



OUR FIRST SIX MONTHS A GOOD BEGINNING

Presented by Brian Joffe, CEO

AGENDA

Introducing Long4Life

- ▲ JSE Listing
- ▲ Business philosophy
- ▲ Asset ownership criteria
- ▲ Preferred business sectors
- ▲ Progress so far on acquiring assets – Sorbet, Holdsport and Inhle Beverages
 - Including decentralised management
- ▲ Guidance on capacity to acquire
- ▲ Evaluating Long4Life as an investment
- ▲ Outlook
- ▲ Q&A



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JSE listing

- ▲ Listed on the Johannesburg Stock Exchange - 7 April 2017
- ▲ R2 billion in capital subscribed for on listing
- ▲ 405 million shares issued on listing and 4 billion authorised
- ▲ Strong institutional shareholder support
- ▲ Founder Brian Joffe 6% shareholding, 36 month lock-up wef listing date
- ▲ Advantages include – access to capital, wide spectrum of investors, access to deal pipeline, transparency, liquidity, and earning our rating
- ▲ Scale important



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Business philosophy

- ▲ Embracing founder's proven entrepreneurial business philosophy, in conjunction with like-minded management team
- ▲ An attractive listed vehicle to encourage vendors to sell their businesses and participate on a listed equity basis to maximise their potential
- ▲ Engage actively in supporting our businesses – financial, strategic, managerial, mobilising capital, identifying opportunities
- ▲ A small corporate office with a skilled and experienced team
- ▲ Operating companies decentralised and motivated to achieve
- ▲ Disciplined in deployment of capital but ambitious on returns



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Asset ownership criteria

- ▲ L4L to own the business cash flows through 100% ownership
- ▲ Also open to selective majority and minority stakes
- ▲ Encourage vendors to co-invest through scrip in holding company
- ▲ Alert to turnaround/improving an underperforming business
- ▲ Strategic plays
- ▲ Asset disposal if circumstances warrant to optimise return



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Current business sectors

▲ Leisure/lifestyle assets + entrepreneurial opportunities

Personal care
and wellness

Sport and
recreation

Strategic
- Beverages

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Progress so far on acquiring assets



- ▲ Valued at R116 million, paid for in cash and shares
- ▲ Primary business EBITDA R14 million, EV/EBITDA multiple 8,3x
- ▲ Beauty therapy treatments and products on a franchise model
- ▲ 191 stores in South Africa, 5 additional stores to be opened by the end of calendar 2017
- ▲ Branded product agreement with Clicks
- ▲ Embryonic Sorbet Man and Candi & Co building on Sorbet platform
- ▲ First block in building a personal care and wellness segment



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Personal Care & Wellness - Management

Personal Care & Wellness
Ian Fuhr / Rudi Rudolph

Education
Aline Venter

Sorbet Salons
Brent Fuhr

**Men's Grooming/
Sorbet Man**
Natalie Ruwers

Sorbet Nails
T.B.A.

**Hair salons specializing
in ethnic hair
(Candi & Co)**
Candice Thurston

**Retaining
founder management**

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Progress so far on acquiring assets

▣ **HOLDSPORT** ▣

- ▲ L4L acquisition assumptions
 - R63 per HSP share
 - Shares in issue 41 617 072 net of treasury shares
 - Total equity valuation R2 622 million, EV R2 694 million
 - 2017 EBITDA R361 million and headline earnings R205 million
(before forex loss of R19 million gross and R14 million after tax)
 - EV/EBITDA multiple 7,5x and PE multiple 12,8x
- ▲ Entails approximately 504 million new L4L shares, depending on acceptances for up to R204 million in cash
- ▲ Strong brands: Sportsmans Warehouse, Outdoor Warehouse, First Ascent, Capestorm, Secondskins, and OTG
- ▲ Significant financial leverage
- ▲ Online growth potential



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Sport & Recreation - Management

Sport & Recreation
Kevin Hodgson/Cobus Loubser

Sportsmans Warehouse
Bradley Moritz

Online
Johan Strydom

Outdoor Warehouse
Kobus Potgieter

Performance Brands
Stuart Young

Incorporating:
First Ascent
Secondskins
OTG
Capestorm
African Nature

***Retaining
current management***

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Progress so far on acquiring assets



- ▲ Valued at R268,9 million, paid for R210 million cash and 10,8 million L4L shares
- ▲ Estimated EBITDA R55 million twelve months ending February 2018
- ▲ EV/EBITDA multiple 4,9x
- ▲ Strategic asset in context of beverage industry
- ▲ Second largest beverage contract packaging business in SA
- ▲ Liquor licence recently acquired

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Strategic

Inhle Beverages
Chris Botha/Niel Botha

***Retaining
founder management***



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Guidance on capacity to acquire

- ▲ L4L is a work in progress and scaling up rapidly
- ▲ Financials at year-end will reflect recent activity
- ▲ More than R400 million in annualised EBITDA from x3 acquisitions
- ▲ L4L shares in issue approximately 900 million
- ▲ Cash available post recent acquisitions \pm R1,6 billion
- ▲ Scope to gear against cash generating assets and cash balances
- ▲ Cash capacity to acquire \pm R2,5 billion + scrip potential, per recent examples
- ▲ Change in year end to February to accord with Holdsport

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Evaluating Long4Life as an investment

- ▲ L4L is conceived to be a company that can deliver quality operating earnings from good cash generating businesses with low to medium risk characteristics and reasonable line of sight on profitability
- ▲ L4L is not a net asset value play with reference to an EV/EBITDA multiple
- ▲ L4L is an earnings and cash flow based company and a Price/Earnings play
- ▲ There will be no geared ownership structures within the balance sheets of the individual assets
- ▲ Use of scrip carefully considered so as not to be dilutive and to be value accretive for all shareholders

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Outlook

- ▲ Considerable opportunities to leverage off the platform of existing assets through extension of products, services, geography and bolt-ons
- ▲ Cautionary, continuing hunt for assets
- ▲ Adding selectively to L4L corporate team, management within acquired assets could be identified to serve a Group leadership role
- ▲ We are patient for the right deal at a fair price
- ▲ Negative South Africa macros present opportunity
- ▲ The board intends to commence the payment of dividends with effect from the February 2018 financial year; this will be based on the operating income of the group excluding passive income, with appropriate dividend cover
- ▲ **A good beginning with much achieved and much to look forward to**

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The future of the South African economy remains uncertain in the short to medium term; invariably in these circumstances, opportunities present themselves and Long4Life is ideally positioned to take advantage of these circumstances



**OUR FIRST SIX MONTHS
A GOOD BEGINNING**