

Our business model delivers a comprehensive approach to value creation in the short, medium, and long term.

1

Key resources and relationships

What we need

The resources and relationships we rely on to sustain our operations



Financial capital

An appropriate mix of debt and equity funding, to meet our working capital needs and growth ambitions



Human capital

A skilled, diverse and motivated workforce, with a high-performance culture



Manufactured capital

Wide geographic footprint of operations and locations to serve our customers



Social and relationship capital

Strong relationships with our principals, suppliers, customers, employees, investors and communities



Natural capital

The natural resources we, directly and indirectly via our customers, depend on such as water, fossil fuels and other natural assets



Intellectual capital

Our unique way of doing business, that includes our Values, our Worldwide Code of Conduct, our governance frameworks and processes

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Our value chain

What we do

At Barloworld, managing for value is about actively driving business performance.

Given the challenging macroeconomic context and the resource constrained environment we operate in, we are custodians of the capitals we need in our business.

We adopt an active operating model, driving value creation across our current operations, assessing their performance against our internal hurdle rates and deploying all our capitals optimally.

Our actions are underpinned by our values: Integrity, Excellence, Teamwork, Commitment and Sustainability.

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Strategic trends impacting our business model

We monitor:

- Political uncertainty and regulatory developments
- Economic growth and social challenges in operating markets
- Technological breakthrough in transport
- Growing consumer preferences for environmentally friendly products

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Top material risks

What we monitor

The resources and relationships we rely on to sustain our operations

- Acquisition underperformance
- Climate and environmental
- Competitor actions
- Currency volatility
- Customers and markets
- Defined benefit scheme exposure
- Information security risks and digital disruption
- Operational health and safety risk
- Political, terrorism, sanctions
- Principals and suppliers
- Regulatory environment
- Talent
- Volatile commodity prices

Our vision: To delight our customers and maximise shareholder value.

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Our outputs

What we deliver

Flexible, value-adding, innovative customer solutions and services



Corporate Centre

- Group level strategy and mergers and acquisitions activities
- Performance monitoring and capital allocation
- Talent management



Equipment

- Earthmoving: mining and infrastructure
- Power systems: electric power, marine, petroleum and industrial



Automotive

- Short-term vehicle usage
- Vehicle ownership solutions
- Long-term vehicle leasing and fleet management solutions and products
- Asset disposal through online platforms



Logistics

- Supply chain solutions
- Transport, warehousing, freight forwarding

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Impact on capitals

What we impacted

The capitals we use

Financial capital	Revenue	R63.4 billion	2017: R62.0 billion
	Operating profit	R4.4 billion	2017: R4.1 billion
	HEPS	1 151 cents	2017: 975 cents
	Return on invested capital	12.3%	2017: 11.2%
	Free cash flow	R3.6 billion	2017: R3.4 billion
Human capital	Number of employees	17 417	2017: 18 085
	Lost-time injury frequency rate (LTIFR)#	0.69	2017: 0.75
	Number of work-related fatalities	2	2017: 3
Manufactured capital	Return on net operating assets (%)	20.9%	2017: 16.4%
	Group net debt to equity (%)	14.4%	2017: 27.6%
	Total assets	R49.3 billion	2017: R46.3 billion
Social and relationship capital	B-BBEE rating	Level 3	2017: Level 3
	Corporate social investment (Rm)	R16 million	2017: R18 million
Natural capital	GHG emissions (scope 1 and 2)	257 650 tCO₂e	2017: 270 707 tCO ₂ e
	Water withdrawals (ML)^	588 ML	2017: 674 ML
	Non-renewable energy consumption†	2 947 696 GJ	2017: 3 087 269 GJ

LTIFR = Lost-time injuries multiplied by 200 000 divided by total hours worked.

^ Municipal sources.

† Excludes energy from rental fleets.