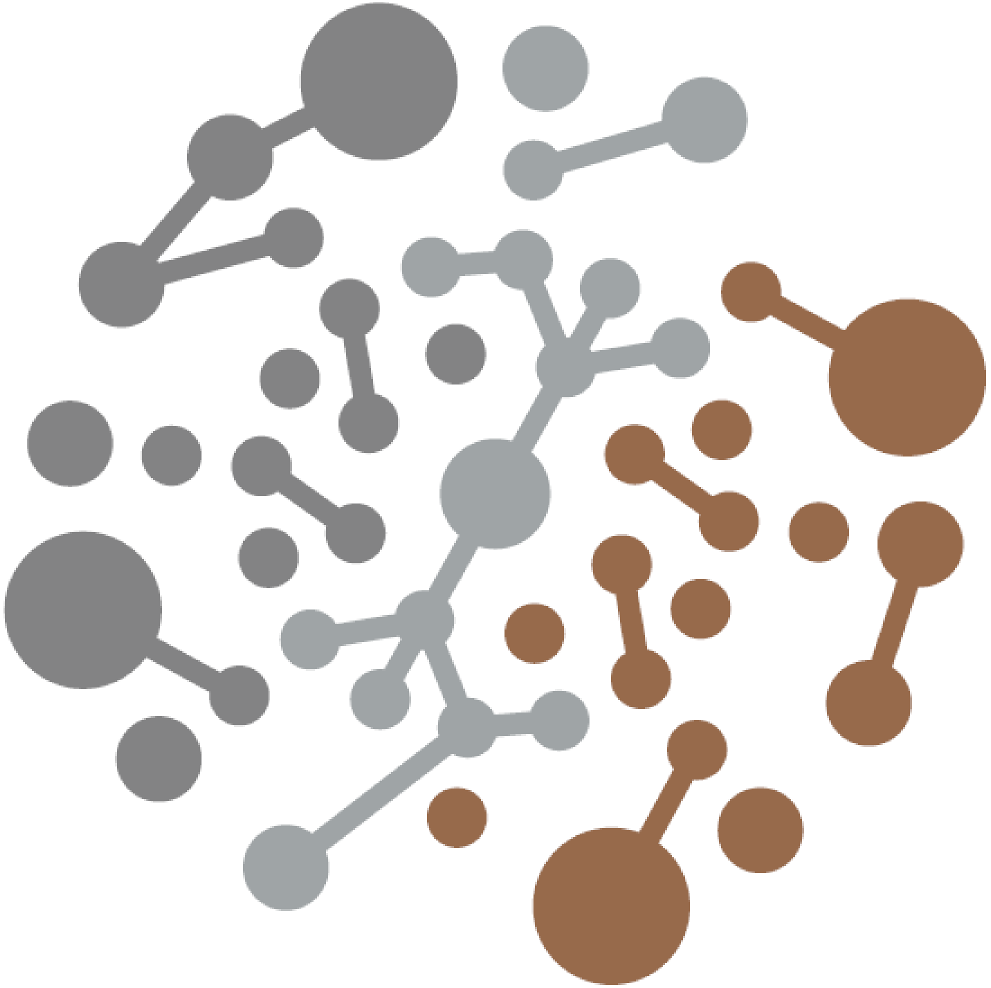
METAIR INTERIM RESULTS PRESENTATION
AUGUST 2020



Agenda

- Welcome, opening observations
- Salient features H1 2020
- Metair Covid-19 response strategy
- Financial and operational review
- Recovery plan and outlook
- Strategic review
- Q & A

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Welcome, opening observations

Opening observations

Globally, companies' results commentaries for any period of 2020 are going to be dominated by the impact of the Covid-19 pandemic as the world faces unprecedented disruptions to business. These disruptions, brought on by governments' measures to contain the virus such as extended lockdowns, aimed at protecting the health and safety of citizens but unintentionally disconnected businesses from their employees, markets, and customers.

Therefore, this is the most tension filled result for the following reasons:

- Showcases enormous sacrifices, made willingly, in a positive and cooperative spirit
- Reflects consequences of government enforced lockdown, countered by government support structures
- Includes huge cost savings, coming at great "cost"
- Secured biggest growth and customer diversification opportunity in the most challenging period
- Declared a full year dividend, but deferred the dividend
- Metair strategic design proves resilient, in a period where we continued our strategic review
- Most comprehensive result commentary yet, touching all stakeholders
- Kept our eyes (focus) on the now and the future (2022 vision)
- One of the most challenging, but also most satisfying results
- Personally it is also my last results presentation

Our experiences will forever change the way we operate, which in turn will present novel opportunities and challenges as we adjust to the new normal with altered trends, demand patterns, regulations, and operating protocols.

We will have to offer new products and services by means of accelerated digitalisation, as well as agile and more automated manufacturing, operating and distribution systems.

Salient features H1 2020

Salient features at group level

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REVENUE
decreased 27% to
R3.9bn

EBITDA*
reduced by 80%
R139m

Operating profit
for the period (excl Moll receivable)

NET DEBT
Increase limited to
R60m
R1 378m

POSITIVE FREE CASH FLOW
R70m

No interim **DIVIDEND** declared

2019 DIVIDEND per share of 120c **deferred**

Strategic review: execution delayed

CEO search ongoing, consultancy agreement with CT Loock finalised

Lithium-ion cell production in Romania **delayed** due to Covid-19

Strong balance sheet and liquidity

Experienced industry leading management teams

History of **operational excellence**

Strong strategic position

Trusted relationships with key stakeholders

* Excluding impairments

Revenue* as percentage of pre-Covid expectations and impact on cost base

	April 2020	May 2020	June 2020	Q2 2020
Group 	27%	55%	91%	**62%**
Automotive Components 	0%	40%	83%	**45%**
Energy Storage 	45%	67%	100%	**79%**

*Reflects revenue approximated as a percentage of pre-Covid expectations as a proxy for vertical production status

Unavoidable cost drivers

Non-recurring:

- Staff welfare costs
- Fixed and semi-fixed labour (net of government support)
- Plant inefficiencies during lockdown and restart
- Standing costs
- Other incremental costs
- Advisory fees

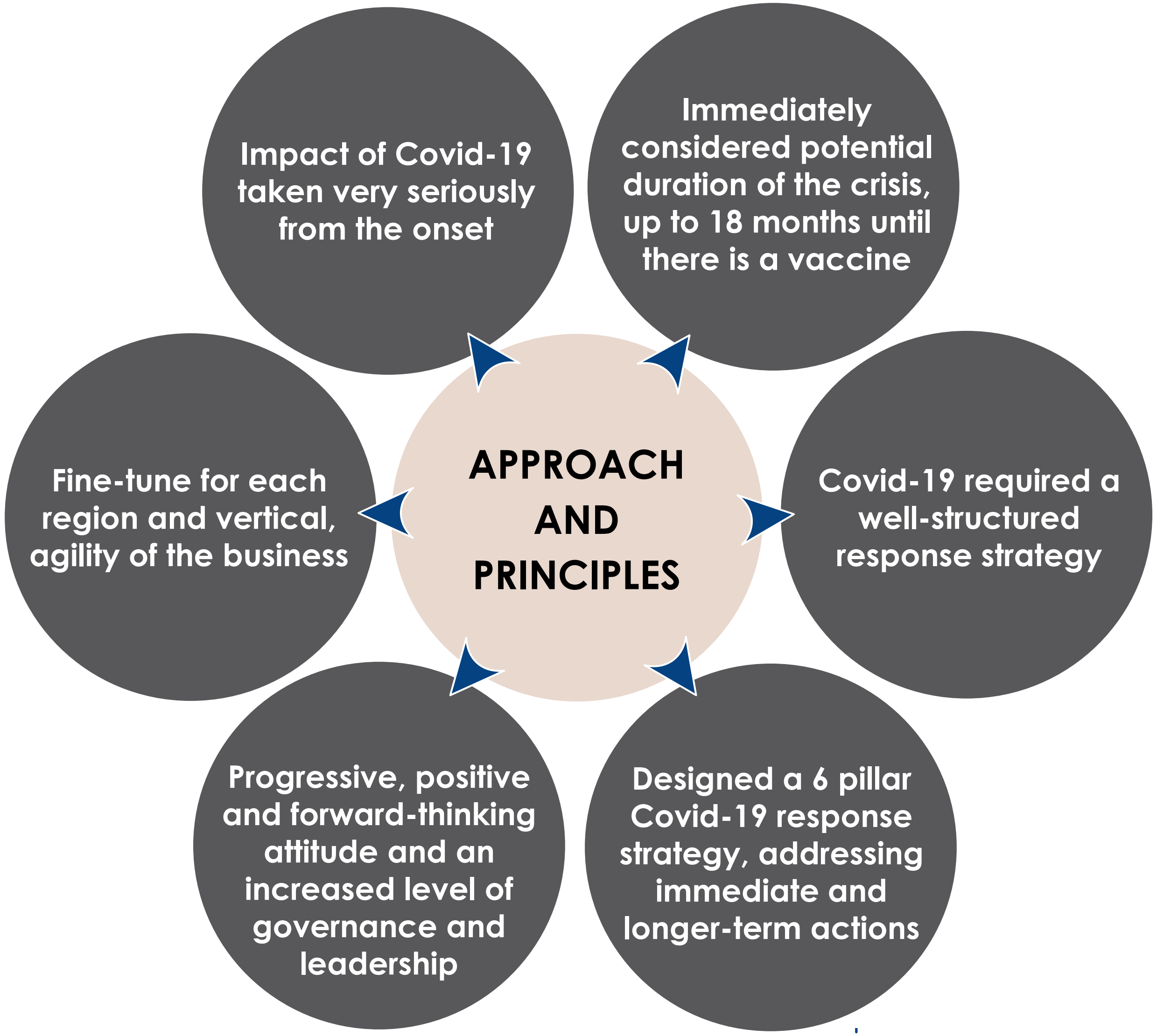
Ongoing:

- Personal protective equipment
- Reduced plant efficiencies

First half impact ≈ R250m

Metair Covid-19 response strategy

Response strategy: approach and principles



Metair Covid-19 response strategy

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Medium to long-term sustainability and Vision 2022

Structured 6 pillar Covid-19 response strategy

- Employee health, safety, welfare and communication
- Solvency and liquidity
- Government interaction
- Covid-19 exit plan
- Covid-19 recovery plan
- Governance and leadership

Response strategy approach and principles

Employee health, safety, welfare and communication

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The welfare, health and safety of our employees is both a priority and a key concern

Following the announcement of the lockdown we ensured that:
- Our factories were locked down safely
- Our employees got home safely
- We had the required mass communication systems via SMS and HR emergency lines in place

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
- Government support must be forthcoming but will take some time to be implemented

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%

We took the decision to share the pain with salaried employees and appreciate the sacrifices made by all employees as they dropped to 50% of normal pay

Employee health, safety, welfare and communication cont.

In line with our initial view that the Level 5 stage of the lockdown could potentially last for 3 months, we informed salaried employees that our support will be at 50% of normal pay for the 1st month, 25% for the 2nd month and R3 500 per employee for the 3rd month.

All Metair subsidiaries have drafted 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.

287

As at 14 August 2020, Metair had a total of 287 Covid-19 cases (42 active). There are no active Covid-19 cases in Romania or the UK.
There have been 3 fatalities in South Africa.

UIF
TERS

In South Africa, all our businesses successfully registered with the Unemployment Insurance Fund for the Temporary Employee Relief Scheme. TERS funding support terminated mid-August. Our challenge is the current 225 employees with co-morbidities who are unable to work.

Group wide to date, we have tracked & traced and isolated 1029 employees.

THANK YOU

A special thank you goes out to all HR personnel, key 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, safety, welfare and communication cont.

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SOUTH AFRICA

In South Africa, support was at 38% of pay, up to a maximum of R17 000 per month limiting the maximum support for any individual employees at about R6 900 per month

TURKEY

Turkey was at 50% support for employees who are temporarily unemployed

ROMANIA

Romania was at 75% support for employees who are temporarily unemployed

UK

The UK is set at 80% of a maximum level

GERMANY

In Germany government support is at 100% but businesses are already dealing with the market effect caused by the pandemic and Moll applied for liquidation as shareholders decided not to inject more capital into the business.

Metair has therefore written down the remaining R108 million investment as other shareholders were not able to provide further financial support.

KENYA

In Kenya we were 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

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Solvency and liquidity met, R750m RCF facilities renewed, and dividend deferred

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, including the dividend payments

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. But distribution of the declared dividend could result in a covenant breach on R2.1bn of facilities. As such, payment will be deferred until Board is satisfied with liquidity

Increased government interaction and economic participation level

It is **very important to structurally achieve the best possible economic participation approval level,** if one takes the view that the **Covid-19 challenge could be with us for a long time,** with potential oscillation between various risk levels over the next 18 months

3

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

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

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

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

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

Covid-19 exit and return to work plan

From the onset we identified the need for a well-structured Covid-19 exit plan, and set out to design **best practice return to work standard operating manuals and training programs**

We approved standard operating manuals to begin manufacturing

- concluded internal start up readiness self-assessments
- selected employees have returned to work
- supplied the required PPE
- conducted training and implemented the new standard operating procedures

We are executing an external disaster act legal compliance audit at FNB and will use the legislative landscape list to roll out to all businesses

Return to work process has run smoothly with only a few minor labour incidents

- businesses deal with the difficulty of selecting, allocating and rotating the employees participating in the 50% who are allowed to work
- the labour relationship environment will remain challenging and fragile during a partial return to work scenario

To date, the extraordinary start up cost have been required under our return to work policies, regulations and procedures. We expect this cost to amount to R13 million for the full year

Governance and leadership

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We believe it was important to lead and set the example from the front during this period

A special thank you to Brand, our Chairman, for always being available during this period and for his positive encouragement and support

I would like to thank the Metair team, subsidiary executives and leadership teams, and the Metair board for their presence, availability and focus during this period

We had more special board and committee meetings during the period than we have ever had in Metair's history

Operational status review

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SOUTH AFRICA

Lockdown level 5 : 27 March – 30 April (no production)
Lockdown level 4: 1 May – 31 May (up to 50%)
Lockdown level 3: 1 June – 17 Aug (up to 100%)
But operations still linked 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 was classified as an essential service but had to deal with 9 mini-lockdowns. Although operational, Mutlu had to adjust to market demand and operated at c. 50% from mid-March, only increasing from June as OEMs become operational again

GERMANY

In Germany, OEMs shut down mid-March and re-opened mid June

ROMANIA

Romania entered a state of emergency from beginning of April to 18 May. OEMs stopped production on 16 March and re-opened on 15 June. Rombat was able to service AM and OES sales but at much reduced demand

KENYA

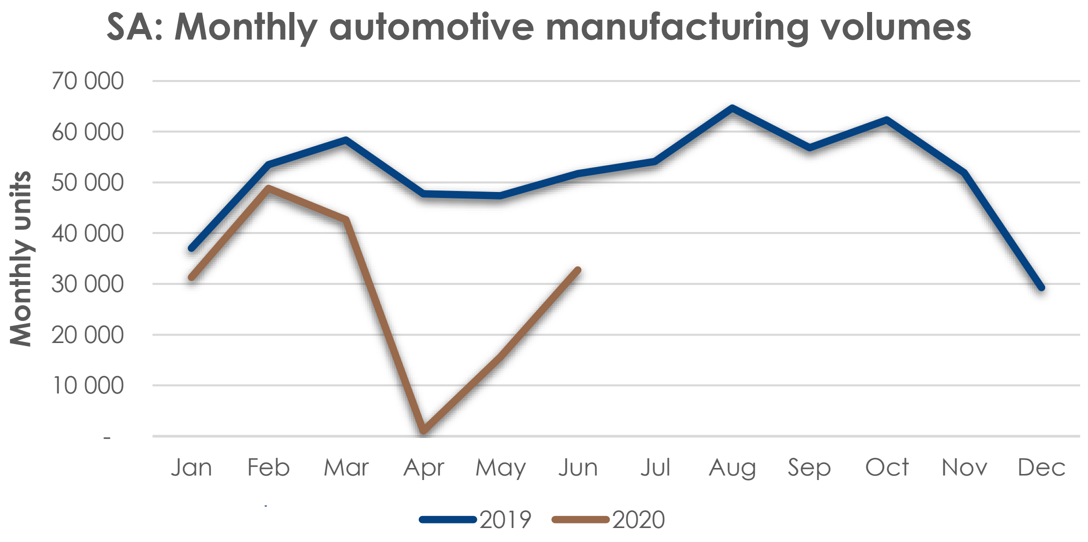
In Kenya we were allowed to operate fully, but under strict health and safety measures

Operational status review – Automotive components volumes

SOUTH AFRICA

- OEM demand has been very weak, in line with expectations
- Q1 was also impacted by a 10-day strike at a major OEM, as well as by some OEMs opening late
- Covid-19 lockdowns eliminated any possibility of catching up on lost production from Q1 (which would have been the case under normal circumstances)
- Lost production will not be recovered
- Future production levels linked to demand, mainly in export markets

OEM	H1 2019	H1 2020	% mvt	Var (units)
TSAM	72 009	**41 076**	(43%)	(30 933)
FMCSA	43 151	**22 343**	(48%)	(20 808)
VW SA	74 147	**51 949**	(30%)	(22 198)
MBSA	39 257	**19 230**	(51%)	(20 027)
BMW	34 329	**16 764**	(51%)	(17 565)
Nissan	17 399	**8 371**	(52%)	(9 028)
Other	15 410	12 385	(20%)	(3 025)
Total	**295 702**	**172 118**	(42%)	(123 584)



Operational status review – Energy storage volumes

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SOUTH AFRICA

- FNB was closed during level 5 of the national lockdown
- Was classified as an essential service from 1 May
- Post lockdown aftermarket demand has been strong
- OEM volumes remain under pressure
- Industrial demand very weak

TURKEY

- Mutlu an essential service, but had 9 mini-lockdowns
- Exports impacted by country lockdowns, limiting movement of goods
- OEM demand steadily increasing up to 90% of normal
- Current aftermarket demand has recovered to comparable 2019 levels

ROMANIA

- Rombat opted to close manufacturing
- Serviced aftermarket and OES sales, at much reduced demand
- Post May demand has been very good, with the factory currently at full capacity

Sales channel	Jun 19	Jun 20	% mvt
First National Battery	**1 061 330**	**786 078**	**(26%)**
- OEM	239 643	128 844	(46%)
- Local	549 379	483 582	(12%)
- Export	159 600	111 228	(30%)
- Industrial	112 708	62 424	(45%)
Mutlu	**1 788 989**	**1 171 731**	**(35%)**
- OEM	647 284	506 022	(22%)
- Local	504 602	403 011	(20%)
- Export	627 438	245 734	(61%)
- Industrial	9 665	16 964	76%
Rombat	**1 087 169**	**908 557**	(16%)
- OEM	228 406	181 230	(21%)
- Local	171 562	140 764	(18%)
- Export	687 201	586 563	(15%)
Total volumes	**3 937 488**	**2 866 366**	(27%)

Financial and operational review

Known material financial impacts of the Covid-19 pandemic on the results

The Covid-19 pandemic is having, and will continue to have, an impact across all landscapes of our business

The group incurred an operating loss of R18m for the period, resulting in a net loss of R216m after interest and tax

- A 27% decline in revenue for the first 6 months compared with the same period in 2019, R1.5b down.
- Welfare (salary) support to employees during hard lockdown and direct Covid-19 related costs totalling R68m.
- Sharp uptick in our trade debtor impairments for R45m, mainly as a result of Moll and future Covid-19 impact "overlay" on our existing *expected credit loss* rates.
- We revisited our impairment testing on material CGU's including goodwill, and have assessed that headroom still exists based on market recovery expectations, revised forecast volumes from major customers, subsidiary adjusted business plans and risk adjusted discount rates.
- Business interruption claims still in progress and should be finalised in the second half of the financial year. Claim is limited to R50m in total and is not provided for until virtually certain.
- Impairment of our remaining associate investment in Moll group for R108m, includes Op-Co and Prop-Co.

Vertical performance at a glance

	Energy Storage vertical			Automotive Components vertical			METAIR		
	H1 2019		**H1 2020**	**H1 2019**		**H1 2020**	**H1 2019**		**H1 2020**
Revenue	**R3,0bn** 51% contribution	19%	**R2,5bn** 57% contribution	**R3,0bn** 49% contribution	38%	**R1,9bn** 43% contribution	**R5,3bn**	27%	**R3,9bn**
Operating profit	**R289m** 49% contribution	74%	**R74m** 281% contribution	**R302m** 51% contribution	116%	**-R48m** -181% contribution	**R499m**	104%	**-R18m**
Return metrics	PBIT : 9.5% ROIC: 19.2%*		PBIT : 3.0% ROIC: 11.0%*	PBIT : 10.1 % ROIC: 34.3%*		PBIT : -2.6% ROIC: 11.0%*	PBIT : 9.3% ROIC: 13.7%		PBIT : -0.5% ROIC: 6.4%

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

H1 2020 results at a glance

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Vertical EBITDA

ES: R178m (- 53%)
AC: R21m (- 94%)

PBIT

- 104%

-R18m

HEPS

- 135%

-56cps

Free cash flow	Dec 2019 R'million	Jun 2019 R'million	Jun 2020 R'million
EBITDA (excluding equity earnings)	1 314	647	147
Taxation paid	(220)	(119)	(50)
Working capital	(101)	(498)	56
Associates dividend	31	28	4
CAPEX	(480)	(251)	(87)
Free cash flow (R'million)	544	(193)	70

PBIT %

- 9.8ppt

-0.5%

ROIC

- 7.3ppt

6.4%

- Lockdown measures to curb the virus world-wide had unintentionally disconnected businesses from their employees, markets and customers
- Apart from sales volumes, lower manufacturing volumes also had a major impact on manufacturing cost recoveries and efficiencies
- Energy storage business exposure to after-market and export sales buffered it from the full impact
- As majority of manufacturing cost is variable, managed to contain the impact fairly well

- Various measures implemented to conserve cash (costs), manage net working capital and deferring the 2019 dividend and capex
- Group EBITDA for the 6 month period amounted to R139m, excluding the R108m impairment on Moll
- Excluding Covid-19 specific once off costs and charges, normalised EBITDA was R250m
- Headline earnings loss of R107m, down R415m from 2019
- However, free cash flow improved from outflow of R193m in prior period to inflow of R70m

Financial highlights: Income statement

Item	Dec 19 R'million	Jun 19 R'million	Jun 20 R'million	Mvt.
Revenue	11 238	5 344	3 880	(27%)
EBITDA (incl. share of assoc.)	1 394	699	31	(96%)
EBITDA (incl. share of assoc. excl. impairment)	1 419	699	139	(80%)
Other operating income	114	50	75	50%
Operating profit/(loss)	1 018	499	(18)	(104%)
Operating profit/(loss) margin	9,1%	9,3%	(0,5%)	(9,8ppt)
Net interest expense	(227)	(102)	(91)	11%
Profit/(loss) for the period	658	330	(216)	(165%)
Effective tax rate	24,5%	26,4%	4,0%	22,4ppt
ROA	14,1%	15,0%	5,2%	(9,8ppt)
ROE	15,3%	18,4%	2,7%	(15,7ppt)
ROIC	13,0%	13,7%	6,4%	(7,3ppt)

Item	Dec 19 R'million	Jun 19 R'million	Jun 20 R'million
Government grants and similar	105	53	40
Derivatives*	(24)	(12)	22
Other	33	9	13
Other operating income	114	50	75

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

- Despite the severe impact of Covid-19 on volumes and revenue, we achieved a near breakeven operating profit position

Loss after tax due to:

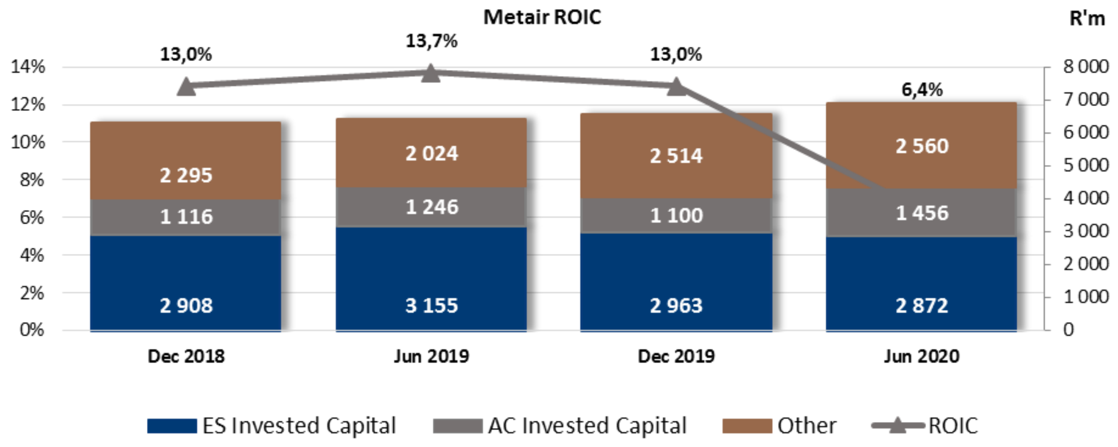
- Net interest charge of R91m
- Associates loss of R116m, which includes Moll impairment

- Effective tax rate at 4.0%, mainly due to non-deductible preference div and expenses at head office as well as the impairments

- Other income up mainly due to positive derivative gain position when compared to H1 2019, as the groups forex hedging policy was favourable overall up to June offset by lower income (APDP) grants mainly at FNB

Financial highlights: Income statement

Item	Dec 19 R'million	Jun 19 R'million	Jun 20 R'million	Mvt.
Attributable profit/(loss)	624	309	(216)	(170%)
Headline earnings/(loss)	644	308	(107)	(135%)
Earnings/(loss) per share (cents per share)	325	161	(112)	(170%)
Weighted avg. number of shares ('000)	191 904	192 250	191 942	(0%)
Headline earnings/(loss) per share	336	160	(56)	(135%)
Dividend per share declared (gross of WHT)	100	100	120	20%



- EPS decrease of 170%, translates to a HEPS loss per share of 56c, after excluding Moll impairment of R108m
- Although a full year dividend of 120cps was declared during March 2020, payment thereof has been deferred

- Group ROIC of 6.4% (H1 2019: 13.7%), 6.7ppt behind updated cost of capital
- Auto invested capital increased significantly at half year, mainly working capital related
- Net debt marginally up (R60m) mainly due to increased funding at Mutlu and Rombat (lithium-ion)

Financial highlights: Balance sheet

Item	Dec 19 R'million	Jun 19 R'million	Jun 20 R'million
Non-current assets	4 061	3 993	4 154
Property, plant and equipment	2 707	2 634	2 861
Intangible assets	605	625	652
Other non-current assets	749	734	641
Current assets	4 906	4 800	4 988
Inventory	1 736	1 996	2 034
Trade and other receivables	1 700	1 753	1 292
Contract assets	304	305	326
Cash and cash equivalents	1 140	741	1 279
Other current assets	26	5	57
Total assets	8 967	8 793	9 142

- Balance sheet integrity, debt levels and limiting cash burn prioritised
- Initially drew down on additional liquidity to cover potential short term risks
- But our visibility for the short and medium term improved significantly
- Non-current assets overall increase mainly due to combination of:
  - Capital investments of R88m
  - Spot currency increase in Rombat and Mutlu
  - MOLL investment impaired by R108m
  - Depreciation
- Inventory levels higher due to long lead times, knock on impact of incoming imported inventory combined with lack of production
- Trade receivables well managed throughout the group
- Cash at bank for R1.3bn (excl. overdraft of R61m)

Financial highlights: Balance sheet

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Item	Dec 19 R'million	Jun 19 R'million	Jun 20 R'million
Total equity	4 311	4 073	4 215
Non-current liabilities	1 843	1 787	2 162
Borrowings	1 299	1 196	1 589
Post employment benefits	85	74	93
Deferred taxation	285	277	287
Deferred grant income	135	183	151
Provision for liabilities	39	57	42
Current liabilities	2 813	2 933	2 765
Trade and other payables	1 361	1 294	1 286
Dividends Payable			239
Contract liabilities	161	98	91
Borrowings	897	1 074	1 006
Provision for liabilities	88	78	71
Bank overdrafts	261	352	61
Other current liabilities	45	37	11
Total liabilities	4 656	4 720	4 927

- Restricted net debt increased to only R60m
- Total borrowings up R400m due to: Short term increase on liquidity, RCF draw-downs and local auto investments
- Trade payables lower mainly due to lower lead purchases at Mutlu, as a result of higher inventory levels
- Contract liability declined due to outflows at Lumotech in respect of tooling project payments to tooling suppliers on behalf of customers

Financial highlights: Balance sheet

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Item	Dec 19 R'million	Jun 19 R'million	Jun 20 R'million
Inventory	1 736	1 996	2 034
Trade and other receivables	1 700	1 753	1 292
Trade and other payables	(1 361)	(1 294)	(1 286)
Contract assets/liabilities - net	143	207	235
Total net working capital	2 218	2 662	2 275

Days	Dec 19	Jun 19	Jun 20
Inventory	56	65	76
Trade and other receivables	55	57	48
Trade and other payables	(44)	(42)	(48)
Contract assets/liabilities - net	5	7	9
Total days	72	87	85

All days calculations based on turnover

- Working capital was well managed, very good recovery of debtors and at 30 June all creditors payments up to date
- Across all companies, receivables and inflows as usual
- Group trade net working capital increased by c. R57m from Dec'19:
  - Tooling payment outflows at Lumotech for R130m for new projects
  - Temporary high automotive component inventory levels, due to lower actual OEM production in South Africa
    - Auto components' ordered materials and imported content have very long lead times (6-8 weeks), so will take 2-3 months to normalise
    - Higher lead stocks at Mutlu - in preparation for Q3 higher season

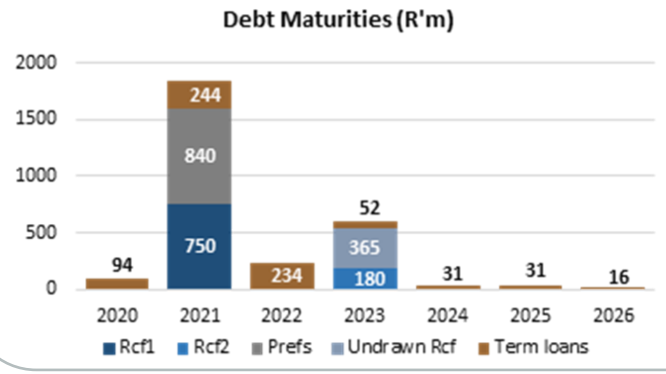
Financial highlights: Capital and debt structure

Item	Dec 19	Jun 19	Jun 20
Net debt (R'm)**	1 318	1 881	1 378
Net debt** : EBITDA	0,9	1,3	1,9
Net debt** : EBITDA (excl. impairment of assoc.)	0,9	1,3	1,6

* Interest bearing borrowings

** Includes overdrafts and cash equivalents

	Financial covenant ratio	Covenant level	Compliance	Dec-19	Jun-19	Jun-20
1	Dividend and interest cover ratio	Not less than 3 times	Y	6,19	7,04	3,90
2	Total net borrowings to adjusted EBITDA ratio	Not more than 2.5 times	Y	1,12	1,34	1,88
3	Priority Debt covenant	Not more than 1 times	Y	(0,19)	0,23	(0,15)



- Coming into Covid-19 crisis, balance sheet was strong with relatively low debt and healthy cash balance
- During H1'20, cash generation was good and we managed to restrict net debt increase to R60m
- Although net debt levels have been well managed, the reduction in last twelve-month EBITDA levels has resulted in a net debt to EBITDA ratio of just below 2 times
- Covenants met at June, with net debt/EBITDA ratio at 1.88 times
- Successfully extended the maturity of R750m in revolving credit facilities by 12 months
- Expect to manage debt levels not to exceed 2 X EBITDA (incurrence covenant) or 2.5 X EBITDA (overall leverage covenant)
- But any significant unplanned outflows or a slower than expected recovery, could result in a short term breach of covenants.
- We are, however, highly confident of the continued support of our funding partners should this occur.

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H1 2020 results at a glance: Automotive Components vertical

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Revenue	EBITDA	FCF
- 38%	- 93%	- 325%
R1,9bn	R21m	-R344m

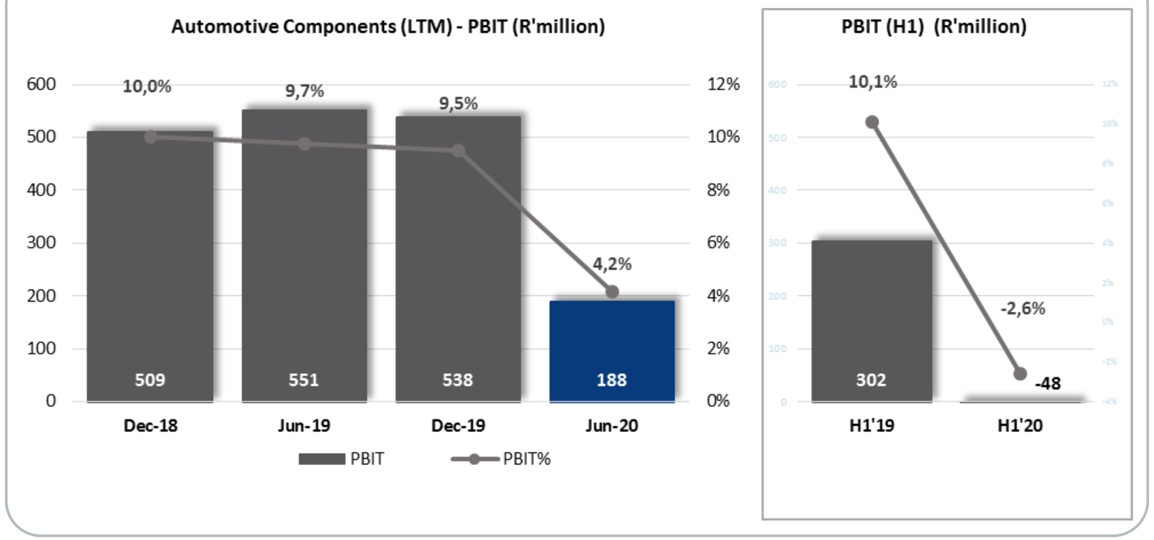
PBIT	PBIT %	ROIC
- 116%	- 12.7ppt	- 23.3ppt
-R49m	-2.6%	11.0%

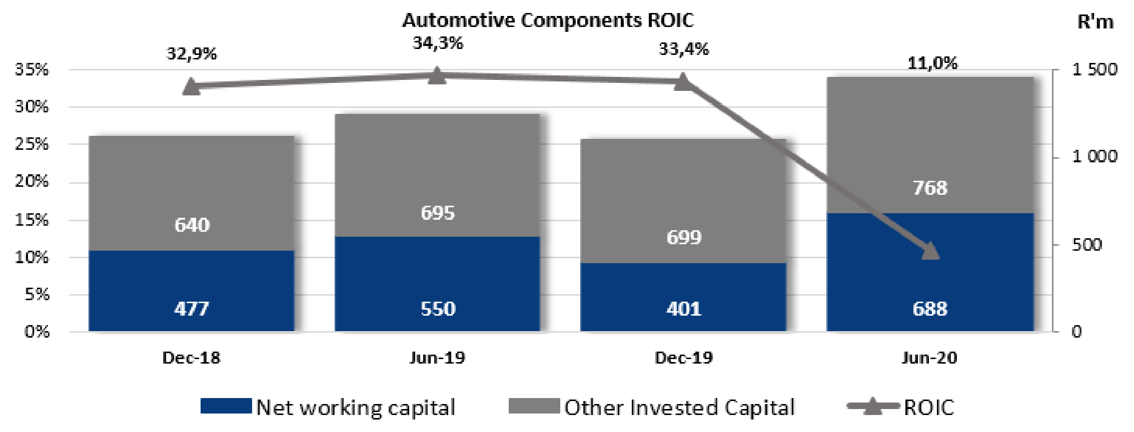
OEM	Dec 2019	Jun 2019	Jun 2020	Var (units)
TSAM	138 781	72 009	41 076	(30 933)
FMCSA	94 756	43 151	22 343	(20 808)
VWSA	157 961	74 147	51 949	(22 198)
MBSA	86 475	39 257	19 230	(20 027)
BMW	69 518	34 329	16 764	(17 565)
NISSAN	33 426	17 399	8 371	(9 028)
OTHER	33 926	15 410	12 385	(3 025)
Total	**614 843**	**295 702**	**172 118**	**(123 584)**

- Revenue declined by 38%, a result of the direct impact of the shutdown and phased reopening of OEMs in SA
- PBIT margin declined to a loss of 0.5% from 9.3% in H1 2019, as the vertical recorded an operating loss of R48m against a comparative profit of R302m
- A positive EBITDA of R21 million (2019: R367 million) 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 42% in the first half
- Metair's largest customers, Toyota and Ford, similarly impacted
- We anticipate improvement in the second half of 2020 as OEMs move closer to planned build or production rates, a major portion of which is to be derived from export market demand

H1 2020 results at a glance: Automotive Components vertical





- PBIT margins retracted by 12.7ppt for the six month period ended June 2020
- Overheads mainly 'fixed' in the short term as we were temporarily 'disconnected' from the market

- ROIC declined to 11% from 33.4%, consequence of pandemic on operating profit for the first half of 2020
- Capital expenditure was required to support new and upcoming projects and customer models, c.R90m mainly at Hesto
- Higher inventory levels, due to lower actual OEM production in South Africa and knock on impact of turnover loss
- Free cash consumption in the period should improve in second half

H1 2020 results at a glance: Energy Storage vertical

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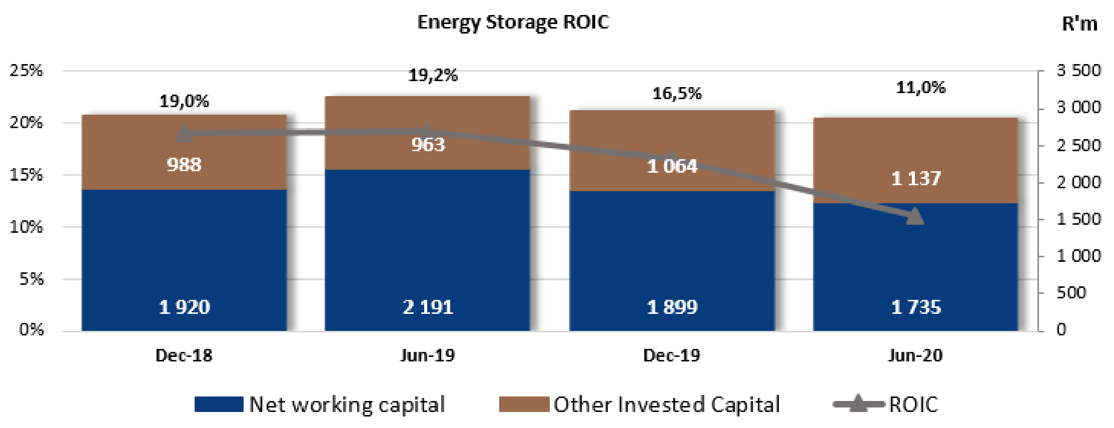
Revenue	EBITDA	FCF
- 19%	- 53%	+ 199%
R2,5bn	R178m	R339m
PBIT	**PBIT %**	**ROIC**
- 74%	- 6.5ppt	- 8.2ppt
R74m	3.0%	11.0%

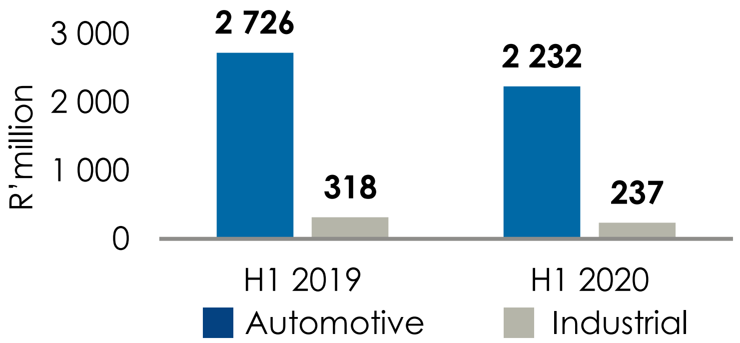


- Relatively lower drop in revenue of 19%, the vertical achieved an operating profit of R74m and EBITDA of R178m
- Energy storage benefits from after-market and export sales channels, Rombat and Mutlu were able to trade throughout Q2, at reduced levels
- Weak Industrial demand in South Africa resulted in a R51m decline in Industrial PBIT to a loss of R18m
- Free cash flow improved to R339m, as we managed to control our working capital cycle

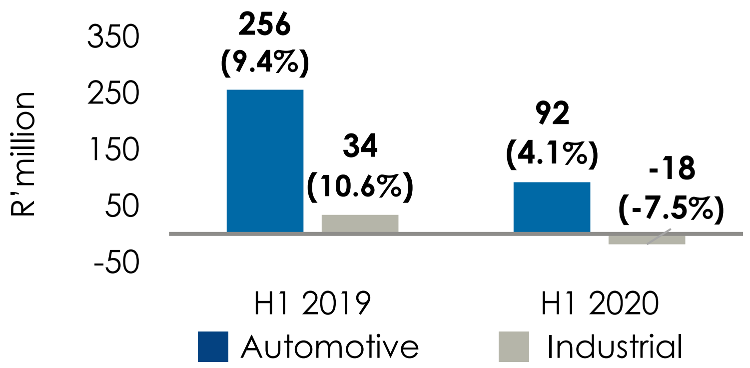
- Lower average LME lead prices also resulted in lower recycling profit, especially at Rombat – LME average dropped below $2,000/t averaging $1,750/t-$1.850/t in the period
- ES first half automotive volumes declined by 27%, with the major contraction being OEMs and reduced export volumes out of Turkey
- Turkey was particularly impacted by low demand and volumes declining overall by 35%, with a 65% drop in exports
- As a result, Energy Storage ROIC declined from 19.2% to 11.0%

H1 2020 results at a glance: Energy Storage vertical margins

Revenue



PBIT



- Total Auto battery margins decreased from 9.4% to 4.6%

Auto Exports

- Auto exports PBIT decreased 68% (R63m)

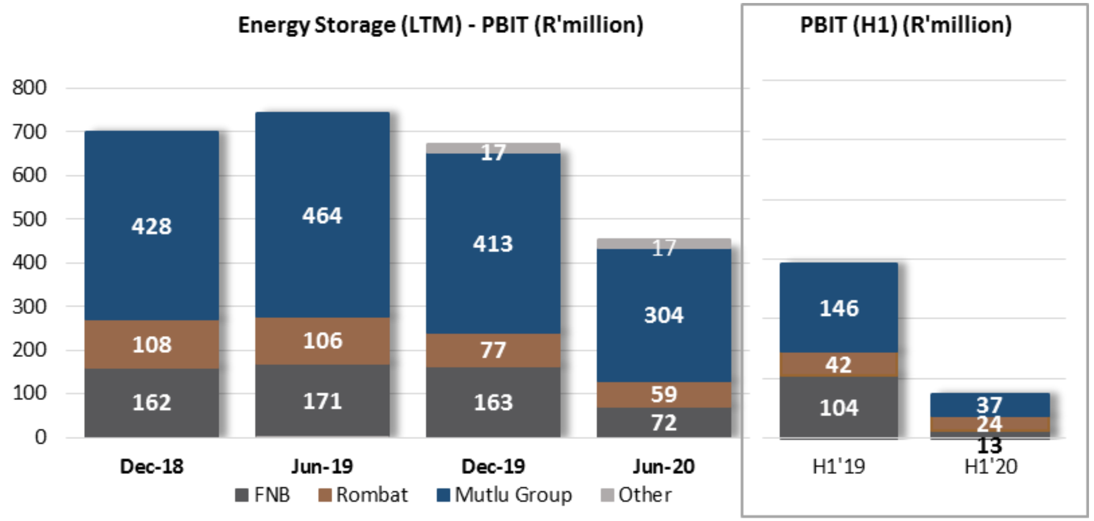
Local AM

- Local auto PBIT declined 62% (R101m)

Industrial

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

H1 2020 results at a glance: Energy Storage



Local currency operating profit	
Mutlu	(74,8%)
Rombat	(49,6%)
FNB	(87,2%)
Total	**(80,4%)**

- FNB's EBIT declined from R104m to R13m, R91m or 87.5% down from prior period comparative
- FNB managed to obtain essential service status in May
- The general economic down-turn in our developing markets had a knock-on impact on FNB industrial product portfolio
- In ZAR terms, Mutlu's PBIT decreased from R146m to R37m, R109m or 75% from prior period comparative
- Turkish exports were disrupted by export country lockdown actions including the closure of borders and economies, affecting the movement of goods
- Rombat operating result down 42% (or R18m), as some OES and OEM sales continued at a higher level in Romania

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Recovery plan and outlook

Covid-19 recovery plan and Vision 2022

In addition to executing all the activities currently required 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

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

Metair is focusing on the new model launch projects to ensure optimal execution on them, as well as focusing on the selection of the most sustainable projects, customer, models and markets

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

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

Covid-19 scenario planning

Three scenarios appear possible for the automotive industry

The "U" shape is currently considered as the most probable development

V

The V-Shape: Quick Recovery

What you believe:
- Firm reaction across countries leads to effective containment
- Seasonality of virus impact
- Peak impact coming soon

What it means:
- Short-term business disturbance with declining car sales for car dealerships in April/May 2020
- Strong recovery of OEM production and car sales thereafter
- Global trade flows pick up quickly

U

The U-Shape: 2020 is gone, but it will be fine

What you believe:
- Public reaction not effective to stop spreading of the virus
- Seasonality of virus impact longer
- Medical treatment still possible in 2020

What it means:
- Business disturbance of car production and sales will remain through Q2 and Q3 2020
- Slow recovery as of Q4 2020
- Liquidation of some car dealers caused by too few car sales and workshop closures

Currently seen as most probable scenario

L

The L-Shape: 18 Months Downturn/Recession

What you believe:
- Covid-19 is the trigger for global recession
- Volatility and insecurity on capital markets remain
- Commodity markets react with strong downturn

What it means:
- Short-term disturbances lead to longer decline in the auto industry
- Bankruptcies of a high number of car dealers, as insecurity leads to substantially lower new car sales and after-service sales

Forecasted global automotive sales (indexed, base year 2019 = 100% volume)

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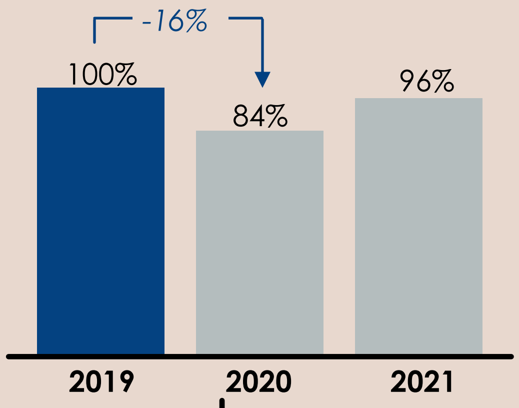
We forecast a significant decline of vehicle sales from -16% down to -33%, driven by severity and duration of crisis impact

V

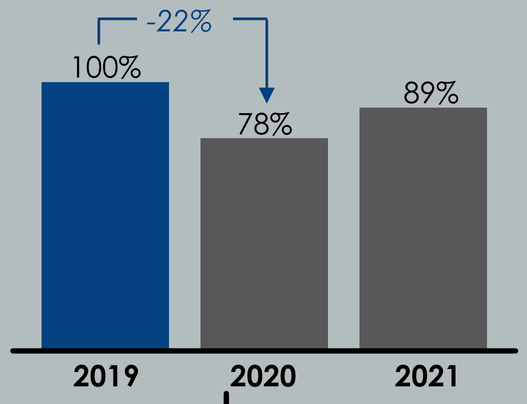
The V-Shape: Quick Recovery



Region:	% GDP change, '20:
World	***(0.7%)***
Europe	*(3.0%) – 1.0%)*
North Am.	*(3.0%) – (1.0%)*
South Am.	*(0.9%) – 1.0%*
China	*1.1% - 2.0%*
APAC	*(0.9%) – 1.0%*
Middle-East	*(0.9%) – 1.0%*

U

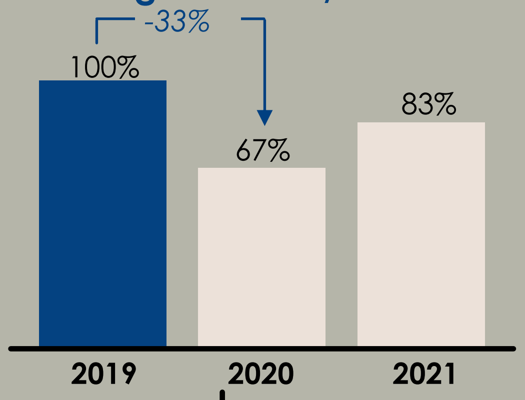
The U-Shape: 2020 is gone, but it will be fine



Region:	% GDP change, '20:
World	***(2.0%)***
Europe	*(6.0%) – (3.1%)*
North Am.	*(6.0%) – (3.1%)*
South Am.	*(3.0%) – (1.0%)*
China	*(3.0%) – (1.0%)*
APAC	*(3.0%) – (1.0%)*
Middle-East	*(3.0%) – (1.0%)*

L

The L-Shape: Lasting downturn/recession



Region:	% GDP change, '20:
World	***(5.0%)***
Europe	*< (6.0%)*
North Am.	*< (6.0%)*
South Am.	*(6.0%) – (3.1%)*
China	*< (6.0%)*
APAC	*(6.0%) – (3.1%)*
Middle-East	*(3.0%) – (1.0%)*

Currently seen as most probable scenario

Source: Kearney market model considering input data from International Monetary Fund, World Bank and RWI - Leibniz-Institut für Wirtschaftsforschung

The U-Shape: Expected light vehicle volumes by region (million)

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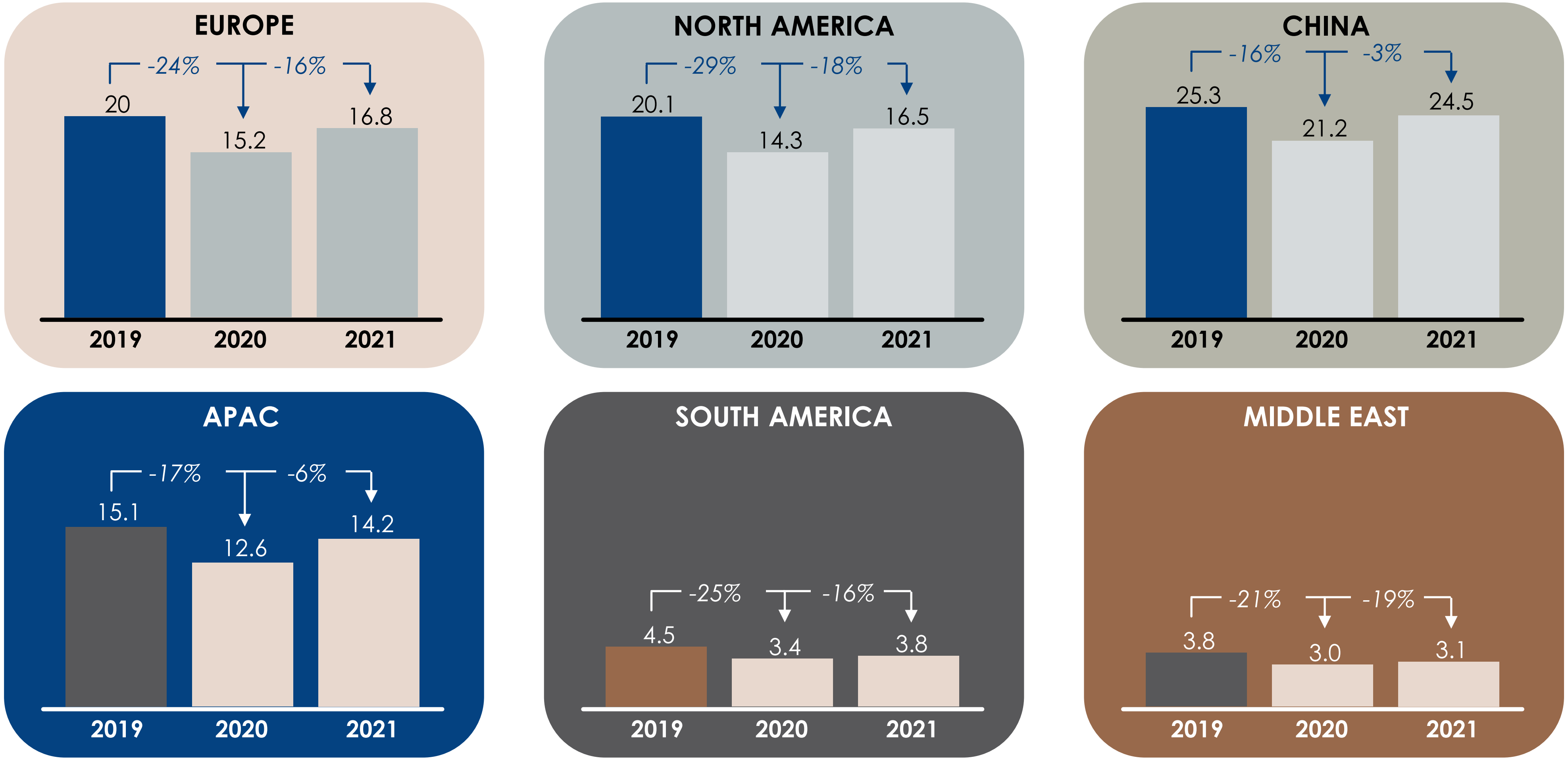
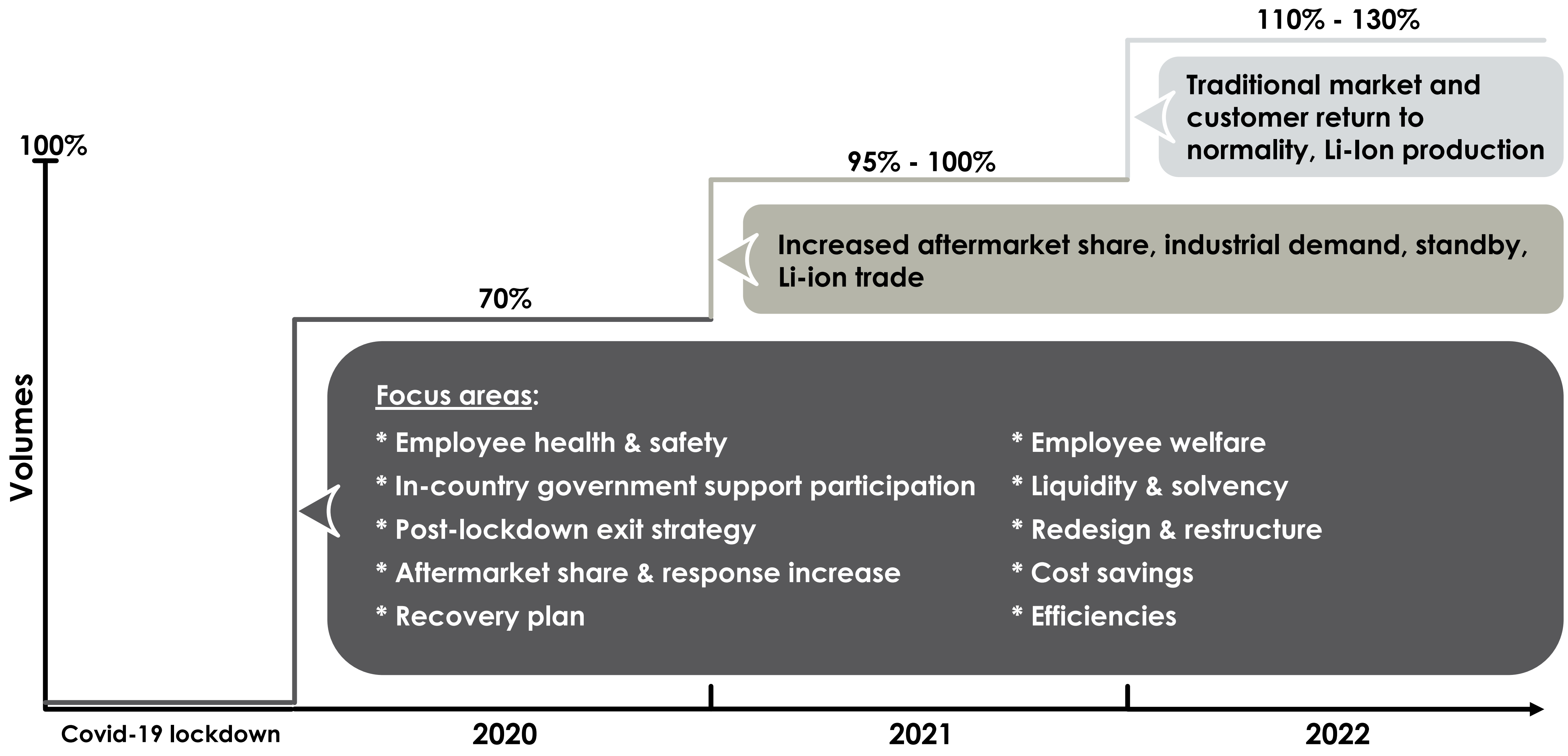
Longer period of downturn results in market decline of up to -29% in North America and -24% in Europe in 2020 – volume decline vs. 2019 expected for 2021 as well



Source: Kearney

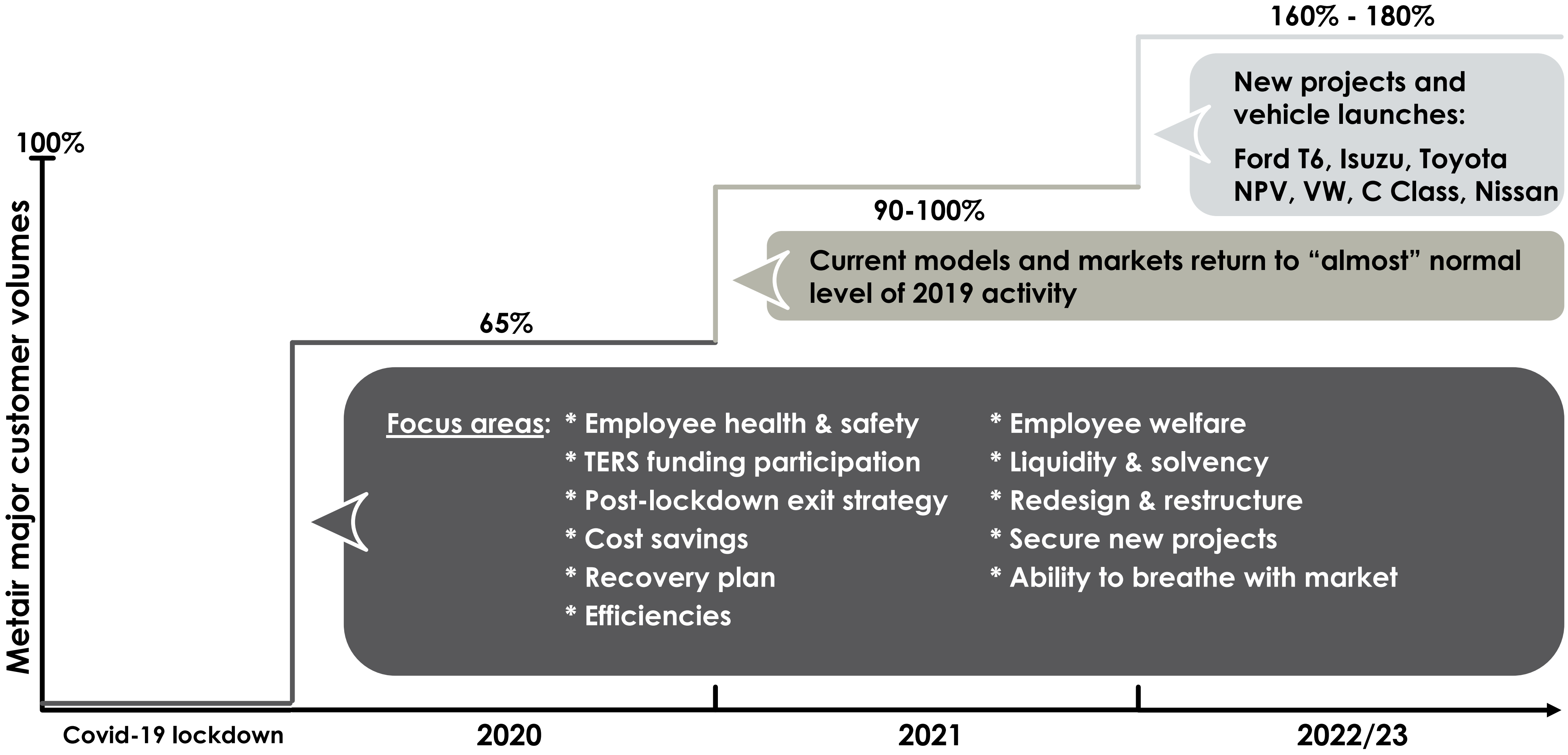
Energy Vertical: Potential U-shaped recovery

A full recovery for this vertical is anticipated to be achieved step-by-step by 2022



Automotive Components Vertical: Potential U-shaped recovery

A full recovery for this vertical is anticipated to be achieved step-by-step by 2021/2022



New Ford contracts: Investment and production planning

Metair companies have been awarded new Ford contracts, with production planned to start in 2022.
The investment will be the largest to date, for a single customer, with **total funding requirements estimated at c. R1.3bn**

- Model life revenue is estimated at R25 – R28bn, of which 95% is new/incremental revenue. Model life is 7 years
- Total group 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 a 24-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 excess of Metair 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 at Ford's expanded facility in Silverton, Pretoria. Majority of vehicles produced will be for export markets

Key factors expected to impact H2'20 outlook

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Metair expects the second half of 2020 to show a significant improvement, with a return to profitability in line with our U-shape recovery

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- We expect SA local market continued demand side weakness
- But recovery in demand from exports: 60% of local production is exported
- Key vehicle export markets (Europe) seeing recovery buoyed by various government market incentives, China seeing fastest recovery
- Stronger aftermarket battery demand, peak European winter cycle in Q4 and opening up of our export markets
- Expected H2 total revenue growth of 40% – 50% for the group, attaining >90% of prior period H2 2019 comparative
- Operating profit expected in both segments, consolidated operating margin between 5.5% - 7% assuming stable forex and no further disruption to manufacturing ability
- Positive free cash flow, but capital expenditure required to protect new product launch capabilities
- We should successfully comply with lenders' covenant requirements, provided we defer payment of the 2019 dividend

Key factors expected to impact H2 2020 outlook

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Automotive Components

- H2 2020 improvement in local automotive manufacturing of c. 60k – 70k units (35% - 40%) compared to H1 2020
- But still down 75k - 80k units compared to H2 2019
- FY20 volumes of between 400k units and 440k units
- This recovery is driven by strong export demand and new facelifts
- Full year EBIT margins between 1% and 3% (H2 margins of 4% to 6%), barring any further manufacturing disruptions.
- Working capital expected to unwind in the second half, improved free cash flow generation
- Capital expenditure of up to R200m – R230m anticipated, mainly at Hesto, for new projects

Energy Storage

- This vertical's recovery is based on AM demand (local and export), and OEM production in Turkey and Romania
- Aftermarket demand has returned strongly in the short term
- H2 normally associated with seasonally high AM demand
- A key condition is that we will be able to serve and reach our export customers, current lockdown regulations limit us
- Total auto battery volumes to improve by 1.3m - 1.5m units (between 46% and 54%) from H1 2020, to reach 7.0 - 7.2 million units for the full year
- FY20 revenues projected to be 10% to 15% lower than FY19, with full year EBIT margins between 6% and 8% (H2 margins of between 8% and 10%)
- Based on current visibility, H2 2020 could be on par with last year or deliver an improvement

Strategic review

How to achieve our winning aspirations

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

Stage	Process	Old timing	Indicative timing
Stage 1	Market teaser testing interest (*Stage-Gate*)	Completed	Completed
Stage 2	Preparation phase	In progress	In progress
Stage 3	Value indication (*Stage-Gate*)	Q3 2020	H2 2021*
Stage 4	Shareholder interaction (*Stage-Gate*)	Q4 2020	H2 2021*
Stage 5	Implementation of shareholder selection	Q1 2021	H2 2021*

* Conditional upon prevailing market conditions, Board valuation expectation

Q & A

Disclaimer

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

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

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