



OMNIA HOLDINGS LIMITED

CREATING CUSTOMER
WEALTH BY LEVERAGING
KNOWLEDGE

RESULTS PRESENTATION **FY2016**

AGENDA



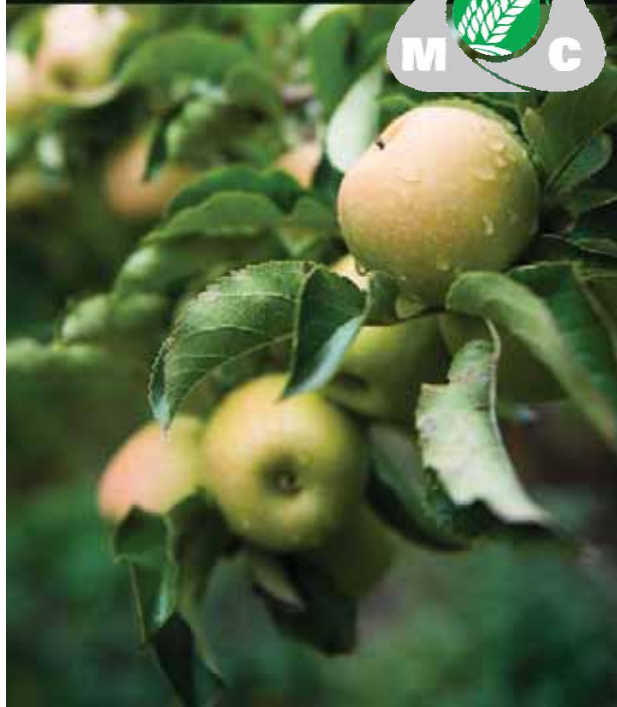
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OMNIA AT A GLANCE



AGRICULTURE

Omnia's Agriculture division comprises Omnia Fertilizer and Omnia Specialities



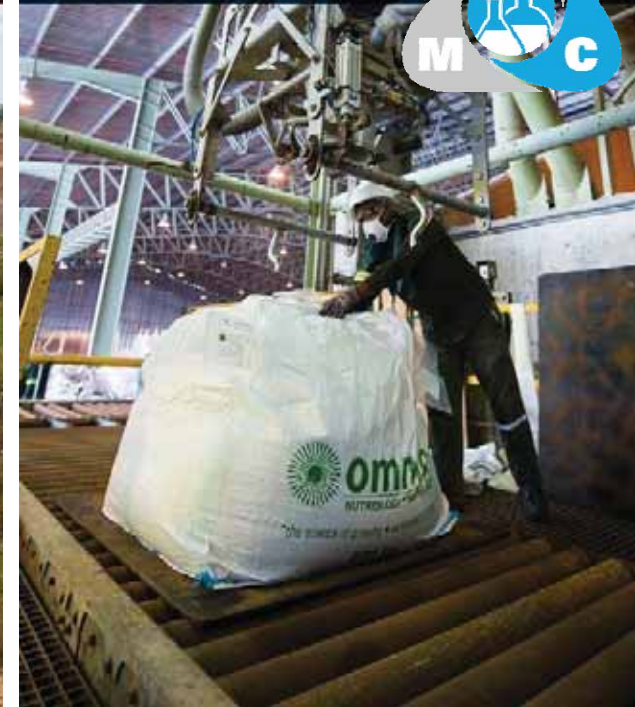
MINING

Omnia's Mining division services the mining industry through BME and Protea Mining Chemicals



CHEMICALS

The Chemicals division's main business is through Protea Chemicals



CREATING CUSTOMER
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OUR VISION AND STRATEGY



Vision

‘Creating customer wealth by leveraging knowledge’

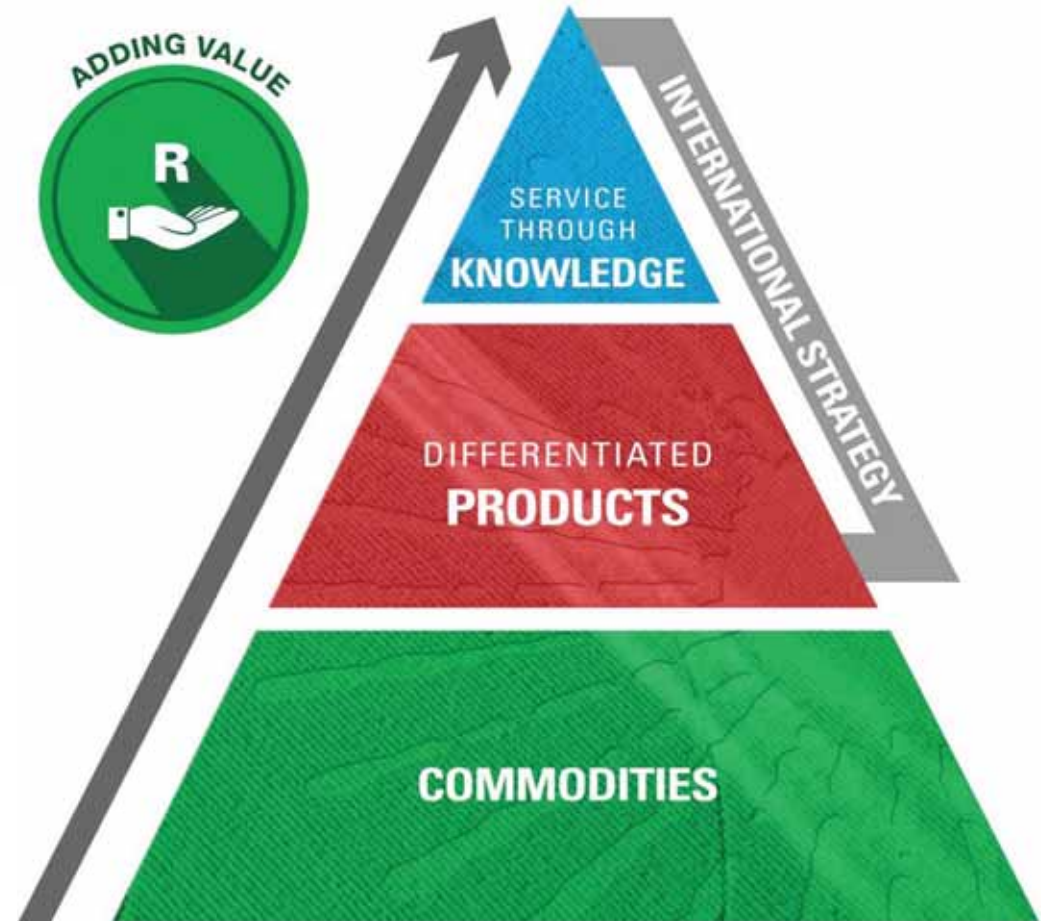
Strategy

- Providing specialised solutions to the agriculture, mining and chemicals markets
- Focusing on unique market offerings that create value and, in so doing, earn a premium
- Diversifying geographically beyond South Africa, primarily focused on Africa with a growing presence in other international countries
- Identifying and implementing strategic acquisitions to build on the strengths of each division
- Improving on cost competitiveness across all divisions, particularly in the Chemicals division
- Continuously improving on health, safety and environmental practices by following the guiding principles of Responsible Care®
- Building a culturally diverse business that respects and promotes the rights of its people
- Building a learning organisation
- Leverage our intellectual property, systems and technology to create value for customers and shareholders

OUR VALUE PROPOSITION



- We differentiate ourselves from other commodity chemical suppliers by applying our intellectual capital and technologies to all key points along our supply and service chains
- This enables Omnia to create value throughout by tailoring our products and services to the specific and changing needs of our customers
- Our business model has been tried and tested over many years, and continues to be fine-tuned as our markets and customers evolve



GEOGRAPHICAL SCOPE



- ▲ Agriculture
- ▲ Mining: BME
- ▲ Mining: Protea Mining Chemicals
- ▲ Chemicals

1 South Africa	Agriculture	Mining: BME	Mining: Protea Mining Chemicals	Chemicals
Angola		▲		▲
Botswana		▲		
Lesotho		▲		
Mozambique	▲	▲		
Namibia		▲	▲	▲
Zimbabwe	▲	▲		▲

3 East Africa	Agriculture	Mining: BME	Mining: Protea Mining Chemicals	Chemicals
Kenya			▲	▲
Mauritius	▲	▲	▲	▲
Tanzania		▲		
Zambia	▲	▲	▲	

4 Central Africa	Agriculture	Mining: BME	Mining: Protea Mining Chemicals	Chemicals
DRC		▲	▲	

5 West Africa	Agriculture	Mining: BME	Mining: Protea Mining Chemicals	Chemicals
Burkina Faso		▲		
Guinea		▲		
Mali		▲		
Mauritania		▲		
Senegal		▲		
Sierra Leone		▲		

6 Australasia	Agriculture	Mining: BME	Mining: Protea Mining Chemicals	Chemicals
Australia	▲	▲		
New Zealand	▲			

7 Asia Pacific	Agriculture	Mining: BME	Mining: Protea Mining Chemicals	Chemicals
China	▲			▲
Indonesia		▲		

8 South America	Agriculture	Mining: BME	Mining: Protea Mining Chemicals	Chemicals
Brazil	▲			

KEY DRIVERS – FY2016



- Weaker SA rand
- **Agriculture division**
 - Maintained sales volumes despite drought
 - Agriculture Trading segment loss in Australia
 - Lower production volumes impacting overhead recovery
- **Mining division**
 - Annualised effect of contracts lost in prior year
 - Price pressures from ongoing low commodities
- **Chemicals division**
 - Excellent turnaround
 - Business restructured



OVERVIEW OF RESULTS



		2016	%	2015
Revenue	Rbn	16.8	-	16.8
Profit before tax	Rm	1 012	(24)	1 331
Profit after tax	Rm	702	(25)	934
Basic earning per share	cents	1 042	(26)	1 402
Headline earnings per share	cents	1 033	(29)	1 465
Total dividend	cents	360	(27)	490
Debt: Equity	%	(3)		12

Ung geared balance sheet at year-end - net cash of **R228 million**



OTHER KEY FEATURES



- Revenue remained flat at **R16.8 billion**
- Operating profit down 19% to **R1 189 million**
- Profit after tax of **R702 million** down 25%
- Cash generated from operations increased to **R2.3 billion**, up R1.3 billion year-on-year
- Headline earnings per share down 29% to **1 033 cents** per share
- Credit rating affirmed in July 2015 as **A-** (long-term) and **A1-** (short-term), with a **positive** ratings outlook
- Safety - recordable case rate of **0.83** - below target of 1.0



AGRICULTURE OVERVIEW



AGRICULTURE OVERVIEW

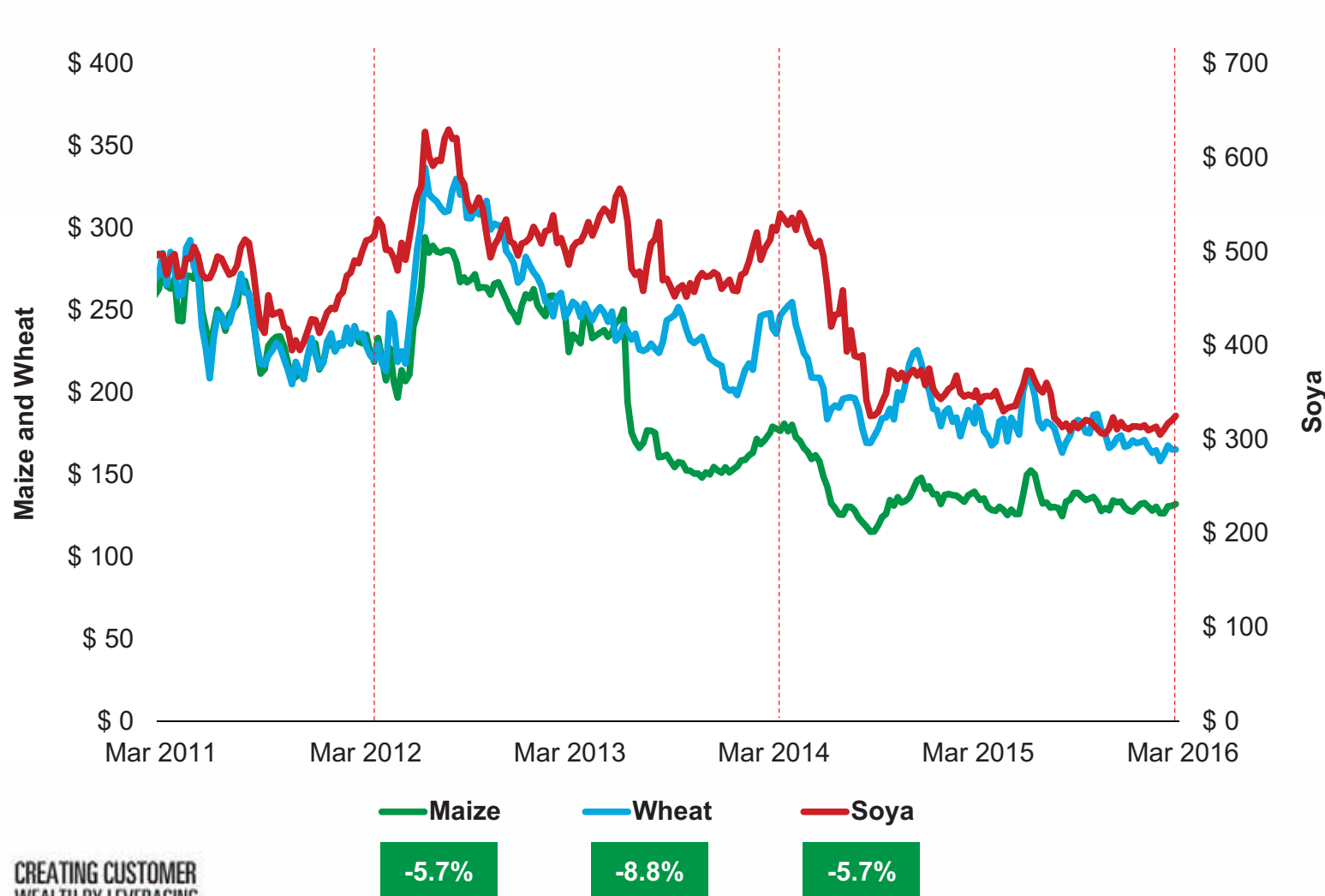


- Revenue of **R8.2 billion** up 13%
 - Record sales of liquid fertilizers despite drought
 - Volumes down 4% - South Africa 1%, International 3%
- Operating profit of **R494 million**, down 25% year-on-year
 - Reduced downstream sales of ammonia nitrate to Mining division
 - Lower production volumes – high inventory at 31 March 2015
- Operating margin of **6.0%** (2015: 9.0%) below guidance of 7% to 9%
 - Agriculture Trading segment – 1.5% impact on margin



		2016	%	2015
Revenue	Rbn	8.2	+13	7.3
Operating profit	Rm	494	(25)	656
Operating margin	%	6.0		9.0

CROP PRICES – USD PER TONNE



Maize – prices at 31 March – USD	
2012	230
2013	248
2014	176
2015	140
2016	132

Wheat – prices at 31 March – USD	
2012	236
2013	246
2014	248
2015	181
2016	165

Soya - prices at 31 March – USD	
2012	501
2013	502
2014	513
2015	345
2016	325

MAIZE – RAND PER TONNE

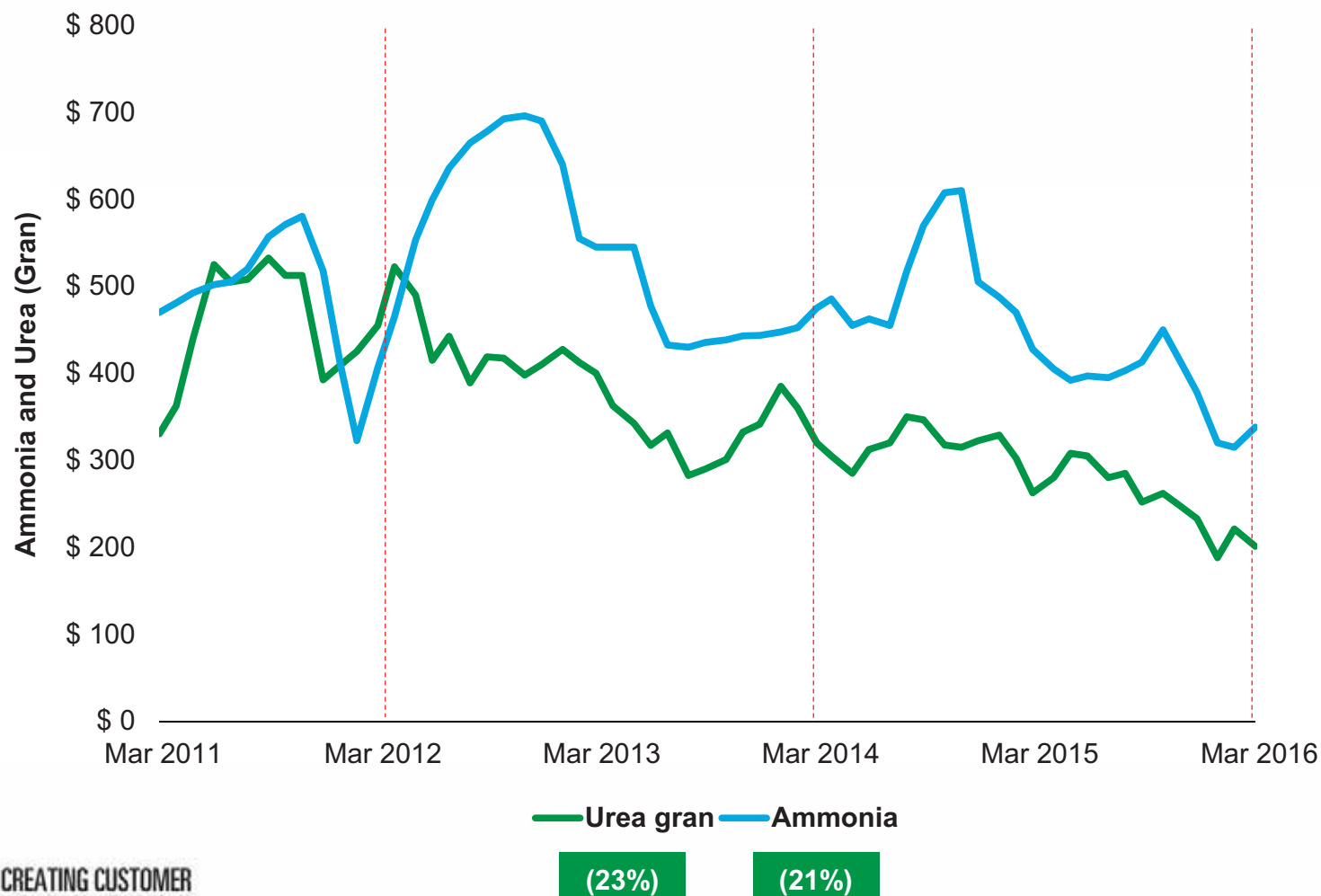


Maize – prices at 31 March – Rand	
2013	2,325
2014	2,650
2015	2,436
2016	3,265

Wheat – prices at 31 March – Rand	
2013	3,480
2014	3,975
2015	3,883
2016	4,625

Soya – prices at 31 March – Rand	
2013	4,638
2014	5,473
2015	4 143
2016	5 021

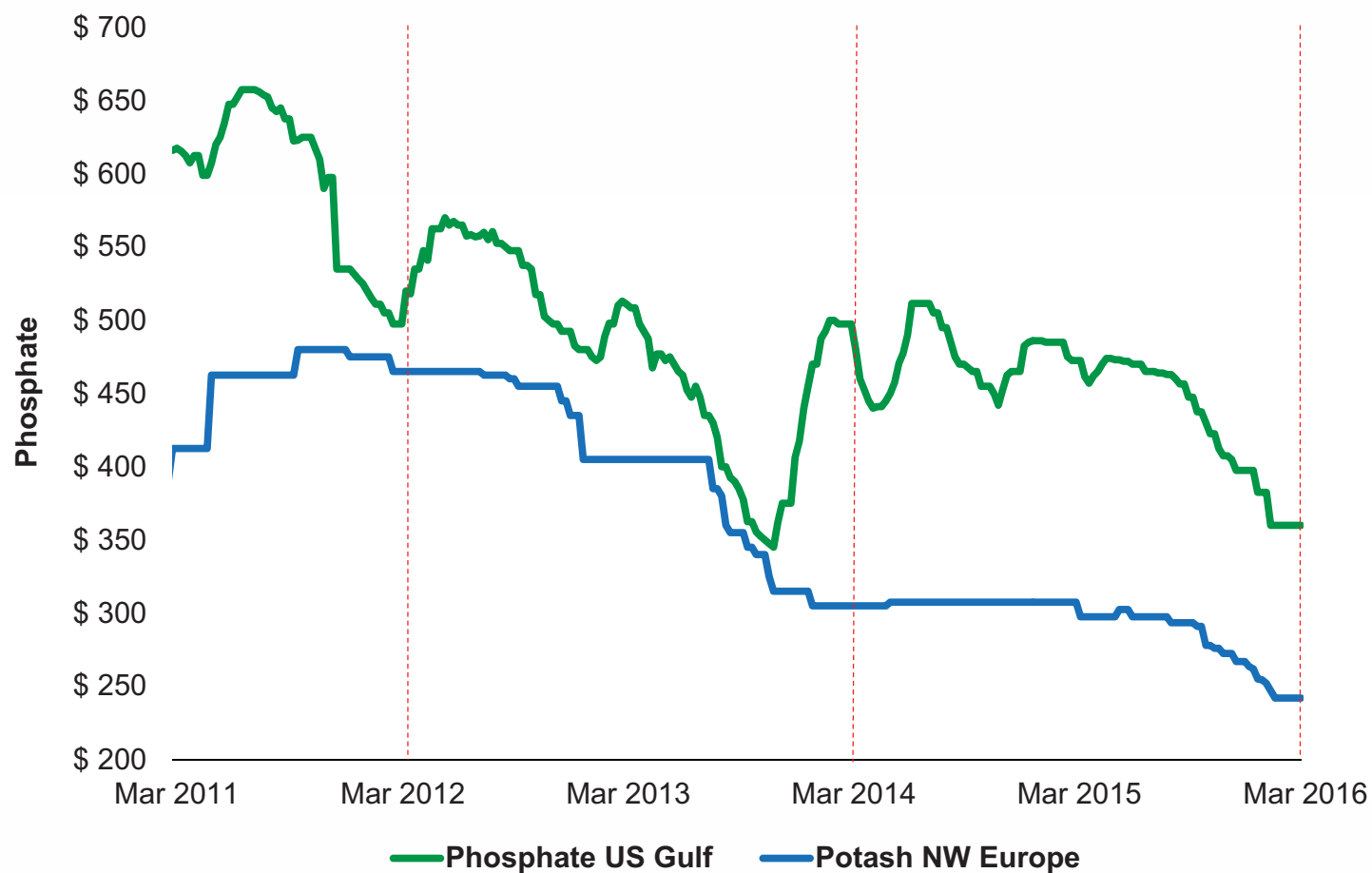
AMMONIA VS UREA PRICE – USD PER TONNE



Urea (Gran) – prices at 31 March – USD	
2012	455
2013	400
2014	320
2015	263
2016	201

Ammonia – prices at 31 March – USD	
2012	407
2013	545
2014	475
2015	428
2016	338

PHOSPHATE AND POTASH PRICES – USD PER TONNE



Phosphate – prices at 31 March – USD	
2012	498
2013	513
2014	498
2015	473
2016	360

Potash – prices at 31 March – USD	
2012	465
2013	405
2014	305
2015	308
2016	242

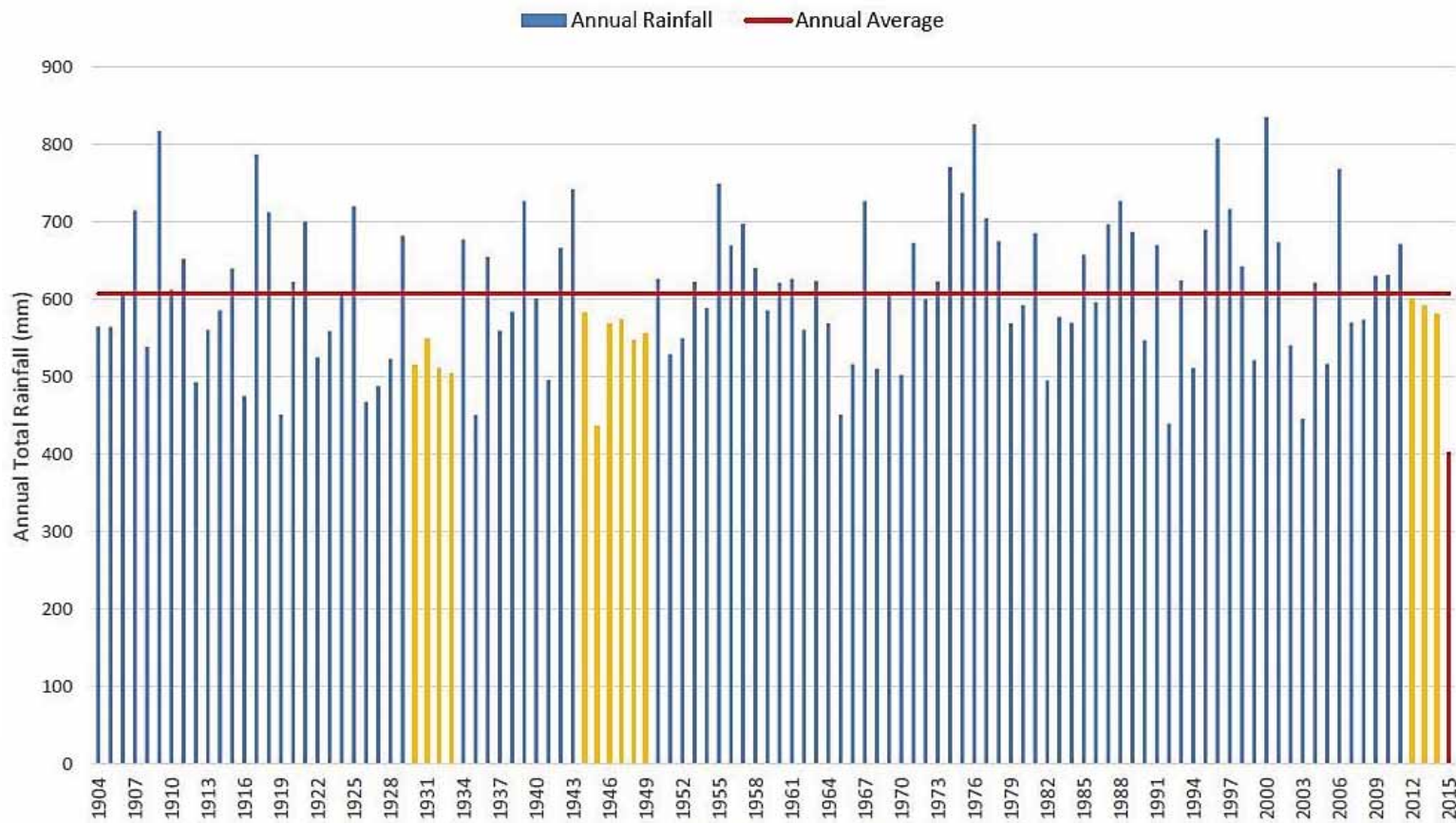
(24%)

(21%)

SOUTH AFRICA RAINFALL



South Africa - Annual Total Rainfall (mm)
 (Based on provincial rainfall data)
 1904 - 2015



Approximate mm rainfall per year	
2009	620
2010	620
2011	660
2012	590
2013	580
2014	570
2015	403

SOUTH AFRICA RAINFALL: 403 MM IN 2015



Annual total rain <500 mm per annum	
Year	mm
2015	403
1945	437
1992	440
2003	446
1935	451
1919	451
1965	452
1926	468
1916	476
1927	488
1912	493
1982	496
1941	496

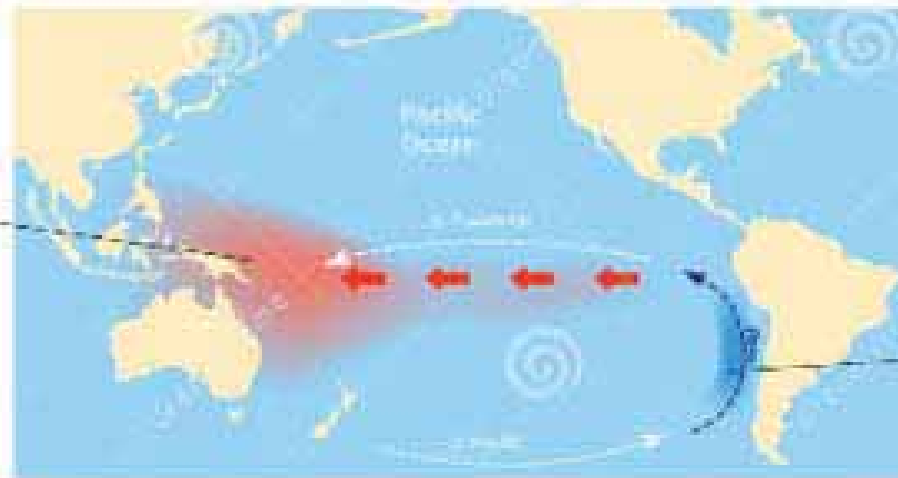
13 years when the total rainfall for South Africa was less than 500 mm per annum

UNDERSTANDING THE EL-NIÑO PHENOMENA



NORMAL YEAR

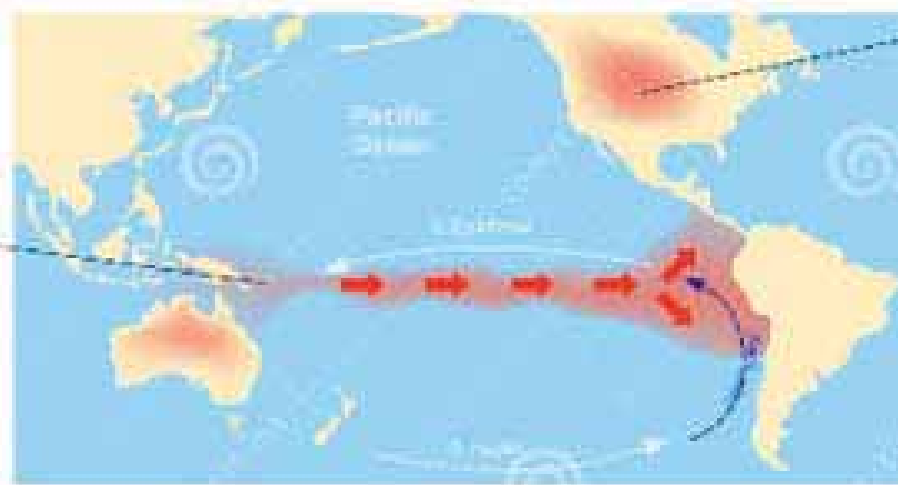
Equatorial winds gather warm water pool toward the west.



Cold water along South American coast.

EL NIÑO YEAR

Easterly winds weaken. Warm water to move eastward.

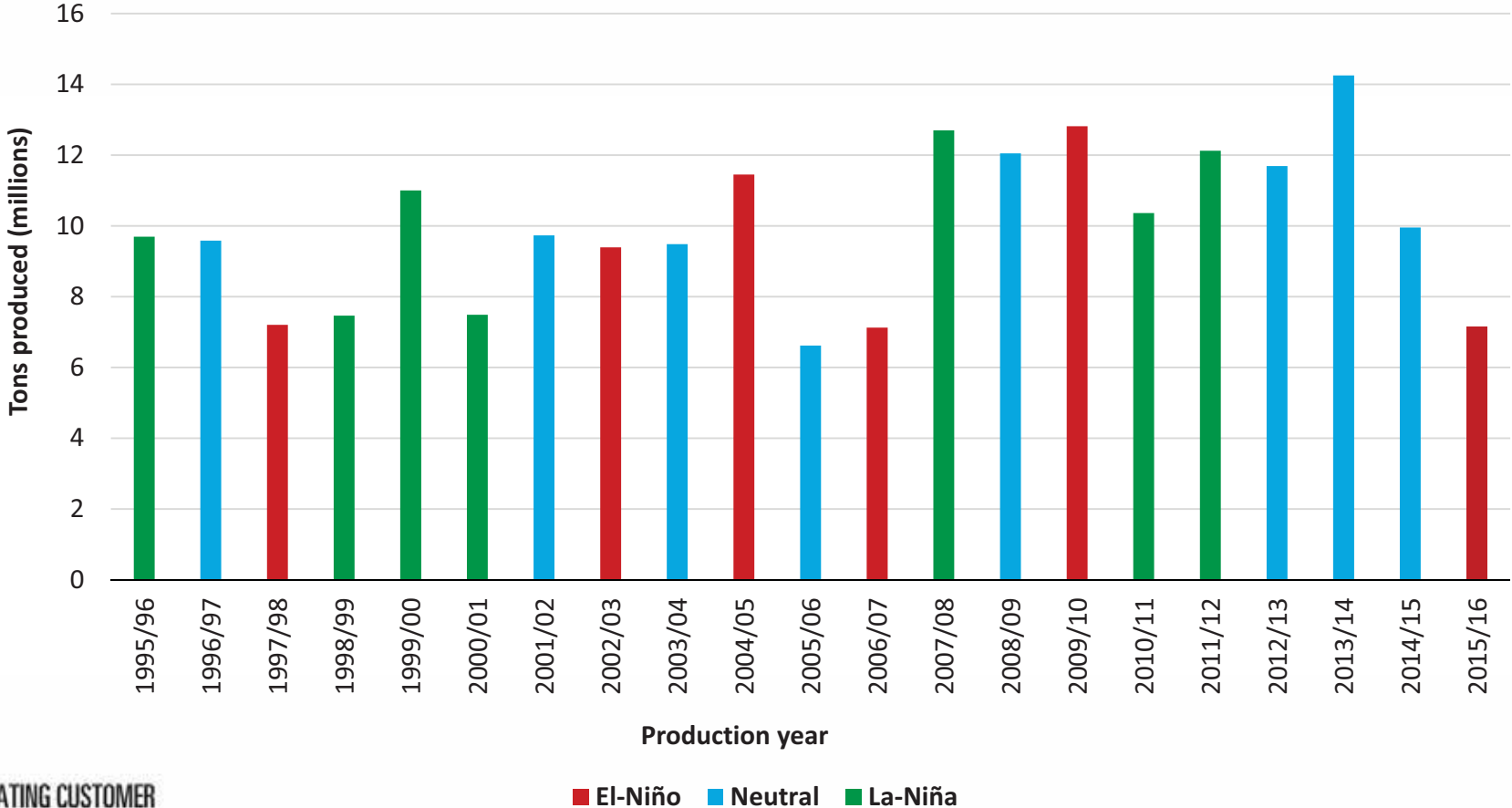


Warmer winter

RSA - COMMERCIAL MAIZE PRODUCTION



- El-Niño has a variable effect on crop production – currently dissipating
- Start of La-Niña conditions predicted for 2016/2017



MINING OVERVIEW



MINING OVERVIEW



- Tough market conditions
 - Continued low commodity market prices
 - Limited greenfield and brownfield opportunities
 - Price margin pressures
- Volumes down 17%
 - Two major contract losses in Q4 FY2015 - full effect in FY2016
 - Excluding those two contracts - FY2016 volumes down 5%
 - Secured large contracts in Zambian copper-belt at year-end



		2016	%	2015
Revenue	Rbn	4.5	(15)	5.4
Operating profit	Rm	526	(27)	720
Operating margin	%	11.6		13.5

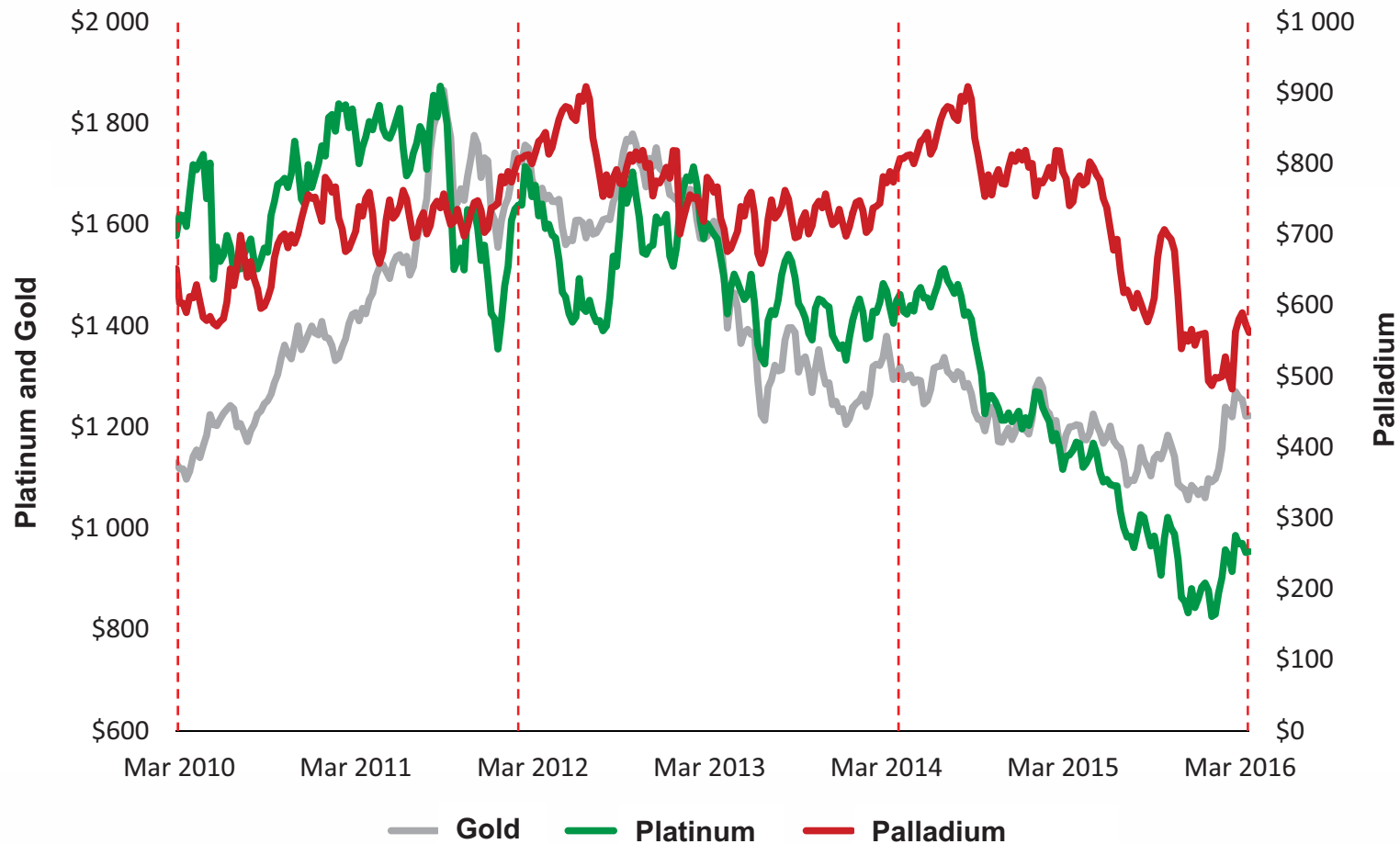
MINING OVERVIEW



- **BME – Axxis®**
 - World record blast in Australia - 5 665 electronic delay detonators
 - New markets – high tech precision blasting in built-up area (Singapore mass rapid transport rail system)
- **BME – Emulsion application systems**
 - Gaining acceptance in underground markets
 - Alternative delivery options under development
- **Protea Mining Chemicals**
 - Introduction of new mining chemicals products in southern African markets
 - Implementation of a long distance Sulphuric acid logistic solution in Namibia



PRECIOUS METALS USD PER OUNCE



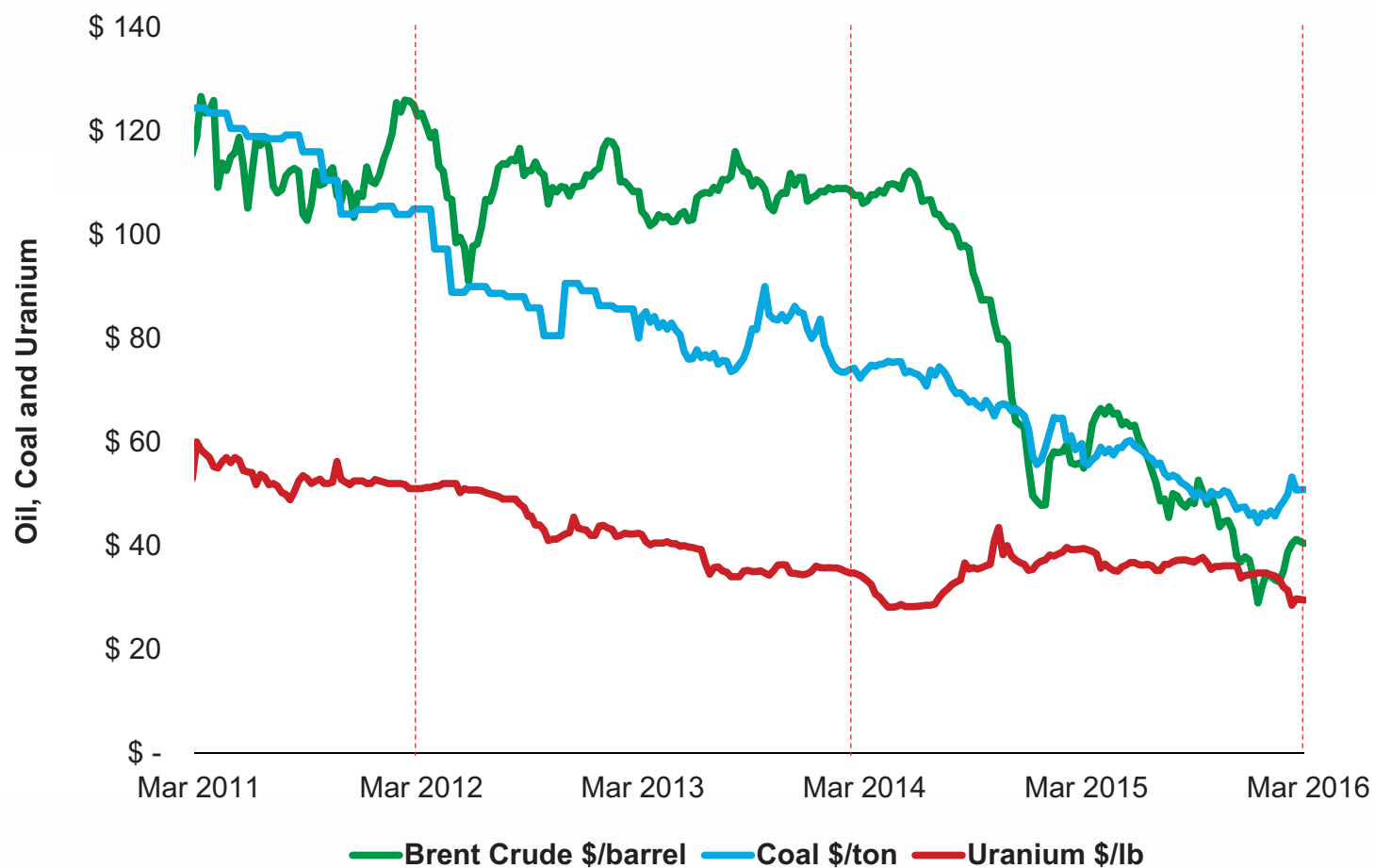
— **Gold** — **Platinum** — **Palladium**
1.8% -16.7% -24.2%

Gold – prices at 31 March – USD	
2012	1 671
2013	1 595
2014	1 294
2015	1 200
2016	1 222

Platinum – prices at 31 March – USD	
2012	1 640
2013	1 571
2014	1 405
2015	1 145
2016	954

Palladium – prices at 31 March – USD	
2012	836
2013	767
2014	774
2015	741
2016	562

ENERGY/COMMODITY PRICES IN USD



-28%

-15%

-23%

Oil – prices at 31 March – USD	
2012	122
2013	108
2014	107
2015	56
2016	40

Coal – prices at 31 March – USD	
2012	105
2013	80
2014	72
2015	60
2016	51

Uranium – prices at 31 March – USD	
2012	51
2013	42
2014	34
2015	39
2016	30

METAL COMMODITY PRICES IN USD PER TONNE



Copper – prices at 31 March – USD	
2012	8 480
2013	7 469
2014	6 730
2015	6 105
2016	4 754

Iron ore – prices at 31 March – USD	
2012	145
2013	140
2014	112
2015	57
2016	53

— Copper — Iron ore China

-22%

-7%

CHEMICALS OVERVIEW



CHEMICALS OVERVIEW

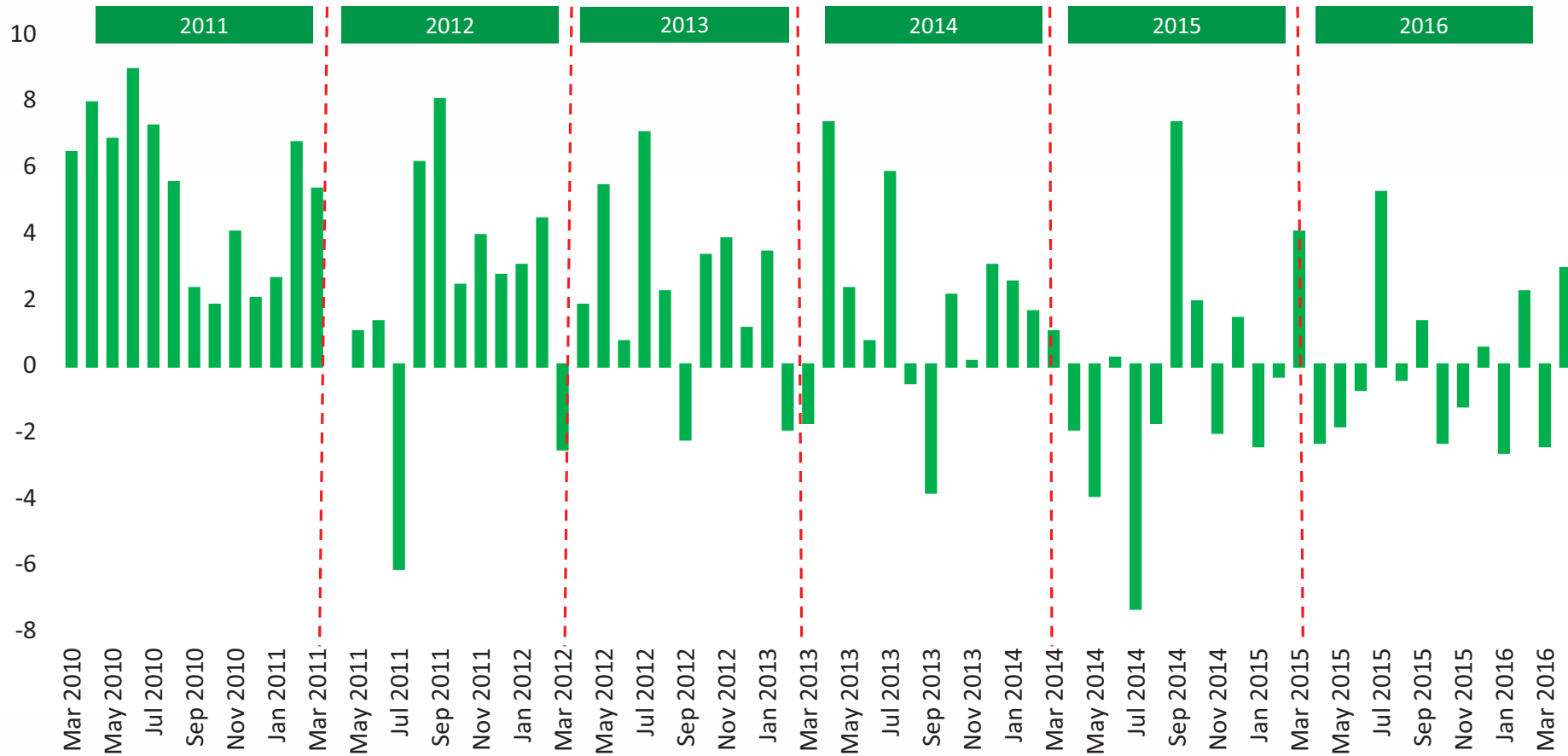


- Excellent turnaround of Protea Chemicals
 - 69% increase in profit year-on-year
 - Margin increased from 2.4% to 4.2%
 - Volumes down 5% - rationalised product range
- Business restructured
 - Decentralised to centralised model
 - Simplification of business model
 - Reduction in expenses
 - Positive impact from new IT platform

		2016	%	2015
Revenue	Rbn	4.0	(5)	4.2
Operating profit	Rm	169	+69	100
Operating margin	%	4.2		2.4



INDEX OF SOUTH AFRICA MANUFACTURING VOLUMES



CHEMICALS



- Low international commodity USD prices - especially oil-derived chemical prices
- SA rand prices remained flat – weakening of rand/dollar exchange rate offset lower USD prices
- Customer centric focus - improvements in product offering and service levels
- Improved logistics - rationalised warehouse and distribution expenses



FINANCIAL OVERVIEW



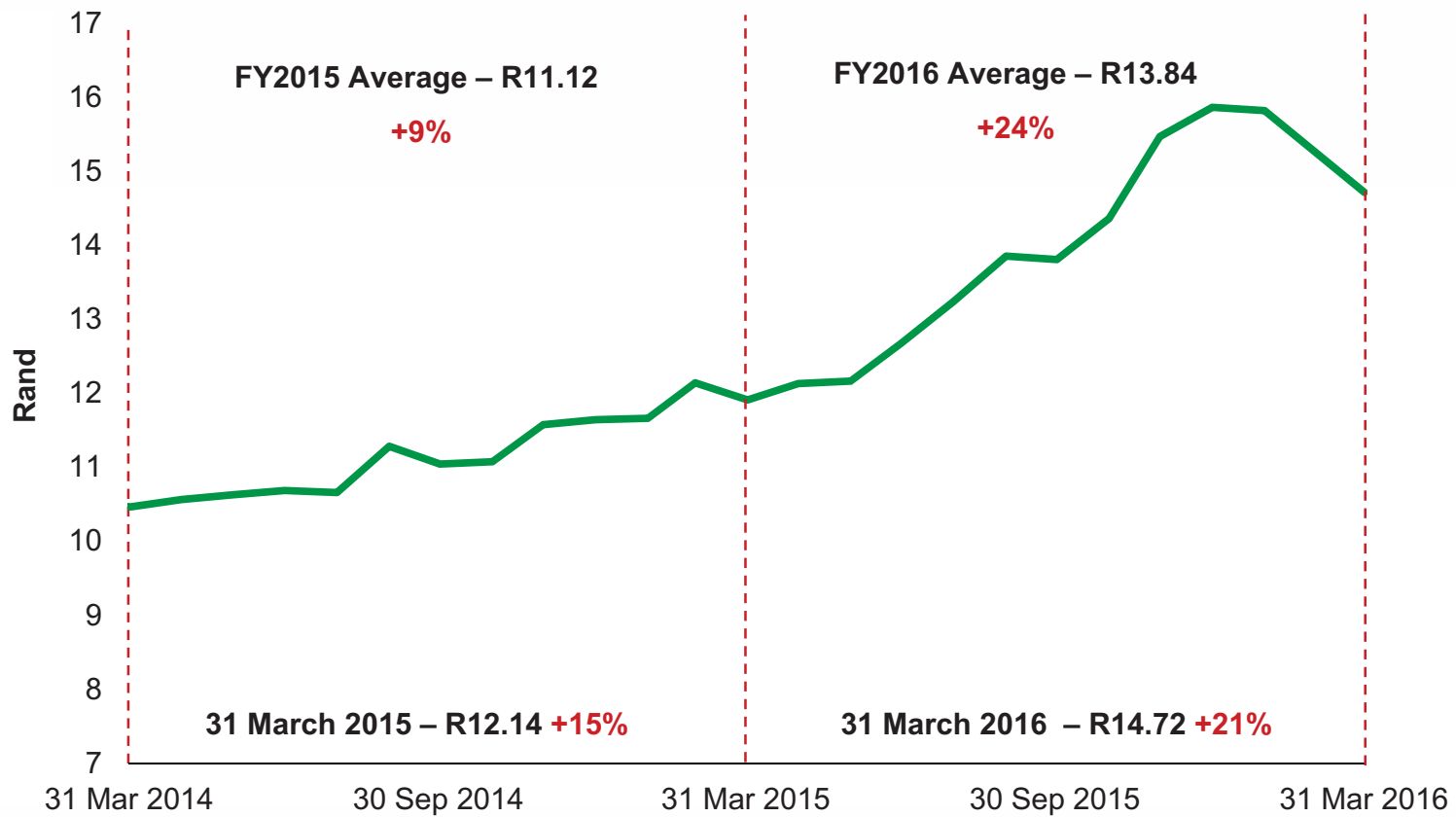
KEY DRIVERS OF REVENUE AND PROFITS



- **Exchange rates**
 - Weakening SA rand:US dollar
 - Currency hedge – translation of earnings from foreign operations
- **Commodity prices and volumes**
 - Lower across all three divisions
- **Ammonia:urea ratio**
 - Unfavourable throughout the year



RAND:USD EXCHANGES RATES



INCOME STATEMENT






- **Gross profit** – Decrease in volumes, lower unit selling price and weakening exchange rate
- **Distribution expenses** – Decreased due to sales volumes resulting in lower distribution expenses
- **Administrative expenses** – Weaker rand: US dollar which affected costs of operations outside SA
- **Other operating expenses** – Foreign exchange loss of R53 million (2015: R59 million)

		2016	%	2015
Revenue	Rm	16 774	-	16 835
Cost of sales	Rm	(13 369)	+4	(12 898)
Gross profit	Rm	3 405	(14)	3 937
Distribution expenses	Rm	(1 400)	(8)	(1 524)
Administrative expenses	Rm	(802)	(12)	(907)
Other operating expenses	Rm	(93)	+3	(90)
Other operating income	Rm	79	+32	60
Operating profit	Rm	1 189	(19)	1 476
Gross margin	%	20.3		23.4
Operating margin	%	7.1		8.8

SALES MIX AND VOLUMES – % CHANGE YEAR-ON-YEAR



		Revenue	Volumes	Average price
	Agriculture	+13	(4)	+17
	Mining	(15)	(17)	+2
	Chemicals	(5)	(5)	-

INCOME STATEMENT






- **Finance expense** – hedging US\$ equity R86 million (2015: R47 million); higher interest rates
- **Income tax** – Section 12I special allowance R16 million (2015: R2 million); losses in international countries not offset against profits elsewhere

		2016	%	2015
Revenue	Rm	16 774	-	16 835
Cost of sales	Rm	(13 369)	+4	(12 898)
Gross profit	Rm	3 405	(14)	3 937
Expenses / other income	Rm	(2 216)	(1)	(2 461)
Operating profit	Rm	1 189	(19)	1 476
Finance expense - net	Rm	(179)	+23	(145)
Share of profit of investments accounted for using equity method	Rm	2	-	-
Profit before taxation	Rm	1 012	(24)	1 331
Income tax expense	Rm	(310)	(22)	(397)
Profit for the year	Rm	702	(25)	934
Tax rate	%	30.6		29.8

SEGMENTAL REVIEW



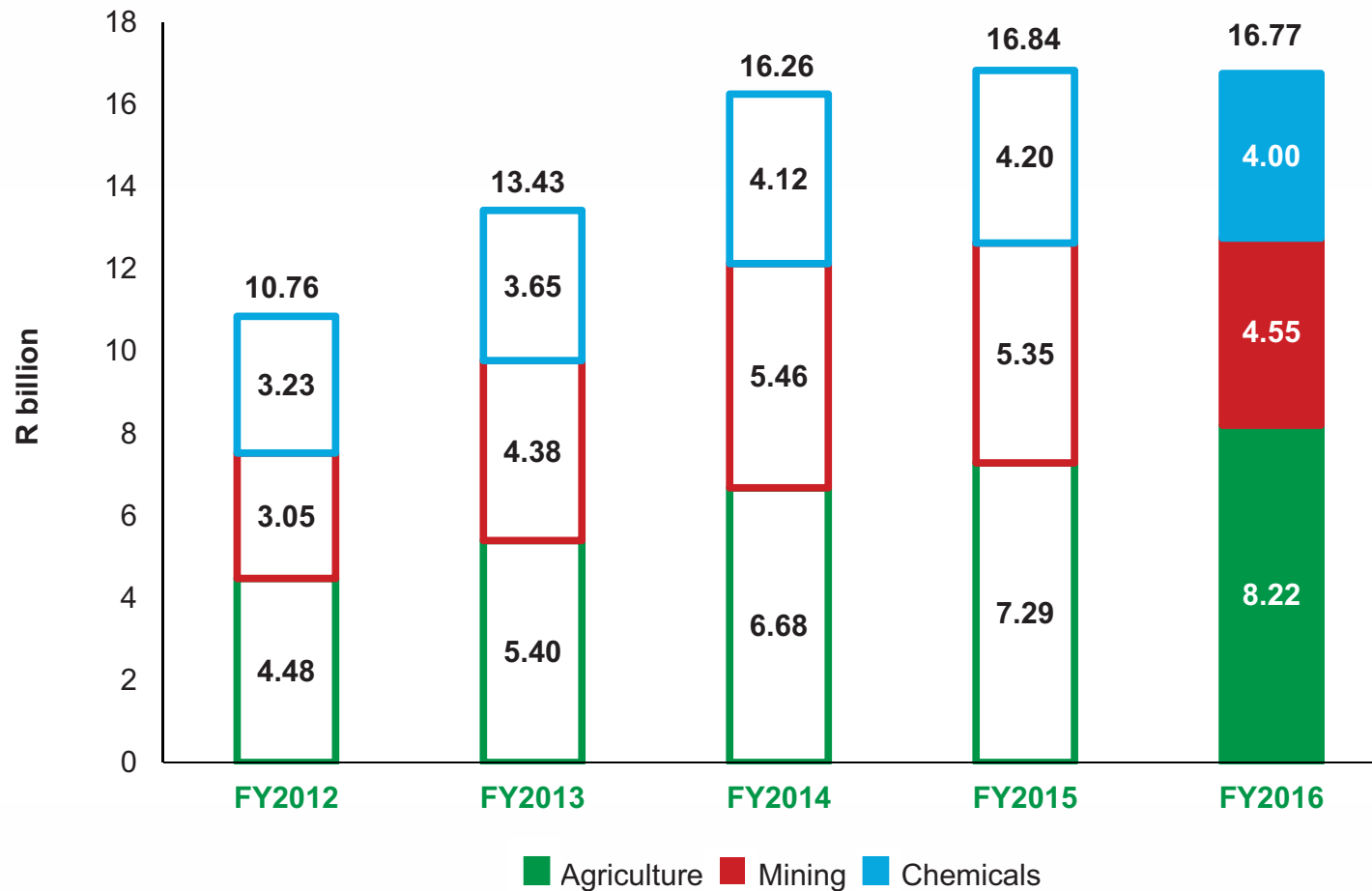
			2016	2015
	Revenue (external)	Rm	8 218	7 287
	Operating profit	Rm	494	656
	Operating margin	%	6.0*	9.0
	Total assets	Rm	7 167	6 919
	Revenue (external)	Rm	4 551	5 351
	Operating profit	Rm	526	720
	Operating margin	%	11.6	13.5
	Total assets	Rm	2 842	2 677
	Revenue (external)	Rm	4 005	4 197
	Operating profit	Rm	169	100
	Operating margin	%	4.2	2.4
	Total assets	Rm	2 369	2 308

*Excluding Agriculture Trading segment result - margin would be 7.5%

SEGMENTAL PERFORMANCE – REVENUE



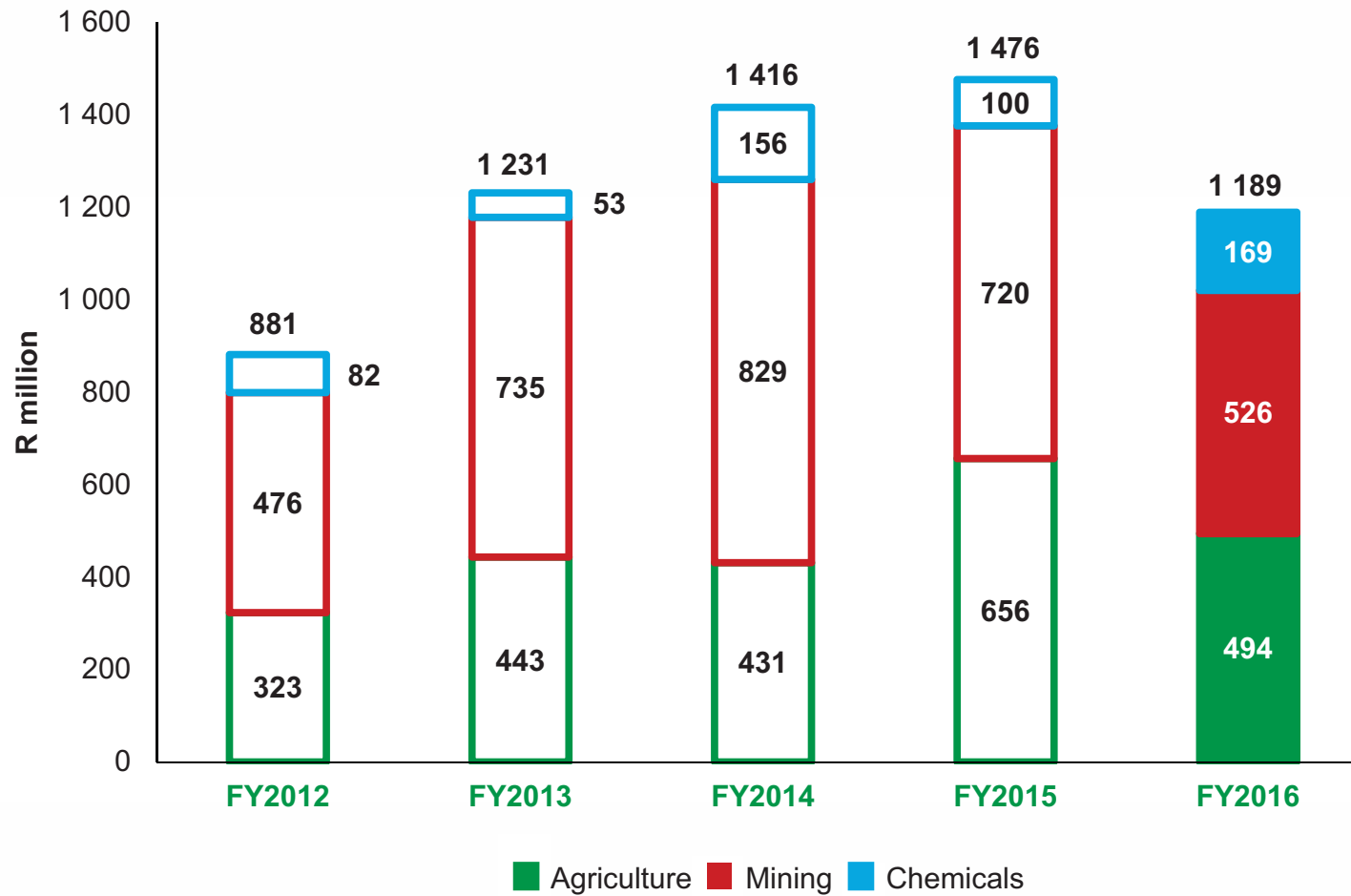
- Five year Compound Annual Growth Rate of **12.8%**



SEGMENTAL PERFORMANCE – OPERATING PROFIT



- Five year Compound Annual Growth Rate of **11.6%**



BALANCE SHEET – ASSETS



- **Non-current assets**
 - Fixed assets
 - Expansion capital R332 million; replacement capital R95 million
 - Depreciation R333 million
 - Intangible assets
 - Amortisation R40 million
- **Current assets**
 - Inventories – higher rand unit prices
 - Trade and other receivables – increased exchange rate

		2016	%	2015
Non-current assets	Rm	4 701	+5	4 473
Current assets	Rm	7 105	+1	7 031
Inventories	Rm	3 850	(1)	3 886
Trade and other receivables	Rm	3 255	+4	3 145
Total Assets	Rm	11 806	+3	11 504

BALANCE SHEET – DEBT AND EQUITY



- **Net movement** in equity of R1 020 million
 - Profit R702 million; FCTR increase R682 million
 - Dividends paid R324 million; Treasury shares purchased R51 million
- **Deferred tax**
 - Increase R63 million - losses and timing differences
- **Positive net cash**
 - Emphasis on cash generation and working capital management

		2016	%	2015
Total equity	Rm	7 662	+2	6 642
Deferred tax	Rm	565	+1	502
Liabilities	Rm	3 807	+8	3 540
Debt	Rm	(228)		820
	Rm	11 806	+3	11 504
Debt: Equity	%	(3.0)		12.3

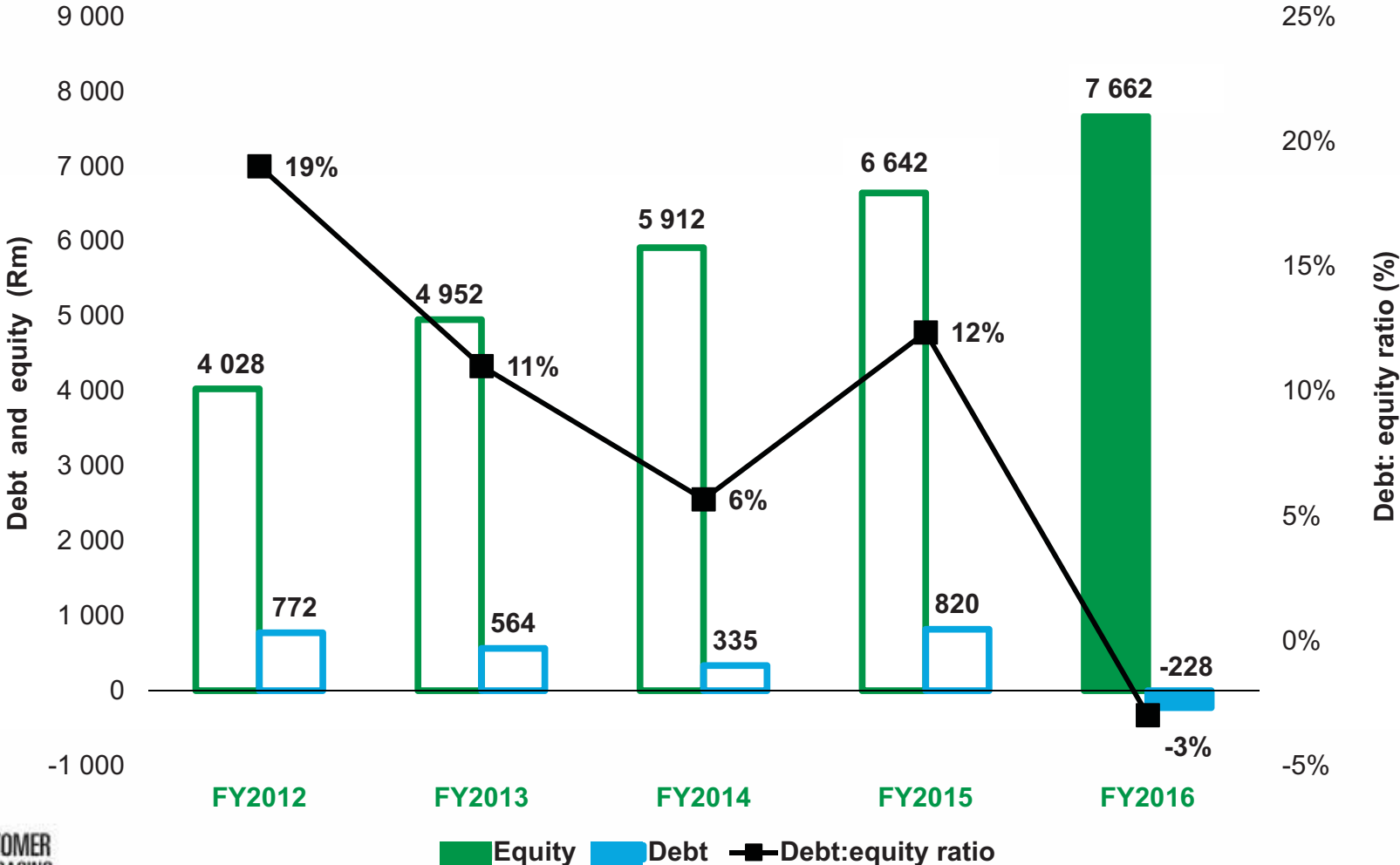
CASH FLOW



		2016	2015
Cash generated from operations	Rm	2 304	968
Finance cost – net	Rm	(203)	(161)
Taxation paid	Rm	(245)	(341)
Net cash flow from operating activities	Rm	1 856	466
Net cash flow from investing activities	Rm	(469)	(578)
Net cash flow from financing activities	Rm	(432)	(466)
Net increase/(decrease) in cash and cash equivalents	Rm	955	(578)
Net cash and cash equivalents at beginning of year	Rm	(699)	(131)
Exchange rate movement	Rm	54	10
Net cash and cash equivalents at end of year	Rm	310	(699)

R228 million cash positive (excluding debt of R82 million)

DEBT: EQUITY RATIO



PROSPECTS



GROUP OUTLOOK



- SA rand:USD weakness benefits all three divisions
- Strong balance sheet
- Growth opportunities – continue to identify and evaluate
- Turnaround of Protea Chemicals continues building momentum
- Upgrading of IT platforms adding value
- Strong management team and business model
- Continue to expand markets beyond Africa



OUTLOOK – AGRICULTURE DIVISION



- Drought dissipating - La-Niña conditions developing
- Growth opportunities - Cape
- Ammonia:urea ratio expected to improve
- Expansion of new Nitrophosphate facility
 - Operational – quadruple capacity
 - Margin improvement – 1% to 2% margin points
 - Indicative capital of R650 million - over 2 years
- On-going drive to improve energy and water utilisation
- Electricity – 40% co-generation at Sasolburg factory
- Carbon credits – continue to generate



OUTLOOK – MINING DIVISION



- Mining sector - expected to remain weak
- New copper belt contracts – full year benefit to be realised
- Portable emulsion pumping system – ongoing roll-out
- Used oil – increased use in emulsions
- AXXIS® sales - growth in Australia; potential new opportunities in North and South America
- Protea Mining Chemicals – increase footprint in regional Africa



OUTLOOK – CHEMICALS DIVISION






- South African manufacturing sector - remains weak
- International commodity prices – expected to rebuild off low base
- Footprint - extend product offering to regional African markets
- New business model – continued optimisation
- IT platforms – further business and operating benefits



OPERATING MARGIN – %



	Target FY2016	Actual FY2016	Target FY2017
 Agriculture	7 – 9	6.0*	7 – 9
 Mining	13 – 15	11.6	12 – 14
 Chemicals	3 – 4	4.2	4 – 5

*Excluding Agriculture Trading segment result - margin would be 7.5%



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Creating customer wealth by leveraging knowledge