



For the year ended 31 March 2021

Presented by Steven Joffe Chief Executive Officer

Disclaimer

The information contained in this presentation may differ from the financial information pertaining to Invicta Holdings Limited's (Invicta's) results as published on SENS in terms of the JSE Limited's Listings Requirements.

The additional normalised financial information has not been reviewed or reported on by the Company's auditors. The normalised financial information has been prepared for illustrative purposes only and is the responsibility of the directors of Invicta.

This presentation may contain certain forward-looking statements that relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

The words "believe", "expect", "anticipate", "intend", "estimate", "forecast", "project", "will", "may", "should" and similar expressions identify forward-looking statements but are not the exclusive means of identifying such statements. Such forward-looking statements are not a guarantee of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Invicta and are difficult to predict, that may cause the actual results, performance, achievements or developments of Invicta or the industry in which it operates to differ materially from any future results, performance, achievements or developments expressed by or implied from the forward-looking statements.

Each member of Invicta expressly disclaims any obligation or undertaking to provide or disseminate any updates or revisions to any forward-looking statements contained in this announcement.

Proceedings

01

Group Financial Overview

02

Divisional Review

Engineering Solutions Group (ESG)

Capital Equipment Group (CEG)

Kiann Ann Group (KAG)

03

Prospects & Strategy



The Year at a Glance

01

The year under review will always be remembered as the Covid-19 year. Notwithstanding, we are extremely proud of how our businesses performed during the period.

03

We generated **R1.9 billion** cash from operations.

02

We increased normalised headline earnings by **19%** compared to the prior period.

04

We reduced net debt by **R1,3 billion**. (R1,5 billion including IFRS 16)

Group Financial Overview



Normalised Continuing Operating Profit 2021 vs 2020

	March	
	2021	2020
	R'000	R'000
Operating profit/(loss) before net fin income on financing transactions and FX as reported	585,175	(319,196)
Add back: Retrenchment costs related to continuing operations	31,972	-
Deduct: Net profit on disposal of business/investments	(96,555)	-
Add back: Goodwill impairment	21,456	639,588
Deduct: IFRS 16 adjustment to reflect rental charge	(11,068)	(27,378)
Add back: Superstock provision	-	135,000
Add back: Property impairments	-	49,228
Add back: IFRS 9 increase due to COVID-19	-	20,200
Add back: Exit from property lease	-	4,800
(Deduct)/Add back: Loan (impairment reversal)/impairment	(8,643)	13,964
Normalised operating profit before net fin income on financing transactions and FX from continuing operations	522,337	516,206
Equity accounted income - Associates	3,862	2,694
Normalised operating profit before net fin income on financing transactions and FX from continuing operations incl equity accounted income	526,199	518,900

Adjusted for once off costs and to reflect actual rental charge rather than IFRS 16 impact.

Normalised Discontinued Operating Profit 2021 vs 2020

	March	
	2021	2020
	R'000	R'000
Operating profit before net fin income on financing transactions and FX from discontinued operations as reported - Kian Ann Group	(59,161)	(116,235)
Add back: Superstock provision	-	61,895
Add back: Property impairments	-	146,594
Add back: IFRS 5 impairment of disposal group	76,864	-
Add back: Net loss on disposal of investment	268	-
Add back: IFRS 9 increase due to COVID-19	-	12,499
Fair value loss/(gain) on call and put options	14,853	(33,533)
Less: IFRS 16 adjustment to reflect rental charge	(6,926)	(2,179)
Normalised operating profit before net fin income on financing transactions and FX from total operations incl equity accounted income - Kian Ann Group	25,898	69,041
Equity accounted income - Associates and Joint Ventures	74,242	52,162
Normalised operating profit before net fin income on financing transactions and FX from total operations - Kian Ann Group	100,140	121,203
Operating profit before net fin income on financing transactions and FX from discontinued operations as reported - CEG Disposal Group	129,221	122,939
Add back: Retrenchment costs related to discontinued operations	1,500	-
Less: IFRS 16 adjustment to reflect rental charge	1,578	(1,543)
Normalised operating profit before net fin income on financing transactions and FX from total operations - CEG Disposal Group	132,299	121,396
Normalised operating profit before net fin income on financing transactions and FX from total operations	680,534	706,643
Normalised operating profit before net fin income on financing transactions and FX from total operations incl equity accounted income	758,638	761,499

Adjusted for once off costs and to reflect actual rental charge rather than IFRS 16 impact.

Normalised Continuing Operating Profit Incl. Kian Ann 2021 vs 2020

	March	
	2021	2020
	R'000	R'000
Normalised continuing operating profit before net fin income on financing transactions and FX from continuing operations	522,337	516,206
Equity accounted income - Associates	3,862	2,694
Normalised operating profit before net fin income on financing transactions and FX from continuing operations incl equity accounted income	526,199	518,900
Normalised operating profit before net fin income on financing transactions and FX from total operations incl equity accounted income - Kian Ann Group	25,898	69,041
Equity accounted income - Associates and Joint Ventures - Kian Ann Group	74,242	52,162
Normalised continuing operating profit before net fin income on financing transactions and FX incl Kian Ann and equity accounted income	626,339	640,103

Adjusted for once off costs and to reflect actual rental charge rather than IFRS 16 impact.

Normalized results at a glance

(including held for sale disposed business and equity accounted income)



*Adjusted for once off costs.

**Adjusted for once off costs and to reflect actual rental charge rather than IFRS 16 impact.

Normalized results at a glance

(continuing operations including Kian Ann and equity accounted income)



*Adjusted for once off costs.

**Adjusted for once off costs and to reflect actual rental charge rather than IFRS 16 impact.

Statement of Comprehensive Income (Extract)

	March		
	2021	2020	Variance
	R'000	R'000	%
Continuing operations			
Revenue	6,251,484	6,873,907	-9%
Cost of sales	(4,259,699)	(4,827,346)	-12%
Gross profit	1,991,785	2,046,561	-3%
	32%	30%	7%
Selling, administration and distribution costs	(1,406,610)	(2,365,757)	-41%
	-23%	-34%	
Operating profit/(loss) before interest on financing transactions and FX movements	585,175	(319,196)	>100%
	9%	-5%	-302%
Net interest received from financing trans (CEG)	11,161	9,451	18%
Net foreign exchange movement	(3,859)	(38,168)	-90%
Operating profit/(loss)	592,477	(347,913)	>100%
	9%	-5%	-280%
EBITDA	791,769	(164,755)	>100%

Statement of Comprehensive Income (Extract)

	March		
	2021	2020	Variance
	R'000	R'000	%
Interest and dividends received	55,712	85,687	-35%
Finance cost	(194,526)	(265,691)	-27%
Share of profits from associates and JVs	3,862	2,694	43%
Profit/(loss) before taxation	457,525	(525,223)	>100%
Effective Tax Rate	35%	-27%	
Taxation	(160,686)	(142,717)	13%
Net profit/(loss) for the year from cont. operations	296,839	(667,940)	>100%
Profit for the period from discontinued operations	79,233	(5,357)	>100%
Net profit/(loss) for the year	376,072	(673,297)	>100%
Non-controlling interest	(9,595)	(6,700)	43%
Preference dividend paid	(58,450)	(81,465)	-28%
Profit/(loss) attributable to ordinary	308,027	(761,462)	>100%

Statement of Financial Position: Assets

	March	
	2021	2020
	R'000	R'000
Assets		
Property, plant and equipment (incl invest prop)	1,003,772	1,738,241
IFRS16 - Right of use asset	245,782	423,271
Financial investments and other financial assets	7,177	5,241
Investments in associates and joint ventures	8,059	293,136
Goodwill	3,391	24,847
Other intangible assets	41,539	77,183
Finance lease and long-term receivables	188,346	94,050
Deferred taxation	174,842	240,805
Total non-current assets	1,672,908	2,896,774
Inventories	2,149,182	4,221,757
Trade receivables	974,315	1,523,039
Other receivables	128,412	351,144
Current portion of other financial assets	-	31,513
Current portion of finance lease and long-term receivables	196,885	113,009
Taxation prepaid	32,498	27,795
Bank balances and cash	896,900	1,131,704
Total current assets	4,378,192	7,399,961
Asset classified as held for sale	2,623,205	126,532
Total assets	8,674,305	10,423,267

Property Plant Equipment: Additions

Capital Expenditure & WIP		31 March 2021
		R'000
CAPEX		
		(163,346)
Additions to property plant equipment		(156,171)
Additions to intangible assets		(7,175)
<i>Expansionary capex</i>		73,810
	Rental assets	23,356
	Property	50,454
<i>Maintenance capex</i>		(89,536)
Depreciation and amortisation excluding IFRS 16 related		121,754

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	R'000	R'000
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Inventory and related provisions

31 March 2021			
	Gross value	Provision	Net value
<u>CEG ZAR</u>	R'000	R'000	R'000
Mar-21	485,480	65,802	419,678
Sep-20	1,254,929	186,017	1,068,912
Mar-20	1,318,982	176,992	1,141,991
<u>ESG ZAR</u>			
Mar-21	2,055,562	359,802	1,695,760
Sep-20	2,159,728	325,910	1,833,819
Mar-20	2,246,829	313,711	1,933,119
<u>KA SGD</u>			
Mar-21	83,493	17,023	66,470
Sep-20	90,211	16,043	74,168
Mar-20	98,013	14,139	83,875
<u>MacNeil Plastic ZAR</u>			
Mar-21	35,861	2,453	33,408
Sep-20	53,920	1,783	52,136
Mar-20	79,450	3,017	76,433
<u>Invicta Group ZAR</u>			
Mar-21 (as reported)	2,576,722	427,540	2,149,182
Mar-21 (discontinued)	917,452	187,050	730,402
Mar-21	3,494,174	614,590	2,879,584
Mar-20	4,889,179	667,422	4,221,757

Statement of Financial Position: Assets

	March	
	2021	2020
	R'000	R'000
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Bank balances and cash	896,900	1,131,704
Total current assets	4,378,192	7,399,961
Asset classified as held for sale	2,623,205	126,532
Total assets	8,674,305	10,423,267

Statement of Financial Position: Equity & Liabilities

	March	
	2021	2020
	R'000	R'000
Shareholders' equity	4,726,088	4,634,517
Long-term borrowing	737,634	2,326,733
Finance lease liabilities	46,286	68,194
IFRS 16 - Lease liability	237,632	443,430
Taxation liability	-	100,000
Deferred taxation	24,716	68,197
Total non-current liabilities	1,046,268	3,006,554
Trade payables	809,917	1,350,795
Other payables and short-term provisions	404,484	509,942
Current portion of financial liability	79,624	75,287
Taxation liabilities	16,807	146,327
Shareholders for dividends	27,230	35,058
Current portion - Borrowings	548,836	201,620
Current portion - Finance lease liabilities	69,917	67,265
Current portion of IFRS 16 - Lease liability	71,761	86,831
Bank overdrafts	253,926	309,071
Total current liabilities	2,282,502	2,782,196
Liabilities associated with assets held for sale	619,447	-
Total liabilities	3,948,217	5,788,750
Total equity & liabilities	8,674,305	10,423,267

Total net-interest bearing debt

	March	
	2021	2020
	R'000	R'000
Borrowings	1,286,470	2,528,353
Finance lease liabilities	116,203	135,459
SARS	-	200,000
Cash	(896,900)	(1,131,704)
Overdraft	253,926	309,071
Net debt excluding IFRS 16	759,699	2,041,179
IFRS 16 ROU lease liabilities	309,393	530,261
Net debt	1,069,092	2,571,440

Covenants 2021

We have complied with the loan covenants which have reverted to the pre COVID-19 measurement basis:

Covenants		Bank 1	Bank 2,3	Achieved
1	Net Debt to EBITDA Ratio	3.25 <	3.0 <	1.42
2	Interest Cover Ratio	3.0 >	3.5 >	5.81

Cash Flow Statement

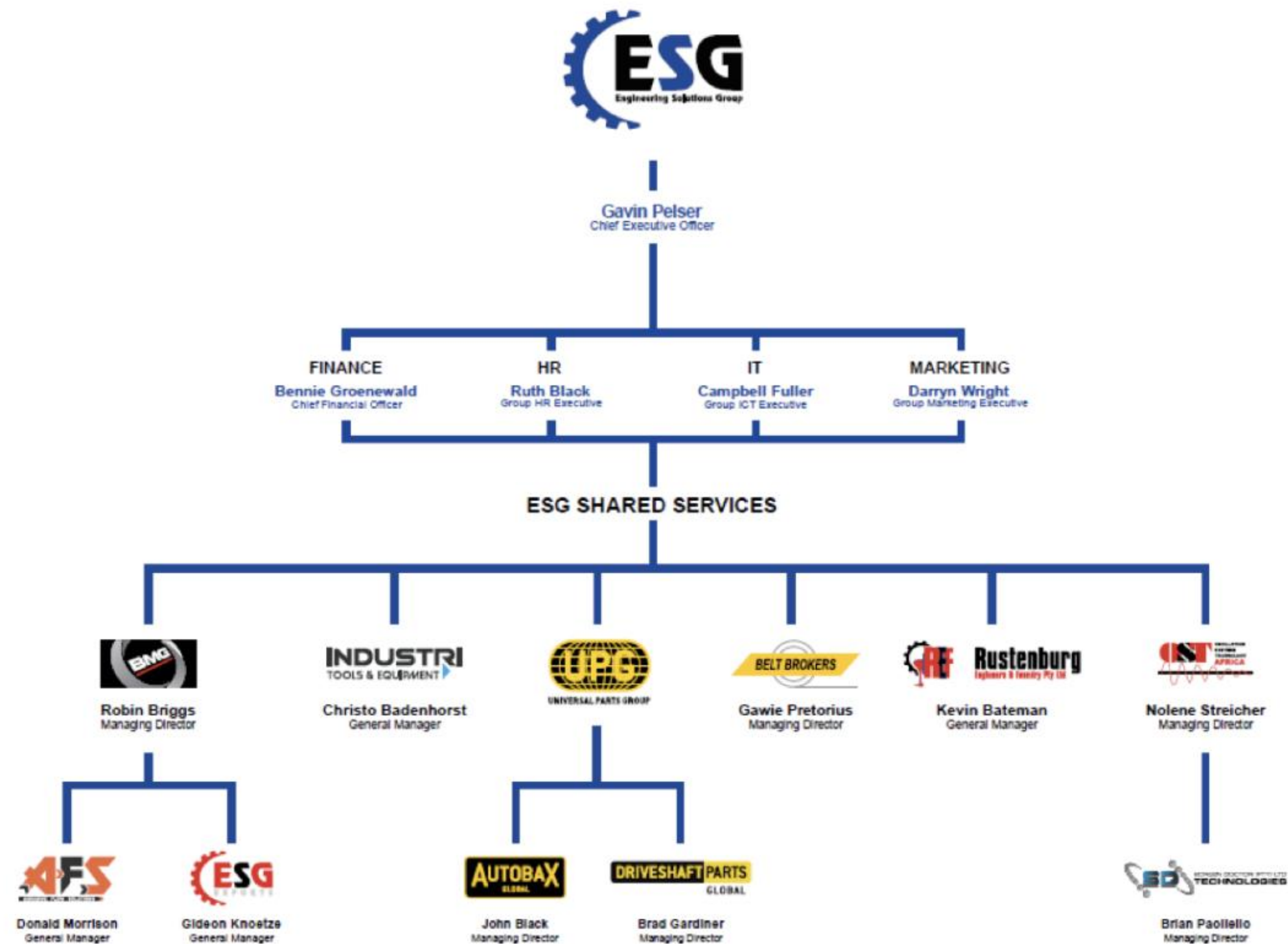
	March	
	2021	2020
	R'000	R'000
Cash flows from operating activities		
Cash generated from operations	1,856,936	959,891
Net finance costs	(141,686)	(201,401)
Net dividends paid	(73,131)	(89,542)
Tax paid	(425,521)	(287,583)
Net cash inflow from operating activities	1,216,598	381,365
Cash flows from investing activities		
Proceeds on disposal of PPE and other intangible assets	43,943	28,497
Additions to PPE and intangible assets	(125,648)	(206,419)
Acquisition of NCI	203	(1,045)
Proceeds on disposal of subsidiaries (including cash disposed)	84,221	19,130
Increase in long term and lease receivables	(5,211)	(4,104)
Decrease in financial investments	-	593,208
Net cash outflow from investing activities	(2,492)	429,267
Cash flows from financing activities		
(Decrease) in borrowings	(914,623)	(706,707)
Increase/(decrease) in lease liabilities	(6,538)	(16,849)
(Decrease) in IFRS 16 lease liabilities	(83,135)	(85,365)
Ordinary shares issued	26,309	-
Other	-	(794)
Net cash outflow from financing activities	(977,987)	(809,715)
Net increase/(decrease) in cash and cash equivalents	236,119	917
Cash and cash equivalents at the beginning of the period	822,633	752,475
Effect of foreign exchange rate movement on cash balances	(59,786)	69,241
Cash and cash equivalents at the end of the period	998,966	822,633

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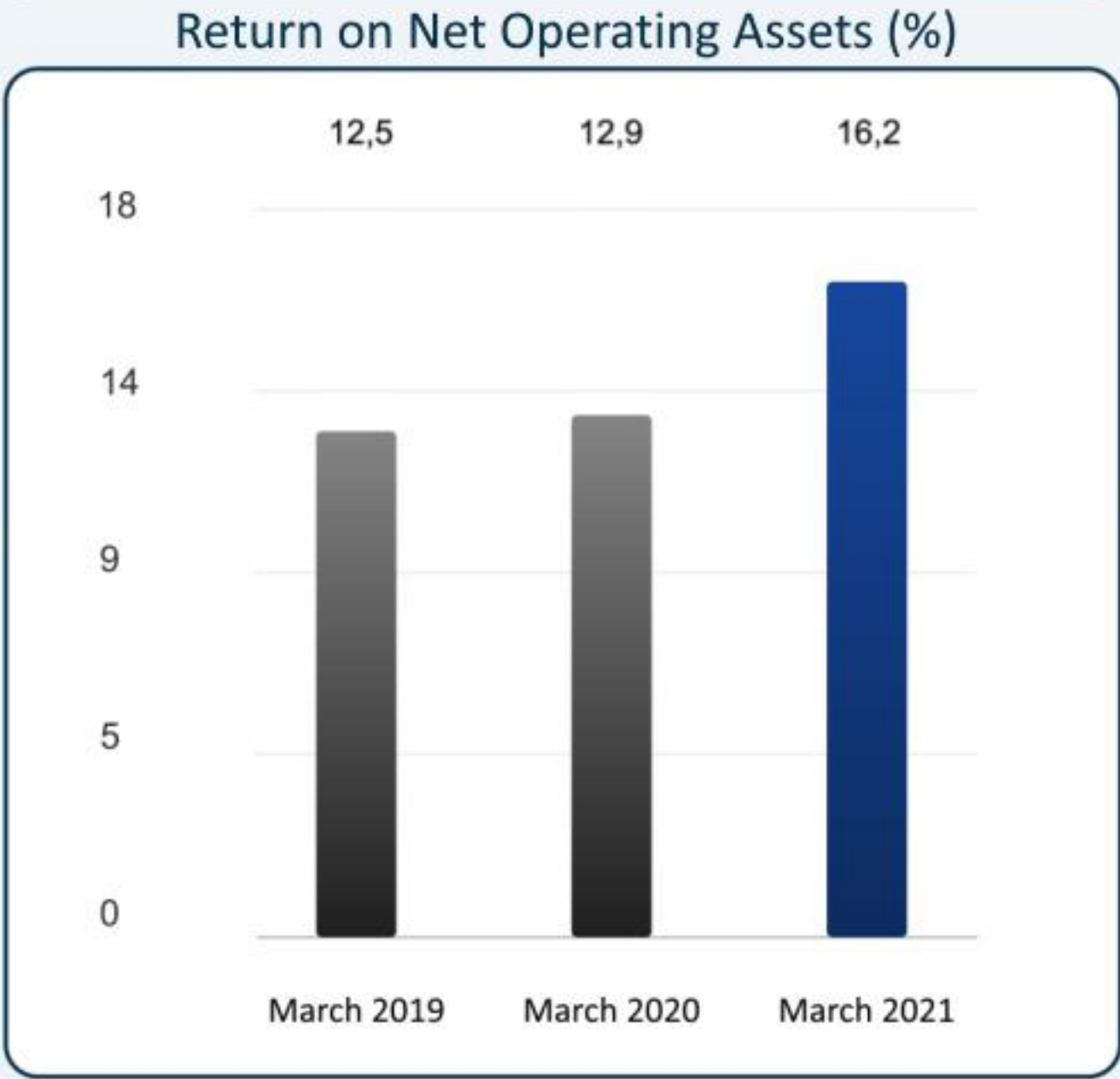
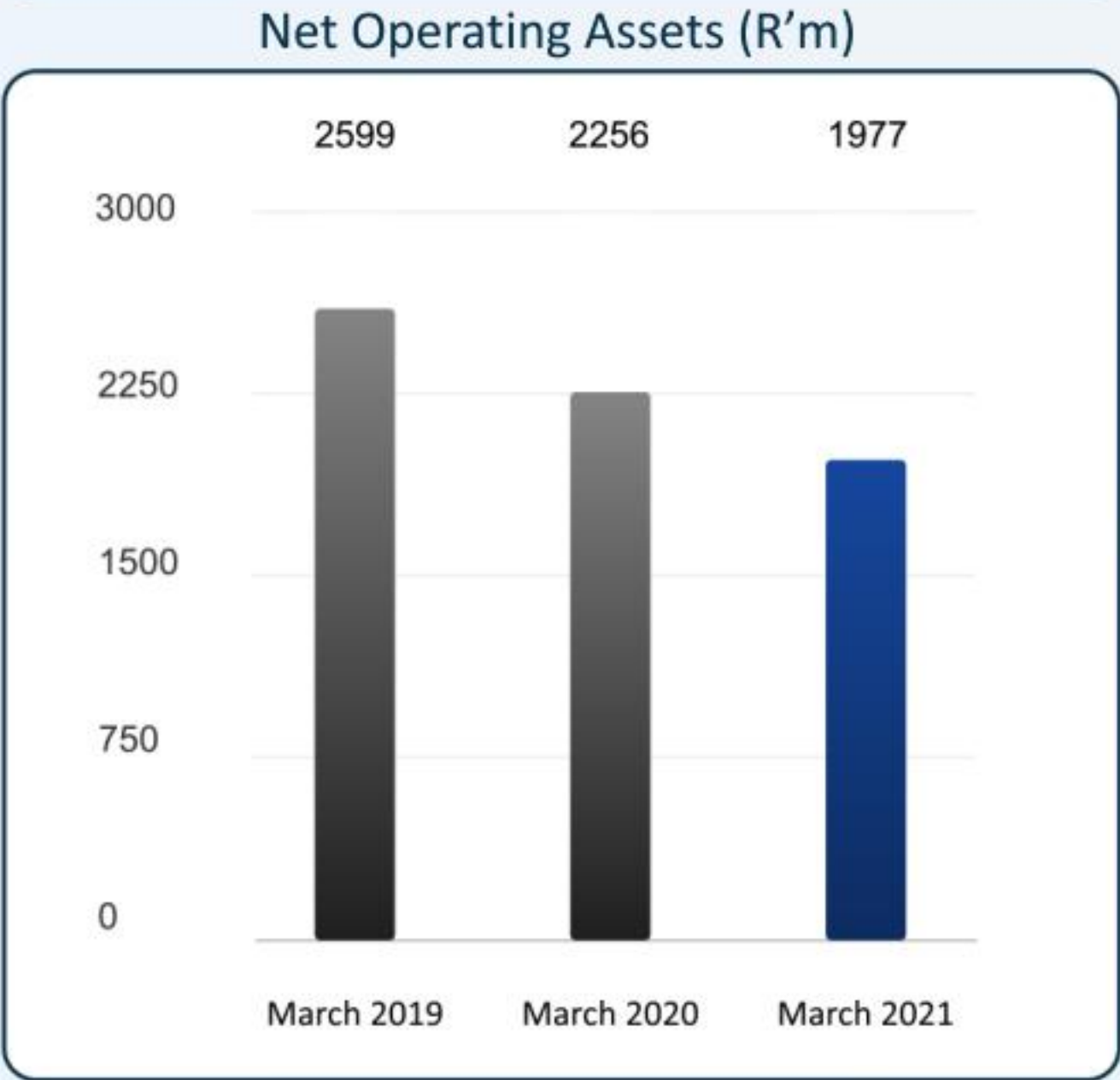
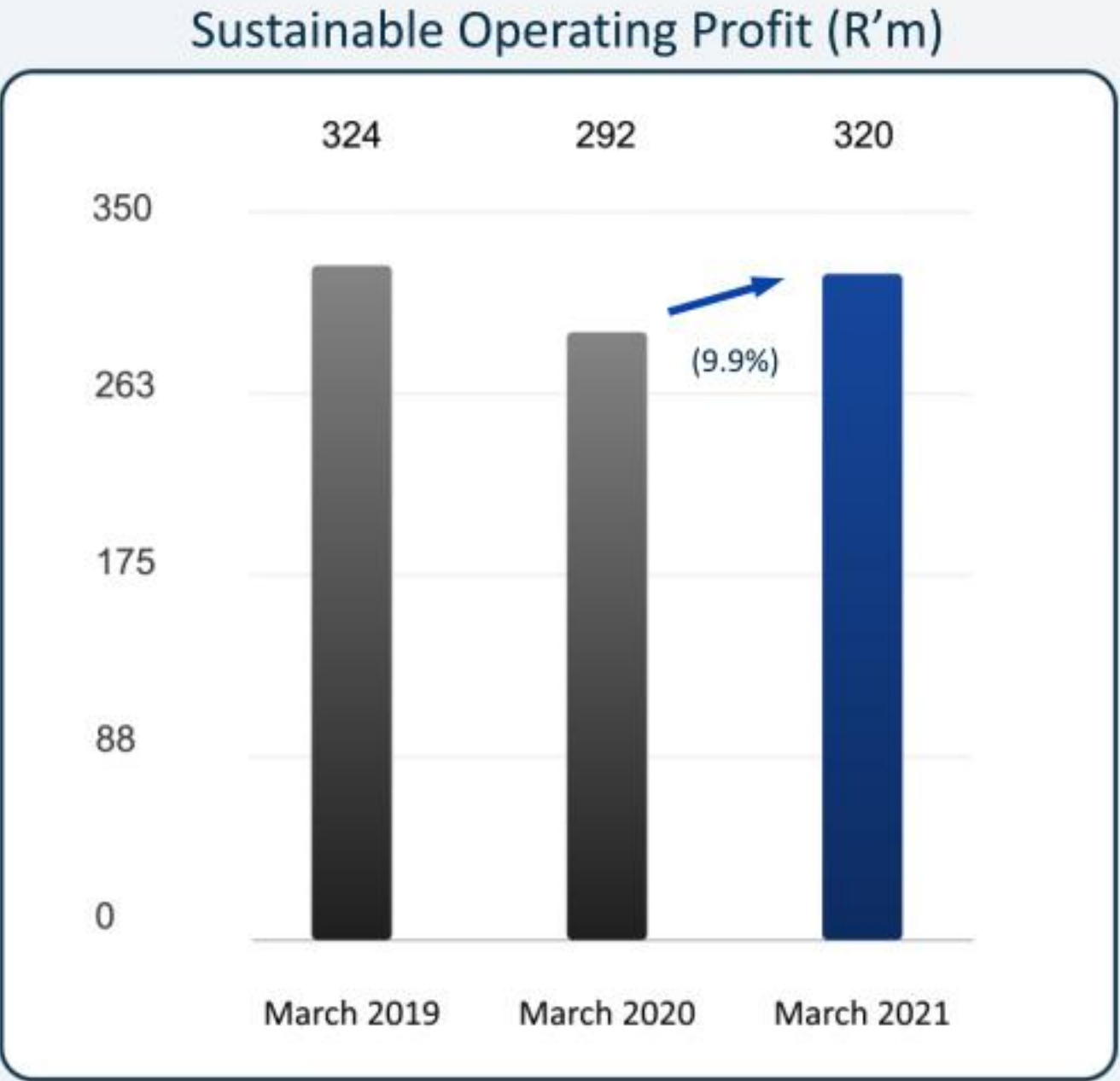
Executive Structure

(Excluding Head Office)



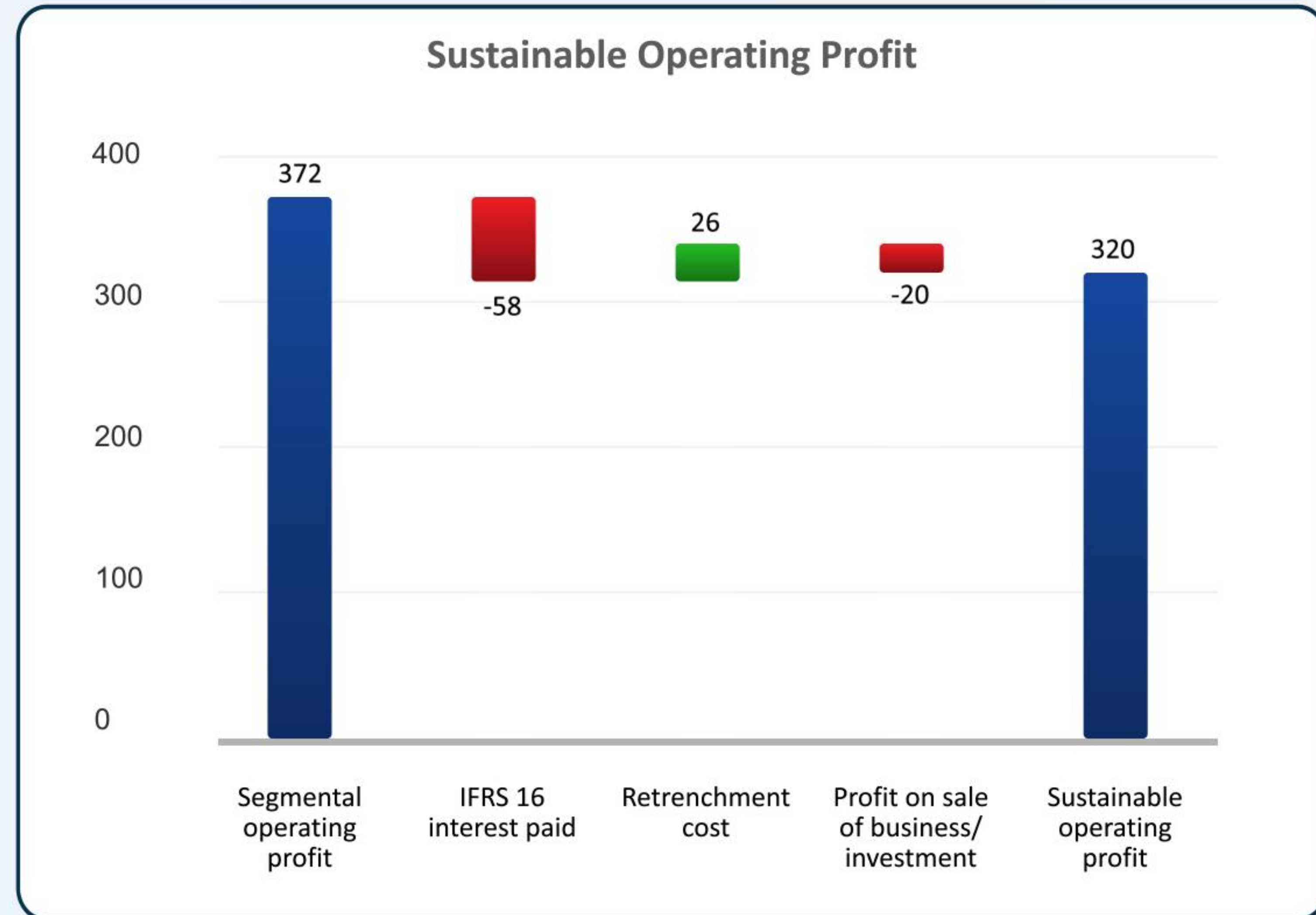
Results Summary

31 March 2021



Results Summary

31 March 2021



Revenue Contribution

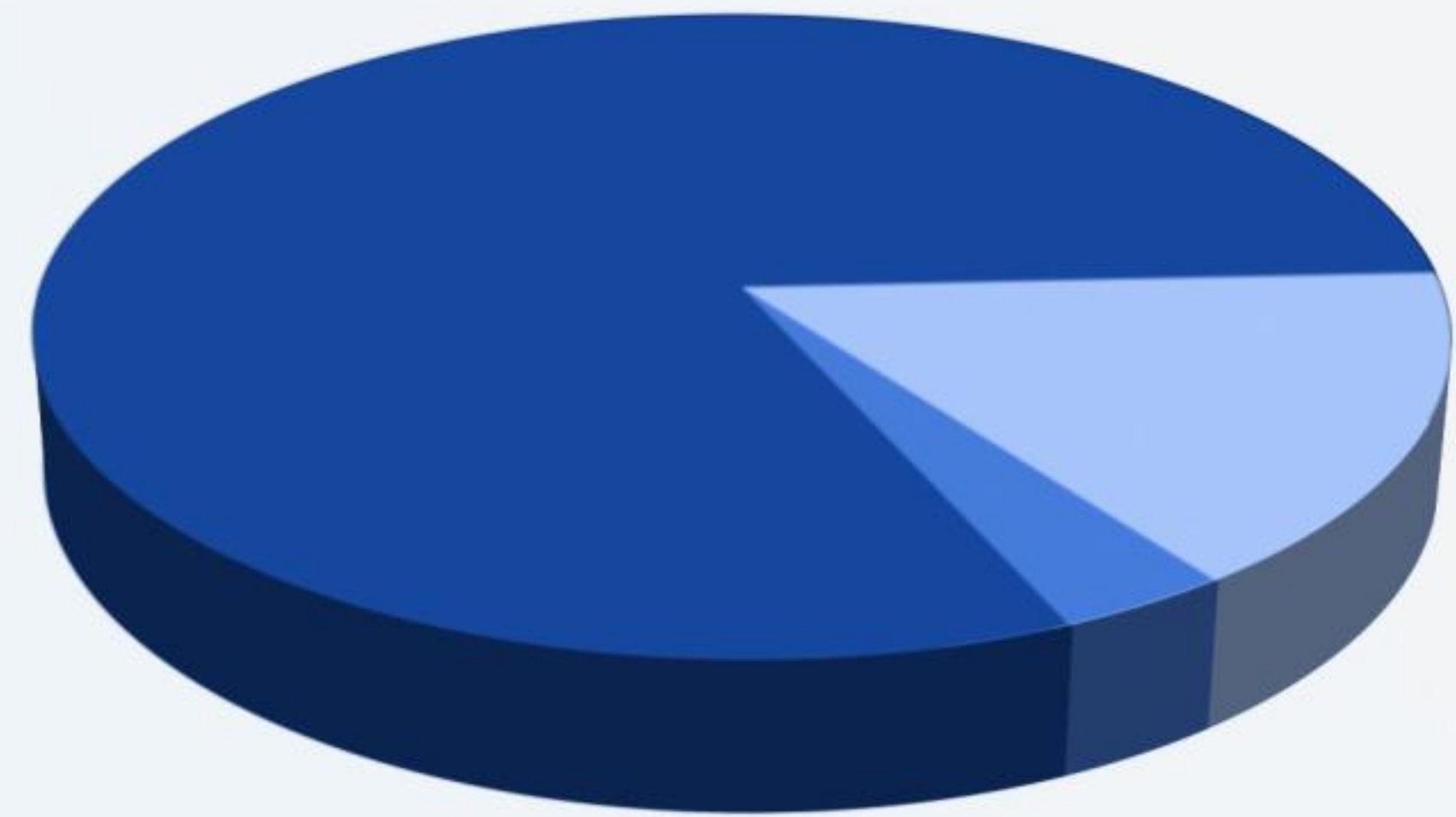
Revenue Stream





 Consumables
62.1% (PY 61.0%)


 Engineering
37.9% (PY 39.0%)

Region

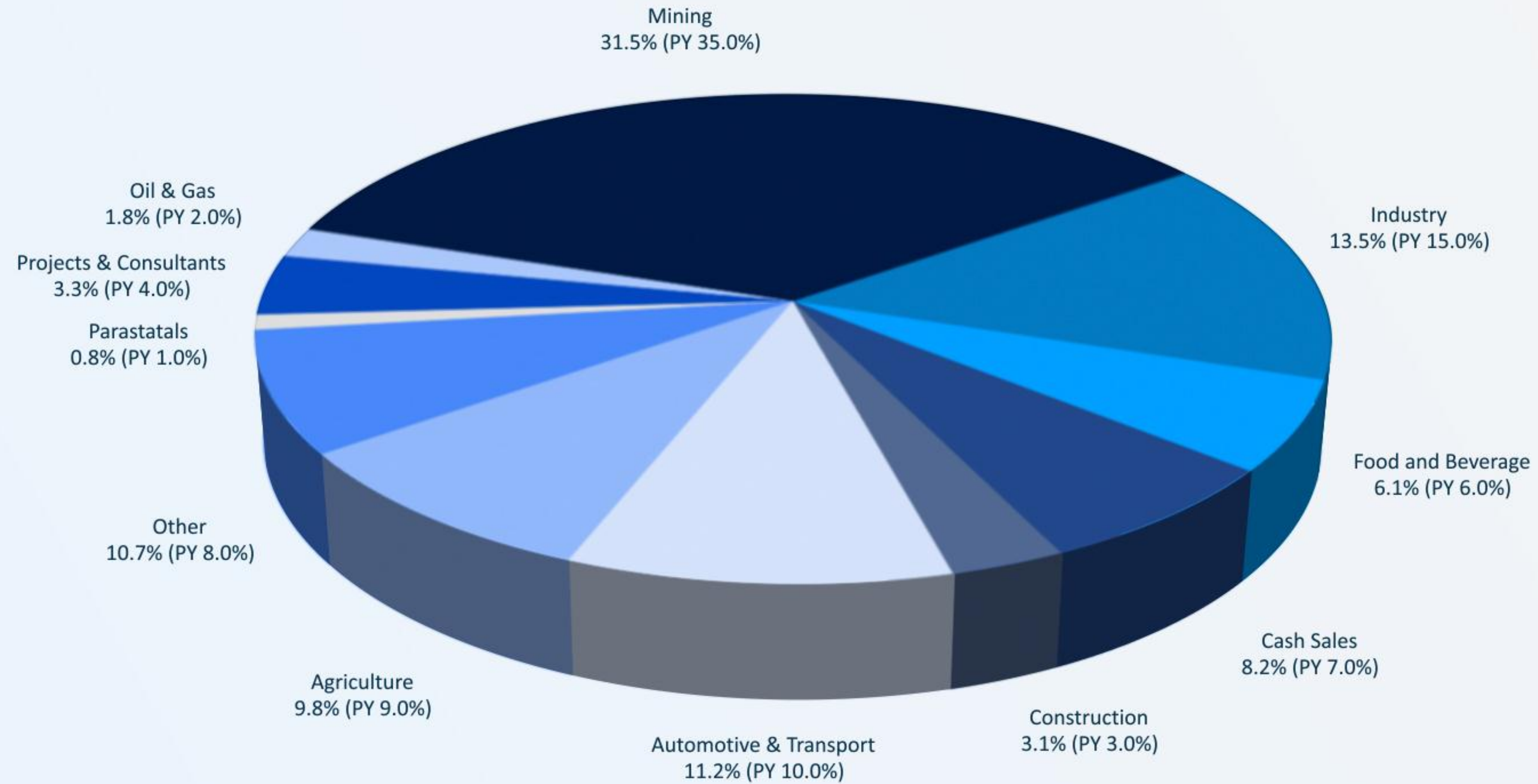


 South Africa
80.6% (PY 84.4%)

 Africa
15.9% (PY 13.2%)

 Other
3.5% (PY 2.4%)

Revenue Contribution By Sector



- The outlook for the 2021/2022 financial year certainly looks better than the 2019/2020 financial year. The ESG businesses have been reset and restructured for growth.
- The markets we trade in have shown signs of recovery and the number of enquiries for our products, services and solutions have increased, with a large portion converting to orders.
- Our traditional markets namely:
 - Mining
 - Agriculture – Farming
 - Food & Beverage
 - Automotive & Transport
 - Industry & Engineeringare indicating a return to the volumes of 2019/2020. Increase in demand for mining commodities, in particular steel, copper and platinum have contributed to this increase.
- The focus remains on the growth of our market share in South Africa, Africa and Europe.

- The ESG businesses continue to look for new products and solutions to service our existing customers and will focus in increasing our distribution globally.
- The divisions within the ESG group of companies continue to explore opportunities and ensure we grow our business in these industries:
 - Food & Beverage
 - Oil & Gas
 - Renewable Energy (Solar/Battery)
 - Recycling
 - Water
 - Alternative Energy (BioGas)
- The expansion of the 51% B-BBEE localised businesses (AME's) is ongoing
- The 5 internal focus points for protecting our business going forward:
 1. Collection of debtors
 2. Reduction of stock
 3. Rationalization / modernization of route to market
 4. CX Online Store (digital platform)
 5. Efficient distributions (logistics)

- With the shortage of supply of products globally, in particular steel-based products, and the delay in shipments, we are focused on improving our logistics and enhancing our supply chain efficiencies – improved planning.
- Our margins will remain under pressure due to the continued lack of investments and de-industrialisation.
- The strengthening of the South African Rand against all major currencies will also drive pricing and margin down.
- The Automotive business is showing a steady return to growth with new ranges and brands offered in South Africa and Europe.
- A focus on agricultural products for the European market as well as the launch of a range under our house brand, APG (Agriculture Parts Group) has shown growth.

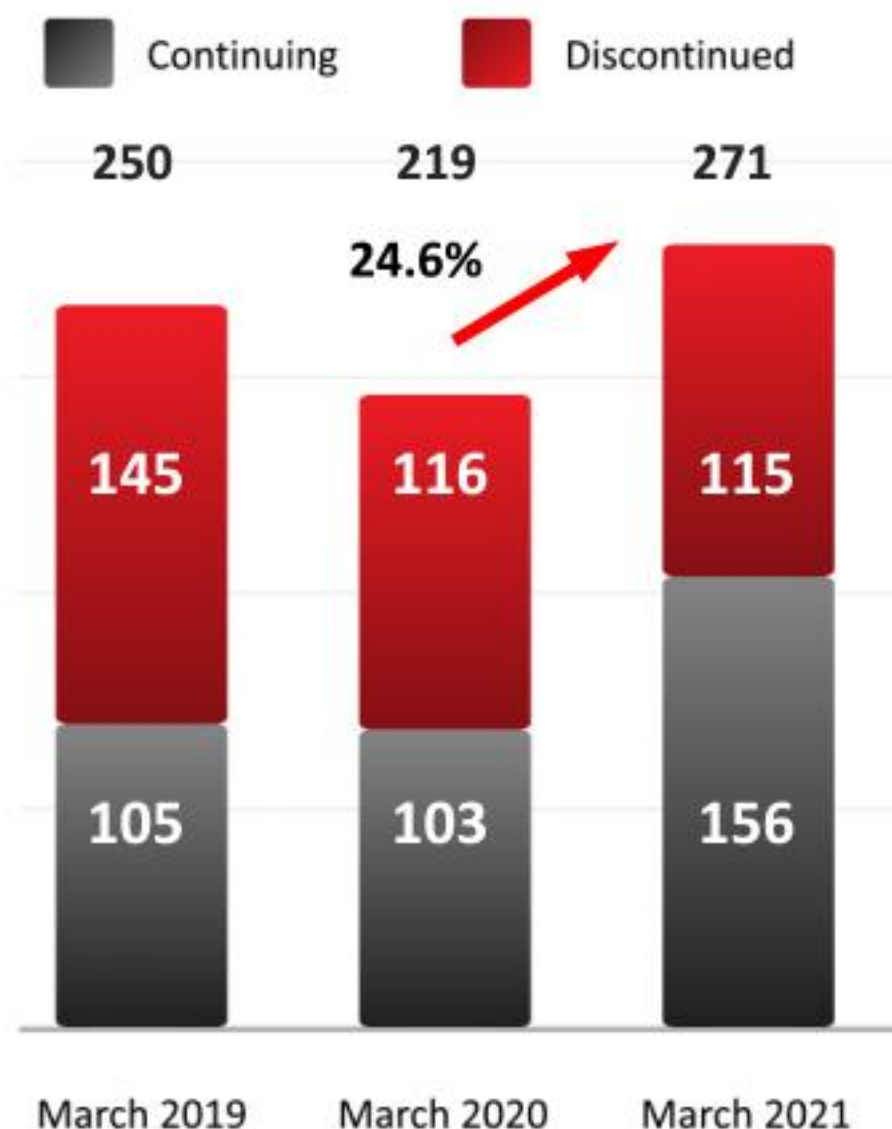
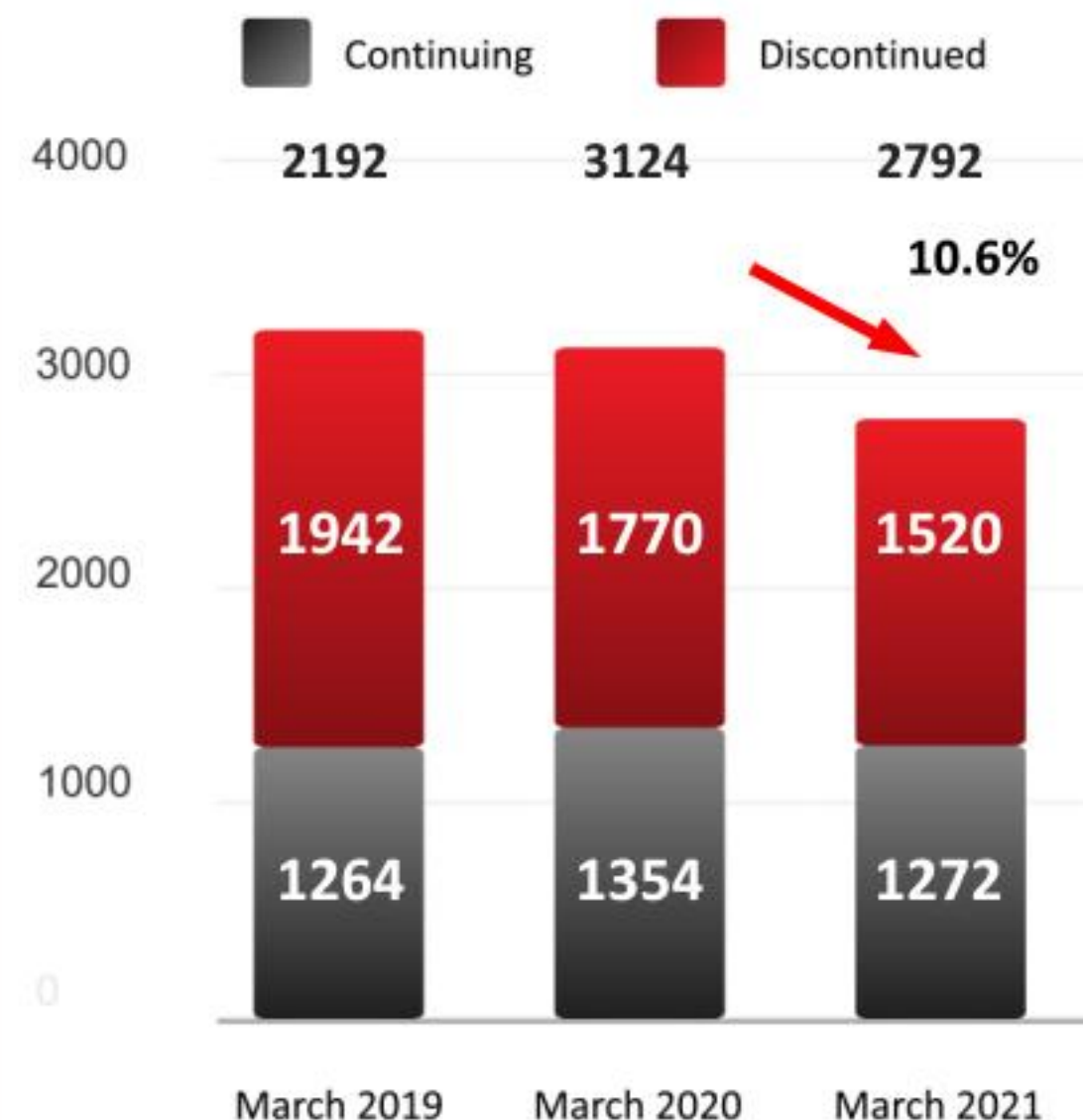
“ The outlook is positive and ESG will see growth back to pre-covid levels for the 2021/2022 financial year”



Results Summary

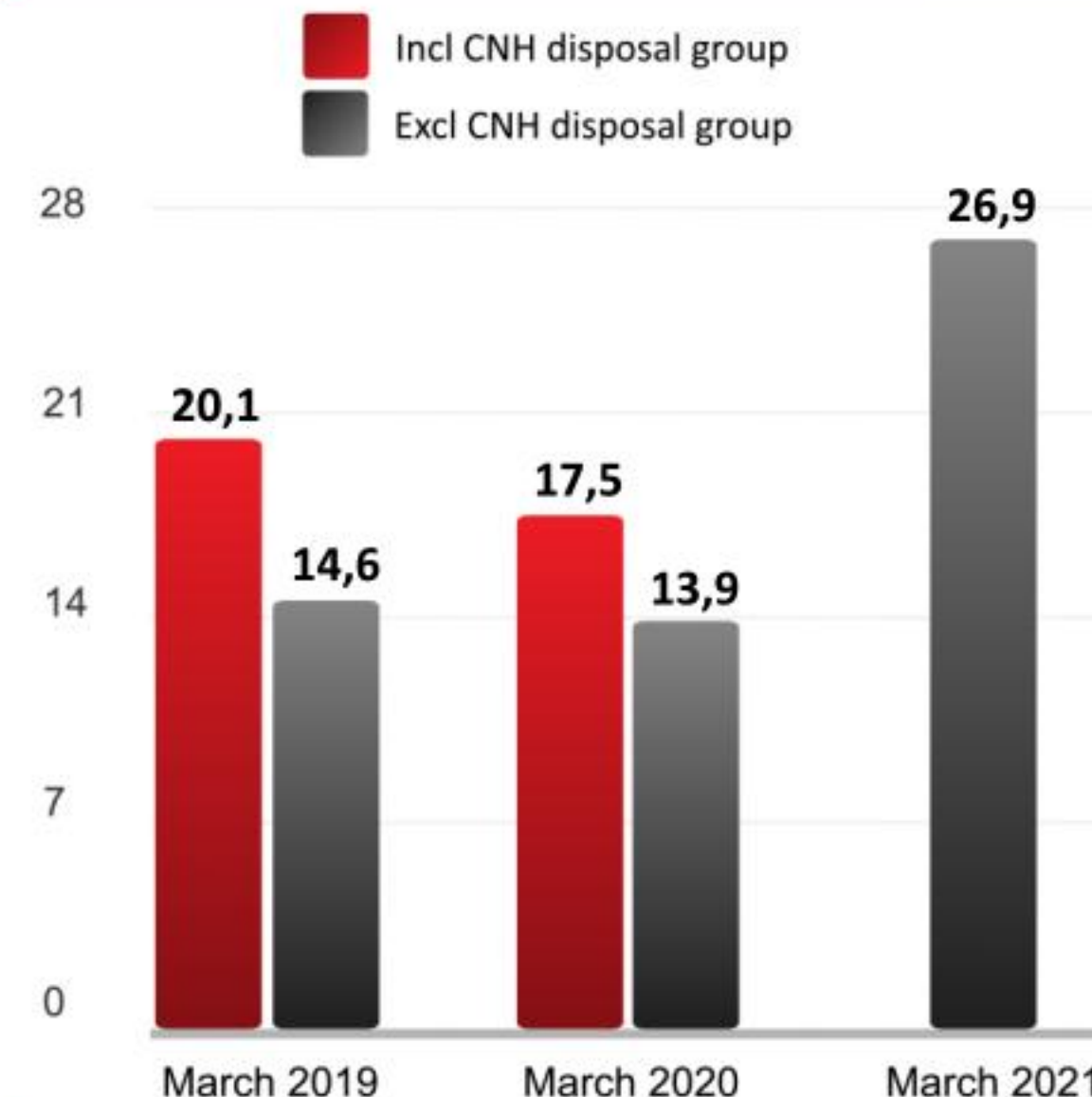
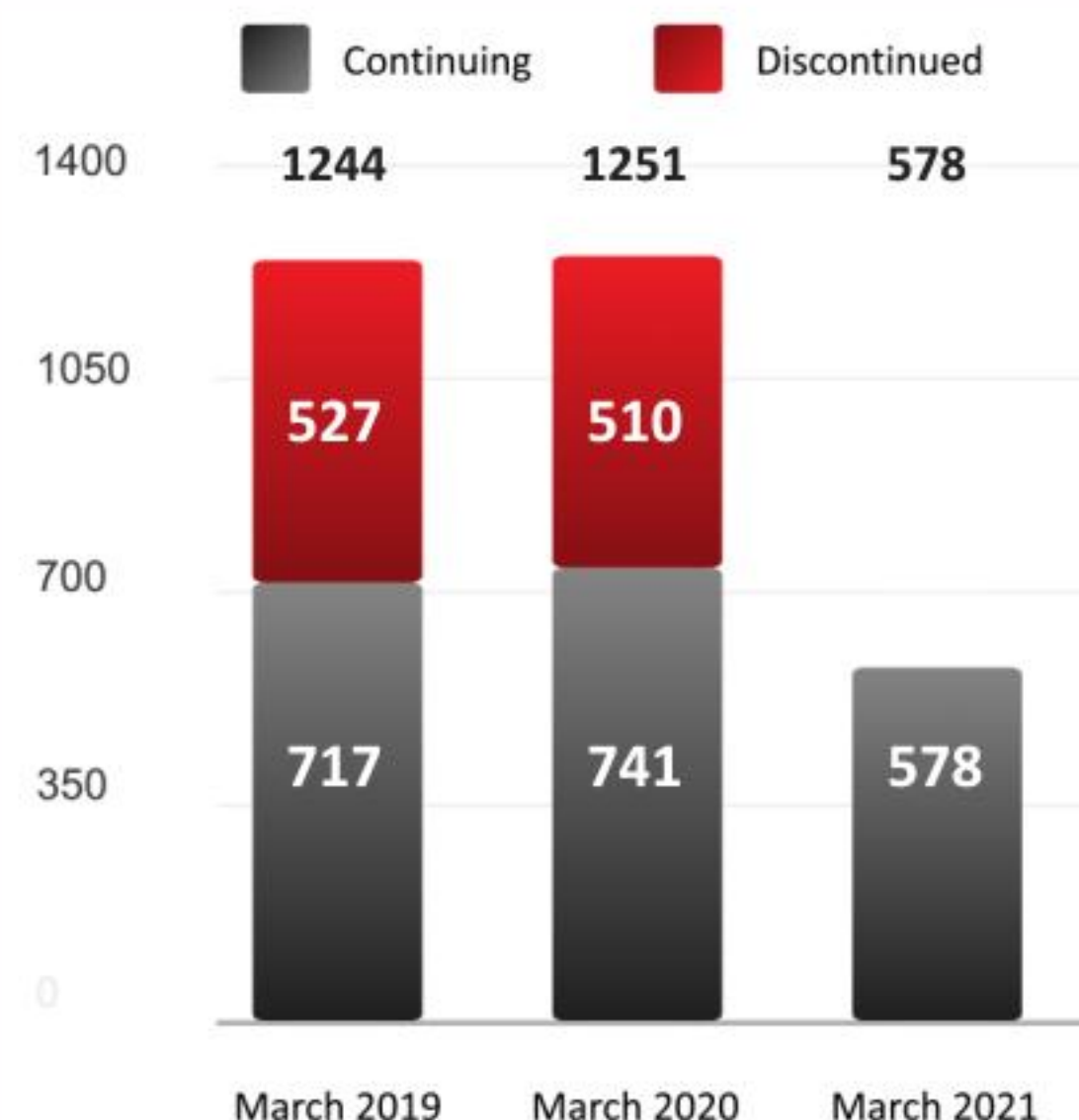
31 March 2021

Revenue (R'm)



Sustainable Operating Profit (R'm)

Net Operating Assets (R'm)
Continuing operations includes all CEG cash & cash equivalents, as these were not being disposed of as part of the CNH deal

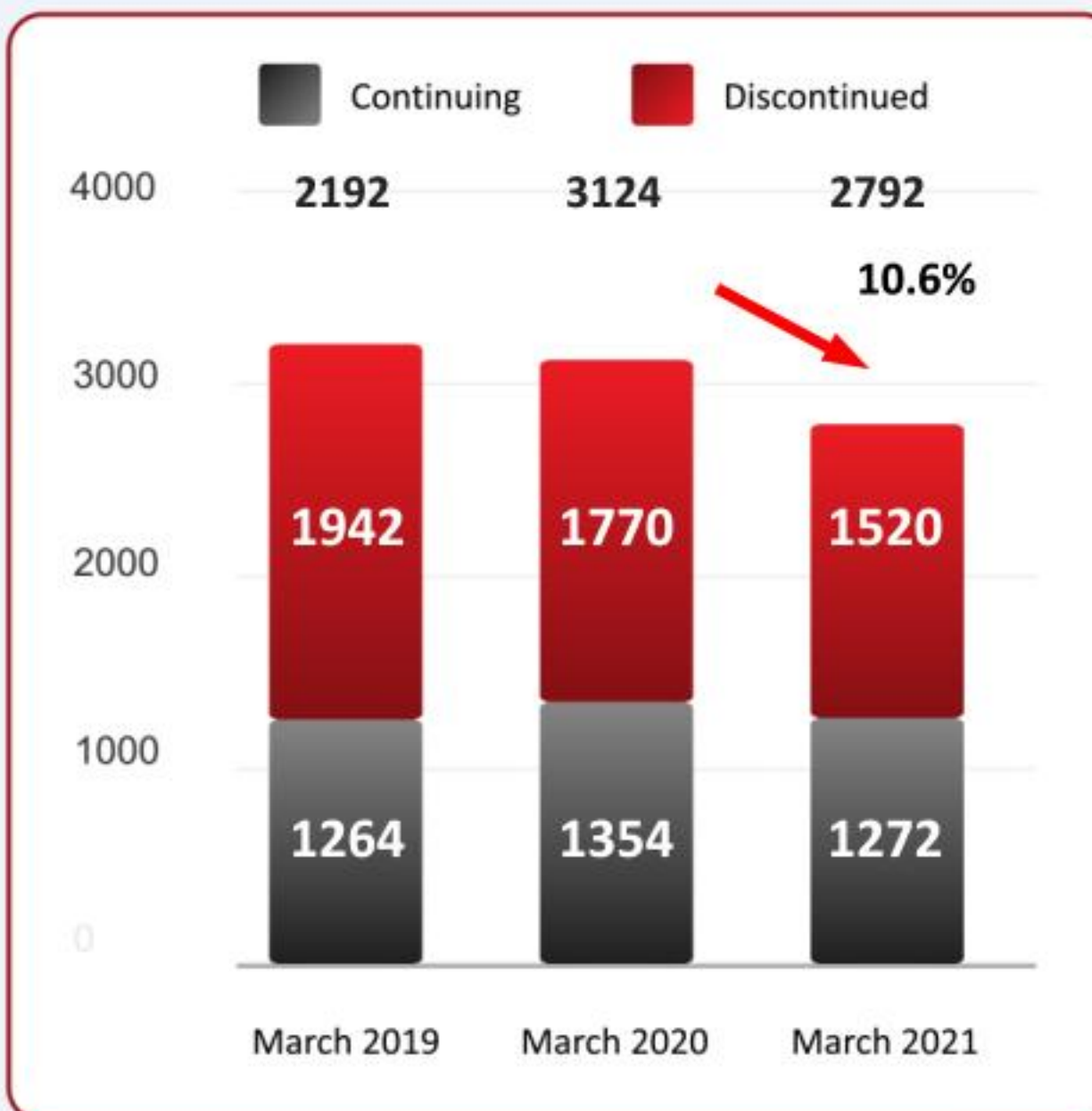


Return on Net Operating Assets (%)
Calculated using 12 month rolling sustainable operating profit

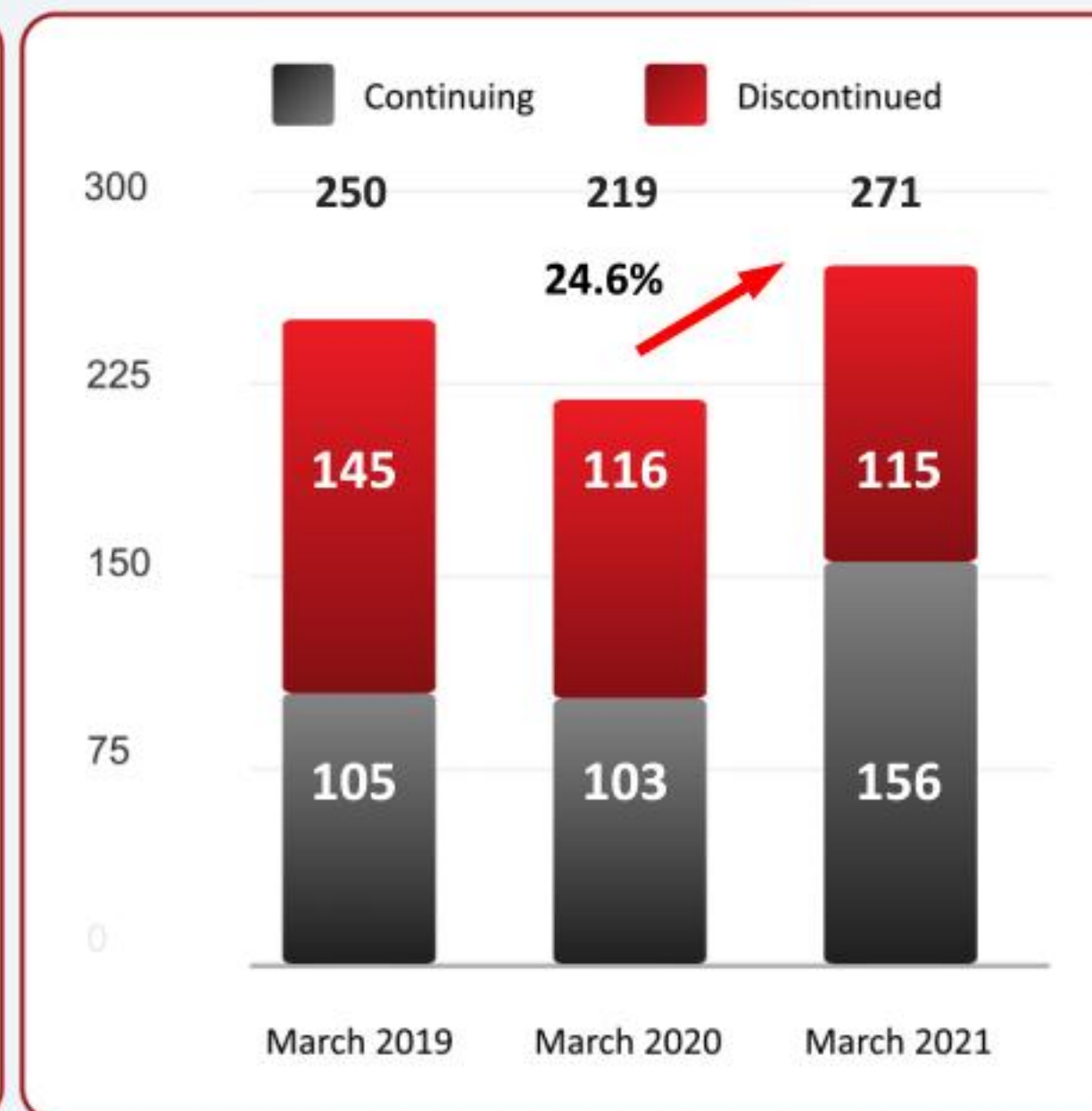
Results Summary

31 March 2021

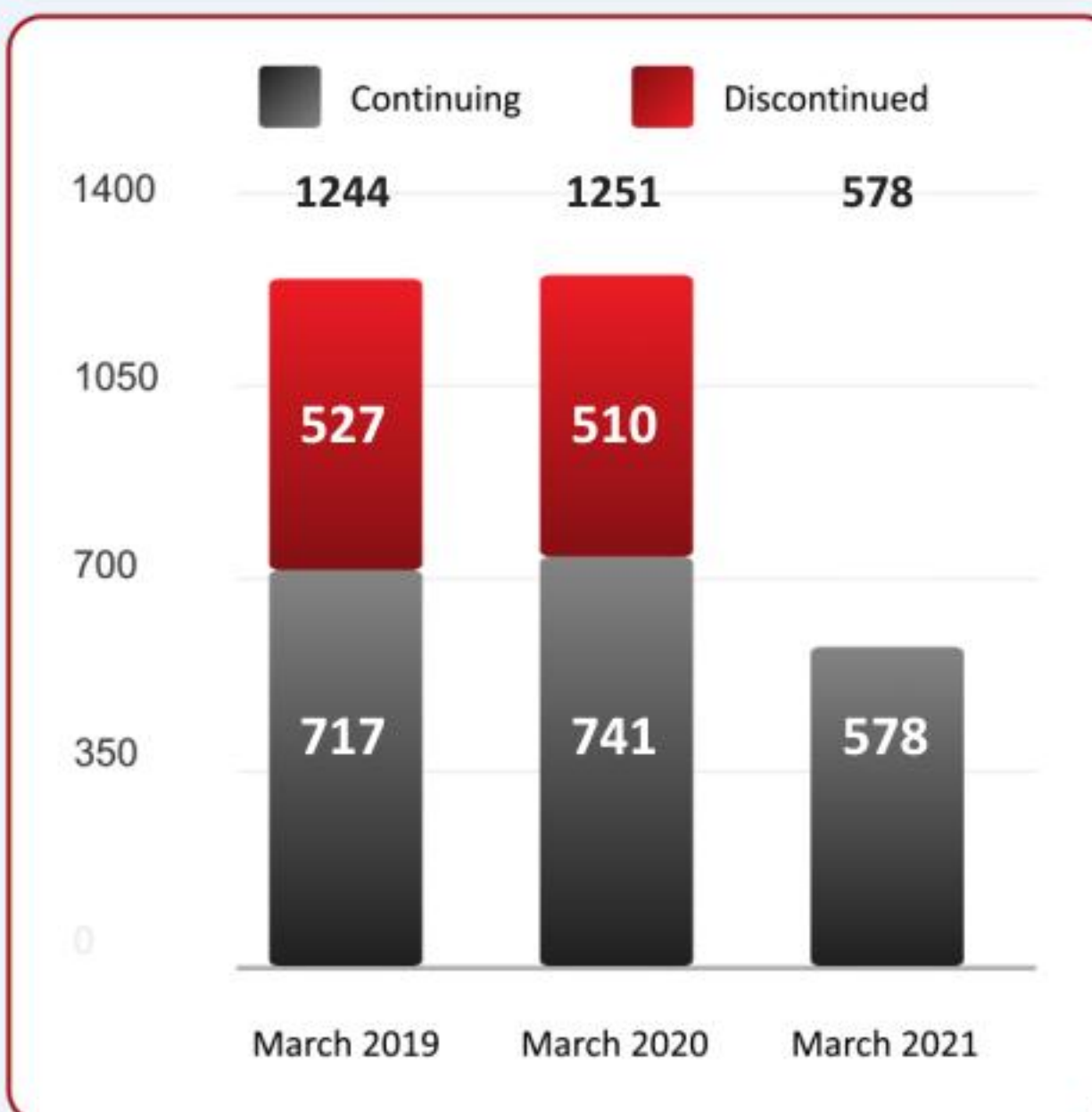
Revenue (R'm)



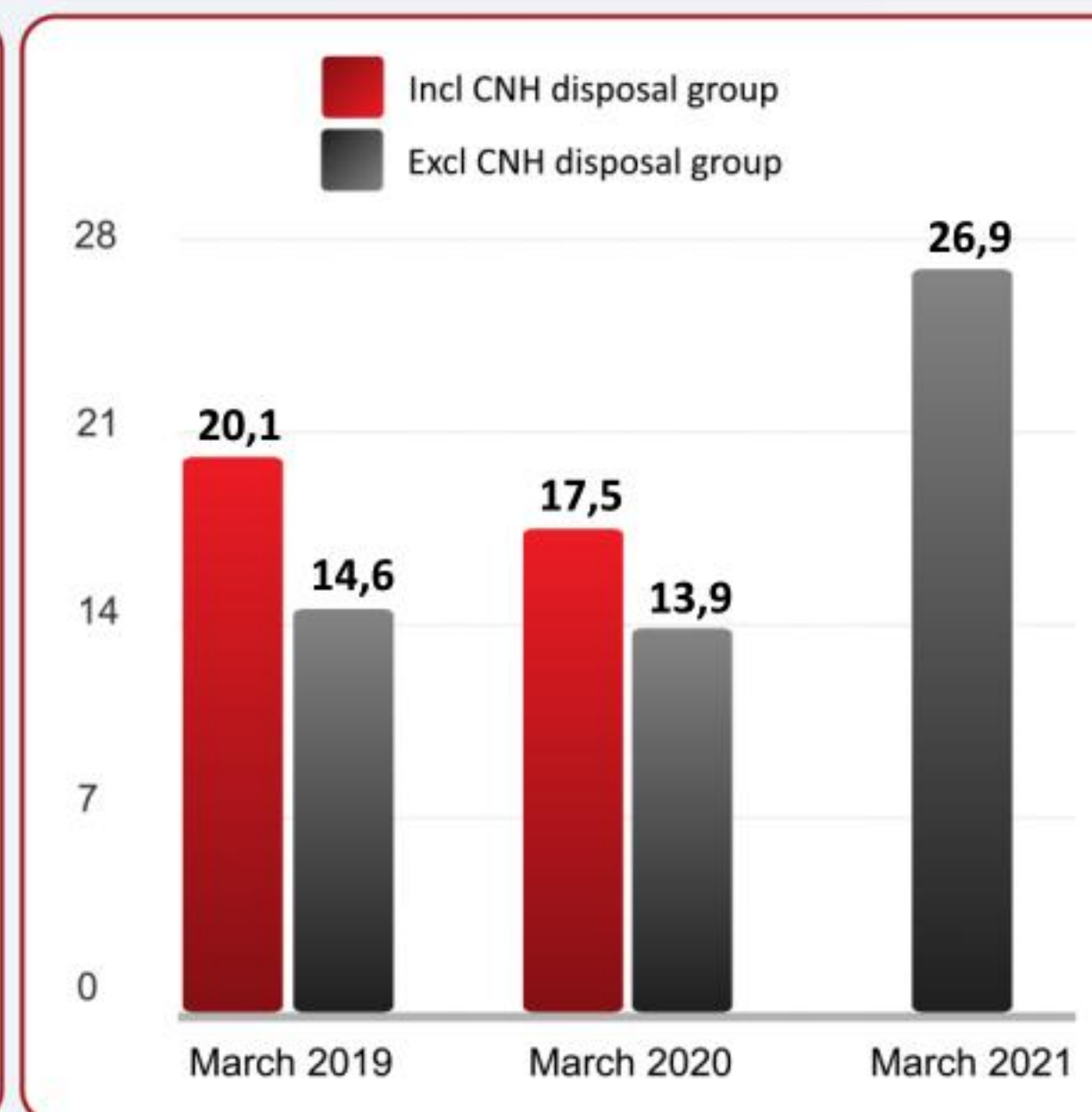
Sustainable Operating Profit (R'm)



Net Operating Assets (R'm)
Continuing operations includes all CEG cash & cash equivalents, as these were not being disposed of as part of the CNH deal

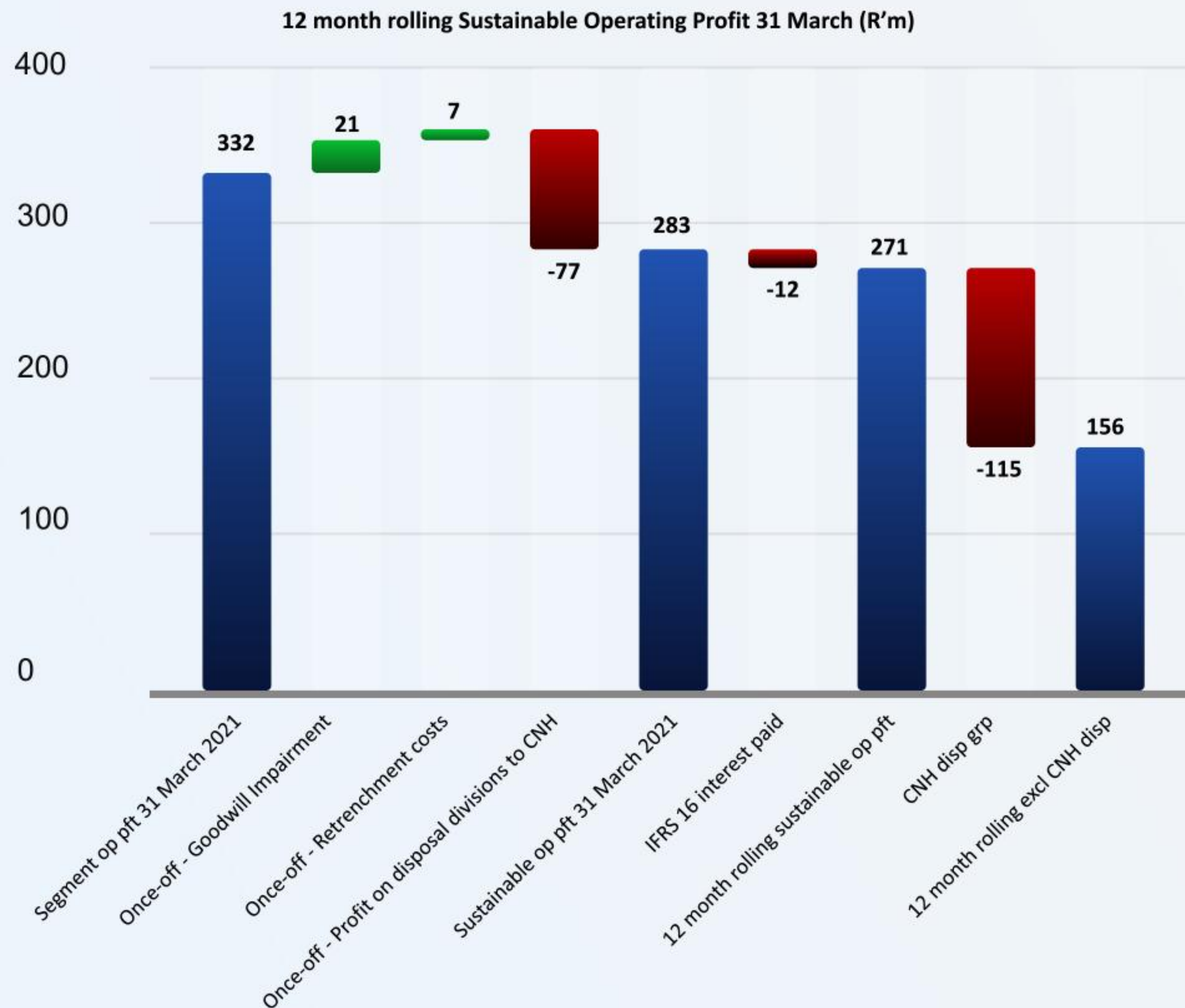


Return on Net Operating Assets (%)
Calculated using 12 month rolling sustainable operating profit



Results Summary

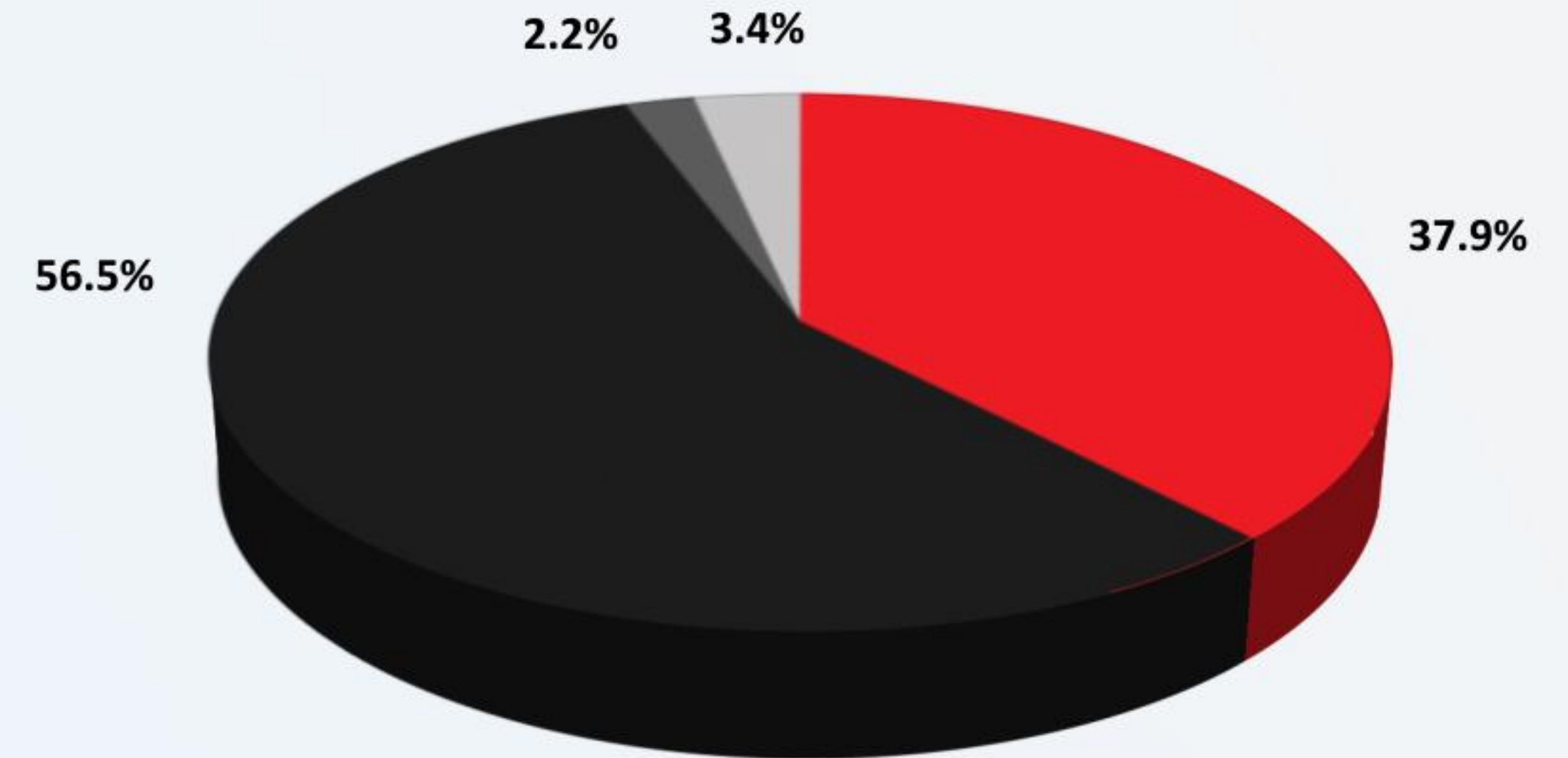
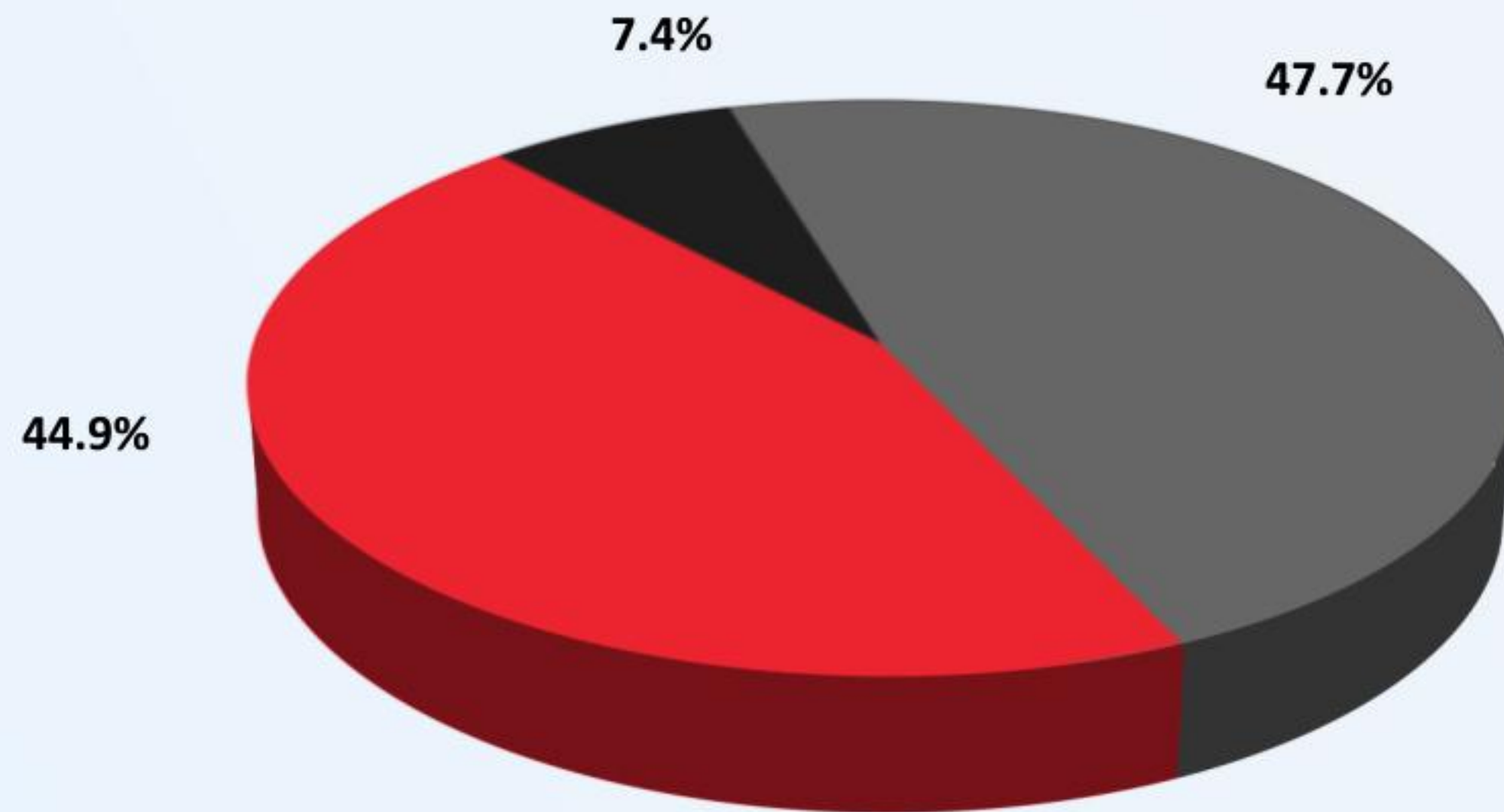
31 March 2021



Revenue Contribution

(Including 9 months from Businesses sold to CNH Industrial)

By Revenue Stream

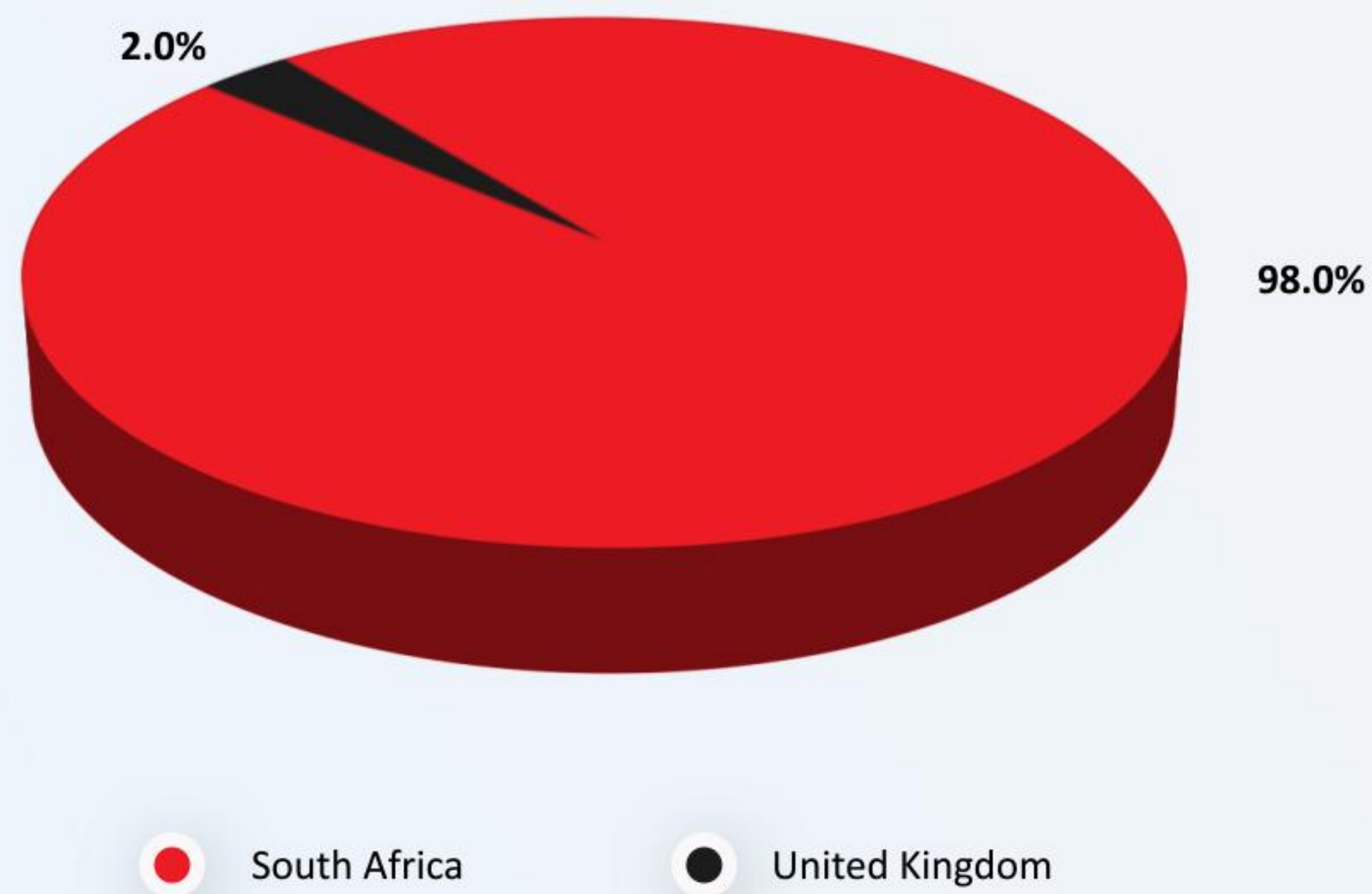


● Agriculture & Forestry
● Construction
● Materials Handling
● Equipment
● Parts
● Rental
● Service

Revenue Contribution

(Including 9 months from Businesses sold to CNH Industrial)

By Country



- Market demand 90% of average trading value
- Excellent cash generation
- Working capital value generations exceeded all expectations
- Expenses reduced – leaner group
- Good return on Capital employed and Net Assets

01

Agriculture

- Very good first season
- Second season promising
- Farmers more confident and liquidity improving
- Commodity prices favourable
- High value of used equipment in the market

02

Construction

- Investment in infrastructure development limited
- Mining leading the way in demand for equipment
- Large number of small companies emerging
- Equipment financing for the sector remains difficult

03

Forklifts (Logistics)

- Market demand below expectations
- Rentals demand increasing
- Unit imports down

04

Aftermarket Spare Parts

- Performing beyond expectations in construction and agriculture markets



KIAN ANN ENGINEERING LTD

The Trusted Name In Heavy Machinery And Diesel Engine Parts

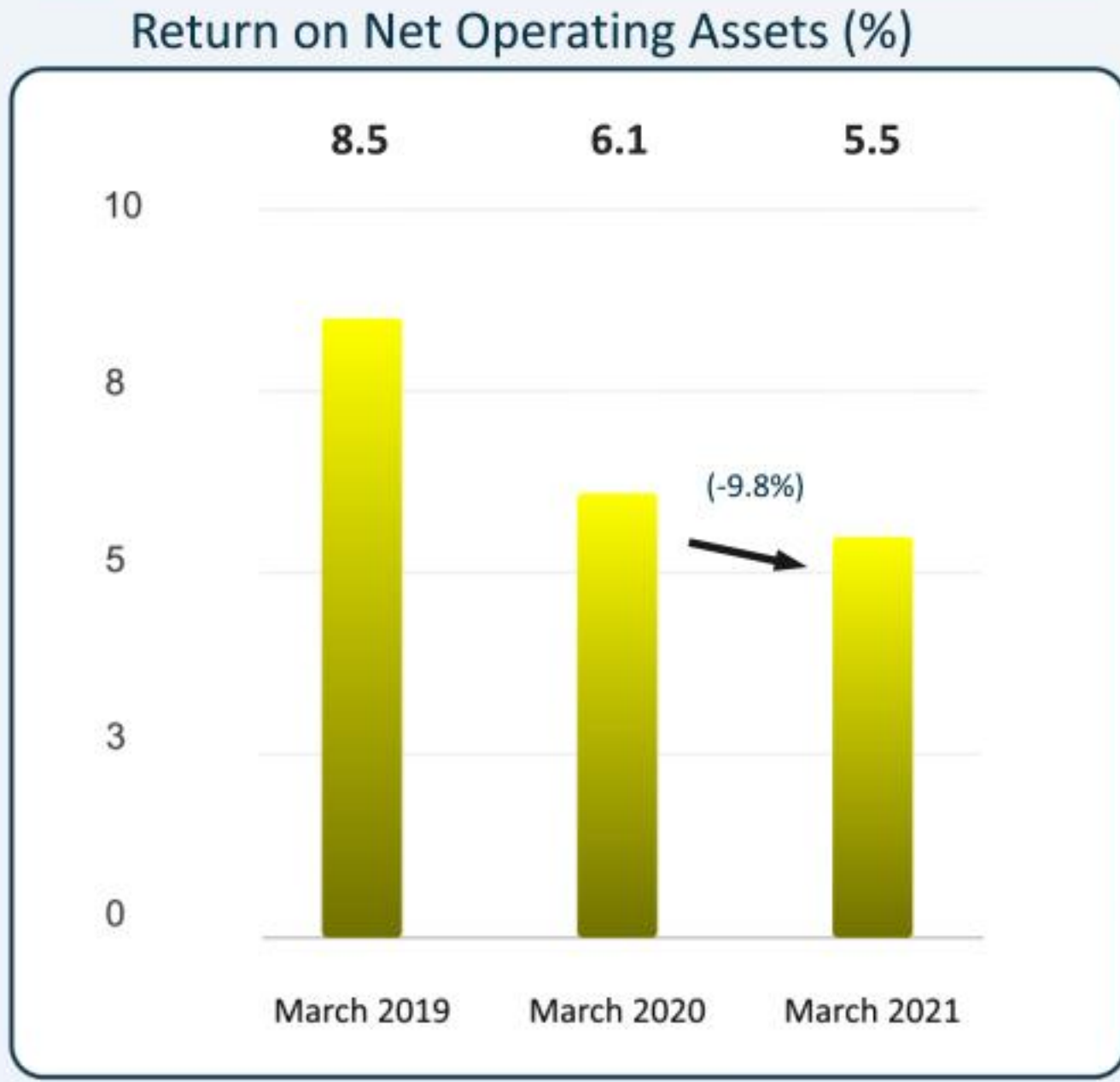
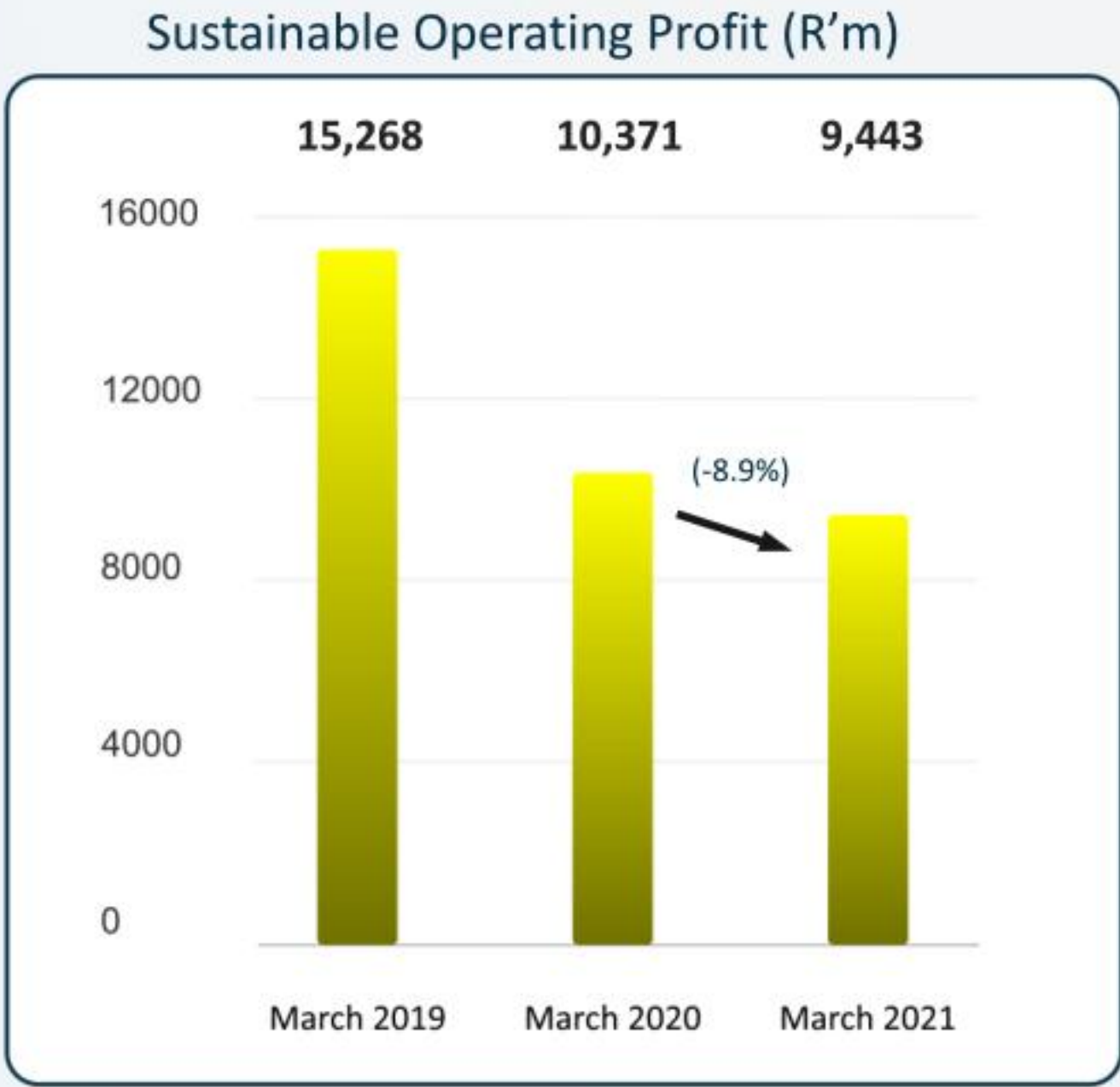
Corporate Structure



* Corporate structure only includes key operating units of Kian Ann Group

Results Summary

31 March 2021

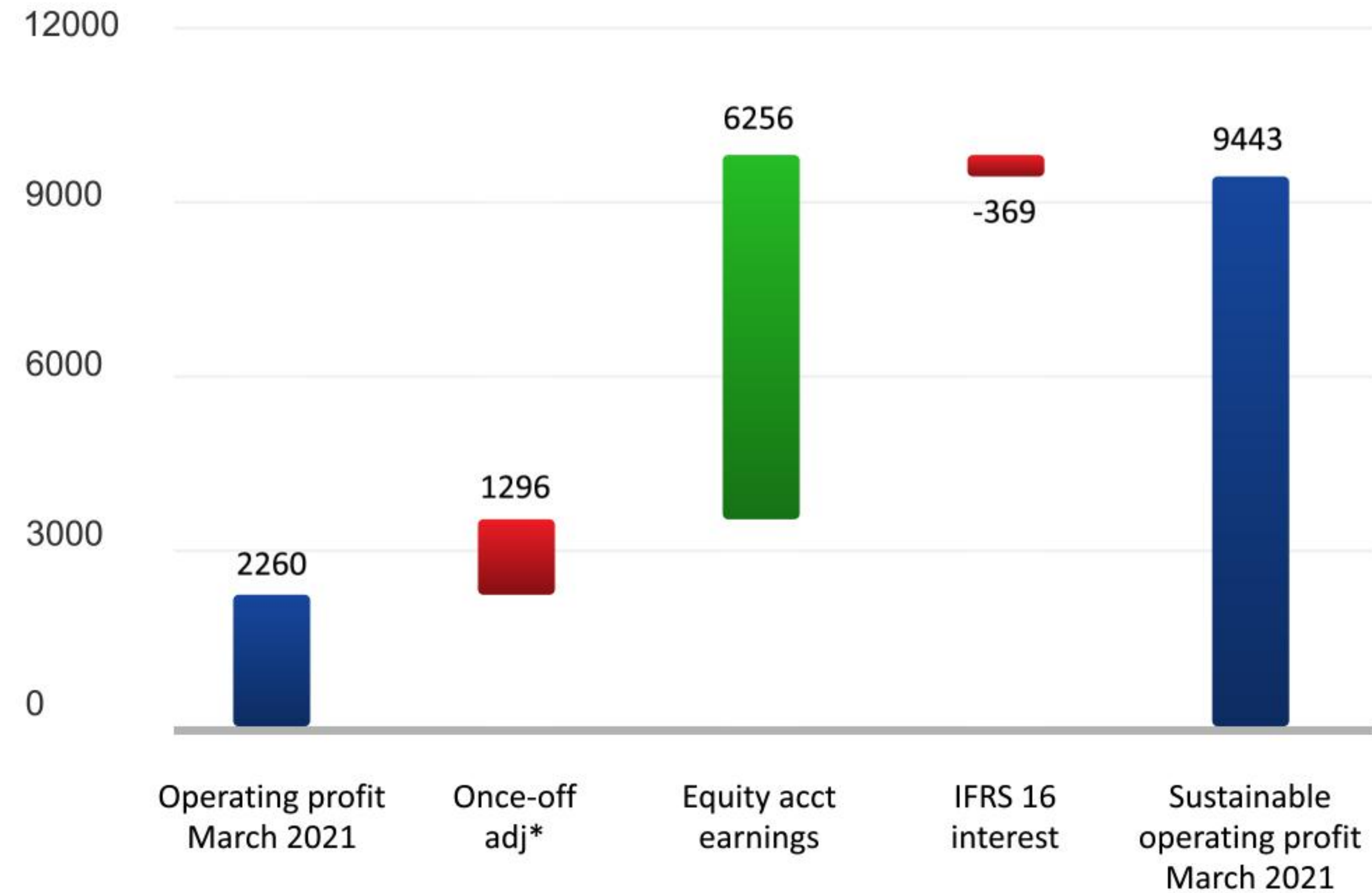




Results Summary

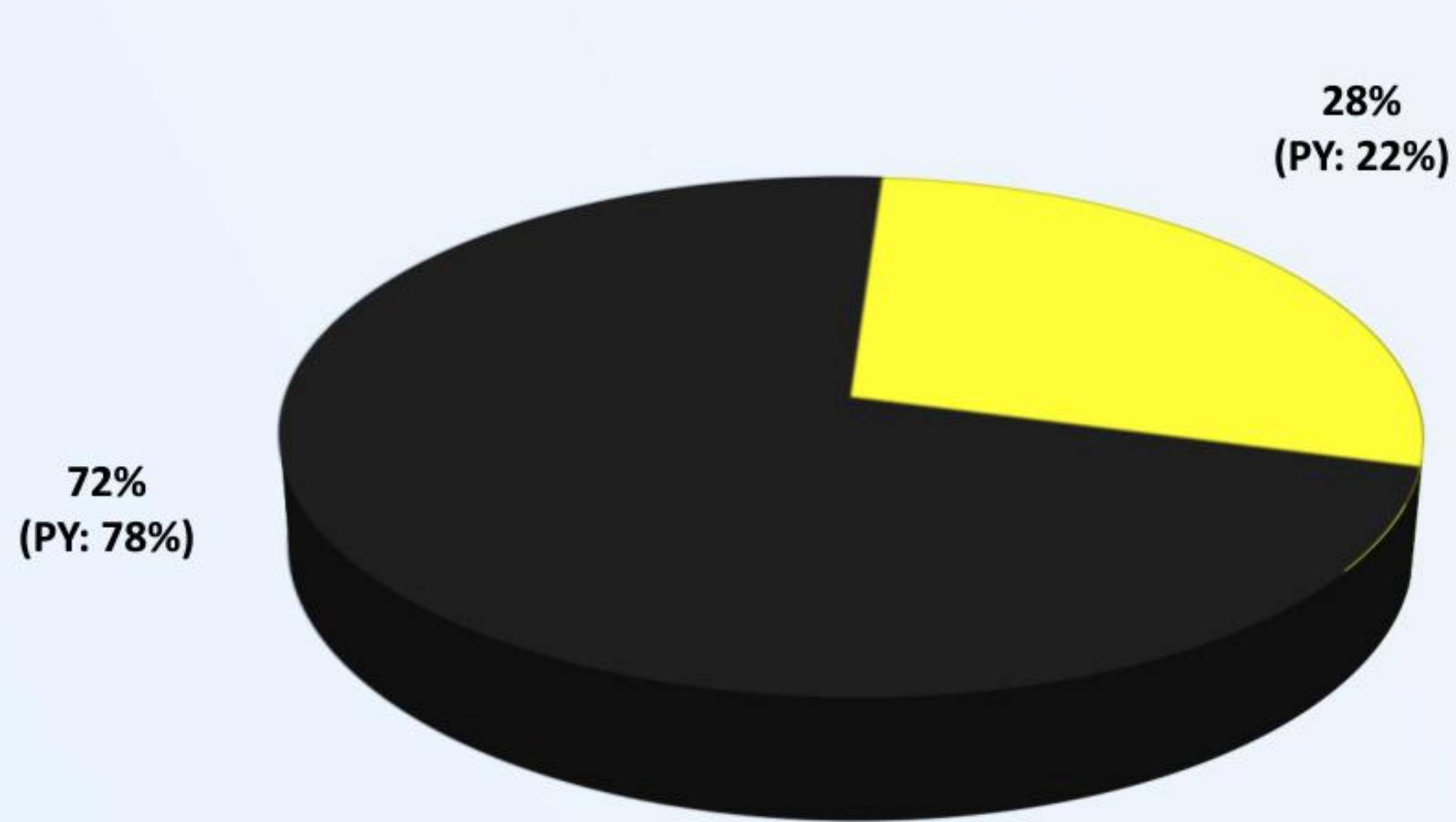
31 March 2021

* Once-off adj comprise:
Fair value loss on derivative
instruments, loss on disposal
of investment in subsidiaries.

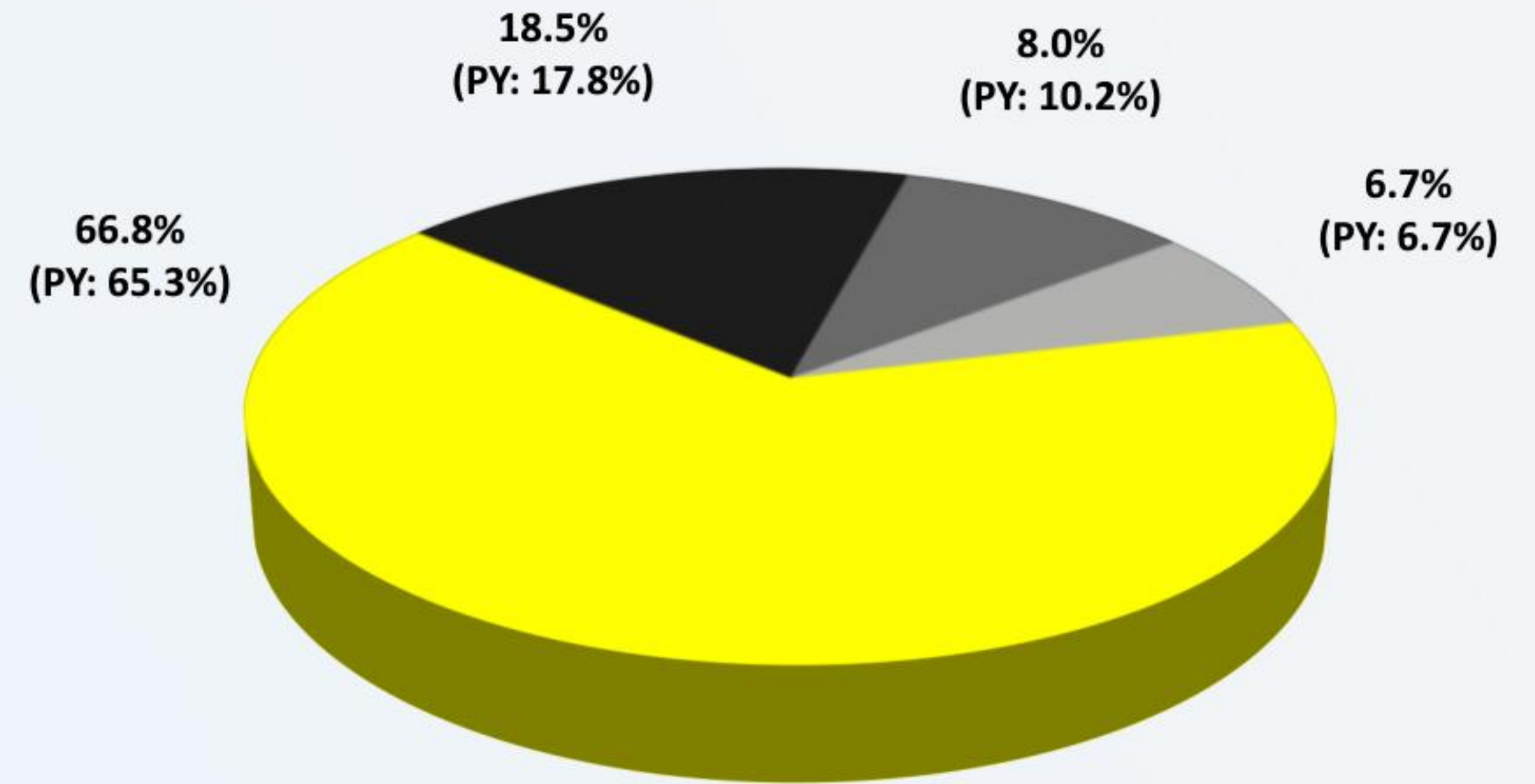


Revenue Contribution

By Revenue Stream

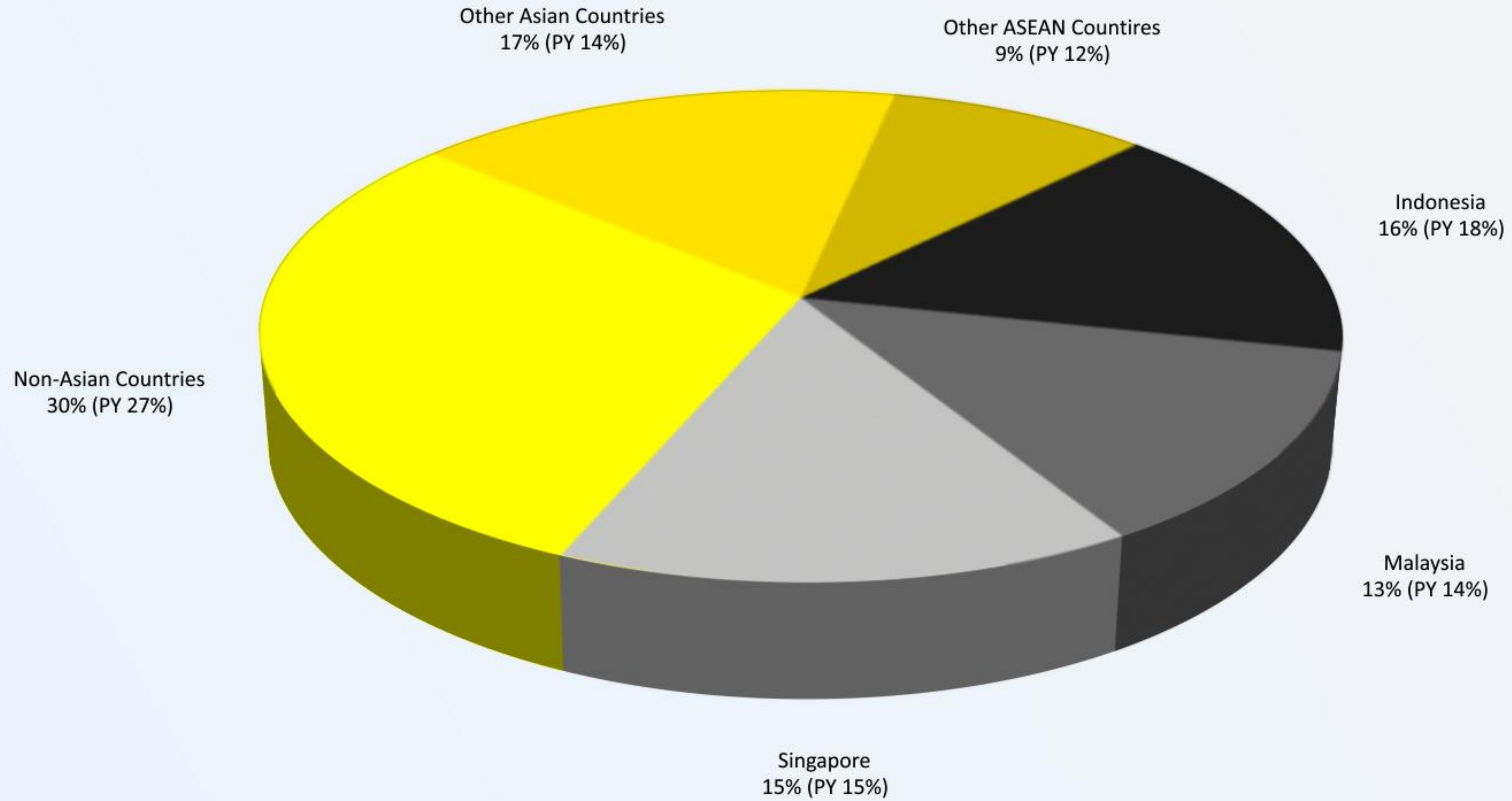


● Heavy Machinery ● Automotive



● Construction ● Agriculture & Forestry ● Mining ● General Trading

Revenue Contribution By Country



- In general, outlook for South East Asia will remain challenging as business activities are very much affected by the ongoing COVID 19 pandemic. However, demand for parts beyond South East Asia, especially in North America, is expected to remain stable.
- The sharp rise of steel prices and shortage of vessels & containers have caused difficulty in Kian Ann Group's (KAG) operating environment.
- KAG's positive return from its investment in China, roller manufacturer Kunshan Kensetsu Buhin outside of Shanghai, had made a strong contribution to KAG's results during FY2021.
- KAG further has a 50% shareholding in a product distribution company in the USA and Canada, with the former performing strongly during FY2021.
- Key for KAG in FY2022 will be to identify markets which are successfully recovering from the ongoing COVID 19 pandemic and related economic constraints to increase and focus our business activities.
- KAG is further looking at improving stockholding and certain restructuring options in order to improve the return on the investment in its operations.



PROSPECTS & STRATEGY

COVID-19 Operational Reality

New normal

- Protect staff, sanitize premises, temperature checks on entry
- Issue of personal protective equipment, cordoned off work areas, shift work
- Remote working

Managing the business in the short term for the long term

- Daily income statement, cash flow reporting and analysis
- Focus on maintaining sufficient liquidity in the Group

CNH Deal

The transaction

The Invicta agreement with CNH Industrial to dispose of four businesses within CEG took effect 1 January 2021.

Consideration

A cash consideration equal to the tangible NAV excluding interest bearing debt and net cash plus an additional US\$6 million goodwill. The payment is as follows:

- Received R74 million of the NAV before year end;
- The remaining balance of the NAV of R104 million was received after year end
- Received US\$1 million before year end
- US\$2 million due January 2023
- US\$3 million due January 2024

The rationale

- Invicta applied the proceeds to reduce debt;
- CNH following strategy of direct operational footprint and infrastructure in South Africa

KAG restructure

The transaction

Invicta has reached agreement with our partner in the Chinese manufacturing business to enter into a series of transactions to unlock value. The transactions will restructure the business as follows:

- **Before the transaction:**
 - 100% shareholding in Kian Ann Group which owns:
 - 27.604% shareholding in Kunshan Kensetsu Buhin Co.Ltd (“KKB”); and
 - 50.01% shareholding in Modesty Investment Holding Pte Lte (“MIH”)
- **After the transaction:**
 - 48.81% shareholding in Kian Ann Group which will subsequently own:
 - 100% shareholding in KKB; and
 - 100% shareholding in MIH.

Cash flows

Through the transaction Invicta will realise S\$28mil which will in turn be used to reduce offshore debt.

Progress to date

The transaction agreements were signed at the end of May and there are outstanding conditions precedent that are yet to be fulfilled.

The rationale

- **Invicta** is to apply the proceeds in the short-term, to reduce debt.
- **Invicta** and our Chinese partner have more closely aligned interests in the growth areas of the business.

Looking Forward

Focus

- Kian Ann restructure
- BMG e-commerce
- Acquisition opportunities

Simplify

- Group structure needs to be simplified
- Continued improvement in reporting



Gearing Levels

- Invicta generates good cash flow
- Bank gearing levels further reduced
- Sale of Samrand property
- Property portfolio can be conservatively geared, prefer to own strategic properties

Return on Equity

- Each BU will be measured on the returns they generate
- Gross profit percentage
- Inventory levels
- Appropriate debt
- Cash generation

Invicta Holdings Executive Management



Chief Executive Officer

Steven Brian Joffe



Chief Financial Officer

Nazlee Rajmohamed



Commercial Director

Craig Barnard



Company Secretary and Legal Advisor

Lize Dubery



CEO: ESG

Gavin Pelsner



CEO: CEG

Tony Sinclair



CEO: KAG

Loy Soo-Chew

Thank you for your attendance & participation

For any further Investor Relations questions please contact:

Steven Joffe (CEO) stevenjoffe@invictaholdings.co.za

Marlize Keyter (Keyter Rech Investor Solutions) mkeyter@kris.co.za 087 351 3810