



Bowler Metcalf Analysts Annual Results Presentation

JUNE 2018



Bowler Metcalf

Focussed and agile to diversify and grow
where it matters



Agenda

1. Group Results, Cash Flow and Dividends
2. SoftBev
3. Bowler Plastics
4. What's next?
5. Questions



Group Results

| R'm | 2018 | 2017 |
|------------------------------|--------|---------|
| Attributable Profit / (Loss) | R140,3 | (R1,1) |
| Continued Operations Only | R78,3 | R84,3 |
| Discontinued Operations Only | R61,9 | (R85,4) |

- 2017 included SoftBev impairment and share of loss
- 2018
 - Reversal of SoftBev impairment
 - SoftBev Assets held for sale
 - Share of SoftBev income as discontinued operations



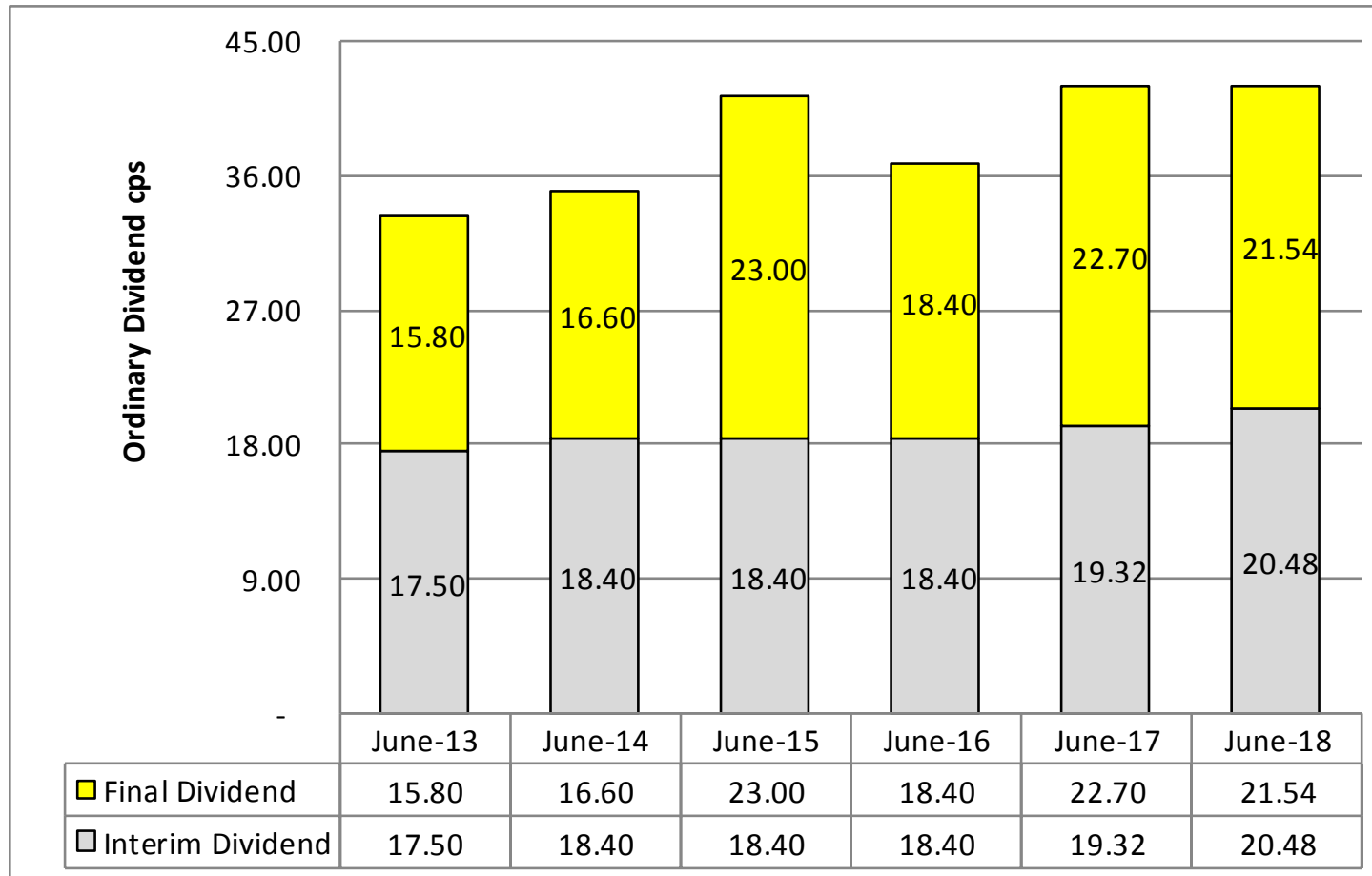
Group Cash Flow

| R'm | 2018 | 2017 |
|----------------------------|-------|--------|
| Capex | R24,0 | R32,7 |
| Cash Increase / (Decrease) | R50,9 | (R6,2) |

- Lower capex testimony to depressed market for new products / innovation
 - 2017 cash flow impacted by R30m advance to SoftBev
 - Working capital...
 - Escalating stock holdings "forced by customers"
 - Stretched debtors days
- both resulting mainly from tough economic environment



Group Dividends



- Total dividend consistent with prior year
- From the 2019 financial year, a new “ex SoftBev” dividend regime will be implemented



- Disposal of SoftBev approved by shareholders on 29th June 2018
- All conditions precedent met 3rd August 2018
- The final value for SoftBev based on actual EBITDA (including certain pre-determined adjustments) for the year ended 30 June 2018, final net debt and working capital position as at 30 June 2018 and the final sellers' transaction costs
- Base consideration was received on Closing Date (6th August 2018)
- Deferred consideration will be settled shortly after the completion of SoftBev's audited financial statements for the year ended June 2018
- Post-Payment Period



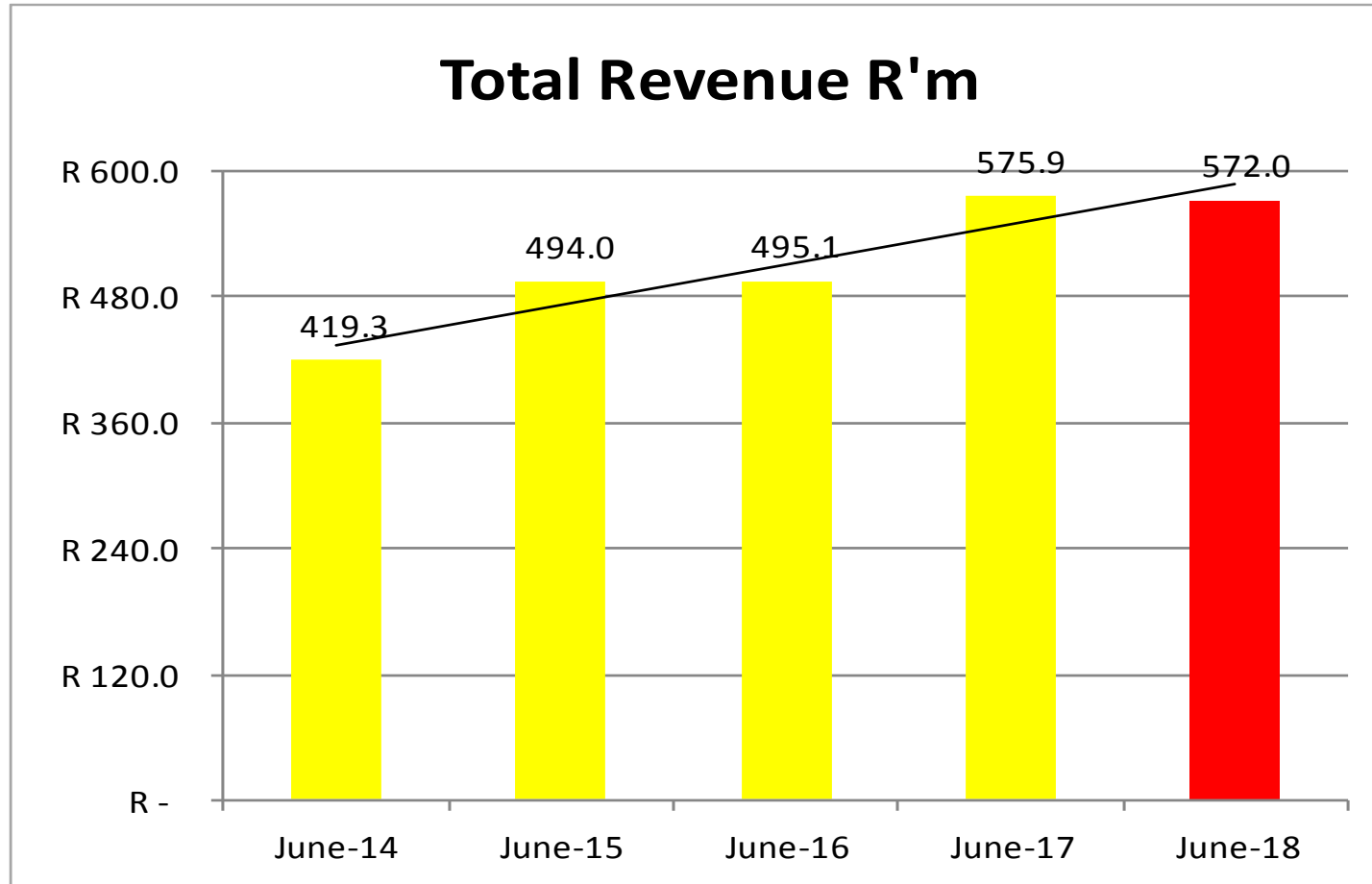
SoftBev® (continued)

| R'm | Actual / Estimate |
|--|-------------------------|
| Base Consideration - shares | R349,4 |
| Deferred Consideration – shares (estimate) | R40,0 to R55,0 |
| Total | <u>R389,4 to R404,4</u> |
| Loan Account Repayment | R64,8 |
| - settled by June 2018 | R12,0 |

- Deferred consideration
- It's an estimate, not forecast
- Expected to be concluded in October 2018



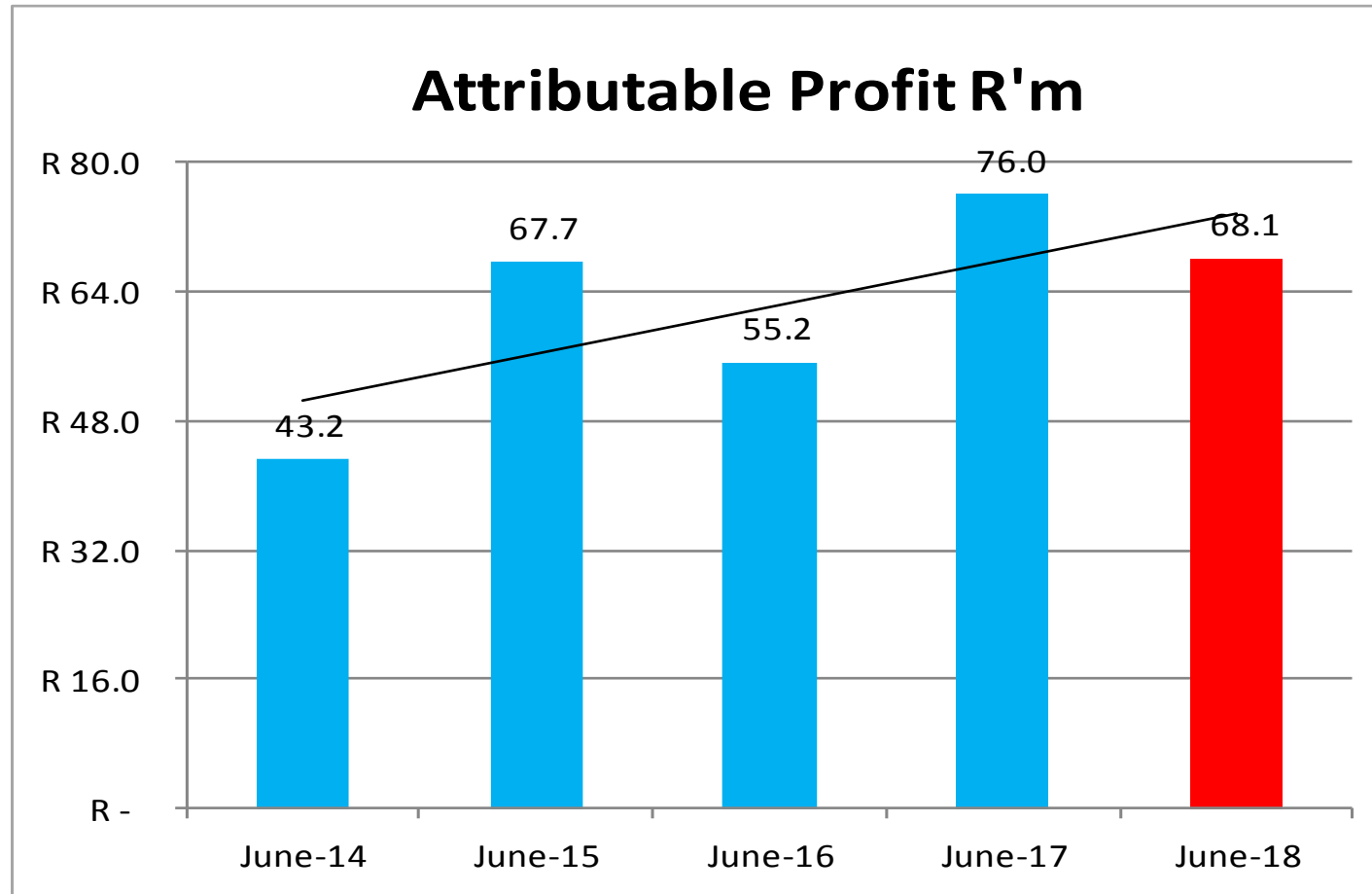
Plastics – Revenue



- ❖ YOY compound growth 8,1%
- ❖ Decrease by 1% on the back of a very strong 2017, especially H2
- ❖ Volume up by 1%
- ❖ Price down by 2% - indicative of pricing pressures



Plastics – Attributable profit



- “Holdings” added for comparative purposes
- Operating profit % under pressure....
- Flat revenue
- Margin and Variable Costs well controlled
- Escalated Fixed Costs due to breaching “next level” capacity creation e.g. skills, warehousing (knock-on effect on shunting costs)



Plastics Overview

- ❖ Market Dynamics
- ❖ Operational Focus
- ❖ Outlook



What's Next?

- ❖ Growth Focus
 - ❖ Target Market Focus (“...where it matters...”)
 - ❖ Diversification
 - Through R&D, Start-ups & Acquisitions
 - ❖ Property Development
- ❖ Cash Allocation
 - ❖ Commitments +/- 20%
 - ❖ Strategic Growth Initiatives +/- 50%
 - ❖ Return to Shareholder +/- 30% (2018 Q4 & 2019 Q1)
- ❖ AGM 7th November 2018 - Update



Questions?



Thank You
