



Invicta

HOLDINGS LIMITED

Registration number 1966/002182/06
(Incorporated in the Republic of South Africa)
Share code: IVT | ISIN: ZAE000029773
Preference share code: IVTP | ISIN: ZAE000173399
("Invicta" or "the Group" or "the Company")



SUMMARISED CONSOLIDATED RESULTS

FOR THE YEAR ENDED 31 MARCH



2017

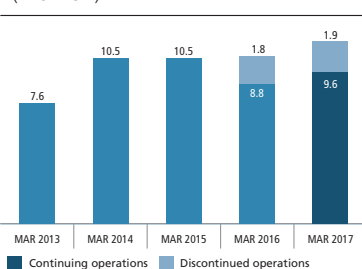
REVENUE ↑ **8%**
TO R11.5 BILLION

PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ↑ **26%**
TO R533 MILLION

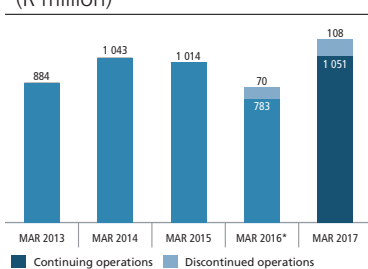
OPERATING PROFIT BEFORE FOREIGN EXCHANGE MOVEMENTS ↑ **36%**
TO R1.16 BILLION

FINAL DIVIDEND DECLARED ↑ **26%**
TO R103 MILLION

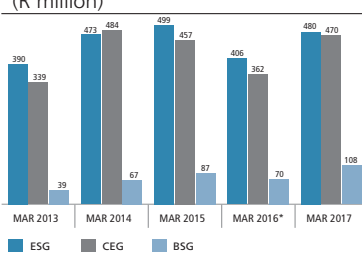
Revenue (R billion)



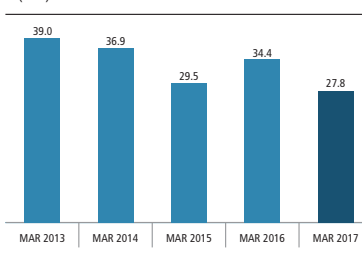
Total operating profit before foreign exchange movements (R million)



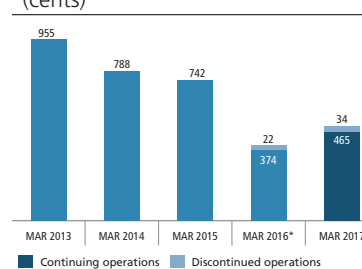
Segment operating profit before foreign exchange movements (R million)



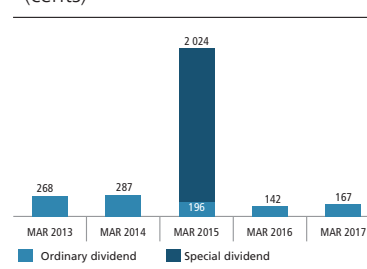
Operating net debt: equity (%)



Basic and normalised earnings per share (cents)



Ordinary dividends paid (cents)



BASIC AND NORMALISED EPS ↑ **499c** ↑ **26%**

HEPS ↑ **500c** ↑ **37%**

DPS ↑ **167c** ↑ **18%**

NAV PER SHARE ↑ **4 715c** ↑ **5%**

SHORT FORM ANNOUNCEMENT

Shareholders are advised that this short form announcement represents a summary of the information contained in the full announcement published on SENS and Invicta Holdings Limited's website (www.invictaholdings.co.za) and does not contain the complete or full announcement details. Any investment decision should be based on consideration of the full announcement and shareholders and/or investors are encouraged to review the full announcement. The full announcement is also available for inspection at the registered office of Invicta Holdings Limited (3rd Floor, Pepkor House, 36 Stellenberg Road, Parow Industria) and at Invicta's Sponsor, Deloitte & Touche Sponsor Services (Pty) Ltd (Deloitte Place, Building 8, The Woodlands, 20 Woodlands Drive, Woodmead). Inspection of the full announcement is available to investors at no charge, during normal business hours. The contents of this short form announcement are the responsibility of the Board of Invicta Holdings Limited.

OVERVIEW OF THE YEAR

The Invicta Group has delivered exceptional results for the year to 31 March 2017 under most difficult circumstances.

The conditions in the Group's diverse businesses proved to be challenging. Unusually high volatility in the Rand exchange rate, the worst drought in living memory, continued political turmoil and a recession in South Africa in Quarters 3 and 4 of the financial year.

It is therefore extremely pleasing to be able to report such good results, which bear testimony to the resilience of the Group.

GROUP PERFORMANCE

CONTINUING OPERATIONS

The continuing operations comprise:

- ESG (Engineering Solutions Group) – distributor of engineering products, technical services and solutions including bearings, tools, electric motors, hydraulics etc.
- CEG (Capital Equipment Group) – agricultural machinery, construction machinery, forklifts and related parts, including Kian Ann Engineering, which is based in Singapore.

Revenue of continuing operations increased by 9.5% from R8.8 billion to R9.6 billion. Operating profit increased by 48% from R681 million to R1.010 billion. This is due largely to improved gross profit management, cost containment and reduced foreign exchange costs.

Profit for the year from continuing operations grew by 22% from R472 million to R575 million. Basic earnings per share from continuing operations grew by 24% from 374 cents per share to 465 cents per share, whilst diluted earnings per share increased by 26% from 396 cents to 499 cents per share. The dividend for the year is up 18% from 142 cents per share to 167 cents per share.

Cash generated by all operations was very strong at R1.35 billion, up 130% from R586 million in the prior year.

A restatement of the prior year results has resulted in the prior year comparative numbers being restated. The effect of this is not material and has resulted in a minor increase of R5.5 million of the comparative period net profit after taxation.

Further growth and expansion of current operations is taking place in Southern Africa, particularly through ESG and its BMG division.

DISCONTINUED OPERATIONS

During the year the decision was taken to dispose of BSG (consisting of the MacNeil and Tiletoria group of companies), in order to focus on the core competency of the Invicta Group, being industrial consumables, capital equipment and parts. BSG is therefore shown as a Discontinued Operation in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and as Assets Held for Sale in the Consolidated Statement of Financial Position.

ESG

The Engineering Solutions segment grew revenue by 8.5% (R366 million) to R4.665 billion for the year. A combination of careful gross margin management and cost containment resulted in operating profit increasing by 18% to R480 million.

The R350 million construction and infrastructural expansion programme at BMG World in Johannesburg has been highly successful, with the relocation of staff and inventory from the Durban facilities now complete. The Durban head office has now been completely shut down and sold off. Some of the efficiencies from the programme are already evident with the main benefits projected to come through after September 2017, when the new warehouse management and demand forecasting systems will become fully operational.

New branches in Tanzania, DRC and Ghana have started gaining momentum, adding to the non-South African operations already in place in Zambia, Mozambique, Swaziland, Namibia and Botswana.

CEG

The Capital Equipment segment continues to focus on the growing importance and contribution of original manufactured and aftermarket parts.

CEG had a highly satisfactory year in a sector which was wracked by the worst drought in South Africa in over 100 years which resulted in equipment volume declines in the agricultural sector.

Despite this, revenue grew by 10.5% to R4.955 billion for the financial year through a combination of increased market share and an improved sales mix. Good gross margin management and exceptional cost control led to operating profit increasing by a phenomenal 30% to R470 million.

Invicta announced on 1 February 2017 that CEG had reached agreement with CNH Industrial ("CNH") that CNH will distribute their New Holland brand agricultural products directly into South Africa, Swaziland, Lesotho, Botswana and Namibia with effect from 1 May 2017. The impact on the Invicta Group results for the 2018 financial year is not expected to be material. The remaining distribution rights for other CNH branded products (CASEIH & CASE Construction) are not affected by this agreement. CEG will continue to support the New Holland agricultural products in the aftermarket.

BSG

(Included under Discontinued Operations)

The Building Supplies segment grew revenue by 3% to R1.896 billion. Operating profit was up by a highly commendable 55% to R108 million, adding R38 million during the year.

Investment in and construction of the new distribution facility in Midrand, Johannesburg to the value of R150 million is in progress. This logistics and warehousing hub will provide the infrastructure base for the continued strong growth expected from the Gauteng market and Southern African territories.

Invicta announced the disposal of BSG to Steinhoff Doors and Building Materials Proprietary Limited on 16 February 2017. All conditions precedent have been met, except for Competition Commission approval, which is expected to be received within the next few months. The purchase consideration is based on an enterprise value of R732 million for 100% of BSG and excludes certain manufacturing and property businesses currently forming part of BSG, which will be disposed of separately.

STRATEGIC FOCUS

The Group's strategic focus is to generate cash in its existing businesses and to invest this in sound acquisitions that diversify the Group's revenue streams both within its product groups and geographically.

PROSPECTS

The Group remains resolute in its efforts to produce results above market benchmarks and its competitors. Trading conditions are expected to remain challenging in the year ahead.

The businesses that make up the Invicta Group have strong fundamentals and enjoy significant competitive advantage. Management will continue to consolidate the strengths of the current businesses that make Invicta one of the leading suppliers of industrial consumable products, capital equipment and parts in southern Africa.

CHANGES TO THE BOARD AND BOARD COMMITTEES

During the 2017 financial year, Byron Nichles resigned as CEO of ESG effective 31 October 2016 and was appointed as a non-executive director of the Invicta board effective 1 November 2016. Lance Sherrell resigned as a member of the

Audit committee effective 29 August 2016 and was replaced by Ramani Naidoo effective 2 September 2016. Charles Walters resigned as CEO of the Invicta Group effective 31 January 2017. Arnold Goldstone was re-appointed as Group CEO effective 1 February 2017. David Samuels resigned as chairman of the Social and Ethics committee effective 10 April 2017 and was replaced by Rashid Wally effective 10 April 2017.

APPRECIATION

The board is once again highly appreciative to the executive management, the respective management teams of our businesses and most importantly all the staff, for the excellent commitment and performance in what can only be described as difficult and uncertain economic times.

The board is confident that, with the strengths the Group possesses and the strategic decisions that the board will take, the Group will continue to deliver sustainable value to all stakeholders going forward.

PREFERENCE SHARE CASH DIVIDEND

Notice is hereby given that the board has declared a gross cash dividend on 12 June 2017 of 698.35 cents (10 June 2016: 630.93 cents) per preference share for the period from 1 November 2016 to 12 June 2017. Dividends are to be paid out of distributable reserves.

- Dividends tax (DT) of 20% will be withheld in terms of the Income Tax Act for those shareholders who are not exempt from the DT.
- Accordingly, shareholders who are not exempt from DT will receive a net dividend of 558.68 cents per preference share.
- Invicta Holdings Limited has 7 500 000 preference shares in issue.
- Invicta Holdings Limited's income tax reference number is 9400/012/03/6.

The salient dates for the preference share cash dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 4 July 2017
Shares commence trading "ex" dividend	Wednesday, 5 July 2017
Record date	Friday, 7 July 2017
Payment date	Monday, 10 July 2017

Share certificates may not be dematerialised or rematerialised between Wednesday, 5 July 2017 and Friday, 7 July 2017, both days inclusive.

ORDINARY SHARE CASH DIVIDEND

Notice is hereby given that the board has declared a gross cash dividend of 94.51 cents per ordinary share for the year ended 31 March 2017. Dividends are to be paid out of distributable reserves. Dividend tax (DT) of 20% will be withheld in terms of the Income Tax Act for those shareholders who are not exempt from DT. In accordance with paragraphs 11.17(1)(i) and 11.17(c) of the Listings Requirements, the following additional information is disclosed:

- The gross local dividend amount is 94.51 cents per ordinary share for shareholders exempt from the Dividend Tax;
- The net local dividend amount is 75.608 cents per ordinary share for shareholders liable to pay the Dividend Tax;
- Invicta Holdings Limited has 108 494 738 ordinary shares in issue (which includes 1 541 823 treasury shares); and
- Invicta Holdings Limited's income tax reference number is 9400/012/03/06.

The salient dates for the ordinary share cash dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 1 August 2017
Shares commence trading "ex" dividend	Wednesday, 2 August 2017
Record date	Friday, 4 August 2017
Payment date	Monday, 7 August 2017

Share certificates may not be dematerialised or rematerialised between Wednesday, 2 August 2017 and Friday, 4 August 2017, both days inclusive.

CH Wiese Non-executive Chairman
A Goldstone Chief Executive Officer
C Barnard Financial and Commercial Director

Invicta Holdings Limited
22 June 2017

INVICTA HOLDINGS LIMITED

Registered office: Invicta Holdings Limited, 3rd Floor, Pepkor House, 36 Stellenberg Road, Parow Industria, 7493 PO Box 6077, Parow East, 7501

Transfer secretaries: Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 PO Box 61051, Marshalltown, 2107

Directors: Dr CH Wiese* (Chairman), A Goldstone (Chief Executive Officer), C Barnard, R Naidoo^, B Nichles*, DI Samuels^, LR Sherrell*, AM Sinclair, RA Wally^, Adv JD Wiese*

* Non-executive ^ Independent non-executive

Group company secretary: GM Chemaly

Sponsor: Deloitte & Touche Sponsor Services (Pty) Ltd



www.bmgworld.net

www.capitalequipmentgroup.co.za

www.macneil.co.za

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