Barloworld

Debt Investor Presentation

Barloworld’s Inaugural Gender-Linked Bond Issuance

3 August 2022

Built on enduring partnerships and transformative growth

Disclaimer

- Barloworld may, in this document, make certain statements that are not historical facts that relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, statements regarding exchange rate fluctuations, volume growth, increases in market share, return on invested capital, growth opportunities, capital distribution and cost reductions, including in connection with our business performance outlook. Words such as “believe”, “anticipate”, “expect”, “intend", “seek”, “will”, “plan”, “could”, “may”, “endeavour”, “target”, “forecast” and “project” and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.
- Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.
- Comprehensive additional information is available on our website: www.barloworld.com

Presentation overview

Barloworld

Group Highlights	Nopasika Lila, Group FD
Strategic Overview	Nopasika Lila, Group FD
Interim Results Recap	Nopasika Lila, Group FD
Debt Considerations	Relebohile Malahleha: Executive: Finance and Treasury
Gender-Linked Bond Offering	Relebohile Malahleha: Executive: Finance and Treasury Beth Rivett-Carnac, RMB Sustainable Finance Delia Patterson, RMB Distribution
Thank you	Questions and answers

Group highlights

Nopasika Lila, Group FD

Creating value responsibly and sustainably

Barloworld

ESG excellence underpins group strategic actions

People

We adopt a people centered approach in doing business, primarily focused on the safety and well being of our employees

Communities

We take seriously the impact of our business on our society and deliberately seek to make a positive, long-lasting difference in the communities in which we operate

Environment

We understand and acknowledge the adverse effect of climate change as well as water shortages and take meaningful actions to responsibly reduce our environmental footprint

Governance

We are governed by the highest standards and are overseen by an independent, adequately capacitated and active board of directors

Our first ESG linked loan of

R1bn

Member of Dow Jones Sustainability Indices
Powered by the S&P Global CSA

MSCI ESG RATINGS
CCC | B | BB | BBB | A | AA | AAA

ENVIRONMENTAL QUALITYSCORE 1
HIGHEST RANKED BY ISS ESG

SOCIAL QUALITYSCORE 1
HIGHEST RANKED BY ISS ESG

CERTIFICATE OF MEMBERSHIP
Barloworld
FTSE4Good

Barloworld Ltd

Focused towards zero harm

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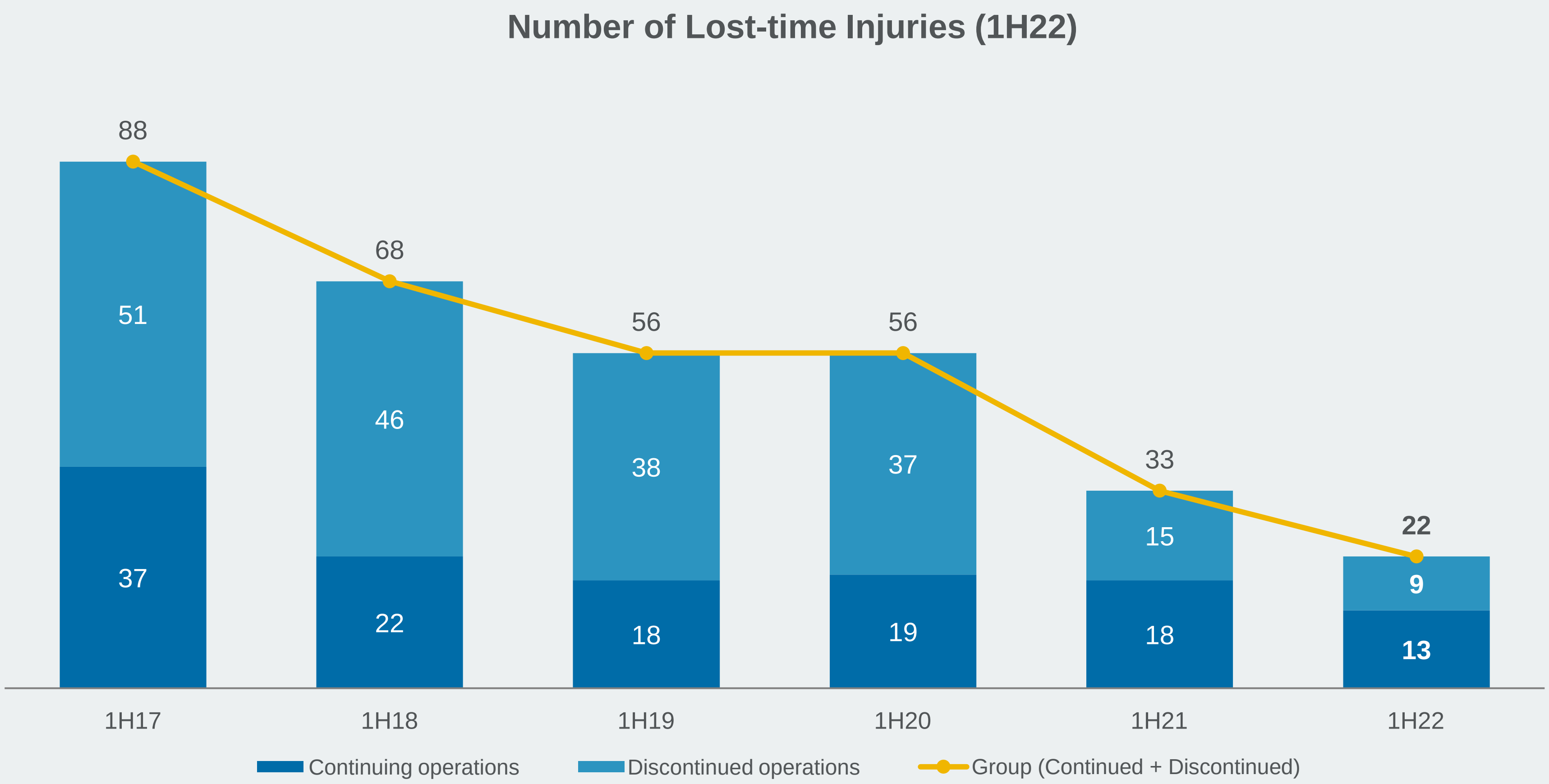
Strategic initiatives have contributed to a safer workplace for our people, communities and environment



- Ongoing strategy deployment initiative focused on safety with SMART targets
- Inclusion of safety metrics in executive scorecards to enhance accountability
- Active Covid-19 management and support

Barloworld Strategy

Nopasika Lila

Strategic focus areas

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Strategy yielding increasingly defensive and positive results

Fix	Optimise	Grow
Car Rental and Leasing Business performing exceptionally well with a strong outlook Exit of Avis Budget southern Africa business underway	**Equipment Eurasia** Continued assessment of the impact of current conflict and Covid-19 on Eurasia operations, with countermeasures to be taken as appropriate	**Equipment snA** Strong performance in line with divisional strategy Poised for growth to full potential
Logistics disposal Disposal of transport complete Formal sales process for supply chain underway		**Consumer Industries** Value delivery well ahead of expectations Platform to grow the Consumer Industries vertical

Active shareholder model and disciplined capital allocation

Return on invested capital

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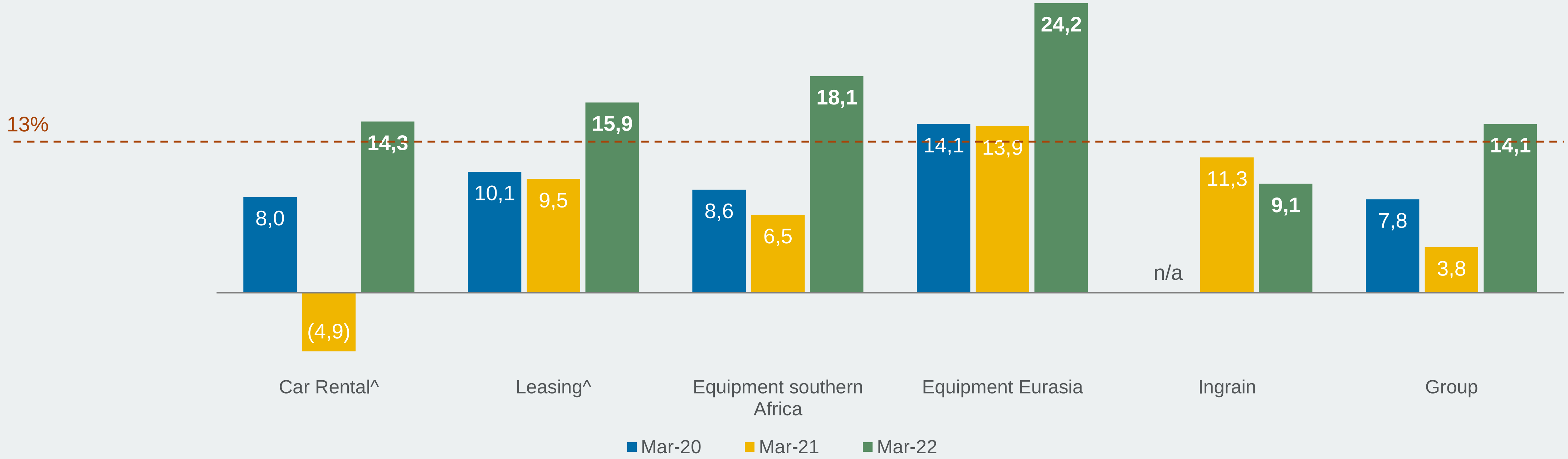
Historical achievement of exceeding our 13% ROIC target



Invested Capital (Rbn)						
Mar 2020	3.9	3.7	12.3	4.2	N/A	28.8
Mar 2021	2.4	3.0	8.2	4.0	5.1	27.2
Mar 2022	3.7	2.8	8.0	2.7	5.0	26.7

^ Due to the Avis business being held for sale, in terms of the accounting standards, depreciation expense is not fully recognised at group level. Hence the difference at divisional level

Return on Equity

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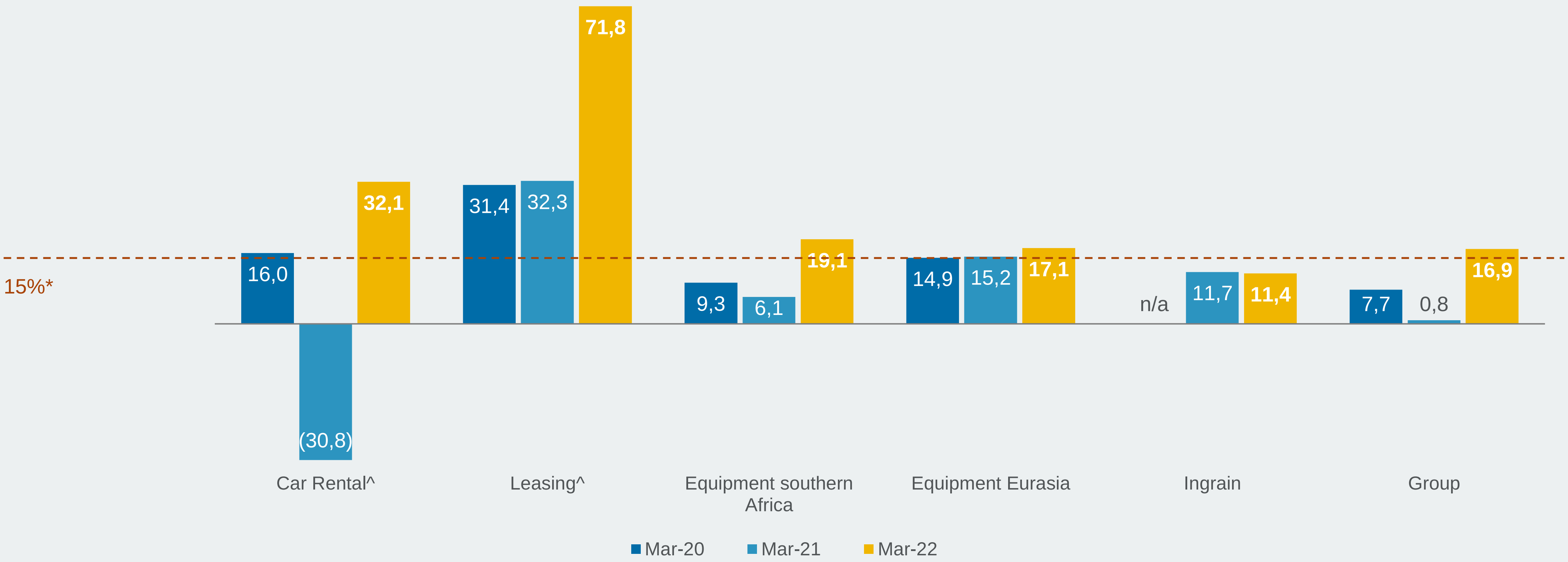
A record achievement of RoE

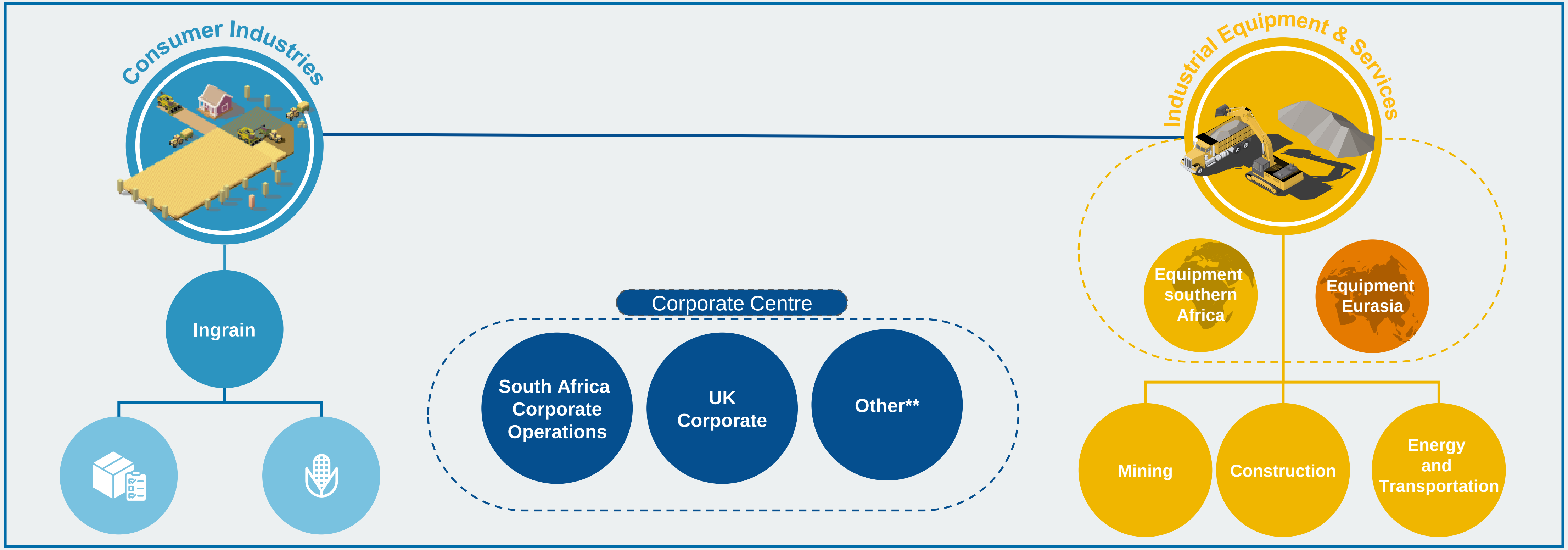


** ROE Target*

^ Due to the Avis business being held for sale, in terms of the accounting standards, depreciation expense is not fully recognised at group level. Hence the difference at divisional level

Group positioning

Positioned in Industrial equipment and services and Consumer Industries



** Other includes Digital Disposal Solutions (including SMD), Khula Sizwe, Handling and Corporate office

Interim Results Recap

Nopasika Lila, Group FD

Financial performance overview

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Highlights from **continuing** operations

13.6% improvement in
Revenue
R18.4bn
(1H21: R16.2bn)

Improvement by 20.6%
EBITDA
R2.5bn
(1H21: R2.1bn)

Improvement by 78.8%
HEPS
447cps
(1H21: 250cps)

Increase by 61.5%
Normalised HEPS
465cps
(1H21: 288cps)

Decrease by 131.4%
BEPS
(82.9)cps
(1H21: 264.2cps)

20.4% increase
Interim Dividend
165cps
(1H21: 137cps)

Financial performance overview

Barloworld

Highlights from **total group** results including discontinued operations

Decrease by 18.9%

Revenue
R23.2bn
(1H21: R28.6bn*)

Strong EBITDA improvement of 12%
R4.0bn
(1H21: R3.6bn)

Improvement of 109.1%

HEPS
756cps
(1H21: 362cps)

Increase by 95.4%

Normalised HEPS
784cps
(1H21: 401 cps)

Increase by 214.9%

Solid net debt position
R7.3bn
(FY21: R2.3bn)

Decrease by 108.6%

BEPS of
(31.6)cps
(1H21: 366.2cps)

** Prior period total group revenue included R6.7bn relating to Motor Retail which now sits under income from joint ventures*

Presentation of Financial Statements

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Key events impacting this period versus the prior period

	Income statement		Statement of financial position	
	1H22	1H21*	1H22	1H21*
Avis Car Rental and Leasing	Avis discontinued operation	Avis continued operation	Assets and liabilities held for sale	Normal presentation
Logistics and Motor Retail	Logistics discontinued operation	Logistics discontinued operation	Assets and liabilities held for sale	Assets and liabilities held for sale
	Motor Retail equity accounted	Motor Retail discontinued operations	Equity accounted	Assets and liabilities held for sale

- Ingrain reported for 5 months in 2021
- **31 March 2021 figures are restated and re-presented** as a result of Ingrain, Avis Car Rental and Leasing respectively

** Restated*

Statement of Comprehensive Income
31 March 2022

Barloworld

Rmn	1H22	1H21*	Change %
Continuing operations revenue	**18 401**	**16 194**	**14%**
EBITDA	**2 524**	**2 093**	**21%**
Depreciation and amortisation of intangibles	(582)	(519)	12%
Operating profit before B-BBEE transaction	**1 942**	**1 574**	**23%**
B-BBEE transaction charge	(13)	(40)	66%
Operating profit	**1 929**	**1 534**	**26%**
Fair value adjustment on financial instruments	(123)	(111)	11%
Net finance cost and dividends received	(390)	(408)	(4%)
Profit before non-operating capital items	**1 416**	**1 015**	**39%**
Non-operating and capital items	(1 031)	39	**>100%**
Profit before taxation	**385**	**1 054**	**(64%)**
Taxation	(661)	(476)	**39%**
(Loss)/Profit after taxation	**(276)**	**578**	**>100%**
Profit/(Loss) from Associates and JVs	112	(56)	>100%
(Loss)/Profit – continuing operations	**(164)**	**522**	**>100%**
Profit/(Loss) from discontinued operations	**101**	**(202)**	**>100%**
(Loss)/Profit for the period	**(63)**	**724**	**>100%**

Group revenue (incl discontinued operations)
R23.2bn**

Group operating profit
R2.8bn**
35% up

Group EBITDA
R4.0bn**
12.0% up^

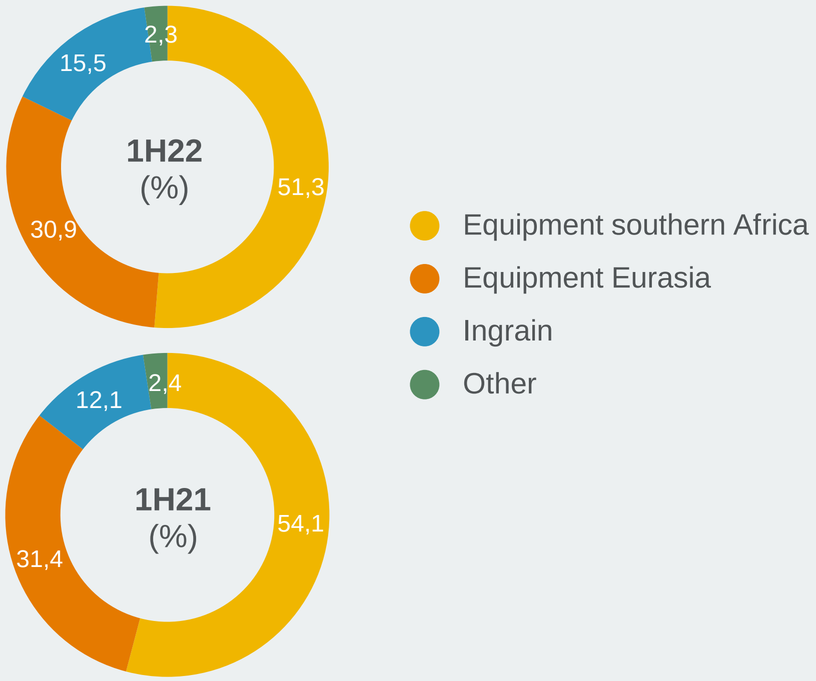
** Restated*
*** Includes both continuing and discontinued operations*
^ 20.1% up when adjusted to exclude Motor Retail in the prior period

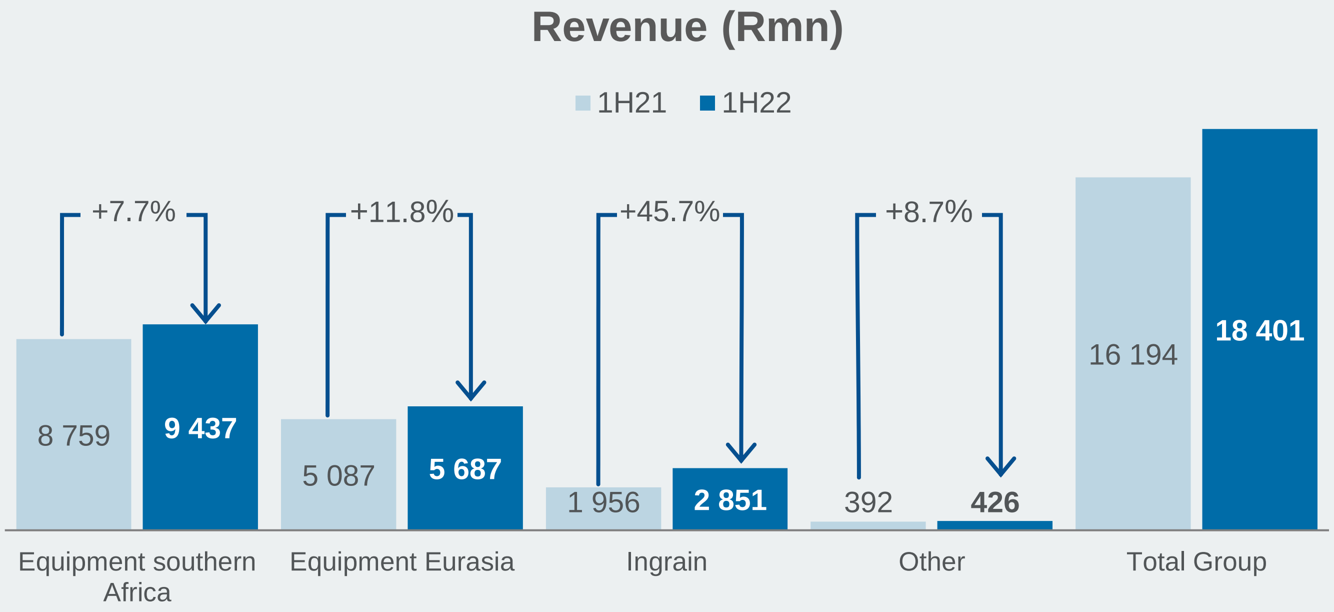
Revenue segmental

Barloworld

Continuing operations

Rmn	1H22	1H21*	Change %
Revenue	**18 401**	16 194	14%





The other segment includes Corporate, Digital Disposal Solutions (including SMD), Khula Sizwe and Handling

** Restated*

Operating profit segmental

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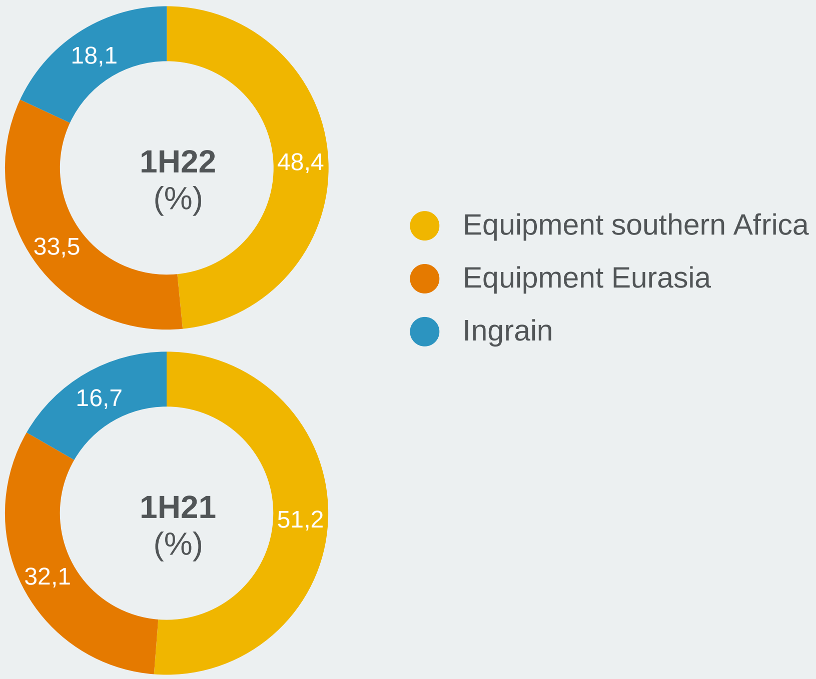
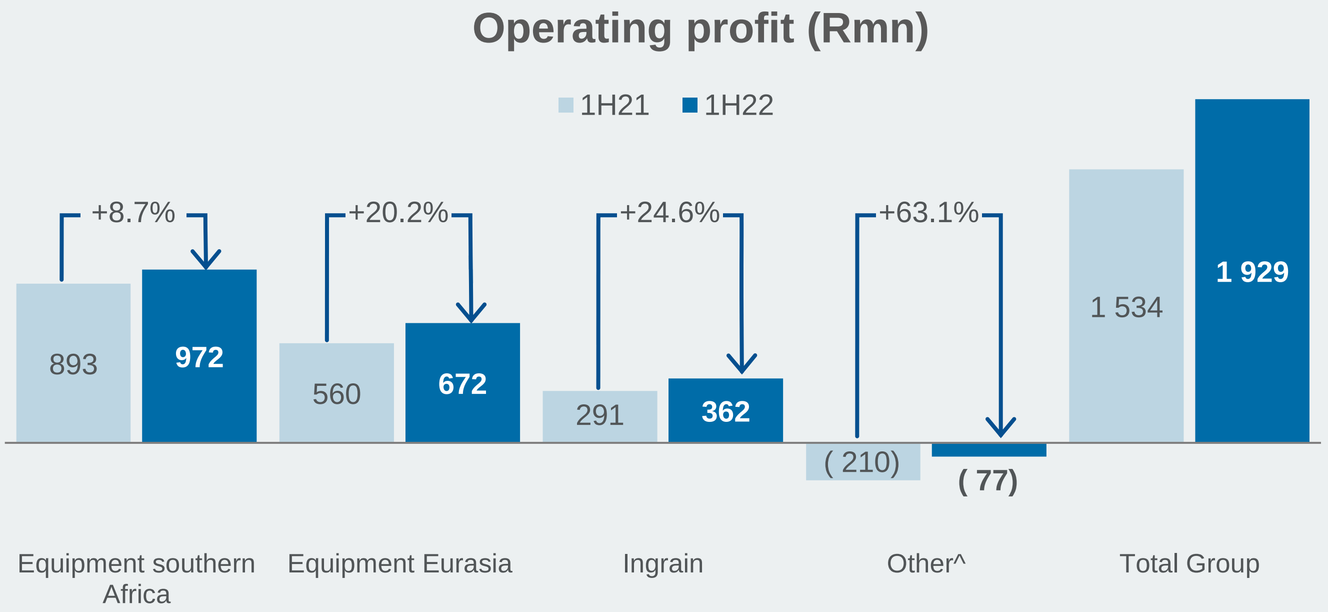
Continuing operations

Rmn	1H22	1H21*	Change %
Operating profit	**1 929**	1 534	26%





^ The other segment includes Corporate, Digital Disposal Solutions (including SMD), Khula Sizwe and Handling
** Restated*

Non-operating and capital items from continuing operations

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Impairment in Equipment Russia

Rmn	1H22	1H21*	Change %
Non-operating and capital items	**(1 031)**	39	>100%

Attributable to:

- **R1.0bn impairment in Russia**. The value in use impairment approach was used
- Revenue reduction
- WACC rate increase to 16.3% from 8.3% at Sep 21
- Net book value of non-current assets was $89.8mn

Impairment determined to be $68.6mn which translates to R1.0bn consisting of:

- Goodwill of $14.4mn
- Intangible assets of $13.9mn
- Tangible assets of $40.3mn

** Restated*

Discontinued operations

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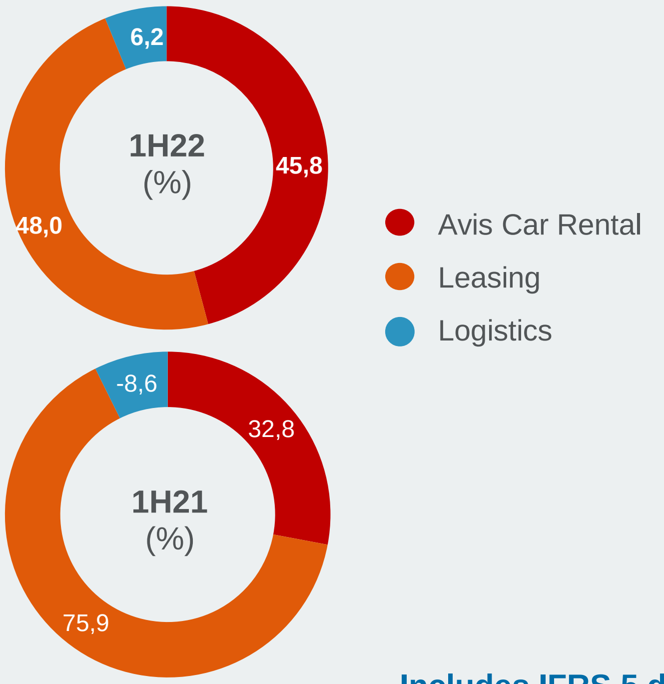
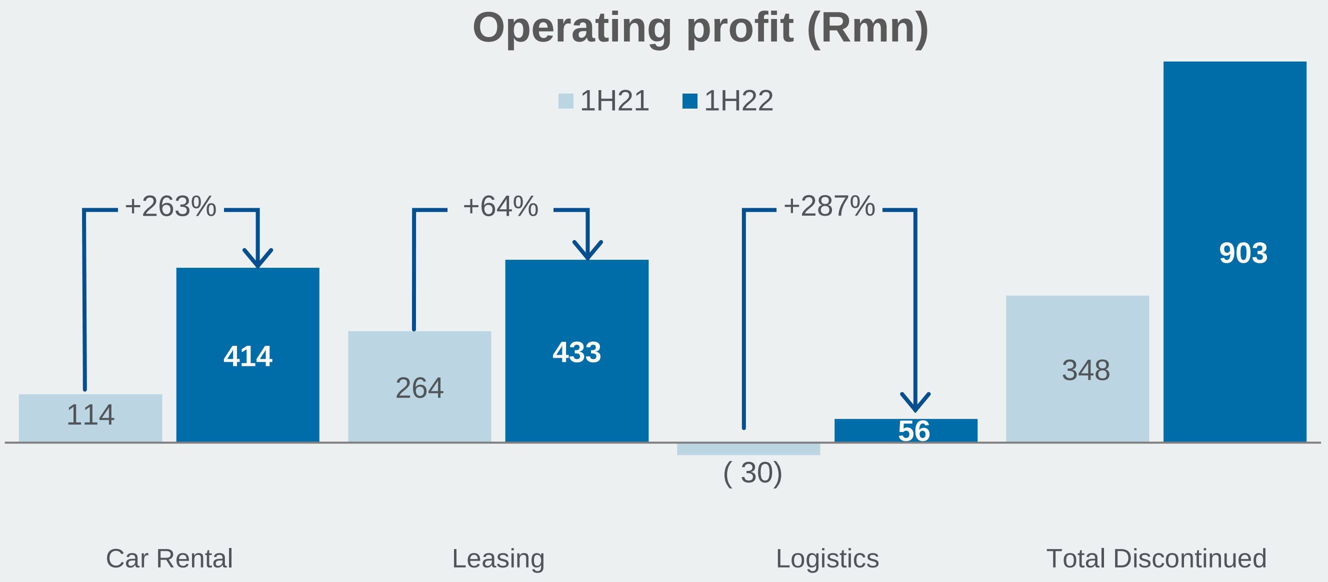
Segmental operating profit

Rmn	1H22	1H21*
Discontinued operations: operating profit	903	348





Includes IFRS 5 depreciation adjustments of R9mn for Avis Car Rental, R129mn for Leasing and R101mn for Logistics

** Restated*

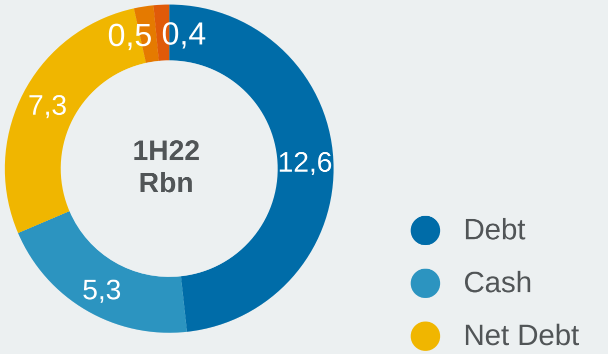
Debt Considerations

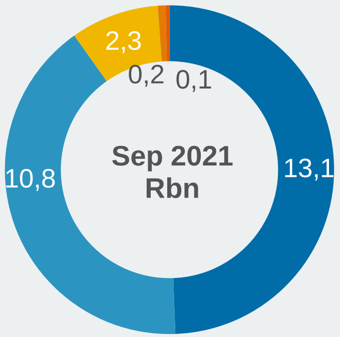
Relebohile Malahleha

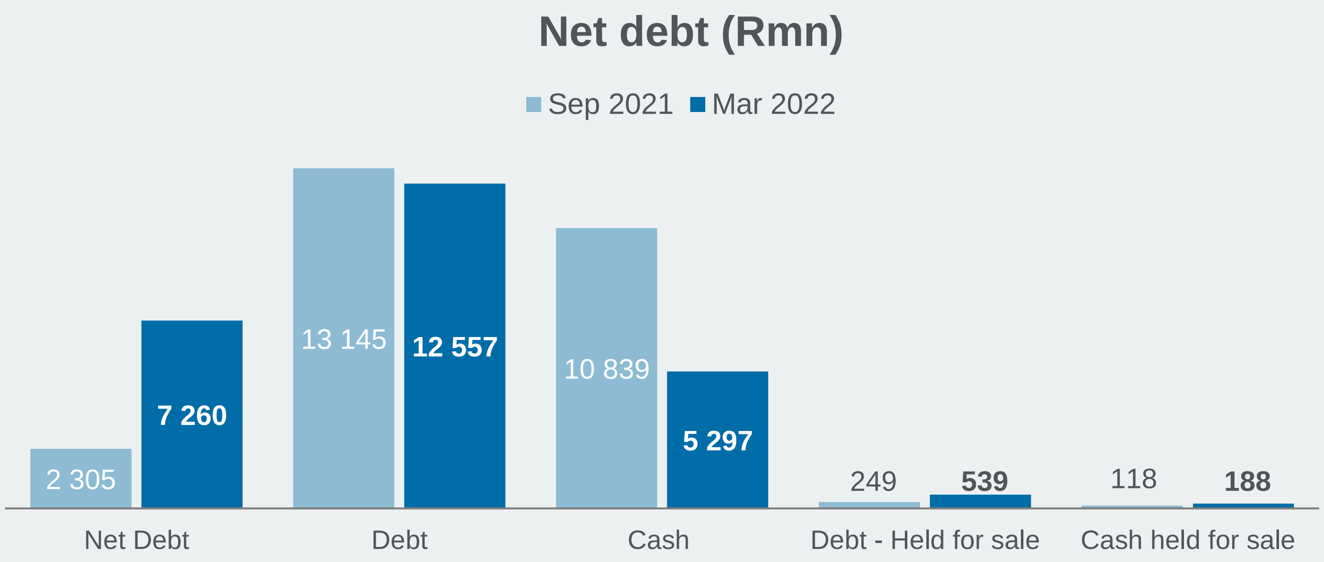
Group net Debt

The other segment includes Corporate, Digital Disposal Solutions (including SMD), Khula Sizwe and Handling

Rmn	Mar 2022	Sep 2021	Increase
Net Debt including held for sale (HFS)	**7 260**	2 305	315%







Group cash outflow

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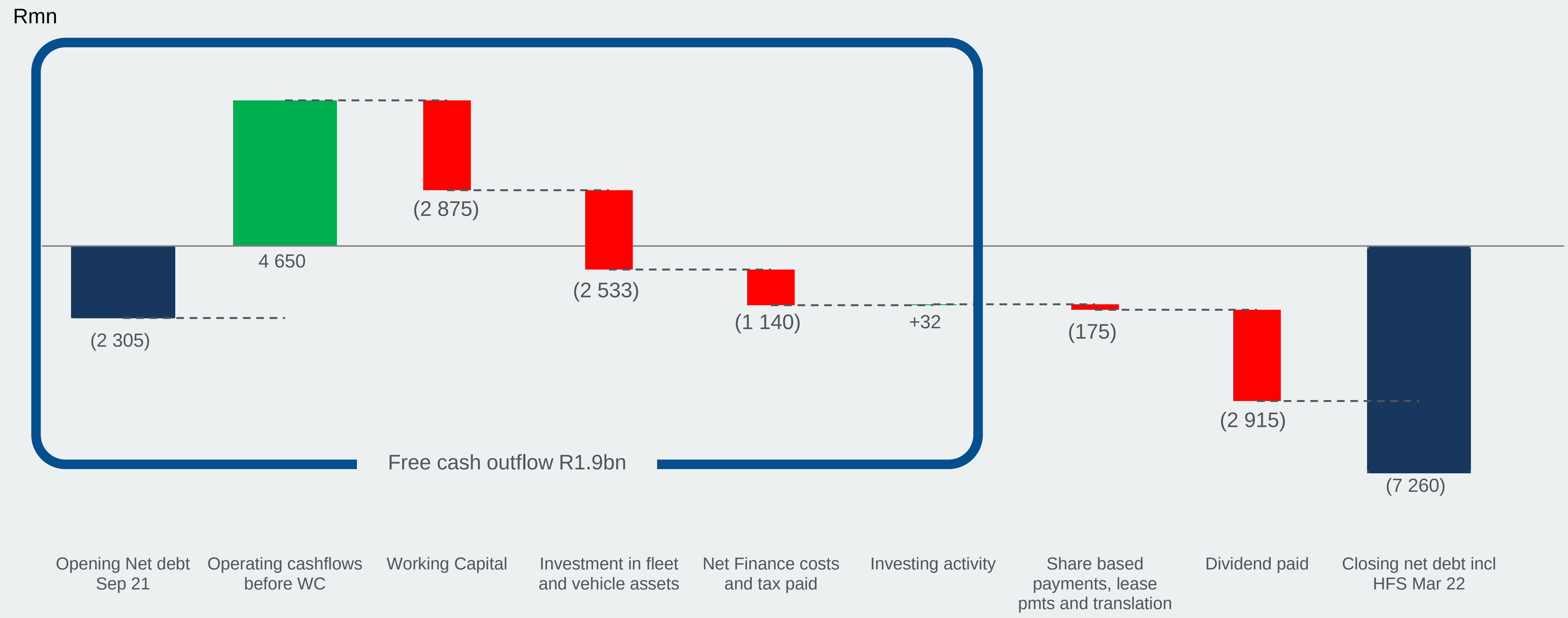
Free cash outflow of R1.9bn due to reinvestment in working capital, special dividend and UK pension fund contribution



Financial position, gearing and liquidity

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- The group retains significant headroom on committed facilities for both the local and offshore operations, which remained substantial at R20.1bn , and R0.7bn for the non-committed facilities
- South African short-term debt of R 3,8bn includes committed overnight short-term facilities, Short term portion of long term debt, bonds maturing in 12 months from March amounting to R1,902bn and uncommitted banking facilities amounting to R715m
- Currently R 4,496 of notes issued off the R15bn DMTN Programme
- Barloworld successfully repaid bonds in March 2022, February 2022 and December 2021 to the value of R1.6bn in line with the capital allocation policy prior to refinancing. In June R500 mil was also repaid.

Group facilities (Rbn)	Mar 2022
Utilised	12 557
Unutilised	7 579
Total facilities	**20 136**
Unutilised – committed	6 831
Unutilised - uncommitted	748
Total unutilised facilities	**7 579**

Debt covenants	Mar 2022
EBITDA: Interest Cover > 3.0 times	9.2 times
Net Debt: EBITDA < 3.0 times	1.0 times

Group Statement of Financial Position
31 March 2022

Barloworld

Logistics, Avis Car Rental and Leasing assets held for sale in 2022

Rmn	1H22	Sep 21	Commentary
Non-current assets	17 073	21 237	**Assets relating to discontinued operations were classified into held for sale**
Current assets	20 281	29 220	Assets relating to discontinued operations were classified into held for sale, plus payment of a R2.3bn special dividend and £68mn payment to UK pension fund
Assets classified as held for sale	11 147	2 387	Increase relate to inclusion of Car Rental and Leasing
Total assets	**48 501**	**52 844**	
Equity	**18 379**	**21 705**	
Non-current liabilities	9 064	10 139	Liabilities associated with assets held for sale were classified into held for sale
Current liabilities	15 646	19 214	Liabilities associated with assets held for sale were classified into held for sale Repayment of R1.6bn bond under the DMTN program
Liabilities associated with assets classified as held for sale	5 412	1 786	Increase relates to inclusion of Car Rental and Leasing
Total equity and liabilities	**48 501**	**52 844**	

Group covenants as at 31 March 2022 excluding IFRS 16

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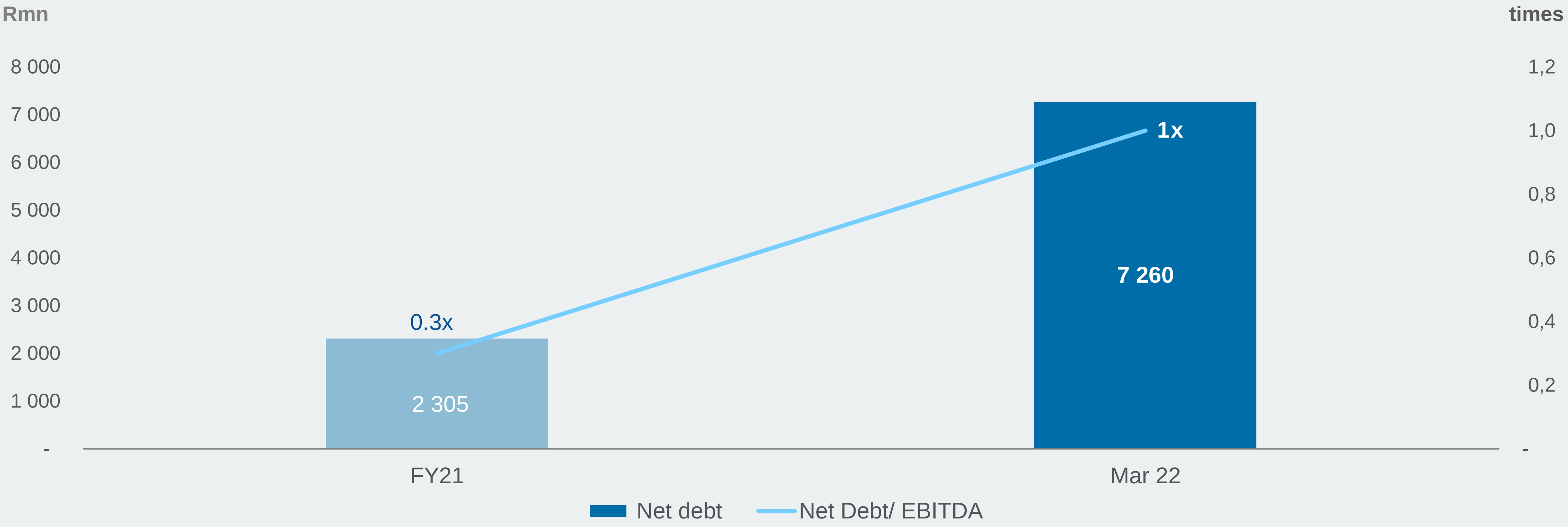
Covenants excl. IFRS 16: Net debt/ EBITDA shall be less than 3 times



Reported March 2021: 0.9x (September 2021: 0.3x)

Group covenants as at 31 March 2022 excluding IFRS 16

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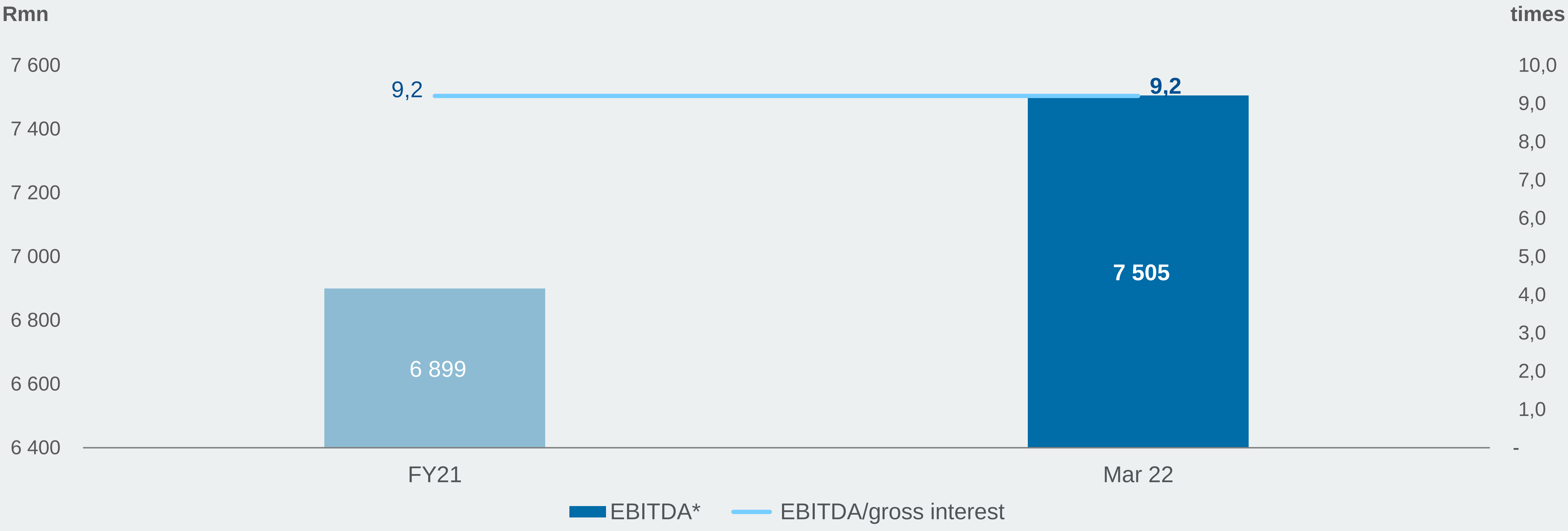
Covenants Excl. IFRS 16: EBITDA/gross Interest shall be greater than 3 times



Reported March 2021: 6.9x (September 2021: 9.2x)

** Rolling 12 months EBITDA*

Gender-Linked Bond

DMTN Offering

Relebohile Malahleha,
Group Executive: Strategic Finance and Treasury

Beth Rivett- Carnac

RMB Sustainable Finance

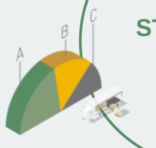
Barloworld's strategic focus on D&I

Barloworld

Our people are one of our key enablers in the execution of our strategic ambition

OUR AMBITION
Sustainably double the intrinsic value created every four years

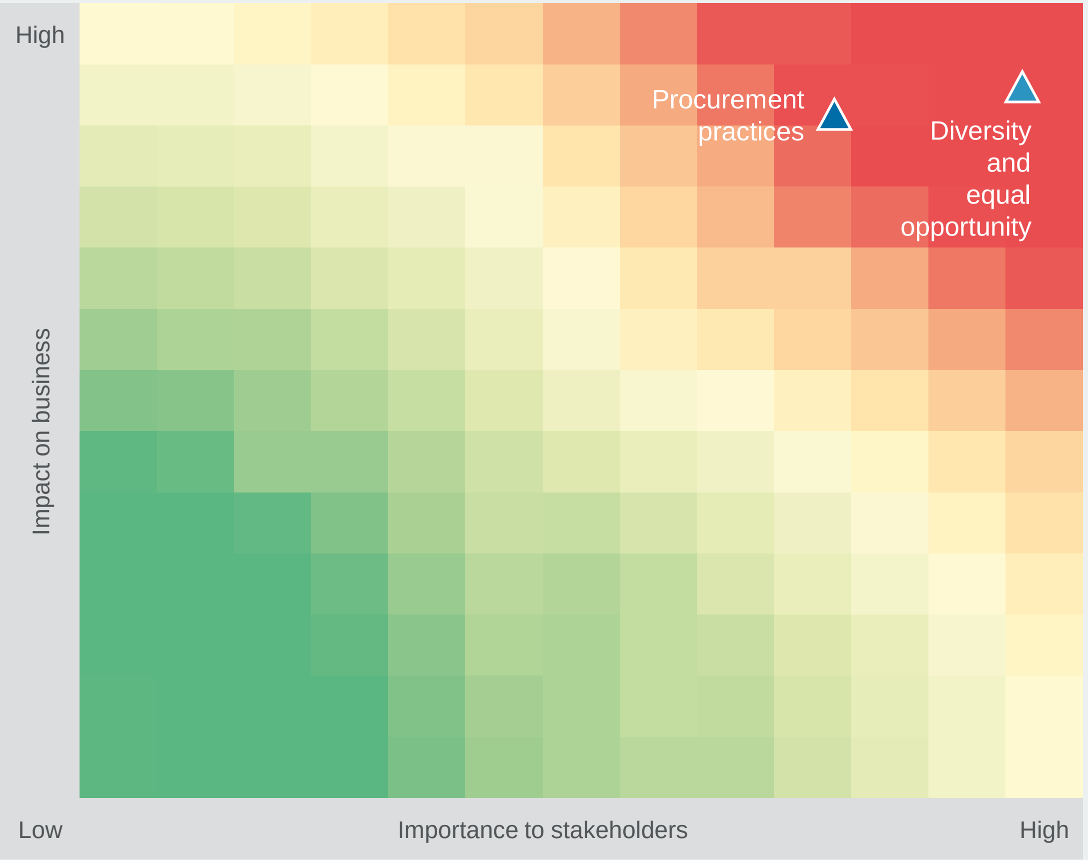
Deliver top quartile shareholder returns	Drive portable growth	Instil a high-performance culture
Sustainable development		



STRATEGIC LEVERS

A	B	C
Fix and optimise existing business portfolio to get to full potential or exit	**Active shareholder operating model** A key strategic enabler	**Acquisitive growth** in identified growth verticals – programmatic or bolt-on M&A

D&I and procurement practices identified as material matters in the sustainability materiality assessment



One Barloworld Integrated Talent Management Framework

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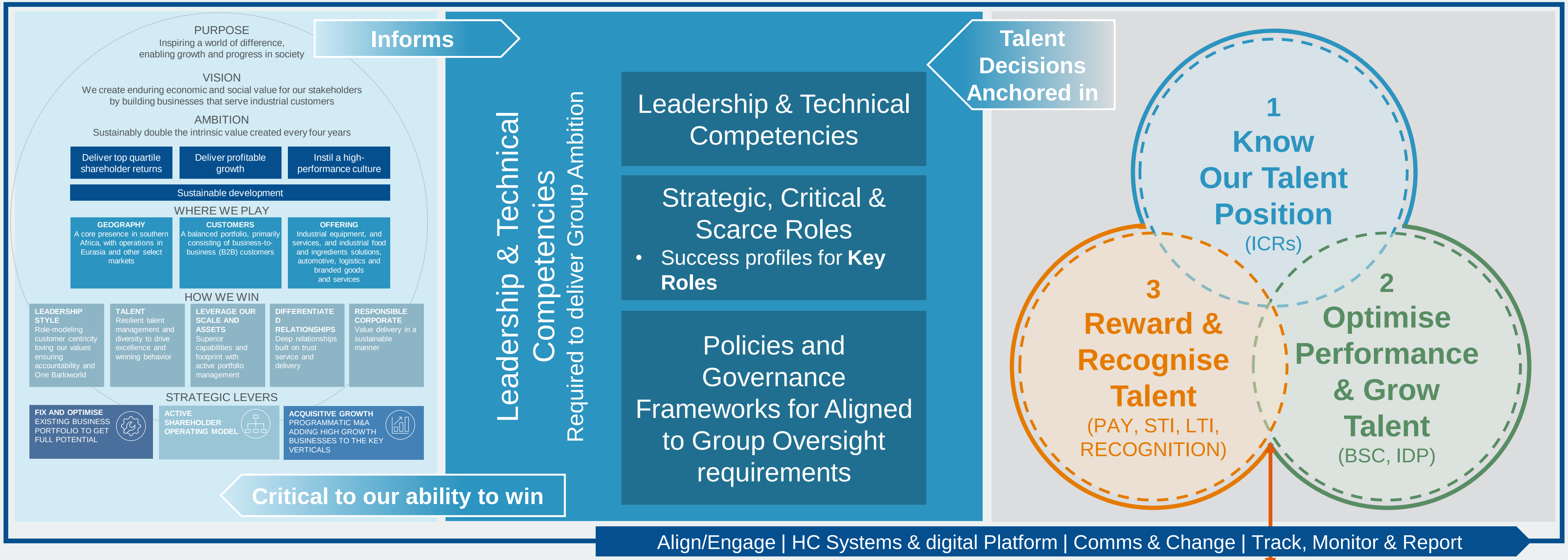


Attraction & Retention Rates	Diversity & Inclusion	Employee Productivity	Employee Wellness & Engagement	Succession Bench – for Leadership/Key Roles	Business Performance

Key milestones in Barloworld's D&I journey

Barloworld

Actions

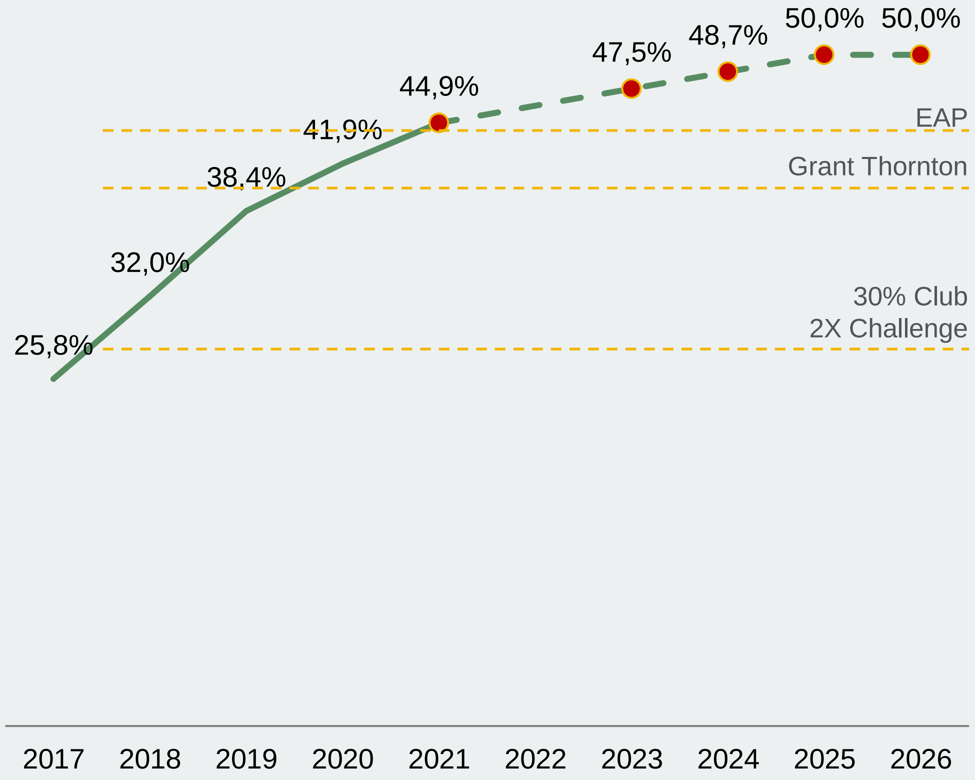
Pre-2017	2017	2018	2019	2020	2021
Barloworld Siyakhula • Established in 2007 to provide comprehensive support programmes aimed at empowering SMMEs	• Set total workforce gender diversity target for 2020 **40%** • Adopted formal board diversity policy • Women in leadership development program • Launched Barloworld Siyakhula Incubation Hub	GMA Overall Champions and: Women on Boards Women Empowerment in the Workplace • Young Talent programme	• Increased diversity and inclusion weighting on divisional scorecards (20% from 10%) • Conducted analysis across the group on gender pay parity	• Set gender diversity target for Grades 11 and above by 2022 **50%** GMA Overall Champions and: Investing in Young Women Women Empowerment in the Workplace	• % of 111 Siyakhula ESG programme beneficiaries that are black women-owned **39%** • Exceeded board diversity target of **50%**

Outcomes

	2017	2018	2019	2020	2021
Females as %: Board	42%	46%	50%	55%	60%
Females as %: Total	28%	28%	29%	29%	46%
Procurement from black women-owned businesses	5%	8%	9%	10%	14%

KPI 1: Targeting 50% female representation in leadership

Definition of Leadership	• All Group or Divisional Board or Executive Committee members (permanent employees and / or non-executive board members) at Barloworld's South African Continuing Operations and Barloworld Limited Board
Rationale	• Gender diversity at the leadership level is strategically material as leadership drives the culture of the business and provides a reference point for junior employees • Barloworld has made significant progress on gender diversity at a board and broader employee level and has now set a more ambitious target for gender diversity in Leadership of 50%
Benchmark	• Barloworld's aspiration to achieve 50% female representation in Leadership is compared to the 2022 national Economically Active Population (EAP) diversity of 44.6% female • The Grant Thornton Women in Business 2022 survey further notes that the proportion of women in senior management in Africa has increased from 39% to 40% in 2022 • The 2x Challenge Criteria include 20% - 30% share of women in senior management or 30% women on the Board, and 30% - 50% share of women in the workforce. • Additionally, the 30% Club aims to increase female representation at the board and C-Suite level to at least 30% • Therefore, recognising that Barloworld's baseline is already in excess of local and global external benchmarks, Barloworld's target to increase further from this baseline, albeit at a lower annual rate of change than historical performance, is considered ambitious



KPI 2: Targeting 15% procurement from black women-owned businesses

Barloworld

Definition of Discretionary Spend	• Total measured procurement spend excluding spend on imported capital goods (like Caterpillar for example) by Barloworld's South African Continuing Operations
Rationale	• Barloworld recognises its ability to grow participation of black women-owned businesses in the economy through its supply chain, thereby supporting broader economic participation of women in the South African economy.
Benchmark	• Preferential procurement from black-women owned businesses is not publicly disclosed by Barloworld's peers as it is just one component of Enterprise and Development in terms of the BBBEE Codes. • The BBBEE Codes put forth a target of 12% of total procurement from black women-owned suppliers for full points (4.0). Barloworld has already achieved the BBBEE Codes target. • Therefore, recognising that Barloworld's baseline already goes beyond compliance, and that Barloworld is targeting to increase further from this baseline is suitably ambitious.

Barloworld Gender Linked Bond Structure

Applicable to the 5-year instrument							
Applicable to the 3-year instrument							
	Unit of measurement	Baseline	Baseline Year	Target observation period 1	Target observation period 2	Target observation period 3	Target observation period 4
				30-Sep-23	30-Sep-24	30-Sep-25	30-Sep-26
Gender diversity in leadership (KPI 1)							
Gender Performance Target level (GPTL)	Percentage	44.9% (consolidated Boards & Excos, including divisional)	2021	47.5%	48.7%	50%	50%
Penalty Threshold Level (PTL)				Baseline	Baseline	Baseline	Baseline
Growing the proportion of black women-owned businesses in Barloworld's supply chain (KPI 2)							
GPTL	Percentage	13.8%	2021	14.4%	14.7%	15%	15%
PTL				Baseline	Baseline	Baseline	Baseline

Applicable to the 5-year instrument					
Applicable to the 3-year instrument					
Pricing Benefit Table	Margin adjustment scenario (with reference to Initial Margin in each target observation period)				
	Scenarios	Target observation period 1	Target observation period 2	Target observation period 3	Target observation period 4
KPI 1	GPTL is achieved	-2	-4	-6	-6
	PTL is achieved	0	0	0	0
	PTL is not achieved	+1	+2	+3	+3
KPI 2	GPTL is achieved	-1	-2	-3	-3
	PTL is achieved	0	0	0	0
	PTL is not achieved	+0.5	+1	+1.5	+1.5

Gender Linked Bond Pricing Mechanics

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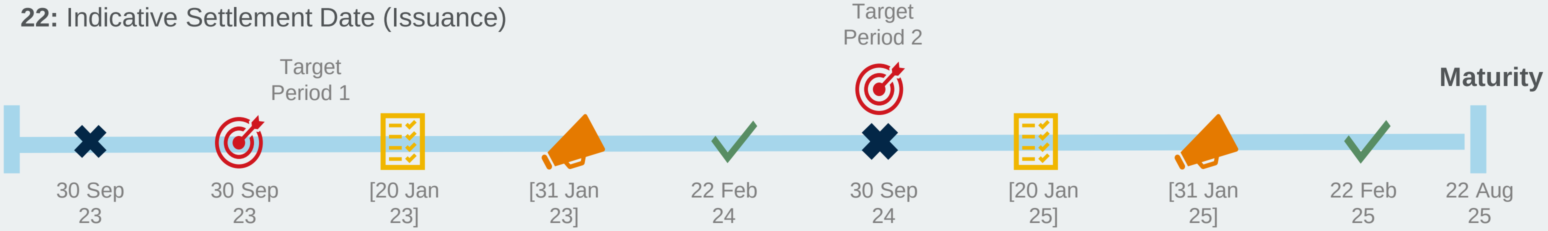
3-year bond

Initiation

17: Indicative Trade Date

22: Indicative Settlement Date (Issuance)



Year End

Announcement to confirm Barloworld's GPT achievement

Target Date

Barloworld to provide sustainability coordinator (RMB) with sustainability (gender) certificate

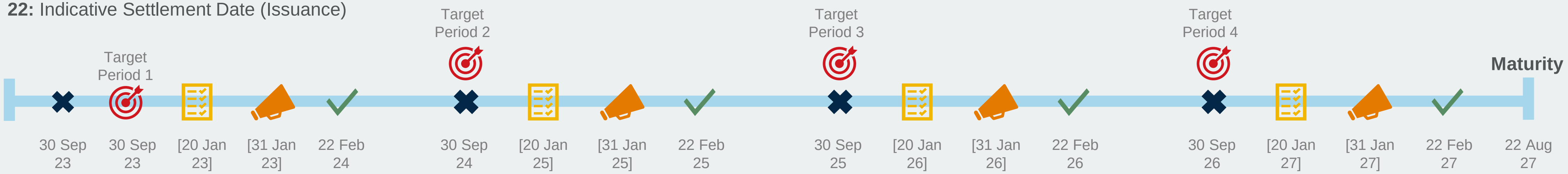
Coupon adjustment to be affected beginning of interest applicable period

5-year bond

Initiation

17: Indicative Trade Date

22: Indicative Settlement Date (Issuance)



Compliance with ICMA SLBP and JSE DLR (Sustainability Segment)

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JSE Debt Listing Requirements for the Sustainability Segment		
JSE DLR	**How have Barloworld Addressed**	**Compliance Check**
The full name, address and **contact details** of each **independent external reviewer**	Details of IBIS ESG Consulting Africa (Pty) Ltd (IBIS) will be included in the APS	✓
Disclosure that the sustainability-linked debt securities **incorporate forward-looking ESG outcomes** pursuant to the sustainability-linked standards	Included in the Barloworld Gender Linked Bond Framework	✓
Disclosure of the **alignment** of the sustainability-linked debt securities with the core components pursuant to the **sustainability-linked standards**	Included in the Barloworld Gender Linked Bond Framework – relevant standard would be the ICMA SLBP	✓
A complete review report through means of a **second party opinion** from an **independent external reviewer**. The report must opine on whether the debt securities adhere to the sustainability-linked standards	Barloworld has obtained a SPO from IBIS which has been made publicly available Framework	✓

International Capital Market Association (ICMA) Sustainability Linked Bond Principles (SLBP)

Selection of KPIs
- Relevant and material to business
- Measurable and quantifiable
- Externally verifiable
- Available historical data

Calibration of SPTs
- Ambitious
- Beyond "Business As Usual"
- Consistent with issuer's ESG strategy
- Predetermined Timeline
- Peer benchmarking

Bond Characteristics:
- Financial/ structural impact
- Calculation methodology
- Fallback mechanisms

Reporting
- Information on KPI performance
- Verification assurance report relative to SPT
- Information enabling investors to monitor level of ambition of SPTs

Verification
- Independent external verification
- Limited or reasonable assurance

Indicative termsheet and timing

Barloworld

Issuer	Barloworld Limited	
Issuer Rating	Moody's Investors Services: Aa2.za affirmed on 12 April 2022	
DMTN Programme Limit	R15 billion	
Volume Sought	[up to R1 billion]	
Instrument	Senior Unsecured Gender-Linked Bond	
Auction Date and Time	[17 August 2022]	
Settlement Date (T+3)	[22 August 2022]	
Bond Code	[BAWGB01]	[BAWGB02]
Term	3 – year	5 – year
Maturity Date	22 August 2025	22 August 2027
Interest Profile	Floating Rate as Margin over Benchmark	
Benchmark	3-month Jibar as at 11am on Auction Date	

Calendar

Aug-22

M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30	31		

Indicative Proposed Timeline

Investor Process	Date
Virtual group debt investor roadshow meeting	03 August
Term sheet (without Price Guidance) distributed to the market	[04 August]
Investor credit process	[22 July – 16 August]
Term sheet (with Price Guidance) distributed to the market	[10 August]
Auction Date	[17 August]
Settlement (T+3)	[22 August]

Contact Details

Barloworld

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Thank you