



# FINANCIAL RESULTS

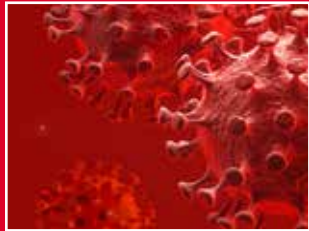
For the year ended  
31 December 2021

2 March 2022



One  
AECI,  
for a  
better  
world

# AGENDA



**1**  
COVID-19  
UPDATE



**2**  
PERFORMANCE  
SUMMARY



**3**  
BUSINESS  
DRIVERS



**4**  
PERFORMANCE  
ANALYSED



**5**  
PERFORMANCE  
BY SEGMENT



**6**  
ONE AECI, FOR  
A BETTER WORLD



**7**  
OUTLOOK AND  
FOCUS

# Non-executive Directors



**KHOTSO MOKHELE**



**FIKILE DE BUCK**



**WALTER DISSINGER**



**PHILISIWE SIBIYA**



**GODFREY GOMWE**



**PATTY O'BRIEN**



**RAMS RAMASHIA**



**MARNA ROETS**



**STEVE DAWSON**

# Group Executive Committee



**MARK DYTOR**



**MARK KATHAN**



**CANDICE WATSON**



**DEAN MULQUEENY**



**CHERYL SINGH**



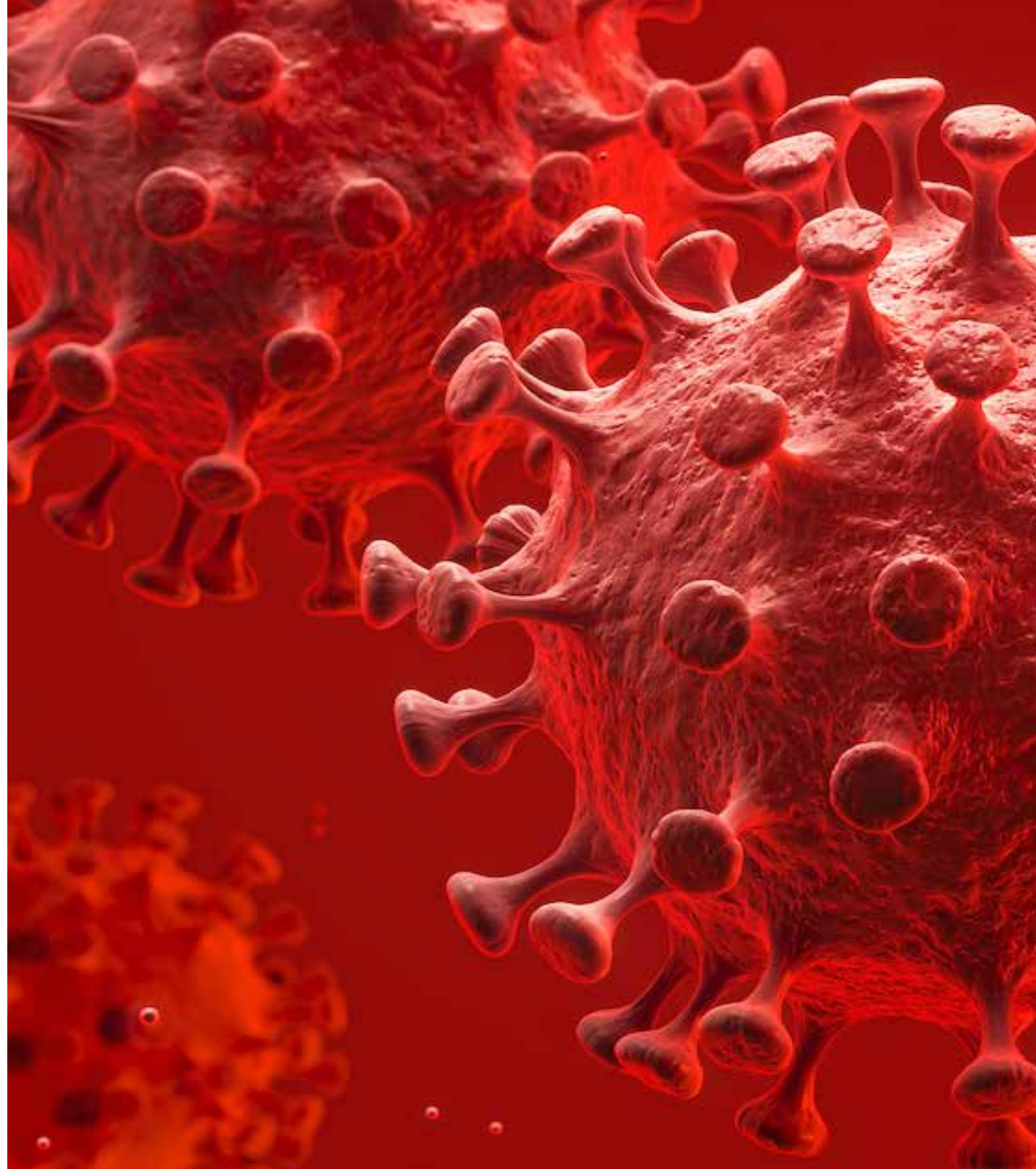
**DEAN MURRAY**



**AARTI TAKOORDEEN**

01.

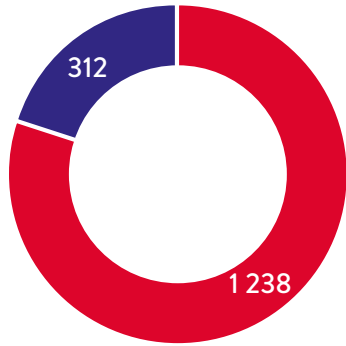
# COVID-19 update



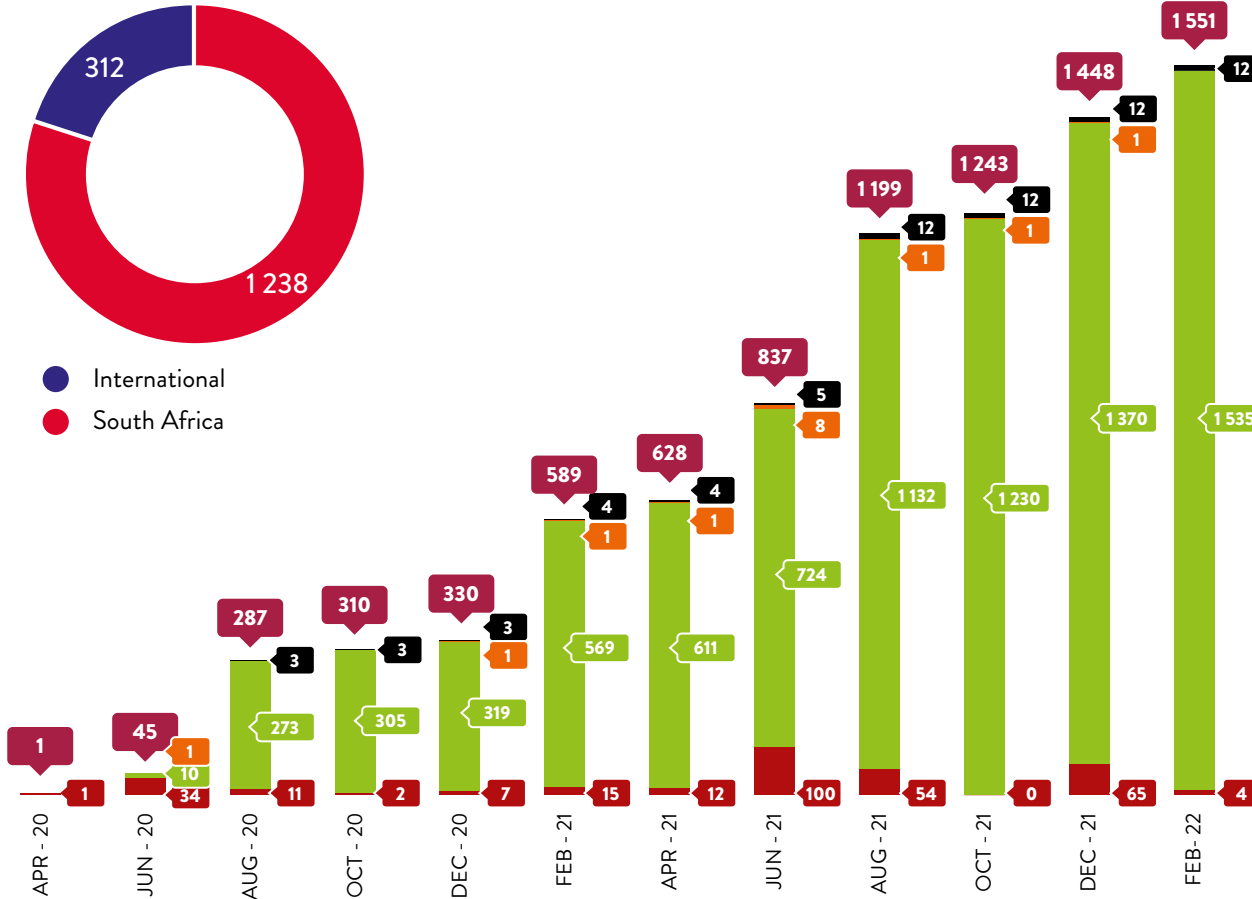
# COVID-19 landscape

## CUMULATIVE CASES

Active Recovered Hospitalised Mortality

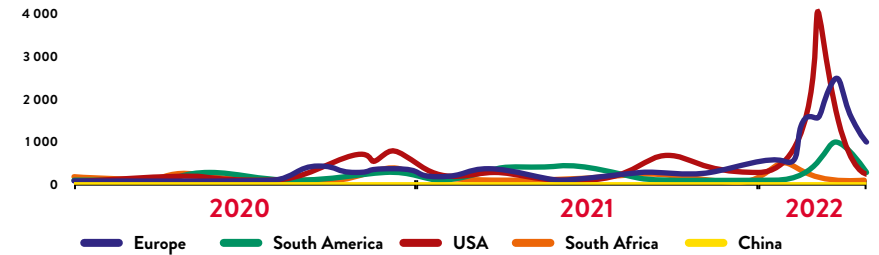


International  
South Africa

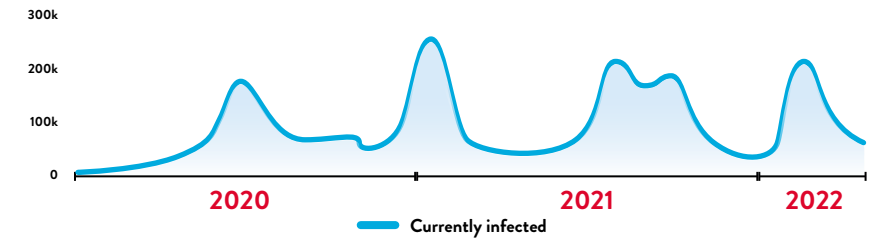


Financial results 2021

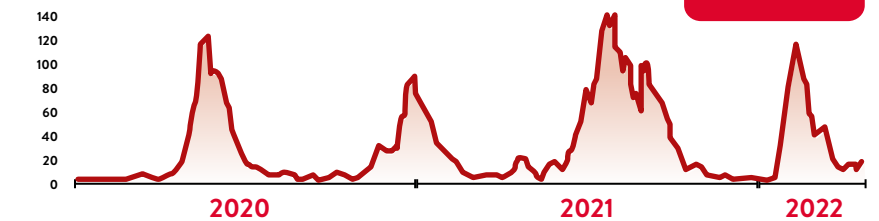
## GLOBAL PROGRESSION



## SOUTH AFRICA'S WAVES



## AECI'S WAVES





02.

# Performance summary



## COVID-19

- **Impact on human health abating as fourth wave of infections receding and vaccination programmes rolling out**
- **Impact on economies and businesses still evident**
  - Uneven pace of recovery across world economies and sectors of activity
  - Significant supply chain disruptions
  - Delays and sharp price increases for freight shipping, non-availability of containers
  - Shortages and high prices for chemical raw materials
  - Component shortages
  - Customer closures/supply chain disruptions
- **Insurance claim process underway**





## FINAL CASH DIVIDEND OF 505c DECLARED

TOTAL DIVIDEND OF 685c FOR THE YEAR



REVENUE

**+8% to  
R26 053m**

Foreign & export  
revenue: 41% of total  
revenue



EBITDA

**+5% to  
R3 091m**



PROFIT FROM  
OPERATIONS

**+124% to  
R2 052m**



HEPS

**+27% to  
1 116c**



CASH  
GENERATED  
FROM  
OPERATING  
ACTIVITIES

**R1 467m**



GEARING

**24%**  
(1H21: 27%;  
FY20: 22%)



NET DEBT:  
EBITDA

**<1**

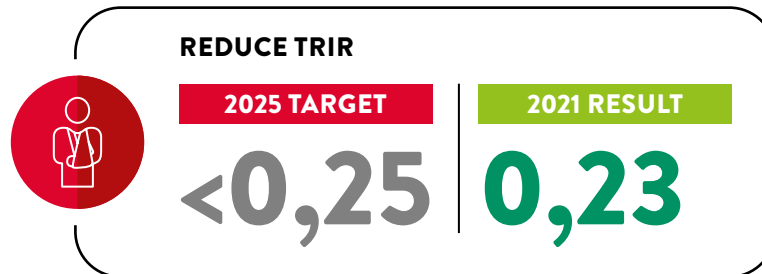
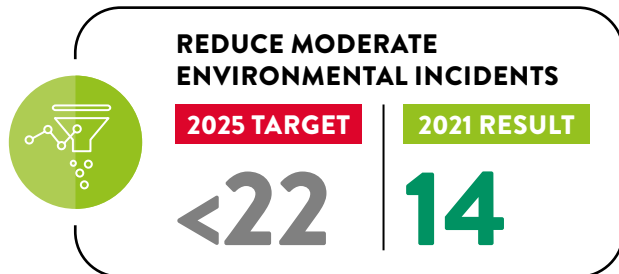
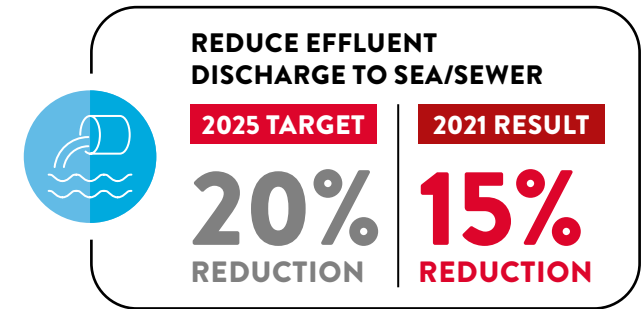
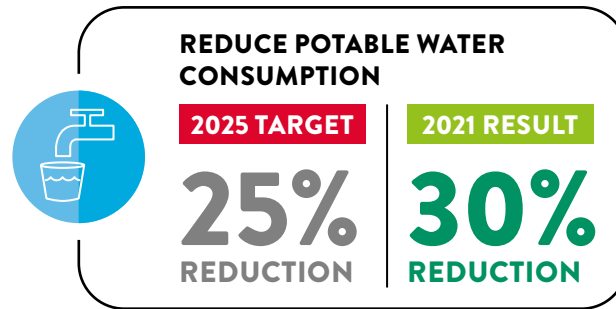
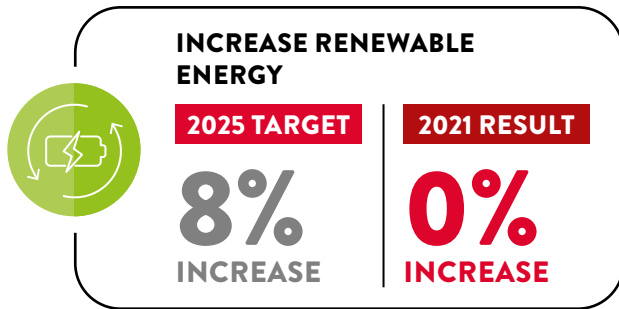
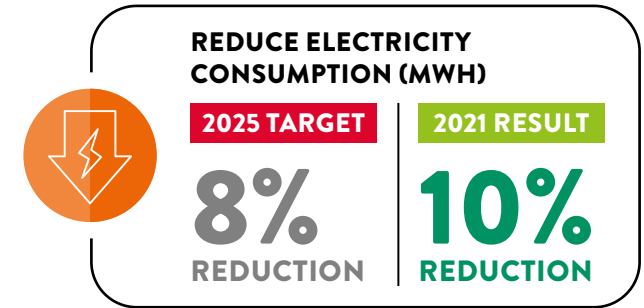
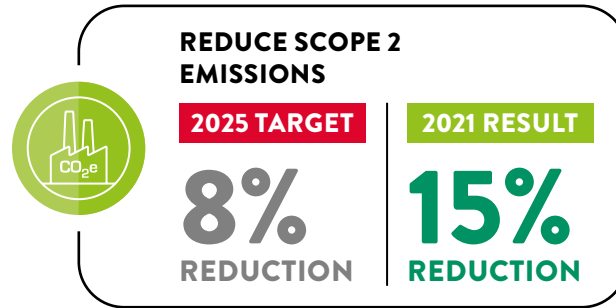
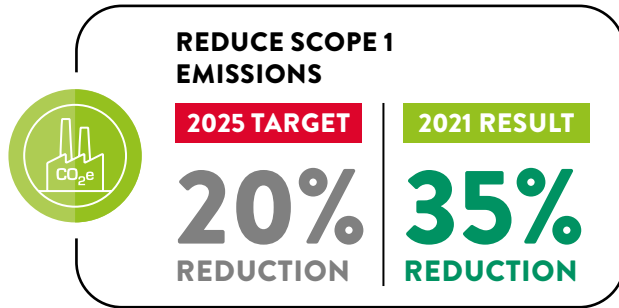
## ZERO HARM

- Best-ever safety performance: TRIR of 0,23 ('20: 0,42)
- Performance in relation to the Zero Milestones
  - All milestones achieved in a single year for the first time

Milestones	2018	2019	2020	2021
0 Fatalities	1	0	0	0
0 Life-altering injuries	3	2	1	0
0 SHE legal directives	0	0	0	0
0 Major/Serious environmental incidents	0	0	0	0
0 Major process safety incidents	0	0	0	0
0 Major product transportation incidents	2	2	0	0
0 Repeat incidents	2	0	0	0



# Progress against sustainability targets



**AT DECEMBER 2021**



**ENVIRONMENT**

- Decrease potable water consumption ●
- Decrease discharge to sea or sewer ●
- Decrease Scope 1 emissions ●
- Decrease Scope 2 emissions ●
- Decrease Scope 3 emissions ●
- Increase in electricity from renewables ●
- Increase recycled waste ●
- Decrease hazardous waste ●
- Increase recycled materials ●
- Decrease in Moderate environmental incidents ●



**SOCIAL**

- Employee volunteerism ●
- Gender equality ●
- Corporate social responsibility ●
- Learnerships/internships/bursaries ●
- Leadership development ●
- ESD local community spend ●
- Preferential procurement ●
- Enterprise and supplier development ●
- Decrease in TRIR ●



**GOVERNANCE**

- Regulatory reporting ●
- External assurance ●
- Responsible leadership ●
- Ethical business ●

● Achieved                      ● Baseline data, targets and projects have not yet been defined  
● Partially achieved            ● Not yet achieved

## The Big Statement



# AECI ASPIRES TO ACHIEVE NET ZERO EMISSIONS BY 2050

Net Zero is defined as a target of completely negating the amount of greenhouse gases produced by our business operations, to be achieved by reducing emissions and implementing methods of absorbing carbon dioxide from the atmosphere.

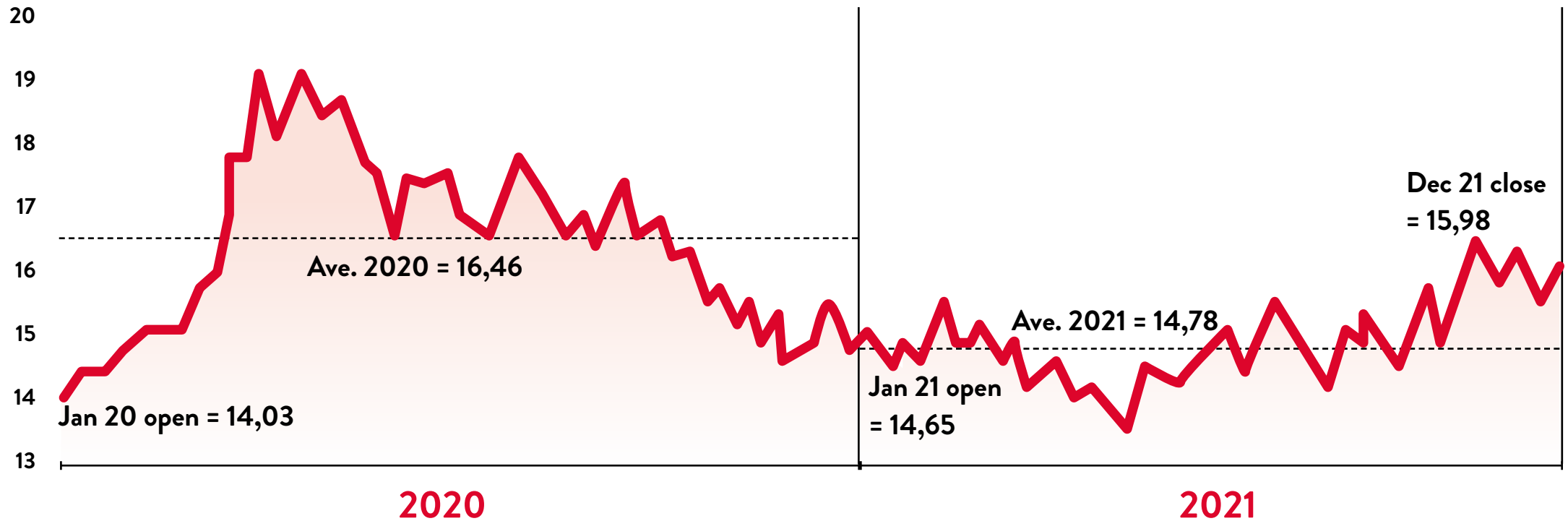
03.

## **Business drivers**



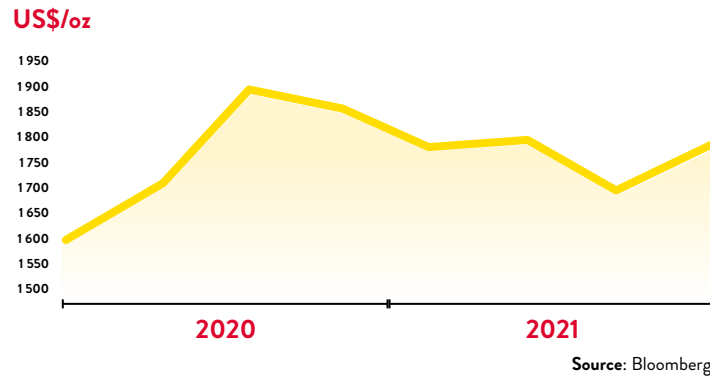
## ZAR/US\$ EXCHANGE RATE

### Rand

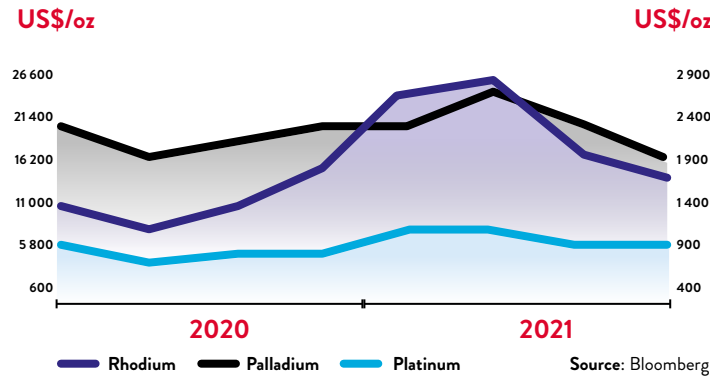


Source: AECI Treasury, Bloomberg

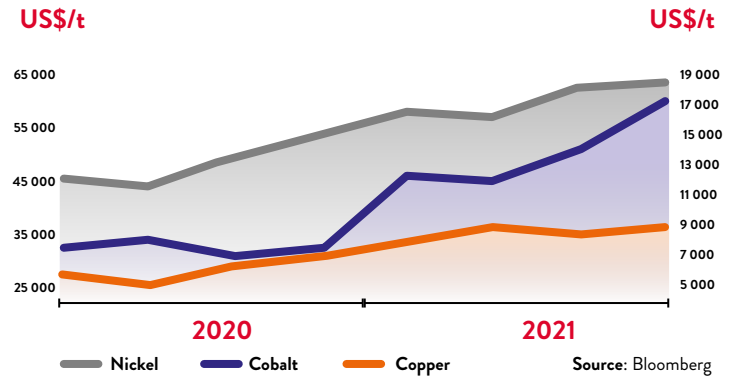
## GOLD



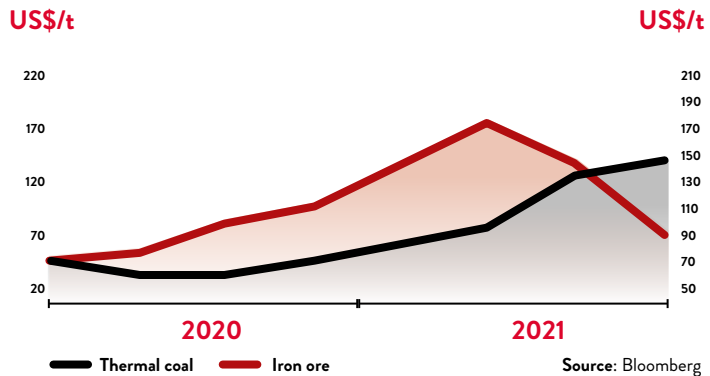
## PGMs



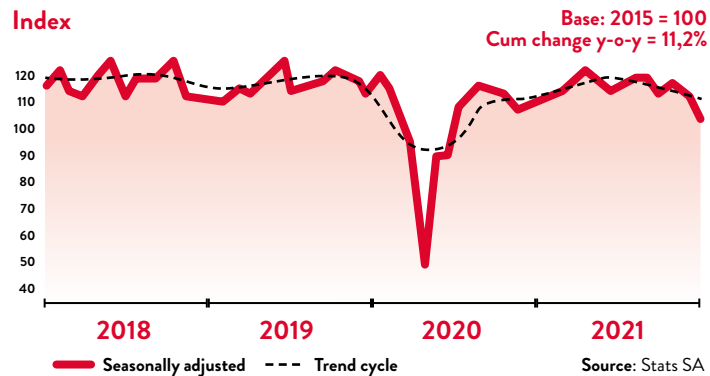
## COBALT, COPPER AND NICKEL



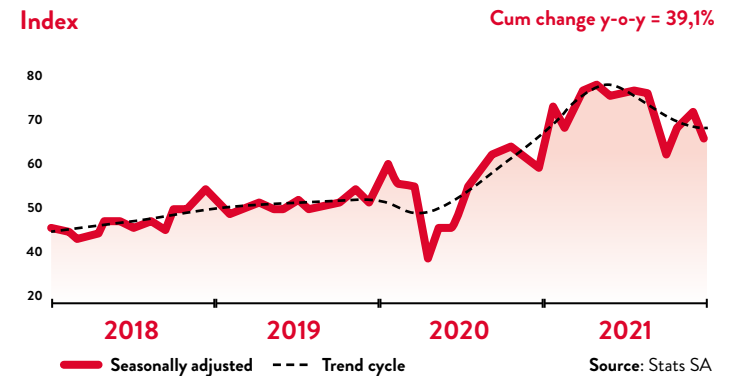
## COAL AND IRON ORE



## SA MINING VOLUMES



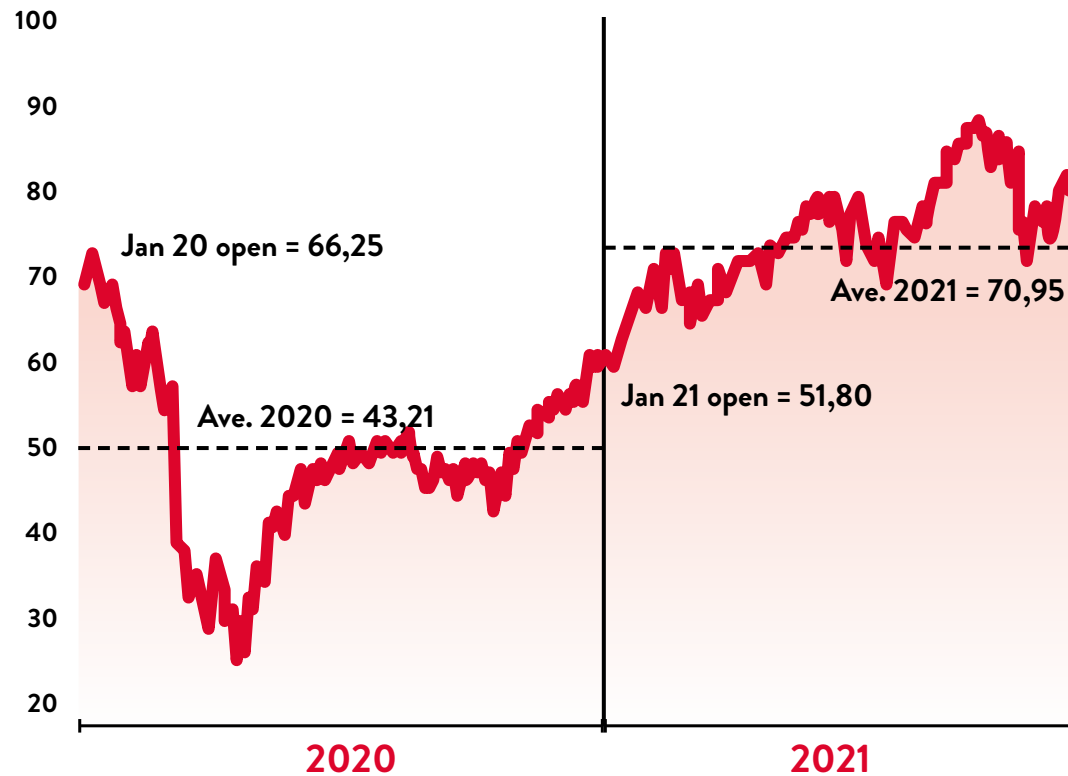
## TOTAL VALUE OF MINERAL SALES AT CURRENT PRICES





## BRENT CRUDE OIL

US\$/bbl

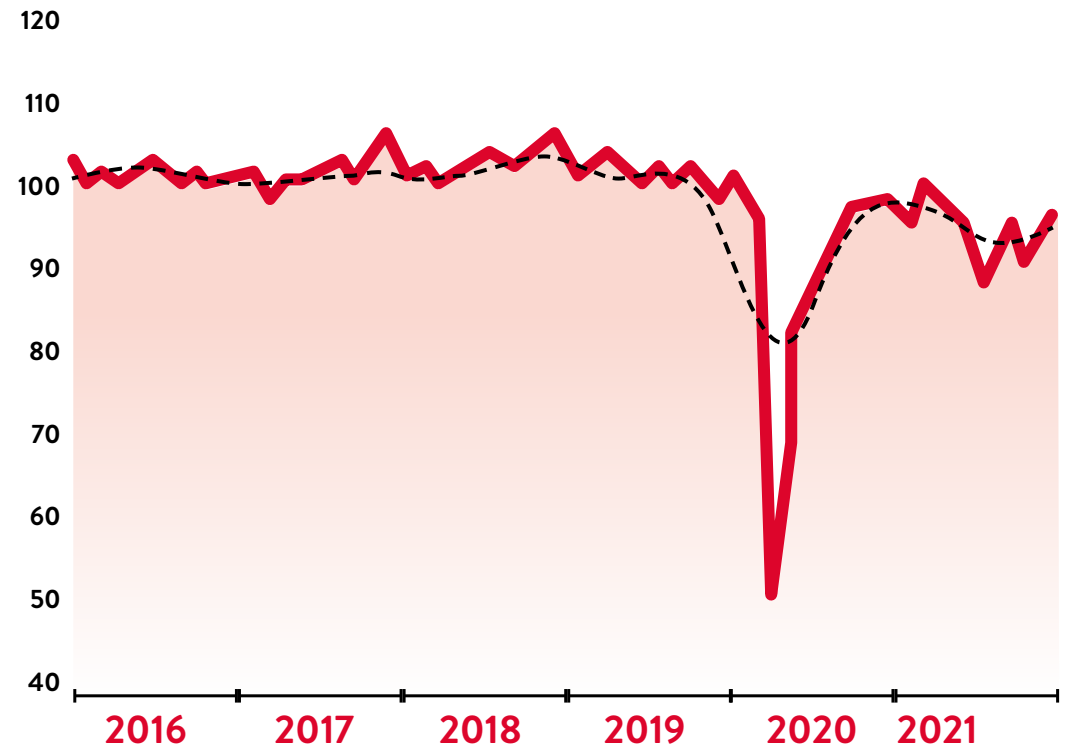


Source: Bloomberg

## SA MANUFACTURING VOLUMES

Index

Base: 2015 = 100  
Cum change y-o-y = 6,4%



Source: Stats SA

04.

# Performance analysed



# Performance analysed

	2021			2020		
	EBITDA (Rm)	PROFIT FROM OPS (Rm)	HEPS (cps)	EBITDA (Rm)	PROFIT FROM OPS (Rm)	HEPS (cps)
<b>REPORTED CHANGE</b>	<b>3 091 5,0%</b>	<b>2 052 123,8%</b>	<b>1 116 26,8%</b>	2 943	917	880
IMPAIRMENTS OF GOODWILL AND PPE					890	
NET PROFIT FROM SALE OF BUSINESSES				(102)	(102)	
<b>UNDERLYING CHANGE</b>	<b>3 091 8,8%</b>	<b>2 052 20,4%</b>	<b>1 116 26,8%</b>	2 841	1 705	880

# Performance analysed

	2021			2019		
	EBITDA (Rm)	PROFIT FROM OPS (Rm)	HEPS (cps)	EBITDA (Rm)	PROFIT FROM OPS (Rm)	HEPS (cps)
<b>REPORTED CHANGE</b>	<b>3 091 (11,0%)</b>	<b>2 052 (1,0%)</b>	<b>1 116 (3,0%)</b>	3 473	2 031	1 150
IMPAIRMENTS OF GOODWILL AND PPE					147	
NET PROFIT FROM SALE OF BUSINESSES				(234)		
<b>UNDERLYING CHANGE</b>	<b>3 091 (4,6%)</b>	<b>2 052 (5,8%)</b>	<b>1 116 (3,0%)</b>	3 239	2 178	1 150

# Earnings analysed



**EBITDA**  
**+5% to**  
**R3 091m**



**PROFIT FROM OPERATIONS**  
**+124% to**  
**R2 052m**



**HEPS**  
**+27% to**  
**1 116c**



**TRADING MARGIN**  
**7,9%**  
(’20: 3,8%)

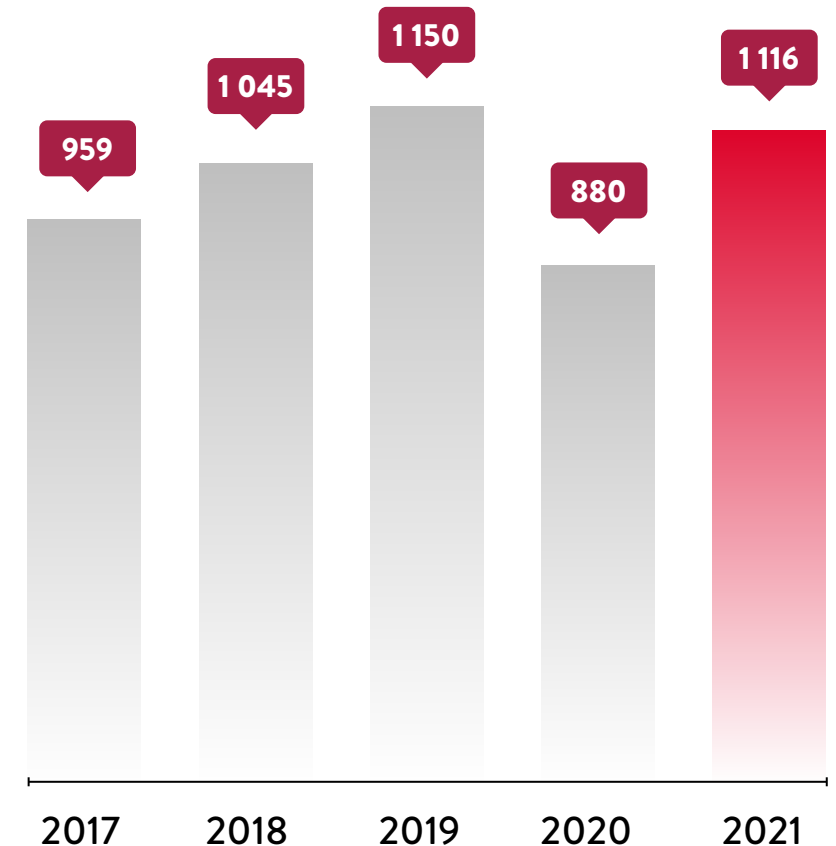


**RONA OF**  
**14,3%**  
(’20: 6,5%)



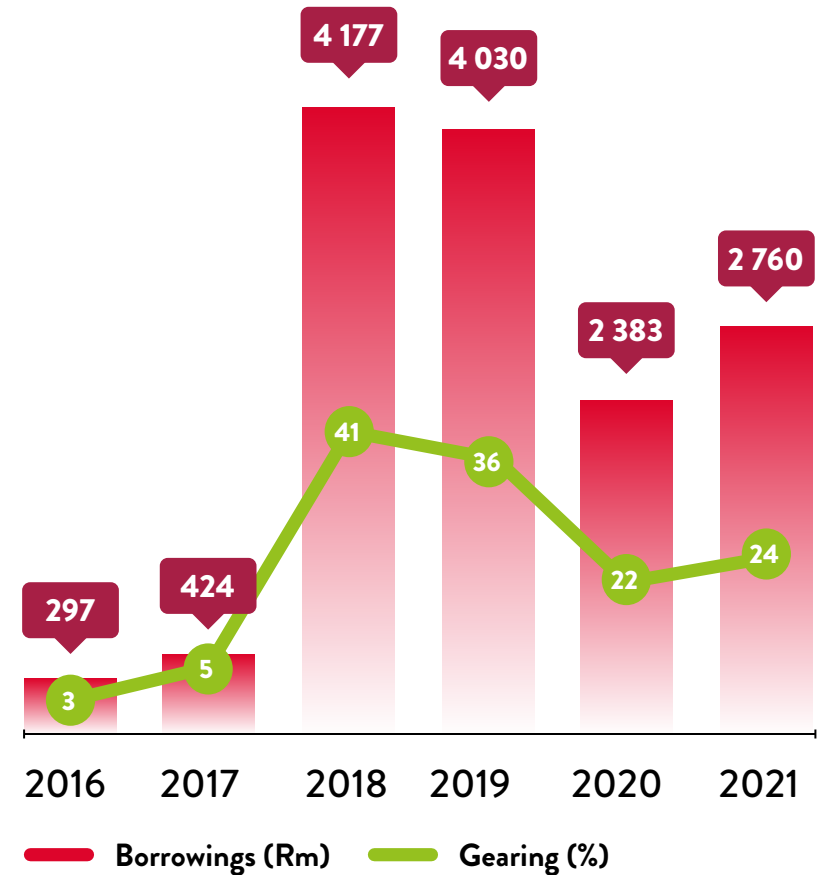
**TAX RATE AT**  
**34,7%**  
(’20: 33% excl. impairments)  
– Increase in foreign withholding taxes  
– Tax in foreign jurisdictions

**HEPS (CENTS)**



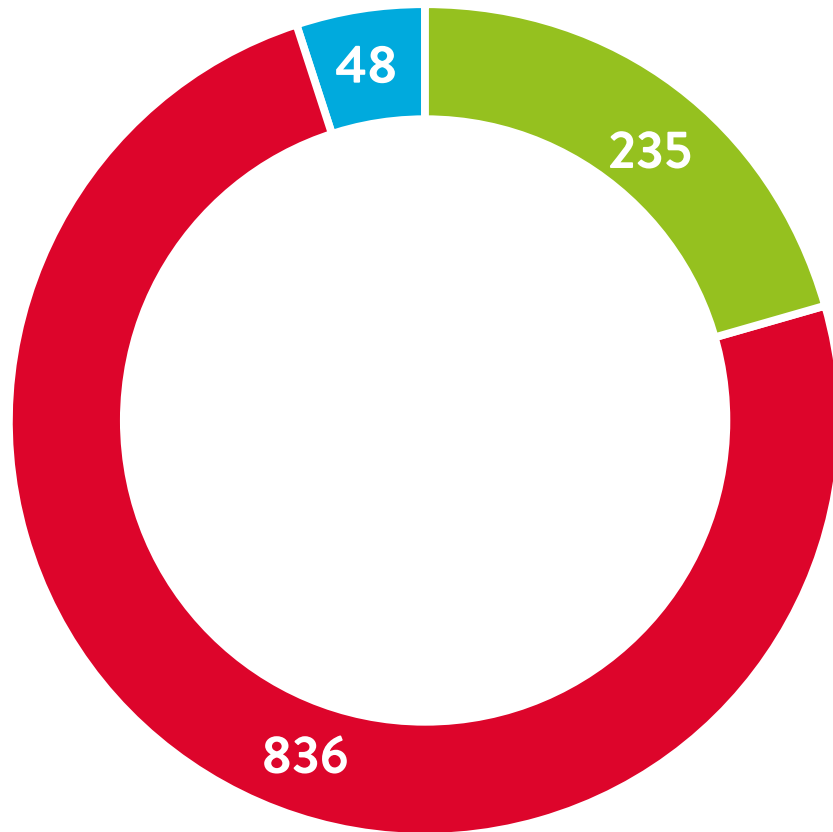
## CASH

- Capex = R777m
  - R193m for expansion projects
  - R584m for sustenance
    - > Projects delayed from '20
- NWC to revenue of 17,6% (14,5% in '20)
- Net borrowings of R2 760m
- Gearing at 24% (1H21: 27%; FY20: 22%)
- Cash interest cover of 18,6x ('20: 8,5x)
- Foreign dividends of US\$25m extracted ('20: US\$20m)
- US\$6m from SANS Fibers
- Final ordinary cash dividend of 505c declared
- Dividend cover of 1,6x for the year



DEC 21 vs DEC 20

(Rm)



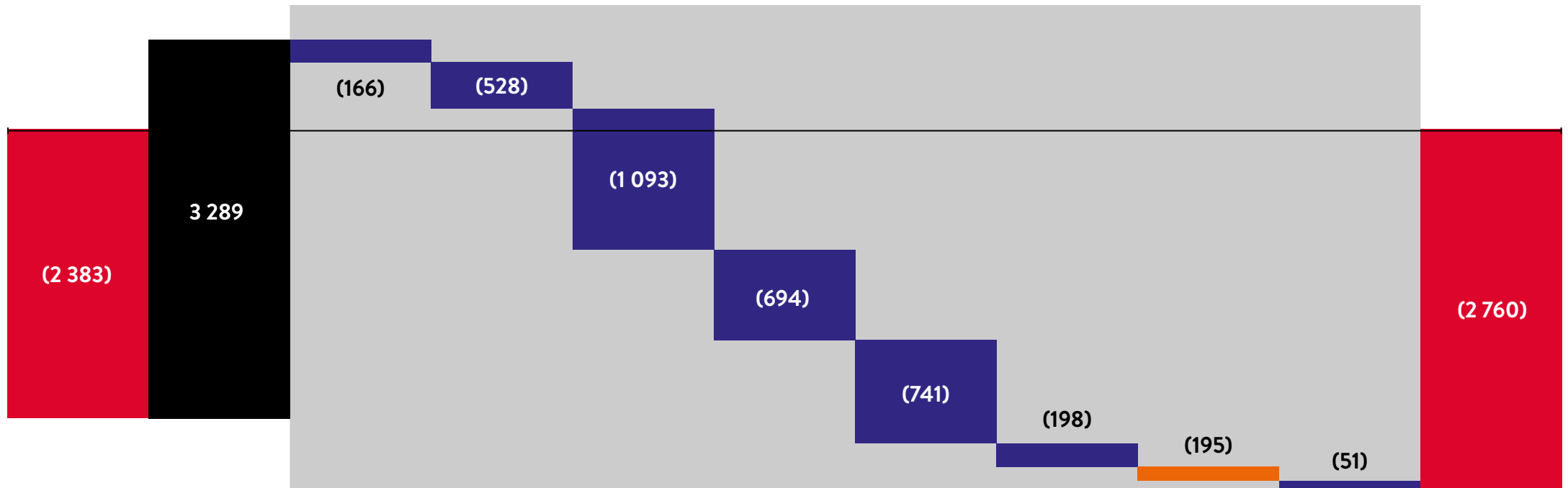
Movement in inventory: R1 119m

- Volume increase
- Cost increase
- Forex effects

# Net borrowings and cash utilisation

Rm

Net borrowings at 31 Dec 2020	Net cash generated from operations	Net interest paid	Tax paid	Changes in working capital	Net capex	Dividends paid	Lease payments	Finance lease liabilities	Other	Net borrowings at 31 Dec 2021
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Gearing 22%

Cash
  Non-cash

Gearing 24%

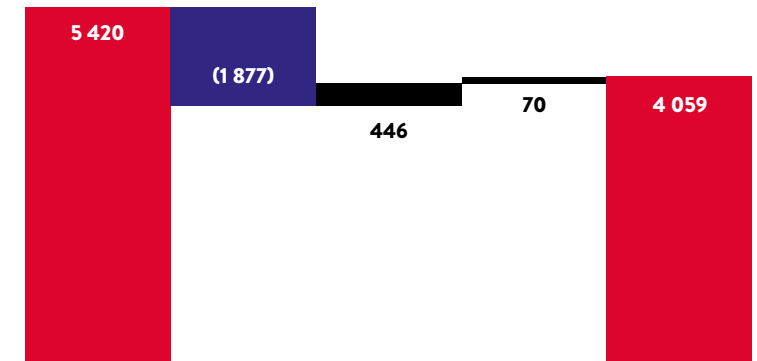


# Net borrowings analysis

## PAYMENT PROFILE

Rm	2022	2023	TOTAL
<b>Existing term</b>			
DMTN auction		520	520
DMTN private placement	500	300	800
Term – ZAR		500	500
Term – US\$	240	319	560
Term – EUR		1 234	1 233
<b>Short-term borrowings</b>	446		446
<b>Net borrowings (excl. IFRS 16)</b>	<b>1 186</b>	<b>2 873</b>	<b>4 059</b>
IFRS 16 lease liabilities			592
Cash and cash equivalents and bank overdraft			(1 891)
<b>Net borrowings</b>			<b>2 760</b>
US\$	15	20	35
EUR	-	68	68

Net borrowings (excl. IFRS 16) at 31 Dec 2020      Borrowings paid      Borrowings raised      FX      Net borrowings (excl. IFRS 16) at 31 Dec 2021



## GROUP LOAN COVENANTS

## ACTUAL

Net borrowings to EBITDA: ≤2,5      0,9

Net borrowings to EBITDA breached if  
**Borrowings +R4,8bn or  
 EBITDA –R1,9bn**

EBITDA to net financing cost: ≥3,0      11,5






Consolidated tangible net worth: ≥R2,5bn      R8,3bn

05.

## **Performance by segment**



# Performance by segment

SEGMENT	REVENUE	EBITDA	PROFIT FROM OPS
 MINING	R11 969m ▲ 7,0%	R1 813m ▲ 4,0%	R1 277m ▲ 14,0%
 WATER	R1 541m ▲ 6,5%	R262m ▲ 1,2%	R212m ▲ 0,5%
 AGRI HEALTH	R6 020m ▼ 0,6%	R383m ▼ 26,1%	R179m ▼ 38,3%
 CHEMICALS	R6 462m ▲ 19,1%	R778m ▲ 40,2%	R586m ▲ >100%
	<b>R26 053m</b> ▲ 8,1%	<b>R3 091m</b> ▲ 5,0%	<b>R2 052m</b> ▲ >100%



**MINING**

*good chemistry*

## SUMMARY



### REVENUE

**R11 969m**  
▲ 7,0%

'20: R11 189m

### EBITDA

**R1 813m**  
▲ 4,0%

'20: R1 744m

### TRADING PROFIT

**R1 277m**  
▲ 14,0%

'20: R1 120m

### TRADING MARGIN

**10,7%**

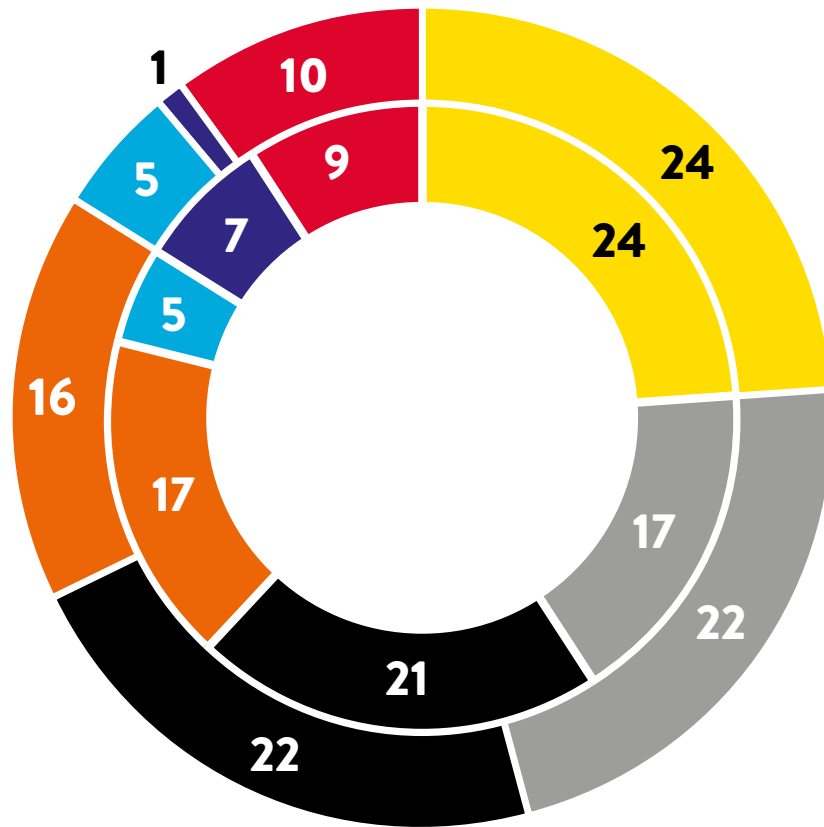
'20: 10,0%

### TRADE WC

**15,3%**

'20: 13,7%

## REVENUE BY MINERAL MINED (%)

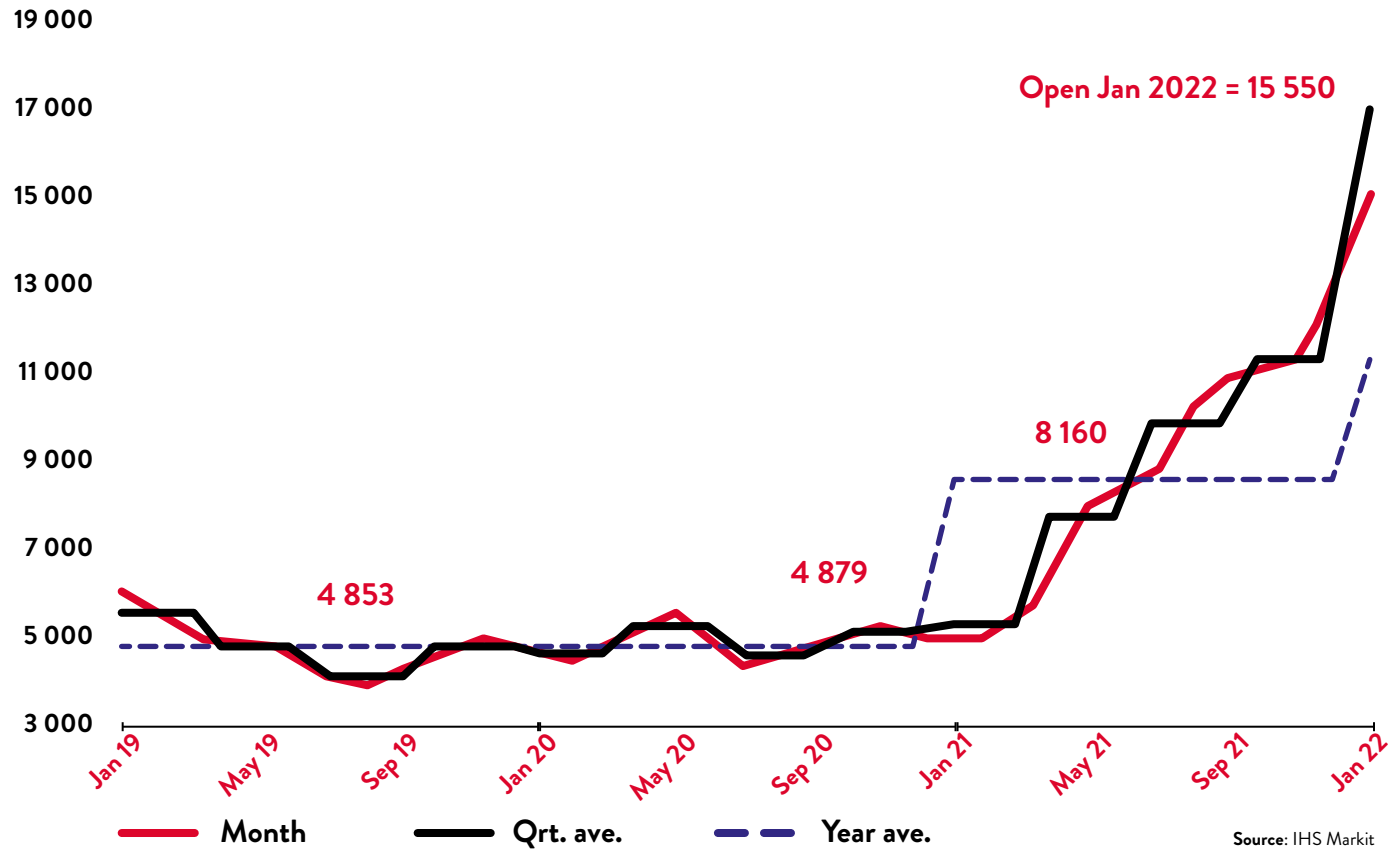


- Gold
- PMGs
- Coal
- Copper
- Diamond
- Iron ore
- Other minerals below 1%

**Outer: 2021**  
Inner: 2020

## SUMMARY

### ZAR

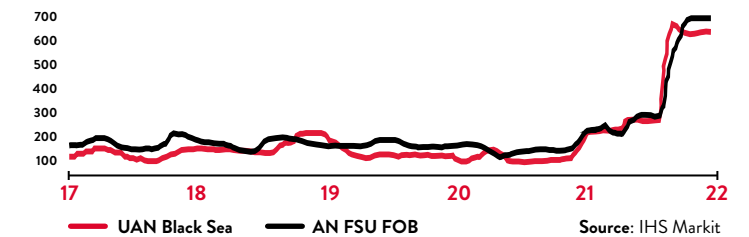


Financial results 2021

## NITRATES: KEY PRICES

Base case	10 Feb	3 Feb	27 Jan
UAN - FOB Black Sea 32% N (US\$/t)	628 - 663	628 - 654	628 - 651
UAN - FOB NOLA 32% N (US\$/t)	545	550	545
AN - FOB Baltic/Black Sea (US\$/t)	650 - 750	650 - 750	650 - 750

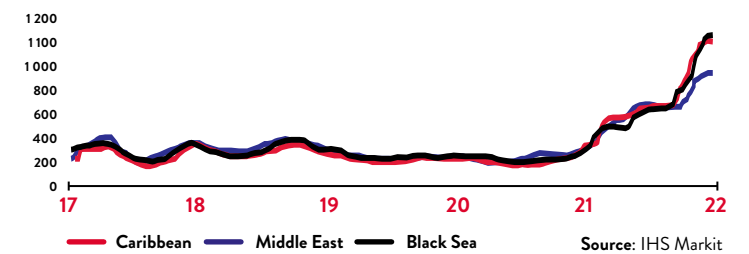
### US\$/t FOB



## AMMONIA: KEY PRICES

Base case	10 Feb	3 Feb	27 Jan
Ammonia - FOB Black Sea (US\$/t)	1 115 - 1 120	1 115 - 1 120	1 115 - 1 120
Ammonia - FOB Middle East (US\$/t)	820 - 860	820 - 875	820 - 875
Ammonia - CFR Tampa/US Gulf (US\$/t)	1 135 - 1 175	1 135 - 1 175	1 135 - 1 175

### US\$/t



## SUMMARY

- **Revenue**
  - Good recovery from COVID-19
  - Uplift of high ammonia and ammonium nitrate prices (lag in margin effect)
  - Foreign revenue remained at 61% of total revenue
  - Negative impact of stronger ZAR/US\$ exchange rate
- **Solid cash generation**
- **Working capital**
  - Inventory increased
    - > Higher costs
    - > Higher volumes to mitigate supply chain risks
- **Capex**
  - Stepped up but below depreciation value
  - Projects deferred from '20, completed in '21
    - > Air emissions abatement
    - > No. 11 Nitric Acid plant shutdown
    - > UBS Automated Bagging plant
    - > MMU replacement programme
  - Investment in Australia for HVO contract





- **Southern Africa**

- Good progress in surface mining with replacing lost bulk volumes in SA
  - > Coal mining sector affected by higher rainfall in 4Q21 and exports in the year constrained by rail and port challenges
  - > Regaining market share in Northern Cape
- Growth in underground business
  - > Initiating systems volumes fully recovered
  - > UBS bagged volumes doubled and roll-out continues
- Ammonium nitrate sales increased
- Ammonia supply uninterrupted
- Safety-related stoppages (Section 54), particularly in 4Q21

- **Central Africa**

- Recovery in mining activity gained momentum, driven by commodity prices
- Contracts rolled over and new contract secured in Zambia
- Competitor activity

- **West Africa**

- Key contracts rolled over
- Lower volumes owing to mining operational issues
- Impact of socio-political unrest in the region



- **Asia Pacific**

- **Indonesia: solid performance**
  - > 5-year contract extension secured with KPC
  - > BBRI granulator plant under construction
- **Australia: best-ever performance**
  - > Thiess contract rolled over for 5 years
  - > New business secured and mobilised effective 1 March '22

- **LatAm**

- **Brazil**
  - > Secured additional equipment for mining market entry, building on from quarry mining
- **Chile: EIA approved for new emulsion explosives manufacturing site**
  - > Construct and commission in 1Q23
- **Export orders to Peru fulfilled from Brazil and SA**



## EXCELLENT PERFORMANCE, WITH RECORD SALES

- **Metallurgical chemicals**
  - Robust recovery in demand for metallurgical chemicals in platinum mining sector
  - Better placed to service demand of SA customers in global supply climate
  - Solid xanthate plant debottlenecked
  - Overall exports lower
    - > Delayed resumption of operations by customers on care and maintenance (COVID-19 challenges)
- **Emulsifiers and coatings**
  - Steady increase in volumes for SA underground mining
  - Good export volumes to new business gained
  - Lower sales volumes to SA surface mining sector



## OUTLOOK

### • AECI Mining Explosives

- Supply chain management
  - > Higher plant utilisation rates
    - Well positioned for export opportunities in view of global ammonium nitrate shortages
  - > Security of raw material supply will remain a focus
- Growth
  - > Australia HVO project
  - > New contract in Botswana - mobilise in 1H22
  - > Market share gained: two large customer accounts secured in SA underground mining sector
  - > Ghana and Zambia - new contracts gained
- Capex
  - > New contracts mobilisation
  - > Progress MMU replacement and upgrade programme
  - > Complete BBRI granulator plant (Indonesia)
  - > Commence construction of new emulsion plant in '22 (Chile)
- Better Mining
  - > Commercialise two-component booster (Powerboost)
  - > Field trials with new wireless detonator (Cyberdet)

### • AECI Mining Chemicals

- Momentum carried into '22
- All production facilities are running optimally
- Very promising prospects for exports
- Good pipeline of R&D projects
- Additional plant capacity at Umbogintwini to support emulsifier volume growth





**WATER**

*good chemistry*

## SUMMARY



### REVENUE

**R1 541m**  
▲ 6,5%

'20: R1 447m

### EBITDA

**R262m**  
▲ 1,2%

'20: R259m

### TRADING PROFIT

**R212m**  
▲ 0,5%

'20: R211m

### TRADING MARGIN

**13,8%**

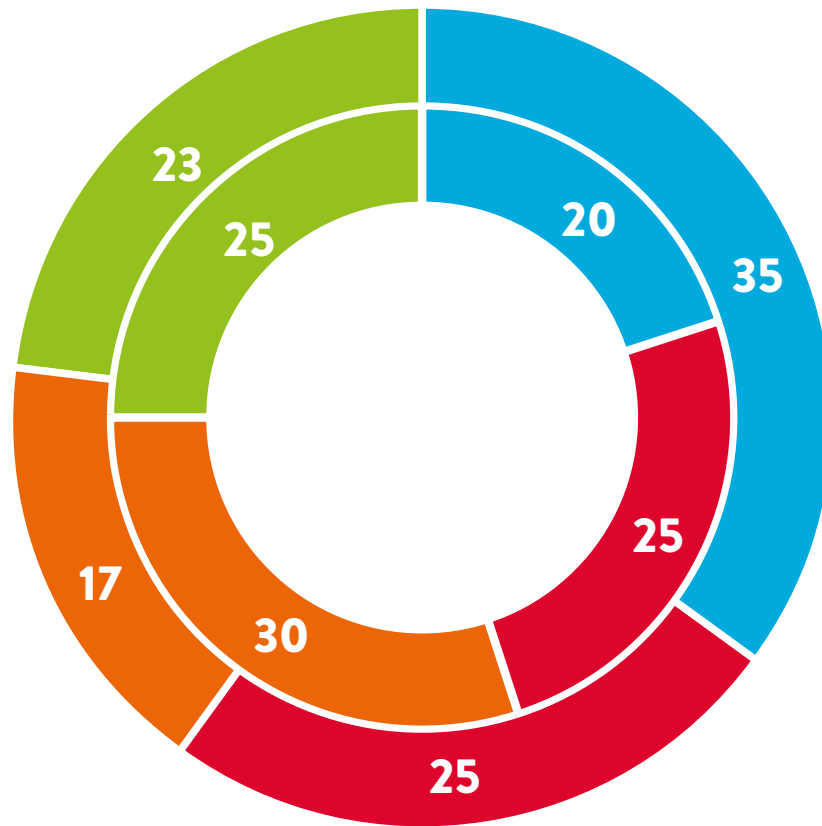
'20: 14,6%

### TRADE WC

**20,4%**

'20: 19,1%

## REVENUE BY INDUSTRY (%)



- Public Water
- Mining
- Oil & Refining
- Industrial & Other

**Outer: 2021**  
Inner: 2020

## SUMMARY

- **Revenue growth**
  - Public sector up >20%
  - Oil & Refining sector down significantly
  - Most revenue lost due to COVID-19 in '20 did not return
  - Export growth limited by COVID-19 travel restrictions
    - > Trials at customer sites delayed
  - Supply interruptions and shipping constraints
- **TP flat**
  - Lower margins
    - > Change in market sector sales mix
    - > Raw material price increases
    - > Contract pricing delays
- **WC affected by higher cost of inventory (+16%)**
- **SA**
  - Solid overall performance
    - > Revenue +13%
    - > Public Water volumes +19%
    - > Contract pricing pressure
- **Exports**
  - 26% of overall revenue
    - > 8% down y-o-y
      - Shipping delays for Public Water and contraction in Oil & Refining
      - Growth in Mining



## AECI GROUP

- **AECI Mining Explosives, Modderfontein**
  - Phase 1 potable water replacement (savings of 250 000m<sup>3</sup> p.a.)
  - Phase 2 effluent discharge reduction and water reuse – EIA application in progress
  - Zero liquid discharge pilot work completion 3Q22; full-scale implementation from 3Q23
- **AECI Mining Chemicals, Sasolburg**
  - COD reduction - laboratory trials completed and pilot plant trials initiated
  - Phase 2 – zero liquid discharge anticipated 4Q23
- **AECI Property Services, Umbogintwini**
  - Effluent discharge to sea project planning commenced Jun '21
  - Technologies being tested in laboratory trials
  - Investment decision 4Q22; implementation 2Q24 (EIA dependent)
- **AECI Food & Beverage, Western Cape**
  - Reverse osmosis plant commissioning 2Q22



## EXTERNAL PROJECTS

- **Public Water**

- '21 Lesotho potable project completion in 3Q22
- Awarded further 2 additional potable water projects in 4Q22
- Water treatment systems at 2 more schools to be commissioned in 2Q22

- **Industrial**

- Automotive sector: packaged plant treating borehole water for reuse (Dec '21)
- Food and Beverage: project awarded - packaged plant treating borehole water for boiler water usage (3Q22)

- **Mining**

- Successful upgrade/expansion of mine water reuse plant (platinum)
  - > Additional 150 000m<sup>3</sup> p.a. potable water savings
  - > New 3-year MOM contract
- Qualified water reuse project feasibility test work and trials completed at 4 mining operations (gold, platinum, coal)



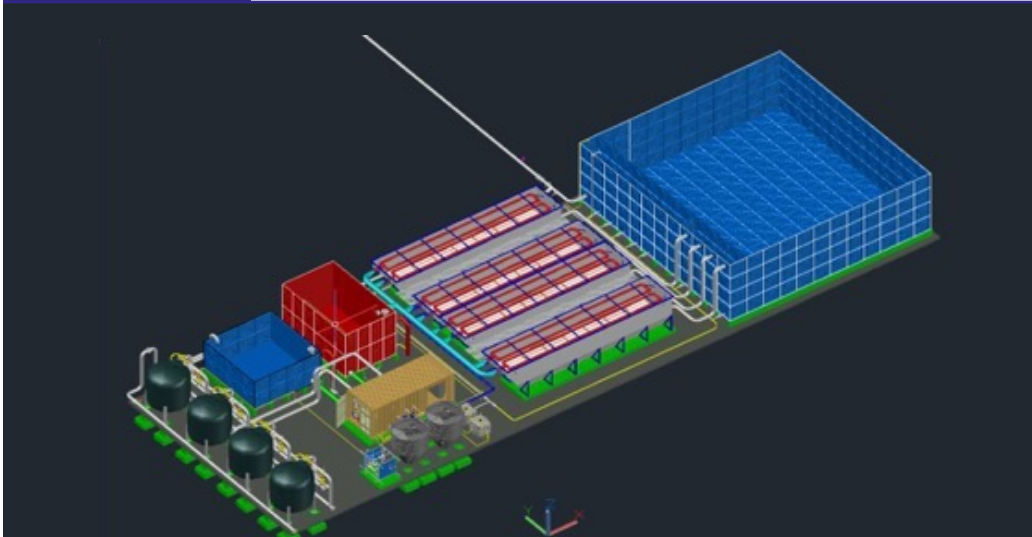


- **Potable water**

- Treatment of dam water for Harapokolana sports complex
- Plant designed to produce 1MLD potable water
- Direct filtration removes suspended solids
- Plant will also supply local community with drinking water

- **Completed in Nov '21**

## LESOTHO



- **Treatment of river water, Mapotsoe**
  - Plant designed to produce 5MLD drinking water
  - Uses conventional filtration to reduce suspended solids
- **Full installation by end-2Q22**

## MPUMALANGA



- **Treatment of dam water, Vaalbank**
  - Plant designed to remove sulphates (membrane technology)
  - Designed to produce 20MLD of RO permeate
- **Full installation by 3Q22**

Projects are initiators for **MOM** contracts and chemical treatment applications

## '22 WATER MUNICIPAL WATER TREATMENT PROJECTS

- **1 - Membrane Aerated Biofilm Reactor pilot trial unit**
  - Demonstrate technical advantages of superior MABR technology
  - MABR waste water application vs standard operations
  - Enables future business opportunities at under-capacitated waste water plants
- **2 - MBR pilot plant trial unit**
  - Upgrading 0,15MLD donation to 0,5MLD waste water treatment (MBR technology)
  - Plant will enable site to meet green drop specifications
- **3 - UF pilot plant trial unit**
  - Demonstrate technical advantages of superior UF technology
  - Submerged ultrafiltration application vs standard gravity sand filtration
  - Enables future business opportunities at under-capacitated water treatment plants



## OUTLOOK

- **Growth in Project Purpose earnings enhancement**
  - 2 Public Water projects due for completion by 3Q22
  - 3 Mining projects at final tender stage
  - Progress on internal AECI projects
- **Continued growth in Public Water and Mining sectors on the continent**
- **Pricing value chain enhancements to improve margins**
- **New green chemistry technology**
  - Three partnerships secured
  - Pilot trials showing good promise
- **Supply chain and raw material risk mitigation**
- **Working capital and cash management remain priorities**





**AGRI HEALTH**

*good chemistry*

## SUMMARY



### REVENUE

**R6 020m**

▼ 0,6%

'20: R6 056m

### EBITDA

**R383m**

▼ 26,1%

'20: R518m

### TRADING PROFIT

**R179m**

▼ 38,3%

'20: R290m

### TRADING MARGIN

**3,0%**

'20: 4,8%

### TRADE WC

**17,4%**

'20: 13,1%



## SUMMARY

- **Outstanding performance on the back of strong demand in SA**
  - All regions and all crops
  - Revenue +13% and trading profit +24%
- **Results underpinned by**
  - Strong sales of in-house formulated products
  - Higher volumes of liquid Bulk Nutrition
  - Continued focus on green chemistry products
    - > Biostimulants in line with growth strategy
  - Additional product registrations received for local and international markets
    - > Total of 31 registrations in US
- **Working capital**
  - Supply chain challenges well managed
  - Good debtor management = good cash flows



## OUTLOOK

- **Strong momentum continued into '22**
- **Expanded synthesis plant to support in-house formulated product growth completed**
  - 30% increase in capacity
- **Further registrations in US and other countries**
  - Foundation set; establishing commercial presence in North and South America
- **Biocult expansion completion end-1Q22**
  - 70% increase in capacity
- **Better Food Systems: Khula App growing in line with expectations**
  - Access to SA emerging farmer market



## SUMMARY

- **Positive EBITDA**
- **Germany: operating loss incurred for the year**
  - Under-utilisation of sugar beet herbicide synthesis facility
    - > Low demand from customer due to high inventory levels carried over from '20
  - Raw material and packaging shortages in Europe
    - > Supply chain issues ex-China
  - Automotive sector disrupted by global shortage of electronic components
  - Non-recurrence of sanitiser sales volumes in '20
  - Ongoing impact of COVID-19 restrictions
    - > Reduction in tender processes
    - > Delays in new product trials
- **USA: strong performance trend sustained**
  - Good growth in crop protection, underpinned by buoyant agricultural market
  - Good plant utilisation
    - > New SC herbicide plant installed in '19 fully loaded for the foreseeable future
  - Production facility acquired in Benton, Illinois
    - > On line in 3Q22



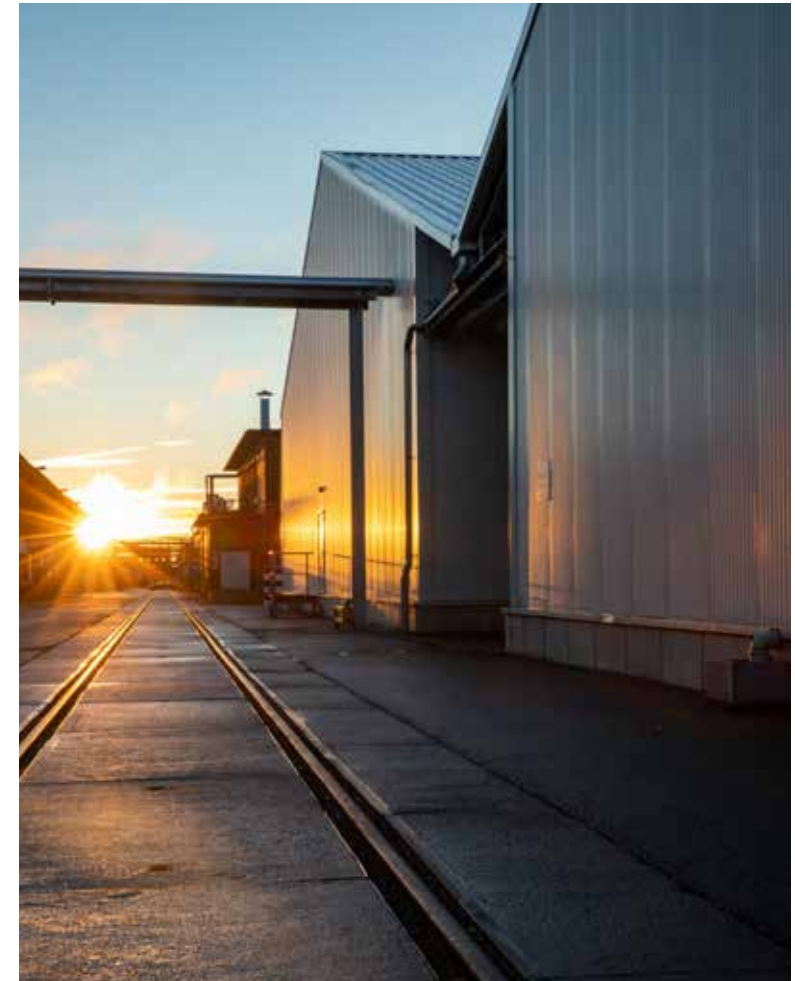
## OUTLOOK

- **Germany**

- Management team renewed and refocused
- New tenders awarded for execution from '22
  - > Major customer – 8m litres agrochemicals
  - > Major customer (biocide) relocating volumes from Far East
  - > European crop protection customer – 3-year contract
  - > Major fine chemical customer – home décor market
- Improved demand for sugar beet herbicide and recovery in the automotive sector
- Strong tender pipeline

- **Capex**

- Germany: 13 000 pallet warehouse complex at Schönebeck site completed in Jan. '22 in line with '18 acquisition process
  - > Good opportunity for “dangerous” goods storage
- USA, Illinois: dependent on customer demand – outlook positive





**CHEMICALS**

*good chemistry*

## SUMMARY



REVENUE

**R6 462m**

▲ 19,1%

'20: R5 427m

EBITDA

**R778m**

▲ 40,2%

'20: R555m

TRADING PROFIT

**R586m**

▲ >100%

'20: -R531m

TRADING MARGIN

**9,1%**

'20: -9,8%

TRADE WC

**14,9%**

'20: 14,2%

## SUMMARY

- **Excellent y-o-y improvement across AECI Specialty Chemicals, AECI Industrial Chemicals, AECI Food & Beverage, AECI SANS Fibers**
- **Business realignment project completed in '20**
  - R100m structural and sustainable annualised benefits achieved
  - Quality of earnings improved substantially
  - TP margin >10% in reach
- **Some improvement in SA manufacturing sector**
- **Supply chain challenges impacted inventory levels**
- **Better performance from AECI Much Asphalt**
  - Costs well contained
  - Volume recovery but not yet at '19 levels



## AECI SPECIALTY CHEMICALS

- Focus on margins and diligent cost control
- Good growth in Consumer, Coatings, Construction and Metal Coatings
- Consumer business expanded into East Africa
- Momentum gained in new product approvals for European and US markets



## AECI INDUSTRIAL CHEMICALS

- Higher sales volumes of sulphuric acid and sulphur
- Further growth in Homecare volumes
  - Plant to be debottlenecked in '22
- Exceptional performance by Bulk traded business
  - New product lines introduced
- Steady volumes in Foundry & Timber
- Sharp recovery in phosphoric acid market





## AECI FOOD & BEVERAGE

- **Growth across all Food categories**
- **Focus on Better Food Systems benefited Health & Nutrition portfolio**
- **Beverages**
  - Consistent improvement, particularly in traded juice volumes (local and export)
  - Local demand for formulated juices remained depressed



## AECI SANS FIBERS

- **Superb performance enabled by strong polyester sales in the US**
- **Good working capital management**
- **Strongly positioned as a local supplier to service the North and Central America markets**
- **Well positioned to leverage the Origin investment**



## OUTLOOK

- **Growth trends established in several niche market segments where Group operates**
- **Stronger demand for locally manufactured products**
- **Ongoing expansion of product and service offering**
- **Export opportunities**
- **New juice concentrate clarification technology equipment to be installed in 2Q22**
  - Reduce input cost of juice, improve plant efficiency and de-risk raw material supply chain
- **Challenges**
  - Supply chain disruptions and shortages of certain raw materials
    - > AECI China office an advantage
  - Reliability of power supply in SA
  - Future of SA oil refineries
  - Sales to SOEs anticipated to remain subdued in short term



## REVIEW

- Volumes +20% vs '20 but still 27% below '19
- Stronger volume recovery noted in 4Q21
- Bitumen supply: interruptions at two refineries and planned shutdown at third
  - Strategic stock key to maintain service levels
  - Import capability established to supplement local supply
- Increase in activity for work from **Metros, DoTs and Provinces**
  - Western Cape, KZN and Eastern Cape
  - Business in Gauteng repositioned and 4Q recovery supported by Provincial work
- **SANRAL awarded more major projects**
  - Asphalt work 6-18 months later
- Realignment project yielding sustainable savings
- Bitumen rubber capex: delivering above business case



## OUTLOOK

- **Major infrastructure projects commenced - return of base volumes**
  - Most large customers indicating increased activity levels in medium term
- **Increase in tender activity in mobile-type work**
- **Major contract won in East London**
- **Expanded operations into eMkondo area**
- **N2/N3 Work Packages awarded 4 tenders; another 2 expected in '22**
  - Asphalt work to commence from '23
- **Sustained growth in bitumen rubber applications**

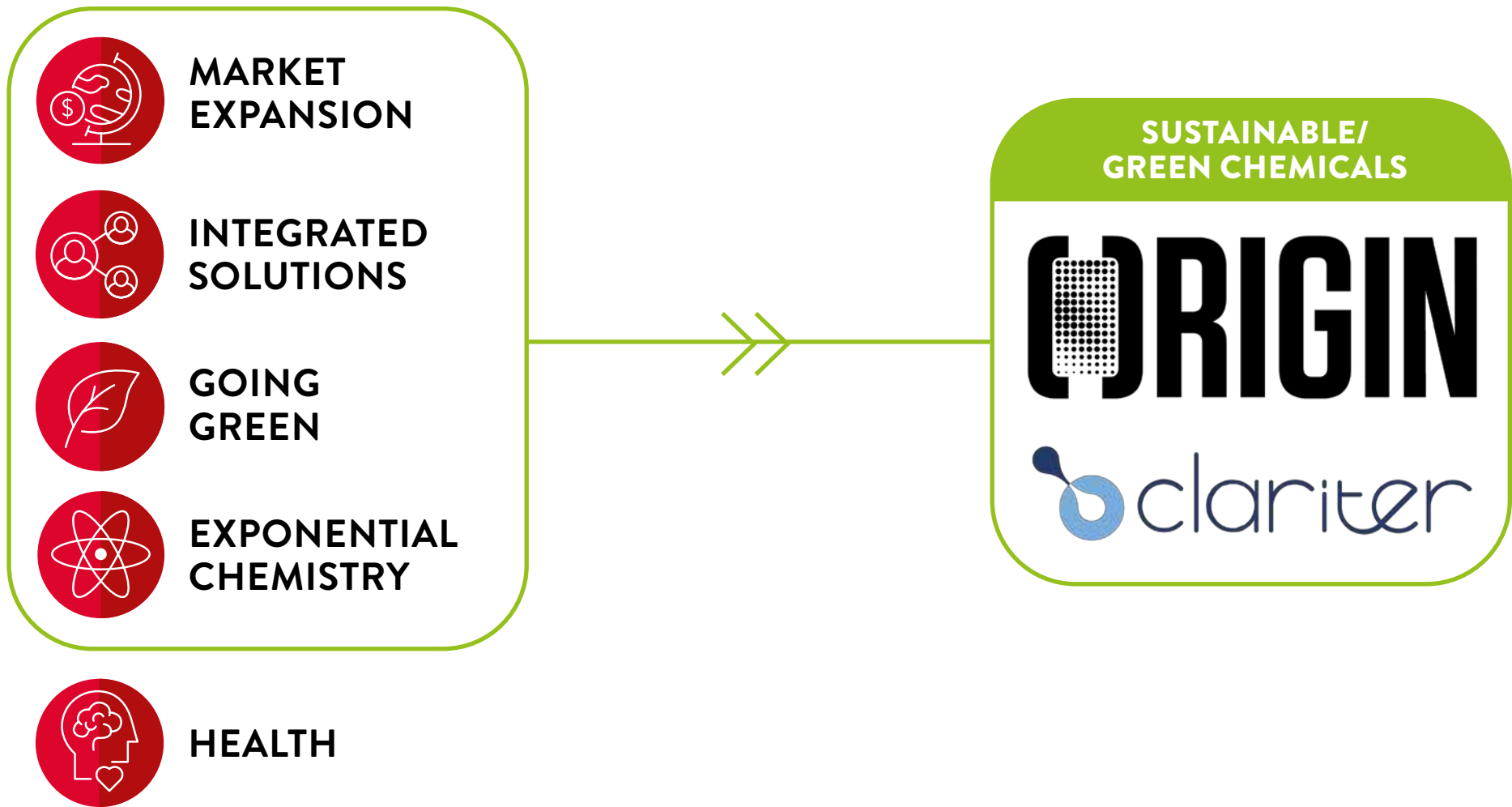




06.

**One AECI,  
for a better world**





# ORIGIN



0:00



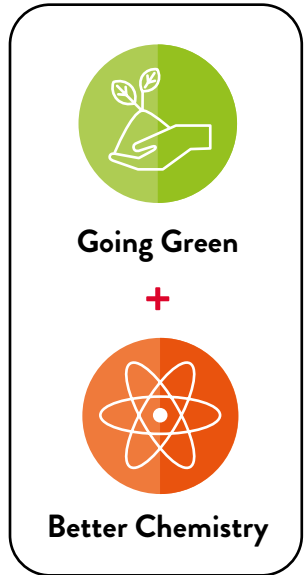
## ORIGIN MATERIALS

- Strategic investment of US\$5m in '17
- Merger with Artius (SPAC) followed by Nasdaq listing in 2Q21
- US\$5,6bn (previous US\$1,9bn) order book
- Capital raise - pioneer plant '22
- Geismar, Louisiana selected for Origin 2 plant - completion by '25

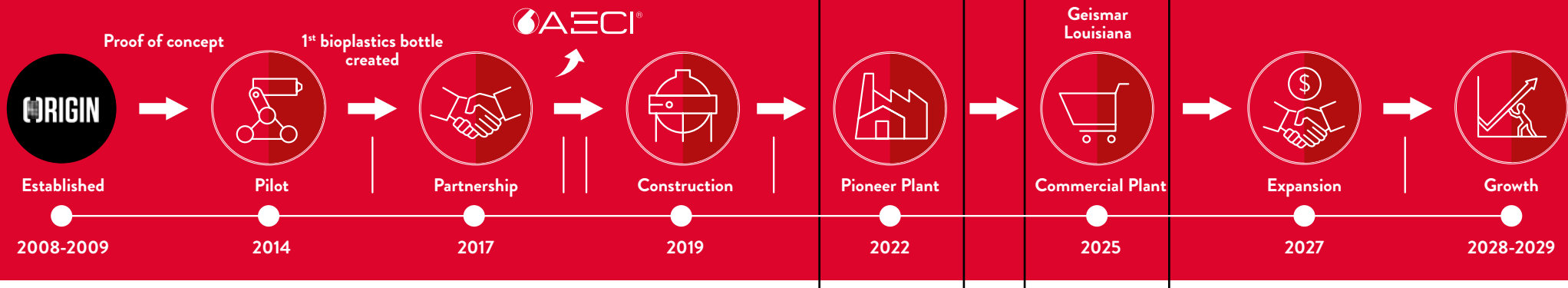


## ORIGIN AND AECI JOINT DEVELOPMENT PROGRAMMES

- AECI Much Asphalt: low-carbon bitumen/asphalt - significant reduction in carbon emissions vs fossil fuel-based sources
- AECI SANS Fibers: carbon-negative materials for apparel and automotive applications



## ROLL-OUT TIMEFRAME







0:00



# Turning a global problem into a sustainable solution

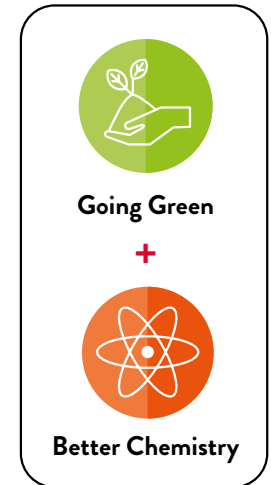
## CLARITER



- Proprietary, proven chemical upcycling process converts low-value mixed plastic waste into high value, green oils, solvents and waxes (ClariProducts)
  - > Application in >1 000 end markets
- Moving to full commercialisation and global roll-out of technology (~50kt p.a. plants)
- AECI strategic investment in 3Q21

## BENEFITS OF THE STRATEGIC INVESTMENT

- Rights to co-explore co-development of full-scale plant (FSP) in SA
- Rights to co-explore co-development of FSP in select international locations (East Germany and select states in USA)
- Co-explore AECI's participation in industrialisation of other Clariter facilities across the globe
- Enter into R&D agreement to co-develop new specialty chemical applications based on ClariProducts
- Clariter FID for plants in Netherlands, Israel, Poland by '23; commissioning of commercial facilities by '25
- Feasibility studies for commercial roll-out of facilities with AECI



08.

# Outlook & focus



- **Continued recovery from COVID-19 but risks remain**
  - Future waves
  - Roll-out of mass vaccination programmes not uniform across the world
  - Similarly, economic recovery uneven in terms of timing and extent
  - Monetary tightening as COVID-19 support funds are withdrawn
  - Supply chain disruptions/raw material shortages expected to persist
- **Duration and effects of political and socio-political strife**
- **In SA, additional considerations are**
  - Stability in electricity supply
  - Availability and reliability of infrastructure (incl. water, rail transport, ports efficiencies)
  - Unemployment and inequality
- **Nonetheless, growth trends are being sustained overall**
  - Albeit at a slower pace than in '21



- **Clearly defined growth strategy and execution plans in place for all our business pillars**
- **Well positioned to benefit from further post-pandemic recovery and increased demand for products and services in key sectors where we operate**
  - Benefits of new contracts and market share gained in '21
  - Expansion capital invested in support of this growth
  - Supply chain resilience, incl. advantages of near-shoring
  - **Commodity prices remain high**
    - > Longevity of mining sector boosted
    - > More mines expected to expand activities
- **Sustainability agenda presents significant opportunities across the Group**
  - Demand for new, innovative products that contribute to “a better world” for all stakeholders
  - Continue to identify and assess innovative new products and services (incl. AECI.GO input) for Better Mining, Better Water, Better Food Systems and Better Chemicals



- **Zero Harm is the immovable priority**
- **Ongoing promotion of COVID-19 vaccinations for employees, their families and communities**
- **Further progress towards achievement of our published ESG goals and targets, aligned with UN SDGs**
  - Accelerate alignment with best practice reporting guidelines from '22 (e.g. TCFD)
- **Diligent cash, working capital and cost management**
- **Opportunities for further expansion of geographic footprint remains on the agenda, as do bolt-on acquisitions**
  - Continue to identify and assess these
- **Investor Day to be scheduled before end-June '22**
  - “One AECI, for a better world”



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