FINANCIAL RESULTS PRESENTATION

FOR THE HALF-YEAR ENDED
30 JUNE 2018

25 AND 26 JULY 2018
Revenue +24% to R10 473m
- Momentum maintained in existing business
- Contribution from acquisitions
- Foreign and export revenue = 40%

Profit from operations +35% to R911m

HEPS +19% to 458c

Trading margin up to 8.7%

EBITDA +28% to R1 258m

Acquisitions finalised
- Good progress made with integration
  - Schirm from 30 January
  - Much Asphalt from 3 April

Interim cash dividend +8% to 149cps declared

Improved from Level 8 to Level 3 B-BBEE Contributor

TRIR of 0.47
05 SAFETY: TRIR

0.50

0.35

0.45

0.39

0.47

* Excluding acquisitions
BUSINESS DRIVERS
HISTORICAL PRICE PERFORMANCE – COAL AND IRON ORE

Source: GlobalData

US$/t

Iron ore  Thermal coal
Source: AECI Treasury, Bloomberg

**ZAR/US$ exchange rate: 18 months**

- **Open 17 = 13.73**
- **Close Jun 17 = 13.05**
- **6mo ave. = 12.90**
- **Open 18 = 12.31**
- **Close Jun 18 = 13.72**
- **6mo ave. = 12.30**
BUSINESS DRIVERS
BRENT CRUDE OIL

Source: AECI Treasury, Bloomberg

Open Jan 17 = 56.80
Close Dec 17 = 66.80
Close Jun 18 = 78.60
BUSINESS DRIVERS
SA MINING VOLUMES

Index  Base: 2015 = 100
115  Source: Stats SA
110
105
100
95
90

JAN 13  JAN 14  JAN 15  JAN 16  JAN 17  JAN 18  MAY 18

Cum change y-t-d = -2.7%

- Black: Seasonally adjusted
- Red: Trend cycle
BUSINESS DRIVERS
SA MANUFACTURING VOLUMES

Index

Base: 2015 = 100
Source: Stats SA

Cum change y-t-d = 0.8%

Seasonally adjusted
Trend cycle
RESULTS ANALYSED
Profit from operations +35% to R911m
EBITDA +28% to R1 258m
HEPS +19% to 458c
Trading margin = 8.7% (’17: 8.0%)
RONA of 16.0% (’17: 14.8%)
Tax rate 34% (’17: 31%)
Foreign withholding tax
Once-off restructuring
GCR rating of “A” with stable outlook maintained
Capex = R436m
» R113m for expansion projects
» R323m for maintenance incl. AEL boiler statutory shutdown, air emission abatement projects at AEL Nitrates

Trade WC to revenue of 20,8% (18,5% in '17)
» Customer terms
» Acquisitions

Net borrowings of R5 409m
Gearing at 55% (11% in '17)
» Target = 40% to 60%
Cash interest cover of 15,5x
Interim ordinary cash dividend of 149c declared
Dividend cover of 3,1x for the period
<table>
<thead>
<tr>
<th>Description</th>
<th>1H18 (Rm)</th>
<th>1H17 (Rm)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate centre</td>
<td>56</td>
<td>76</td>
<td>26</td>
</tr>
<tr>
<td>Net defined-benefit costs</td>
<td>27</td>
<td>27</td>
<td>–</td>
</tr>
<tr>
<td>Long-term incentive scheme costs</td>
<td>48</td>
<td>24</td>
<td>(100)</td>
</tr>
<tr>
<td><strong>Corporate spend before non-recurring items</strong></td>
<td>131</td>
<td>127</td>
<td>(3)</td>
</tr>
<tr>
<td>PRMA settlement costs (once-off)</td>
<td>–</td>
<td>11</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total corporate spend for the period</strong></td>
<td>131</td>
<td>138</td>
<td>5</td>
</tr>
<tr>
<td>Property</td>
<td>(55)</td>
<td>(42)</td>
<td>31</td>
</tr>
<tr>
<td><strong>Total Property &amp; Corporate</strong></td>
<td>76</td>
<td>96</td>
<td>21</td>
</tr>
</tbody>
</table>
## ACQUISITIONS

<table>
<thead>
<tr>
<th>Rm</th>
<th>Operations excluding acquisitions</th>
<th>Acquisitions</th>
<th>Total reported</th>
<th>Operations excluding acquisitions</th>
<th>Acquisitions</th>
<th>Total reported</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>9 127</td>
<td>1 345</td>
<td><strong>10 473</strong></td>
<td>8 478</td>
<td></td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>764</td>
<td>147</td>
<td><strong>911</strong></td>
<td>677</td>
<td></td>
<td></td>
<td>13</td>
</tr>
<tr>
<td>Headline earnings</td>
<td>443</td>
<td>40</td>
<td><strong>483</strong></td>
<td>407</td>
<td></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>HEPS (cents per share)</td>
<td>420</td>
<td>38</td>
<td><strong>458</strong></td>
<td>386</td>
<td></td>
<td></td>
<td>9</td>
</tr>
</tbody>
</table>

- Net acquisitions accretive at 30 June ‘18
  - 10% HEPS enhancement, boosted by R32m once-off net gain
  - Without this gain, 2% HEPS enhancement
- Bridging finance in place through Standard Bank Group
  - Schirm – 30 November ‘18
  - Much Asphalt – 31 March ‘19
- Term finance from banks, and possibly debt capital markets, will replace this
  - Process in place; finalisation before year-end
04

PERFORMANCE BY SEGMENT
20 STRATEGIC PILLARS
**SUMMARY BY SEGMENT**

<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>REVENUE</th>
<th>PROFIT FROM OPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>MINING SOLUTIONS</td>
<td>R5 021m</td>
<td>R520m</td>
</tr>
<tr>
<td>WATER &amp; PROCESS</td>
<td>R678m</td>
<td>R80m</td>
</tr>
<tr>
<td>PLANT &amp; ANIMAL HEALTH</td>
<td>R1 882m</td>
<td>R115m</td>
</tr>
<tr>
<td>FOOD &amp; BEVERAGE</td>
<td>R552m</td>
<td>R31m</td>
</tr>
<tr>
<td>CHEMICALS</td>
<td>R2 339m</td>
<td>R241m</td>
</tr>
<tr>
<td>GROUP</td>
<td>R10 473m</td>
<td>R911m</td>
</tr>
</tbody>
</table>

- **REVENUE**:
  - **MINING SOLUTIONS**: R5 021m (↑ 9.8%)
  - **WATER & PROCESS**: R678m (↓ 4.1%)
  - **PLANT & ANIMAL HEALTH**: R1 882m (↑ 98.8%)
  - **FOOD & BEVERAGE**: R552m (↑ 2.6%)
  - **CHEMICALS**: R2 339m (↑ 38.1%)
  - **GROUP**: R10 473m (↑ 23.5%)

- **PROFIT FROM OPS**:
  - **MINING SOLUTIONS**: R520m (↑ 9.0%)
  - **WATER & PROCESS**: R80m (↓ 2.1%)
  - **PLANT & ANIMAL HEALTH**: R115m (↑ >100.0%)
  - **FOOD & BEVERAGE**: R31m (↑ 21.0%)
  - **CHEMICALS**: R241m (↑ 50.9%)
  - **GROUP**: R911m (↑ 34.6%)
CONTRIBUTION ANALYSIS BY SEGMENT (%)

Revenue (%)
Excludes inter-segment revenue

Profit/(loss) from operations (%)

1H18 Outer circle
1H17 Inner circle

Mining Solutions
Water & Process
Plant & Animal Health
Food & Beverage
Chemicals
Property and Corporate
MINING SOLUTIONS
MINING SOLUTIONS
1H18: REVENUE BY MINERAL MINED (%)

Platinum: 22%
Gold: 21%
Coal: 20%
Copper: 17%
Iron ore: 8%
Diamond: 4%
Uranium: 1%
Other: 7%
Overall global commodity prices stable at higher levels
Upward trend in mining activity outside SA and more positive sentiment wrt new investments
54% of Mining Solutions’ revenue generated outside SA
Socio-political instability and lack of hard currency availability remain issues in certain African countries
Sustainability of SA’s platinum mining sector still of concern, as is underground mining overall
Mining Charter not finalised
› Excellent TP improvement, notwithstanding strong ZAR

› Overall bulk explosives volumes +9.9%
  » Pleasing performance outside SA
  » New contracts ramping up

› Overall initiating systems volumes -12.1%

**SA**

› Explosives volumes -4.9%
  » Optimum Coal mine business rescue
  » Loss of iron ore contract

› Initiating systems volumes -17.2%
  » Shaft closures – most notably Sibanye Cooke Shaft, Bokoni Platinum

› Significant increase in Section 54 stoppages
Rest of Africa

› Explosives volumes +10.6%
  » Supported by copper, cobalt, diamond and gold businesses
    ▪ All equipment mobilised to support Francophone growth
    ▪ DRC volume improvement on back of commodity prices and lower rainfall
    ▪ Solid growth in Botswana

Asia Pacific

› Explosives volumes +47.0%
› Indonesia
  » Migrated to new explosives licensee
  » Import quota of AN limited – sourcing from BBRI beneficial
› Australia
  » Opportunistic sales with market going short
    ▪ Down time on competitor plants
  » Reactive ground technology deployed successfully
  » Service offering expanded
› Volumes of extractive chemicals +3,6%
  » High demand for collectors in both SA and Central African region
    ▪ Global competitor supply shortages and
    ▪ Buoyant copper mining sector
  » Flocculant volumes lagging
    ▪ Slower recovery of lost PAM export volumes than expected
      – Alternative routes to market being explored

› Surfactant volumes -4,1%
  » Changes in AEL product mix

› Xanthates expansion in commissioning
  » 2H volumes anticipated in line with guidance
### Current Pre-Operational Mining Projects

<table>
<thead>
<tr>
<th>Development stage</th>
<th>Rest of Africa</th>
<th>South Africa</th>
<th>Indonesia</th>
<th>LatAm</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration</td>
<td>1,469</td>
<td>303</td>
<td>219</td>
<td>2,210</td>
<td>3,527</td>
</tr>
<tr>
<td>Prefeasibility</td>
<td>76</td>
<td>42</td>
<td>6</td>
<td>127</td>
<td>139</td>
</tr>
<tr>
<td>Feasibility</td>
<td>163</td>
<td>75</td>
<td>42</td>
<td>171</td>
<td>292</td>
</tr>
<tr>
<td>Construction</td>
<td>30</td>
<td>18</td>
<td>22</td>
<td>46</td>
<td>23</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,738</strong></td>
<td><strong>438</strong></td>
<td><strong>289</strong></td>
<td><strong>2,554</strong></td>
<td><strong>3,981</strong></td>
</tr>
</tbody>
</table>

Source: extract, GlobalData July ‘18
WATER & PROCESS
› Export volumes delayed
   » Credit management processes
   » In hand for 2H

› Reduced dosage of water treatment chemicals in 1Q
   » Western Cape drought effects
   » 2H outlook more positive thus far

› Unplanned extension of refinery shutdown

› 4 desalination plants commissioned and producing water
   » Long-term chemical supply with O&M contracts secured

› Healthy pipeline of other water treatment plant projects
Segmental results boosted by inclusion of Schirm from February

Nulandis

> Difficult 1H as drought effects persisted in Western Cape and other SADC countries
  > 2H outlook more positive thus far

> Biocult: distribution agreements being finalised; expansion investment subject to North American regulatory approvals

Schirm

> 70% of revenue historically in January – June
  > January a peak month

> Results in 5 months from February below expectations
  > Slower than anticipated start-up of new synthesis plant
    ▪ Registrations of manufacturing facilities delayed
    ▪ Unrecovered plant costs
    ▪ Shortage of specialist skills

> Good performance from US business

> Net once-off gain of R32m assisted
  > Excluding this, still 21c HEPS accretive
Volume and TP reflect shift in juice business from bulk trade to formulated products

Revenue growth driven by Dairy, Health & Nutrition products, Commodities and formulated juices
  » Incl. exports

Perlite business adversely affected by poor wine production season

Dairy Technical Centre completed
  » Enable growth in yoghurt and juice/milk-based products

<table>
<thead>
<tr>
<th>VOLUME</th>
<th>▼ 4.0%</th>
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<tbody>
<tr>
<td>REVENUE</td>
<td>R552m</td>
</tr>
<tr>
<td>▲ 2.6%</td>
<td></td>
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<tr>
<td>PROFIT</td>
<td></td>
</tr>
<tr>
<td>FROM OPS</td>
<td>R31m</td>
</tr>
<tr>
<td>▲ 21.0%</td>
<td></td>
</tr>
<tr>
<td>MARGIN</td>
<td>5.5%</td>
</tr>
<tr>
<td>1H17</td>
<td>4.7%</td>
</tr>
<tr>
<td>TRADE WC</td>
<td>21.6%</td>
</tr>
<tr>
<td>1H17</td>
<td>24.2%</td>
</tr>
</tbody>
</table>
> Momentum from 4Q17 sustained, particularly in 1Q18
  » Pleasing performance in context of SA manufacturing sector
> Good cash generation by operations
> Traded and manufactured volumes up overall
  » Sulphuric acid exports
> Working capital adversely impacted by
  » Extended customer terms in difficult trading environment
  » Higher inventory levels - customer closures/interruptions in SA continue
  » Skewed by inclusion of Much Asphalt

**Much Asphalt**
> 3-month performance below expectations
  » Delays in contract awards by local and national government and SOEs (including SANRAL)
  » Healthy order book in Western Cape affected by onset of rains
    ▪ But will be recovered
> 2H outlook more promising
  » Contract activity expected later in ’18; appointment of engineers to supervise tender process has commenced
05
KEY DRIVERS AND FOCUS
<table>
<thead>
<tr>
<th>Key Drivers</th>
<th>Short- to Medium-Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange rate volatility</td>
<td></td>
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<tr>
<td>Commodity prices</td>
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<tr>
<td>GDP growth in SA</td>
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<tr>
<td>Finalisation of SA’s Mining Charter</td>
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<tr>
<td>Future of SA’s platinum mining sector</td>
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<tr>
<td>Government spend on infrastructure in SA</td>
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<tr>
<td>Extreme weather events</td>
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<tr>
<td>Impact of shortages of specialist skills (Germany and US)</td>
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<td><strong>Focus to Year-End</strong></td>
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<td>-----------------------</td>
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<tr>
<td>Complete the integration of acquisitions and extract value</td>
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<tr>
<td>Claw back working capital</td>
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<tr>
<td>Innovation – Business of Tomorrow</td>
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</tbody>
</table>
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