METAIR
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2023 INTERIM RESULTS PRESENTATION

AGENDA

- Welcome
- Leadership message
- Financial and operational review
- Outlook and conclusion
- Q & A
- Appendices

LEADERSHIP MESSAGE

INAUGURAL MESSAGE FROM THE CEO – STATE OF METAIR

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Excited to lead a highly capable team, on the cusp of significant change and with opportunity on the horizon

METAIR VISION

Become a leading Automotive Components and Energy Storage solutions partner to the mobility and other key sectors through disciplined operational excellence and focused shareholder returns

Key focus areas

Operational Excellence

- Operational stability, efficiency, competitiveness and management capability/capacity

Automotive Components

- Preparing our group companies well for the future within the changing automotive landscape
- Managing the challenges of significant project complexities

Energy Storage

- Ensuring Energy Storage businesses capitalise on new opportunities, reinforcement of export volumes

Portfolio Optimisation

- Assessing our portfolio of companies, enhancing/rationalising and de-risking of the portfolio

Financial Performance

- Financial profitability, cash generation and sustainability (significant investments into new projects and working capital to support new investments)

INAUGURAL MESSAGE FROM THE CEO – STATE OF METAIR

Business stability, operational efficiency and global competitiveness

Leadership expansion

- Metair automotive operations executive assigned to Hesto Harnesses ("Hesto")
- COO appointment from outside Metair, an executive OEM manufacturing leader
- Bed down step-change new customer projects successfully (mainly Hesto)
- Ensure we reach targeted efficiencies, quality and output, serve customers competitively

Underlying operational **performance remains robust** in the face of specific headwinds. Special focus given to three major companies:

Hesto

- Project complexities across design changes, wiring content and labour hours
- As a result of these complexities, Metair has additionally invested in project costs, including training and working capital
- Dedicated focus from technical partner and management driving robust operational efficiency and a positive outlook

Mutlu

- Reduced export demand (Russia & USA), right-sizing of the business initiated and on track
- Sanctioning of battery sales into Russia, exploring other export markets
- Impact of high inflation and cost of borrowings

Rombat

- Impact of Russia/Ukraine conflict
- Introduction of solar/green energy systems

INAUGURAL MESSAGE FROM THE CEO – STATE OF METAIR

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Strategy and critical success factors

Automotive Components (South African production)

- Metair companies currently well placed to meet customer requirements
- Current product portfolio remains relevant and sustainable
- Progressive change in technology expected leading up to 2030 (given export market requirements):
  - Internal combustion engine
  - Hybrid electric vehicle
  - Plug-in hybrid vehicles
  - Battery electric vehicle
  - Hydrogen Fuel cell
- Preparation for change remains key in aligning our product to shifting customer demands
- Solar/green energy transition
- Finalisation of NEV ("New Energy Vehicles") policy by government

Energy Storage (SA, Türkiye, Romania, UK, Kenya)

- OEM and aftermarket performing well under current market conditions
- Prioritisation of export business replacement (Russian and US markets)
- Well placed to capitalise on changing technology requirements of some customers through our existing sales channels
- ICE starter battery demand in replacement market forecasted to remain strong
- NEV (OEM) may require smaller auxiliary batteries – business well placed to produce or trade
- Production of lithium too capital intensive, chemistry changes are rapid and specific to customers, therefore preparing to exit current lithium line in Romania
- Potential value unlock options still being considered

H1'23 KEY TAKEAWAYS

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Operating environment remains challenging over H1 23, with Metair focused on the launch and ramp-up of the largest single project in our history across 4 major subsidiaries. The recent loss of volumes in Energy Storage to the Russia and USA has added short-term strain to the system, with management acutely focused on restoring these export volumes. However, excluding Hesto, still strong operating profit and EBITDA growth. Final earnings have been impacted by high borrowing costs (especially in Türkiye)

Automotive Components (South African production)

- Hesto-up front inefficiencies during ramp-up and offtake normalisation was compounded by higher complexity incl. face-lift only 3 months after launch
- Strengthening team
- Technical partner strongly involved
- Daily improvement in efficiencies
- Hesto should be profitable from H2'23 onwards given ongoing negotiations and support of customer
- Actively working closely with customer to ensure reduced complexity and sustainability
- Other group entities within new Ford program performing well
- Continued support from funders
- Good recovery expected

Energy Storage (SA, Türkiye, Romania, UK, Kenya)

Mutlu

- Export business expansion in new regions major focus – potential export of c.1.1m batteries lost/at-risk
- Making progress with new market development, brand strategies and product design changes
- Right-sizing programme initiated and on track
- Options to mitigate high cost of borrowing also top of mind

First Battery

- Rebranding to align market strategy across all segments incl traded products (storage/solar applications)
- Replacement market for lithium storage major opportunity – sub-standard systems starting to fail
- AM growth showing market share gains

Rombat

- Impacted by delayed recovery in inflation and energy costs, loss of US sales

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FINANCIAL AND OPERATIONAL OVERVIEW

2023 INTERIM RESULTS SALIENT FEATURES

Significant launch complexities at Hesto, supported by strong underlying operational performance across both business verticals within a challenging operating environment

REVENUE
increased 31% to
R7.6bn
[R7.9bn normalised*]
H1'22: R5.8bn

EBITDA**
increased 76% to
R529m
[R610m normalised*]
H1'22: R300m

OPERATING PROFIT
increased 124% to
R324m
[R512m normalised*]
H1'22: R144m

NET DEBT
increased to
R3.2bn
Gearing will unwind
Dec'22: R2.6bn

CASH GENERATED FROM OPERATIONS
before working capital
R494m
(H1'22: R200m)

FREE CASH FLOW UTILISED
R384m
H1'22: R567m

HEPS
decreased to
41cps
H1'22: 45cps

Debt financing
Strong ongoing support from funders, covenant waiver and adjustments nearing finalisation, no recall

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

± 29.7k tonnes
of lead recycled in H1'23
H1'22: 29k tonnes

LTIFR
improved to
0.16
FY'22: 0.20

Supply chain response effective
Working capital unwind in H2'23

Successfully launched Single biggest project in Automotive Components history

Toyota and Ford OEM
volumes **up 37%** from H1'22

* *Normalised metrics represent management's view of core earnings, after excluding once off costs and the non-cash impact of hyperinflation accounting*
** *EBITDA is calculated as earnings before interest, taxes, depreciation and amortisation, includes share of equity earnings and excludes impairments*

FINANCIAL OVERVIEW

FINANCIAL OVERVIEW: INCOME STATEMENT

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Revenue and operating profit growth supported by strong local automotive volume recovery and improved Mutlu performance. The impact of hyperinflation was less severe than H1'22 but interest rates (borrowing costs) were higher

R'million	Dec 2022	Jun 2022	Jun 2023	% Change
Revenue	13 905	5 822	7 639	31%
EBITDA	826	328	536	63%
EBITDA (incl. share of assoc. excl. impairm.)	597	300	529	76%
Other operating income	537	351	120	(66%)
Operating profit	453	144	324	124%
Operating profit margin (%)	3.3%	2.5%	4.2%	1.8ppt
Net monetary gain arising from hyperinflation in Türkiye	398	253	180	(29%)
Net interest expense	(377)	(125)	(280)	(125%)
Profit/(loss) after tax	(4)	96	108	13%
Effective tax rate	101.7%	59.2%	49.2%	10ppt
ROA (%)	2.2%	7.2%	3.6%	(3.6ppt)
ROE (%)	(0.1%)	9.8%	0.2%	(9.6ppt)
ROIC (%)	4.5%	11.7%	5.3%	(6.4ppt)
ROIC (%) - normalised	14.0%	16.4%	11.7%	(4.7ppt)

Other income breakdown	Dec 2022	Jun 2022	Jun 2023
Government grants and similar	142	69	85
Derivatives*	(19)	8	16
Insurance claims on business interruption	377	259	
Other	42	15	19
Other operating income	542	351	120

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

R'million	Dec 2022	Jun 2022	Jun 2023	% Change
Attributable profit/(loss)	(40)	80	93	16%
Headline earnings/(loss)	(32)	87	80	(8%)
Earnings/(loss) per share (cents per share)	(21)	41	48	16%
Weighted avg. number of shares ('000)	193 483	193 350	193 770	0%
Headline earnings/(loss) per share (cents per share)	(17)	45	41	(9%)
Net debt	(2 577)	(2 382)	(3 226)	(35%)
Dividend per share declared and paid (gross of WHT) (cps)	90	90		(100%)

- Revenue increased 31%, stronger OEM vehicle production in SA
- Despite higher volumes, OEM daily volumes varied, impacting operating efficiencies and margins
- Automotive Components excluding Hesto EBIT grew 8%, margin of 7% (H1'22: 12%, BI claim of R259m included within other income)
- Energy Storage EBIT increased R165m, strong Mutlu recovery
- Net interest expense of R280m, peak debt levels but high interest rates across all our geographies
- Net monetary gain of R180m, due to hyperinflation restatements
- Effective tax rate of 49%, higher Turkish CIT rates, special earthquake tax and non-deductible corporate expenses
- Share of Hesto's post-tax loss (R427m) capped, deferred until Hesto generates sufficient profits to reverse accumulated losses

FINANCIAL OVERVIEW: BALANCE SHEET

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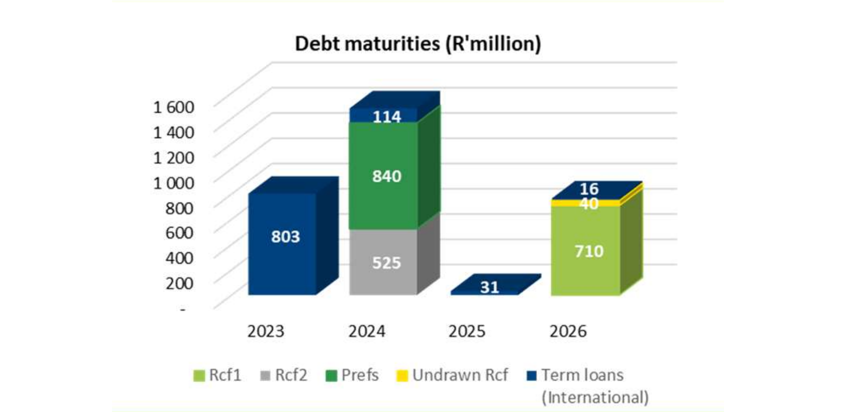
High net debt and working capital levels will unwind into FY'24. Strong Mutlu non-monetary asset base protects NAV against hyperinflation impacts

R'million	Dec 2022	Jun 2022	Jun 2023
Non-current assets	5 341	5 145	5 477
Property, plant and equipment	3 771	3 449	3 930
Intangible assets	1 040	980	992
Other non-current assets	530	716	555
Current assets	7 491	6 206	7 973
Inventory	2 689	2 808	3 071
Trade and other receivables	2 875	2 131	3 349
Contract assets	620	525	699
Cash and cash equivalents	1 299	726	818
Other current assets	8	16	36
Total assets	12 832	11 351	13 450
Total equity	5 197	5 041	5 213
Non-current liabilities	912	944	947
Borrowings and financial liabilities	350	320	368
Post employment benefits	93	71	73
Deferred taxation	333	413	356
Deferred grant income	89	99	101
Provision for liabilities and charges	47	41	49
Current liabilities	6 723	5 366	7 290
Trade and other payables	2 996	2 368	3 382
Contract liabilities	12	33	17
Borrowings and financial liabilities	3 235	2 687	3 102
Provision for liabilities and charges	110	73	102
Bank overdrafts	318	138	629
Other current liabilities	52	67	58
Total liabilities	7 635	6 310	8 237
Total equity and liabilities	12 832	11 351	13 450



- Non-current assets consistent with Dec'22, completion of major investment growth cycle for new customer models
- Group funding classified current, covenants being remedied
- Corrective measures implemented; risk of recall remote
- Metair is actively engaging funders to extend debt maturities, in anticipation of refinancing longer term
- ROIC of 5% , impacted by peak investment cycle and first year of new model introduction
- Refer further slides on working capital and debt structure

WORKING CAPITAL INCREASED TO SUPPORT HIGHER ACTIVITY LEVELS

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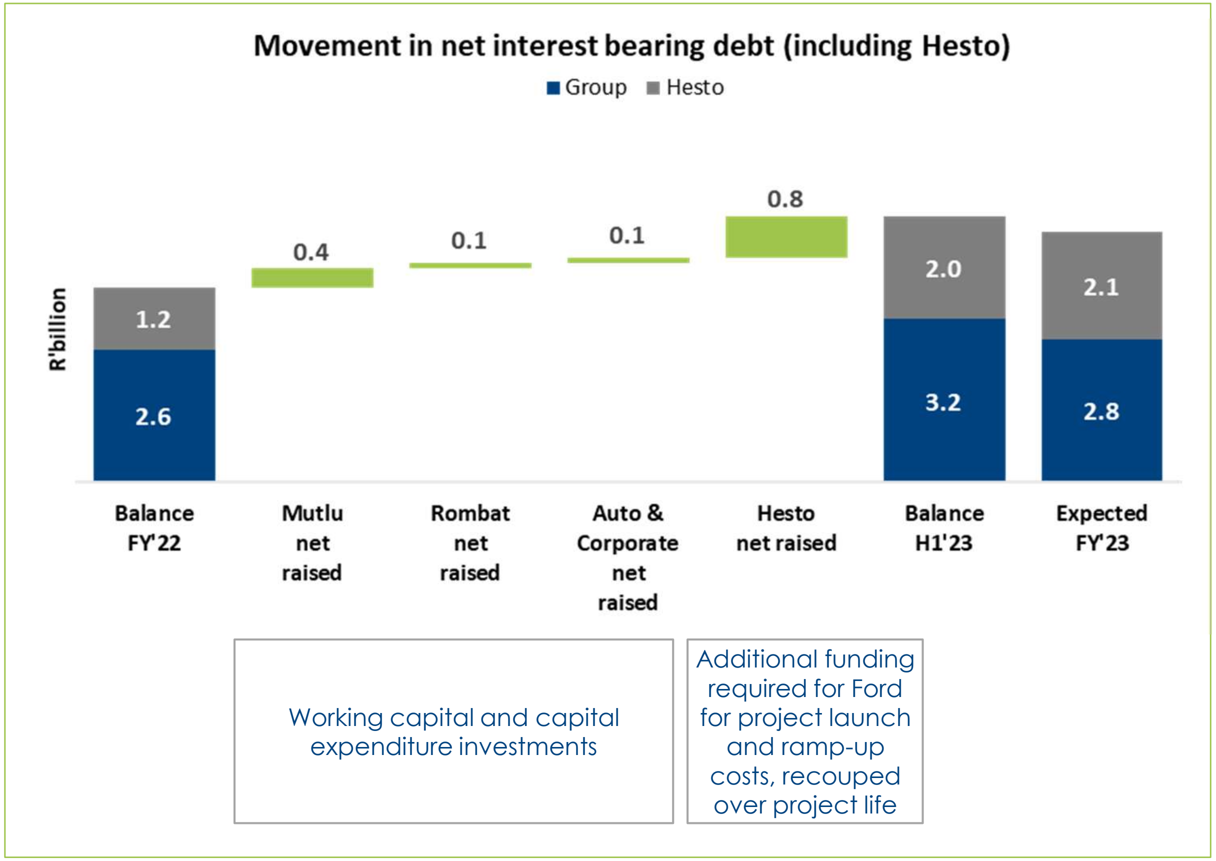
R'million	Dec 2022	Jun 2022	Jun 2023
Inventory	2 689	2 808	3 071
Trade and other receivables	2 875	2 131	3 349
Trade and other payables	(2 996)	(2 368)	(3 382)
Contract assets/liabilities - net	608	492	681
Total net working capital	3 176	3 063	3 719

Days	Dec 2022	Jun 2022	Jun 2023
Inventory	71	82	71
Trade and other receivables	75	62	78
Trade and other payables	(79)	(69)	(79)
Contract assets/liabilities - net	16	14	16
Total days	83	89	86

All days calculations based on turnover

- Net working capital increased 17% to R3.7bn
- Supporting turnover growth in both business verticals and customer volume outlook
- Stronger sales in automotive compared to H1'22, return of TSAM vehicle production post KZN floods
- Complexity and raw material escalations increased cost content of components acquired
- Other drivers for increase arises mainly from:
  - Battery pre-build for H2 high season
  - Higher local lead commodity prices
  - Customer mix profile, lower exports (Mutlu)
  - Higher safety stock levels
  - OEM customer daily production variations
  - Annual price (cost) and forex receivables
- Working capital optimisation initiatives includes reducing safety stock levels, aligning customer daily volumes, expanding export markets in Energy Storage and improving payment terms with key trade supplies

NET DEBT ANALYSIS (INCLUDING HESTO AT 100%)



- Net interest costs up 125% to R280m
  - Increased cost of borrowings, especially Türkiye
  - Turkish market rates vary between 40% - 50% pa
  - Turkish market funding limited to between 2-6 months
  - High group net working capital
  - Peak debt, investing in future growth
- Metair provided financial guarantees, amounting to $57m, to the minority shareholder for subordinated support provided by the shareholder to Hesto

CAPITAL AND DEBT STRUCTURE, INCLUDING FUNDERS COVENANTS

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Covenants, on a reported basis, are not in compliance. However, **we comply with covenants on an adjusted (or normalised) basis.** Our funders remain supportive and covenant ratios will be adjusted to accommodate current positions

%	Dec 2022	Jun 2022	Jun 2023
Debt* : Equity	70%	60%	67%
Net debt** : Equity	51%	49%	64%

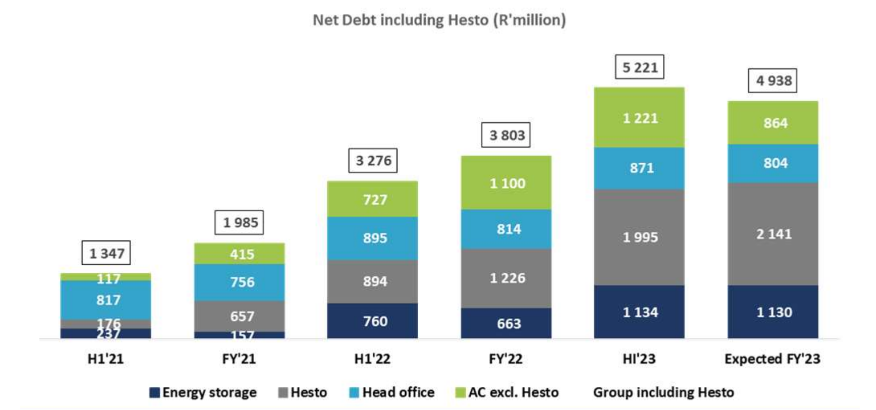
	Dec 2022	Jun 2022	Jun 2023
Net debt** (R'million)	2 577	2 382	3 226
Net debt** : EBITDA	3.1	2.2	3.1
Net debt** : EBITDA (incl. share of assoc.)	4.4	2.4	3.9

* *Interest bearing borrowings*

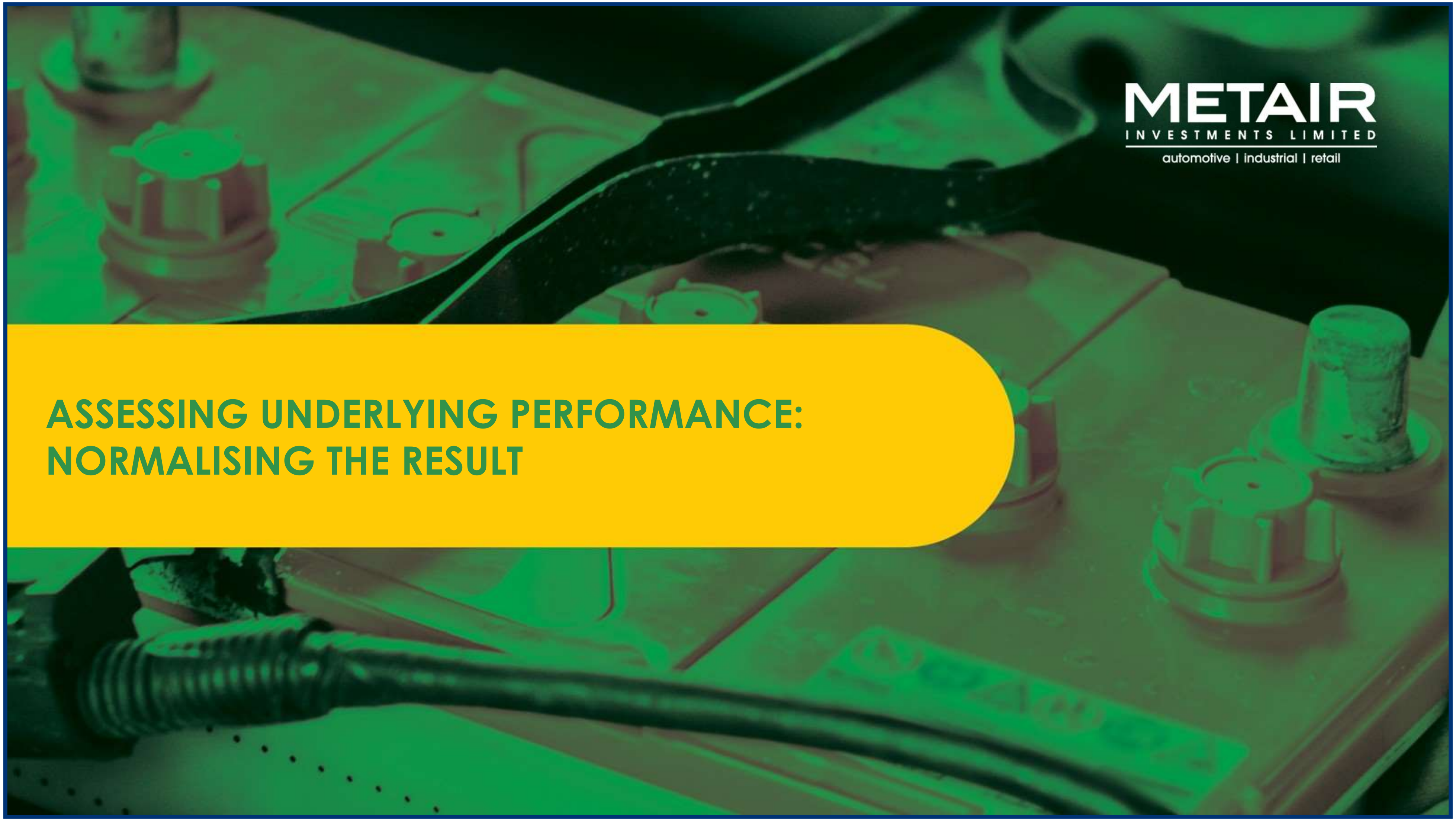
** *Includes overdrafts and cash equivalents*

Normalisation: Group covenants now exclude hyperinflation (IAS 19) restatements and adjusted to exclude the impact of Ford pre-production project (H2'22) and post-production ramp up costs (H1'23) incurred by Hesto on a last 12-month ("LTM") basis.

Financial covenant ratio	Dec 2022		Jun 2022		Jun 2023	
Dividend and interest cover ratio	Not less than 3X	1.54	Not less than 3X	4.01	Not less than 2X	2.10
Total Net borrowings to adjusted EBITDA ratio	Not more than 2.5X	4.95	Not more than 2.5X	3.01	Not more than 4X	3.64
Priority Debt covenant	Not more than 1X	2.27	Not more than 1X	1.47	Not more than 2X	1.85



- Complied with group covenants (which includes Hesto)
- Group net debt of R4.9bn (Dec'22 R3.1bn)
- Hesto breached covenants, cross default trigger to group
- Hesto main funder ("SBSA") supportive and condoned breach
- Hesto covenant waivers, until March'24, obtained
- Group ratios will be formally adjusted until Dec'23, including normalisation adjustments to EBITDA
- Group debt unwind to be achieved in Dec '24
- Engaging all funders to extend maturity of RCF 2 (R525m due April '24) and to commence group refinancing process in Q2'24



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ASSESSING UNDERLYING PERFORMANCE: NORMALISING THE RESULT

NORMALISED PERSPECTIVE

On a normalised earnings basis, group EBITDA declined from R743m to R610m mainly due to Hesto ramp up complexities. Covenant pressure is isolated to Hesto and has been rectified since

R'million / cps	EBITDA YTD	EBITDA LTM
EBITDA	536	1 033
Equity earnings (losses) (before impairments)	(7)	(211)
Equity earnings (losses) capped - Hesto & Valeo	(441)	(441)
EBITDA incl. associate earnings	**88**	**381**
Normalisation adjustments		
Non-cash impact due to hyperinflation accounting	147	352
EBITDA pre-hyperinflation	**235**	**733**
Project costs incurred ahead of project launch (ex Hesto)		47
Hesto proportionate (74.9%) share of pre prod. project costs		178
Hesto proportionate (74.9%) share of post prod. ramp-up and project costs	369	369
Transaction costs	6	40
Normalised H1'23	**610**	**1 367**
Normalised H1'22	**743**	**1 441**

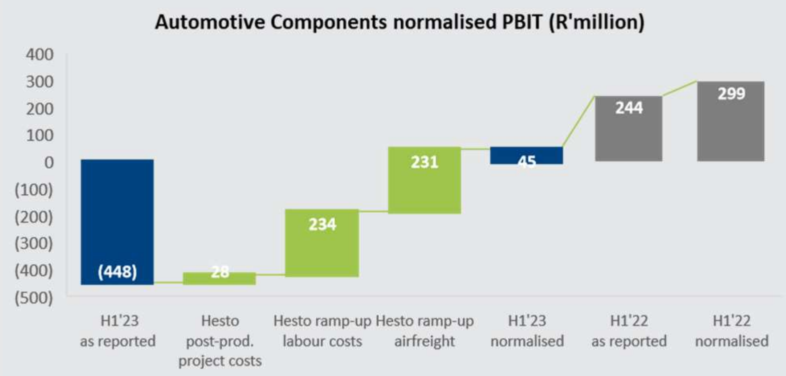
Net debt and gearing perspective at 30 June 2023

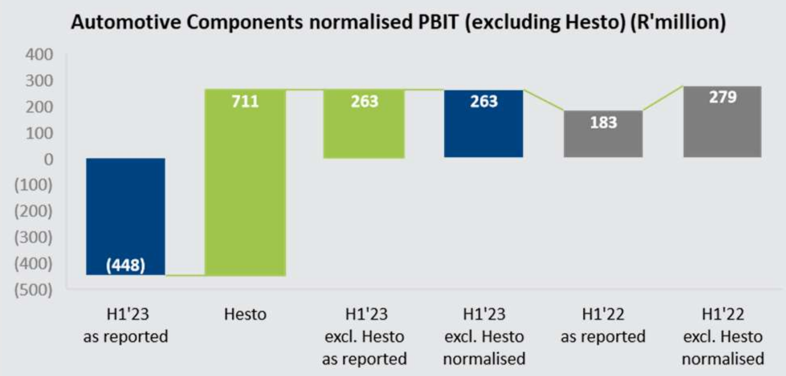
R'millions	Net debt	Gearing (Net debt : EBITDA)
Net debt and gearing reported	3 226	3.9
Normalisation adjustments		
Excess inventory due to Ford requirements for ramp-up	(138)	
Normalised net debt and gearing	**3 088**	**2.3**

NORMALISED OPERATING PROFIT (“PBIT”)

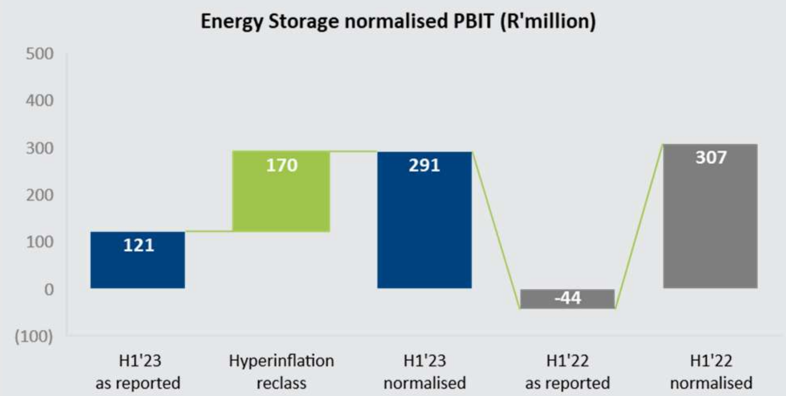
Excluding Hesto’s loss of R711m, earnings were robust considering major customer launch, Rombat’s challenging environment and Turkish Lira devaluations and hyperinflation impacts

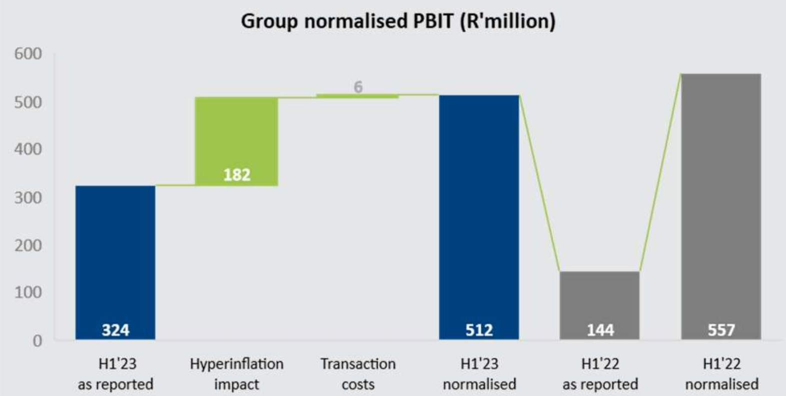
Automotive Components





Group and Energy Storage





IAS 29, HYPERINFLATION ACCOUNTING

NON-CASH HYPERINFLATION IMPACT

IAS 29 increases Mutlu's non-monetary assets by c.22% (R1.9bn), using CPI tables since acquisition. A foreign currency translation gain of c. R1.8bn arises through other comprehensive income. Mutlu operating profit 're-expressed' as a financial gain of R180m (H1'22 R253m)

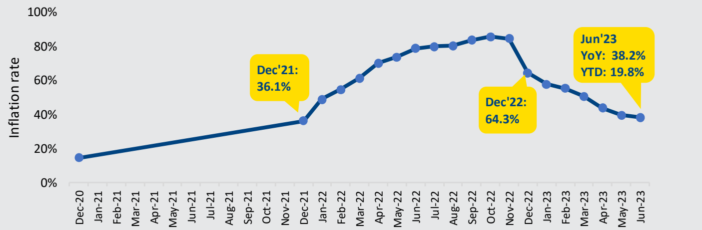
BALANCE SHEET (R'million)	H1'23 Pre-IAS29	*IAS29 Impact*	H1'23 Reported
ASSETS			
Non current assets	3 757	*1 720*	**5 477**
Property, plant and equipment	3 031	*900*	**3 930**
Intangible assets	171	*820*	**992**
Investments in associates	315	-	**315**
Loan to associate	204	-	**204**
Deferred taxation	37	-	**37**
Current assets	7 805	*168*	**7 973**
Inventory	2 905	*166*	**3 071**
Trade and other receivables	3 347	*2*	**3 349**
Contract assets	699	-	**699**
Total Intercompany Trade Debtors Recei	-	-	**-**
Taxation	20	-	**20**
Derivative financial assets	17	-	**17**
Cash and cash equivalents	818	-	**818**
Total assets	11 562	*1 888*	**13 450**
EQUITY AND LIABILITIES			
Total equity	3 521	*1 692*	**5 213**
Non current liabilities	752	*195*	**947**
Borrowings	368	-	**368**
Post employment benefits	73	-	**73**
Deferred taxation	161	*195*	**356**
Deferred grant income	101	-	**101**
Provisions for other liabilities & charges	50	-	**50**
Current liabilities	7 289	*1*	**7 290**
Total liabilities	8 041	*196*	**8 237**
Total equity and liabilities	11 562	*1 888*	**13 450**

INCOME STATEMENT (R'million)	H1'23 Pre-IAS29	*IAS29 Impact*	H1'23 Reported	
Revenue	7 937	*(298)*	**7 639**	
Cost of sales	(6 860)	100	**(6 759)**	
Gross profit	1 077	(198)	**880**	
Other operating income	122	(2)	**120**	
Distribution, administrative and other operating costs	(693)	17	**(676)**	
Operating profit	506	(182)	**324**	
Interest income	34	(2)	**33**	
Interest Expense	(343)	30	**(312)**	
Net monetary gain arising from hyperinflation in Türkiye	-	180	**180**	E
Share of results and impairment of associates	(10)	-	**(10)**	
Profit before tax	188	26	**214**	
Taxation	(88)	(17)	**(105)**	
Profit for the period	100	9	**108**	D
Attributable to:				
Equity holders of the company	84	9	**93**	
Non-controlling interest	(16)	-	**(16)**	
Basic earnings per share (cents)	43	5	**48**	
Headline earnings per share (cents)	37	4	**41**	
Headline earnings	71	9	**80**	
EBITDA (incl. share of assoc excl. impair.)	676	(147)	**529**	

Mutlu hyperinflation impact on consolidated results

R'million	Operating profit	EBITDA	PAT	
Income statement indexing	**(182)**	**(147)**	**-**	***A***
Income statement re-expression	(182)	(147)	(171)	
Non-cash net monetary gain (pre balance sheet impact)			171	***C***
Balance sheet restatements (re-indexing)			**9**	***B***
Monetary gain associated with net non monetary assets			128	
Monetary loss associated with retained income			(119)	
Net profit after tax impact of hyperinflation			**9**	***D=(A+B)***
Net monetary gain derived within income statement			***180***	***E=(B+C)***

INFLATION RATE FOR THE CONSUMER PRICE INDEX (CPI) IN TÜRKIYE



Numbers are rounded for simplicity

OPERATIONAL OVERVIEW

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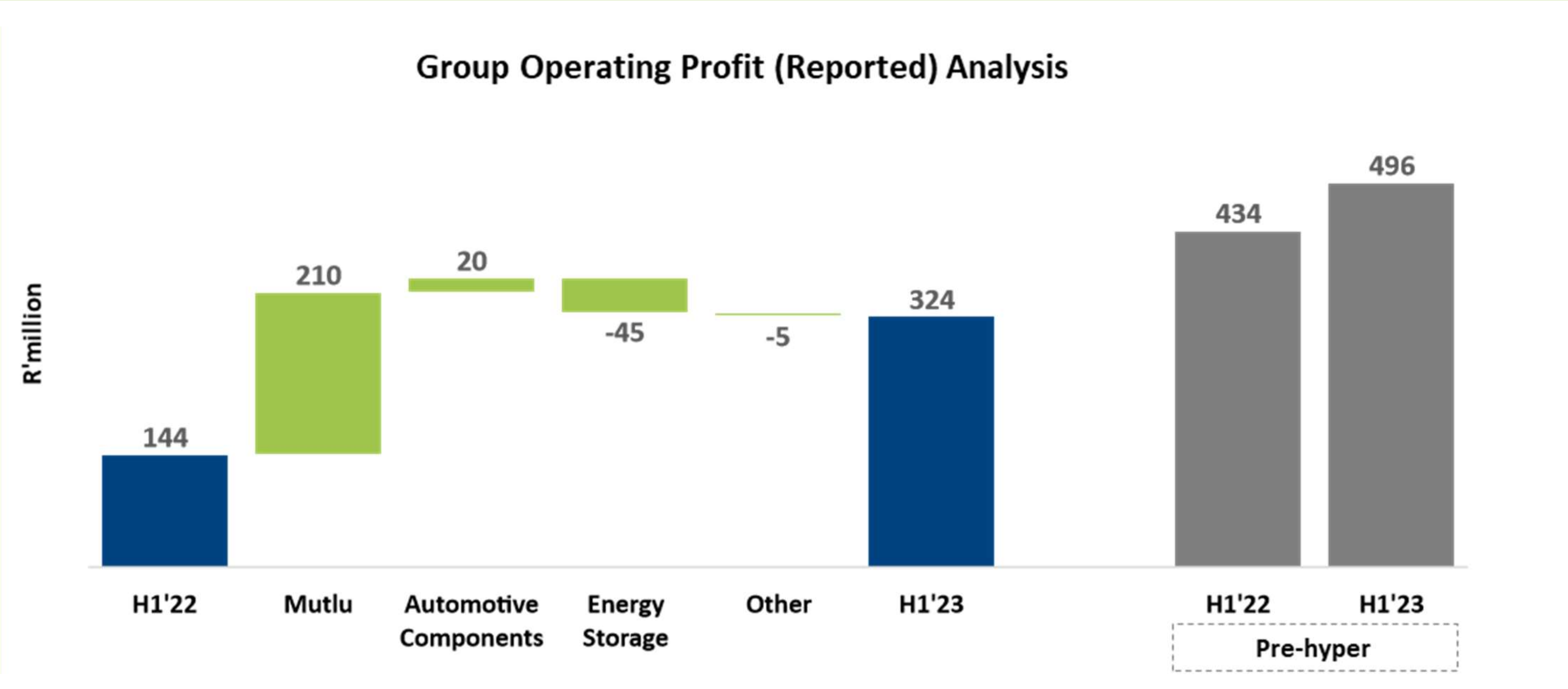
BUSINESS VERTICAL OVERVIEW – IFRS REPORTED

	ENERGY STORAGE VERTICAL H1 2022		ENERGY STORAGE VERTICAL H1 2023	AUTOMOTIVE COMPONENTS VERTICAL H1 2022		AUTOMOTIVE COMPONENTS VERTICAL H1 2023	METAIR INVESTMENTS LIMITED H1 2022		METAIR INVESTMENTS LIMITED H1 2023
Revenue	R3.7bn 58% contribution	0.3%	R3.7bn 36% contribution	R2.7bn 42% contribution	147%	R6.6bn 64% contribution	R5.8bn	31%	R7.6bn
Operating Profit ("PBIT")	(R44m) (32%) contribution	374%	R121m 37% contribution	R183m 132% contribution	344%	(R448m) 137% contribution	R144m	124%	R324m
EBITDA *	R59m	292%	R232m	R293m	197%	(R283m)	R328m	63%	R536m
PBIT margin	(1.2%)		3.2%	6.9%		(6.8%)	2.5%		4.2%

** Group EBITDA is calculated as earnings before interest, taxes, depreciation and amortisation*
Metair (Group) excludes Hesto, Hesto is a management associate and not consolidated within group results

GROUP OPERATING PROFIT ("PBIT") ANALYSIS

Group operating profit increased R180m driven by Mutlu but negated by high interest costs. BI insurance claim of R259m was included within operating profit in H1'22



BUSINESS VERTICAL OVERVIEW - NORMALISED

	ENERGY STORAGE VERTICAL H1 2022		ENERGY STORAGE VERTICAL H1 2023	AUTOMOTIVE COMPONENTS VERTICAL H1 2022		AUTOMOTIVE COMPONENTS VERTICAL H1 2023	METAIR INVESTMENTS LIMITED H1 2022		METAIR INVESTMENTS LIMITED H1 2023
Revenue	**R3.6bn** 57% contribution	13%	**R4.0bn** 38% contribution	**R2.7bn** 43% contribution	147%	**R6.6bn** 64% contribution	**R5.7bn**	40%	**R7.9bn**
Operating Profit (“PBIT”)	**R307m** 51% contribution	5%	**R291m** 87% contribution	**R299m** 49% contribution	85%	**R45m** 13% contribution	**R557m**	8%	**R512m**
EBITDA *	**R383m**	1%	**R379m**	**R408m**	49%	**R209m**	**R711bn**	3%	**R689m**
PBIT margin	8.6%		7.2%	11.2%		0.7%	9.9%		6.5%

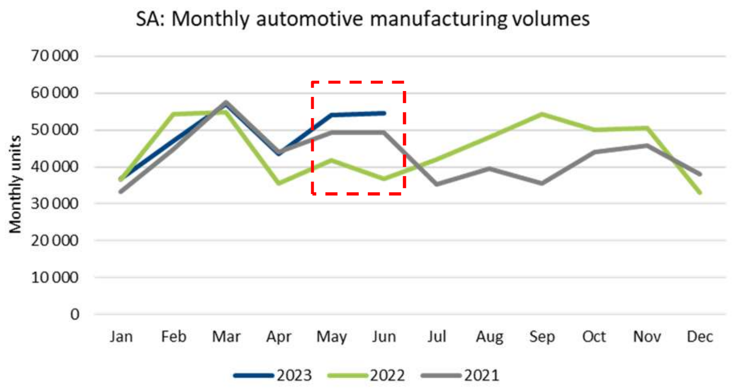
** Group EBITDA is calculated as earnings before interest, taxes, depreciation and amortisation*
Metair (Group) excludes Hesto, Hesto is a management associate and not consolidated within group results

AUTOMOTIVE COMPONENTS (INCLUDING HESTO)

Key customer volumes up 21%, ahead of market volumes of11%. Hesto incurred an operating loss of R711m, impacted by significant manufacturing complexities during the Ford model launch

Revenue	PBIT	EBITDA
147%	344%	197%
R6.6bn	(R448m)	(R283m)
Free cash flow	**PBIT %**	**ROIC**
	13.7ppt	17.9ppt
(R885m)	(6.8%)	(12.3%) (normalised 8.1%)

- Ford introduced an early model launch facelift (22B) in Q2
- 80% of facelift change impacted Hesto Harnesses in addition to customer design and product mix complexities
- Recurrence of supply chain disruptions, including chip shortages, re-surfaced at end of Q1 but subsided in Q2
- Post-production ramp up (labour) and airfreight costs of c. R465m incurred by Hesto. Commercial negotiations underway with customer
- Loadshedding impacted manufacturing stability, no stoppages
- Outlook for the year remains strong, over 700k cars anticipated



OEM	Dec 2022	Jun 2022	Jun 2023	Change	%
Toyota	115 327	49 523	76 272	26 749	54%
Ford	92 166	49 088	59 244	10 156	21%
VW	134 864	64 867	62 694	(2 173)	(3%)
MBSA	87 023	40 099	36 454	(3 645)	(9%)
BMW	61 823	35 752	31 924	(3 828)	(11%)
Nissan	24 800	11 864	11 448	(416)	(4%)
Isuzu	21 884	9 954	13 265	3 311	33%
Other	2 681	1 474	1 300	(174)	(12%)
Total volumes	**540 568**	**262 621**	**292 601**	**29 980**	**11%**

Key customers 21%

Volumes based on internal factory intel

ENERGY STORAGE OPERATIONAL PERFORMANCE

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Energy Storage Auto volumes declined 10% to 3.6m units due to lower exports. R3.7bn revenue generated and reported profit up 374% to R121m. On a pre-hyper (normalised) basis, Auto operating profit increased 15% to R315m, but industrial segment incurred a loss of R24m, mainly due to delayed lead recoveries at Mutlu

TÜRKIYE

- Local aftermarket volumes robust despite inflationary pressures and impact of earthquake in Q1
- Exports volumes 56% lower, batteries a sanctioned product from an EU perspective; Mutlu now required to stop Russian sales
- Sales to US customer temporarily on hold, market dynamics
- OEM demand 11% higher, OEM mix high at 50%
- Mutlu's local currency operating profit (pre-hyper) c.59% stronger, margin of 10.8% (H1'22: 9.1%), translating into ZAR 220m

ROMANIA

- Overall aftermarket volumes declined 21%, demand impacted by regional instability and high inflation
- Rombat incurred a loss of R11m (H1'22: R20m profit)
- Stronger H2'23 anticipated, profitability improvement plan and catch back of export sales

SOUTH AFRICA

- 10% Auto volume increase, strategic growth initiatives in a competitive environment
- Operations impacted by manufacturing inefficiencies, especially during loadshedding
- Operating profit of R83m (H1'22 R94m)
- Industrial trade expansion into energy backup solutions
- Recent rebranding and market focused launch to 'First Battery'

Revenue	PBIT	EBITDA
▲ 0.3%	▲ 374%	▲ 292%
R3.7bn	R121m	R232m

Free cash flow	PBIT %	ROIC
▲	▲ 4.4ppt	▼ 6.4ppt
(R230m)	3.2%	8.1% (normalised 19.7%)

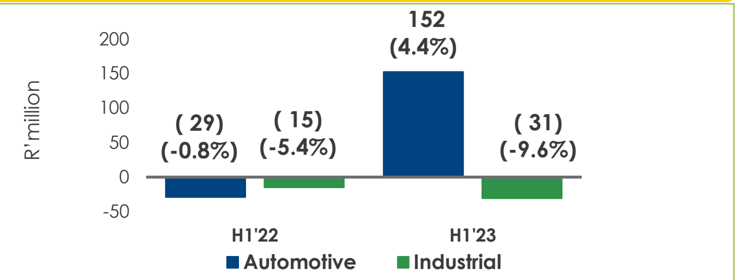
Sales channel

'000s	Dec 2022	Jun 2022	Jun 2023	Change	%
Mutlu	4 934	2 091	1 785	(306)	(15%) ▼
- OEM	1 645	808	894	86	11% ▲
- Local AM	1 552	585	570	(15)	(3%) ▼
- Export AM	1 706	686	299	(388)	(56%) ▼
- Industrial	31	12	23	11	90% ▲
Rombat	2 277	1 131	957	(174)	(15%) ▼
- OEM	481	247	263	16	6% ▲
- Local AM	429	131	95	(36)	(27%) ▼
- Export AM	1 366	753	599	(154)	(20%) ▼
First Battery	1 712	863	948	85	10% ▲
- OEM	361	177	181	4	2% ▲
- Local AM	922	467	507	40	9% ▲
- Export AM	263	137	177	40	29% ▲
- Industrial	166	83	84	1	1% ▲
Total units	8 922	4 086	3 691	(396)	(10%) ▼
Total auto battery units	8 725	3 991	3 584	(407)	(10%) ▼

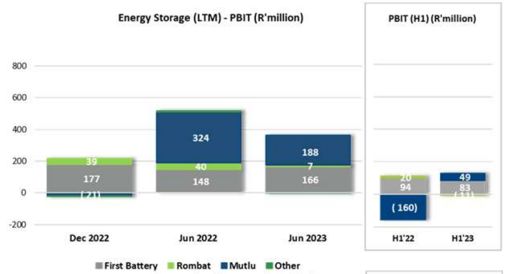
ENERGY STORAGE VERTICAL - SEGMENT ANALYSIS

Reported

Operating Profit ("PBIT")

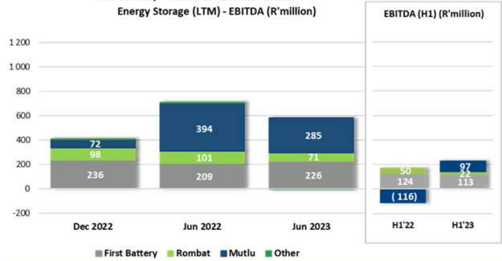


PBIT Breakdown

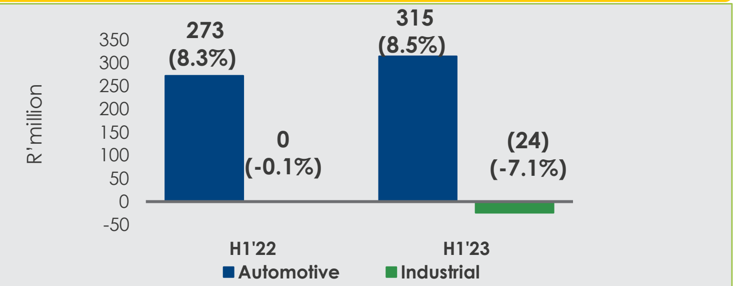


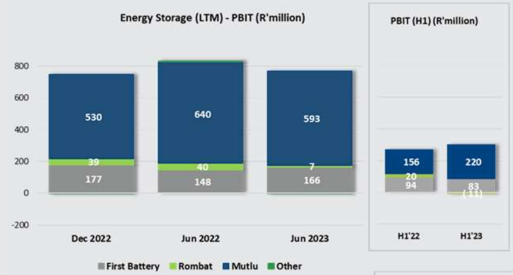
PBIT variance (in local currency)	
Mutlu	141%
Rombat	(145%)
First Battery	(12%)
Total	**335%**

EBITDA Breakdown

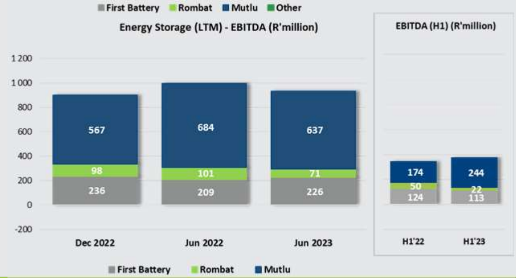


Pre-hyperinflation





PBIT variance (in local currency)	
Mutlu	59%
Rombat	(145%)
First Battery	(12%)
Total	**27%**



Last twelve months ("LTM")

CAPITAL EXPENDITURE AND COMMITMENTS (INCLUDING HESTO)

Initially R750m allocated for FY'23 (FY'22: R1.4bn), includes new technology investments and localisation projects

Capital expenditure spend

Vertical R'million	Maintenance & general	Efficiency & expansion	Health, safety & environ.	Total
Automotive Components	49	90	4	**143**
Energy Storage	61	95	17	**173**
Total capital expenditure	**110**	**185**	**21**	**316**
Hesto (included above)		34		**34**

Capital commitments to be undertaken

Vertical R'million	Maintenance & general	Efficiency & expansion	Health, safety & environ.	Total
Automotive Components	133	104	22	**259**
Energy Storage	106	62	14	**182**
Total capital commitments	**239**	**166**	**36**	**441**
Hesto (included above)	20	18	7	**45**

- R316m of approved spend was undertaken in the year
- Mainly spent on future growth and conclusion of major investments on new model and facelifts:
  - Hesto, Lumotech and Unitrade for the new Ford Ranger
  - Includes further wire, suspension and lighting localisation projects within Automotive Components
  - Energy Storage capacity and efficiency enhancements in absorbent glass mat ("AGM") technology and Batek charging facilities at FNB
  - As well as planned heavy-duty line automation and solar projects at Rombat
- Planned maintenance capex will be limited to essential maintenance
- Curtailment of non-essential expenditure
- Funding secured at subsidiary level

FORD PROJECT UPDATE

THE PROJECT WAS SUCCESSFULLY LAUNCHED IN THE GROUP

Start of production and ramp-up was more challenging than planned due to product complexities. We still expect revenue greater than R60 billion over the project life and future profitability remains within expectations

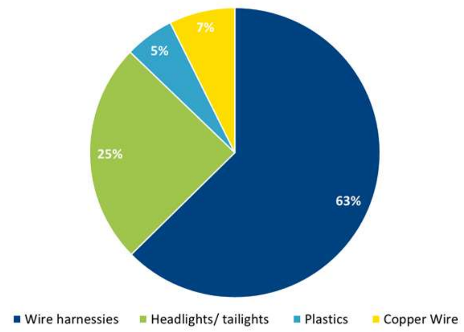
Overview (includes Hesto)

- Ramp-up phase concluded in Q2 of FY'23
- Project volumes stabilised within expectation
- Customer design changes, product complexity and additional business introduced since initial awarding of business impacted Hesto significantly
- Customer, technical partner and Metair committed to ensure sustainability of the project at Hesto

Category of spend (R'million)	Group		Hesto (74.9% associate)			Others		
Capital investment	**Expected**	**Actual**	**Expected**	**Actual**	**Variance**	**Expected**	**Actual**	**Variance**
Land and buildings	345	375	220	250	(30)	125	125	
Plant and machinery	739	718	310	289	21	429	429	
Total capital expenditure	1 084	1 093	530	539	(9)	554	554	
Other costs for recovery	**Total**	**Actual**	**Total**	**Actual**	**Variance**	**Total**	**Actual**	**Variance**
Total project costs*	521	739	440	646	(206)	81	93	(12)
Technical aid assistance	76	76	76	76				
Total	597	815	516	722	(206)	81	93	(12)
Total Investment (pre-working capital)	**1 681**	**1 908**	**1 046**	**1 261**	**(215)**	**635**	**647**	**(12)**

**Projects costs are incurred ahead of model launch and recovered over project life. A portion of the total project costs incurred, ranging between 35% -45% is capitalised based on accounting criteria*

Revenue share *(includes Hesto)*



Metair's significant product portfolio supplied (excludes carry over suspension and batteries business)

OUTLOOK AND CONCLUSION

METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

CONCLUDING REMARKS

Outlook for the group remains positive, short-term impacts on earnings and balance sheet can be managed and we continue to receive support from our main funders

Automotive Components

- New investments will drive market share growth of local OEM production in SA
- Relationships with OEMs, technology partners, customers remain key
- Expect recovery in Hesto performance (operating profit in H2'23)
- Strong relationship with major OEMs, securing of future models and growth
- Metair market guidance of EBIT between 7% and 9% as production stabilises

- Base (aftermarket and OEM) sales channels strong, increased market share across all territories
- Reinforcement of export markets major focus
- Storage and solar solutions will add further potential to the vertical
- Turkish interest rates remain high in H2'23, priority to minimise working capital

- Significant attention to lower investment in working capital and aligning with customer offtake
- Ensure effective positioning for the future, regardless of technology changes required over the next few years
- Continued review, optimization and de-risking of our portfolio

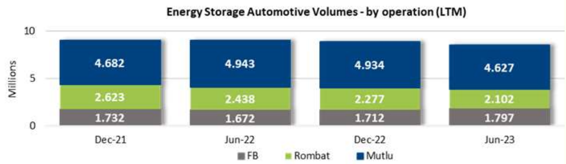
Q & A

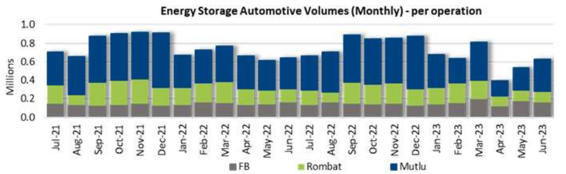
APPENDICES

ENERGY STORAGE VOLUMES LAST TWELVE MONTHS ("LTM") (ROUNDED)

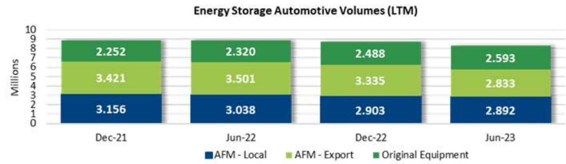
METAIR INVESTMENTS LIMITED
automotive | industrial | retail

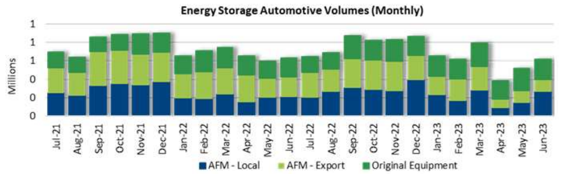
1. Total volumes by operation (including industrial)



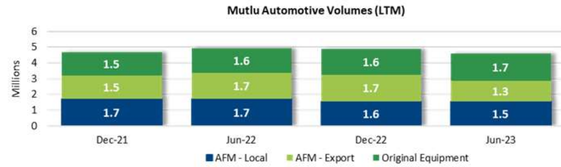


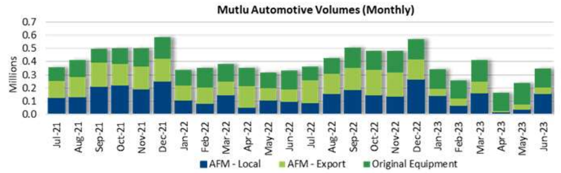
2. Automotive volumes by channel



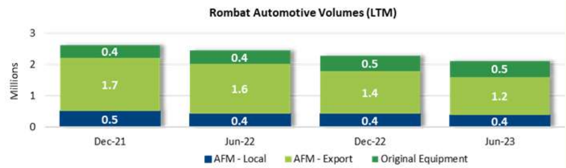


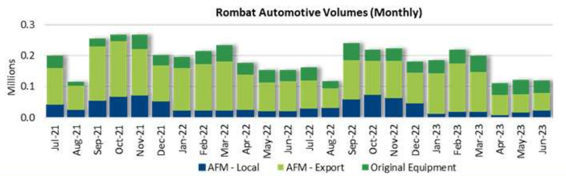
3. Mutlu automotive volumes



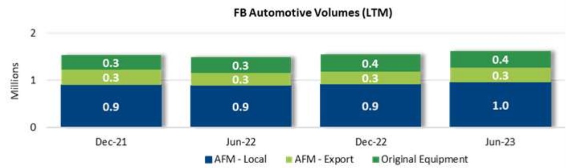


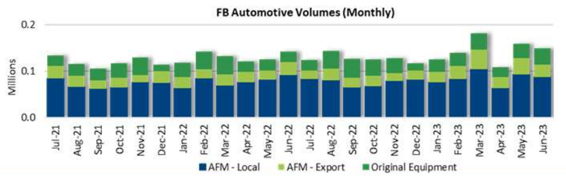
4. Rombat automotive volumes



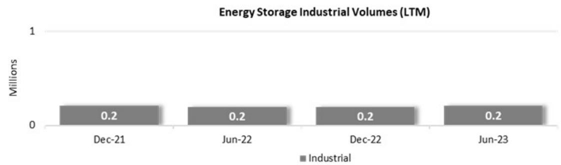


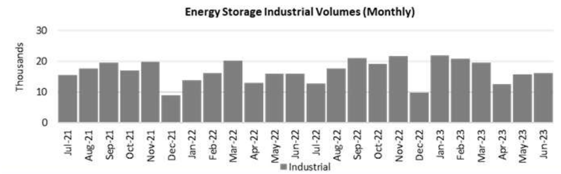
5. First Battery automotive volumes





6. Industrial volumes





COMBINED BATTERY VOLUMES: FIRST BATTERY, MUTLU AND ROMBAT (ROUNDED)

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

Original equipment

Aftermarket

Industrial

Battery units ('000)	Dec 2022	Jun 2022	Jun 2023	Change	% Change
Automotive original equipment	**2 487**	**1 232**	**1 338**	**105**	**9%**
- Local	1 900	974	1 074	99	10%
- Export	587	258	264	6	2%
Automotive aftermarket	**6 238**	**2 759**	**2 247**	**(512)**	**(19%)**
- Local	2 903	1 182	1 172	(11)	(1%)
- Export	3 335	1 577	1 075	(502)	(32%)
Total automotive units	**8 725**	**3 991**	**3 584**	**(407)**	**(10%)**
Industrial	**197**	**95**	**106**	**11**	**12%**
- Local	194	94	105	11	12%
- Export	3	1	1		
Total	**8 922**	**4 086**	**3 691**	**(396)**	**(10%)**

FIRST BATTERY VOLUMES

Original equipment

Aftermarket

Industrial

FNB Battery units ('000)	Dec 2022	Jun 2022	Jun 2023	Change	% Change
Automotive original equipment	361	177	181	4	2%
- Local	361	177	181	4	2%
Automotive aftermarket	1 185	604	684	80	13%
- Local	922	467	507	40	9%
- Export	263	137	177	40	29%
Total automotive units	1 546	1 532	1 532		
Industrial	166	83	84	1	1%
- Local	163	82	83	1	1%
- Export	3	1	1		
Total	1 712	1 615	1 616	1	0%

MUTLU BATTERY VOLUMES

Original equipment

Aftermarket

Industrial

Mutlu Battery units ('000)	Dec 2022	Jun 2022	Jun 2023	Change	% Change
Automotive original equipment	**1 645**	**808**	**894**	**86**	**11%**
- Local	1 149	550	751	201	36%
- Export	496	258	143	(115)	(45%)
Automotive aftermarket	**3 258**	**1 271**	**868**	**(403)**	**(32%)**
- Local	1 552	585	570	(15)	(3%)
- Export	1 706	686	299	(388)	(56%)
Total automotive units	**4 903**	**2 079**	**1 762**	**(317)**	**(15%)**
Industrial	**31**	**12**	**23**	**11**	**90%**
- Local	31	12	23	11	90%
Total	**4 934**	**2 091**	**1 785**	**(306)**	**(15%)**

ROMBAT BATTERY VOLUMES

Original equipment

Aftermarket

Rombat Battery units ('000)	Dec 2022	Jun 2022	Jun 2023	Change	% Change
Automotive original equipment	**481**	**247**	**263**	**16**	**6%**
- Local	390	247	142	(105)	(43%)
- Export	91		121	121	
Automotive aftermarket	**1 795**	**884**	**695**	**(190)**	**(21%)**
- Local	429	131	95	(36)	(27%)
- Export	1 366	753	599	(154)	(20%)
Total automotive units	**2 276**	**1 131**	**957**	**(174)**	**(15%)**
Total	**2 276**	**1 131**	**957**	**(174)**	**(15%)**

VEHICLE PRODUCTION PER OEM IN SOUTH AFRICA

OEM	2017	2018	2019	2020	2021	2022	Jun 2022	Jun 2023	% Change
TSAM	128 578	139 307	138 781	103 461	128 223	115 327	49 523	**76 272**	54%
FMCSA	93 817	105 099	94 756	65 503	87 174	92 166	49 088	**59 244**	21%
VW SA	108 156	133 543	157 961	114 158	129 119	134 864	64 867	**62 694**	(3%)
MBSA	118 277	99 740	86 475	51 558	47 336	87 023	40 099	**36 454**	(9%)
BMW	53 337	47 773	69 518	42 244	61 580	61 823	35 752	**31 924**	(11%)
Nissan	31 712	34 504	33 426	19 307	22 747	24 800	11 864	**11 448**	(4%)
Isuzu	27 511	19 862	20 225	15 824	20 417	21 884	9 954	**13 265**	33%
Other	2 469	3 972	13 701	4 915	6 747	2 681	1 474	**1 300**	(12%)
Total	**563 857**	**583 800**	**614 843**	**416 970**	**503 343**	**540 568**	**262 621**	**292 601**	**11%**

Source: Metair internal data

VEHICLE PRODUCTION PER OEM IN TÜRKIYE

OEM	2017	2018	2019	2020	2021	2022	Jun 2022	Jun 2023
Oyal Renault	365 002	336 778	342 777	308 568	248 000	247 100	92 498	**152 500**
Ford	373 005	373 702	369 035	327 936	348 029	376 476	191 217	**213 184**
Tofaş	384 174	301 750	264 196	250 630	228 544	263 747	118 272	**123 276**
Hyundai	226 979	203 000	177 993	137 034	162 095	208 100	108 300	**121 731**
Toyota	279 902	257 084	251 949	219 391	230 421	216 735	119 377	**101 123**
Turk Traktor	48 302	34 114	22 745	34 337	48 560	44 619	22 155	**26 215**
Mercedes Benz Türkiye	17 143	20 856	16 630	16 959	24 092	28 914	13 613	**15 613**
Honda	28 742	38 319	24 236	25 868	21 733			
Others	26 323	22 233	15 582	15 234	20 169	18 935	8 562	**11 647**
Aios (Isuzu)	6 366	4 461	3 380	2 896	4 066	5 149	2 298	**2 865**
Otokar	2 707	2 369	1 839	1 965	2 237	3 677	1 487	**2 078**
TEMSA	3 539	2 549	1 273	758	1 862	2 457	1 036	**1 363**
Hattat Tarim	5 539	3 572	1 154	3 766	6 943	4 922	2 525	**3 836**
Karsan	6 027	6 724	5 013	3 106	3 437	686	338	**166**
MAN	2 145	2 558	2 923	2 743	1 624	2 044	878	**1 339**
Total	**1 749 572**	**1 587 836**	**1 485 143**	**1 335 957**	**1 331 643**	**1 404 626**	673 994	**765 289**

Source: Metair internal data

VEHICLE PRODUCTION PER OEM IN ROMANIA

METAIR INVESTMENTS LIMITED
automotive | industrial | retail

OEM	2017	2018	2019	2020	2021	2022	Jun 2022	Jun 2023
Renault Dacia	313 883	335 262	349 528	259 199	257 405	314 228	165 350	**172 160**
Ford	49 771	141 507	140 884	179 008	163 350	195 237	103 409	**96 928**
Total	**363 654**	**476 769**	**490 412**	**438 207**	**420 755**	**509 465**	**268 759**	**269 088**

Source: Metair internal data

DISCLAIMER

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
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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.