

NATURE OF BUSINESS

enX Group (“enX” or the “Group”) is a diversified industrial group that provides quality branded industrial, petrochemical, fleet management and logistics products and services, and represents leading global brands.

enX is organised into the three business segments as follows:

- enX Equipment (“**Equipment**”):
 - enX Industrial Equipment (“**EIE**”) provides distribution, rental and value-added services for industrial and materials handling equipment in South Africa and other African countries and the United Kingdom and Ireland (“**UK**”) through Impact;
 - Power comprises New Way Power which manufactures, installs and maintains diesel generators, distributes a range of industrial and marine engines and provides temporary power solutions (“**Power**”); and
 - Wood trades through Austro, which distributes professional woodworking equipment, tooling, adhesives and the provision of associated services.
- enX Petrochemicals (“**Petrochemicals**”):
 - Centlube and African Group Lubricants (“**Lubricants**”) produce and market oil lubricants and greases in South Africa and sub-Saharan Africa. They are the sole distributors of ExxonMobil lubricants (excluding marine and aviation) and Houghton International’s Advanced Fluids Solutions and Services; and
 - West African International (“**Chemicals**”) distribute plastics, polymers, rubber and speciality chemicals into Southern African.
- enX Fleet (“**Fleet**”):
 - Eqstra Fleet Management provides a full spectrum of passenger vehicle services including leasing, fleet management, outsourcing solutions, maintenance, warranty management and vehicle tracking solutions. It also provides fleet management solutions for commercial vehicle fleet owners and logistics solutions. Its footprint is in South Africa and sub-Saharan Africa.
 - Following a strategic review, in 2019 the board decided to divest of its ownership in Fleet. The final outstanding condition precedent to the disinvestment of Fleet was not fulfilled and accordingly, the disinvestment transaction did not become effective. Due to these circumstances transpiring after our half year-end as a subsequent event, Fleet was still required to be recorded as an asset held for sale as of the date of these results.

FINANCIAL RESULTS

Overview

The six months ended 29 February 2020 have been exceptionally challenging characterised by low economic growth, low business confidence and depressed consumer demand within South Africa.

Revenue from continuing operations increased by 3% to R2.850 billion (2019: R2.780 billion). EBITDA from continuing operations increased by 9% to R609.8 million (2019: R558.5 million). EBITDA was positively impacted by R41.0 million being the reclassification of operating lease charges to depreciation and interest of R29.8 million and R11.2 million respectively in line with the adoption of IFRS 16: Leases. The Group’s Operating profit from continuing operations increased by 4% to R207.7 million (2019: R200.5 million).

Effect of accounting for Fleet as an asset held for sale

Fleet was still required to be recorded as an asset held for sale at the reporting date. As required by IFRS 5, enX was required to cease depreciation and amortisation and assess the carrying value of the held for sale assets in terms of the transaction value. As a consequence, depreciation and amortisation of R204.1 million (R283.5 million before tax) was not recorded in this reporting period which had the effect of increasing total HEPS by 113c per share.

The pro forma impact for the six months ended 29 February 2020 if Fleet had been disclosed as a continuing operation would have been as follows:

	29 Feb 2020 Reported	29 Feb 2020 Pro forma(1)	28 Feb 2019 Reported
EBITDA (R’000) ²	1 032 065	1 032 065	976 495
EBIT (R’000)	629 961	346 437	378 321
Net finance charges ²	223 281	223 281	196 275
Headline earnings (R’000)	300 089	95 952	127 410
Basic earnings per share (cents)	166.9	53.9	71.2
Diluted earnings per share (cents)	165.4	53.4	70.2
Headline earnings per share (cents)	166.1	53.1	71.2

¹ The pro forma figures include the impact of re-instating depreciation and amortisation for the six months ended 29 February 2020 on all held for sale fleet designated assets amounting to R204.1 million (after tax) or 113c per share

² EBITDA was positively impacted by R41.9 million being the reclassification of operating lease charges to depreciation and interest of R29.8 million and R12.1 million (Continuing: R11.2 million and Discontinued operations: R0.9 million) respectively in line with the adoption of IFRS 16: Leases

Pro forma EBIT decreased by 8% to R346.4 million (2019: R378.3 million). Pro forma headline earnings decreased by 25% to R96.0 million (2019: R127.4 million). Pro forma Headline earnings were negatively impacted by a poor result from Power and Wood, once off costs at Fleet and higher finance charges at EIE. Pro forma HEPS decreased by 25% to 53.1c per share (2019: 71.2c per share).

Pro forma net finance charges increased to R223.3 million (2019: R196.3 million), up 14% on the prior year, impacted by higher average net borrowings as a result of a growing leasing book, higher average inventory in the first quarter of the financial year and additional interest of R12.1 million arising from the adoption of IFRS16: Leases.

Capex

Capital expenditure for the period of R1.105 billion (2019: R1.065 billion), was deployed primarily to grow the leasing asset books within EIE and Fleet.

Funding

The group’s interest-bearing liabilities increased to R5.495 billion (2019: R4.947 billion) to fund the 14% increase in Leasing assets to R6.376 billion (2019: R5.612 billion). Bank covenants were all met during the period.

Cash flow

Net cash outflows before financing activities amounted to R275.1 million (2019: 348.8 million). Included in working capital inflows of R64.5 million (2019: outflow of R4.4 million) is the reclassification of leasing assets into inventories amounting to R387.7 million (2019: R288.0 million) in the period.

OPERATIONAL OVERVIEW

Equipment

The South African and UK forklift markets remain depressed and were down approximately 14% and 11% against the prior year, respectively. EIE’s revenue increased by 9% to R1.804 billion (2019: R1.654 billion). Revenue generated by EIE South Africa increased by 3% to R1.074 billion (2019: R1.038 billion) in a challenging market, while in the UK, Impact was up 19% to R730 million (2019: R616 million) driven mainly by the acquisition of Grant Handling in March 2019 and a strong long-term annuity rental market. The year-on-year average exchange rate translation of GBP into ZAR, favourably impacted revenue by 3%.

EIE’s operating margins decreased from 12.1% to 11.6% primarily as a consequence of lower new and pre-owned unit sales and parts revenue at lower margins in South Africa although this was partially off-set by year-on-year increases in annuity rental revenue which remained robust. EIE’s profit before tax decreased by 11% to R97 million (2019: R109 million). Impact’s profitability increased 6% as a result of higher revenues. Higher borrowings in both the UK and South Africa to fund increased inventory levels over the period resulted in higher net finance charges. In the UK, inventory levels were intentionally increased in the first quarter of the financial year due to the uncertainties related to Brexit.

Power had a disappointing performance in a challenging construction industry environment although load shedding continues to provide opportunities primarily in the residential market. Revenue increased by 8% to R169 million (2019: R156 million), driven by an increase in generator and engine sales. Profitability was, however, impacted by significant pressures on both generator and engine margins mainly in the data centre application space and the increase of bad debt provisions. A loss before tax of R10 million (2019: loss of R2 million) was incurred.

Wood delivered a poor financial result in an extremely depressed market. Revenue decreased by 22% to R69 million (2019: R88 million). A loss before tax of R10 million (2019: loss of R1 million) was incurred mainly due to lower equipment sales, restructuring charges and an increase in stock obsolescence provisions.

Fleet

Fleet’s revenue increased by 1% to R975 million (2019: R970 million). On a like-for-like basis profit before taxation for the six months ended 29 February 2020 would have been R57 million (2019: R83 million). While value-added product revenue grew with healthy margins, profitability has been negatively impacted by a challenging used vehicle market given the depressed economic environment, a bad debt of R12 million and restructuring costs of R4 million.

Petrochemicals

Lubricant’s revenue decreased by 3% to R392 million (2019: R404 million) as a result of a change in product mix. Profit before tax increased by 40% to R14 million (2019: R10 million) due to a shift towards higher margin products.

Chemical’s revenue decreased by 5% to R437 million (2019: R462 million), while profit before tax increased by 14% to R16 million (2019: R14 million). Increased demand for rubber and chemical products was offset by lower volumes of raw materials for packaging products.

Outlook

Given the pervasive negative impacts and uncertainties on trading conditions arising from the global COVID-19 crisis and attendant restrictions placed on economic activity, we expect year-on-year declines in revenues and profitability for the full year. Management will continue to implement appropriate measures to protect capital, preserve cash and maintain a positive operating profit position. Operating costs and capital expenditure will continue to be reduced in the short term. Working capital management will remain a high priority in particular within Equipment and Petrochemicals.

We expect new and used equipment sales to remain under pressure due to the weakening of the Rand and slow-down in the economy. Our diversified customer base, annuity revenues and our in-use fleets, which are large, held at attractive values and funded, should be supportive of the leasing businesses in the medium to long term.

The recent reductions in South African interest rates will have positive impacts on the profitability of the trading businesses but neutral to negative for the leasing businesses as the reductions are passed on to most of our existing long-term leasing customers, however lower lease rates should support retention levels and new business.

SUBSEQUENT EVENTS

Impact of COVID-19

The board and management are carefully monitoring and considering developments arising from COVID-19. While mitigation measures have been implemented by governments globally to slow the pandemic, it continues to adversely affect people’s lives and disrupt the global economy.

In early March 2020, a Business Continuity Plan (BCP) was issued by the Group to deal specifically with the COVID-19 crisis, setting out a detailed response plan during operation and lockdown. An Executive Committee “war room” has been set up to respond to the challenges posed by the crisis.

The predicted negative impacts to the Group of the restrictions in economic activity are the ability of customers to maintain payments within terms due to liquidity issues, revenue lost from customers being unable to operate, a general decline in revenues and exchange rate volatility increasing the price of imports.

The majority of enX’s businesses have been able to trade, albeit at lower capacity and revenues levels since the commencement of the lockdowns in South Africa and the United Kingdom. The gradual easing of Lockdown restrictions that commenced on 1 May 2020 in South Africa has lifted our activity levels and resulted in improved revenue streams. The United Kingdom business has also seen its activity levels improve since their lockdown was eased on 11 May 2020.

The health and safety of our stakeholders remains our highest priority. Stringent hygiene controls and protocols have been implemented for those employees working away from home in full compliance with government directives. To date, no employees have tested positive for COVID-19.

Fleet disinvestment

On 15 July 2019, enX announced the disinvestment of its ownership in Fleet to Bidvest and with effect from that date, was classified as held for sale due to the probability that existed at 31 August 2019, the prior year end, and date of approval of the financial statements that the transaction would be finalised. The transaction was subsequently approved by the enX shareholders on 29 November 2019. The final outstanding condition precedent, being approval of the transaction by the Prudential Authority established in terms of the Financial Sector Regulation Act, 2017 as required in terms of section 52 of the Banks Act, was not fulfilled by the long stop date of 4 May 2020. enX could not reach agreement with Bidvest to extend the long stop date to allow sufficient time for the Prudential Authority to complete its process, which was well advanced. Accordingly, the Subscription Agreement concluded between enX and Bidvest on 12 July 2019 did not become effective. As a result, the fleet business, which is classified as held for sale, will be reclassified as a continuing operation for the second half of the 2020 financial year. In terms of IFRS 5, enX was required to cease amortisation on held for sale assets from 15 July 2019 and assess the carrying value of the held for sale assets in terms of the transaction value. As the held for sale assets are stated at the lower of carrying value and fair value less cost to sell, the cessation of depreciation and amortisation has resulted in post-tax reduction in fleet depreciation and amortisation of R251.6 million from 15 July 2019 until 29 February 2020. This accounting will be recorded in the second half of the financial year.

Funding and Liquidity

As a result of the termination of the Fleet transaction, enX has commenced the process of engaging with its lenders regarding the refinancing of the South African leasing businesses’ bank term facilities as well as continuing our debt capital market programme. On 21 April 2020, our R225 million ENX04 note was extended by two years and on 4 May 2020 a R160 million thirteen-month reinvestment arising from our maturing ENX05 notes took place. The South African trading businesses and UK leasing business will continue to maintain their own dedicated credit facilities and attend to maturities in the normal course of business.

We continue to stress test working capital and cash flow requirements in both the leasing and trading businesses, reviewing the adequacy of our banking facilities and head room. Cash resources arising from a drawdown of liquidity lines remain healthy. Debtors collections have thus far been steady. The Group has taken various steps to reduce cash outflows which include reductions in overhead, supplier orders and capital expenditure. This will continue as needed based on evolving trading conditions. Our major principals continue to support our businesses and enX has accessed government support programmes to improve liquidity, where available. This has been particularly beneficial in the United Kingdom.

DIVIDENDS

In line with the Group policy to reinvest for growth and prevailing uncertainties, no cash dividend has been declared for the period.

DIRECTORS

Executive directors:	GD Neubert (Chief Executive Officer), RA Lumb (Chief Financial Officer)
Non-executive directors:	SF Booyesen* (Chairman), PC Baloyi, A Joffe, LN Molefe*, B Ngonyama*, PS O’Flaherty and E Oblowitz* (*Independent)

The following changes in directors took place during the period.

- JS Friedman resigned as CFO, effective 31 March 2020
- AJ Phillips resigned as independent non-executive director, effective 12 February 2020
- E Oblowitz was appointed independent non-executive director, effective 6 December 2019
- RA Lumb was appointed as CFO effective 1 March 2020

For and on behalf of the board

GD Neubert Chief Executive Officer	RA Lumb Chief Financial Officer
27 May 2020	

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 29 February 2020 R’000	Unaudited as at 28 February 2019 R’000	Audited as at 31 August 2019 R’000
ASSETS			
Non-current assets	4 346 440	7 013 951	3 923 783
Property, plant and equipment	617 409	395 247	371 352
Leasing assets	3 207 754	5 611 832	3 043 620
Goodwill	220 226	478 461	209 221
Intangible assets	172 855	385 937	174 365
Investment in associate	65 107	56 077	59 205
Unlisted investments and loans	4 785	20 279	5 273
Deferred taxation	49 445	49 219	54 409
Trade, other receivables and derivatives	8 859	16 899	6 338
Current assets	2 668 687	2 900 741	2 847 069
Trade, other receivables and derivatives	877 613	1 039 047	930 761
Inventories	1 590 388	1 559 177	1 512 480
Other investments and loans	–	741	–
Taxation receivable	4 331	17 883	3 136
Bank and cash balances	196 355	283 893	400 692
Assets held for sale	3 972 664	–	3 591 421
Total assets	10 987 791	9 914 692	10 362 273
EQUITY AND LIABILITIES			
Total shareholders’ interests	3 248 975	2 914 460	2 905 754
Stated capital	3 134 092	3 104 893	3 117 031
Other reserves	(662 204)	(689 045)	(684 860)
Accumulated profits	739 533	463 072	437 208
Equity attributable to equity holders of the parent	3 211 421	2 878 920	2 869 379
Non-controlling interests	37 554	35 540	36 375
Non-current liabilities	2 488 270	4 972 485	2 205 753
Interest-bearing liabilities	2 042 132	4 403 944	1 986 307
Deferred vendor consideration	2 950	12 601	2 655
Non-current financial liabilities	222 713	12 955	846
Deferred taxation	220 475	542 985	215 945
Current liabilities	2 468 113	2 027 747	2 611 297
Interest-bearing liabilities	1 387 878	496 515	1 260 520
Current financial liabilities	18 071	–	–
Deferred vendor consideration	–	12 179	–
Trade, other payables, provisions and derivatives	1 054 828	1 445 820	1 294 844
Taxation payable	3 905	51 148	23 700
Bank overdrafts	3 431	22 085	32 233
Liabilities associated with assets held for sale	2 782 433	–	2 639 469
Total equity and liabilities	10 987 791	9 914 692	10 362 273
Supplementary information:			
Number of shares in issue	182 312 650	181 317 725	182 312 650
Number of shares in issue (net of treasury shares)	180 686 948	178 939 229	179 676 859
Net asset value per share (cents)	1 777.3	1 608.9	1 597.0
Net tangible asset value per share (cents)	1 586.6	1 186.2	1 410.7

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited for the six months ended 29 February 2020 R’000	Unaudited for the six months ended 28 February 2019 R’000	Audited for the year ended 31 August 2019 R’000
Continuing operations			
Revenue	2 849 654	2 780 078	5 802 764
Net operating expenses	(2 235 374)	(2 214 228)	(4 739 876)
Profit from operations before depreciation and amortisation	614 280	565 850	1 062 888
Depreciation and amortisation	(397 385)	(353 191)	(723 246)
Profit/(loss) on disposal of property, plant and equipment	1 965	(73)	659
Share-based payment expense/(credit)	(1 086)	(3 014)	7 026
Foreign exchange losses	(10 040)	(9 106)	(9 526)
Operating profit	207 734	200 466	337 801
Impairment of goodwill and intangible assets	–	–	(166 395)
Profit before interest and taxation	207 734	200 466	171 406
Net finance costs	(128 121)	(101 453)	(213 402)
Interest received	2 331	994	5 237
Interest expense	(130 452)	(102 447)	(218 639)
Share of profit from associate	5 855	1 837	4 965
Profit/(loss) before taxation	85 468	100 850	(37 031)
Taxation	(25 363)	(35 505)	(32 148)
Profit/(loss) after taxation	60 105	65 345	(69 179)
Attributable to:			
Equity holders of the parent	58 958	63 372	(72 019)
Non-controlling interests	1 147	1 973	2 840
Profit/(loss) after taxation	60 105	65 345	(69 179)
Discontinued operations			
Profit for the year from discontinued operations*	242 546	63 985	177 830
Net profit after taxation (Profit for the year from discontinuing operations “PAT”)	302 651	129 330	108 651
Attributable to:			
Equity holders of the parent	301 504	127 357	105 811
Continuing operations	58 958	63 372	(72 019)
Discontinued operations	242 546	63 985	177 830
Non-controlling interests	1 147	1 973	2 840
Net profit after taxation	302 651	129 330	108 651
Other comprehensive income net of taxation:			
Net profit after taxation	302 651	129 330	108 651
Items that may be reclassified subsequently to profit or loss:			
– Foreign currency translation reserve	35 461	(8 844)	(8 190)
Total comprehensive income	338 112	120 486	100 461
Attributable to:			
Equity holders of the parent	336 965	118 513	97 621
Non-controlling interests	1 147	1 973	2 840
Total comprehensive income	338 112	120 486	100 461
(Profit)/loss per share from continuing operations			
Basic earnings/(loss) per share (cents)	32.6	35.4	(40.1)
Diluted earnings/(loss) per share (cents)**	32.3	35.0	(40.1)
Headline earnings per share (cents)	31.8	35.4	41.2
Profit per share from discontinued operations			
Basic earnings per share (cents)	134.2	35.8	99.0
Diluted earnings per share (cents)	133.0	35.3	97.9
Headline earnings per share (cents)	134.2	35.8	99.8
Weighted average number of shares in issue	180 686 948	181 317 725	179 676 859
Weighted average diluted number of shares in issue	182 312 650	178 939 229	181 625 743

* During the prior year the group entered into an agreement with Bidvest Bank to divest its ownership in enX Fleet. This resulted in enX Fleet being recognised as a discontinued operation in 2019. Therefore the statement of profit or loss and other comprehensive income for the six months ending 28 February 2019 has been re-represented in accordance with IFRS 5.

** The dilutionary instruments have an anti-dilutionary effect in the prior year.

HEADLINE EARNINGS AND EBIT RECONCILIATION

	Unaudited for the six months ended 29 February 2020 R'000	Unaudited for the six months ended 28 February 2019 R'000	Audited for the year ended 31 August 2019 R'000
Net profit after taxation attributable to equity holders of the parent	301 504	127 357	105 811
Adjusted for:			
Profit/(loss) on disposal of property, plant and equipment	(1 965)	73	1 468
Impairment of goodwill and intangible assets	–	–	166 395
Taxation effect on adjustments	550	(20)	(20 359)
Headline earnings attributable to ordinary shareholders	300 089	127 410	253 315
Reconciliation of headline earnings - continuing operations			
Net profit/(loss) after taxation attributable to equity holders of the parent	58 958	63 372	(72 019)
Adjusted for:			
Profit/(loss) on disposal of property, plant and equipment	(1 965)	73	(659)
Impairment of goodwill and intangible assets	–	–	166 395
Taxation effect on adjustments	550	(20)	(19 763)
Headline earnings attributable to ordinary shareholders - continuing operations	57 543	63 425	73 954
Reconciliation of headline earnings - discontinued operations			
Net profit after taxation attributable to equity holders of the parent	242 546	63 985	177 830
Adjusted for:			
Loss on disposal of property, plant and equipment	–	–	2 127
Taxation effect on adjustments	–	–	(596)
Headline earnings attributable to ordinary shareholders - continuing operations	242 546	63 985	179 361

EBIT RECONCILIATION			
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	1 032 065	976 495	1 748 167
Depreciation and amortisation	(402 104)	(598 174)	(1 157 387)
Earnings before interest and taxation ("EBIT")	629 961	378 321	590 780
EBITDA - continuing operations	609 838	358 469	905 077
Depreciation and amortisation	(402 104)	(598 003)	(733 671)
EBIT – continuing operations	207 734	200 466	171 406
EBITDA – discontinued operations	422 227	418 026	843 090
Depreciation and amortisation	–	(240 171)	(423 716)
EBIT – discontinued operations	422 227	177 855	419 374

* This reconciliation is unaudited

SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

	Equipment			Fleet ⁽²⁾			Petrochemicals			Group, financing and consolidation			Total		
	Unaudited for the six months ended 29 February 2020 R'000	Unaudited for the six months ended 28 February 2019 R'000	Audited for the year ended 31 August 2019 R'000	Unaudited for the six months ended 29 February 2020 R'000	Unaudited for the six months ended 28 February 2019 R'000	Audited for the year ended 31 August 2019 R'000	Unaudited for the six months ended 29 February 2020 R'000	Unaudited for the six months ended 28 February 2019 R'000	Audited for the year ended 31 August 2019 R'000	Unaudited for the six months ended 29 February 2020 R'000	Unaudited for the six months ended 28 February 2019 R'000	Audited for the year ended 31 August 2019 R'000	Unaudited for the six months ended 29 February 2020 R'000	Unaudited for the six months ended 28 February 2019 R'000	Audited for the year ended 31 August 2019 R'000
	2 041 925	1 898 740	4 045 741	–	1 000 827	–	828 635	865 774	1 713 959	(20 906)	(15 473)	43 064	2 849 654	3 749 868	5 802 764
Revenue	2 041 925	1 898 740	4 045 741	–	1 000 827	–	828 635	865 774	1 713 959	(20 906)	(15 473)	43 064	2 849 654	3 749 868	5 802 764
– South Africa	1 310 868	1 281 365	2 708 677	–	883 279	–	745 771	776 721	1 552 197	(12 762)	25 977	–	2 043 877	2 967 342	4 260 874
– Rest of world	729 798	615 962	1 334 258	–	105 301	–	76 057	87 242	159 958	(78)	–	49 351	805 777	808 505	1 543 567
– Intercompany	1 259	1 413	2 806	–	12 247	–	6 807	1 811	1 804	(8 066)	(41 450)	(6 287)	–	(25 979)	(1 677)
EBITDA ⁽¹⁾	586 209	531 018	1 108 655	–	430 164	–	44 414	42 688	(20 054)	(20 785)	(27 375)	(183 524)	609 838	976 495	905 077
Depreciation and amortisation	(390 952)	(331 888)	(686 733)	–	(243 064)	–	(8 220)	(6 195)	(12 851)	(2 932)	(17 027)	(34 087)	(402 104)	(598 174)	(733 671)
EBIT	195 257	199 130	421 922	–	187 100	–	36 194	36 493	(32 905)	(23 717)	(44 402)	(217 611)	207 734	378 321	171 406
– South Africa	137 885	149 861	319 817	–	164 955	–	28 504	24 112	(40 811)	(23 879)	(44 402)	(211 755)	142 510	294 526	67 251
– Rest of world	57 372	49 269	102 105	–	22 145	–	7 690	12 381	7 906	162	–	(5 856)	65 224	83 795	104 155
Net finance costs	(117 920)	(92 795)	(200 321)	–	(95 014)	–	(11 822)	(13 984)	(29 151)	1 621	5 518	16 070	(128 121)	(196 275)	(213 402)
Interest received	535	949	1 335	–	1 822	–	1 672	1 556	3 053	124	247	849	2 331	4 574	5 237
Interest expense	(118 455)	(93 744)	(201 656)	–	(96 836)	–	(13 494)	(15 540)	(32 204)	1 497	5 271	15 221	(130 452)	(200 849)	(218 639)
Share of profit from associate	–	–	–	–	–	–	5 855	1 837	4 965	–	–	–	5 855	1 837	4 965
Profit/(loss) before taxation	77 337	106 335	221 601	–	92 086	–	30 227	24 346	(57 091)	(22 096)	(38 884)	(201 541)	85 468	183 883	(37 031)
Headline earnings	58 979	83 357	142 072	–	69 031	–	23 157	18 213	(41 257)	(24 592)	(43 192)	(26 861)	57 543	127 410	73 954
Total assets	5 754 390	4 966 372	5 374 840	–	3 224 355	–	922 871	909 184	877 745	4 310 530	814 781	4 109 688	10 987 791	9 914 692	10 362 273
– Goodwill and intangibles	78 916	29 558	66 070	–	28 939	–	2 309	3 759	2 950	311 856	802 142	314 566	393 081	864 398	383 586
– Leasing assets	3 207 754	2 850 171	3 043 620	–	2 761 661	–	–	–	–	–	–	–	3 207 754	5 611 832	3 043 620
– Investment in associate	–	–	–	–	–	–	65 107	56 077	59 205	–	–	–	65 107	56 077	59 205
– Inventories	1 236 898	1 064 154	1 161 216	–	30 349	–	352 675	464 674	350 272	815	–	992	1 590 388	1 559 177	1 512 480
– Trade, other receivables, provisions and derivative financial assets	629 526	571 825	632 034	–	268 037	–	251 124	218 024	298 015	5 822	(1 199)	712	886 472	1 056 687	930 761
– Other assets	601 295	450 664	471 900	–	135 369	–	251 657	166 650	167 303	3 992 037	13 838	3 793 418	4 844 989	766 521	4 432 621
Total liabilities	4 405 505	3 789 255	4 088 069	–	2 589 016	–	645 098	620 853	623 729	2 688 213	1 108	2 744 720	7 738 816	7 000 232	7 456 519
– Interest-bearing liabilities and overdraft	3 316 307	2 739 193	2 965 854	–	1 965 472	–	224 701	272 431	249 506	(107 567)	(54 552)	63 700	3 433 441	4 922 544	3 279 060
– Deferred vendor consideration	–	–	–	–	–	–	2 950	24 780	2 655	–	–	–	2 950	24 780	2 655
– Trade and other payables and provisions	703 953	800 700	903 296	–	337 029	–	346 626	312 277	369 170	4 249	(3 556)	21 988	1 054 828	1 445 820	1 294 454
– Other liabilities	385 244	249 992	218 919	–	286 515	–	70 822	11 365	2 399	2 791 531	59 216	2 659 032	3 247 597	607 088	2 880 350
Capital expenditure net of proceeds	604 098	584 188	1 035 154	–	477 946	–	10 474	2 854	10 025	–	12	34	614 572	1 065 000	1 045 179
Number of employees	1 945	1 746	1 830	–	551	–	130	136	131	8	11	15	2 083	2 444	1 971
GEOGRAPHICAL SEGMENTATION															
Total assets	5 754 390	4 966 372	5 374 840	–	3 224 355	–	922 871	909 184	877 745	4 310 530	814 781	984 711	10 987 791	9 914 692	10 362 273
– South Africa	3 685 087	3 376 733	3 563 585	–	2 825 333	–	857 641	843 875	821 471	4 195 457	814 781	984 711	8 738 185	7 860 722	8 380 640
– Rest of world	2 069 303	1 589 639	1 811 255	–	399 022	–	65 230	65 309	56 274	115 073	–	–	2 249 606	2 053 970	1 981 633
Total liabilities	4 405 505	3 789 255	4 088 070	–	2 589 016	–	645 098	620 853	623 729	2 688 213	1 108	112 582	7 738 816	7 000 232	7 456 519
– South Africa	2 771 001	2 547 886	2 648 867	–	2 448 983	–	612 389	582 232	593 469	2 660 230	1 108	112 582	6 043 620	5 580 209	5 961 383
– Rest of world	1 634 504	1 241 369	1 439 203	–	140 033	–	32 709	38 621	30 260	27 983	–	–	1 695 196	1 420 023	1 495 136

⁽¹⁾ Excludes intercompany management fees.

⁽²⁾ The Fleet segment is held for sale as at 31 August 2019 and 29 February 2020 and therefore no longer forms part of the segmental analysis in the prior and current year.

NOTES

1. Basis of preparation

The summarised unaudited interim financial results for the six months ended 29 February 2020 have been prepared in accordance with IFRS and complies with IAS 34 – Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Board, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act, No. 71 of 2008 of South Africa and the Listings Requirements of the JSE Limited. The accounting policies used in the preparation of the condensed unaudited interim financial results for the six months ended 29 February 2020 are consistent with those applied in the audited financial statements for the year ended 31 August 2019.

During the current period, the Group adopted those standards and interpretations in issue and effective for the period. The adoption of these new and amended standards and interpretations has not had a significant impact on the Group's adopted accounting policies.

The application of IFRS5: Non Current Assets held for Sale and Discontinued Operations from 15 July 2019 complicates meaningful performance comparison between the results of the current and prior periods. To provide a more meaningful assessment of the group's performance pro forma information has been presented for the six-month period ended 29 February 2020 in the table under the heading "Effect of accounting for Fleet as an asset held for sale". The directors are responsible for compiling the pro forma financial information. The pro forma information does not constitute financial statements fairly presented in accordance with IFRS. The pro forma information has been prepared for illustrative purposes only and because of its nature, may not fairly present the Group's financial position, changes in equity, results of operations and cash flows. The pro forma information has not been audited or reviewed by the Group's external auditors.

These results have been compiled under the supervision of Robert Lumb CA(SA), the Chief Financial Officer. The condensed interim financial results have not been reviewed or reported on by the group auditors.

	Unaudited for the six months ended 28 February 2020 R'000
1. Assets held for sale and liabilities associated with assets held for sale – Fleet	

enX Shareholders are referred to the announcement released on SENS on Monday, 15 July 2019 in terms of which enX Shareholders were advised the enX had concluded a Subscription Agreement with Bidvest Bank ("Bidvest") which, once implemented, will result in enX divesting of the enX Fleet business.	
Operating assets	3 911 208
Other assets	61 456
Total assets held for sale	3 972 664
Operating liabilities	2 364 560
Other liabilities	417 873
Total liabilities relating to assets held for sale	2 782 433

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited for the six months ended 29 February 2020 R'000	Unaudited for the six months ended 28 February 2019 R'000	Audited for the year ended 31 August 2019 R'000
Stated capital	3 134 092	3 104 893	3 117 031
Balance at beginning of the period	3 117 031	3 103 455	3 103 455
Increase through the issue of shares (net of costs)	–	–	12 138
Transfer from treasury shares to issued shares	17 061	1 438	1 438
Other reserves	(662 204)	(689 045)	(684 860)
Balance at beginning of the period	(684 860)	(681 952)	(681 952)
Foreign currency translation reserve	35 461	(8 844)	(8 190)
Share-based payment expense	(12 805)	1 751	5 282
Accumulated profits	739 533	463 072	437 208
Balance at beginning of the period	437 208	335 715	335 715
Adjustment to the opening balance arising from the initial application of IFRS 9, IFRS 15 and IFRS 16 (net of tax) *	821	–	12 695
Balance as at 1 September	438 029	335 715	348 410
Total comprehensive income for the period	301 504	127 357	105 811
Acquisition of minority interest in subsidiary	–	–	(17 013)
Non-controlling interests	37 554	35 540	36 375
Balance at beginning of the period	36 375	36 002	36 002
Acquisition of minority interest in subsidiary	–	–	(32)
Total comprehensive income for the period	1 179	1 973	2 840
Dividends paid to minority shareholders	–	(2 435)	(2 435)
Balance at end of the period	3 248 975	2 914 460	2 905 754

* As at 28 February 2019 there was insufficient information available to assess the impact of IFRS 9 and 15 as an actuarial assessment had been initiated but was not completed. Based on previous assessments performed at that point in time the impact of IFRS 9 and 15 was not expected to be material. The impact of IFRS 9 and IFRS 15 on opening retained earnings as disclosed in the 31 August 2019 AFS further indicates that the opening balance adjustment is not material."

Registered office: 11 Gross Street, Tunney Industrial, Elandsfontein	Company secretary: Acorim Secretarial and Governance (represented by Natasha Petrides)
Postal address: PostNet Suite X86, Private Bag X7, Aston Manor, 1630	Transfer secretaries: Computershare Investor Services Proprietary Limited
Sponsor: The Standard Bank of South Africa Limited	Release date: 27 May 2020

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited for the six months ended 29 February 2020 R'000	Unaudited for the six months ended 28 February 2019 R'000	Audited for the year ended 31 August 2019 R'000
Cash flows from operating activities	826 248	719 808	1 736 384
Cash generated from operations before working capital movements	1 049 070	969 028	1 908 585
Working capital movements	64 520	(4 484)	296 421
Interest received	3 078	4 272	7 231
Interest paid	(238 438)	(200 849)	(399 374)
Taxation paid	(51 982)	(48 159)	(76 479)
Cash flows from investing activities	(1 101 308)	(1 068 601)	(2 267 615)
Capital expenditure	(1 105 312)	(1 065 000)	(2 157 149)
Proceeds on disposal of assets	4 004	–	5 047
Business combinations	–	–	(112 404)
Cash (outflow) from unlisted investments and loans	–	(3 601)	(3 109)
Cash flows from financing activities	101 107	207 872	546 754
Proceeds from interest-bearing liabilities	124 416	218 121	1 036 868
Repayment of interest-bearing liabilities	(23 309)	–	(476 475)
Deferred vendor consideration paid	–	(10 249)	(11 204)
Dividends paid to minority shareholders	–	–	(2 435)
Net (decrease)/increase in cash and cash equivalents	(173 953)	(140 921)	15 523
Effect of exchange rate changes on cash and cash equivalents	(2 260)	(3 867)	4 384
Cash and cash equivalents at beginning of the period	426 503	406 596	406 596
Cash and cash equivalents at end of the period	250 290	261 808	426 503
Bank and cash balances – continuing operations	196 355	261 808	368 459
Amount included in assets held for sale	53 935	–	58 044
Total group cash and cash equivalents	250 290	261 808	426 503