



# MATHUPHA CAPITAL INVESTMENT (PTY) LTD ("MCI")

November 2017



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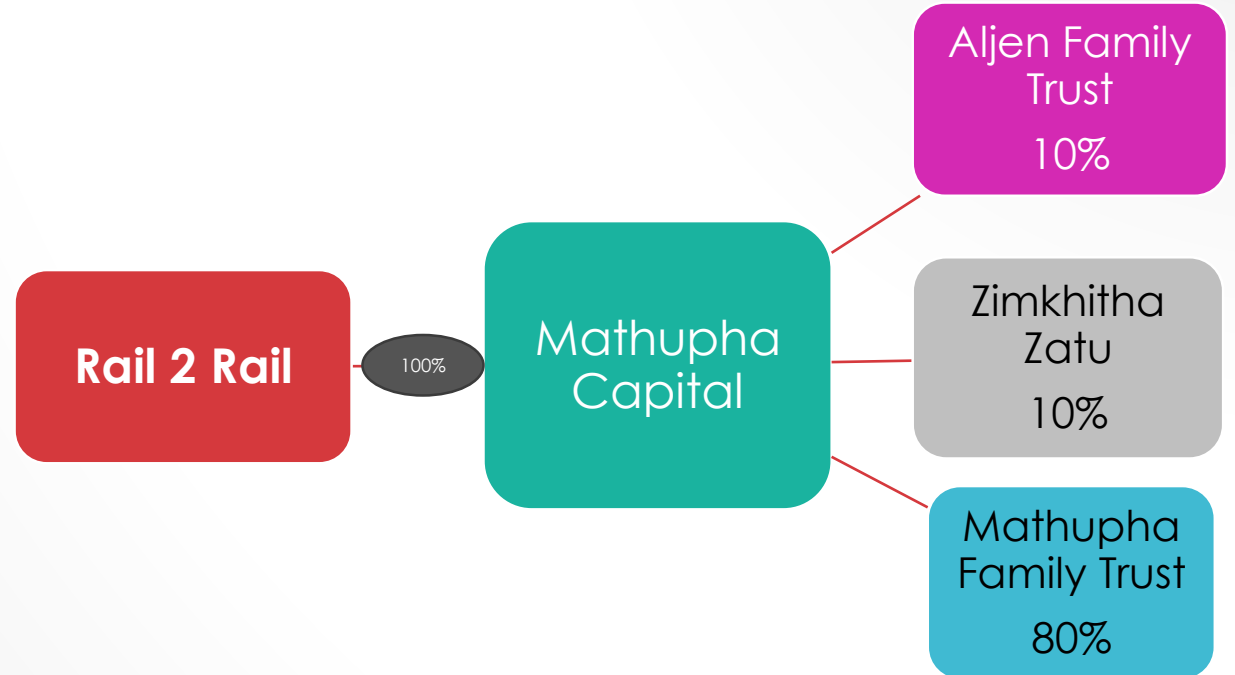
# WHO WE ARE

- MCI is a diversified industrial investment company that invest its own capital & 3<sup>rd</sup> party funding in different industrial manufacturing companies that are involved in;
  - **Manufacturing of products supplied to the Infrastructure and Construction Sector**
  - **Manufacturing of products supplied to the Mining sector**
  - **Manufacturing of products supplied to the State owned Companies (SOE's)**
- MCI's investments strategy is to grow through acquisition of majority stake (51% plus) in companies that are within the target market where synergies can be maximised with existing investment profile.
- Target companies must be profitable with significant return on investment in medium to long term
- MCI aims to list its investments on the JSE within the next 3 to 5 years to further grow its business, access more capital and create an exit mechanism for early investors.



# MCI SHAREHOLDERS

- MCI is to be partly owned and managed by its management staff and the founding Black Industrialist.
- The management has significant experience in investing in companies in the mining, manufacturing and the service industries.



# MANAGEMENT TEAM

## Monde Africa (CEO)

- Professional qualifications
  - MBA
- Previous professional experience
  - Executive Chairman –MIG
  - Chairman - GEP credit committee
  - Marketing Director- Virgin Mobile
  - Head of Sponsorship - SABMiller
  - Head of Marketing- Heineken
- Directorships
  - Rail2Rail (Pty) Ltd
  - Gibela Rail (Pty) Ltd
  - MIG (Pty) Ltd
  - Mathupha Capital
  - Powerhouse Africa
  - Shanike Property Development
  - Umnotho Wesizwe

## Zimkhitha Zatu (COO)

- Professional qualifications
  - Chartered Accountant
- Previous professional experience
  - Supervisor - KPMG
  - Account Manager – IDC
  - General Manager – PPC Ltd
- Directorships
  - Rail 2 Rail (Pty) Ltd
  - Commuter Transport Engineering
  - African Women Chartered Accountants (NGO)
  - Siyazisiza Trust (NGO)
  - National Film and Video Foundation

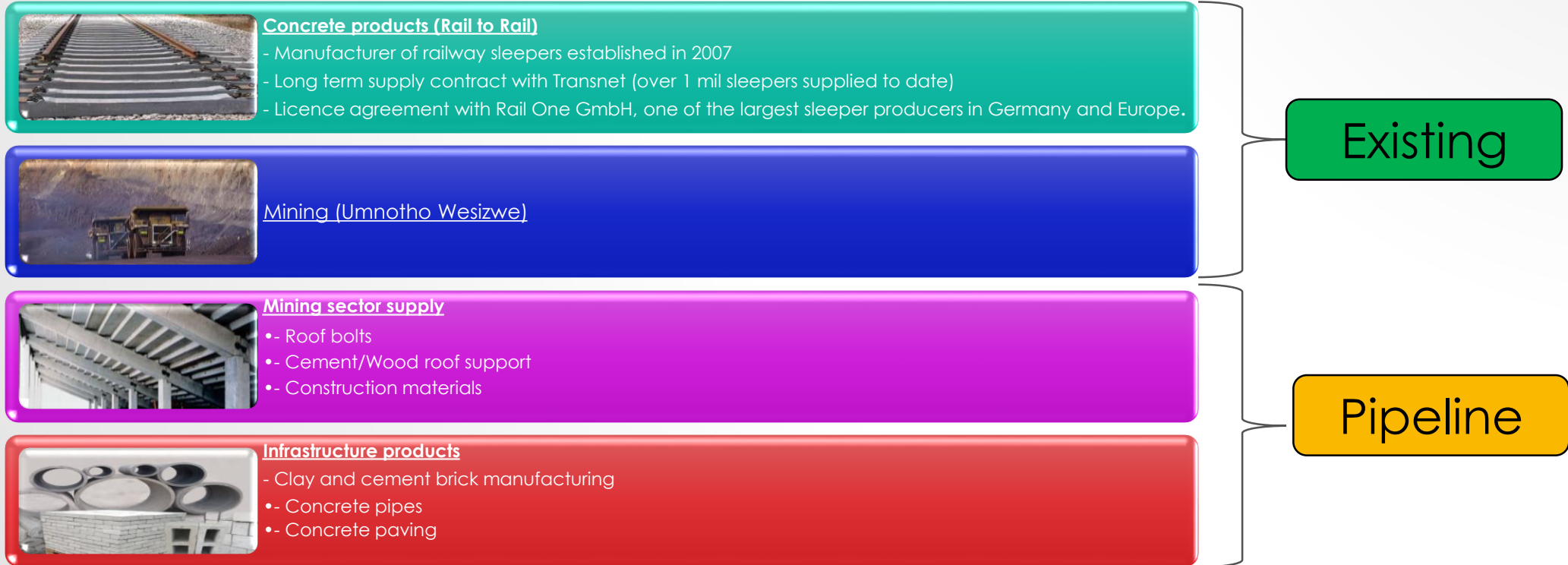


# INVESTMENT PHILOSOPHY AND APPROACH

- MCI will invest its capital within the target market for a return of no less than 12% RATTIR
  - The target company should be among the top 10 in its sector with a positive EBITDA and potential for growth.
  - Minimum Target EBITDA is R5m per annum
  - Our funding will be used to acquire majority stake in the target company
  - We will have the right to replace top management of the company in particular the CEO and CFO
  - We will proactively participate in management and the boards of the companies we invest in and give strategic direction.
  - We will Invest in companies that are nationally and globally competitive
  - Supporting expansions of existing businesses will be considered for an equity stake
  - Only in exceptional cases were we will invest opportunistically in turnaround businesses that have a potential to succeed.
- MCI aims to list in the Johannesburg stock exchange within the next 3 to 5 years
  - Trigger for listing will be a R1b Turnover of the group with no less that 4 company investments



# MCI PREVIOUS, CURRENT AND POTENTIAL INVESTMENTS



# RAIL 2 RAIL INVESTMENT

- Rail 2 Rail (Proprietary) Limited (“R2R”) is a company based in Kimberley, South Africa, that specializes in the manufacture of reinforced concrete railway sleepers primarily at present for Transnet Freight Rail (TFR)
- R2R’s manufacturing process uses advanced German technology under license from Rail One GMBH. The business has developed rapidly from initial production in 2010 and currently has a strong market position
- The business has produced over 1 mil sleepers to date for TFR
- R2R is a well established, cash generative and sustainable business that has successfully managed its rapid growth over the past three years
- R2R is well known and respected in the industry for the high quality of its products.





# INVESTMENT RATIONALE FOR INVESTMENT IN INCA

## Synergy with existing and potential investments

- The investment in INCA provides MCI an opportunity to pull resources and add value to other ongoing investments in the cement concrete products sector

## Increase in geographical and infrastructure footprint

- INCA has presence in Eastern Cape where there is significant infrastructure potential. This potential can be enhanced with the partnership of a partner with industry experience in construction and infrastructure.

## Diversification of our customer base

- INCA provides an opportunity for MCI to diversify in product offering and customer concentration risk



# OUR SHORT TO MEDIUM TERM STRATEGY

