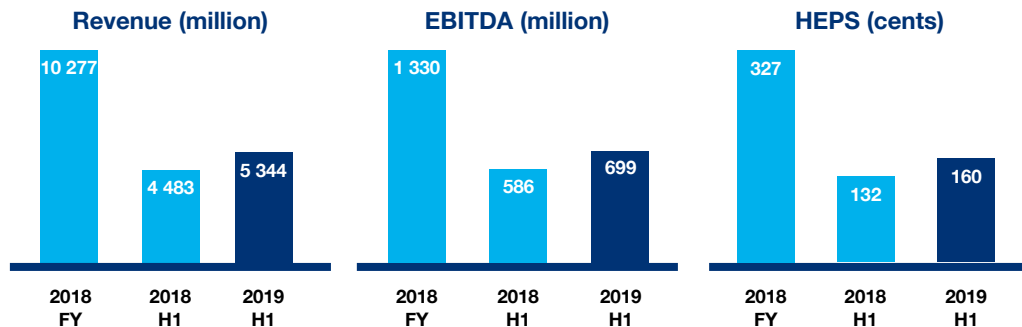
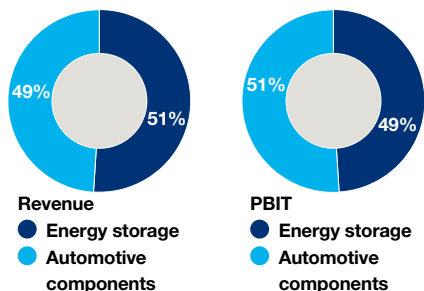


Business vertical contribution 2019*



FINANCIAL SUMMARY#	Six months ended		Year ended	Change %
	30 June 2019 R'000	30 June 2018 R'000	31 December 2018 R'000	
Revenue	5 344 472	4 483 478	10 276 966	19%
Operating profit	498 653	412 886	1 008 670	21%
EBITDA	699 436	585 661	1 329 677	19%
Headline earnings per share (cents)	160	132	327	21%
Earnings per share (cents)	161	132	338	22%
Dividends per share (cents)	100	80	80	25%
Net asset value per share (cents)	2 068	2 000	2 167	3%
Cash generated from operations	174 816	223 159	887 748	-22%

The group has initially applied IFRS 16 at 1 January 2019. Under the transition methods chosen, comparative information has not been restated.

Headline earnings per share increased 21% to 160 cents per share

Automotive Components Vertical ROIC up to 34.3%

Energy Storage Vertical ROIC up to 19.2%

Investor Roadshow 14-16 August 2019

INTERIM RESULTS COMMENTARY – JUNE 2019

Metair is pleased to announce good results in challenging trading conditions to the market with an increase in headline earnings of 21% to 160 cents per share from 132 cents per share in the comparative period.

Revenue grew by 19% from R4.483 billion to R5.344 billion. The energy storage vertical turnover grew by 14% contributing 51% to the group's revenue and the automotive components vertical turnover grew by 24% contributing 49% of the group's revenue.

At operating profit level, both business verticals increased by 16% with the energy storage vertical contributing R289 million and the automotive components vertical contributing R302 million to the group's total operating profit of R499 million after taking into account reconciling items.

Group earnings before interest, tax, depreciation and amortisation (EBITDA) grew 19% to R699 million in the period.

Energy storage vertical

All businesses in diverse geographies performed very well with improved performance from First National Battery in South Africa and Mutlu Akü in Turkey.

The focussed and improved export volumes in Turkey from Mutlu Akü managed to offset the 16% devaluation in the Turkish local currency (Turkish Lira) as exports grew 85% in the first half of the year.

Rombat in Romania managed to sustain its performance in a challenging European trading environment.

Margins in the energy storage vertical grew to 9.4% from 8.9% contributing to the improved return on invested capital (ROIC) of 19.2% from 16.7%.

Automotive components vertical

Despite a challenging January start-up by customers in South Africa followed by market and production volume level stabilisation issues, the automotive components vertical performed well and benefited from an increased volume output trend.

Some of the increased volume output in the first half of the year related to the automotive industry's contingency plans for the renewal of wage agreements planned for the second half of 2019.

Margins declined slightly from 10.9% to 10.2% in support of customers' required volume and flexible production pattern demand requirements.

OUTLOOK

As we enter a sensitive and delicate phase in the labour environment, which is critical in providing a stable and sustained manufacturing base it is difficult to formulate the outlook for the second half of the year.

Metair operates best in a stable and high-volume production environment. Structurally, the volume and production outlook environment should continue its upward volume trend.

In the short term, the trend is subject to the timeous and responsible resolution and renewal of the wage

agreements by customers and automotive component manufacturers in South Africa.

Energy storage vertical

Although the geopolitical position in Turkey has improved slightly and the macro-economic indicators such as inflation and interest rates improved towards the end of the first half of 2019, the devaluation of the Turkish Lira persisted.

Metair would prefer to see a stabilisation in the exchange rate environment rather than the persistent challenge of beating the currency devaluation.

Historically the energy storage vertical is a business that performs better in the second half of a financial year, as we enter into the European and other export markets winter demand cycle for batteries. We expect this trend to continue and aim to build on our growth opportunities in the export markets.

Automotive components vertical

Local OEM customers plan to offset the softer vehicle demand trend in South Africa by potential growth in their export markets and model production expansion opportunity.

Structural support and commitment in the industry to grow the manufacturing base remains high in the medium to long term.

In the short-term, production stability is dependent on the successful conclusion of the wage agreement renewal cycle.

FOR FURTHER INFORMATION

This short-form announcement is the responsibility of the directors and is only a summary of the information in the full announcement and does not contain full or complete details. Any investment decision should be based on the full announcement that has been published on SENS today, 14 August 2019 (<https://senspdf.jse.co.za/documents/2019/JSE/ISSE/MTA/interim2019.pdf>) and is also available on our website (<http://www.metair.co.za/investors/results-centre/>).

The full announcement is also available at our registered office and our sponsor's office for inspection, at no charge, during office hours. An investor and analyst audio webcast of the presentation will be broadcast on Wednesday, 14 August 2019 at 10h00 (SAST), for further information refer to the full announcement.

At the Investor Roadshow, Metair will be hosting site visits during which presentations will be made regarding the company's various operations. The presentations are available on the company's website (<http://www.metair.co.za/investors/presentations/>).

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