**
Dividend paid to shareholders	(32.9)	(17.4)	(27.2)	(11.7)	(11.7)	(8.0)	(17.7)
Cash movement for the year	**(28.1)**	**(9.1)**	**(18.6)**	**6.1**	**7.6**	**11.1**	**(10.8)**
Opening cash balance	55.2	27.2	27.2	8.4	8.5	16.1	16.1
Closing cash balance	**27.2**	**18.1**	**8.5**	**14.5**	**16.2**	**27.2**	**5.3**

DAMIAN JUDGE
GROUP CFO

TERRY DENNISON
GROUP CEO

DAMIAN JUDGE
GROUP CFO

THANK YOU

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