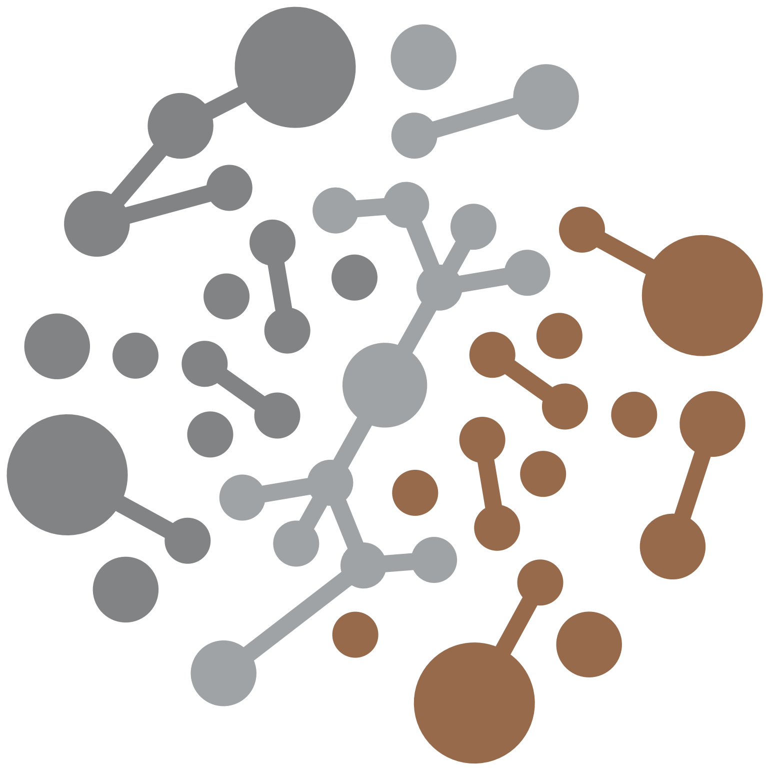
METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

2019 YEAR END RESULTS PRESENTATION



Li-ion

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

Agenda

2

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

- Welcome and opening observations
- Metair image 2019
- Salient features 2019
- ESG and business design
- Strategic review
- Financial and operational review
- Prospects
- Q & A
- Supplementary information

3

Welcome and opening observations

Integrated annual reports – the journey

Metair's integrated annual reports are always presented against the backdrop of a theme that aims to reflect significant circumstances, or the position the company finds itself in at the time

14 year integrated annual report themes

2006	Growth, gain, enrichment
2007	Transformation
2008	Transparency
2009	Crossroads – back to basics
2010	Balance
2011	Human focus, measurement and adjustment
2012	Reflection – the road ahead
2013	Growing our international footprint
2014	Brand wall
2015	Creativity and innovation
2016	Our people
2017	Environmental focus and effect
2018	Stakeholder requirements – balanced sustainable return on invested capital
2019	Technology shift: Lithium-ion (Li-ion) line investments

6

Metair image 2019

7

Metair image 2019

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

8

Metair image 2019 theme

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

The image on the cover of Metair's integrated annual reports sets the theme for the year and encapsulates the company's current focus and direction. The theme and cover image are introduced to Metair's leaders at the annual managing directors' conference in November. They shape the context of Metair's strategy execution for the year ahead.

The image on this year's cover is inspired by the successful installation of Metair's first lithium-ion cell manufacturing and assembly facility in Romania, which started production in November 2019. The image represents the various components of a lithium-ion battery – the cathode, anode, chemistry and the connectivity between all of the elements that collectively produce energy. Similarly, business requires connectivity and synergy between a range of components to create the energy that drives the organisation forward. These components include financial capital, technical expertise and experience, the relationships that connect and strengthen the organisation and, most importantly, our people. These elements work together to achieve synergistic value creation that benefits all stakeholders.

The lithium image also represents the automotive industry's primary response to concerns about global warming and climate change. The response entails a shift to electric vehicles, which are primarily powered by lithium-ion batteries. Metair's increased focus on diversifying and developing the energy storage business, which began in 2012 with the acquisition of Rombat, successfully diversified the organisation and brought balance to the business while creating a valuable asset in the process. However, competing on the global stage in the next phase of technological innovation will require significant capital. Following the strategic review, the board concluded that a possible managed separation of the two verticals could unlock value for stakeholders and needs to be investigated.

9

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Salient features 2019

10

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Salient features: Integrated annual report

"Navigating the new world of mega trends, shifts, demands and markets complicated by major tensions in trade, political power, economic systems equity and life balance requires a special kind of business. It must be fully-connected, responsive, agile, principled and technology-based, and guided by a commitment to best practice in governance, environmental impact, sustainability, health and safety. It needs capable, intelligent, committed, ethical, knowledgeable and exemplary leaders motivating highly-efficient, well-trained, fairly-treated teams that know best when, how and where to respond."

"Business is a team sport"

"Boards need to be aligned in their diversity"

11

Salient features at group level

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

REVENUE increased 9.4% to **R11.2bn**

EBITDA improved **4.7%**

HEPS increased 2.7% to **336 cents** per share

DIVIDEND PER SHARE OF 120 declared in 2020 in respect of the 2019 financial year

FREE CASH FLOW R544m

Cash generated from operations increased 40% to **R1.2bn**

FIRST lithium-ion cells produced at Metair's production line in Romania

±67 300 tonnes of lead recycled

Achieved a consolidated group B-BBEE **Level 2** and all South African subsidiaries at **Level 4** or better

Strategic review concluded and strategic direction changed

Water consumption per person hour worked improved **5.7%**

Group scope 1 and 2 carbon emissions per person hour worked increased to **11.7kg CO_2e**

LTIFR improved to **0.77** in 2019 from 1.15 in 2018

R1.97bn as salaries, wages and other benefits (2018: R1.81bn)

R34.8 million was invested in training initiatives to further develop our human capital (2018: R28.2 million)

12

Salient features: Metair group

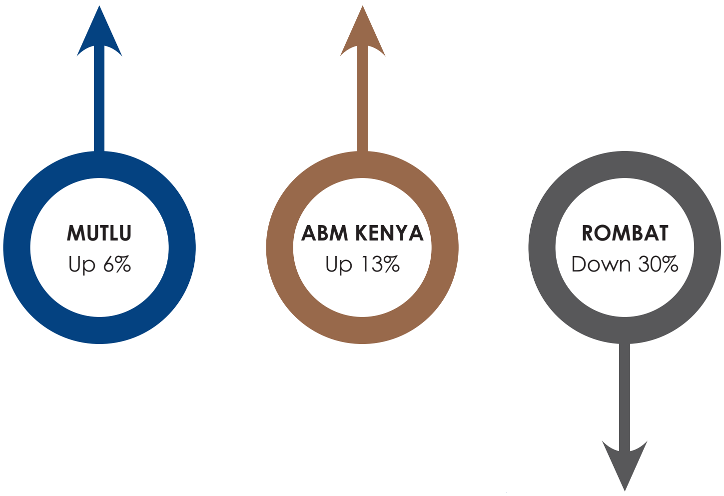
METAIR INVESTMENTS LIMITED
automotive | industrial | retail

- Share buyback of 3.97% concluded in May 2019
- Bigger capital allocation to shareholders — R45m share buyback: 74% of PAT; R199m dividends: 35% of EBITDA; Total R244m
- Capital expenditure limited to depreciation, with the exception of initial investment into Li-ion
- Net asset value per share R21.86 per share up 0.9%
- FNB recovery on track
- Planning to cancel at least 60%-70% of repurchased shares pending shareholder review

13

Salient features: Metair international business

Overseas acquisitions performed well operationally (local PBIT)



Salient features: Li-ion advancement

First investment into Li-ion business and technology

- 35% shareholding in Prime Motors
- Delivered a small profit in 2018
- Secured our first Li-ion line at a cost of EUR15m
- Installed 4 November 2019
- Commissioning November 2019 to April 2020

- Talent pool created in Li-ion technology
- Developed low temperature Li-ion starter battery
- Technology partnership opportunities

- Moved from pre sales to first acquired customers
- Received first RFQ for Li-ion starter batteries
- Supplied several Li-ion battery pack solutions in Europe
- Launched first EV bus in Romania

Financial capital | Intellectual capital | Human capital | Manufactured capital

Salient features: Industry and international trade developments

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Energy storage vertical

Lead acid remains relevant: Lithium-ion technology ready

- FNB continues recovery
- Resilient local market performance from Mutlu in Turkey
- Lithium-ion line installed in Romania
- Embedded lithium-ion technology knowledge
- Vehicle growth opportunity offered in line with automotive components outlook
- Continued local market share growth
- Product improvement and brand enhancement investment
- Rombat performance challenged in most competitive market

Opportunity to do baseline valuation

Automotive components vertical

Expansion and growth opportunity

- Structural support security through APDP system
- South African Automotive Masterplan (SAAM)
- Excellent market access from SA
- Several new model launches planned
- New contracts awarded – volumes under discussion
- Planned approximate R650m investment
- Potential 40% volume increase in local production
- 3200 employment creation opportunity

Project management and execution focus

16

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

ESG and business design

17

Environment

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

WATER USAGE

- Water consumption per person hour worked (PHW) decreased 5.7%
- Water consumption 624 332 m^3 (-4.1%)

ENERGY USAGE

- Group scope 1 and 2 carbon emissions per PHW increased to 11.7 kg CO_2e
- Carbon footprint 641 441 tCO_2e (+7.9%)
- Electricity consumption 217 122 MWh (+2.3%)
- Energy consumption per PHW increased 0.6%

RECYCLING

- 64% of non-hazardous waste recycled
- ± 67 300 tonnes of lead recycled
- 8 operations achieved a 1% improvement in site specific scrap reduction
- Energy storage businesses improved yield by 2%

ACCREDITATIONS

- ISO 50001 accreditation in progress
- Going forward, Metair will be submitting full material declarations in line with the International Material Data System (IMDS), to certify that no substances of concern are utilised in the production process

18

Safety

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

ZERO FATALITIES

ZERO lost-time injuries at our largest employer, HESTO, for the **3rd consecutive year**

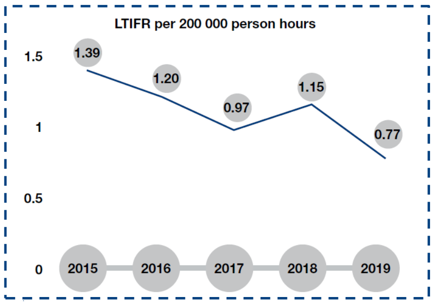
The group committed **R28 million of CAPEX to health and safety**

Designed template based on the ISO 45001 framework to **assist subsidiaries with compliance, continuous improvement and best practices**

Eleven of our operations accredited in terms of **OHSAS 18001** or **ISO 45001**

Hesto awarded the **TSAM Superior Award for Safety** in 2019

Employees with blood lead levels >40µg	2019	2018
As at 1 January	13	30
New cases	71	88
Cases returned below 40µg	(74)	(115)
As at 31 December	10	13



19

Governance: Metair's definition

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

Governance:

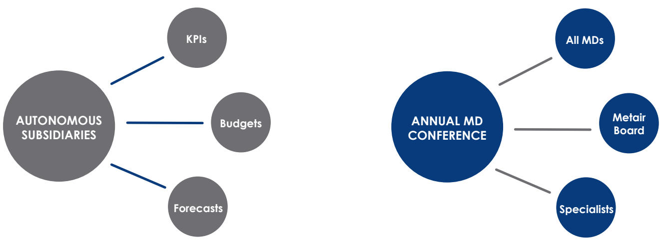
Speaks to the system we designed to direct, grow and control our business;

We continuously challenge our approach, design and application in this area;

Requires balanced focus on performance and conformance, keeping all stakeholders' interests in mind.

Business design: An institutionalised system bigger than any one person

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail



- Shareholder expectations
- Operational overviews
- Strategic overviews
- Technology trends
- Proposed budget
- Proposed KPIs
- Proposed capital expenditure
- Proposed return matrix

INPUTS

OUTPUTS

- Final KPIs
- Budgets
- Targets
- Capital expenditure
- Group objectives
- Annual performance expectation letters

Business design

METAIR BOARD OF DIRECTORS

Corporate Governance

- The board provides effective leadership based on a foundation of high ethical standards
- The company secretary and sponsor are responsible for assisting the board in monitoring compliance with relevant legislation and the JSE listings requirements
- The directors of the company and its subsidiaries subscribe to the principles of the King Report on Corporate Governance for South Africa (King III) released in 2009, and apply its principles
- The group ensures that it complies with all applicable laws and regulations and considers adherence to non-binding rules, codes and standards

Subsidiary and Divisional Boards

- In line with the decentralised nature of the group's operations, many subsidiary and divisional boards manage the day-to-day affairs within their areas of responsibility, subject to board approved authority limits
- A governance framework, including strategic objectives of the policy, has been agreed between the group and its subsidiary boards.
- The Metair board remuneration and nominations committee approves and the company board ratifies the appointments to the boards of major subsidiaries.

Board Audit and Risk Committee

- The committee has an independent role with accountability to both the board and shareholders. The role of the committee is to assist the board in carrying out its duties relating to accounting policies, internal controls, financial reporting practices and identification of exposure to significant risk
- The audit committee has specific responsibilities relating to:
  - Preparation of accurate financial reporting and financial statements in accordance with International Financial Reporting Standards
  - Integrated reporting
  - Combined assurance
  - Internal/External audit
  - Risk management
  - Information technology

Stakeholder Relationships

- A stakeholder-inclusive approach to governance, recognising the interests and concerns of key stakeholders
- Transparent and effective communications with stakeholders builds and maintains stakeholder's trust and confidence
- The board ensures that disputes are resolved as effectively, efficiently and expeditiously as possible

Environment

- Continuous focus to reduce carbon footprint and streamline processes in order to reduce consumption of resources throughout production process
- Utility Strategy: Reduce electricity consumption through **alternative energy sources, variable drive technology balancing electricity usage to output** and **investigating alternative energy supply**
- In addition, effective waste and water management is targeted through lead and plastic recycling initiatives and through the collection of rain water

22

Business design

Defensive / Differentiated Products	
Customer choice	• Product specification varies according to the model choice • Customer retains the right to change specification
High logistical and protection cost	• Fragile products that require significant packaging and protection materials • Aesthetically sensitive products
Limited shelf life	• Products degrade over time • Cannot be easily transported through climate zones due to degradation
Locally available commodities are preferred	• Commodities used in the manufacture of products available in local market • Importing of commodities adds significantly to the costs

Key Market Segments	
Automotive Components Vertical	• Parts sold to OEMs used in the assembly of new vehicles • Key market is **South Africa**
Energy Storage Vertical	• Energy Vertical moving towards being world leader in Mobility Energy supply • Annuity income generated from vehicles sold as they require replacement parts • Key markets are **South Africa, Romania, Slovakia, Russia, Turkey, Hungary, UK, Germany, Kenya, China**
Energy solutions other	• Sales mostly related to the telecoms, utility, mining, retail and materials / product handling sectors • Key markets are **Sub-Saharan Africa, Turkey**
Property	• The group prefers to own the properties it uses for manufacturing and distribution • Located in **South Africa, Turkey, Romania, Kenya, Germany, China**

23

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

Key businesses: Energy storage vertical

COMPANY	OWNERSHIP	KEY BUSINESS AREA AND PRODUCTS	IP IN PRODUCT DEVELOP-MENT	MANUFAC-TURING PARTNER-SHIPS	KEY OE RELATIONSHIPS
Energy storage vertical					
Mutlu Akü	100.0%	Batteries, solar systems, backup systems, standby systems, charging systems	✓		
First National Battery	100.0%	Batteries, solar systems, backup systems, standby systems, charging systems, Battery Centre franchise	✓		
Rombat	99.4%	Batteries, solar systems, backup systems, standby systems	✓		
Dynamic Battery Services	100.0%	National and international distribution of key battery group products			
Prime Batteries	35%	Lithium battery production for electric vehicles and electric energy storage. Development of new lithium battery technologies	✓		
Akkumulatoren-fabrik MOLL GmbH & Co. KG	25.1%	Starter batteries to the automotive industry and aftermarket, stationary batteries, solar systems, components, lithium batteries	✓		
Associated Battery Manufacturers (East Africa)	25.0%	Automotive and solar batteries		✓	

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

Key businesses: Automotive components vertical

COMPANY	OWNERSHIP	KEY BUSINESS AREA AND PRODUCTS	IP IN PRODUCT DEVELOP-MENT	MANUFAC-TURING PARTNER-SHIPS	KEY OE RELATIONSHIPS
Automotive Components Vertical					
Smiths Manufacturing	75.0%	Air-conditioning and climate control systems, air cleaners, wiper and washer systems, radiators, reserve tanks, charge air coolers, compressors, engine control units		✓	
Hesto Harnesses	74.9%	Wiring harnesses, instrument cluster/combination meters, moulded parts		✓	
Lumotech	100.0%	Headlights, taillights, reflectors and plastic injection mouldings	✓	✓	
Supreme Spring Division	100.0%	Coil springs, leaf springs, stabiliser bars, torsion bars	✓		
Automould Smiths Plastics	100.0%	Plastic injection moulding, chrome plating, body colour painting and assembly		✓	
Unitrade	100.0%	Automotive cable, automotive wire	✓		
ATE	100.0%	Brake pads, brake discs, brake shoes, hydraulics and other braking components	✓		
Valeo SA	49.0%	Front end modules		✓	
Tenneco Automotive	25.1%	Shock absorbers, struts		✓	

Strategic review

Strategic review: Current strategy

Metair's strategy has always been customer, market and technology driven.

In line with the automotive industry principle of continuous improvement, we always review and confirm the strategy on an annual basis.

- Strategy can be challenging but it doesn't need to be complicated
- It should **connect the dots between how we define winning, the tough choices required to differentiate ourselves from the competition…**
- **And then about how we enable that strategy as an organisation.**

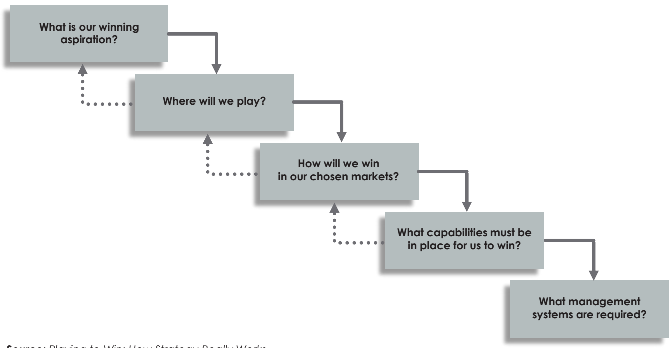
Strategic review: Current strategy

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

We use the "Cascading Choices" model to design and cascade strategy.

The approach was developed by Dr Roger Martin and is today acknowledged as global best practice.

The Integrated Cascade of Strategic Choices
Going through a process that integrated these 5 strategic choices within a single system led to a higher level of intellectual integrity among the leaders of Procter & Gamble in the 2000s.

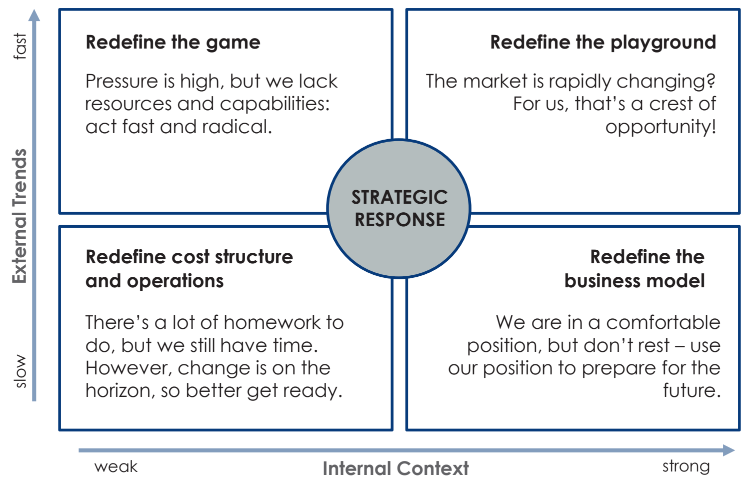


Source: *Playing to Win: How Strategy Really Works*

Strategic review: Current strategy

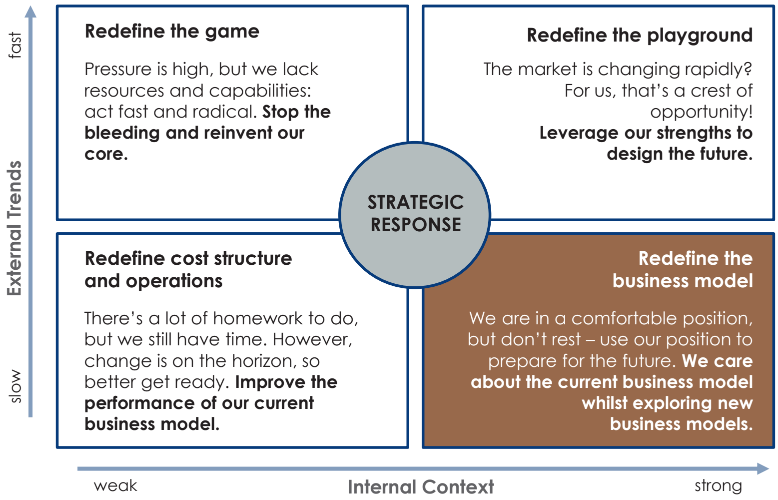
METAIR INVESTMENTS LIMITED
automotive | industrial | retail

The strategy depends on the level of change expected, and our relative internal strength which enables us to lead the change.



Strategic review: Automotive components vertical

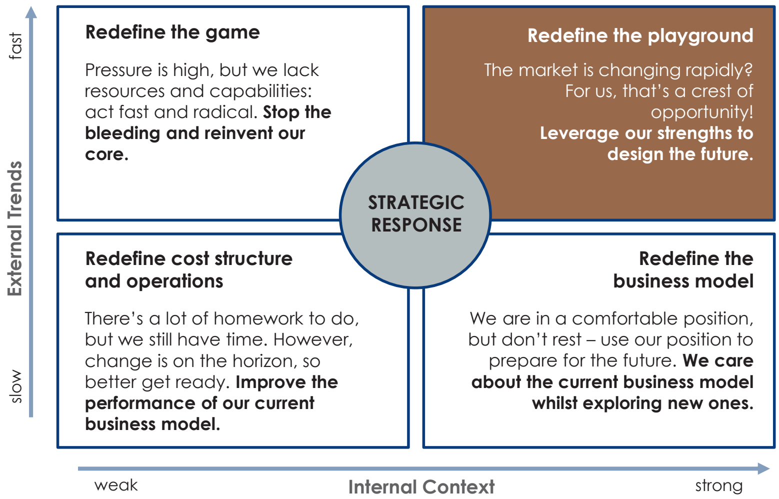
METAIR INVESTMENTS LIMITED
automotive | industrial | retail



30

Strategic review: Energy storage vertical

METAIR INVESTMENTS LIMITED
automotive | industrial | retail



31

Strategic review

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Energy storage vertical

Move towards redefining the playground

Our aspiration is to become a significant player in the Li-ion market

We play in the EMEA region with the main focus on European OEMs

In order to win, we need to:

- Move from energy storage to energy solutions
- Secure commitment from OEMs
- Secure access to Li-ion technology and resources
- Organically grow into a Li-ion GIGA factory to compete on cost
- Build a strong distribution network
- Secure funding for growth (higher risk appetite)

Exponential growth and higher risk

Automotive components vertical

Move towards redefining the operating model

Our aspiration is to become the preferred OEM partner in Africa and to grow with OEMs into other export destinations

We play in South Africa and we grow with SA-based OEMs into Africa

In order to win, we need to:

- Move from automotive parts to mobility parts
- Strengthen our BEE credentials
- Strengthen relationships with OEMs and grow business
- Further improve quality / price / delivery performance
- Drive synergies within the automotive components business
- Nurture partnerships

Medium growth and lower risk

32

Strategic review: Winning aspirations

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Our winning aspirations for the group can be classified into four major themes

- Being an **ethical, value-driven and responsible organisation**
- **Operating at the highest standards** when it comes to people, health and safety
- Delivering **above-average, balanced and sustainable returns** to our shareholders
- **Sustaining relevance and competitiveness** in a fast-changing world

33

How to achieve our winning aspirations

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

- Investigate separating the two verticals
- Shareholder presentation, decision and choice
- 6 stage valuation process:

Stage 1	Market teaser testing interest (*Stage-Gate*)	Completed
Stage 2	Information Memorandum (IM)	In progress
Stage 3	Vendor due diligence	In progress
Stage 4	Value indication (*Stage-Gate*)	3rd quarter
Stage 5	Shareholder interaction (*Stage-Gate*)	4th quarter
Stage 6	Implementation of shareholder selection	4th quarter

34

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Financial and operational review

35

Vertical performance at a glance

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

	Energy Storage vertical 2018	Energy Storage vertical 2019	Automotive Components vertical 2018	Automotive Components vertical 2019	METAIR 2018	METAIR 2019
Revenue	R6,4bn 56% contribution	R6,9bn 55% contribution (7%)	R5,1bn 44% contribution	R5,6bn 45% contribution (11%)	R10,3bn	R11,2bn (9%)
Operating profit	R692m 58% contribution	R666m 55% contribution (4%)	R509m 42% contribution	R538m 45% contribution (6%)	R1 009m	R1 018m (1%)
Return metrics	PBIT : 10.8% ROIC: 19.0%*	PBIT : 9.7% ROIC: 16.5%*	PBIT : 10.0% ROIC: 32.9%*	PBIT : 9.5% ROIC: 33.4%*	PBIT : 9.8% ROIC: 13.0%	PBIT : 9.1% ROIC: 13.0%

* Based on operating level, opening invested capital. Excludes goodwill, intangibles etc. on acquisition
Amounts are rounded

36

2019 results at a glance

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Vertical EBITDA **AC: R669m (+ 8%)** **ES: R846m (+ 1%)**	**PBIT** **+ 1%** **R1 018m**	**HEPS** **+ 3%** **336cps**
Free cash flow **AC: R400 (+ R68m)** **ES: R167m (-R34m)** **Group: R544m (+ R66m)**	**PBIT %** **- 0.7ppt** **9.1%**	**ROIC** **0ppt** **13.0%**

- Group turnover increase of 9% to R11.2bn, supported by Energy Storage volume growth and Automotive Components business volume and market share growth
- Headline earnings of R644m, marginally down R2m from 2018 of R646m
- 3% HEPS improvement from 327cps to 336 cps, as a result of lower weighted average number of shares due to buy-back program
- Group operating profit improved slightly by 1%, but margins declined to 9.1% from 9.8% in prior year

- Free cash flow generation (including expansionary capex) increased by R66m to R544m. Despite the 9% increase in revenue, further working capital investment was limited to R100m (after adjusting for foreign exchange translations)
- Return on invested capital was stable at 13.0%
- Group EBITDA improvement of 5% to R1.4bn, supported by Automotive business growth

37

Financial highlights: Income statement

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

Item	2018 R'million	2019 R'million	Mvt.
Revenue	10 277	11 238	9%
EBITDA (incl. share of assoc.)	1 330	1 394	5%
Other operating income	212	114	(46%)
Operating profit	1 009	1 018	1%
Operating profit margin	9,8%	9,1%	(0,8ppt)
Net interest expense	(186)	(227)	22%
Profit after tax	699	658	-3%
Effective tax rate	22,2%	24,5%	(2,3ppt)
ROA	14,3%	14,1%	(0,2ppt)
ROE	16,5%	15,3%	(1,2ppt)
ROIC	13,0%	13,0%	(-ppt)

Item	2018 R'million	2019 R'million
Insurance proceeds on fire	61	
Government grants and similar	117	105
Derivatives*	9	(24)
Other	25	33
Other operating income	212	114

** Refers to mark to market valuation gains/(losses) on forward exchange and similar contracts*

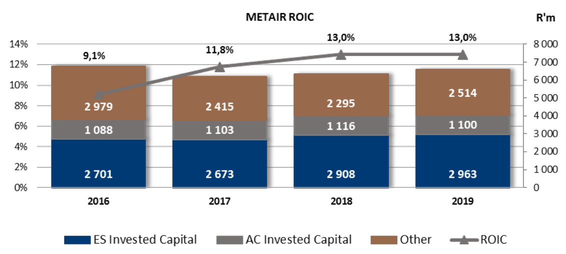
- Effective tax rate at 24.5% (2018: 22.2%), lower spend on technology incentives in Turkey
- All in net forex losses of R33m (R208: R30m) largely due to Mutlu USD/TL devaluation and FEC devaluation positions in SA
- Net interest expense R41m higher mainly due to higher Turkish borrowings
- Turkish borrowing rates back to normal after a period of exceptionally high interest rates

- Other income down R98m, impact of:
  - insurance/fire proceeds in 2018 (R60m)
  - FEC derivative losses of R24m (2018: profit R9m), R33m change in year-end valuations

Financial highlights: Income statement

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

Item	2018 R'million	2019 R'million	Mvt.
Attributable profit	667	624	-6%
Headline earnings	646	644	0%
Earnings per share	338	325	-4%
Weighted avg. number of shares ('000)	197 284	191 904	(3%)
Headline earnings per share	327	336	3%
Dividend per share declared (gross of WHT)	80	100	25%



- HEPS increase of c. 3% despite:
  - TL devaluation of 9%
  - Lower export margins and industrial performance in ES
- But assisted by lower weighted average no. of shares and higher equity earnings (before impairments)
- As well as a strong AC performance, particularly in H1'19
- EPS includes Moll impairment for R25m

- Group ROIC of 13.0% (2018: 13.0%), 0.1ppt behind updated cost of capital
- Net debt marginally up due to increased funding at Mutlu and Rombat (lithium-ion)
- Improved working capital efficiency, limiting investment to R100m (post foreign currency translations)

Financial highlights: Balance sheet

Item	2018 R'million	2019 R'million
Non-current assets	3 929	4 061
Property, plant and equipment	2 538	2 707
Intangible assets	707	605
Other non-current assets	684	749
Current assets	4 493	4 906
Inventory	1 849	1 736
Trade and other receivables	1 668	1 700
Contract assets	289	304
Cash and cash equivalents	672	1 140
Other current assets	15	26
Total assets	8 422	8 967

- Non-current assets overall increase mainly due to combination of:
  - Capital investments by Rombat (lithium-ion) and Lumotech (LEDs)
  - IFRS 16 impact - 'Right of use' lease assets capitalised for R103m
  - Spot currency devaluation in Mutlu (13% drop) and normal depreciation charge
- Inventory management improved at Mutlu
- Higher aftermarket sales at Mutlu in Q4, contributed to higher trade receivables
- Net cash position up R300m, mainly due to R1.2bn cash generation and improved working capital efficiency

40

Financial highlights: Balance sheet

Item	2018 R'million	2019 R'million
Total equity	4 288	4 311
Non-current liabilities	1 587	1 843
Borrowings	984	1 299
Post employment benefits	77	85
Deferred taxation	281	285
Deferred grant income	187	135
Provision for liabilities	58	39
Current liabilities	2 547	2 813
Trade and other payables	1 444	1 361
Contract liabilities	1	161
Borrowings	858	897
Provision for liabilities	106	88
Bank overdrafts	92	261
Other current liabilities	46	45
Total liabilities	4 134	4 656

- Total borrowings up due to:
  - Ongoing investment into new projects for auto components
  - Rombat lithium-ion line for Euro 11m
  - R45m further cash utilised for share buyback since Dec 18
- Capitalised operating lease commitments of circ. R103m, due to IFRS 16
- Good cash advance recoveries from customers on tooling and future projects
- Rombat repaid R26m of grant income

41

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Financial highlights: Balance sheet

Item	2018 R'million	2019 R'million
Inventory	1 849	1 736
Trade and other receivables	1 668	1 700
Trade and other payables	(1 444)	(1 361)
Contract assets/liabilities - net	288	143
Total net working capital	2 361	2 218

Days	2018	2019
Inventory	66	56
Trade and other receivables	59	55
Trade and other payables	(51)	(44)
Contract assets/liabilities - net	10	5
Total days	84	72

All days calculations based on turnover

- Spot working capital decreased by c. R143m due to:
  - Lower inventory levels at Mutlu, net working capital at 26% of sales
  - Higher tooling advances from customers
  - General improvement in cash recovery from customers
  - Working capital days and cash "lock-up" cycle improved, structural working capital improvement

42

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Financial highlights: Capital and debt structure

Item	2018	2019
Debt* : Equity	44%	52%
Net debt** : Equity	30%	31%

Item	2018	2019
Net debt (R'm)**	1 262	1 318
Net debt** : EBITDA	0,9	0,9

* Interest bearing borrowings
** Includes overdrafts and cash equivalents

	Financial covenant ratio	Covenant level	Compliance	2016	2017	2018	2019
1	Dividend and interest cover ratio	Not less than 3 times	Y	7,12	7,31	7,30	6,19
2	Total net borrowings to adjusted EBITDA ratio	Not more than 2.5 times	Y	1,55	1,14	1,10	1,12
3	Priority Debt covenant	Not more than 1 times	Y	(0,16)	(0,16)	(0,16)	(0,19)

- Over time our target remains c.20 - 25% D:E
- Our debt levels not to exceed 2 or 2.5 X EBITDA
- Comfortable headroom in covenants
- Our net debt levels are consistent at 0.9 times EBITDA, despite higher debt levels
- Debt levels slightly up, but net debt still relatively stable at 31% of equity (29% of market cap at year end)

43

2019 results at a glance: Automotive Components vertical

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Revenue	11%	R5,6bn
Free cash flow	21%	R400m
PBIT	+ 6%	R538m
PBIT %	- 0.5ppt	9.5%
ROIC	+ 0.5ppt	33.4%

OEM	2018	2019	Var (units)
TSAM	139 307	138 781	(526)
FMCSA	105 099	94 756	(10 343)
VW SA	133 543	157 961	24 418
MBSA	99 740	86 475	(13 265)
BMW	47 773	69 518	21 745
Nissan	34 504	33 426	(1 078)
Other	23 834	33 926	10 092
Total	**583 800**	**614 843**	**31 043**

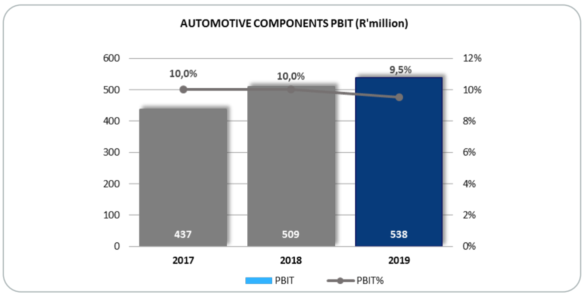
- Strong vertical performance, despite some challenges, with PBIT contribution of R538m, R29m increase from prior year
- PBIT margin declined to 9.5% from 10.0%, impacted by production volume variability
- Most of our operations maintained or increased profitability but efficiencies were hampered by increased overtime and shift costs to support our customers variable production changes and at times inconsistent call offs

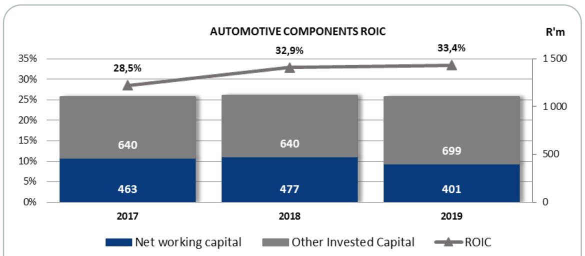
- In anticipation of the national industry wage negotiations we experienced a 'pull-forward' of some H2'19 volumes into H1'19, which lowered volumes in H2'19
- Overall vehicle production volumes from key customers were up +4%, driven by full production of the popular VW polo model
- Toyota was flat and Ford was down, the largest 'basket of parts' consumer in the local and export light commercial markets
- Some component supplier constraints impacted on the new Ford Ranger facelift production in the last quarter of the year

44

2019 results at a glance: Automotive Components vertical

METAIR INVESTMENTS LIMITED
automotive | industrial | retail





- PBIT margins retracted slightly by 0.5%, still slightly higher than previous market guidance of 7-9%
- 3 year new wage agreement expiring in August 2022 was agreed
- Our customer product offerings has increased, albeit at premium costs

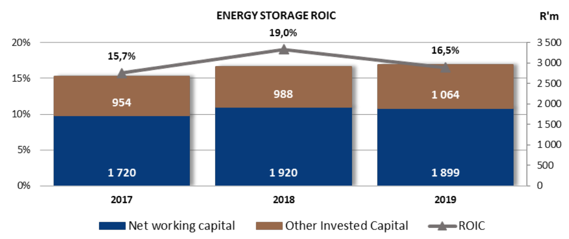
- ROIC up to 33.4% from 32.9%, despite the operational challenges in SA and in a recession, as export volumes remained strong
- Capital expenditure has been required to support new and upcoming projects and customer models

45

2019 results at a glance: Energy Storage vertical

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

	Revenue 7% R6,9bn	Free cash flow 17% R167m
PBIT - 4% R666m	PBIT % - 1.1ppt 9.7%	ROIC - 2.5ppt 16.5%



- Despite a c.10% drop in average LME lead prices, revenue grew by 7% largely as a result of a strong local AM performance
- Local AM volumes grew by 13%, and overall automotive volumes by 7%
- We experienced tough trading conditions in our Energy business, specifically in our export and industrial markets in FY19
- As a result, PBIT declined 4% (R25m) to R666m
- Weak Industrial demand in South Africa and Turkey resulted in a R51m decline in Industrial PBIT to R31m

- Lower average LME lead prices also resulted in lower recycling profit, especially at Rombat – LME average dropped below $2,000/t from $2,250/t
- ES local Auto increased margins from 9.8% to 10.6%, with a R85m (23%) increase in PBIT as local AM volumes increased significantly
- But export margins were impacted by under-recovery of LME lead prices in Q4, with a sudden drop in LME pricing during high season in Q4
- As a result, Energy storage ROIC declined from 19.0% to 16.5%

46

2019 results at a glance: Energy Storage vertical volumes

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Auto battery units in '000 s	2018	2019	Var (units)	Var (%)
Mutlu	**3 694**	**4 326**	**632**	**17%** ▲
- OEM	1 269	1 303	34	3% ▲
- AM	1 332	1 613	281	21% ▲
- Export	1 093	1 410	317	29% ▲
Rombat	**2 337**	**2 278**	**(59)**	**(3%)** ▼
- OEM	412	417	5	1% ▲
- AM	415	478	63	15% ▲
- Export	1 510	1 383	(127)	(8%) ▼
FNB	**1 810**	**1 814**	**4**	**0%** ▲
- OEM	463	466	3	1% ▲
- AM	1 007	1 022	15	1% ▲
- Export	340	326	(14)	(4%) ▼
Total	**7 841**	**8 418**	**577**	**7%** ▲

- ES auto volumes were up 7.4%, driven by a strong Mutlu local AM performance recovering from a weak 2018 during Turkey's economic crisis

Mutlu

- Mutlu total auto volumes up 17%, with local and exports channels growing by 21% and 29% respectively.
- Despite OEM production in Turkey declining 6.5%, Mutlu grew market share as start-stop production increases
- The growth in local AM was a result of normalised demand and some carry-over demand from 2018, as well as a small improvement in market share
- Export volumes grew significantly as Mutlu continues to target and drive growth into new regions and growing market share in existing export destination
- Some of the export volume growth (c. 200k units) came from a loss making contract, which has been stopped

47

2019 results at a glance: Energy Storage vertical volumes

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Auto battery units in '000 s	2018	2019	Var (units)	Var (%)
Mutlu	**3 694**	**4 326**	**632**	**17%**
- OEM	1 269	1 303	34	3%
- AM	1 332	1 613	281	21%
- Export	1 093	1 410	317	29%
Rombat	**2 337**	**2 278**	**(59)**	**(3%)**
- OEM	412	417	5	1%
- AM	415	478	63	15%
- Export	1 510	1 383	(127)	(8%)
FNB	**1 810**	**1 814**	**4**	**0%**
- OEM	463	466	3	1%
- AM	1 007	1 022	15	1%
- Export	340	326	(14)	(4%)
Total	**7 841**	**8 418**	**577**	**7%**

Rombat

- Rombat OEM volumes remained flat, with a marginal increase due to new business obtained from Ford
- AM growth of 15% was very pleasing, resulting from market share growth and a small increase in demand
- Export volumes were under pressure, especially during Q4, as the European winter was very mild and the declining lead price put market pressure to reduce pricing which we did not want to follow

FNB

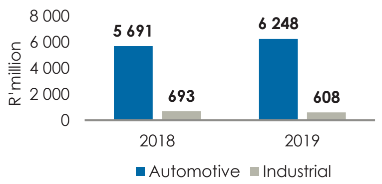
- FNB OEM volumes increased by 1%, largely in line with production volume increases of our existing business
- AM volumes grew by 1%, and reversed a declining volume trend over the past few years. New branding initiatives over the past 12-18 months (product and channel) is helping FNB recapture lost market share
- Export volumes declined slightly, largely due to some currency accessibility in some export destinations

48

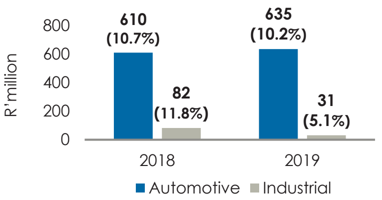
2019 results at a glance: Energy Storage vertical margins

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Revenue



PBIT



- Total auto battery margins decreased from 10.7% to 10.2%

Auto Exports

- Auto exports PBIT decreased 26% (R61m) mainly due to overall unfavourable LME lead price variability and cost recoveries, particularly impacting on Rombat
- Rombat was also impacted by lower recycling gains than previous years
- During the year Mutlu entered into a loss making contract (now cancelled) due to unfavourable lead and forex recoveries

Local AM

- Local auto performed very well in all markets
- Especially in Mutlu during Q4, with local auto volumes up 281k units, and contributing an increase in PBIT of R85m
- Local after-market demand, volumes and prices were strong, cushioning margin loss in exports and industrials

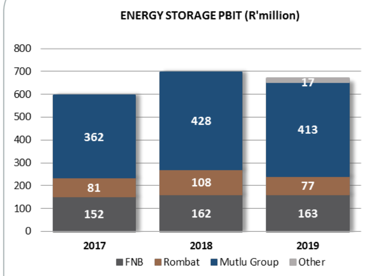
Industrial

- Industrial PBIT declined by R51m, due to weak industrial demand in tough economic conditions in Turkey and SA

49

2019 results at a glance: Energy Storage

METAIR INVESTMENTS LIMITED
automotive | industrial | retail



Local currency operating profit	
Mutlu	5,7%
Rombat	(29,6%)
FNB	0,6%
Total	**0,1%**

- The variability in LME lead prices, especially during peak season, impacted on lead material cost recovery from customers in the export markets
- The general economic down-turn in our developing markets had a knock-on impact on our industrial product portfolio
- FNB's PBIT marginally up from R162m to R163m despite poor industrial and mining demand
- Despite negative currency impact (9% average TRY/ZAR devaluation), operationally Mutlu managed to offset 60% of the currency translation loss of R37m
- In ZAR terms, Mutlu's PBIT decreased from R428m to R413m, but grew c. 5% after excluding prior year insurance gains (fire)
- Rombat operating result down 28%. Lower smelter profits (lower Euro LME on average) and declining LME trend impacted their cost/price recoveries, especially in export markets
- "Other" relates to acquisition related provisions that are no longer required

50

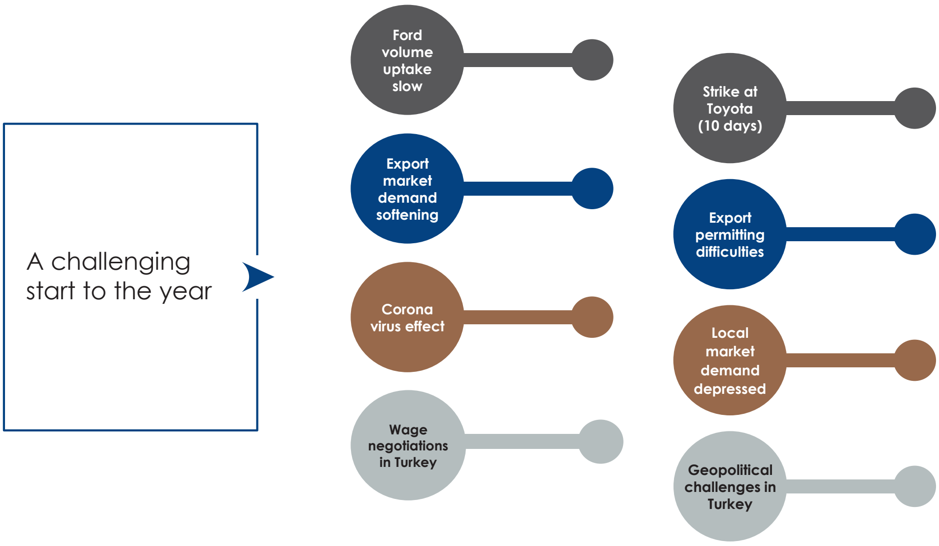
METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Prospects

51

Operational update

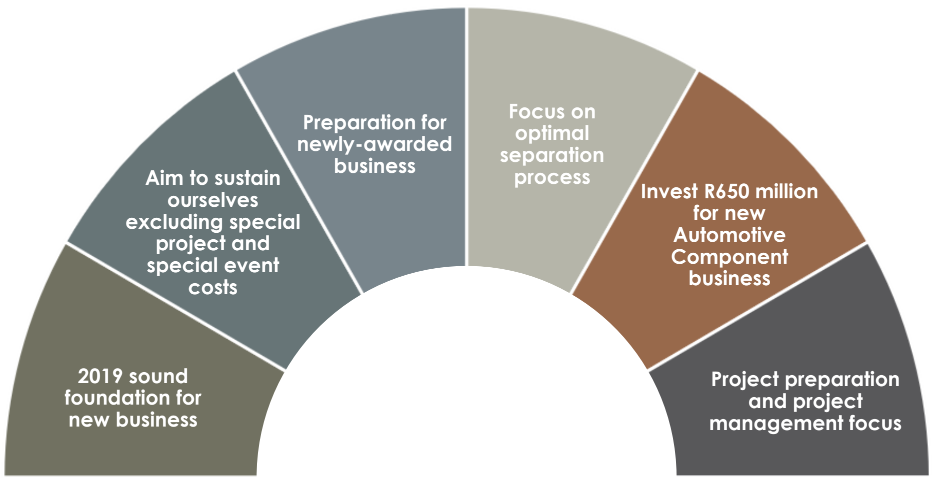
METAIR
INVESTMENTS LIMITED
automotive | industrial | retail



52

Outlook

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail



53

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

Q & A

54

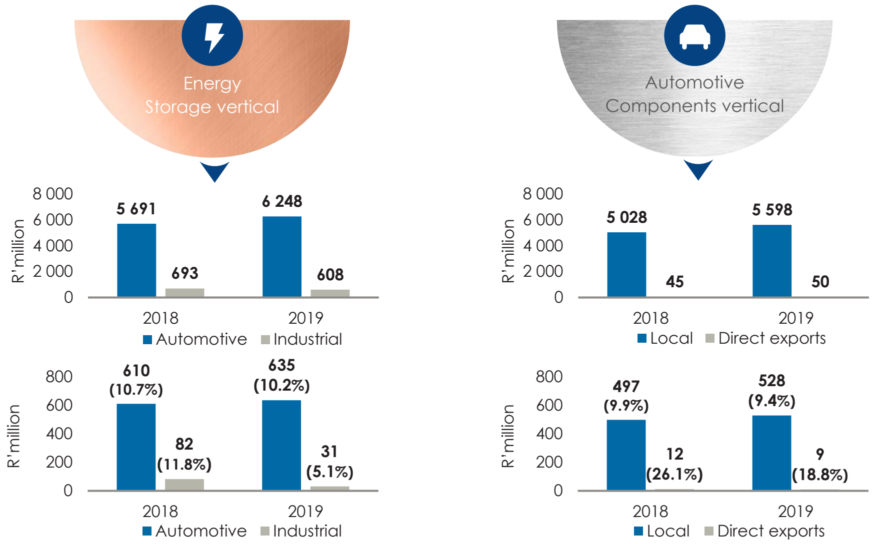
METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

Supplementary information

55

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

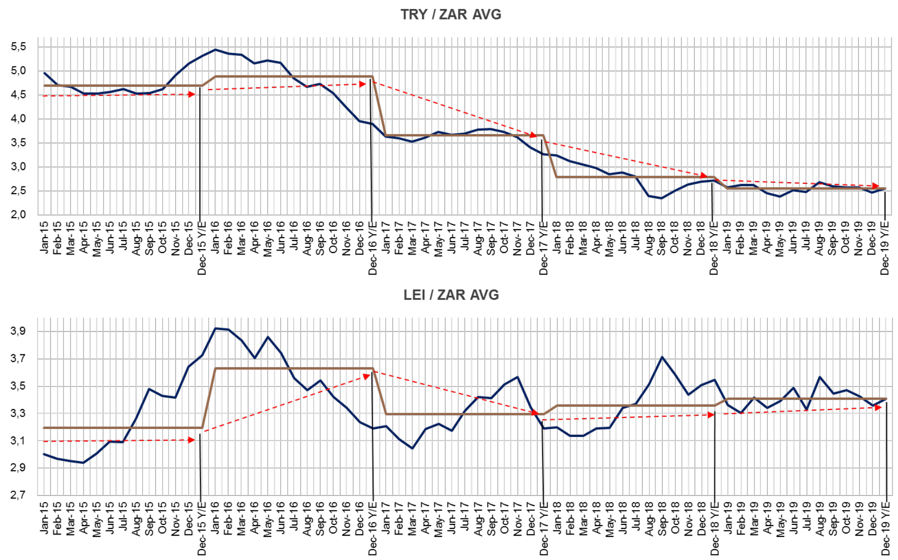
Overall segmental review (including Hesto)



56

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

Currency: TRY average devalued by c. 9% to the comparative year



TRY / ZAR AVG
2015 : 4.694
2016 : 4.887 (+4%)
2017 : 3.656 (-25%)
2018 : 2.792 (-24%)
2019: 2.360 (-9%)

TRY / ZAR SPOT
2015 : 5.311
2016 : 3.897 (-27%)
2017 : 3.269 (-16%)
2018 : 2.719 (-17%)
2019: 2.547 (-13%)

54% decline Post-acquisition

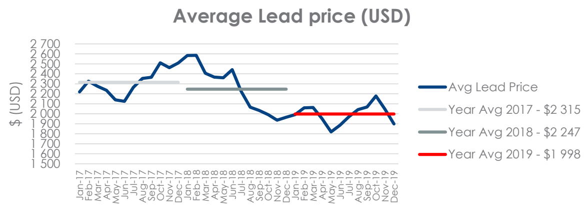
LEI / ZAR AVG
2015 : 3.190
2016 : 3.628 (+14%)
2017 : 3.295 (-9%)
2018 : 3.359 (+2%)
2019 : 3.299 (+1%)

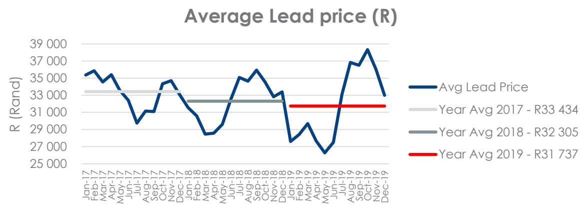
LEI / ZAR SPOT
2015 : 3.727
2016 : 3.189 (-14%)
2017 : 3.189 (+0%)
2018 : 3.545 (+11%)
2019: 3.409 (-7%)

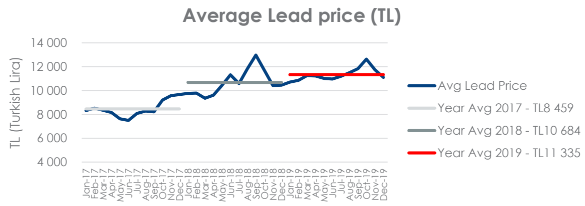
57

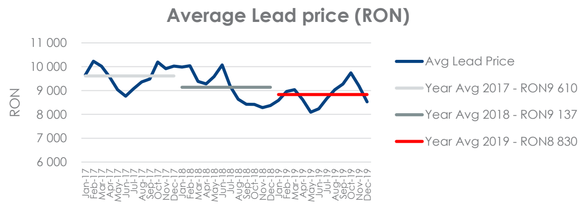
METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Lead pricing variability in Q4 – peak season. Lead expensive in TL terms.





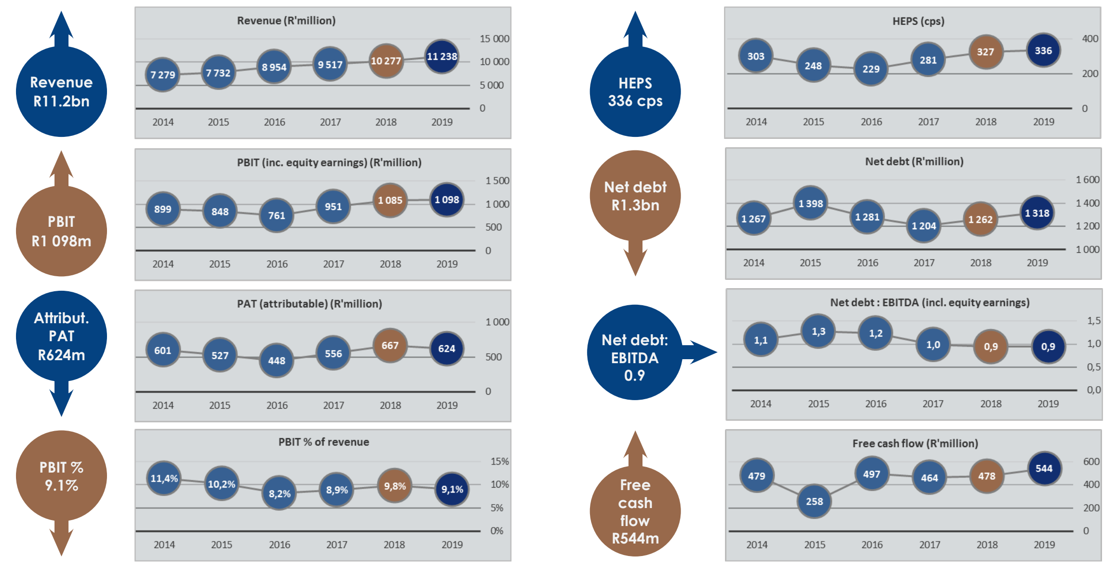




58

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

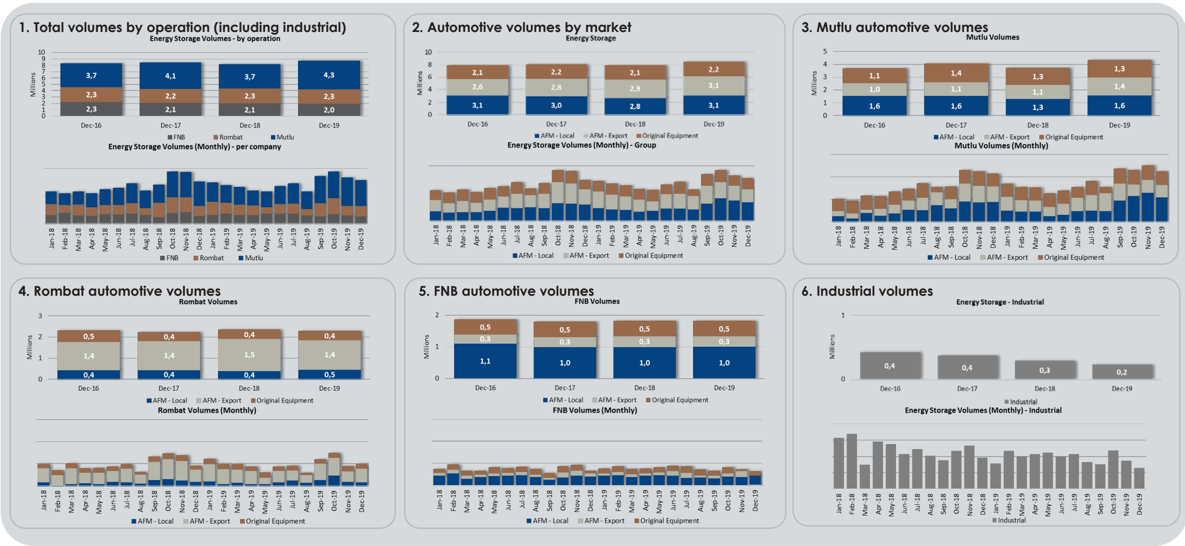
6 year profile



59

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Energy Storage volumes rounded



60

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Combined battery volumes: FNB, Mutlu and Rombat

Original equipment market

Aftermarket

Industrial

OEM	2018	2019	% change
Automotive original equipment	**2 144 209**	**2 186 274**	2%
- Local	2 013 444	2 031 954	1%
- Export	130 765	154 320	18%
Automotive aftermarket	**5 697 100**	**6 231 374**	9%
- Local	2 753 753	3 112 746	13%
- Export	2 943 347	3 118 628	6%
Total automotive units	**7 841 309**	**8 417 648**	7%
Industrial	**289 203**	**228 856**	(21%)
- Local	274 971	220 016	(20%)
- Export	14 232	8 840	(38%)
Total volumes	**8 130 512**	**8 646 504**	6%

61

FNB battery volumes

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Original equipment market

Aftermarket

Industrial

OEM	2018	2019	% change
Automotive original equipment	**463 383**	**466 092**	1%
- Local	463 383	466 092	1%
Automotive aftermarket	**1 347 189**	**1 347 636**	0%
- Local	1 007 116	1 021 534	1%
- Export	340 073	326 102	(4%)
Total automotive units	**1 810 572**	**1 813 728**	0%
Industrial	**244 897**	**207 087**	(15%)
- Local	230 665	198 247	(14%)
- Export	14 232	8 840	(38%)
Total volumes	**2 055 469**	**2 020 815**	(2%)

62

Mutlu battery volumes

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Original equipment market

Aftermarket

Industrial

OEM	2018	2019	% change
Automotive original equipment	**1 269 186**	**1 303 090**	3%
- Local	1 156 898	1 157 692	0%
- Export	112 288	145 398	29%
Automotive aftermarket	**2 424 873**	**3 023 181**	25%
- Local	1 332 115	1 613 073	21%
- Export	1 092 758	1 410 108	29%
Total automotive units	**3 694 059**	**4 326 271**	17%
Industrial	**44 306**	**21 769**	(51%)
- Local	44 306	21 769	(51%)
Total volumes	**3 738 365**	**4 348 040**	16%

63

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

Rombat battery volumes

Original equipment market

Aftermarket

OEM	2018	2019	% change
Automotive original equipment	**411 640**	**417 092**	1%
- Local	393 163	408 170	4%
- Export	18 477	8 922	(52%)
Automotive aftermarket	**1 925 038**	**1 860 557**	(3%)
- Local	414 522	478 139	15%
- Export	1 510 516	1 382 418	(8%)
Total automotive units	**2 336 678**	**2 277 649**	(3%)
Total volumes	**2 336 678**	**2 277 649**	(3%)

64

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

Vehicle production per OEM in South Africa: NAAMSA

OEM	2013	2014	2015	2016	2017	2018	2019	% change
TSAM	151 392	142 739	133 497	122 115	128 578	139 307	138 781	(0%)
FMCSA	56 923	76 179	73 735	86 496	93 817	105 099	94 756	(10%)
VW SA	107 567	113 678	121 583	120 799	108 156	133 543	157 961	18%
MBSA	47 189	45 584	105 473	116 783	118 277	99 740	86 475	(13%)
BMW	66 087	71 004	72 165	63 473	53 337	47 773	69 518	46%
Nissan	46 443	43 268	36 179	28 844	31 712	34 504	33 426	(3%)
Isuzu	40 019	41 491	41 209	31 157	27 511	19 862	20 225	2%
Adjustments	-	1 133	1 713	2 276	2 469	3 972	13 701	245%
Total	**515 620**	**535 076**	**585 554**	**571 943**	**563 857**	**583 800**	**614 843**	**5%**

65

Vehicle production per OEM in Turkey

OEM	2012	2013	2014	2015	2016	2017	2018	2019
Oyal Renault	310 602	331 694	318 246	339 240	339 950	365 002	336 778	342 777
Ford	272 097	281 287	244 682	334 622	333 765	373 005	373 702	369 035
Tofaş	256 428	244 614	222 807	278 254	383 495	384 174	301 750	264 196
Hyundai	86 976	102 020	203 157	226 500	230 010	226 979	203 000	177 993
Toyota	76 925	102 260	131 504	115 893	151 236	279 902	257 084	251 949
Turk Traktor	39 542	38 411	45 823	47 536	46 031	48 302	34 114	22 745
Mercedes Benz Turk	20 002	22 395	22 205	23 941	14 109	17 143	20 856	16 630
Honda	21 850	14 813	11 633	12 667	15 162	28 742	38 319	24 236
Others	30 811	28 549	18 791	31 381	22 406	26 323	22 233	15 582
Aios (Isuzu)	4 763	4 907	7 680	11 162	5 240	6 366	4 461	3 380
Otokar	2 851	4 840	3 266	4 613	2 364	2 707	2 369	1 839
TEMSA	2 354	2 918	2 500	2 922	2 613	3 539	2 549	1 273
Hattat Tarim	2 713	2 098	2 580	3 702	4 715	5 539	3 572	1 154
Karsan	15 448	12 486	1 714	7 239	5 648	6 027	6 724	5 013
MAN	1 134	1 300	1 051	1 743	1 826	2 145	2 558	2 923
BMC	1 548							
Total	**1 115 233**	**1 166 043**	**1 218 848**	**1 410 034**	**1 536 164**	**1 749 472**	**1 587 836**	**1 485 143**

66

Vehicle production per OEM in Romania

OEM	2012	2013	2014	2015	2016	2017	2018	2019
Renault Dacia	327 609	327 394	284 392	342 856	338 593	313 883	335 262	349 528
Ford	9 558	7 547	30 591	68 339	52 829	49 771	141 507	140 884
Total	**337 167**	**334 941**	**314 983**	**411 195**	**391 422**	**363 654**	**476 769**	**490 412**

67

Capital commitments (2020) and Capital expenditure (2019) (including Hesto)

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Capital commitments (R'000)				
Vertical (R'000)	Maintenance	Efficiency & expansion	Health, safety & environ.	Total
Energy storage	110 937	117 819	37 288	266 044
Automotive components	42 206	219 486	7 548	269 240
Total commitments	153 143	337 305	44 836	535 284

Capital expenditure (R'000)				
Vertical (R'000)	Maintenance	Efficiency & expansion	Health, safety & environ.	Total
Energy storage	100 318	220 870	24 506	345 694
Automotive components	52 581	135 914	3 397	191 892
Total commitments	152 899	356 784	27 903	537 586

- 2019 expenditure is to ensure we maintain the quality and integrity of our parts production demanded by our OEM and aftermarket customers
- Euro 11m spent lithium-ion line development at Rombat
- FY'20 planned expenditure on expansion capex for new models and new business from our OEMs as well as AGM truck battery capacity increase in Mutlu

Disclaimer

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

The information supplied herewith is believed to be correct but the accuracy thereof at the time of going to print is not guaranteed.

The company and its employees cannot accept liability for loss suffered in consequence of reliance on the information provided.

Provision of this data does not obviate the need to make further appropriate enquiries and inspections.

The financial information has not been reviewed or reported on by the company's external auditors.