METAIR
INVESTMENTS LIMITED

automotive | industrial | retail

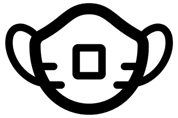
2020 YEAR END RESULTS PRESENTATION

SAFETY MESSAGE

THINGS THAT I HAVE LEARNT THAT I WOULD LIKE TO SHARE WITH YOU

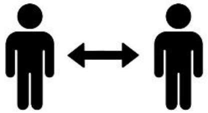
The three prevention measures

REALLY WORK



Wear masks always

Wash and sanitise hands repeatedly



Create space

DO THIS WITHOUT COMPROMISE and insist that those around you do the same

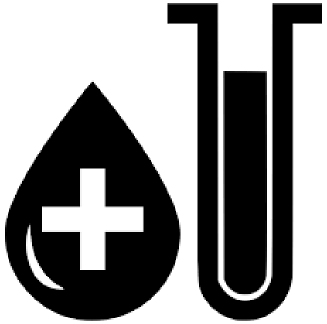
Limit VIRAL LOAD

if you come in contact with a positive person

This makes a big difference in the amount of work your body has to do to defend itself

GET TREATMENT EARLY

if you are diagnosed



get your bloods done repeatedly and early **to assess your body's response to a possible cytokine storm**

REGARDLESS OF WHETHER YOU THINK YOU ARE TOUGH ENOUGH

AGENDA

- Welcome and opening observations
- Metair Covid-19 response strategy
- Salient features
- Operational and financial review
- Outlook and prospects
- Q&A
- Appendices

WELCOME AND OPENING OBSERVATIONS

METAIR IMAGE 2021

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

Metair's Integrated Annual Reports (IAR) are contextualised by a cover image and theme that provide stakeholders with an insight into the major events for the period being reported.

The image for our 2020 IAR is that of a relay baton being passed on from a caring hand, from our lead independent director, Thandeka Mgoduso, representing the Metair board, to Riaz Haffejee, the new group CEO. The smooth passing of the baton represents the smooth transition of everything of value in the business – our employees, our shareholders, our businesses, our partners and all stakeholders. The careful handover represents the care that we have in Metair for our people, our customers, our partners, our business, our shareholders, our country and all our stakeholders.

The baton is passing to strong and capable hands that will navigate the new normal, meet the challenge and take the business forward, setting a new direction and leading the way through the pandemic, winning the race and ensuring Metair's sustainable future.

THE METAIR BOARD

SG PRETORIUS
M.Com (Business Economics)
Appointed in 2014

CMD FLEMMING
B.Com, Bachelor of Law, B Prok, AMP Harvard
Appointed in 2019

T MGODUSO
MA (Clinical Psychology)
Appointed in 2016

B MAWASHA
BSc (Eng), ADP, MDP, GCC
Appointed in 2018

S SITHOLE
BAcc (Hons), CA(SA), CA(Z), Program for Leadership Dev. (Harvard Business School)
Appointed in 2019

M MÜLL
Diplom-Betriebswirt (equivalent to B.Com)
Appointed in 2019

N MKHONDO
BAcc, CA(SA), MBA
Appointed in 2019

A SITHEBE
B.Com.Acc (Hons), CA (SA), MBA
Appointed in 2021

B MATHEWS
B.Com.Acc (Hons), CA (SA), HDip Tax
Appointed in 2021

R HAFFEJEE
Chief executive officer
BSc.Mech.Eng, MBA
Appointed in 2021

S DOUWENGA
Chief financial officer
B.Com (Hons) CA (SA)
Appointed in 2014

PH GILIAM
BSc (Eng) Mech. (Hons)
Appointed in 2021

Non-executive directors | Executive directors | Effective 1 May 2021

TOP OF MIND ISSUES

- Financial results presentation in March
- Site visits to all subsidiaries in spite of Covid restrictions
- Meet all the various stakeholders and determine expectations
- Review the strategic direction of the group in the current environment by H2
- New project delivery for both the automotive components (AC) and the energy storage (ES) vertical
- New CEO inductions and organisational review
- Supply chain coordination and stabilisation

METAIR COVID-19 RESPONSE STRATEGY

EMPLOYEE HEALTH, WELFARE, SAFETY AND COMMUNICATION

THE WELFARE, HEALTH AND SAFETY OF OUR EMPLOYEES IS BOTH A PRIORITY AND A KEY CONCERN

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Following the announcement of the lockdown we ensured that:
- Our factories were locked down safely
- Our employees got home safely

Government lockdowns temporarily suspended the normal employee-employer relationship:
- New employment arrangements
- We aimed to protect the most vulnerable
- We committed to being just and fair

R3500

The Metair board approved management's request to support our hourly paid employees in South Africa with a R3 500 per month company welfare allowance for the duration of the lockdown

50%-90% CTC

That, combined with government support, aimed to get an operator level employee to between 50% to 90% of their cost to company

-50%

The board and executive management at Metair and subsidiary level decided to sacrifice 50% of their April 2020 salaries to support the most vulnerable members of the company during the Covid-19 crisis period

All Metair subsidiaries have policies to ensure a safe working environment and to prevent the spread of Covid-19

The policies are in accordance with Section 8 (1) of the Occupational Health and Safety Act as well as other relevant regulations in their specific jurisdictions

Group wide to date, we have tracked & traced and isolated 2 492 employees

908

As at end Feb 2021, Metair had a total of 908 Covid-19 cases, and 11 deaths across the subsidiaries

THANK YOU

A special thank you goes out to all HR personnel, medical facility practitioners and clinic staff whose key focus during this period was our employees' health, safety and welfare and maintaining communication with them

EMPLOYEE HEALTH, WELFARE, SAFETY AND COMMUNICATION CONT.

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

SOUTH AFRICA
TERS support 38% of pay up to a max. of R17 000 p/m
Max support c.R6 900 p/m each

TURKEY
50% support for the temporarily unemployed

ROMANIA
75% support for the temporarily unemployed

UK
Set at 80% of a maximum level

GERMANY
Government support at 100%, but Moll applied for liquidation as shareholders decided not to inject more capital into the business

Metair has written down the remaining R108 million

KENYA
Allowed to operate fully, but under strict health and safety measures

Taking a balanced, sustainable approach, we supported employees with welfare cost to date of R61 million

INCREASED GOVERNMENT INTERACTION AND ECONOMIC PARTICIPATION

NEEDED TO SECURE THE BEST POSSIBLE ECONOMIC PARTICIPATION LEVEL TO REDUCE POTENTIAL FOR MAJOR FLUCTUATIONS IN PRODUCTION

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

3

Initially, our business was classified as a Level 3 economic participant

4

After extensive lobbying and interaction with industry bodies like NAACAM, NAAMSA, TIPS and RMI, we managed to achieve a Level 4 economic participation classification

We would like to thank the DTI, Minister Patel and the CEOs of our industry bodies for their accommodation and approachability during this period

In addition, FNB managed to be classified as an essential service provider

Structurally, we achieved the best possible economic participation position at an applied Level 4 risk level

SOLVENCY AND LIQUIDITY

SOLVENCY AND LIQUIDITY MET, R750M RCF RENEWED, AND DIVIDEND RESUMING

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Our business design proved to be robust since we own all our major factories and have no rental obligations

From the onset, our planning was to model a worst-case scenario, taking into consideration that the Level 5 lockdown could potentially last for 3 months

We deferred all major capital and project expenses and cancelled the dividend

The board also reviewed the projections and financial model for our outlook position, taking into consideration:

- our current market view
- the impact of the lockdown on our companies
- recovery plans
- a best estimate volume outlook till year end
- available and renewed facilities and headroom
- covenants

Our solvency and liquidity currently shows adequate headroom, with covenants also being met. A dividend of 75cps has therefore been declared

SALIENT FEATURES

SALIENT FEATURES AT GROUP LEVEL

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

REVENUE
decreased 9% to
R10.2bn

EBITDA*
reduced by 37% to
R891m

Operating profit
decreased by 45% to
R0.6bn

NET DEBT
declined R513m to
R805m

POSITIVE
FREE CASH FLOW
R687m

DIVIDEND
of 75cps declared

LTIFR
improved
to 0.61 in 2020
from 0.77 in 2019

Group Scope 1 and 2
carbon emissions per person hour worked
decreased to 11.4kg CO_2e

Achieved a consolidated group
B-BBEE level 1
and all South African subsidiaries at **Level 4 or better**

± 65.7k tonnes
of lead recycled

Covid-19
response strategy successfully implemented
to secure a U-shaped recovery

Entering an
employment phase
as a result of business expansion

Strategic review:
FINALISE H2 2021

Lithium-ion cell production
in Romania
targeted for H2 2021

* Excluding impairments

automotive | industrial | retail

OPERATIONAL AND FINANCIAL REVIEW

POST JUNE 2020, MOST OF OUR COMPANIES OPERATED WITHOUT RESTRICTION

WITH DEMAND RETURNING STRONGLY FOR ES AND GRADUALLY FOR AC

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

SOUTH AFRICA

Lockdown level 5 : 27 Mar – 30 Apr (no production)
Lockdown level 4: 1 May – 31 May (up to 50%)
Lockdown level 3: 1 June – 31 Dec (up to 100%)

Activity subject to market demand in level 3/4

UK

The UK continued to operate as an essential service but also had to adjust to market demand

TURKEY

Mutlu deemed an essential service but had numerous mini-lockdowns

Remained operational, but adjusted to market demand - activity c. 50% from mid-March, only increasing from June

GERMANY

OEMs shut down mid-March and re-opened mid June

ROMANIA

SOE declared from April to 18 May. OEMs stopped production on 16 Mar and re-opened on 15 Jun. Rombat was able to service AM and OES sales but at much reduced demand

After June, demand returned across all channels

KENYA

Were allowed to operate fully, but under strict health and safety measures

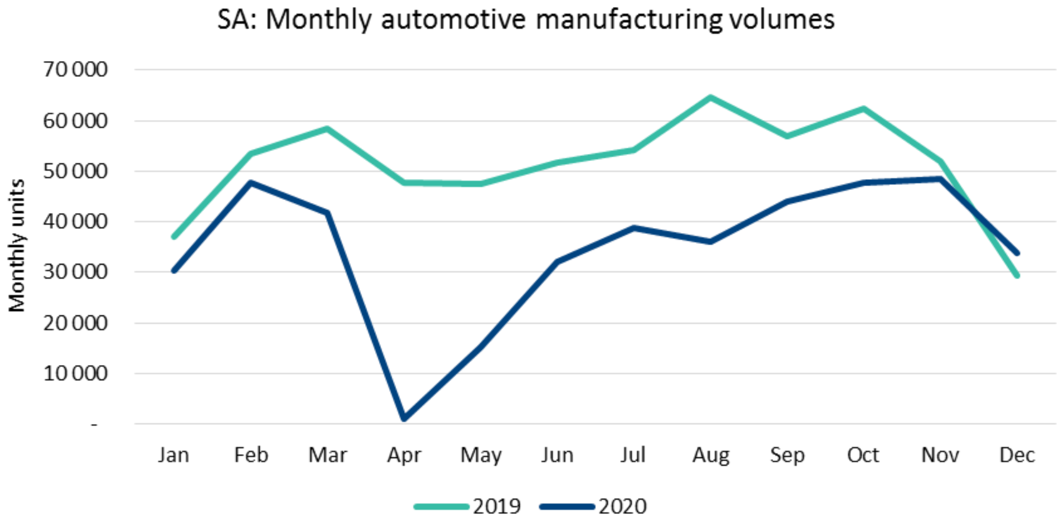
ALTHOUGH DEMAND RETURNED GRADUALLY FOR AUTOMOTIVE COMPONENTS

NORMAL DEMAND WAS ONLY ACHIEVED BY NOVEMBER 2020, AIDED BY EXPORTS

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

SOUTH AFRICA

- OEM demand was very weak from March, but by Q4 volumes recovered to normalised levels
- Full year production levels were 32% down from FY19, total production of 417k units for FY20
- Outlook remains very positive, expect OEM activity for FY21 to nearly return to FY19 levels
- Global supply chain disruptions are placing significant pressure on the whole industry and will remain a risk to stable production for the foreseeable future



OEM	2019	2020	Change
TSAM	138 781	103 461	(35 320)
FMCSA	94 756	65 503	(29 253)
VWSA	157 961	114 158	(43 803)
MBSA	86 475	51 558	(34 917)
BMW	69 518	42 244	(27 274)
NISSAN	33 426	19 307	(14 119)
OTHER	33 926	20 739	(13 187)
Total volumes	**614 843**	**416 970**	**(197 873)**

OVERALL ENERGY STORAGE VOLUMES RECOVERED TO FY19 LEVELS BY JULY 2020

WITH THE EXCEPTION OF EXPORT AND INDUSTRIAL VOLUMES

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

SOUTH AFRICA

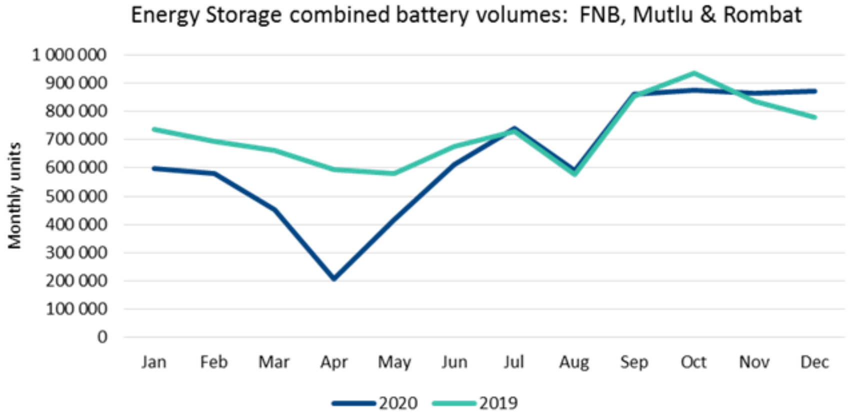
- Was classified as an essential service from 1 May
- Post lockdown aftermarket demand was strong
- OEM volumes remained under pressure
- Industrial demand very weak, possible business model change

TURKEY

- OEM demand steadily increasing up to expectation, full year ahead of FY19
- Aftermarket demand recovered to FY19 levels
- Exports impacted by country lockdowns, limiting movement of goods

ROMANIA

- Post May demand has been very good in all channels, with the factory operating at full capacity
- OEM, AM and export largely in line with FY19



Sales chanel '000s	2019	2020	Change	%
Mutlu	**4 348**	**3 692**	**(656)**	**(15%)**
- OEM	1 303	1 329	26	2%
- Local AM	1 613	1 575	(38)	(2%)
- Export AM	1 410	758	(652)	(46%)
- Industrial	22	30	8	36%
Rombat	**2 278**	**2 240**	**(38)**	**(2%)**
- OEM	417	427	10	2%
- Local AM	478	454	(24)	(5%)
- Export AM	1 383	1 359	(24)	(2%)
FNB	**2 021**	**1 731**	**(290)**	**(14%)**
- OEM	466	305	(161)	(35%)
- Local AM	1 022	974	(48)	(5%)
- Export AM	326	281	(45)	(14%)
- Industrial	207	171	(36)	(17%)
Total units	**8 647**	**7 663**	**(984)**	**(11%)**
Total auto battery units	**8 418**	**7 462**	**(956)**	**(11%)**

MATERIAL FINANCIAL IMPACTS OF THE COVID-19 PANDEMIC ON RESULTS

THE PANDEMIC HAD, AND WILL CONTINUE TO HAVE, AN IMPACT ACROSS ALL AREAS OF OUR BUSINESS

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

The group generated operating profit of R561m (2019:R1bn) and net profit of R185m (2019:R658m) after interest and tax

- A 9% decline in revenue compared with 2019, R1bn down to R10.2bn
- Moll impairments totalling R140m, R108m relating to the investment carrying value
- Receivable impairments of only R16m, based on existing *expected credit loss* rates and future Covid-19 impact. Inventory obsolescence increased to R52m – Covid impact of run-out volumes of customers
- Welfare (salary) support to employees during hard lockdown and direct Covid-19 related costs totalling R75m.
- Business interruption claims still in progress and not booked until virtually certain. We are engaging with our insurers to finalise by Q2
- We revisited our impairment testing on material CGUs, including goodwill and have assessed that healthy headroom exists, based on market recovery expectations, revised forecast volumes from major customers, and risk adjusted discount rates.

2020 GROUP RESULTS AT A GLANCE

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

▼ 56%	**HEPS** **148cps** (2019: 336cps)	▼ 45%	**PBIT** **R561m** (2019: R1 018m)	▼ 37%	**EBITDA** *(incl. share of assoc. excl. impairment)* **R891m** (2019: R1 419m**)**
▲ 27%	**Free cash flow** **R687m** (2019: R544m)	▼ 3.6ppt	**PBIT %** **5.5%** (2019: 9.1%)	▼ 6.6ppt	**ROIC** **6.4%** (2019: 13.0%)

- Turnover down 9% to R10.2bn, from R11.2bn in 2019
- Operating profit decreased by 45% and margins declined to 5.5% from 9.1%
- Headline earnings of R284m, down R361m from 2019 earnings of R644m
- All the aforementioned factors therefore contributed to the HEPS decline of 56% from 336cps to 148cps

- EBITDA of R891m was achieved (excluding MOLL impairment)
- Free cash flow improved to R687m - implemented measures to conserve cash (costs), reduce net working capital, deferring capital spends in line with project start dates.
- Group ROIC declined to 6.4% for the year as the loss of turnover significantly impacted profitability in the first half of the year

ES DELIVERED A STRONG PERFORMANCE, CONTRIBUTING 87% OF TOTAL EBIT

AC RECOVERED WELL AFTER POSTING A LOSS FOR H1'20

	Energy storage vertical			Automotive components vertical			METAIR		
	2019		2020	2019		2020	2019		2020
Revenue	**R6,9bn** 55% contribution	6%	**R6,4bn** 56% contribution	**R5,6bn** 45% contribution	12%	**R4,9bn** 44% contribution	**R11,2bn**	9%	**R10,2bn**
Operating Profit	**R666m** 55% contribution	12%	**R588m** 87% contribution	**R538m** 45% contribution	84%	**R88m** 13% contribution	**R1 018m**	45%	**R561m**
Return metrics	PBIT : 9.7% ROIC: 16.5%*		PBIT : 9.2% ROIC: 15.8%*	PBIT : 9.5% ROIC: 33.4%*		PBIT : 1.8% ROIC: 4.8%*	PBIT : 9.1% ROIC: 13.0%		PBIT : 5.5% ROIC: 6.4%

* BASED ON OPERATING LEVEL, OPENING INVESTED CAPITAL. EXCLUDES GOODWILL, INTANGIBLES ETC. ON ACQUISITION
AMOUNTS ARE ROUNDED

H2 PERFORMANCE WAS EXCEPTIONAL FOR ES, ACHIEVING EBIT MARGIN OF 13%

LOWER VOLUMES IN H2 FOR AC CONTINUED TO DEPRESS MARGINS. RAND WEAKNESS RESULTED IN REVENUE GROWTH

	Energy storage vertical			Automotive components vertical			METAIR		
	H2 2019		H2 2020	H2 2019		H2 2020	H2 2019		H2 2020
Revenue	R3.8bn 59% contribution	▲ 4%	R3,9bn 56% contribution	R2,7bn 41% contribution	▲ 16%	R3,1bn 44% contribution	R5,9bn	▲ 8%	R6,4bn
Operating Profit	R376m 62% contribution	▲ 37%	R513m 80% contribution	R236m 38% contribution	▼ 42%	R136m 20% contribution	R519m	▲ 11%	R579m
Return metrics	PBIT : 9.9% ROIC: 16.5%*		PBIT : 13.0% ROIC: 15.8%*	PBIT : 8.8% ROIC: 33.4%*		PBIT : 4.4% ROIC: 4.8%*	PBIT : 8.8% ROIC: 13.0%		PBIT : 9.1% ROIC: 6.4%

* BASED ON OPERATING LEVEL, OPENING INVESTED CAPITAL. EXCLUDES GOODWILL, INTANGIBLES ETC. ON ACQUISITION
AMOUNTS ARE ROUNDED

UNDER-RECOVERIES IN FIXED PRODUCTION COSTS IMPACTED PROFITABILITY

WITH THE VOLUME DROP IN AC EXPOSING THE VERTICAL MORE THAN ES

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

R'million	2019	2020	% Change
Revenue	11 238	10 235	(9%)
EBITDA (incl. share of assoc.)	1 394	783	(44%)
EBITDA (incl. share of assoc. excl. impairm.)	1 419	891	(37%)
Other operating income	114	118	4%
Operating profit	1 018	561	(45%)
Operating profit margin (%)	9,1%	5,5%	(3,6ppt)
Net interest expense	(227)	(164)	28%
Profit for the period	658	185	(72%)
Effective tax rate (%)	24,5%	37,6%	(13,1ppt)
ROA (%)	14,1%	5,9%	(8,2ppt)
ROE (%)	15,3%	4,3%	(11ppt)
ROIC (%)	13,0%	6,4%	(6,6ppt)

Item	2019	2020
Government grants and similar	105	93
Derivatives*	(24)	2
Other	33	23
Other operating income	114	118

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

- Group operating profit decreased by R457m (45%):
  - Loss of margin on volume and revenue, combined with significant under-recoveries in fixed production costs
  - Employee welfare during hard lockdown and direct Covid related costs totalled R75m
  - Inventory obsolescence increased from R18m to R52m - late OEM run-out changes and industrial obsolescence
  - Increase in impairments
- Profit after tax includes:
  - Net interest charge of R164m, much lower than FY 2019 of R227m
  - Associates loss of R100m, we impaired the remaining investment in Moll by R108m, to nil carrying value
- Effective tax rate higher - non-deductible preference interest and result from associates
- Other income slightly up due to positive FEC gains (forex cover) when compared to 2019, offset by lower incentives at FNB

CASH POSITION STRONG DUE TO WORKING CAPITAL PERFORMANCE

PLEASING RECEIVABLES PERFORMANCE

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

R'million	2019	2020
Non-current assets	4 061	3 760
Property, plant and equipment	2 707	2 618
Intangible assets	605	504
Other non-current assets	749	638
Current assets	4 906	5 539
Inventory	1 736	1 695
Trade and other receivables	1 700	1 819
Contract assets	304	382
Cash and cash equivalents	1 140	1 624
Other current assets	26	19
Total assets	8 967	9 299

- Non-current assets decreased mainly due to a combination of:
  - Lower capital expenditure, off-set by depreciation
  - Spot currency TL devaluation in Mutlu
  - MOLL impairment
- Inventory levels slightly lower as ES sales higher than anticipated, local OEMs closed later and longer order lead times in AC
- Trade receivables cash recovery was excellent at Mutlu and sales were much higher in November and December
- Cash at bank for R1.6bn (excl. overdraft of R59m), as cash management was strong in the group

BORROWING INCREASED TEMPORARILY TO PROTECT LIQUIDITY

REVIEW OF FACILITIES DURING FY21

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

R'million	2019	2020
Total equity	4 311	4 215
Non-current liabilities	1 843	1 028
Borrowings	1 299	519
Post employment benefits	85	91
Deferred taxation	285	251
Deferred grant income	135	125
Provision for liabilities and charges	39	42
Current liabilities	2 813	4 056
Trade and other payables	1 361	1 873
Contract liabilities	161	118
Borrowings	897	1 851
Provision for liabilities and charges	88	83
Bank overdrafts	261	59
Other current liabilities	45	72
Total liabilities	4 656	5 084

- Total borrowings up R174m, Mutlu increased borrowings and further RCF draw-downs in SA due to local auto investments
- Trade payables lower due to better terms with primary lead suppliers (as opposed to cash purchases for scrap) and faster rate of inventory turnover
- Lumotech had some outflows for tooling projects (contract liabilities)

WORKING CAPITAL REDUCTION LARGELY TEMPORARY

EXPECT SOME NORMALISATION AS WELL AS INVESTMENT FOR NEW PROJECTS

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

R'million	2019	2020
Inventory	1 736	1 695
Trade and other receivables	1 700	1 819
Trade and other payables	(1 361)	(1 873)
Contract assets/liabilities - net	143	264
Total net working capital	2 218	1 905

Days	2019	2020
Inventory	56	60
Trade and other receivables	55	65
Trade and other payables	(44)	(67)
Contract assets/liabilities - net	5	10
Total days	72	68

All days calculations based on turnover

- Group trade net working capital decreased by c. R313m due to a combination of:
  - Better trade terms with creditors, combined with higher lead purchases in Nov and Dec due to activity levels
  - Availability of scrap reduced in Turkey, more primary lead purchases (scrap settled cash, primary lead 60 day terms)
  - Lower than normal stock levels on imported content in AC, resulting from global supply chain delays
  - Expectation is for a normalisation during FY21, with further investment to support new business

WE EXPERIENCED STRONG SUPPORT FROM OUR FUNDERS DURING THE YEAR

AND ARE PROGRESSING WELL TO FINALISE FACILITIES FOR INVESTMENTS AND REFINANCING OF MATURING DEBT

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

%	2019	2020
Debt* : Equity	52%	58%
Net debt** : Equity	31%	20%

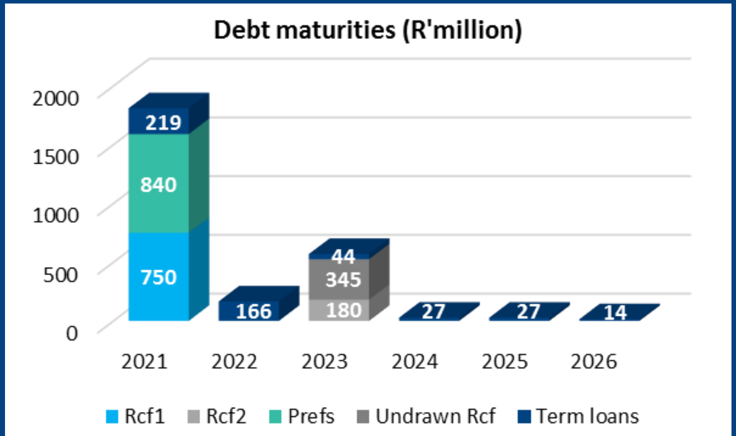
	2019	2020
Net debt** (R'million)	1 318	805
Net debt** : EBITDA (incl. share of assoc.)	0,9	1,0
Net debt** : EBITDA (excl. impairment of assoc.)	0,9	0,9

* Interest bearing borrowings

** Includes overdrafts and cash equivalents

Financial covenant ratio	Covenant level	Compliance	2019	2020
Dividend and interest cover ratio	Not less than 3 times	Y	6,19	5,44
Total net borrowings to adjusted EBITDA ratio	Not more than 2.5 times	Y	1,12	1,40
Priority Debt covenant	Not more than 1 times	Y	(0,19)	(0,37)

- Coming into Covid-19 crisis, balance sheet was strong with relatively low debt and healthy cash balance
- All covenant requirements met at December 2020, with net debt/EBITDA ratio at 1.4 times on a covenant testing basis
- Our group net debt levels are consistent at 0.9 x EBITDA, despite lower EBITDA
- Covenants are set at 2.5 x EBITDA
- Successfully extended the maturity of R750m in revolving credit facilities by 12 months



CAPITAL EXPENDITURE AND COMMITMENTS (INCLUDING HESTO)

R1.3BN HAS BEEN ALLOCATED MAINLY FOR CUSTOMER NEW MODELS AND EXPANSION

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Capital expenditure by vertical R'million	Maintenance & general	Efficiency & expansion	Health, safety & environ.	Total
Energy storage	61	73	13	**147**
Automotive components	38	195	1	**234**
Total commitments	**99**	**268**	**14**	**381**

Capital commitments by vertical R'million	Maintenance & general	Efficiency & expansion	Health, safety & environ.	Total
Energy storage	161	96	25	**282**
Automotive components	109	934	11	**1 054**
Total commitments	**270**	**1 030**	**36**	**1 336**

FY21 is a significant year of investment in secured new model launches and facelifts for Toyota, Ford, VW and Isuzu

- Majority of committed capex is at Hesto, Automould and Lumotech for approved Ford project
- But also includes investments for new C-SUV platform at Hesto and Smiths, Lumotech investment for VW as well as investments for Isuzu and Toyota Hilux facelifts
- Energy storage focused on capacity and efficiency enhancements at Mutlu
- Includes some Capex carried over from FY20 due to project launch timing impacted by Covid-19

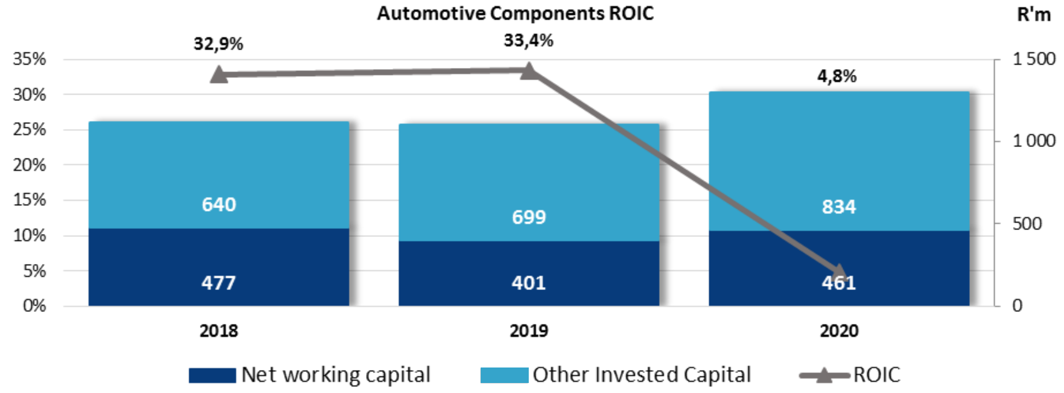
The debt funding will be raised at subsidiary level.

Despite the additional pre-production funding requirements, we anticipate to remain well within covenant requirements with sufficient short-term liquidity available.

AUTOMOTIVE COMPONENTS IS RECOVERING WELL

AND THE OUTLOOK REMAINS VERY POSITIVE

Revenue	**PBIT**	**EBITDA**
-12%	**-84%**	**-66%**
R4.9bn	**R88m**	**R228m**
Free cash flow	**PBIT %**	**ROIC**
-109%	**-7.7ppt**	**-28.6ppt**
-R51m	**1.8%**	**4.8%**



- Revenue declined by 12%, a result of the direct impact of the shutdown and phased reopening of OEMs in SA
- PBIT margin declined to 1.8% from 9.5% in 2019, as the vertical recorded an operating profit of R88m against a comparative profit of R538m
- A positive EBITDA of R228m (2019: R669m was still achieved despite the volume decline and capacity under-utilisation in the first half period of 2020

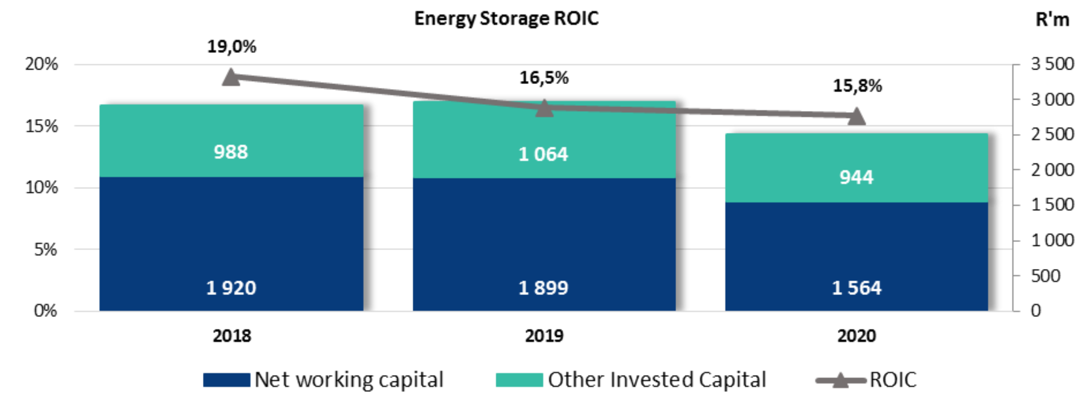
- Overall vehicle production volumes in SA declined by 32%
- ROIC decline to 4.8% from 33.4%, consequence of pandemic on operating profit for the first half of 2020
- Capital expenditure required to support new and upcoming projects and customer models, c.R234m mainly at Hesto
- Higher inventory levels, due to lower actual OEM production in South Africa and higher value of imported content

ENERGY STORAGE RESULTS WERE STRONG GIVEN THE DISRUPTIVE YEAR
DRIVEN BY SUSTAINED DEMAND FOR AUTOMOTIVE BATTERIES

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Revenue	PBIT	EBITDA
-6%	-12%	-5%
R6.4bn	R588m	R791m

Free cash flow	PBIT %	ROIC
+345%	-0.5ppt	-0.7ppt
R739m	9.2%	15.8%

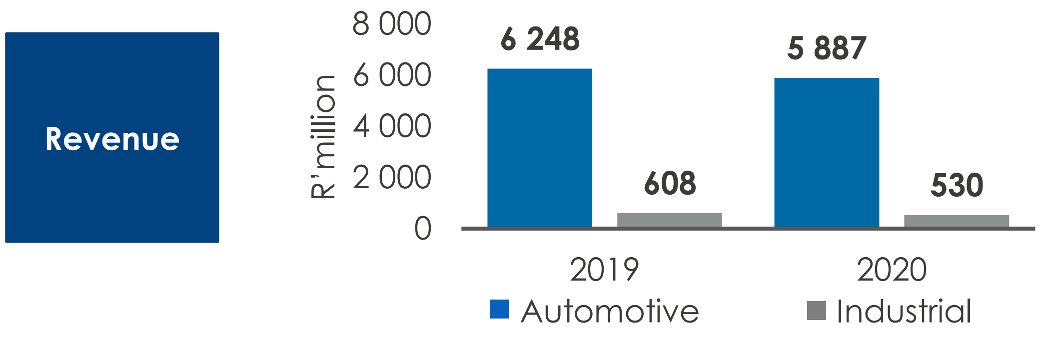


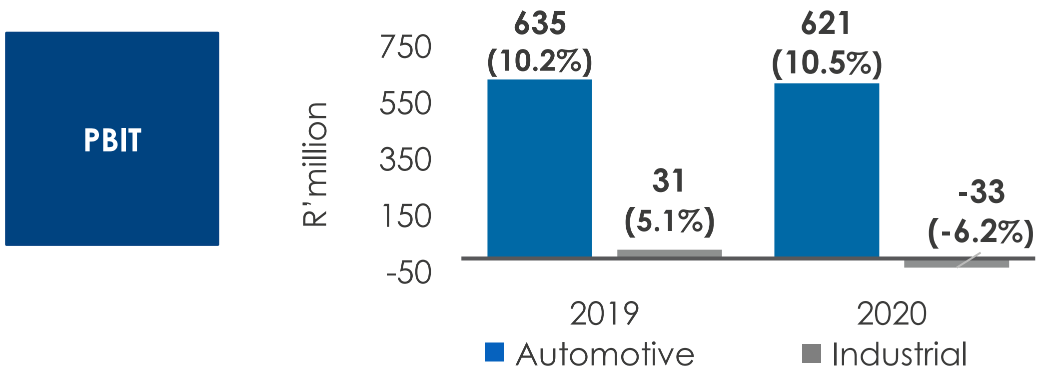
- Relatively lower drop in revenue of 6%, the vertical achieved an operating profit of R588m and EBITDA of R791m
- ES benefits from AM and export sales channels
- South African Industrial volumes were weak and economic activity in South Africa resulted in a R64m decline in Industrial PBIT to a loss of R33m
- Free cash flow improved to R739m

- ES automotive volumes declined by 11%, with the major contraction being reduced export volumes out of Turkey
- Mutlu performance was exceptional during the year despite the drop in volumes, increasing local currency profits from FY19
- As a result, Energy Storage ROIC declined from 16.5% to 15.8%

ENERGY STORAGE AUTOMOTIVE MARGINS REMAINED RESILIENT

BUT INDUSTRIAL MARGINS MOVED INTO NEGATIVE DUE TO POOR DEMAND





- Total Auto battery margins increased from 10.2% to 10.5%

Auto Exports

- Auto exports PBIT margin increased from 9.2% to 10.6%
- Better quality of earnings at Mutlu and favourable forex

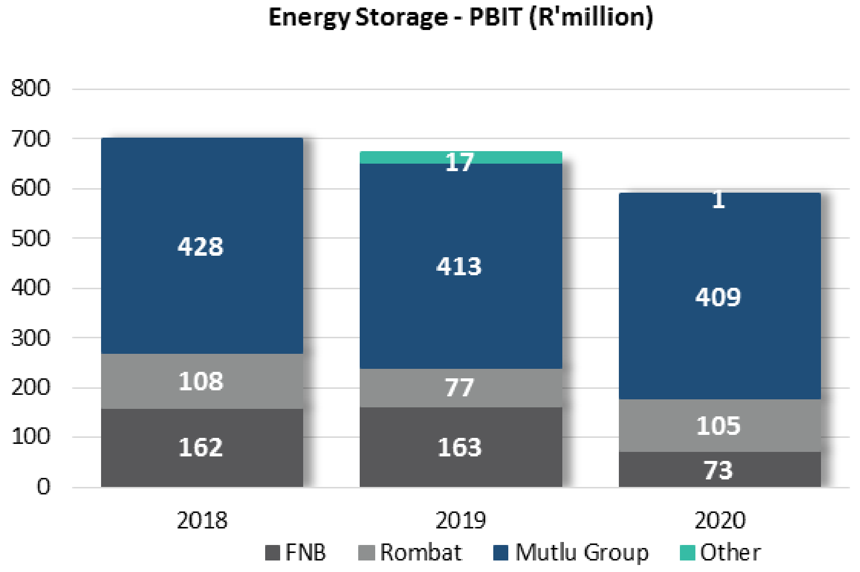
Local AM

- Local auto PBIT declined marginally by 1% (R4m)

Industrial

- Industrial PBIT declined by R64m to a loss of R33m, due to weak industrial demand in tough economic conditions
- Actions are in place to restructure the FNB industrial division, which is expected to unlock value in the long-term

BOTH MUTLU AND ROMBAT DELIVERED EXCEPTIONAL RESULTS FOR FY20



Local currency operating profit	
Mutlu	7% ▲
Rombat	20% ▲
FNB	(55%) ▼
Total	**(21%)** ▼

- FNB's EBIT declined from R163m to R73m or 55% down from prior year
- The major impact was the change in industrial profits, while automotive recovery was good
- In ZAR terms, Mutlu's EBIT decreased by only R4m from FY19, delivering R409m compared to R413m
- Rombat operating result up 36% (or R28m), as some OES and OEM sales continued at a higher level in Romania

OUTLOOK AND PROSPECTS

ON THE BACK OF NEW MODEL LAUNCHES IN SA AND SUSTAINED DEMAND IN ES

WE EXPECT A POSITIVE OUTLOOK FOR THE GROUP

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

METAIR GROUP

- Our immediate priority is to ensure a smooth leadership transition at all levels and support flawless launches of new models and facelifts
- In the year ahead we will continue to drive effective project management and improve operating efficiencies to maintain our current base while investing in the future
- As we prepare for our future and execute on new projects with an investment of R1.48bn, the energy vertical will be focused on expanding our automotive battery product range
- In our SA industrial battery manufacturing segment we will evaluate the technology shift effect, while potentially shifting to a more responsive imported new technology trade environment in SA and expand product portfolio in other regions
- The AC business will enter a year of preparation and implementation as new projects are finalised and commissioned; some subsidiaries will enter a pre-production and prototype manufacturing phase which will result in a slight shift in the business model in these companies
- This means an increased focus on agility and responsiveness to global markets that will require more engineering and design skill while deepening our reach into our technical partners' skill and IP base
- The outlook for the year is dependent on the final product complexity, model and market mix that will become clearer towards the middle of the year
- This investment in our future could bring about a short-term migration towards the lower end of market margin guidance in AC vertical for the year with substantial longer-term benefits

COVID-19 RECOVERY PLAN AND VISION 2022

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

IN ADDITION TO EXECUTING ALL THE ACTIVITIES REQUIRED NOW TO MANAGE THE COVID-19 RISKS, WE ALSO CREATED OUR FUTURE VISION: **VISION 2022**, WHICH WILL SHAPE OUR DESIGNED RECOVERY

Our focus is on a multi-stepped U-shaped recovery and to avoid an L-shaped recovery curve based on international V, U and L recovery trends

Metair is focusing on the new model project launch projects and ensuring optimal execution on them, selecting the most sustainable projects, customer, models and markets

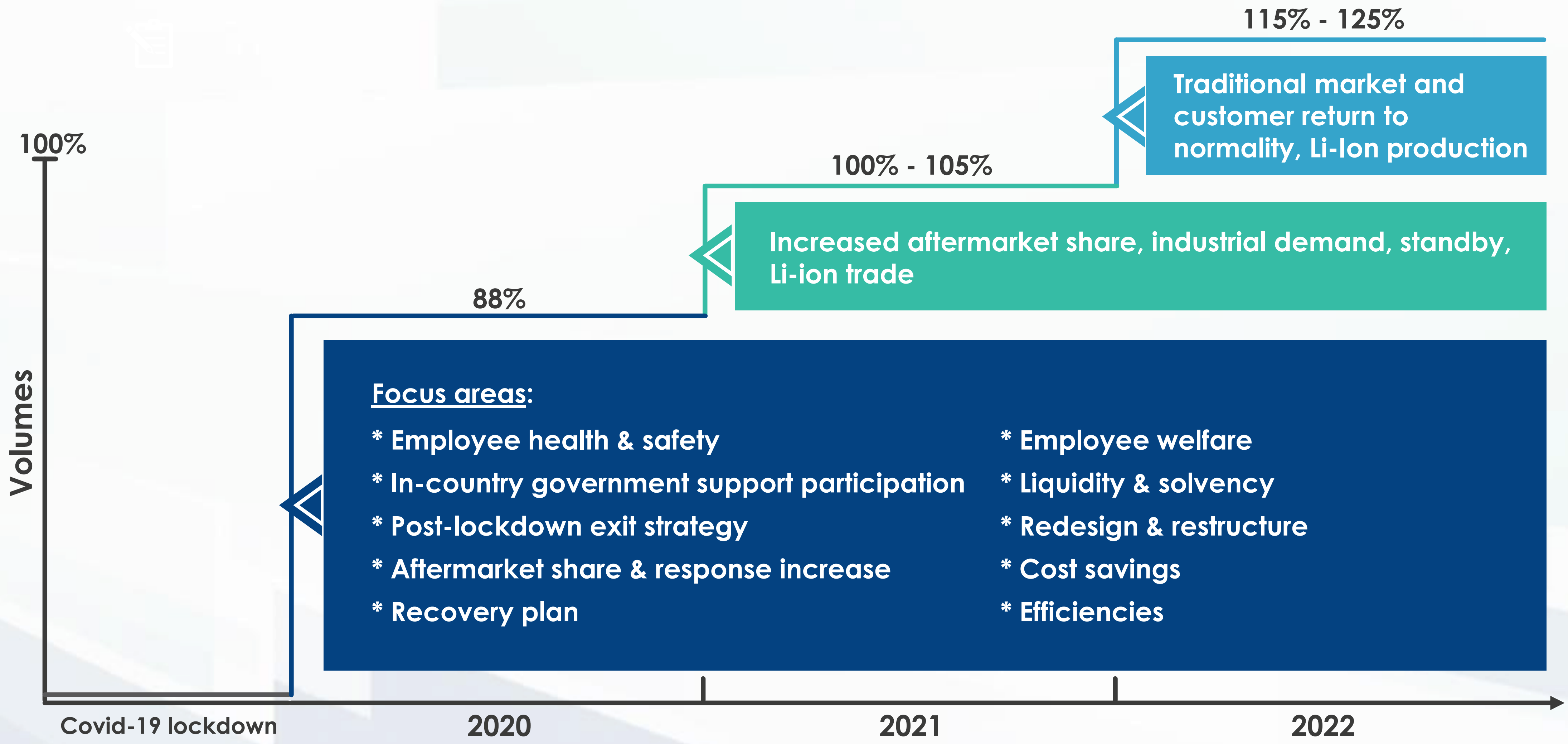
After a period of disconnect, we are now re-connected to the market demand and outlook

The Energy Vertical recovery is based on an aftermarket demand, market share, brand positioning, economic range expansion and OEM projects

The Automotive Components recovery is a project-based recovery that can alter a potential L-shaped recovery to a U-shape

ENERGY VERTICAL: POTENTIAL V-SHAPED RECOVERY

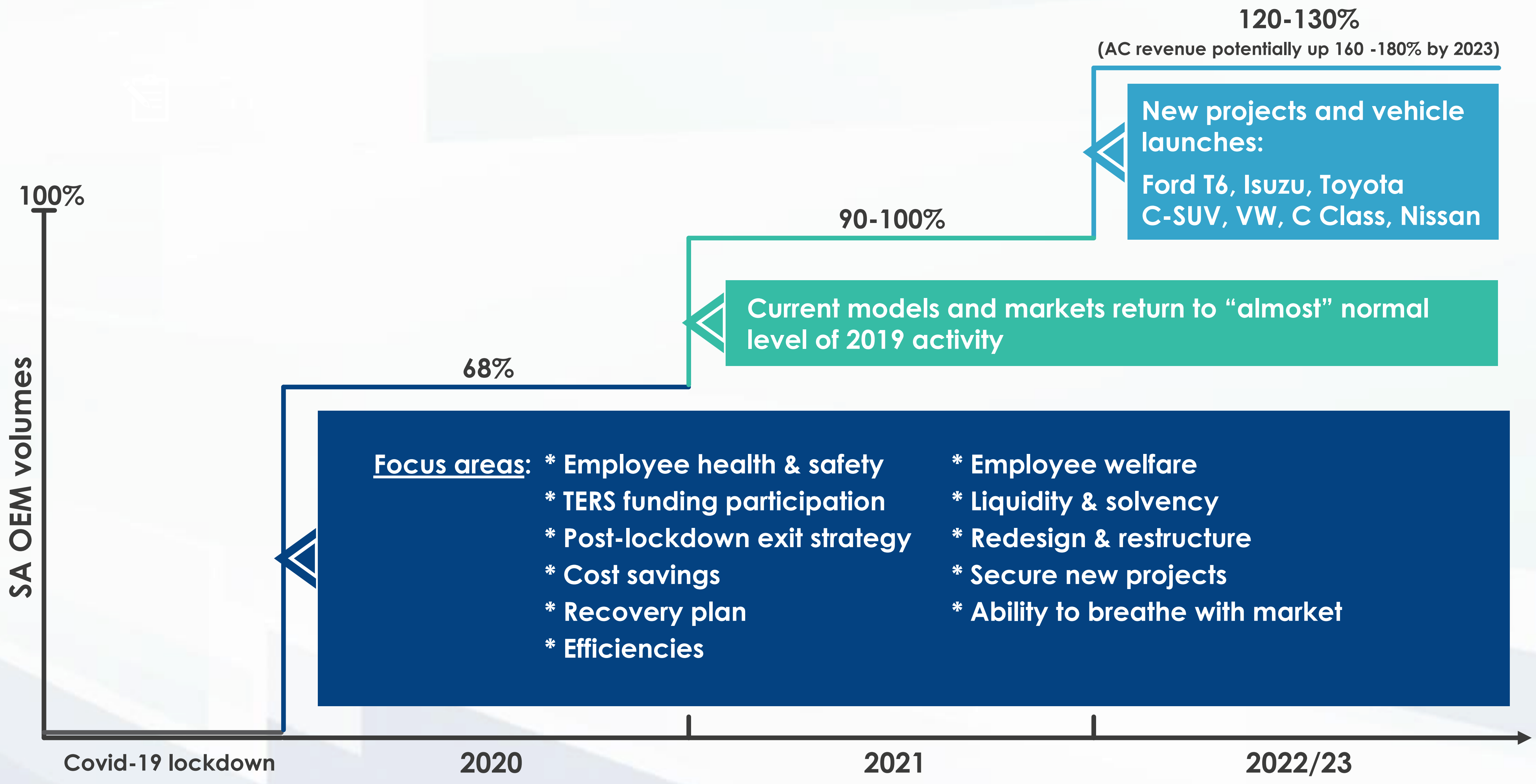
A FULL RECOVERY FOR THIS VERTICAL IS ANTICIPATED TO BE ACHIEVED STEP-BY-STEP BY 2021



AUTOMOTIVE COMPONENTS VERTICAL: POTENTIAL U-SHAPED RECOVERY

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

A FULL RECOVERY FOR THIS VERTICAL IS ANTICIPATED TO BE ACHIEVED STEP-BY-STEP BY 2021/2022



NEW FORD INVESTMENTS

METAIR COMPANIES WERE AWARDED NEW FORD CONTRACTS, WITH PRODUCTION PLANNED TO START IN 2022. THE INVESTMENT WILL BE LARGEST EVER FOR A SINGLE CUSTOMER, TOTAL FUNDING ESTIMATED AT C. R1.3BN

- Model life revenue linked to new investments is estimated at R32 – R35bn, of which >90% is incremental revenue. Model life is expected to be 10 years
- Total capital investment in property, plant and equipment is estimated at R900m, including R234m for building construction at Hesto. Initial working capital investment is c. R350m for the group. Capital investment is over an 18-month period
- The project will be debt funded at the underlying operating companies
- Project volumes are significantly higher than current production, potentially doubling Ford production in SA
- Planned project returns all in line with Metair's minimum return targets
- The new Ranger is earmarked to be one of the top models for Ford globally. Both the Ranger and Amarok will be produced in South Africa. Majority of vehicles produced will be for export markets

METAIR EXPECTS FY21 TO SHOW A SIGNIFICANT IMPROVEMENT OVER FY20
BASED ON OUR VOLUME OUTLOOK

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

METAIR GROUP

- We expect continued demand side weakness in SA local market, but continued recovery in exports: >60% of local OEM production is exported
- Key vehicle export markets (Europe & UK)
- Sustained and growing battery demand in local AM and OEM, with strong recovery in export sales as economies open up
- Operating profit normalisation expected in both segments, consolidated operating margin expected between 7% - 9% assuming no further disruption to manufacturing
- But automotive components vertical will be impacted by project costs, costs involved in preparation for new projects, resulting in softer segmental EBIT margins by 1ppt – 1.5ppt per annum for the next two years
- R1.3 – R1.5bn capital expenditure for FY21 – investment required for new models
- We should successfully comply with lenders' covenants and resume payment of dividends

KEY FACTORS EXPECTED TO IMPACT FY21 OUTLOOK

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

Automotive components vertical

- Expecting FY21 local OEM manufacturing levels at >95% of FY19
- Metair's share of the market continues to grow compared to FY19 due to new business secured
- Full year EBIT margin guidance remains between 7% and 9%, but margins will be impacted by project costs in the short term.
- Working capital expected to increase by R200m – R300m. Normalisation of levels, combined with new project working capital requirements and supply chain risk management
- Segmental capital expenditure anticipated of up to R1.1bn, with the bulk spend at associate Hesto (managed associate), for new projects for 3 OEMs

Energy storage vertical

- Expecting automotive battery sales volumes to improve slightly on FY19 levels
- Sustained aftermarket and OEM demand and improved outlook for export.
- A key condition is that we will be able to serve and reach our export customers as economies open up.
- Margins could be lower in the short term, impacted by industrial demand and possible business model change for FNB's industrial business.
- Expecting working capital increase of R200m – R250m due to normalisation of working capital levels, combined with Li-Ion requirements and supply chain risk management
- Segmental capital expenditure anticipated of between R300m and R350m.

Q&A

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, and shareholders are advised that any forecast financial information contained in this announcement has not been reviewed or reported on by the company's auditors and is the responsibility of the directors of the company.

APPENDICES

SUBSIDIARY MANAGING DIRECTORS

Automotive components vertical

S KONAR
Tenure: 34 years

JR CHANDLER
Tenure: 18 years

W ROPERTZ
Tenure: 33 years

ME BARLEY
Tenure: 40 years

WPD HILDITCH
Tenure: 29 years

YS CHINAPEN
Tenure: 12 years

GR TING CHONG
Tenure: 13 years

Energy storage vertical

D ŞEKER
Tenure: 5 years

R BEZUIDENHOUT
Tenure: 28 years

M LONG
Tenure: 2 years

A IOANES
Tenure: 0 years

SP HENRY
Tenure: 14 years

GD JACK
Tenure: 26 years

NEW CEO: RIAZ HAFFEJEE

RIAZ HAFFEJEE

Chief executive officer
BSc, PGD, MBA

Mr Haffejee served as the CEO of Sumitomo Rubber South Africa Proprietary Limited ("Sumitomo Dunlop"), a division of the Japanese listed company, Sumitomo Rubber Industries Limited, where he held an Executive Officer position, as well as being the Chairman of its Middle Eastern subsidiary.

Previously, Mr Haffejee was an Executive at Vodacom Business from 2008 - 2012 and he also occupied a number of senior managerial positions at BMW South Africa over the period 1996 - 2008. His responsibilities there included several positions in manufacturing at Plant Rosslyn and GM roles in Corporate and Government Sales and Customer Relationship Management in Head Office.

He serves as an Executive member of both the component industry body, NAACAM and the Durban Auto Cluster, as well as having served as a Director of the tyre industry body, SATMC. In addition to this Mr Haffejee is a Durban Chapter Young Presidents' Organization (YPO) member and holds an MBA in Customer Loyalty, a postgraduate Diploma in Business Management and a BSc in Mechanical Engineering.

He was appointed as the CEO of Metair with effect from 1 February 2021.

INCOMING CHAIR: MICHAEL FLEMMING

CMD FLEMMING

Independent non-executive director
B Comm, Bachelor of Law, B Prok, AMP Harvard

Mr Flemming joined African Oxygen Limited in the gases division in 1985 as the Financial Systems Manager for the Witwatersrand. He was appointed as the financial executive for the healthcare division of African Oxygen Limited in 1994 and as general business manager in 1997. Following the merger with the listed entity Presmed, the merged company was listed on the Johannesburg stock exchange in 1999. Mr Flemming was appointed CEO of Afrox Healthcare in 2002. The company was taken private in 2005 and relisted in 2010 as Life Healthcare and Mr Flemming served as CEO until his retirement in 2014. He serves as a non-executive director on the board of Medicover AB, an unlisted healthcare service company operating in Eastern Europe, the UK and India. He was appointed to the Metair board on 1 March 2019 and as the chairman of the audit and risk committee on 2 May 2019. Mr Flemming was appointed to the nominations committee on 17 February 2020, and to the social and ethics committee on 29 January 2021.

He will replace Mr Pretorius as chairman of the board following the conclusion of the 2021 AGM

NEW NON-EXECUTIVE DIRECTORS (APPOINTED 1 JANUARY 2021)

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

A SITHEBE
B.Com.Acc (Hons), CA (SA), MBA

Ms Sithebe is a private equity investment professional with over a decade of experience in mergers and acquisitions (M&As) and corporate finance from a wide range of clients primarily in the industrials value chain. Her career debut was with EY where she trained to qualify as a CA(SA) after which she established her own accounting and audit practice named Kamva Advisory from 2008 to 2011. Ms Sithebe later went on to join the Industrial Development Corporation of South Africa (IDC) where she was a Senior Dealmaker. Ms Sithebe was most recently Principal at African Phoenix Investments Limited until 2020 and Senior Associate at Senatla Capital prior, both mid-market focused private equity investment firms. Ms Sithebe is Managing Director of Kamva Investments, an investment holding entity with a focus on unlisted investments and M&A Advisory. Ms Sithebe also serves on the board of Dis-Chem Pharmacies Limited, Infinity Anchor Fund and E Squared Investments' Finance and Risk Committee. Ms Sithebe holds a BCom.Acc (RAU) with Honours (UNISA) and an MBA from GIBS.

Ms Sithebe was appointed as an independent non-executive director and a member of the audit and risk committee with effect from 1 January 2021, and was further appointed as member of the Social and Ethics Committee on 29 January 2021.

B MATHEWS
B.Com.Acc (Hons), CA (SA), HDip Tax

Ms Mathews is a qualified Chartered Accountant (South Africa) and holds a postgraduate certificate in advanced taxation from the University of South Africa (UNISA) as well as a B.Com.Acc (Hons) from Rand Afrikaans University (RAU). Ms Mathews currently serves on the board of trustees of Redefine Empowerment Trust, the board of directors of PSG Group Limited (and its audit and risk committee) and PSG Financial Services Limited. Ms Mathews is also the lead independent director of Redefine Properties Limited and serves on various committees. Ms Mathews previously served on the board of directors and various committees of, inter alia, ATKV, ATKV Sake and OneLogix Limited.

Ms Mathews was appointed as an independent non-executive director and member of the audit and risk committee of Metair on 1 January 2021. Ms Mathews will replace Mr Flemming as chairman of the audit and risk committee with effect from the conclusion of the 2021 AGM.

NEW NON-EXECUTIVE DIRECTOR (WITH EFFECT FROM 1 MAY 2021)

PH GILIAM
B.Eng (Hons)

Mr Giliam holds a B.Eng (Hons) in Automotive Project Management and a Bachelor in Mechanical Engineering from the University of Pretoria. Mr Giliam is currently the managing director of Robertson and Caine Proprietary Limited and has a wealth of experience in the automotive industry, gained through various senior roles including, inter alia, project director at Jaguar Land Rover U.K, vice president at BMW Group and plant coordinator of Metalsa South Africa.

Mr Giliam will be appointed as an independent non-executive director and a member of the Investment Committee of Metair with effect from 1 May 2021.

NEW MANAGING DIRECTORS

D ŞEKER

BSc, MSc, PhD, MBA

Following his promotion from General Manager Operations**, Mr. Deniz Şeker was appointed as CEO of Mutlu as of 1st January 2021**. Prior to joining Mutlu, Mr. Şeker was Deputy General Manager of Ode Insulation, the second biggest insulation material producer of Turkey and Managing Director of ODE K-Flex, a joint-venture company owned by Ode Group. He managed 4 different factories with 600+ employees. He previously worked for Ford of Europe as the Global Program Manager, responsible for Ford Cargo truck and Ecotorque engine series' product development. Before Ford of Europe, he was R&D Manager of Arçelik, the biggest house appliance manufacturer of Turkey and one of the biggest in Europe.

A IOANES

BBM; MSc.Bus.Dev; EMBA

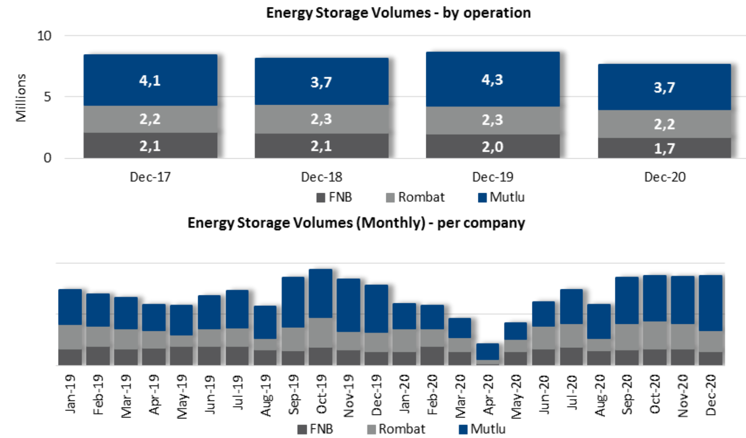
Mr Ioanes has over 20 years experience in management and leadership in international businesses, mainly in the production field. He began his career as Development Director for Meeting Import Export SRL, a furniture producer. Then, he worked for 15 years within Versapack Group where he was General Manager for the Romanian branch, Authorized Board Officer – Prokurist for the German Branch, and finally he was appointed Group Managing Director. He also held the position of Operational Director for Deltamed SRL, the main manufacturer of ambulances and special vehicles in Romania. His vast experience in management positions is augmented by the fact that he has been member on various boards of directors and is complemented by in-depth management studies: EMBA, Masters in strategic management, etc.

From 1st February 2021 he serves as Managing Director of Rombat SA.

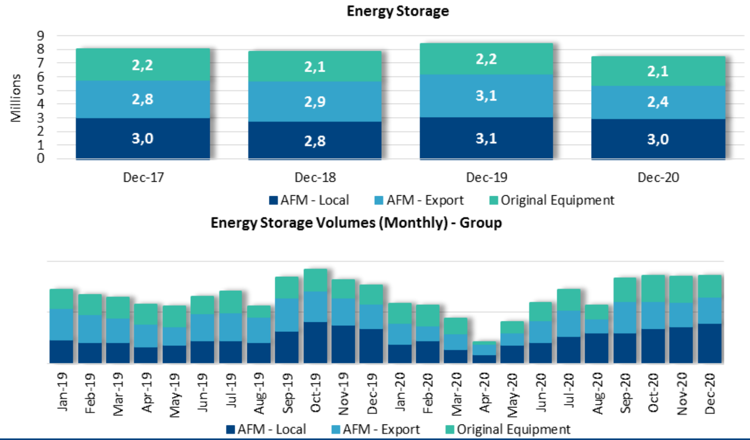
ENERGY STORAGE VOLUMES (ROUNDED)

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

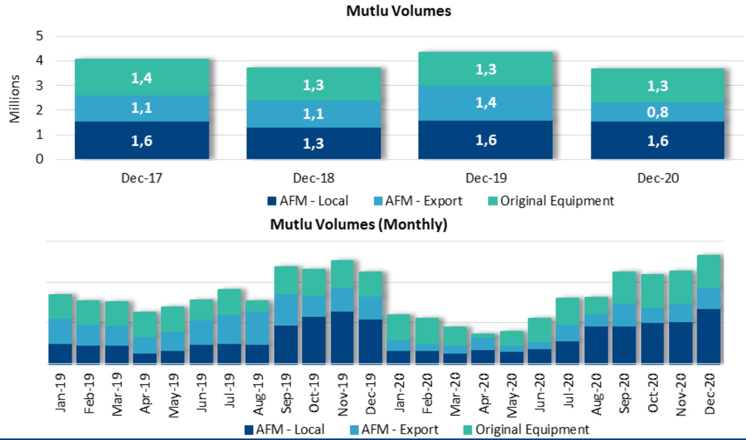
1. Total volumes by operation (including industrial)



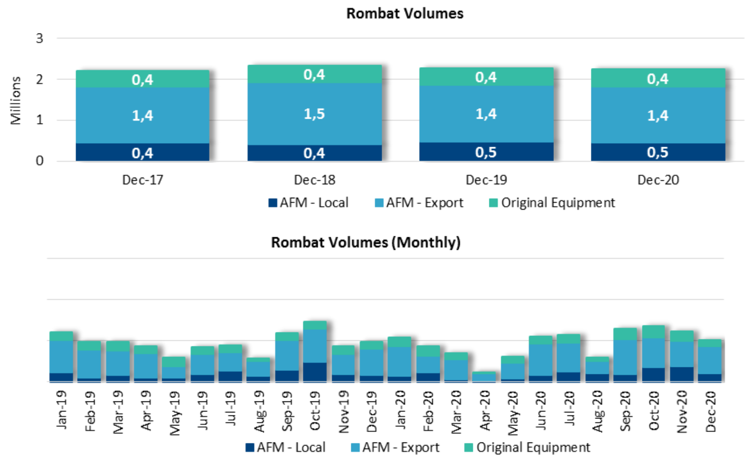
2. Automotive volumes by market



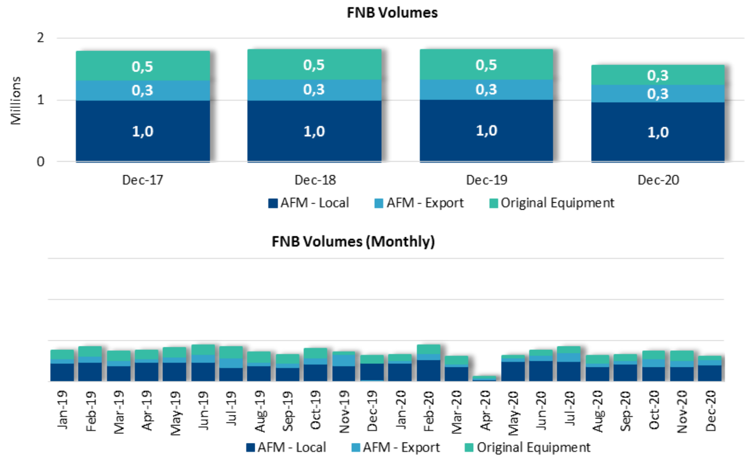
3. Mutlu automotive volumes



4. Rombat automotive volumes



5. FNB automotive volumes



6. Industrial volumes