

SUMMARISED PRELIMINARY CONSOLIDATED FINANCIAL RESULTS

for the year ended 31 August 2021

Revenue from continuing operations
R4.335 billion
(2020: R3.867 billion) ↑12%

HEPS from continuing operations
91 c per share
(2020: loss of 23 c per share)

Cash generated before financing activities
R1.003 billion
(2020: R224 million)

Net asset value per share
R14.47
(2020: R13.61)

NATURE OF BUSINESS

enX Group Limited (''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 following segments as follows:

- enX Fleet ("**Fleet**"):
  - Eqstra Fleet Management ("**Eqstra**") 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 South Africa and sub-Saharan Africa.
- enX Petrochemicals ("**Petrochemicals**"):
  - African Group Lubricants ("**AG Lubricants**") produces and markets oil lubricants and greases in South Africa and sub-Saharan Africa. They are the sole distributors of ExxonMobil lubricants (excluding marine and aviation) and Quaker Houghton International's Advanced Fluids Solutions and Services.
  - West African International ("**WAG**") distributes plastics, polymers, rubber and speciality chemicals into Southern Africa.
- enX Equipment ("**Equipment**"):
  - **New Way Power** designs, manufactures, installs and maintains diesel generators and distributes a range of industrial and marine engines. The business has recently evolved to include a more balanced power solution offering cleaner power through solar hybrid and grid alternatives.
  - **Austro** distributes professional woodworking equipment and tooling with the provision of associated services.
- enX Discontinued operations:
  - **Impact Handling (UK)**, which was previously part of the Equipment segment providing distribution, rental and materials handling equipment in UK and Ireland, was classified as an asset held for sale in terms of IFRS 5 with effect from 1 February 2021 and was disposed of on 14 June 2021.
  - **EIE SA,** which was previously part of the Equipment segment and provides distribution, rental and value-added services for industrial and material handling equipment in South Africa and other African countries, was classified as an asset held for sale in terms of IFRS 5 with effect from 31 August 2021.

FINANCIAL RESULTS

Overview

enX recorded a strong recovery in profitability for the year ended 31 August 2021 compared to the prior year, despite the continued impact of COVID-19 related restrictions and unrest that hampered operations in July 2021.

enX's financial position, including EIE SA, improved significantly with net debt to equity of 109% (August 2020: 208%), supported by the receipt of the net proceeds of R609 million from the sale of Impact Handling (UK) and overall reduction in debt.

The Group experienced strong free cash flow resulting in an inflow of cash before financing of R1.003 billion (2020: R224.0 million) with improved cash flows from operating activities supported by good working capital management and receipt of the proceeds from the sale of Impact Handling (UK).

Revenue from continuing operations increased by 12% to R4.335 billion (2020: R3.867 billion), mainly supported by a recovery in activity across most businesses as the COVID-19 related lockdown restrictions eased, albeit shortages of product in some trading entities.

Operating profit from continuing operations before impairments of goodwill, intangible assets and PPE and adjustments on deferred vendor loan was R341.6 million (2020: R110.4 million), up significantly, positively impacted by a recovery in activity as COVID-19 related restrictions eased together with the non-reoccurrence of one-off expenditure in 2020 stemming from the pandemic. Due to the Board's decision to divest of its equity ownership in Eqstra to Bidvest during the 2019 financial year, Eqstra was required to be recorded as an asset held for sale as at the end of August 2019. As required by IFRS 5, enX was required to cease depreciation and amortisation and assess the carrying value of the assets held for sale in terms of the transaction value. Consequently, depreciation and amortisation of R65.9 million (after tax: R47.4 million) from 15 July 2019 to 31 August 2019, which related to the 2019 financial year was reinstated during the second half of the 2020 financial year end when the Eqstra discontinued operation was reclassified to a continuing operation when the transaction did not become effective. Operating profit from continuing operations before impairments of goodwill, intangible assets and PPE and adjustments on deferred vendor loans was up 94% year on year after adjusting for the impact of the catch-up depreciation.

Operating profit from continuing operations before net finance costs was R339.9 million (2020: loss of R238.4 million), impacted by the impairment of goodwill of R182 million and intangible assets of R137 million (after tax R98 million) and fair value adjustments on a deferred vendor consideration relating to the acquisition of 37% of Zestcor amounting to R31 million in the prior year.

Net finance charges in respect of continuing operations were R151.8 million (2020: R196.0 million), a reduction of 23% from reduced borrowings at lower funding rates.

Headline earnings per share from continuing operations for the year ended 31 August 2021 was 91 cents per share (2020: loss of 23 cents per share), up significantly.

Capital expenditure

Capital expenditure for the year ended 31 August 2021 was R1.814 billion, a similar amount to last year and was mainly deployed to grow the leasing book within EIE SA, Impact Handling (UK) and Eqstra.

Funding

The Group's total net interest-bearing liabilities (including disposal group held for sale net interest-bearing liabilities) decreased to R2.909 billion (2020: R5.197 billion), primarily due to the disposal of Impact Handling (UK).

EIE SA and Eqstra

New funding arrangements with bank lenders achieved financial closed during December 2020, whereby both EIE SA and Eqstra businesses raised their own independent ring-fenced funding facilities. The proceeds were used to repay all existing bank borrowings and all debt capital market instruments were redeemed. The refinance resulted in a significant extension of maturities for EIE SA and Eqstra with the first maturity at Eqstra arising in December 2022. Furthermore, there are material undrawn facilities for both businesses to meet existing requirements and fund growth. Negotiations are underway with the lenders to Eqstra to reduce Eqstra's cost of funding and extend maturities by applying a portion of the proceeds from the sale of Impact Handling (UK) to reduce debt.

enX Trading

The South African trading businesses continued to retain their own dedicated banking facilities. The composition of the facilities evolved during December 2020 with the term loan being fully repaid, while the limit on our revolving credit facility was reduced by R30 million to R45 million. The general banking facility of R150 million, together with the indirect facility of R80 million remains. The maturity of the revolving credit facility of R45 million was extended to 31 August 2022. During 2021, an additional R50 million facility was raised in respect of WAG Chemicals, to finance growth in this operation. We believe these facilities provide adequate liquidity for these businesses to trade and grow.

Liquidity

Liquidity in all our businesses remains robust with well managed working capital. All financial covenants for the measurement periods covered by this report have been met.

Cash flow

Net cash flows before financing activities amounted to an inflow of R1.003 billion (2020: R224.0 million). Included in working capital inflows of R749.7 million (2020: R610.3 million) is the reclassification of leasing assets into inventories amounting to R539.9 million (2020: R595.1 million).

OPERATIONAL OVERVIEW

Fleet

Eqstra revenue for the year ended 31 August 2021 decreased to R1.769 billion (2020: R1.860 billion), a decrease of 5%. While vehicle rental units at the end of August 2021 were 3% up on the prior year with the easing of COVID-19 related restrictions, used vehicle units were down on last year due to lower average replacement business. Margins from the sale of used vehicles were, however, significantly higher than expected. Eqstra profit before tax on a like for like basis was R108 million (2020: R16 million), a significant increase mainly due to the growth in the rental fleet and non-reoccurrence of one-off charges in 2020 relating to the pandemic. Profitability was negatively impacted in the 2021 year by R4.5 million of unamortised bank structuring fees from the previous bank financing arrangements, which were fully written off following the refinancing of Eqstra.

Petrochemicals

AG Lubricants revenue increased to R908 million (2020: R778 million), an increase of 17% mainly due to higher volumes coupled by a significant increase in the price of base oils. Including share of profits from Zestcor, profit before tax was R68 million (2020: R31 million), significantly up on last year due to higher volumes, a more profitable mix of product and lower manufacturing overheads compared to the same period last year.

WAG revenue increased to R1.259 billion (2020: R896 million), up 41% on the prior year. Profit before tax was R43 million (2020: R32 million) supported by higher demand from mining, industrial and packaging manufacturing customers, new business growth coupled with lower overhead.

Equipment

New Way Power continued to be impacted by a challenging construction industry environment amidst more stable supply of power from Eskom and a continued complete shutdown of the events industry caused by the pandemic, which uses short-term rental of generators. Revenue for the year ended 31 August 2021 was R319 million (2020: R276 million), up 16% partially due to the completion of a power solution for a large data centre installation, but with margin pressures arising from a price sensitive market. Loss before tax was R37 million (2020: loss of R31 million). The business unit added renewable solutions to its revenue stream during July 2021. Significant improvements in the management of working capital during the financial year were realised.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited as at 31 August 2021 R'000	Audited as at 31 August 2020 R'000
ASSETS		
Non-current assets	**3 185 840**	7 019 397
Property, plant, equipment and right of use assets	**259 561**	621 446
Leasing assets	**2 769 789**	6 087 417
Goodwill	**–**	92 461
Intangible assets	**33 375**	73 308
Investment in associate	**103 852**	70 916
Unlisted investments and loans	**851**	9 175
Deferred taxation	**18 412**	60 050
Trade, other receivables and derivatives	**–**	4 624
Current assets	**2 334 733**	3 592 610
Trade, other receivables and derivatives	**810 697**	1 064 879
Inventories	**665 356**	1 622 021
Taxation receivable	**2 663**	19 801
Bank and cash balances	**856 017**	885 909
Disposal group held for sale	**2 794 679**	–
Total assets	**8 315 252**	10 612 007
EQUITY AND LIABILITIES		
Capital and reserves	**2 661 950**	2 497 447
Stated capital	**3 134 092**	3 134 092
Other reserves	**(733 554)**	(595 867)
Accumulated profits/(loss)	**224 597**	(75 261)
Equity attributable to equity holders of the parent	**2 625 135**	2 462 964
Non-controlling interests	**36 815**	34 483
Non-current liabilities	**2 046 164**	4 159 009
Interest-bearing liabilities	**1 700 071**	3 620 250
Lease liabilities	**93 415**	95 741
Employee benefits	**1 179**	5 090
Deferred taxation	**251 499**	437 928
Current liabilities	**1 493 253**	3 955 551
Interest-bearing liabilities	**359 556**	2 241 028
Deferred vendor consideration	**–**	33 895
Lease liabilities	**30 584**	115 675
Trade, other payables, provisions and derivatives	**1 083 882**	1 536 226
Taxation payable	**19 231**	23 350
Bank overdrafts	**–**	5 377
Liabilities associated with disposal group held for sale	**2 113 885**	–
Total equity and liabilities	**8 315 252**	10 612 007
Supplementary information:		
Number of shares in issue	**182 312 650**	182 312 650
Weighted number of shares in issue (net of treasury shares)	**181 366 763**	181 017 311
Net asset value per share (cents)#	**1 447**	1 361
Net tangible asset value per share (cents)	**1 434**	1 280

Equity attributable to equity holders of the parent/Number of ordinary shares in issue net of treasury shares.

Austro showed recovery. Revenue for the year ended 31 August 2021 was R124 million (2020: R107 million), up 16%. Profit before tax was R2 million (2020: loss of R20 million), a significant improvement compared to the prior year supported by the easing of COVID-19 related restrictions and cost reductions. Good cash flows were generated during the year through enhanced working capital management.

Discontinued operations

Impact Handling (UK)

During November 2020, the Board decided to proceed with the divestment of one of the enX businesses.

Shareholders are referred to the SENS announcement dated 15 April 2021 announcing the disposal of **Impact Handling (UK)**. As detailed in the SENS announcement, enX Leasing Investments, a wholly owned subsidiary of enX, had entered into a Share Purchase Agreement (SPA) with Aprolis Holding SAS (the purchaser), a subsidiary of Monnoyeur SAS, for the disposal of 100% of the issued share capital of Impact Handling (UK). The disposal represented an attractive opportunity to monetarise its investment at a valuation that the Board believed fairly reflected the prospects and cash flows of the business and at a higher value that was incorporated in the enX share price. Shareholder approval was obtained in a General Meeting on 1 June 2021 as required in terms of a category 1 transaction in terms of the JSE Listing Requirements. The disposal became effective on 14 June 2021 at a transaction value of £33 million, being the maximum purchase price as agreed in the SPA. Total proceeds net of UK based transaction fees and management exit bonuses was £31.4 million, which was received in two tranches before 31 August 2021.

In line with IFRS 5, Impact Handling (UK) was reported as an asset held for sale and discontinued operation from 1 February 2021, the date that the conditions were met for it to be classified as an asset held for sale.

The profit on disposal of the discontinued operation of R32.8 million has been reflected.

Impact Handling (UK) revenue and profit after tax, including profit on disposal, for the period 1 September 2020 to 14 June 2021, the date of disposal was R1.231 billion and R170.6 million respectively. Depreciation and amortisation that ceased as a result of Impact Handling (UK) being classified as a held for sale asset from 1 February 2021 until the effective date of the transaction on 14 June 2021 amounted to R113 million (after tax: R91 million).

EIE SA

Shareholders are also referred to the SENS announcement dated 30 September 2021 announcing the disposal of EIE SA to CFAO Holdings South Africa ("CFAO South Africa"), subject to shareholder approval. Binding Heads of Terms have been signed by enX and CFAO South Africa, whereby enX will dispose of its equity ownership in EIE SA for R700 million, subject to typical leakage adjustments between 31 December 2020 and closure of the transaction.

EIE SA was designated as an asset held for sale with effect from 31 August 2021. In terms of IFRS 5, enX was required to assess the carrying value of the asset held for sale in terms of the transaction value. This resulted in enX impairing the held for sale asset by R108 million.

The South African forklift market recovered with total units based on purchases made from the OEMs for the year ended 31 August 2021 increasing significantly compared to the prior year. EIE SA revenue for the year ended 31 August 2021 was R2.111 billion (2020: R1.890 billion), up 12%. Aftermarket revenue and pre-owned unit sales remained strong, but the new equipment market remained under pressure with a higher-than-normal new equipment sales going into the rental fleet rather than a cash sale. Operating margins were in line with last year. With the non-reoccurrence of one-off charges within EIE SA in 2020 stemming from the pandemic and lower depreciation charges on the fleet, profit before tax increased to R84 million (2020: R5 million). Profit before tax was negatively impacted by R4.5 million of unamortised bank structuring fees from the previous bank financing arrangements, which was written off in full following the refinancing of EIE SA in December 2020.

Dividends

In line with the Group policy to reduce gearing coupled with prevailing uncertainties, no cash dividend has been declared for the current and prior year.

OUTLOOK

The South African economy is expected to recover slowly amongst various challenges facing the country which include the pace of the COVID-19 vaccination programme, the damages arising to the country from the recent unrest and the possible impacts of future COVID-19 infection waves. Trading activities continue to recover exceeding pre-COVID-19 levels of activity within most of the businesses.

The sale of Impact Handling (UK) has reduced debt while the proceeds arising from the sale are unencumbered and held at a group level. As mentioned earlier, negotiations are underway with the Eqstra lending syndicate to reduce gearing, extend maturities and obtain better cost of financing through the injection of a portion of these funds into Eqstra.

New equipment sales are expected to improve slowly notwithstanding the tendency of customers to either acquire used equipment or to rent. New equipment sales will remain under pressure, while used equipment and the aftermarket component should remain strong.

Within Eqstra, the diversified customer base with annuity revenue and in use fleet provides a stable revenue stream. Some growth is expected as the economy recovers and replacement business, which has been interrupted by the impacts of the pandemic, continues. The impact of lower funding rates passed onto the customers, continues to impact the business. The impact of lower cost of financing reducing gearing from the proceeds from the sale of Impact Handing (UK), should improve profitability.

Trading within AG Lubricants and WAG businesses is buoyant, subject to global supply chain concerns negatively impacted by COVID-19 related restrictions and the resultant shortages of raw materials.

Trading within New Way Power and Austro remains challenging with both businesses operating in difficult markets.

This outlook information has not been audited and reported on by the company's external auditors.

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the year ended 31 August 2021 R'000	Restated* Audited for the year ended 31 August 2020 R'000
Continuing operations		
Revenue	**4 334 591**	3 867 230
Cost of sales	**(2 934 691)**	(2 632 370)
Gross profit	**1 399 900**	1 234 860
Expected credit losses	**28 384**	(29 375)
Operating expenses	**(1 086 675)**	(1 095 037)
Operating profit before items listed below	**341 609**	110 448
Impairment of goodwill, intangible assets and property, plant and equipment	**(1 721)**	(318 170)
Adjustment on deferred vendor consideration	**–**	(30 688)
Operating profit before net finance costs and earnings from associate	**339 888**	(238 410)
Net finance costs	**(151 757)**	(195 999)
Interest received	**6 902**	13 678
Interest expense	**(158 659)**	(209 677)
Share of profits from associate	**32 936**	11 711
Profit/(loss) before taxation	**221 067**	(422 698)
Taxation	**(55 593)**	102 011
Profit/(loss) after taxation	**165 474**	(320 687)
Attributable to:		
Equity holders of the parent	**163 142**	(320 226)
Non-controlling interests	**2 332**	(461)
Net profit/(loss) after taxation ("PAT")	**165 474**	(320 687)
Discontinued operations		
Profit/(loss) for the year from discontinued operations	**136 716**	(192 243)
Net profit/(loss) after taxation ("PAT")	**302 190**	(512 930)
Attributable to:		
Equity holders of the parent	**299 858**	(512 469)
Continuing operations	**163 142**	(320 226)
Discontinued operations	**136 716**	(192 243)
Non-controlling interests	**2 332**	(461)
Net profit/(loss) after taxation	**302 190**	(512 930)
Other comprehensive income/(loss) net of taxation:		
Profit/(loss) after taxation	**302 190**	(512 930)
Items that may be reclassified subsequently to profit or loss:		
– Foreign currency translation reserve	**(95 870)**	102 941
Total comprehensive income/(loss)	**206 320**	(409 989)
Attributable to:		
Equity holders of the parent	**203 988**	(409 528)
Non-controlling interests	**2 332**	(461)
Total comprehensive income/(loss)	**206 320**	(409 989)
Profit/(loss) per share from continuing operations		
Basic earnings/(loss) per share (cents)	**90**	(177)
Diluted earnings/(loss) per share (cents)**	**90**	(177)
Headline earnings/(loss) per share (cents)	**91**	(23)
Profit/(loss) per share from discontinued operations		
Basic earnings/(loss) per share (cents)	**75**	(106)
Diluted earnings/(loss) per share (cents)**	**75**	(106)
Headline earnings per share (cents)	**117**	3

* *During the year the group entered into an agreement with Aprolis Holdings SAS to divest its ownership in Impact Handling (UK). This divestment was effective from 14 June 2021 and resulted in Impact Handling (UK) being recognised as a discontinued operation in 2021. Furthermore during the year the Group entered into an agreement with CFAO South Africa to divest its ownership in EIE SA. This resulted in EIE SA being recognised as a discontinued operation as at 31 August 2021. Therefore the statement of profit or loss and other comprehensive income for 2020 has been represented in accordance with IFRS 5 to take into account the two disposals.*
The consolidated statement of profit or loss presented for the year ending 31 August 2020 erroneously presented items of income and expense as a hybrid of function and nature. The consolidated statement of profit or loss has been restated to present items of income and expense by their function as IAS 1 Presentation of Financial Statements requires that these items be presented by either their function or by their nature. The comparatives have accordingly been restated and the operating profit or loss before taxation as presented in the segmental report. In addition, IAS 1 Presentation of Financial Statements requires expected loss allowances to be presented on the face of the statement of profit or loss. The comparatives have been restated to reflect such disclosure. This has no impact on the net loss reported in the comparative year and the resulting earnings measures.

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

HEADLINE EARNINGS AND EBIT RECONCILIATIONS

	Audited for the year ended 31 August 2021 R'000	Audited for the year ended 31 August 2020 R'000
Profit/(loss) after taxation attributable to equity holders of the parent	**299 858**	(512 469)
Adjusted for:		
Profit on disposal of property, plant and equipment	**(3 417)**	(6 410)
Impairment of goodwill, intangible assets and property, plant and equipment	**114 519**	544 111
Profit on disposal of subsidiary	**(32 819)**	–
Taxation effect on adjustments	**(874)**	(61 642)
Headline earnings/(loss) attributable to ordinary shareholders	**377 267**	(36 410)
Profit/(loss) after taxation attributable to equity holders of the parent – continuing operations	**163 142**	(320 226)
Adjusted for:		
Profit on disposal of property, plant and equipment	**(17)**	(2 563)
Impairment of goodwill, intangible assets and property, plant and equipment	**1 721**	319 201
Taxation effect on adjustments	**(477)**	(37 236)
Headline earnings/(loss) attributable to ordinary shareholders – continuing operations	**164 369**	(40 824)
Profit/(loss) after taxation attributable to equity holders of the parent – discontinued operations	**136 716**	(192 243)
Adjusted for:		
Profit on disposal of property, plant and equipment	**(3 400)**	(3 847)
Impairment of goodwill, intangible assets and property, plant and equipment	**112 798**	224 910
Profit on disposal of subsidiary	**(32 819)**	–
Taxation effect on adjustments	**(397)**	(24 405)
Headline earnings/(loss) attributable to ordinary shareholders - discontinued operations	**212 898**	4 415

GOING CONCERN AND SUBSEQUENT EVENTS

Funding and liquidity

Liquidity in all our businesses has been resilient during the year. It is testament to the ability of our businesses to scale back capital expenditures, reduce orders, collect debtors and drawdown on inventory levels to release cash.

Based on our assessment of the prospects and cash flows for each business as at the date of signing we believe that credit facilities we have in place provide sufficient liquidity for the businesses to continue trading for the foreseeable future. There are no maturities within the next 12 months which cannot either be extended or repaid out of existing cash resources.

There have been no material events subsequent to year-end that have been taken into account in the financial statements.

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited for the year ended 31 August 2021 R'000	Audited for the year ended 31 August 2020 R'000
Stated capital	**3 134 092**	3 134 092
Balance at beginning of the year	**3 134 092**	3 117 031
Transfer from treasury shares to issued shares	**–**	17 061
Other reserves	**(733 554)**	(595 867)
Balance at beginning of the year	**(595 867)**	(684 860)
Foreign currency translation reserve	**(95 870)**	102 941
Reclassification of reserves on disposal of subsidiary	**(41 518)**	–
Share-based payment settlement	**(299)**	(13 948)
Accumulated profits/(loss)	**224 597**	(75 261)
Balance at beginning of the year	**(75 261)**	437 208
Total comprehensive income/(loss) for the year	**299 858**	(512 469)
Non-controlling interest	**36 815**	34 483
Balance at beginning of the year	**34 483**	36 375
Total comprehensive income/(loss) for the year	**2 332**	(461)
Dividends paid to minority shareholders	**–**	(1 431)
Total shareholders' interests	**2 661 950**	2 497 447

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited for the year ended 31 August 2021 R'000	Audited for the year ended 31 August 2020 R'000
Cash flows from operating activities	**2 345 119**	1 995 525
Cash generated from operations before working capital movements	**1 930 719**	1 860 593
Working capital movements	**749 702**	610 280
Interest received	**9 323**	13 945
Interest paid	**(307 717)**	(417 032)
Taxation paid	**(36 908)**	(72 261)
Cash flows from investing activities	**(1 341 710)**	(1 771 570)
Capital expenditure	**(1 814 257)**	(1 789 159)
Proceeds on disposal of assets	**10 857**	15 300
Business combinations	**(12 947)**	–
Net proceeds on disposal of subsidiary	**474 637**	–
Cash from unlisted investments and loans	**–**	2 289
Cash flows from financing activities	**(1 005 191)**	243 311
Proceeds from interest-bearing liabilities	**3 360 712**	693 550
Repayment of interest-bearing liabilities	**(4 322 382)**	(395 927)
Deferred vendor consideration paid	**(30 319)**	–
Repayment of lease liability	**(13 202)**	(52 881)
Dividends paid to minority shareholders	**–**	(1 431)
Net (decrease)/increase in cash and cash equivalents	**(1 782)**	467 266
Effects of exchange rate changes on cash and cash equivalents	**(27 019)**	(13 237)
Cash and cash equivalents at beginning of the year	**880 532**	426 503
Total group cash and cash equivalents at end of the year	**851 731**	880 532

BASIS OF PREPARATION

The summarised preliminary consolidated financial statements for the year ended 31 August 2021 have been prepared in accordance with the requirements of the JSE Listings Requirements applicable to summarised preliminary reports and the requirements of the Companies Act, No. 71 of 2008 of South Africa applicable to summarised financial statements. The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("**IFRS**"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting.

This report as well as the Group's consolidated annual financial statement were compiled under the supervision of R Lumb CA(SA), CFO of enX.

The accounting policies applied in the preparation of the consolidated financial statements (from which these summarised results are derived) are, in terms of IFRS, and are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements.

AUDIT REPORT

enX's independent auditor, Deloitte & Touche, has issued its opinion on the consolidated and separate financial statements for the year ended 31 August 2021. The audit was conducted in accordance with International Standards on Auditing. Deloitte & Touche has issued an unmodified opinion. A copy of the independent auditor's report together with a copy of the audited consolidated and separate financial statements is available for inspection on the enX website as well as at enX's registered office during normal business hours from 3 November 2021. Shareholders are advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report together with the consolidated and separate audited consolidated financial statements as at 31 August 2021.

The summarised preliminary consolidated financial statements have been derived from and are consistent in all material respects with the consolidated financial statements for the year ended 31 August 2021 but are not audited. The directors take full responsibility for the preparation of these summarised preliminary consolidated financial results and confirm that the financial information has been correctly extracted from the underlying audited consolidated financial statements. Any reference to future financial information included in this announcement has not been audited or reported on by the auditor.

The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

Information included in the preliminary report is extracted from audited information, but is not itself audited.

SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

	EQUIPMENT[3]		FLEET		PETROCHEMICALS		GROUP, FINANCING AND CONSOLIDATION		TOTAL	
	Audited for the year ended 31 August 2021 R'000	Audited for the year ended 31 August 2020 R'000	Audited for the year ended 31 August 2021 R'000	Audited for the year ended 31 August 2020 R'000	Audited for the year ended 31 August 2021 R'000	Audited for the year ended 31 August 2020 R'000	Audited for the year ended 31 August 2021 R'000	Audited for the year ended 31 August 2020 R'000	Audited for the year ended 31 August 2021 R'000	Audited for the year ended 31 August 2020 R'000
Revenue[1]	**443 245**	3 721 188	**1 768 842**	1 859 651	**2 167 438**	1 674 032	**(44 934)**	(48 762)	**4 334 591**	7 206 109
– South Africa	**443 245**	2 270 242	**1 612 668**	1 699 154	**2 005 630**	1 505 131	**2 996**	–	**4 064 539**	5 474 527
– Rest of World	**–**	1 448 496	**136 318**	137 246	**145 687**	146 870	**–**	–	**282 005**	1 732 612
– Intercompany	**–**	2 450	**19 856**	23 251	**16 121**	22 031	**(47 930)**	(48 762)	**(11 953)**	(1 030)
EBITDA[2]	**(6 061)**	1 060 700	**760 413**	742 456	**116 704**	93 160	**(460 163)**	(641 532)	**410 893**	1 254 784
Depreciation and amortisation[4]	**(22 445)**	(808 160)	**(510 551)**	(594 558)	**(17 427)**	(16 670)	**479 418**	(27 414)	**(71 005)**	(1 446 802)
Earnings/(loss) before interest and taxation[5]	**(28 506)**	252 540	**249 862**	147 898	**99 277**	76 490	**19 255**	(668 946)	**339 888**	(192 018)
– South Africa	**(28 506)**	159 915	**204 507**	114 776	**90 362**	62 135	**19 255**	(668 946)	**285 618**	(332 119)
– Rest of World	**–**	92 625	**45 355**	33 122	**8 915**	14 355	**–**	–	**54 270**	140 101
Net finance costs	**(6 592)**	(222 373)	**(125 565)**	(177 122)	**(20 104)**	(23 510)	**504**	13 653	**(151 757)**	(409 352)
Interest received	**1 719**	1 446	**10 224**	17 081	**1 407**	2 914	**(6 448)**	(7 496)	**6 902**	13 945
Interest expense	**(8 311)**	(223 819)	**(135 789)**	(194 203)	**(21 511)**	(26 424)	**6 952**	21 149	**(158 659)**	(423 297)
Share of profits from associate	**–**	–	**–**	–	**32 936**	11 711	**–**	–	**32 936**	11 711
Profit/(loss) before taxation[2, 3]	**(35 098)**	30 167	**124 297**	(29 224)	**112 109**	64 691	**19 759**	(655 293)	**221 067**	(589 659)
Total assets	**311 877**	5 864 824	**3 255 128**	3 116 518	**1 441 564**	1 055 791	**3 306 683**	574 874	**8 315 252**	10 612 007
– Goodwill and intangible assets	**806**	87 931	**30 498**	20 773	**2 071**	1 842	**–**	55 223	**33 375**	165 769
– Leasing assets	**508**	3 351 653	**2 769 280**	2 731 600	**–**	–	**1**	4 164	**2 769 789**	6 087 417
– Investment in associate	**–**	–	**–**	–	**103 852**	70 916	**–**	–	**103 852**	70 916
– Inventories	**116 865**	1 158 887	**18 411**	26 787	**530 080**	436 347	**–**	–	**665 356**	1 622 021
– Trade, other receivables and derivative financial assets	**67 232**	567 216	**217 646**	175 782	**508 095**	316 489	**17 724**	10 016	**810 697**	1 069 503
– Other assets	**126 466**	699 137	**219 293**	161 576	**297 466**	230 197	**494 279**	505 471	**1 137 504**	1 596 381
Disposal group held for sale	**–**	–	**–**	–	**–**	–	**2 794 679**	–	**2 794 679**	–
Total liabilities	**122 094**	4 491 506	**2 267 571**	2 382 940	**1 042 476**	734 154	**2 221 161**	505 960	**5 653 302**	8 114 560
– Interest-bearing liabilities and overdraft	**64**	3 408 566	**1 680 362**	1 779 350	**307 982**	251 783	**71 219**	426 956	**2 059 627**	5 866 655
– Deferred vendor consideration	**–**	–	**–**	–	**–**	33 895	**–**	–	**–**	33 895
– Trade, other payables, provisions and derivatives	**71 582**	768 252	**312 991**	332 703	**675 243**	424 989	**23 012**	8 762	**1 082 828**	1 534 706
– Other liabilities	**50 448**	314 688	**274 218**	270 887	**59 251**	23 487	**13 045**	70 242	**396 962**	679 304
Liabilities associated with disposal group held for sale	**–**	–	**–**	–	**–**	–	**2 113 885**	–	**2 113 885**	–
Capital expenditure net of proceeds	**5 528**	991 503	**830 278**	772 380	**1 574**	13 560	**185**	11 716	**837 565**	1 789 159
Number of employees	**256**	1 754	**466**	379	**168**	135	**9**	7	**899**	2 275
GEOGRAPHICAL SEGMENTATION										
Total assets	**311 877**	5 864 824	**3 255 128**	3 116 518	**1 441 564**	1 055 791	**3 306 683**	574 874	**8 315 252**	10 612 007
– South Africa	**311 877**	3 521 093	**2 797 541**	2 659 772	**1 370 050**	1 007 104	**3 306 683**	574 874	**7 786 151**	7 762 843
– Rest of World	**–**	2 343 731	**457 587**	456 746	**71 514**	48 687	**–**	–	**529 101**	2 849 164
Total liabilities	**122 094**	4 491 506	**2 267 571**	2 382 940	**1 042 476**	734 154	**2 221 161**	505 960	**5 653 302**	8 114 560
– South Africa	**122 094**	2 650 009	**2 098 133**	2 204 326	**1 010 521**	724 693	**2 221 161**	505 960	**5 451 909**	6 084 988
– Rest of World	**–**	1 841 497	**169 438**	178 614	**31 955**	9 461	**–**	–	**201 393**	2 029 572

(1) No single customer exceeds 10% of group revenue.
(2) Excludes intercompany management fees.
(3) Impact Handling (UK) was disposed of during the current year and EIE SA is held for sale as at 31 August 2021 and therefore these businesses no longer form part of the Equipment segmental analysis in the current year.
(4) Total depreciation and amortisation includes depreciation disclosed as part of cost of sales.
(5) Earnings/(loss) before interest and taxation include impairments of goodwill, intangible assets and property of R1.7 million (2020:R544.1 million, 2020 also includes an adjustment on deferred vendor consideration of R30.7 million which is nil in the current year).

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and provide optimal returns for shareholders through maintaining an optimal capital structure. The Group defines capital as equity funding provided by shareholders and debt funding from external parties.

Shareholder funding comprises permanent paid up capital, revenue reserves and other reserves, being revaluation reserves (if any) and foreign currency translation reserves together with loans from shareholders. The board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business.

The board of directors monitors the cost of capital, which the Group defines as the weighted average cost of capital, taking into account the Group's internally calculated cost of equity and long-term cost of debt assumptions. The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound equity position.

The Group's debt capacity and optimal gearing levels are determined by its cash flow profile and are measured through applicable ratios such as net debt to EBITDA and interest cover. In order to maintain or adjust the capital structure, in the absence of significant investment opportunities, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

There were no changes in the Group's approach to capital management during the year. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES

1. Disposal group held for sale – EIE SA

enX shareholders are referred to the announcement released on SENS on 30 September 2021 in terms of which enX shareholders were advised the enX has agreed binding heads of terms with CFAO Holdings South Africa Proprietary Limited ("CFAO South Africa") which, once implemented, will result the divestment of EIE Group Proprietary Limited ("EIE SA").

	Audited for the year ended 31 August 2021 R'000
Operating Assets	**2 743 640**
Other assets	**51 039**
Total disposal group held for sale	**2 794 679**
Operating liabilities	**1 934 359**
Other liabilities	**179 526**
Total liabilities relating to disposal group held for sale	**2 113 885**

2. Discontinued operations

Consolidated discontinued statement of profit or loss and comprehensive income	Audited for the year ended 31 August 2021 R'000	Audited for the year ended 31 August 2020 R'000
Revenue	**3 341 909**	3 338 879
Cost of sales	**(2 135 822)**	(2 201 154)
Gross profit	**1 206 087**	1 137 725
Expected credit losses	**(10 162)**	(13 443)
Operating expenses	**(758 329)**	(852 980)
Operating profit before items listed below	**437 596**	271 302
Impairment of goodwill, intangibles and PPE	**(4 818)**	(224 910)
Impairment of held for sale assets	**(107 980)**	–
Operating profit before net finance costs and earnings from associate	**324 798**	46 392
Net finance costs	**(156 179)**	(213 353)
Interest received	**2 421**	267
Interest expense	**(158 600)**	(213 620)
Net profit before tax	**168 619**	(166 961)
Attributable taxation expense	**(64 722)**	(25 282)
Profit on disposal of discontinued operation	**32 819**	–
Net profit after taxation from discontinued operations	**136 716**	(192 243)
Cash flows from discontinued operations		
Net cash flows from operating activities	**1 414 900**	1 038 125
Net cash flows from investing activities	**(949 354)**	(1 129 318)
Net cash flows from financing activities	**(446 328)**	151 481
Net cash flows	**19 218**	60 288

	Audited for the year ended 31 August 2021 R'000	Audited for the year ended 31 August 2020 R'000
3. Interest-bearing liabilities		
Medium Term Note Programme	**–**	917 934
Bank debt and overdraft – South Africa	**2 059 627**	3 542 443
Bank debt and overdraft – Rest of world	**–**	1 406 278
Deferred vendor considerations	**–**	33 895
	2 059 627	5 900 550
Comprising:		
Non-current	**1 700 071**	3 620 250
Current	**359 556**	2 280 300
	2 059 627	5 900 550

	Audited for the year ended 31 August 2021 R'000	Audited for the year ended 31 August 2020 R'000
4. Net finance costs		
Interest received – other	**9 323**	13 945
Interest expense	**(299 986)**	(414 776)
Deemed interest expense	**(124)**	(552)
Interest on lease liability	**(8 055)**	(7 969)
Write-off of debt restructuring costs	**(9 094)**	–
	(307 936)	(409 352)
Continuing operations	**(151 757)**	(195 999)
Discontinued operations	**(156 179)**	(213 353)

	Audited for the year ended 31 August 2021 R'000	Audited for the year ended 31 August 2020 R'000
5. Revenue		
Revenue recognised at a point in time		
Sale of capital goods	**1 178 014**	1 139 452
Sale of goods, consumables and parts	**2 444 923**	1 947 902
Sale of used goods	**581 219**	540 097
Total revenue recognised at a point in time	**4 204 156**	3 627 451
Revenue transferred over time		
Leasing rentals	**2 235 181**	2 423 696
Maintenance and service revenue	**1 105 784**	1 012 413
Value added products	**110 363**	126 089
Other revenue	**21 016**	16 460
Total revenue transferred over time	**3 472 344**	3 578 658
Total revenue	**7 676 500**	7 206 109
Continuing operations	**4 334 591**	3 867 230
Discontinued operations	**3 341 909**	3 338 879

6. Fair value hierarchy disclosures

Valuation methodology

Level 1 – Valuations with reference to quoted prices in an active market:

Financial instruments valued with reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis. There are no level 1 financial instruments in the current year.

Level 2 – Valuations based on observable and unobservable inputs include:

Financial instruments valued using inputs other than quoted prices as described above for level 1 but which are observable for the asset or liability, either directly or indirectly, such as a quoted price for similar assets or liabilities in an active market; a quoted price for identical or similar assets or liabilities in inactive markets; a valuation model using observable inputs; and a valuation model using inputs derived from/corroborated by observable market data.

The net market value of all forward exchange contracts at year-end was calculated by comparing the forward exchange contract rates to the equivalent year-end market foreign exchange rates.

Level 3 – Valuations based on unobservable inputs include:

Financial instruments are valued using significant inputs which are not based on observable market data.

Unlisted investments are valued based on operational performance of the entities which is considered to be appropriate taking into account that the investments are very insignificant to the group.

The table below shows the group's financial assets and liabilities that are recognised and subsequently measured at fair value, analysed by valuation technique.

31 August 2021	Level 2 R'000	Level 3 R'000	Fair value R'000
Financial assets			
Unlisted investments and loans	**–**	**851**	**851**
Designated as fair value through profit and loss – Derivative financial assets	**32**	**–**	**32**
	32	**851**	**883**
Financial liabilities			
Designated as fair value through profit and loss – Derivative financial liabilities	**1 054**	**–**	**1 054**
	1 054	**–**	**1 054**

7. Disposal of subsidiary

enX Shareholders are referred to the announcement released on SENS on 15 April 2021 detailing the disposal of Impact Handling (UK). As included in the SENS announcement, enX Leasing Investments, a wholly owned subsidiary of enX, entered into a Share Purchase Agreement (SPA) with Aprolis Holding SAS (the purchaser), a subsidiary of Monnoyeur SAS, for the disposal of 100% of the issued share capital of Impact Handling (UK). The disposal became effective on 14 June 2021 for £33 million, being the maximum purchase price as agreed in the SPA and total proceeds net of UK based transaction fees and management exit bonuses was £31.4 million, which was received before 31 August 2021.

The net assets of Impact Handling at the date of disposal were as follows:

	2021 R'000
Non-current assets	**1 751 562**
Current Assets	**396 459**
Non-current liabilities	**(1 233 216)**
Current liabilities	**(299 111)**
Net assets disposed of	**615 694**
Total consideration	**609 304**
Satisfied by:	
Cash and cash equivalents	**609 304**
Net cash inflow arising on disposal	**609 304**
Consideration received in cash and cash equivalents	**609 304**
Less: cash and cash equivalents disposed of	**(134 667)**
	474 637

DIRECTORS

Executive directors: A Hannington (Chief Executive Officer), R Lumb (Chief Financial Officer), O Mabandla
Non-executive directors: P Baloyi (Chairman), W Chapman, V Jarana^, K Matthews*, L Molefe*, B Ngonyama*
*(*Independent)*
(^Lead independent)

The following change to directorship took place during the year:

- O Mabandla was appointed executive director on 2 June 2021, previously non-executive director.

For and on behalf of the board

A Hannington
Chief Executive Officer

R Lumb
Chief Financial Officer

3 November 2021