



**PROGRESS**



**WITH**



**PURPOSE**

*Integrated* **Report 2024**



Senwes 

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# Reporting suite

- Reporting principles & guidelines**
- The International Integrated Reporting Framework.
  - South African Companies Act 71 of 2008, as amended.
  - The King IV Report on Corporate Governance (King IV™) (applied as far as practically possible).
  - IFRS Accounting Standards.
  - Department of Trade and Industry's Codes for Broad-Based Black Economic Empowerment (B-BBEE).
  - G4 Sustainability Guidelines.

**Reports**

**IR**  
●●●●●  
The **integrated report (IR)**, which features extracts from the annual financial statements, is the Senwes Group's flagship reporting publication.

**AFS**  
●●●●  
The group's **annual financial statements (AFS)** provide an in-depth analysis of the group's financial results and performance.

**SR**  
●●●●  
A web-based **sustainability report (SR)** provides a summarised overview of the group's sustainability activities, strategies and ongoing processes.

**AGM**  
●●  
The notice of the **annual general meeting (AGM)** presenting the annual financial statements and key resolutions for shareholders to consider, is made available to each shareholder and is available online.

# Theme



## Progress with purpose

The 2024 Integrated Report (IR) builds on the premise of the newly reaffirmed strategy of the previous year for the decade to come: To provide innovative and integrated solutions for clients to enable them to do their business. Progressing with purpose is to unite behind the same goal with the same determination as yesterday for the sake of a brighter tomorrow.

The theme is decidedly complemented by the cover design, which aims to portray the different paths, fields and circumstances we use to connect to a bigger purpose, carving a way forward. The rain symbolises the dependency of working in harmony with all our stakeholders and the prosperity that this may bring. The fields showcase the fruits of integrating solutions when it matters. The path and the roads connecting capture the sense of responsibility and commitment to the purpose Senwes has laid out for the next ten years.

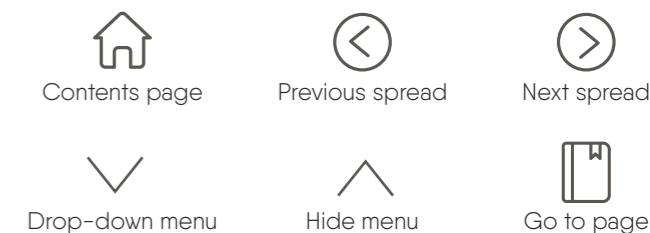
**Related media coverage**  
For related media coverage, such as press releases or radio interviews with Senwes' Group Chief Executive Officer (CEO), visit [www.senwes.com](http://www.senwes.com).

**IR and AFS enquiries or feedback**  
Carl Klingenberg  
Group Chief Financial Officer (CFO)  
**Telephone: 018 464 7476**

**SR and AGM enquiries or feedback**  
Elmarie Joynt  
Group Company Secretary and Chief Legal Counsel  
**Telephone: 018 464 7104**

# Navigation

## Quick navigation tools



## Informational navigation tools

- ▶ See what the Senwes Chairman, Group CEO and Group CFO have to say in an exclusive video found on our report page.
- 📄 Link to relevant external report information.
- ⓘ Hover over relevant text to see if it is actionable. Content like page numbers, websites, emails and the table of contents, are interactive.



# Overview



# About our *Integrated Report*

The primary purpose of Senwes' integrated report is to demonstrate to the providers of financial capital and potential investors how Senwes creates sustainable value over the short, medium and long term.

In acknowledging the fact that sustained value creation does not happen in isolation, the group's approach to value creation is best illustrated through its integrative value-adding business model, strategies, risk assessments, opportunities, performance and governance practices. A balanced and accurate reflection of these material aspects forms the essence of Senwes' integrated report. The report also provides stakeholders with a balanced, accurate and transparent assessment of the group's ability to deliver on its brand promise.

## Our approach to reporting

This report is prepared in accordance with the International Framework of the International Integrated Reporting Council (IIRC) and provides our stakeholders with a concise and transparent assessment of our ability to use our expertise to create sustainable value.

## Reporting period

The Senwes integrated report is compiled and published annually, and this report focuses on the activities and operations of the group for the period ended 30 April 2024.

## Scope and boundary

This report extends beyond financial reporting and includes non-financial information attributable to, or associated with, our key stakeholders, who have a significant impact on or interest in the group's ability to create value.

## The process we follow to complete the Senwes integrated report

A cross-functional team, led by the Project Lead: Integrated Report under supervision of the Group Executive: Group Financial Reporting and the Group Chief Financial Officer, and representing various clusters and subject matter experts across the group, produces the content that appears in the integrated report. Group Exco and board members also contribute to the content. The board grants final approval of the report.

## Board responsibility statement

The Senwes board of directors acknowledges its responsibility of ensuring the integrity of this integrated report which, in the board's opinion, addresses all the issues that are material to the group's ability to create value and fairly presents the integrated performance of the Senwes Group.

The board has applied its collective mind to the preparation and presentation of this report and believes that it has been prepared in accordance with the IIRC Framework and under the supervision of senior management. It furthermore underwent a rigorous process using both internal and external assurances.

The report was approved by the board of directors of Senwes on 5 July 2024.

## Combined assurance

The group's external auditor, PricewaterhouseCoopers Inc. (PwC), conducted an independent audit of the group's consolidated annual financial statements. Other sections of the report, consisting of non-financial information, have not been subjected to an independent audit or review and have been compiled based on internal records and information in the public domain under supervision of CR Klingenberg CA(SA), Group Chief Financial Officer (CFO).

## Defining key concepts

### Integrated thinking

Integrated thinking is the process by which relationships between the various operating units and aspects such as the environment, social matters and sound governance, are actively considered in decision making to add value over the short, medium and long term.

### Value

Value is created through an organisation's business model, which takes inputs from the forms of capital and transforms them through business activities and interactions to produce outputs and outcomes that, over the short, medium and long term, create or destroy value for the organisation, its stakeholders, society and the environment.

## Materiality

Materiality refers to the actions or issues of substantial importance that affect the group's strategy and therefore its ability to create value over the short, medium and long term and/or actions and decisions by the group that may affect its stakeholders, either positively or negatively.

## Forward-looking statements

This report contains certain forward-looking statements with respect to Senwes' financial position, results, operations and businesses. These statements and forecasts involve risk and uncertainty as they relate to events and depend on circumstances that may or may not occur in the future.

The group does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information, future events or otherwise. The forward-looking statements have not been audited, reviewed or reported on by PwC.



  
**Danie Minnaar**  
Chairman

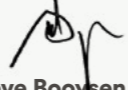
  
**Francois Strydom**  
Group Chief  
Executive Officer

  
**Venete Klein**

  
**Nico Liebenberg**

  
**Pieter Stander**

  
**Hansie Viljoen**

  
**Steve Booysen**  
Vice-chairman

  
**Carl Klingenberg**  
Group Chief  
Financial Officer

  
**Gert Malherbe**

  
**Jaco Minnaar**

  
**Thabo van Zyl**

  
**Andrew Waller**  
Andrew Waller

# Group at a glance

Salient features

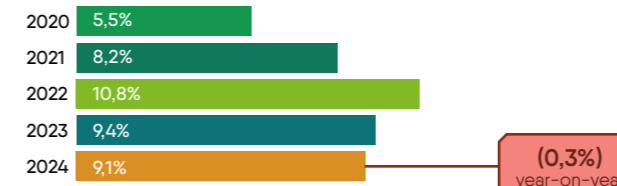
## Revenue (R'm)



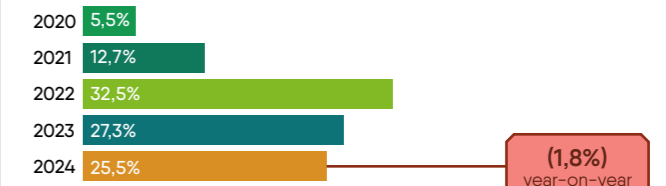
## Earnings before interest and tax (EBIT) (R'm)



## Dividend yield (%)



## Total shareholders' return (dividends + share price growth) (%)



## Profit after tax (R'm)



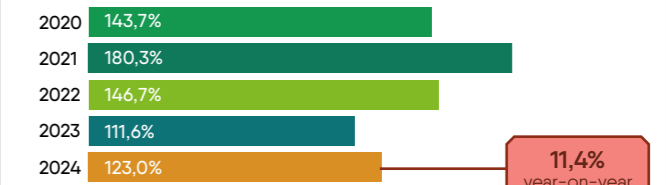
## Normalised HEPS (c/share)



## Return on opening equity (%)



## Gearing ratio (%)



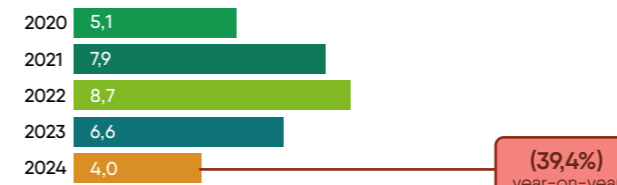
## Total number of employees



## Total assets



## Interest cover (times)



## Cash from operations as percentage of operating profit (quality of earnings) (%)



## Senwes Brand

At Senwes we are continuously breaking new ground to enable us to expertly assist our clients in breaking theirs.

### Senwes' DNA

#### The corporate culture

Senwes wants to be the preferred investment partner, employer, supplier and distribution channel, as well as a good corporate citizen. Senwes also strives to break new ground throughout the food value chain, where a strategic thought process has been adopted for attaining knowledge and being experts in what we do.

#### Living the group's values by:

- Doing the right things for the right reasons, acting with integrity.
- Satisfying our stakeholders' needs and solving their problems, applying business orientation.
- Maximising people's true potential and being in pursuit of the group's purpose, demonstrating self-motivation.
- Finding creative and resourceful solutions to business challenges and customer needs, exhibiting innovation.
- Building a strong allegiance with the group, whilst acting in the best interest of the group and its stakeholders, showcasing loyalty.
- Accepting responsibility by providing complete, transparent, truthful, accurate and timely information to all stakeholders, illustrating accountability.

### Senwes' differentiators

#### Strong alliances with strategic partners

By forming strong alliances with strategic business partners, Senwes expands its geographic presence, product ranges and service offerings, and unlock new income streams.

#### Empowered and committed workforce

Senwes' employees are humble in success and remain determined in the face of adversity, constantly striving towards excellence, focused on the group's vision, and committed to the group's corporate culture and ethical values.

#### Sustainable value for shareholders

Senwes creates value for shareholders by delivering a continuous return on equity, despite volatile economic and political conditions, as well as a fast-changing business landscape that requires agility at all levels.

#### Integrated and innovative solutions

Senwes is committed to the interests of clients and focuses on providing integrated, innovative and sustainable solutions, whilst strengthening long-term relationships.

#### Championing adaptability and agility under pressure

Senwes' management can adapt rapidly to unforeseen circumstances, changing them into opportunities, whilst still implementing sufficient risk-mitigating actions.

#### Commitment to our communities

The group is committed to making a sustainable difference to the welfare of the communities in which it conducts business.



#### Our story

Over the course of 115 years, Senwes succeeded in reimagining the future of our group together with the broader South African agricultural sector in unprecedented ways by transcending our role as a mere catalyst of agricultural success to that of an enabler of sustainability and growth for the entire agricultural value chain.

Our company's history can be traced back to the fall of 1909, when 24 pioneering farmers came together to discuss the idea of a co-operative in the then Western Transvaal. Looking back, the establishment of De Centraal Westelike Co-operatiewe Landbou Vereniging on 15 May 1909 was the spark that ignited our groups' business philosophy of providing solutions to enable our customers to effectively conduct their business.



#### Statement of commitment

Senwes is committed to creating value for all its stakeholders by conducting sustainable business through ethical conduct, protecting the environment, and contributing to the socio-economic development of its employees and the communities in which it conducts its business.



#### Purpose statement

To provide innovative and integrated solutions to our customers to enable them to do their business.

#### Mission statement

Senwes is one of the leading agricultural companies in South Africa. The group is solution-driven and focuses on providing integrated product and service solutions to agricultural producers, encompassing finance, insurance, wealth planning and advice, agricultural services, input supplies, agricultural machinery and equipment, grain storage and handling services integrated with logistics, as well as market access for producers' products including the processing and conditioning thereof. The group also provides solutions to grain off-takers and processors regarding their procurement needs. The group plays a key role in the value chain in providing a seamless channel from the farm gate to food processors.



#### The brand promise

- To approach every interaction with a solution-driven mindset.
- To see clients' businesses from their perspective.
- To provide an integrated solution.

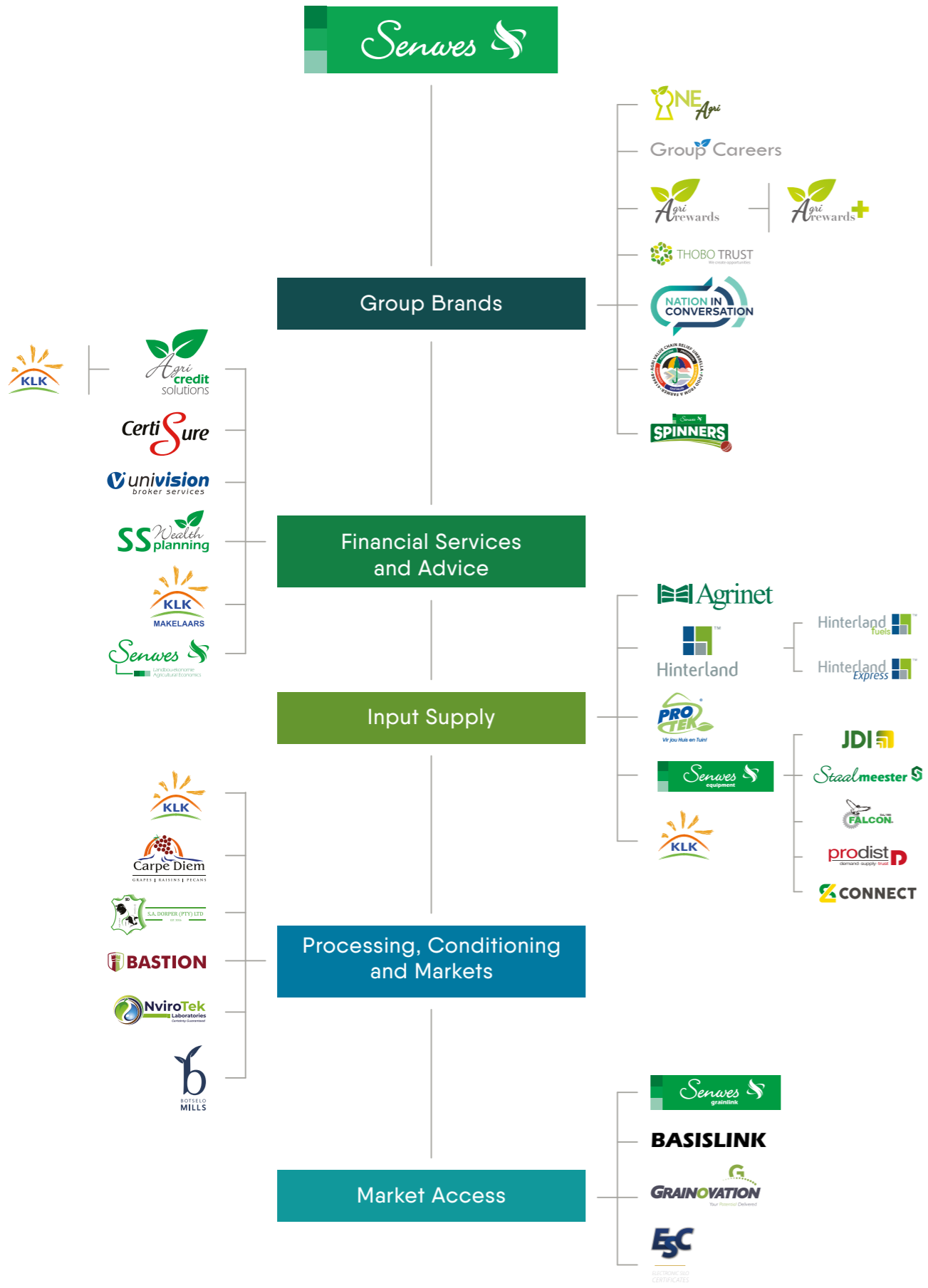


#### Senwes' responsibility

Senwes has the responsibility of making a meaningful contribution towards food security in South Africa through sustainable agriculture, by providing innovative and integrated solutions to food producers and the other role players in the applicable stages of the food value chain.



# Senwes | Brand architecture



# The business







## Report by the *Chairman*

**Chairman**  
**Danie Minnaar**

In reflecting upon the past financial period, we find ourselves amidst a dynamic landscape characterised by a plethora of local and international challenges, uncertainties and opportunities. It is against this background that it is once again a privilege for me to present this year's Chairman's Report.

### Macro environment and agricultural production conditions

We are increasingly observing the impact of climate change in the occurrence of erratic weather and related conditions which are causing great disruption. The World Economic Forum's (WEF's) latest Global Risks Report underscored the pressing concerns surrounding extreme weather events. According to their findings, extreme weather conditions will probably be the top global risk over the next ten years.

The global economic outlook has witnessed a slowdown in growth, accompanied by sustained high interest rates to get inflation in line with target rates. The global economy is projected to grow at 2,5% during 2024, while prospective declines in interest rates are only anticipated later in the 2024 calendar year.

Germany will emerge from the recession in 2024, but economic growth will stay very weak, projected at only 0,2% in 2024. In addition, Germany has also experienced unstable economic conditions because of high interest rates and inflation. Germany's inflation has come down significantly in recent months and the European Central Bank has recently cut interest rates by 0,25%. Germany has also seen decreasing business confidence in the German agricultural sector, which was exacerbated by a reduction in agricultural subsidies by the German government.

South Africa's economy is projected to grow at just 0,9% in 2024. The country's inflation has come down and has

been within the target range (3% to 6%) since June 2023. The South African Reserve Bank (SARB) has refrained from further interest rate hikes since May 2023, and is yet to have interest rate cuts, in line with global central banks. Projections suggest that the prime interest rate could range between 11,25% and 11,75% for the duration of 2024, implying the possibility of an interest rate cut of at least 50 basis points (or 0,5%) later in 2024.

Persistent geopolitical shocks, such as the Israel-Hamas and Russia-Ukraine conflicts, continue to dominate the headlines globally. The ongoing conflict, specifically in the Middle East, poses a notable upward risk for fuel prices. Disruptions in shipping routes are becoming more frequent, exacerbating our reliance on imported fuel. This underscores the importance for the group to closely monitor geopolitical developments and proactively manage potential impacts on our operational costs and supply chain resilience.

Political uncertainty will remain high in 2024 as more voters participate in the national elections in at least 64 countries (including the United States of America) as well as the European Union. By the end of 2024, about 49% of people in the world will have participated in national elections. Apart from the results of South Africa's national election, numerous other key elections are still diarised for this year, and the outcomes hereof will significantly shape the global socio-political landscape, and impact international fiscal and trade policies.

In addition to the global challenges mentioned above, South Africa weathered the unprecedented occurrence of load shedding during 2023. However, there are signs of improvement on the horizon even though its significantly slower than originally anticipated such as the lack of progress in alternative energy installation by the private sector, Eskom's maintenance efforts and the gradual commissioning of units at the Kusile Power Station. Despite these advancements, the group should remain vigilant in navigating the energy landscape to ensure sustainable operations. Business and consumer confidence reached historic lows during the period under review but seems to be stabilising at an improved level. Unemployment, poverty and inequality remain at unprecedented levels. In spite of declines in inflation, consumers' spending power remain constrained due to high interest rates eating away at disposable incomes. South Africa is also experiencing inefficiencies at ports, poor rail and road infrastructure, worsening municipal service delivery and rising crime.

The Agbiz/IDC Agribusiness Confidence Index (ACI) reflected a reading of 40 points in Q1 2024, which is below the neutral 50-point mark, implying that South African agribusinesses remain downbeat about business conditions in the sector. This pessimism emanates from macro-economic factors, which are yet to be addressed, and new challenges on the weather front (El Niño).

Adverse agricultural conditions largely attributable to the prevailing El Niño phenomenon, impacted South Africa's 2023/24 summer grains and oilseed harvest (such as white maize, yellow maize, sunflower and soybeans), being estimated at 15,8 million tonnes, which reflects a concerning 20,5% decline from the previous production season's 19,9 million tonnes. Total maize production is projected at 18,4% lower, while sunflower and soybean tonnages are anticipated to decrease by 9,8% and 35,8% respectively. Additionally, the agricultural machinery sector seems to be entering a year of normalisation after a few years of robust activity. Tractor and combine harvester sales declined with 25% and 61% respectively in January 2024 to April 2024, compared to the same period in 2023. Higher interest rates have added pressure to producers' finances, and although various input cost prices, such as fertiliser and agrochemicals, have declined since 2023, these prices are still generally well above pre Covid-19 levels, leading to additional financial pressure for producers.

More consolidation opportunities will arise in the agricultural sector. National agricultural debt is at record levels, amounting to R207 562 million in December 2023, also giving rise to further consolidations at farm level. The size of farming units will continue to grow larger,

hence reducing fixed cost, to ensure food production at sustainable cost levels.

### Group results

I am proud to report that Senwes delivered a robust performance for the 2024 financial period, with revenue and cash from operations reaching the highest levels, and profit after tax the second highest in Senwes history. The balance sheet is strong, with debt levels well within our serviceability limits, notwithstanding continued investments in growth projects and acquisitions.

Senwes continues to execute its externalisation strategy by acquiring various assets from Porst Landtechnik GmbH to operate within the existing S&L Connect business, effective 1 August 2023. This marks the acquisition of the fourth John Deere dealership in East Germany.

The group's own capital ratio excluding commodity finance weakened to 35,8% at year-end (2023: 37,4%), which is at the lower end of the group's capital maintenance guidelines of between 35% and 45%, largely attributable to high inventory levels at year-end and the investment in Germany. The board's target remains to continue improving the own capital ratio (excluding commodity finance) to between 40% and 50% in the long term, especially given the current cost of capital.

### Value creation for shareholders

An interim dividend of 50 cents per share (2023: 36 cents) was paid during the financial period, while a final dividend of 50 cents per share was declared (2023: 40 cents), as well as a special dividend of 50 cents per share (2023: 56 cents). The net asset value (NAV) increased by 16,1% to R27,14 per share (2023: R23,37 per share). At year-end, Senwes' shares traded at R19,20 which translates into a discount of 29,3% to NAV. Shares to the value of R229 million were repurchased through various share buy-back programmes. These share buy-back programmes provides an avenue for shareholders to further unlock value in their Senwes share.

Upon examination of the long-term value creation for shareholders, it is observed from the graph included in the report that the Senwes Group's share price grew a cumulative R8,20 per share on the opening share price of 2020, while the cumulative dividend paid between 2020 and 2024 amounted to R5,56 per share, translating into cumulative share price growth of 74,5% and a cumulative dividend yield of 50,5% or cumulative shareholders' return (share price growth plus dividends) of 125,0% between 2020 and 2024.

"Despite the challenges that lie ahead, I am confident that the group's risk-based strategy will enable its resilience to endure, navigate and continue adapting to adverse conditions, and creating value for stakeholders."

Senwes' share price growth averaged 12,1% per year and dividend yield averaged 8,6% per year over the last five years, while total compounded annual growth rate of shareholders' return was 17,6% over the same period.

**Value creation and value unlocking for shareholders through capital and dividends (cents/share)**  
Base year = 2019



**Prospects**

We are entering a phase marked by declining international grain prices, impacting our profitability. Factors like lower volumes and reduced planting, attributed to sub-optimal soil moisture conditions, are poised to contribute to this decline.

During the past financial period, the group witnessed bountiful harvests, which contributed notably to the group's results. However, the emergence of El Niño presents formidable challenges with far-reaching implications for the upcoming year's grain volumes. In addition, southern African countries will confront the necessity of substantial grain imports (especially white maize from South Africa) as they navigate the adverse effects of the current El Niño event. This heightened grain demand from the rest of southern Africa will place considerable strain on limited grain supplies. The prevailing El Niño will put producers' cash flows under pressure and impact substantially on their capital investment decisions, which will adversely affect the group's Market Access and Input Supply businesses.

The group will focus on growth initiatives, efficiency improvements, and cost saving initiatives, while continuing to re-evaluate its funding model in terms of the appropriate allocation of capital to ensure business growth and sustainability.

Businesses across South Africa will have to navigate the ramifications brought about by the results of South Africa's national elections, in addition to persisting challenges in South Africa's macroeconomic environment. It is anticipated that Germany will emerge from recession during the 2024 calendar year, however, growth will remain very weak. In addition, Germany's inflation is also on the mend.

Confidence in the German government among producers remains unsettled.

Despite the challenges that lie ahead, I am confident that the group's risk-based strategy will enable its resilience to endure, navigate and continue adapting to adverse conditions, and creating value for stakeholders.

**Acknowledgements**

During the period under review, we bid farewell to one of our directors, Kobus Marais, who retired at the annual general meeting of 22 August 2023. I want to extend my sincerest gratitude for his dedicated service during his time on the Senwes board, and for his contribution and support during the KLK acquisition, which occurred during the 2019/20 financial period.

I want to thank my fellow board members for their guidance and the unrestrained contributions of their time and advice. To Francois Strydom and his executive management teams across the group, thank you for your efforts and continued focus during the past year. I also applaud each one of our employees who continued to champion service excellence during the past financial period.

I wish to end my report by thanking our Heavenly Father, who holds His hand over Senwes and its stakeholders every day. May we live each day according to His will.

  
Dannie Minnaar  
Chairman  
5 July 2024  
Klerksdorp



# Value-creating Business model

## Material risks impacting the availability of capital

## Strategic focus areas

The availability and quality of the Senwes Group's six capitals...

enable the group to navigate its external environment as well as material risks, and deliver on its strategy...



### Financial capital

The pool of available funds Senwes uses to achieve its strategy. It includes debt, equity and cash generated by business units, as well as investments.



### Intellectual capital

The group's investment in the right skills in the right position, supported by effective management systems and company culture to ensure the success of Senwes' business model, the achievement of strategy as well as the delivery of innovative and integrated solutions to customers.



### Human capital

Employees are key stakeholders of Senwes and continue to be the group's primary competitive advantage. The group's workforce is hardworking and committed to the long-term sustainability and success of the group.



### Manufactured (infrastructure) capital

The property, plant and equipment Senwes uses to deliver its services and products.



### Social and relationship capital

Senwes strives to be a responsible and an accountable corporate citizen, taking into account its stakeholders, the environment and the community.



### Natural capital

The land, water and energy Senwes uses to generate income.

- 1 Weather and climate risk    2 Market size and market share risk
- 3 Political and economic climate risk (including load shedding)
- 4 Credit, liquidity and market risk    5 Theft and fraud risk
- 6 Information technology – systems and cyber risk    7 Commodity price risk
- 8 Urbanisation, scarcity and retention of skills    9 Transition and customer risk
- 10 Unique competitor risk    11 Environmental and health and safety risk
- 12 Diversification and agricultural industry risk    13 Regulation and compliance risk

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- 1 Weather and climate risk    3 Political and economic climate risk (including load shedding)
- 11 Environmental and health and safety risk

Diversification, horizontal integration and consolidation

Increased investment in efficiencies within the value chain

Internal integration of the customer

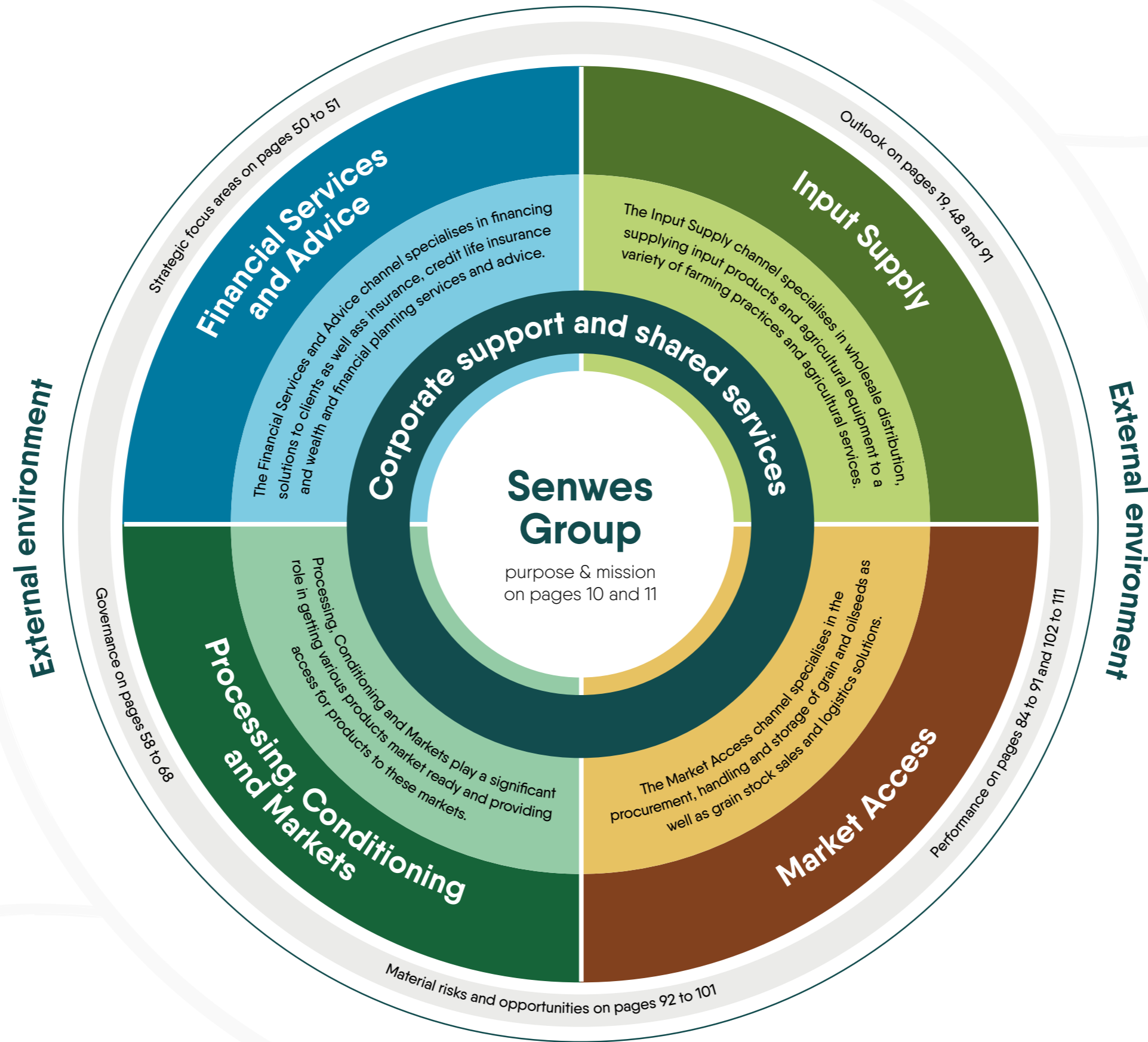
Harvesting of value synergies and reorganisation of business models

Externalisation

# Value-creating Business model (continued)

by enabling business activities...

that ensure the provision of innovative and integrated solutions...



Click on a page number to navigate to that page.

# Value-creating Business model (continued)

↑ Value creation  
 → Value preservation  
 ↓ Value erosion

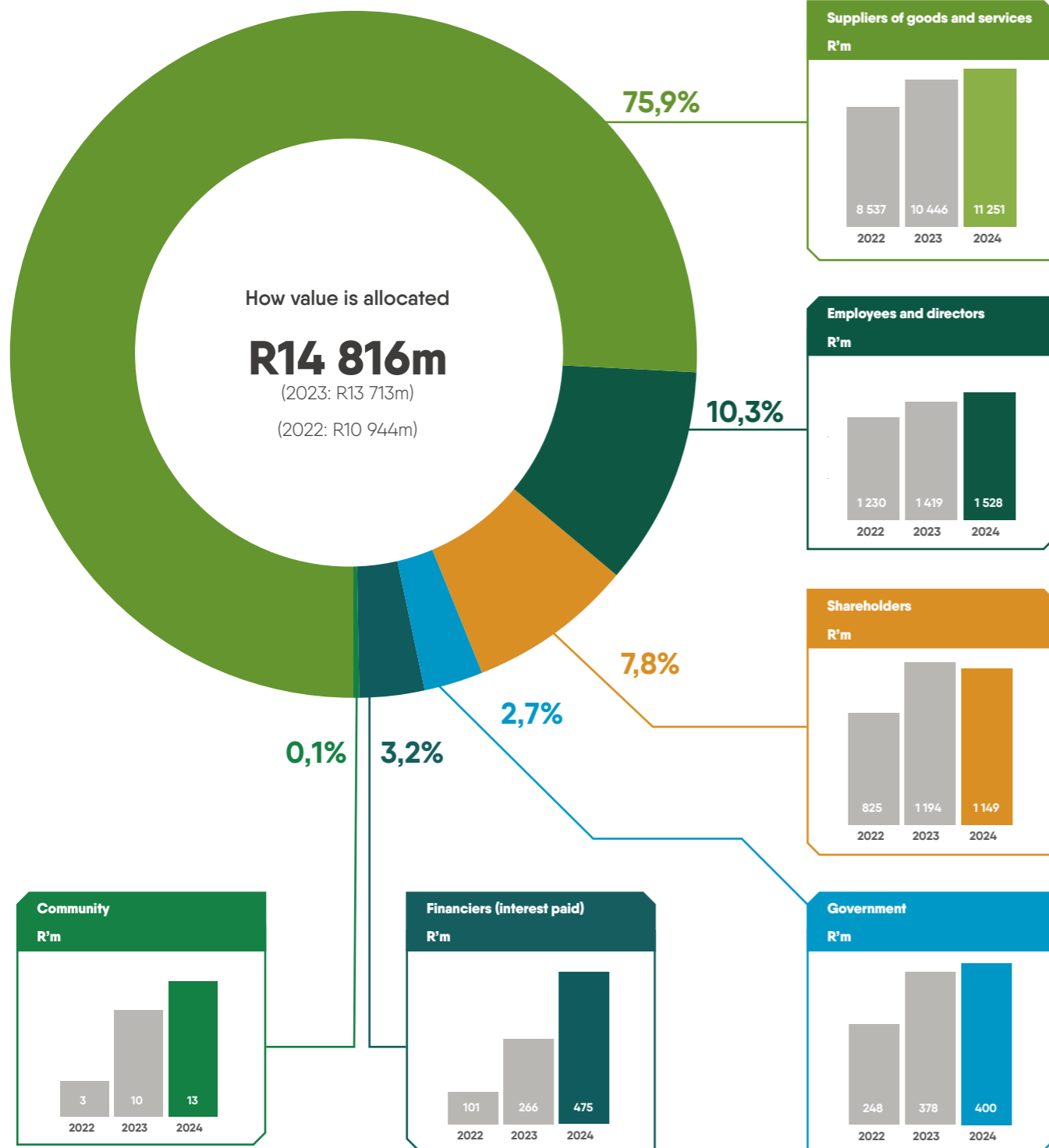
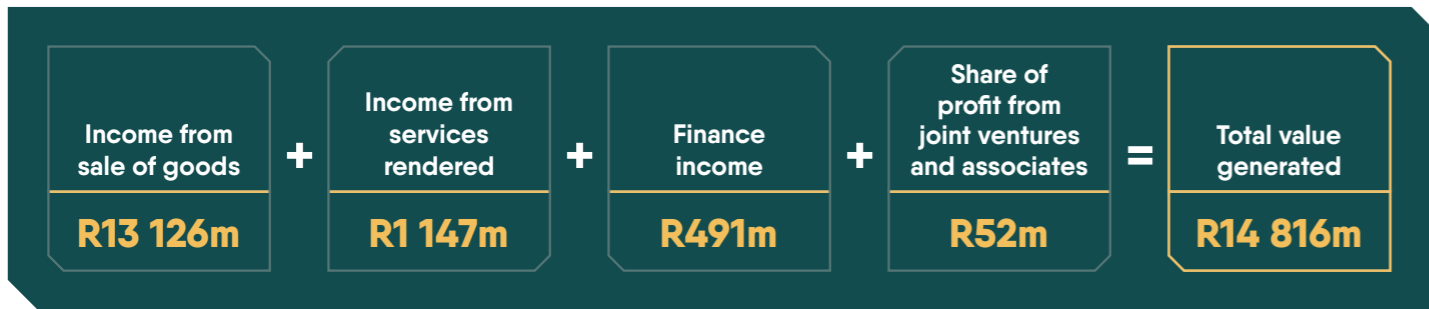
Suppliers of goods and services  
 Clients and customers  
 Employees and directors  
 Shareholders, investors and financiers  
 Business partners  
 Government and regulators  
 Communities

## and outcomes... that ensure long-term value for all of the group's stakeholders.

Category	Suppliers of goods and services	Clients and customers	Employees and directors	Shareholders, investors and financiers	Business partners	Government and regulators	Communities
<b>Financial capital</b>  <ul style="list-style-type: none"> <li>↑ Cash from operating activities increased by 14,3% to R2 061 million.</li> <li>↑ Quality of earnings increased by 10,6%.</li> <li>↑ Operating profit increased by 4,9% to R1 596 million.</li> <li>↓ Total shareholders return on opening market price decreased with 1,8%.</li> </ul>	↑	↑	↑	↑	↑	↑	↑
<ul style="list-style-type: none"> <li>↑ Net cash generated for the year amounted to R292 million.</li> <li>↑ The group maintains a focused capital allocation strategy to ensure optimal balance sheet utilisation and returns on capital allocated across the group.</li> <li>↑ Dividends paid increased by 15,8%.</li> </ul>							
<b>Intellectual capital</b>  <ul style="list-style-type: none"> <li>↑ Training expenses across the group amounted to R28,0 million (2023: R18,7 million).</li> <li>↑ Graduate programme that placed 17 graduates across the group.</li> <li>↑ Through the Senwes Academy, 82 employees completed formal learning programmes and qualifications.</li> <li>↑ Bursary schemes to enable employees and tertiary students to further their studies amounted to R1,9 million for the year.</li> <li>↑ Launched Udemy online learning (183 users).</li> <li>↑ Appointment of 54 YES learners, 24 NQF 3 Grain learners on learnerships and 36 apprenticeships.</li> </ul>	↑	↑	↑	→	↑	→	↑
<ul style="list-style-type: none"> <li>↑ Launched an Executive Leadership Development Programme, Culture Catalyst, which will commence in the new financial year.</li> <li>↑ Launched the Certificate in Grain Depot Management, a first in the grain industry in South Africa – 12 delegates were registered on the programme that commenced in April 2024.</li> <li>↑ Digital Transformation division executing the group's digital strategy.</li> <li>↑ Investments into AI, integration, and efficiency of R1,1 million were made by Senwes' IT department.</li> <li>↑ IT division, unique business applications and investment in core technology infrastructure.</li> </ul>							
<b>Human capital</b>  <ul style="list-style-type: none"> <li>↑ A workforce of 5 282 employees (2023: 5 079).</li> <li>↑ Salary and benefits paid: R1 528 million (2023: R1 419 million).</li> <li>↓ Employee turnover amongst permanent employees for 2024 decreased to 14,2% (2023: 18,7%).</li> </ul>	↑	→	↑	→	↑	→	↑
<ul style="list-style-type: none"> <li>↑ Continuation of the group-wide culture project to enable the eventual alignment of the organisation's culture, values and goals with that of its employees.</li> </ul>							
<b>Manufactured (infrastructure) capital</b>  <ul style="list-style-type: none"> <li>↑ New investment in property, plant and equipment increased by 8,2%.</li> <li>↑ Maintenance costs decreased by 11,0% to R113 million (2023: R127 million).</li> <li>↑ Depreciation increased by 21,4% to R227 million (2023: R187 million).</li> </ul>	↑	↑	→	↑	↑	→	↑
<ul style="list-style-type: none"> <li>↑ Improvements of R28,5 million to the Hinterland Kroonstad branch and fuel station was completed during the year.</li> <li>↑ Carpe Diem Raisins acquired the manufacturing property in Upington for R29,8 million. The property was previously leased from the non-controlling shareholders.</li> <li>↑ Falcon is currently in the process of optimising their manufacturing line, which includes additions of new manufacturing plant and equipment totaling R3,9 million.</li> </ul>							
<b>Social and relationship capital *</b>  <ul style="list-style-type: none"> <li>↑ Payments to suppliers of goods and services increased by 7,7%.</li> <li>↑ Total payments (tax and related compliance levies) to government and regulators amounted to R1 149 million.</li> <li>↑ Corporate Social Investment (CSI) and community spending increased by 23,1%.</li> <li>↑ Agri Credit Solutions' financing to emerging farmers increased by 5,7% to R31,5 million (2023: R29,8 million).</li> </ul>	↑	↑	↑	↑	↑	↑	↑
<ul style="list-style-type: none"> <li>↑ AgriRewards loyalty scheme allocation increased by 1,7% to R233 million (2023: R229 million).</li> <li>↑ AgriRewards+ was launched in 2023, with a total allocation amounting to R1,7 million in 2024.</li> </ul>							
<b>Natural capital *</b>  <ul style="list-style-type: none"> <li>↑ Electricity consumption at silos (the group's greatest electricity consumer) decreased by 13,2% to 25,1 GWh (2023: 28,9 GWh).</li> <li>↑ Diesel expenses decreased by 6,9% to R24,4 million (2023: R26,2 million) due to lower levels of load shedding.</li> <li>↑ Focus to reduce the group's carbon footprint, by ensuring that high energy-consumption systems are phased out through a combination of design, maintenance and replacement strategies.</li> </ul>	↑	↑	↑	↑	↑	↑	↑
<ul style="list-style-type: none"> <li>↑ A combined annual energy saving of 1,1 GWh was established with installed solar systems.</li> <li>↑ Four solar pilots were identified for installation. The first installation at Bothaville Hinterland was completed with the additional three to be completed during the year.</li> </ul>							

\* More detail about the group's societal and environmental impacts can be found in the group's web-based Sustainability Report at [www.senwes.com](http://www.senwes.com).

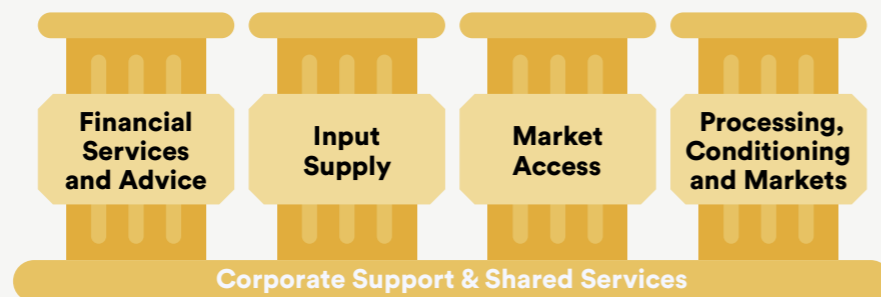
# Value for Stakeholders



# Business overview and geographic reach

## Business overview

The Senwes Group's operations can broadly be divided into four pillars supported by corporate and shared services as illustrated in the diagram on the right:



## Financial Services and Advice

The Financial Services and Advice channel specialises in financing solutions to clients as well as insurance, credit life insurance and wealth and financial planning services and advice.

### Insurance, wealth and financial planning services and advice



#### Certisure Group [Subsidiary of Senwes]

The Certisure Group is an insurance group that specialises in financial planning, asset, crop, credit life, corporate and life insurance, as well as funeral cover and medical aid schemes. Certisure renders broker and administrative services as well as financial planning solutions, which cater for and address the risk requirements of clients.



#### Senwes insurance cell captive [Division of Senwes with Guardrisk as the cell provider]

A cell insurance company for credit life insurance within Guardrisk Life which focuses on underwriting risks within the credit life insurance domain.



#### KLK Makelaars [Division of KLK Landbou]

KLK Makelaars has a strategic partnership with Certisure which enables them to continue to operate as a juristic representative of Certisure. This partnership enables them to continue operating under their existing brand.



#### SS Wealth Planning [Joint venture (JV) with S-Bro Financial Services]

SS Wealth Planning is an authorised financial services provider which facilitates wealth creation by means of wealth planning, advice and estate planning to ensure long-term financial peace of mind for clients.



### Financing

#### Agri Credit Solutions [Subsidiary of Senwes]

Agri Credit Solutions is a registered credit provider which offers financial products to producers. Agri Credit Solutions serves as the financing link and key enabler between agricultural producers and Senwes' other operations, including joint ventures and subsidiaries.

## Input Supply

The Input Supply channel specialises in wholesale distribution, supplying input products and agricultural equipment to a variety of farming practices and agricultural services.

### Wholesale distribution



#### AgriNet [Subsidiary of Senwes]

AgriNet is a wholesaler and distributor of a wide selection of industrial products, general merchandise and irrigation ranges to retail and trade markets in South Africa and neighbouring countries.

### Home and garden pest control and plant nutrition



#### Protek [Subsidiary of Senwes with the Botha family as combined shareholder]

Protek offers solutions for home and garden pest control and plant nutrition. The products are distributed to all leading hardware stores, nurseries, chain stores, agricultural companies and independent retailers across South Africa.

### Bulk input supply, retail and fuel



#### Hinterland Group [Subsidiary of Senwes]

Hinterland, which encapsulates both the Senwes Village and Suidwes retail branches, specialises in supplying input products for a variety of farming practices through its retail and fuel outlets. The group also offers a wide range of hardware and convenience products to the general public.



#### KLK Retail and Fuel [Division of KLK Landbou]

The KLK Landbou Group, through its retail branches and Build-It stores, aims to distribute and sell agricultural input supplies as well as various convenience products to the general public.

### Agricultural services



#### Senwes Agricultural Services [Division of Senwes]

Senwes Agricultural Services specialises in agricultural economic services, performance and technical efficiency analyses and benchmarking.

### Equipment manufacturing and distribution



#### S&L Connect [Foreign (German) subsidiary of Senwes]

S&L Connect is an agricultural equipment and services business offering agri-mechanisation equipment and implements, as well as maintenance solutions to agricultural producers in the Brandenburg and Saxony areas of East Germany. S&L Connect is a John Deere agent.



#### Senwes Equipment [Subsidiary of Senwes]

Senwes Equipment is an agricultural equipment and service business, which offers agri-mechanisation, construction, forestry, mining products and implements, maintenance, precision farming and equipment rental solutions to producers and customers alike. Senwes Equipment is a John Deere agent.



#### JD Implemente (JDI) [Subsidiary of Senwes with the Tomlinson family as combined shareholder]

JDI is a John Deere agent and broadens Senwes Equipment's geographical footprint by providing agri-equipment and maintenance solutions in the Western and Eastern Cape.



#### Falcon [Subsidiary of Senwes]

The Falcon Group, through its Staalmester and Falcon brands, expands Senwes Equipment's product offering and competitive edge in the agri-sector. Staalmester manufactures and imports agricultural equipment for small- and medium-sized producers, while Falcon manufactures and distributes tractor-drawn implements and parts to the South African and sub-Saharan agricultural and turf markets. Falcon is the sole importer of Amazone agricultural machinery in Southern Africa.



#### Prodist Mechanisation [Division of AgriNet]

Prodist Mechanisation specialises in sourcing, importing and distributing quality aftermarket agricultural spare parts.

## Market Access

The Market Access channel specialises in the procurement, handling and storage of grain and oilseeds as well as grain stock sales and logistics solutions.



### Senwes Grainlink [Division of Senwes]

Senwes Grainlink comprises two main divisions: Silo Industry and Market Access. The Silo Industry division specialises in the handling and storage of grain and oilseeds and is positioned between grain producers and off-takers. The Market Access division focuses on high probability trading, grain procurement, grain stock decision making, grain stock offers via Basislink, delivery and solution design.



### Grainovation [Subsidiary of Senwes]

Grainovation is an asset-light logistics broker, focused on optimising logistics across the Senwes Group.



### Silocerts [JV with AFGRI]

Silocerts provides a safe and effective way of managing electronic silo certificates via the internet or smartphones.



## Processing, Conditioning and Markets

Processing, Conditioning and Markets play a significant role in getting various products market ready and providing access for products to these markets.

### Skins and hides



#### SA Dorper [Subsidiary of KLK Landbou]

SA Dorper handles the processing and exporting of sheep skins and cattle hides.

### Agricultural lime



#### Bastion Lime Group [JV with NWK]

The Bastion Lime Group specialises in the production and marketing of high-quality lime and gypsum products for agricultural and industrial purposes.

### Raisins



#### Carpe Diem Raisins [Subsidiary of KLK Landbou]

Carpe Diem Raisins is an established brand name in the international raisin market. Carpe Diem Raisins buys, processes and packages organic and conventional raisins produced along the Orange River, and markets it largely to the international market.



### Mills



#### Botselo Mills [Senwes as a minority shareholder]

Botselo Mills is a family-operated maize milling operation located in Delareyville in the North-West Province. Botselo Mills produces a comprehensive range of quality white and yellow maize products. The mill also has its own beer plant, which produces its own specialised beer powder.



#### Africum Mills [Subsidiary of Senwes]

Africum Mills is located in Wolmaransstad in the North-West Province and is linked to the group's Wolmaransstad silo. The mill can produce various maize products. Africum Mills has been decommissioned and is not currently operational. It is also held for sale.

### Laboratory services



#### NviroTek [Subsidiary of Senwes with the founders as combined shareholders]

NviroTek Laboratory is one of the largest independent agricultural laboratories in Southern Africa. NviroTek performs a multitude of laboratory tests that assist with decision making across various sectors from its laboratories in Hartbeespoort and Wellington.

### Feedlot and abattoirs



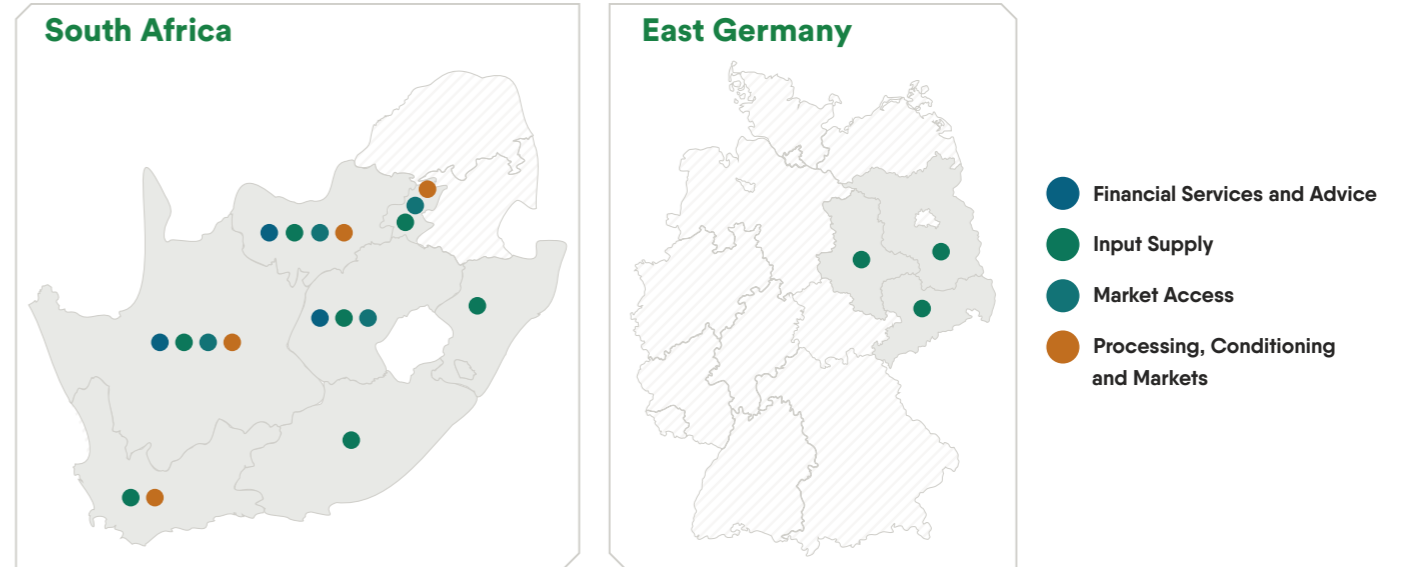
#### KLK Feedlot and Abattoirs [Division of KLK Landbou]

The KLK sheep feedlot prepares animals for the market. KLK's abattoir sites handle the slaughtering of sheep and cattle, and the selling of carcasses.





## Geographic reach



### South Africa

	Free State	North-West	Gauteng	KwaZulu-Natal	Eastern Cape	Western Cape	Northern Cape	Total
<b>Financial Services and Advice</b>								<b>23</b>
Agri Credit Solutions	1	1						2
Certisure	9	6					1	16
SS Wealth Planning		1						1
Senwes Cell Captive		1						1
KLK Credit							1	1
KLK Makelaars							2	2
<b>Input Supply</b>								<b>145</b>
Senwes Equipment	24	19	2		6		2	53
Hinterland Holdings	21	19	2				1	43
Prodist	1							1
Agrinet			1			1		2
Protek			1					1
Falcon Group		1		1				2
JDI					3	2		5
KLK							38	38
<b>Market Access</b>								<b>101</b>
Senwes Grainlink	51	22	4				3	80
Grain procurement offices	12	6					1	19
Grainovation		1						1
Silocerts			1					1
<b>Processing, Conditioning and Markets</b>								<b>13</b>
Bastion Lime Group		3						3
NviroTek		1				1		2
Mills		2						2
KLK			1				5	6
<b>Total</b>	<b>119</b>	<b>83</b>	<b>12</b>	<b>1</b>	<b>9</b>	<b>4</b>	<b>54</b>	<b>282</b>

### East Germany

	Brandenburg	Saxony	Saxony Anhalt	Total
<b>Input Supply</b>				<b>13</b>
S&L Connect	4	8	1	13
<b>Grand Total</b>				<b>295</b>

A large center pivot irrigation system is shown in a field of young green crops. The system consists of a long metal arm supported by a series of towers, extending across the field. The sun is setting in the background, creating a warm, golden glow. The sky is filled with soft, white clouds. The overall scene is peaceful and illustrates modern agricultural technology.

# Strategic and operating context



## Report by the *Group Chief Executive Officer*

Group CEO  
**Francois Strydom**

Purpose defines and gives meaning to you and I as individuals. Such individuals build a collective company culture where purpose, or in business terms, “strategy”, provides our core reason for existence.

Our “why” is not found in some generic metric, but focus on the provision of product, service and solution to our client base. If our clients exist, grow and prosper, then we will also grow as a result of being a trusted partner.

Business does not exist in a void. Mega, macro, local and very specific influences play a major role in its everyday deployment. For this reason, the Senwes Group decided, more than 24 years ago, to focus its existence on a very specific strategy or purpose.

The following trends play a major role in the continuation of our strategy:

### Mega trends, macro, local and specific influences shaping our future:

#### 1. Population growth – urbanisation

World population will reach 9,8 billion by 2050 – 60% more food will be needed.

#### 2. Climate changes

Agri-food production systems are responsible for more than 30% of greenhouse gas emissions from – sustainability needs to be on everyone’s radar.

#### 3. Natural resource scarcity

Arable land, but more so, natural water is becoming scarcer – the agricultural value chains are the major consumers of water and need to be more responsible.

#### 4. Energy and logistics

Renewable energy will be a bigger proportion of the world’s energy mix, both from a sustainability and financial point of view. Naturally, logistics will be greatly influenced by energy. Enough food is produced globally, but at the wrong place and at the wrong time, therefore logistics and storage become much more important in supply chains.

#### 5. Consumer trends are shifting

Food consumption patterns are increasingly undergoing fundamental shifts: Animal-source food consumption is decreasing and logistically shifts increasingly towards e-commerce and data-driven tech advances – exposure to these industries needs to be carefully considered.

#### 6. The top risks are environmental

Extreme weather events, critical changes to earth systems, biodiversity collapse and natural resource shortages are the top risks facing us in the next ten years – business cannot be run to the detriment of sustainability.

#### 7. Global agricultural subsidies are at an all-time high

Global subsidies for agriculture have reached record levels as governments try to shield consumers and producers from high inflation and international crises.

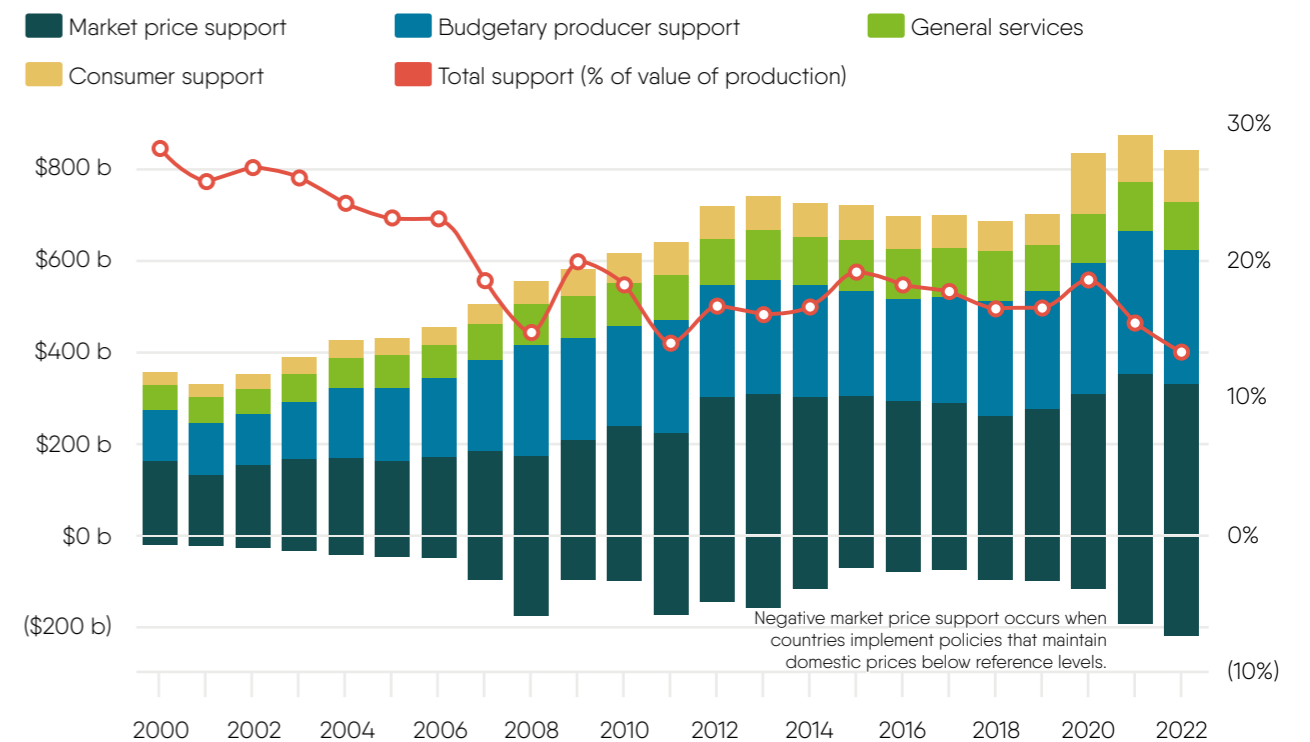
A recent report from the Organisation for Economic Co-operation and Development (OECD) titled Agricultural Policy Monitoring and Evaluation 2023 calculates that the 54 countries analysed in the report paid USD 851 billion in agricultural subsidies each year from 2020–22 (as shown in the graph below), which represents a 2,5-fold increase compared to two decades ago and a 22,3% increase compared to pre-pandemic levels of USD 696 billion.

Support remains highly concentrated in a few large economies. China represents 36% of the total and has

emerged as the country providing the most support, displacing large OECD economies which have historically held that role. India, the United States and the European Union, which are all large agricultural producers, now represent 15%, 14% and 13%, respectively.

Individual producers were the largest beneficiaries of agricultural support, receiving USD 630 billion per year in 2020–22. On average, transfers to individual producers represented 14% of gross farm receipts (GFR). Support varies substantially across countries, with some OECD countries providing their farmers with levels of support equivalent to over 40% of GFR, while the negative price support in a few emerging economies corresponded to 4% of GFR.

### Support for Agriculture



All 38 OECD countries, the five non-OECD EU Member States and eleven emerging and developing economies. Source: OECD (2023), Agricultural Policy Monitoring and Evaluation 2023

South African producers receive no support from the South African government and have to export or supply local markets against imports, given that most governments subsidise their farmers. If and when countries lower their support levels to their farmers, the South African food and fibre value chains would be well suited to compete in those markets.

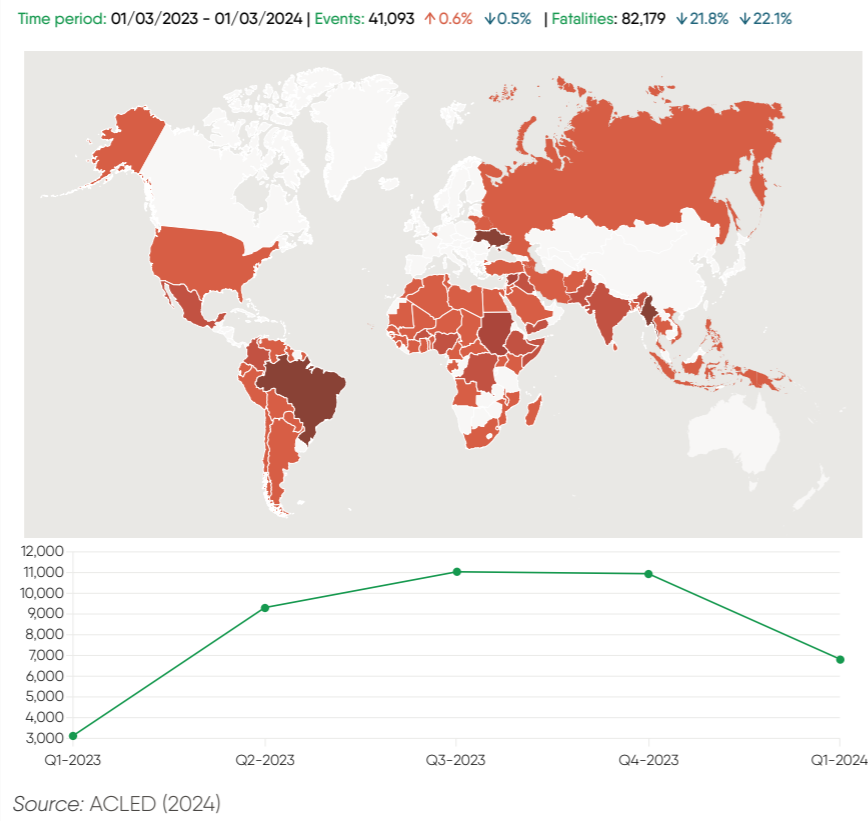
For us, the farm road is not an inconvenience. It is part of our daily existence, growth and the way we fulfil our purpose.

### 8. Occurrence of wars across the world is increasing

The major events, like the Ukraine and Hamas insurgence, are but some of the more than 7 000 to 11 000 battles raging across the globe in the last few years and have major disrupting effects on production and logistical value chains.

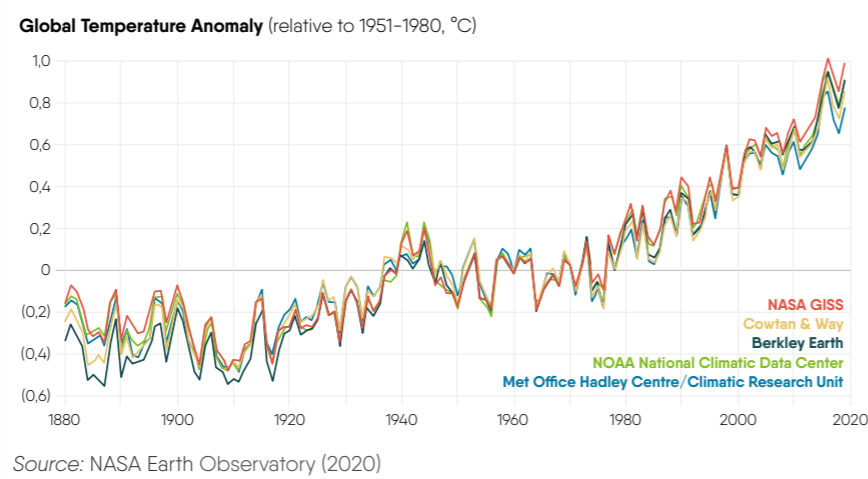
The map on the right-hand side illustrates the occurrence of wars across the world between March 2023 and March 2024. Battles include armed clashes, instances where governments regained territory as well as where non-state organisations overtook territories. During the 12 months, since March 2023, 41 093 war events occurred, resulting in 82 179 fatalities.

The world has increasingly become unstable and both export and import markets suffer directly as a result of these occurrences.



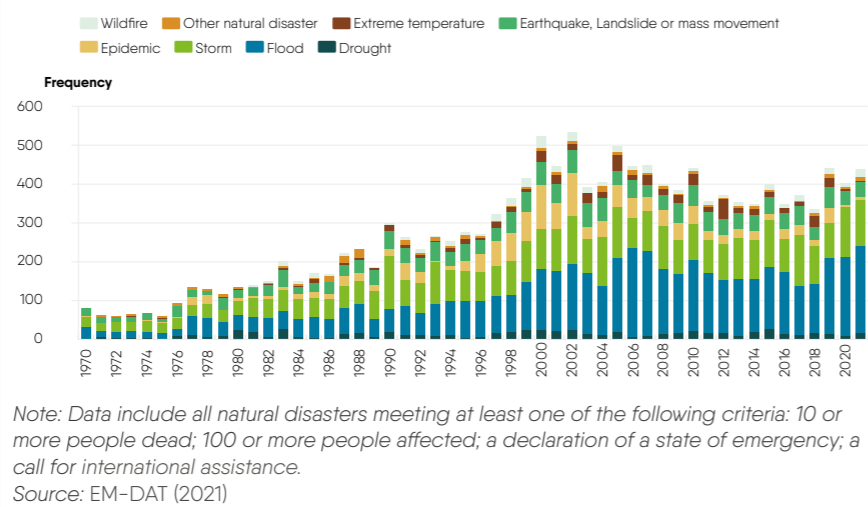
### 9. Global temperatures are rising

The measurements of global temperatures since 1880 shows a slow increase until the 1980s. The alarming increase since then has a major effect on food production systems and geographies.



The effect of this rising temperature is clearly visible in the natural risks. The graph on the right-hand side illustrates the frequency of natural disasters worldwide between 1970 and 2021.

To mitigate this risk, both commodity and geographic spread needs to be considered.



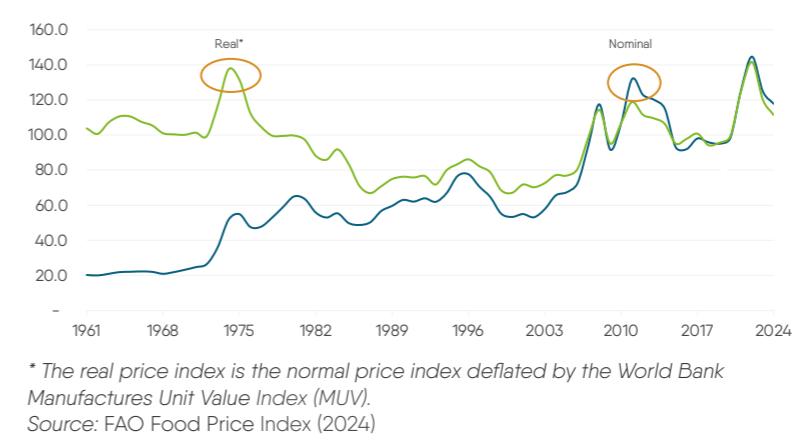
### Brent Crude Oil Price History - 2004 - 2024 YTD



### 10. Brent crude oil seems to have found stability

Since April 2020, the Brent crude oil's price maintained a steep upward trajectory, peaking two years later and since then kept its levels between USD 80 and USD 100 per barrel.

### FAO Food Price Index in nominal and real terms 2014-2016 = 100



### 11. Global food price inflation

The Food and Agriculture Organization (FAO) food price index rose sharply during Covid-19 but seems to be edging lower and stabilising.

Food prices and national stability have a more profound correlation than what we think. South Africa has been successful in feeding the nation over difficult years.

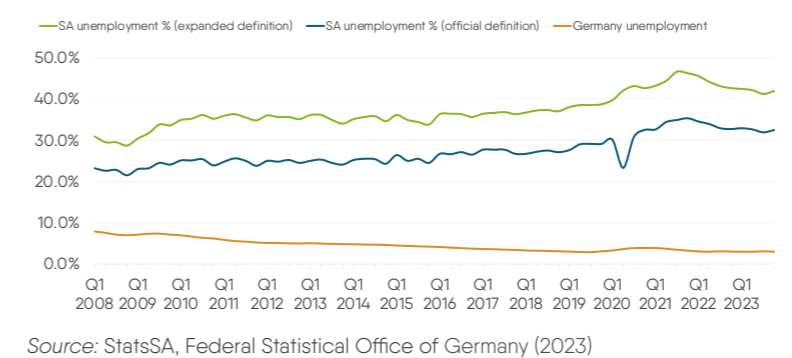
### R/\$ vs R/Euro Exchange rate



### 12. Exchange rates

The South African Rand has shown consistent weakening against the Euro and US Dollar. This shields our commodity prices in South Africa to an extent, even more so for export-oriented commodities.

### SA and Germany unemployment since 2008



### 13. Unemployment figures

South Africa is amongst the countries with the highest unemployment rates in the world – a direct outflow of the South African government's policy failure.

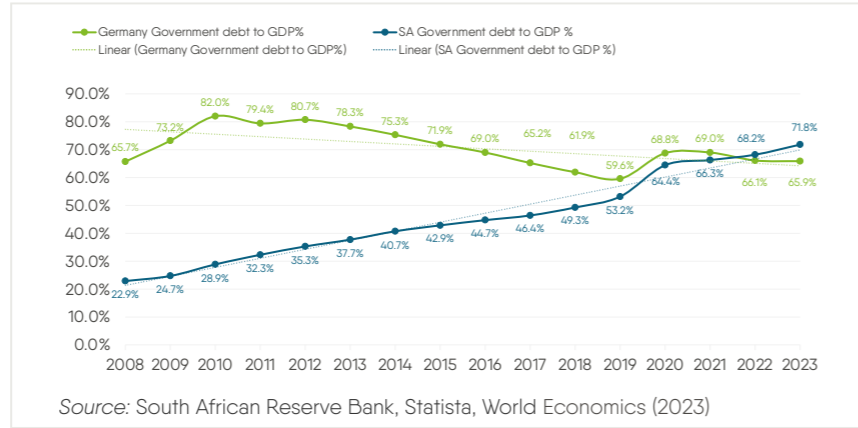
Germany's unemployment rate is radically lower and has been in constant decline since 2008 – again a direct outflow of the German government's policy.

The Senwes Group's exposure in both these countries does mitigate some of its geographic, commodity and exchange risks, but also some of its fundamental political and country risks.

#### 14. Government debt to GDP

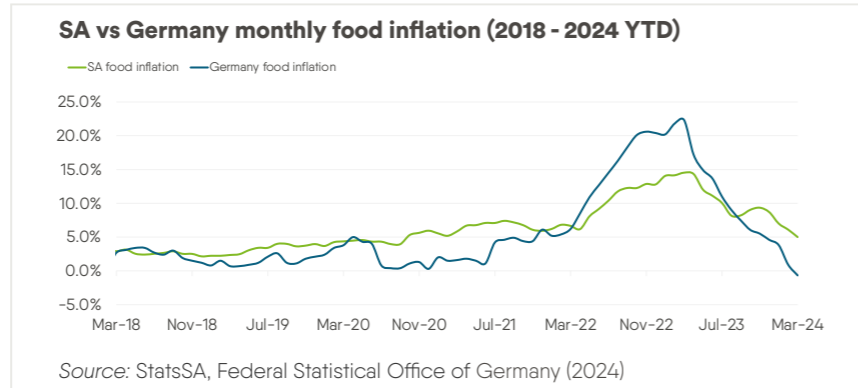
South Africa's government debt to GDP is at a record high of 71,8% and will most likely continue this trajectory – again an outcome of the government's failure.

Germany's ratio peaked in 2010 at 82% and has been declining constantly.



#### 15. Food inflation trends

South Africa historically had a higher food inflation rate than Germany. The few years after Covid-19, that trend reversed, but has again normalised back to its historic trend in late 2023.



#### 16. World ending grain stock trends

All the major grain and oilseed stock levels are moderate to high, which does not leave upside price pressure, given where the world is now (May 2024).

#### 17. South African national crop values and farming debt

The following table provides good context on the four major grain commodity crop values – with periods of sideways movement, followed by a steep rise since 2019 through to 2023 and a very definite turning point during 2024.

Summary of four major crop values – Safex value vs Total farming debt											
Production year	Maize		Sunflower		Soybeans		Wheat		Total crop value (R' m)	Total farming debt (R' m)	Debt to crop value
	Tonnes	Crop value (R' m)	Tonnes	Crop value (R' m)	Tonnes	Crop value (R' m)	Tonnes	Crop value (R' m)			
2007/08	12 700 000	25 459	872 000	4 106	282 000	1 147	2 130 000	5 453	36 166	57 412	1,59
2008/09	12 050 000	16 791	801 000	2 336	516 000	1 698	1 958 000	4 176	25 001	63 946	2,56
2009/10	12 815 000	14 063	490 000	1 650	566 000	1 437	1 430 000	3 915	21 064	69 972	3,32
2010/11	10 360 000	18 361	860 000	3 411	710 000	2 286	2 005 000	5 417	29 474	79 364	2,69
2011/12	12 120 400	27 759	522 000	2 512	650 000	2 623	1 870 000	6 779	39 673	88 779	2,24
2012/13	11 810 300	26 507	557 000	2 924	787 100	3 685	1 870 000	6 657	39 774	102 508	2,58
2013/14	14 250 000	25 806	832 000	3 923	948 000	5 309	1 750 000	6 567	41 604	116 576	2,80
2014/15	9 955 500	28 158	663 000	3 217	1 070 000	5 015	1 457 015	6 600	42 991	133 089	3,10
2015/16	7 778 500	30 977	755 000	4 912	742 000	4 820	1 910 000	7 502	48 211	144 981	3,01
2016/17	16 820 000	30 734	874 595	4 002	1 316 370	6 230	1 535 000	6 228	47 195	158 343	3,36
2017/18	12 510 000	26 186	858 605	3 953	1 540 000	7 066	1 868 000	8 041	45 246	168 481	3,72
2018/19	11 275 000	32 092	680 940	3 406	1 170 345	5 529	1 535 000	6 722	47 749	177 915	3,73
2019/20	15 300 000	39 436	788 500	4 686	1 245 500	8 263	2 120 000	10 343	62 728	174 828	2,79
2020/21	16 315 000	52 996	678 000	5 896	1 897 000	13 792	2 285 000	13 800	86 484	177 782	2,06
2021/22	15 470 000	67 494	845 550	9 010	2 230 000	20 237	2 110 000	14 336	111 077	186 267	1,68
2022/23	16 430 000	60 663	720 000	6 109	2 770 000	21 442	2 078 025	12 215	100 429	200 931	2,00
2023/24 Est *	13 404 600	60 214	649 250	5 896	1 778 790	15 545	2 020 000	11 874	93 528	207 562	2,22
5-year avg. (2018/19 to 2022/23)	14 958 000	50 536	742 598	5 822	1 862 569	13 853	2 020 000	11 450	81 660	183 545	2,45
2023/24 change from 5-yr avg.	(10,4%)	19,1%	(12,6%)	1,3%	(4,5%)	12,2%	0,0%	3,7%	14,5%	13,1%	(9,4%)

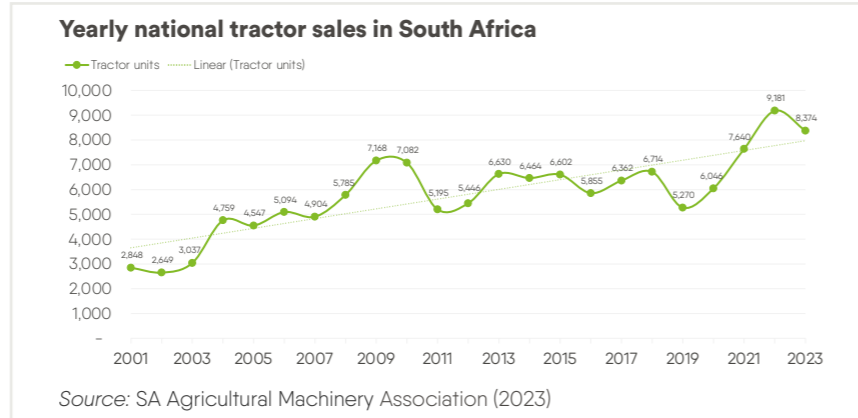
\* White maize @ R5 059/t, yellow maize @ R3 982/t, sunflower @ R9 082/t, soybeans @ R8 739/t, wheat @ R5 878/t.  
Source: Own calculations based on data from the Department of Agriculture, Land Reform and Rural Development's Abstract of Agricultural Statistics 2023, Crop Estimates Committee and SAFEX Commodity Prices

Grain farmers had five years of rising turnover. In 2023/24 this trend turned around and the profitability of farmers has come under pressure.

### 18. Tractor sales

The South African national tractor sales show an upward trend, with big volatility between years and a decline since 2023 and continuing during 2024.

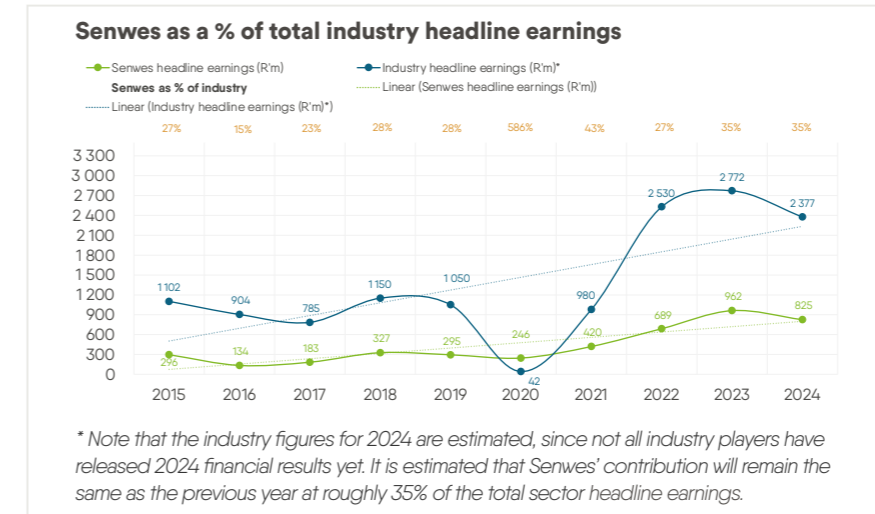
The German national tractor sales, on average, are four to five times more than that of South Africa and with a lower year-on-year volatility. Farmers were able to replenish capital goods over the last few years and will most probably be adjusting their spending patterns in the short term.



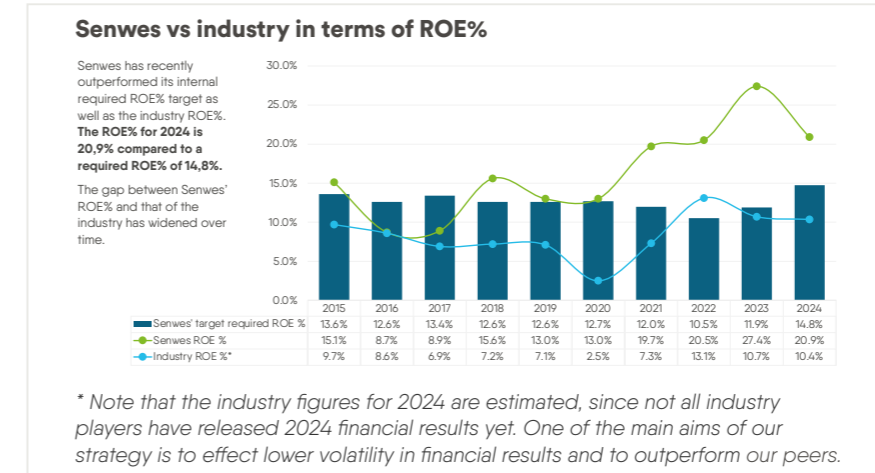
### Competitive landscape

#### Senwes vs industry long-term performance – headline earnings

The Senwes Group consistently performed well if measured by the typical financial competitor ratios. The reporting season is currently in process and therefore we show the 2023 results:

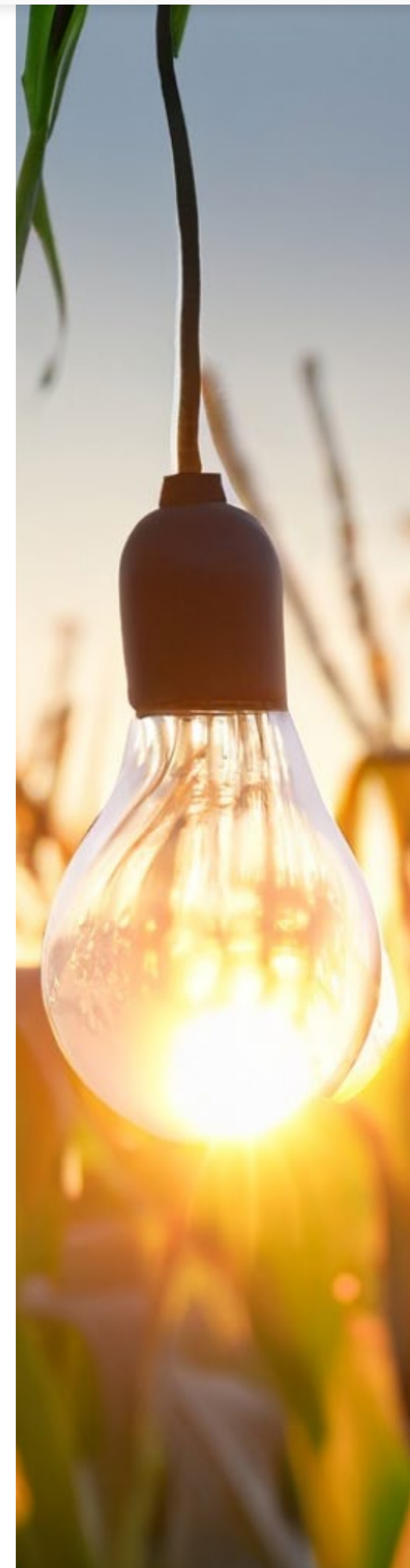
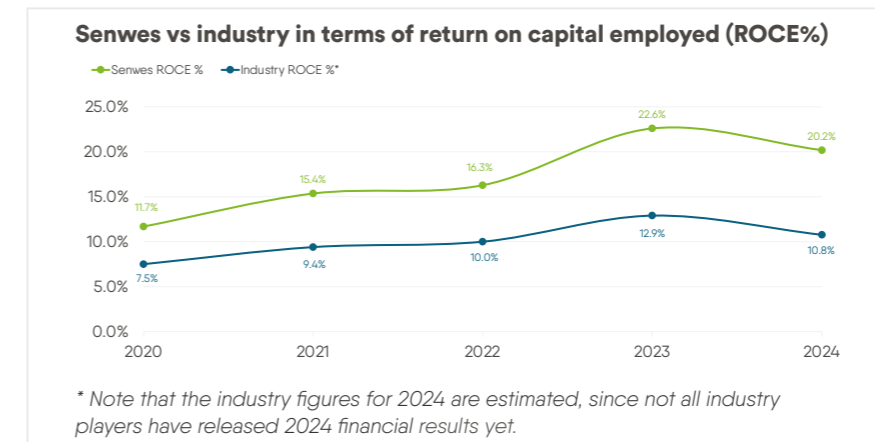


#### Senwes vs industry long-term performance – Return on Opening Equity (ROE%)



#### Senwes vs industry long-term performance – Return on Capital Employed (ROCE%)

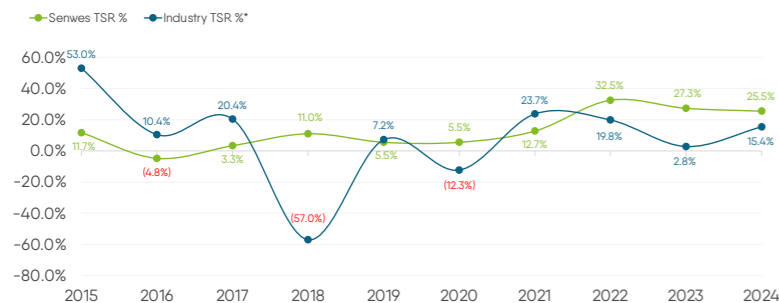
The Senwes Group's ROCE% is outperforming that of the combined industry.



### Senwes vs industry long-term performance – Total Shareholder's Return (TSR%)

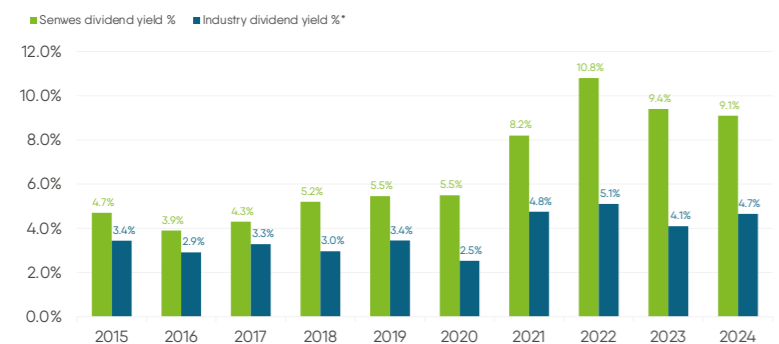
Senwes' Total Shareholders' Return (TSR%) consists of dividend yield and capital growth, where capital growth is the growth in the value of the share price during the year. The TSR% has increased notably since 2020, and remained consistently high for the last three years, while also outperforming the industry. Senwes' dividend yield is more stable than its capital (share price) growth.

#### Senwes vs industry in terms of total shareholders' return (TSR %)



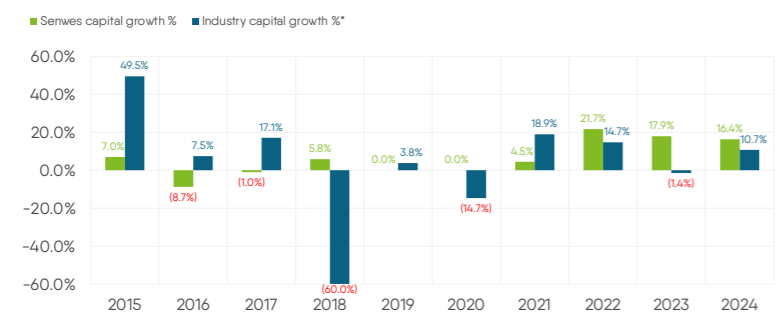
\* Note that the industry figures for 2024 are estimated, since not all industry players have released 2024 financial results yet.

#### Senwes vs industry in terms of dividend yield



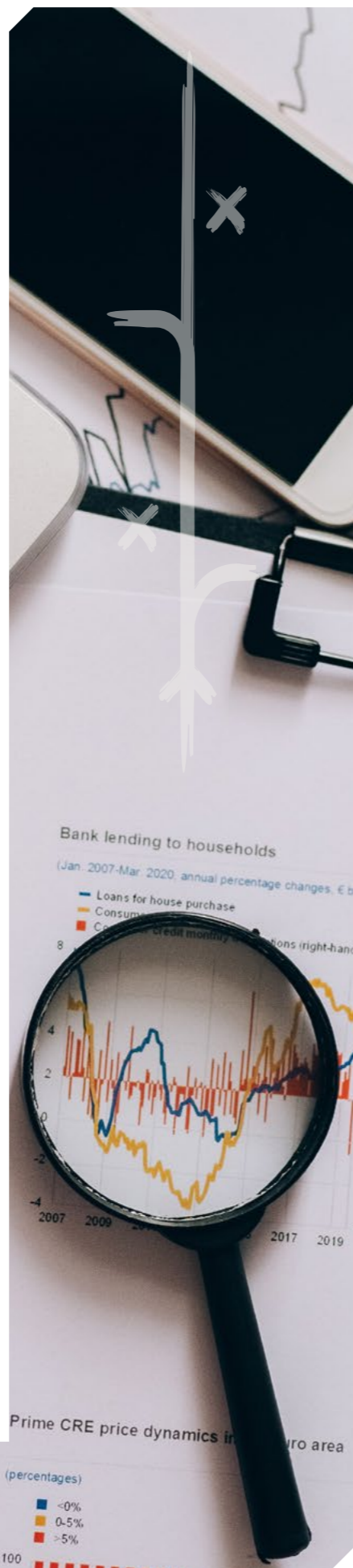
\* Note that the industry figures for 2024 are estimated, since not all industry players have released 2024 financial results yet.

#### Senwes vs industry in terms of capital growth % (growth in share price)



\* Note that industry figures for 2024 are estimated, since not all industry players have released 2024 financial results yet.

We developed and kept on refining our own measuring and benchmarking system within our industry, in a way it is easier to get ahead than to stay ahead. If we do not keep on measuring ourselves, complacency sets in and that, despite the best strategy, is the final failing element for any business, no matter the size or age.



### Senwes and the investment landscape

Today, equity investors have access to a wide variety of investment portfolios at lower-than-ever costs. The rise of exchange-traded funds (ETFs) gives anyone with a smartphone access to markets in North America, Europe and Asia. This represents the alternative for the Senwes shareholder and as such the TSR for one Senwes share is compared to a number of popular alternative investments available to the average South African investor. These investments are:

- Nasdaq 100
- Gold ETF
- S&P 500
- JSE Top 40

The table below illustrates the TSR % an investor would have achieved by investing in the above investments. The TSR % is calculated for 12 months starting on the Senwes financial year and ending on the Senwes financial year. The returns do not account for investment fees. All returns are in South African Rand terms.

- Berkshire Hathaway Incorporated Class B share

Companies	FY22	FY23	FY24	Average
Senwes	34,8%	26,9%	24,8%	<b>28,9%</b>
Berkshire Hathaway	25,5%	18,7%	23,6%	<b>22,6%</b>
Nasdaq 100	6,1%	15,0%	37,2%	<b>19,4%</b>
Gold ETF	15,2%	24,3%	15,5%	<b>18,3%</b>
S&P 500	10,9%	17,0%	26,6%	<b>18,1%</b>
JSE Top 40	7,9%	12,7%	(2,5%)	<b>6,0%</b>

Over the 3-year period an investment in Senwes yielded satisfactory returns and compares favourably to other alternatives in the market.

### Highlights from our 2024 results (30 April 2024)

Our group's performance	R' million				
	2020	2021	2022	2023	2024
Revenue	4 803	7 463	10 881	13 642	14 684
Profit from normal operating activities	479	810	1 056	1 503	1 395
Profit after tax and NCI	303	504	601	907	855
Normalised headline earnings	246	420	689	962	825

The group's revenue increased by 7,6% to R14 684 million (2023: R13 642 million), which is largely attributable to an increase in sales volumes through the equipment cluster, the inclusion of the German operations for the full financial year and the acquisition of the Porst dealership during the period under review. Profit margins were, however, under pressure as a result of the challenging economic (local and global), market, logistical and weather conditions. This especially affected the Input Supply and Processing, Conditioning and Markets segments.

Performance per share	RSA cents per share				
	2020	2021	2022	2023	2024
Earnings per share	178,3	294,4	347,6	525,8	501,8
Normalised headline earnings per share	144,2	244,4	398,2	558,1	484,3
Net asset value per share	1 506,1	1 707,3	1 947,7	2 337,4	2 713,7
Total dividend for the year	60	90	124	132	150

*(Interim dividend paid + final and special dividend proposed)*

The proposed dividends for the year will result in a dividend cover ratio of 3,3 times (2023: 4,0 times). Treasury shares held increased from the previous year to 16,3 million shares compared to 5,8 million shares on 30 April 2023. The increase in treasury shares are mainly due to the share buy-back programmes held during the current year.



Shareholders' returns	Percentage (%)				
	2020	2021	2022	2023	2024
Return on opening equity	13,0	19,7	20,5	27,4	20,9
Dividend yield	5,5	8,2	10,8	9,4	9,1
Total Shareholder's Return	5,5	12,7	32,5	27,3	25,5

The total shareholder's return from 2022 was predominantly influenced by the growth in share price of R11,50 per share on 30 April 2021 to a closing share price of R19,20 on 30 April 2024. The share price, however, remains below the net asset value per share of R27,14 on 30 April 2024, resulting in a price-to-book ratio of 70,8% (2021: 67,4%).

Capital allocation and cash flow indicators	Units	Percentage (%)				
		2020	2021	2022	2023	2024
ROIC	%	9,8	12,5	13,9	19,5	16,2
ROCE	%	11,7	15,4	16,3	22,6	20,2
ROA (using profit after tax)	%	4,0	4,9	6,0	7,6	6,1
Free cash flow	R'm	(382)	1 048	(558)	2 040	495
Net cash flow generated/(used)	R'm	34	(520)	453	66	292

Return on Invested Capital (ROIC) is calculated as the net operating profit after tax (NOPAT) divided by the invested capital. NOPAT is calculated by taking the earnings before interest, but after interest on commodity finance, and tax (EBIT) and subtracting taxes using the effective tax rate for the applicable financial period on the EBIT. Invested capital is calculated as the sum of the opening shareholder funds and the average of the borrowed funds (excluding commodity finance). ROIC displayed an upward trend from FY20 to FY23, where a peak was achieved of 19,5% during FY23. In FY24 a ROIC of 16,2% was achieved, a decrease of 3,3%. The decrease in ROIC was driven by an increase in invested capital of R861,9 million (15%) and decrease in NOPAT of 4,7% compared to the previous period. Value is created for shareholders when ROIC exceeds WACC. This has occurred throughout the entire measurement period.

Return on Capital Employed (ROCE) is calculated by taking EBIT and dividing it by the capital employed. Capital employed is calculated as the sum of net working capital (based on monthly averages) and all non-current assets. ROCE displayed an upward trend from FY20 to FY23, where a peak was achieved of 22,6%. In FY24 this

decreased to 20,2%. This was due to an increase in capital employed of R640,1 million, which was primarily driven by an increase in inventory levels in the equipment cluster. The group outperformed the hurdle rate throughout the period.

Return on Assets (ROA) is calculated by taking the profit after tax (including non-controlling interest) and dividing it by the total assets. ROA displayed an upward trend from FY20 to FY23 where a ROA of 7,6% was achieved. In FY24 a decreased ROA of 6,1% was achieved, which was driven by a decrease in profit after tax of R85 million and an increase in assets of R1,9 billion compared to the previous period.

Free cash flow (FCF) is calculated by taking the cash flows generated from operating activities and subtracting the value of capital investments to maintain operating capacity (net of proceeds from disposals) as well cash-flows for working capital requirements. Cash-flows from commodity finance are treated as working capital for purposes of calculating FCF.

During FY20 the group displayed negative FCF of R382 million. This resulted from maintenance capital investments of R137 million and a cash outflow from working capital of R594

million, with an increase in the debtor book being the primary driver. The outflow was partially offset by cash flow generated from operations of R349 million.

In FY21 the group ended with a positive FCF of R1 048 million which mainly consisted of profits for the year (operational cash-flow) of R680 million and a working capital inflow of R384 million. This was mainly due to an increase in creditors.

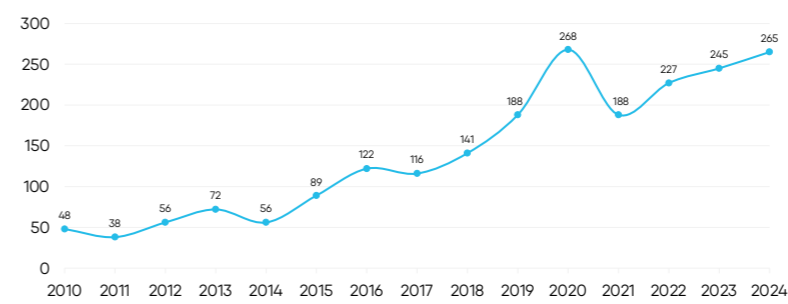
The group ended FY22 with a negative FCF of R558 million. This resulted from operational cash generated of R1 067 million, offset by cash outflow resulting from maintenance capital expenditure, R98 million, and cash utilised for net working capital, R1 527 million. The primary drivers of the net working capital outflow were the payment of creditors and variation margins paid on the pre-season grain contracts that were priced below the closing SAFEX prices to the amount of R1 204 million and an increase in debtors of R147 million.

For FY23 the group generated positive FCF of R2 040 million. This mainly consisted of an operational cash flow of R1 297 million and a cash inflow of R792 million realised from working capital. The working capital movement was largely driven by an inflow from the variation margins on the pre-season book that was repaid to Senwes as the grain deliveries took place against the contracts that were in the previous year priced below closing SAFEX prices. An increase in inventory of R1 406 million offset the positive inflow on the pre-season grain contracts.

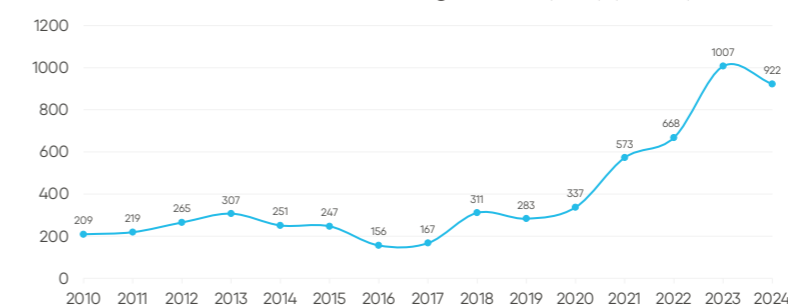
During FY24 the group generated FCF of R495 million. This comprised operational cash-flow of R1 378 million which was offset by investment in working capital of R880 million. The working capital movement was mainly driven by a decrease in debtors of R330 million, an increase in creditors of R146 million, an increase in commodity finance of R459 million and an outflow of R1 710 million for further investment in inventory.

## Financial performance and strategic milestones timeline 2010 to 2024

### CAPEX spent (in R'm)



### Profit after tax before non-controlling interest (NCI) (in R'm)



## Operating profit per business channel

	R' million				
	2020	2021	2022	2023	2024
<b>Market Access</b>	<b>176</b>	<b>213</b>	<b>325</b>	<b>526</b>	<b>593</b>
Grain cluster	176	213	325	526	593
<b>Input Supply</b>	<b>43</b>	<b>318</b>	<b>481</b>	<b>630</b>	<b>431</b>
Equipment cluster	53	178	233	385	195
Retail cluster	21	126	159	191	168
Wholesale cluster	(31)	14	89	54	68
<b>Financial Services and Advice</b>	<b>201</b>	<b>146</b>	<b>153</b>	<b>195</b>	<b>249</b>
Credit cluster	190	138	140	169	216
Insurance cluster	11	8	13	26	33
<b>Processing, Conditioning and Markets</b>	<b>59</b>	<b>133</b>	<b>97</b>	<b>152</b>	<b>122</b>
Manufacturing cluster	45	95	88	105	50
Meat cluster	14	13	8	33	37
Milling and petfood cluster	-	25	1	14	35
<b>Profit from normal operational activities</b>	<b>479</b>	<b>810</b>	<b>1 056</b>	<b>1 503</b>	<b>1 395</b>
Corporate costs	(89)	(138)	(131)	(160)	(137)
Consolidation, abnormal and sundry items	56	77	(55)	(16)	(5)
<b>Profit after interest, before tax</b>	<b>446</b>	<b>749</b>	<b>870</b>	<b>1 327</b>	<b>1 253</b>
Tax	(109)	(176)	(202)	(320)	(331)
<b>Profit after tax, before NCI</b>	<b>337</b>	<b>573</b>	<b>668</b>	<b>1 007</b>	<b>922</b>
Non-controlling interest (NCI)	(34)	(69)	(67)	(100)	(67)
<b>Profit after tax</b>	<b>303</b>	<b>504</b>	<b>601</b>	<b>907</b>	<b>855</b>

Capital expenditure (CAPEX) are investments in long-term assets. In the short term, CAPEX will lead to a decrease in cash flow, as the expenditure does not necessarily generate immediate revenue. The graphs on the left-hand side indicate a direct correlation between capital expenditure and the subsequent increase in revenue and resulting profits. CAPEX becomes very important in a growing business, as it is required to not only maintain operating capacity, but also increase operating capacity by re-investing profit back into productive assets.

The Market Access segment contributed 42,5% (2023: 35,0%) to the total segmental profit, mainly driven by the silo operations result, while the Input Supply segment, especially influenced by the equipment cluster, experienced the biggest decline in profit from the previous period (31,6%). This is a result of gross profit margin pressure in, specifically, the used whole good, and construction and forestry departments, and increased interest expense due to higher stock levels. The Processing, Conditioning and Markets segment were mainly influenced by the declined financial performance of the raisin business from the previous period. The Financial Services and Advice segment displayed a consistent yearly growth in profits from 2022.



### Mergers and acquisitions returns per financial year

	2019	2020	2021	2022	2023	2024
	R/share	R/share	R/share	R/share	R/share	R/share
<b>Normalised HEPS excl. acquisitions</b>	<b>1,76</b>	<b>1,27</b>	<b>1,84</b>	<b>2,74</b>	<b>3,94</b>	<b>3,64</b>
<b>Normalised HEPS acquisitions</b>	<b>0,02</b>	<b>0,17</b>	<b>0,60</b>	<b>1,24</b>	<b>1,64</b>	<b>1,20</b>
Staalmeester (2019) and Falcon (2020)	0,02	0,05	0,17	0,24	0,25	0,21
KLK Landbou (2020)		0,12	0,32	0,25	0,39	0,15
Suidwes Group (2021)			0,11	0,75	0,86	1,20
SFL Group (2023)					0,14	(0,36)
<b>Normalised HEPS: Senwes Group</b>	<b>1,78</b>	<b>1,44</b>	<b>2,44</b>	<b>3,98</b>	<b>5,58</b>	<b>4,84</b>

Growth from 2019 to 2024

171,9%

The table on the left-hand side indicates the magnitude of the contribution from recent acquisitions in relation to the traditional Senwes Group in terms of normalised HEPS growth. Normalised HEPS increased from R1,78 per share in 2019 to R4,84 per share in 2024, which translates to growth of 171,9% in HEPS over the 5-year period. The recent acquisitions contributed R1,20 per share (24,8%) and the traditional Senwes Group contributed R3,64 per share for the period under review.

## The year that was and what to expect in the next year

The 2023/24 financial period will be remembered for the volatile climatic conditions, first dry, then wet, then extremely dry and hot, and ended off wet. These conditions were the drivers for the price volatility and also the movement on price differentials between the different commodities during the season.

Our expectations for the 2024/25 period will be formed by the soil moisture levels at the start of the new season as well as the price levels and relativity between the different commodities.

We expect to see increased white maize production, decrease in soya hectares and lower wheat hectares as well.

The lower profitability of farmers will see stress on all the input channel businesses in our group portfolio, while the lower volumes of grain commodities produced during 2023/24 will see much lower results on the Market Access businesses as well.

The whole portfolio of businesses in our group is continuously evaluated on their returns, both internally as well as from an investor's point of view. Strategic fit as well as the changing environment in especially

the retail and wholesale environment will form the basis of our continuous analysis and evaluating processes. The Senwes Group is not afraid to be the contrarian thinker and executer in our sector – we believe that it is the right thing to do.

At the reading of this report, the South African election results will be known, and businesses will have to deal with whatever the consequences are. There are outstanding individuals and businesses within all the commodity value chains in our beloved country, and as always, we will endure through the grace of God.

## Acknowledgements

The Senwes Group strategy has no internal focus – the focus is on our client base at both sides of the value chain, i.e. the primary producer (farmer) and the further processing industry. Our internal metrics is to measure efficiencies.

This outward-focused strategy, in very simplified terms, always asks the question: "How can I help you?".

Our sincere gratitude therefore starts and ends with each customer who entrusted us with their businesses through the year – we are proud and thankful to be associated with each one of you, both in South Africa and Germany.

Every business and joint venture in our portfolio has management teams and a staff complement that is our pride and deserves our respect. They are supported and assisted by all the corporate and support functions who equally delivers our products and services to our client base. Both in South Africa and Germany, these are exceptionally dedicated people.

The Senwes leadership team drives, directs, and monitors our business and their exceptional ownership ensures the financial outcomes of the group – they take full responsibility for the group.

Our input suppliers, service providers, professional advisers and partners in our businesses deserves a very special word of thanks.

The communities in which we operate, mostly in the rural towns across South Africa and Eastern Germany, are very important stakeholders and I acknowledge them all.

The Senwes Group has an exceptional board, committees and leadership structure. I thank and acknowledge your personal dedication.

Our Chairman, Mr Danie Minnaar, takes up his responsibilities with exceptional care – my deepest gratitude for that.

May the Lord guide, protect and show His continued grace in our business.

**Francois Strydom**

Group Chief Executive Officer

5 July 2024

Klerksdorp



# Group Strategy

## Our dream

To enable our clients to maintain, grow and enhance all aspects of their diversified businesses in such a manner that the group, as a result thereof, will also prosper.

## Strategic philosophy and approach

Senwes believes in an inch-wide, mile-deep approach to strategy, rather than the other way around. The group does not believe in extensive diversification up and down the value chain, but rather to diversify through commodity, geography, client base, products, services and brands. The group positions itself not to compete with its clients. For Senwes, strategy is more about what to say "NO" to rather than what to say "YES" to. You are strategically lost if

you do not know the difference between temptation and opportunity.

The Senwes Group takes a risk-based approach to strategy. Applied in practice, a risk-based strategic approach ensures that the degree of risk appetite guides the nature of strategic initiatives pursued. In other words, in times of low risk (moderate- to high-risk appetite) more offensive strategic plans (growth and/or expansion opportunities) will be pursued, while in times of high risk (low-risk appetite) more defensive strategic plans will be necessary.

## Strategic evolution

Senwes' strategic evolution highlights how the different aspects of the business can be seen at the current point in time, and how each of these aspects are anticipated to transform in the future.

## Where are we?

Integrated financial product offering within the agri-market and a local agri-focused insurance solution.

Agricultural retail business and input supplier.

Equipment solutions for our customer base.

Storage solutions deployed to grain producers, supported by an integrated market intelligence business through high probability trading, client support, selling grain on an ex-silo basis and decision making in respect of grain stock.

## Where are we going?

→ A fully integrated financial services group with an expanded product range and national footprint, that provides tailored client and business-to-business solutions, driven by an integrated approach.

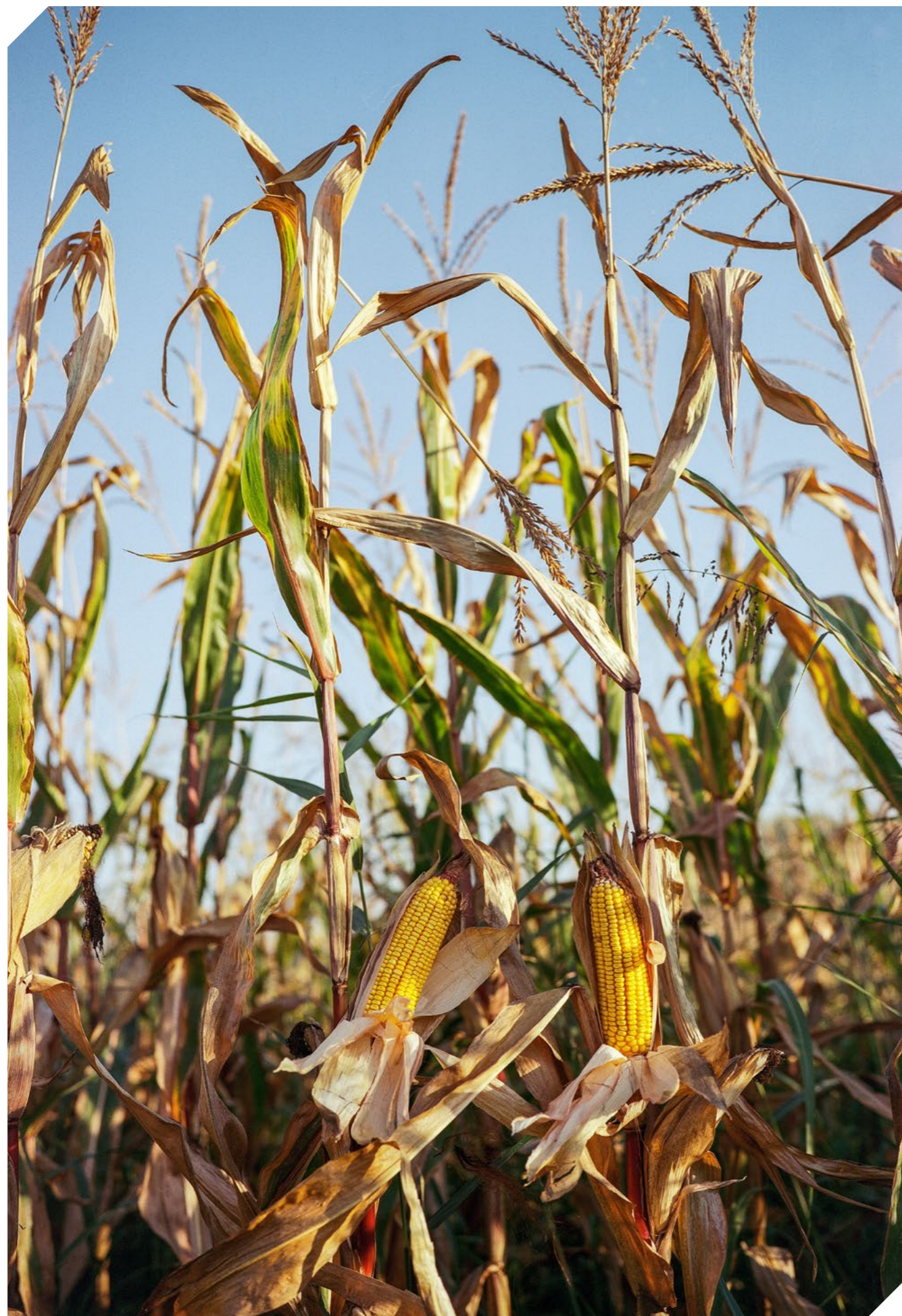
→ Integrated input solutions and services linked to agri-advice.

→ Equipment solutions, showcasing more diversified products, supplied to a national and international market.

→ Market Access and grain storage solutions integrated with logistics, finance and a market intelligence business providing risk and financial management support to clients, thereby delivering an end-to-end solution which enables the full value chain.

## Strategic focus areas

Strategic focus areas	Objectives	Current priorities	Timeframe of current priorities			
			Short term	Medium term	Long term	
Focus areas	Diversification, horizontal integration and consolidation	<ul style="list-style-type: none"> <li>Diversification of the business to mitigate concentration risk, coupled with effective horizontal integration and consolidation of the agri-business sector to facilitate national expansion.</li> <li>Diversification, expansion and/or consolidation by means of a product and service offering, operational activities, commodities, client base, infrastructure, market segment, geography and/or mergers and acquisitions.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously driving organic growth of the current portfolio.</li> <li>Further local consolidation to improve the group's footprint to include more commodities, brands and geographies.</li> </ul>	X	X	X
	Increased investment in efficiencies within the value chain	<ul style="list-style-type: none"> <li>Maintaining a specialised focus on the parts of the value chain where Senwes operates to identify and implement projects that will enhance efficiencies and ensure improved service delivery.</li> <li>Reinvesting in our core competencies and efficiencies.</li> </ul>	<ul style="list-style-type: none"> <li>Building, growing and/or optimising our energy base to achieve further de-risking of our current South African footprint.</li> </ul>	X	X	X
	Internal integration of the customer	<ul style="list-style-type: none"> <li>Leveraging customer intelligence across the Senwes Group to ensure:                             <ul style="list-style-type: none"> <li>Improved customer relationships and consequent retention of customers.</li> <li>The provision of integrated, value-adding solutions for customers and to obtain an increased share of the customer's wallet spending across the Senwes Group.</li> <li>Expanding the customer base.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Retain the focus on our customer portfolio, re-invest and organically grow market share and share of customers' wallets in our sector.</li> </ul>	X	X	X
	Harvesting of value synergies and reorganisation of business models	<ul style="list-style-type: none"> <li>Unlocking value synergies by primarily focusing on reaping the benefits of shared corporate functions and operational efficiencies across the group.</li> <li>Reorganisation and/or restructuring of the group in such a manner that it is optimally positioned for future growth and expansion.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a sharp focus on internal optimisation, cost control, unlocking of value synergies and efficiencies, as well as the improvement of operational processes.</li> <li>Roll-out of the group's shared services model to businesses in the group that are currently not utilising the model.</li> <li>Optimising the allocation of resources and capital.</li> <li>Investment in the support functionality of the group and the investigation of alternative models for shared services at each of the support divisions.</li> </ul>	X	X	X
	Externalisation	<ul style="list-style-type: none"> <li>Investigate and identify beneficial global opportunities (outside the borders of South Africa).</li> <li>Mitigating or diversifying risk by means of expanding to new, lower-risk jurisdictions.</li> <li>Diversify shareholders' income streams.</li> </ul>	<ul style="list-style-type: none"> <li>Further European expansion by means of acquisition.</li> </ul>		X	X



## Our rolling 10-year strategic dream – in words and quantified

During the 2023 financial period, the group conducted a review of its rolling 10-year strategy. In the current financial period revised the quantification of its dream at a high level to achieve profit from normal operating activities of R3,9 billion by 2033/34.

The snapshot below summarises the Senwes Group's strategic focus areas and objectives to 2033/34:

Goals & aspirations			
Strategic outcomes			
For our shareholders	For our people	For our customers	For the environment and the communities, in which we operate
<ul style="list-style-type: none"> <li>De-risk our investment.</li> <li>Returns above the market.</li> <li>Sustainability over time (growth).</li> </ul>	<ul style="list-style-type: none"> <li>Career opportunities.</li> <li>Will help employees develop as balanced human beings.</li> <li>Will be a "home away from home".</li> <li>An employer that employees can be proud to be associated with.</li> </ul>	<ul style="list-style-type: none"> <li>Reliable partner.</li> <li>Always be the "benchmark" as far as value and support of customers rank.</li> <li>Guaranteed payment is provided to customers in accordance with established terms.</li> <li>Senwes is a group that understands the nature of my business challenges.</li> </ul>	<ul style="list-style-type: none"> <li>A good corporate citizen which communities are proud to be associated with.</li> <li>Support and protect / defend the communities in which we operate and enable them to grow.</li> </ul>

### Our aspiration for 2033/34

**Total profit from normal operating activities = R3,9 billion \* (2023/24 = Total profit from normal operating activities of R 1,4 billion)**

\* The table below illustrates how this value is calculated for 2033/34.

Business unit/entity	2033/34 PBT R'm
Corporate actions	800
[Organic growth of current portfolio (+R200m); Further local consolidation (+R250m); International expansion (+R200m); Cost savings (+R150m)]	
Market Access	1 050
Agrinet	250
Hinterland	320
NviroTek	70
Protek	80
KLK	220
Bastion Lime Group	105
Agri Credit Solutions	120
Certisure	80
SS Wealth	20
Equipment (excl. international expansion incl. under corporate actions)	300
JDI	70
Falcon/Staalmeester	110
Prodist Mechanisation	25
S&L Connect (excl. Porst incl. under corporate actions)	250
<b>Total group profit from normal operating activities</b>	<b>3 870</b>

## Strategic milestones already achieved

Since the Senwes Group scoped its 10-year rolling strategy for the first time in 2010, the group has reaped the benefits of focus and commitment to its strategy. The timeline illustrates the group's key strategic milestones between 2010 and 2024, with the corresponding profit from normal operating activities for each year.

**2010**  
**R396m**

- Grainovation logistics JV was established with Imperial Logistics as partner, effective 14 January 2010.

**2011**  
**R371m**

- Increased the group's share in Grasland Ondernemings (now Bastion Lime Group) to 50% with NWK as JV partner, effective 24 June 2010.
- Expanded into Africa through grain trading operations in Malawi.

**2012**  
**R349m**

- Expanded grain trading operations into Zambia and Mozambique. Bunge was onboarded as JV partner in this regard.
- Senwes' equipment business expanded to the Southern Cape with the acquisition of a 50% stake in JD Implemente (JDI) to form a partnership with the Tomlinson family, effective August 2011.

**2013**  
**R418m**

- Certisure (insurance brokerage) JV was established with NWK, effective 1 May 2012.
- Established Bunge Senwes International, when Bunge Europe acquired 50% of the group's Africa operations, effective 1 September 2012.

**2014**  
**R260m**

- Hinterland retail JV was established with AFGRI, effective 1 June 2013. The wholesale distributor, Prodist (75% held by Hinterland), was acquired as part of the Hinterland JV.
- As part of Senwes' strategy to align and integrate into the logistics value chain, Grindrod acquired a 20% stake in Senwes.
- Senwes' Grain Marketing division started to operate in a new entity, Tradevantage, effective 1 November 2013.

**2015**  
**R398m**

- Established Molemi Sele with AFGRI and NWK. The company was the owner of a cell captive for credit life insurance within Guardrisk Life. Senwes held a 35,6% share in the business.
- Exited the African operations because the business did not deliver on strategic and financial objectives.

**2016**  
**R253m**

- The Meadow Feeds contract for the supply of yellow maize was awarded to Tradevantage, effective from 1 May 2016. This was the largest single yellow maize contract in South Africa at the time.

**2017**  
**R275m**

- JCB Agency agreement was awarded to Senwes Equipment.
- Expanded the equipment footprint to the Eastern and Western Cape with the acquisition of Agrico's John Deere agencies in Aliwal North, Ugie and George, effective 1 August 2016.
- Senwes launched its hedge fund into the market with Absa.
- The AgriRewards loyalty scheme was implemented.

**2018**  
**R513m**

- Further expansion in the Eastern Cape with an equipment branch in East London.

**2019**  
**R498m**

- Increased Hinterland's share in Prodist to 100% (Senwes 50%) and merged Hinterland and Prodist, effective 1 December 2018.
- Acquired Staalmeester (75% stake), effective 1 October 2018.

**2020**  
**R479m**

- Acquired KLK Landbou (57,4% stake), effective 1 July 2019.
- Acquired Falcon (100% stake), effective 1 November 2019.
- Acquired 100% of the shares in the Grainovation JV, effective 1 November 2019.

**2021**  
**R810m**

- Acquired 100% of Suidwes, effective 31 October 2020. This acquisition included NviroTek, Protek, Agrinet and Raddix Insurance.
- Termination of the Hinterland JV, leaving Senwes with 100% shareholding of Hinterland. The assets contributed to the JV by AFGRI, were returned to them.
- Closure of Tradevantage (exit from mill-door business).
- SS-Wealth Planning was established with S-BRO Financial Services.
- Grindrod sold its 20% stake in Senwes Limited to Agribel Holdings, as part of a strategic move by Grindrod to divest non-core businesses and repay debt.

**2022**  
**R1 056m**

- Effective 1 May 2021, Senwes acquired NWK's 50% stake in Certisure, leaving Senwes with 100% shareholding in Certisure.
- Effective 1 May 2021, Prodist's operations were integrated with Agrinet.
- The JCB-agency agreement terminated on 31 October 2021.
- Senwes Equipment and JDI added the John Deere Construction & Forestry range to their product offerings.

**2023**  
**R1 503m**

- Effective 1 May 2022, Senwes acquired the remaining 25% stake in Staalmeester, increasing shareholding to 100%. Falcon and Staalmeester were merged into a single entity with two separate brands.
- International expansion through the acquisition of three John Deere agencies in Eastern Germany, effective 1 July 2022.
- Effective 1 September 2022, Senwes purchased an additional 9% of interest in Protek, bringing its total shareholding to 60%.
- Senwes sold its share in Molemi Sele to the other JV partners, NWK and AFGRI, effective 1 November 2022, and decided to continue with its own cell captive.
- KLK Group divested its livestock auctioneering businesses and motor vehicle agencies.
- Senwes sold its seed business to ZAR Seed Production (Pty) Ltd.

**2024**  
**R 1 395m**

- S&L Connect acquired various assets from Porst Landtechnik GmbH to operate within the existing S&L Connect business, effective from 1 August 2023. This marks the acquisition of the fourth John Deere dealership in Eastern Germany.
- During the year, KLK Landbou Ltd increased its shareholding in Carpe Diem Raisins (CDR) by purchasing the remaining 20% shareholding from non-controlling shareholders of CDR, bringing the total shareholding to 100%. The effective date of the transaction being 29 May 2023.
- On 1 July 2023 Senwes expanded geographically by onboarding two additional third-party credit books into the Senwes Cell Captive structure to provide credit life insurance to their respective clients and producers.



# Corporate Governance

# Corporate Governance Report

## The governance philosophy

The Senwes Group (the group) and the board of directors (the board) of Senwes and its related parties conduct business according to the highest standards of corporate governance and in the interest of all its stakeholders.

Senwes' sound governance frameworks and practices are thoroughly entrenched throughout the group and with these, Senwes endeavours to ensure the stakeholders' trust. The group strives to ensure an ethical culture and sound risk management structures and controls whilst operating in a challenging external business environment (also refer to the sustainability report on [www.senwes.com](http://www.senwes.com)).

## King IV principles

The board's governance approach is guided by its commitment to its responsibilities and governance objectives. The objectives provide a mechanism to measure and evaluate performance in applying the King IV principles on corporate governance.

### Principles 1 to 3

#### Leadership, ethics and corporate citizenship

The board sets the tone and leads the group ethically, effectively and responsibly. This means that, in decision making, individual board members act with independence of mind, competence, diligence and conservatism.

The board, as the highest decision-making body, forms the intellectual thoughts of the group and each director has a fiduciary responsibility and custodianship in respect thereof. Directors must therefore commit themselves to this responsibility and ensure that it is executed in a conscientious manner.

The group is a key role player in rural areas and communities in providing employment, training and financial contributions to municipalities. Senwes is often the largest business in an area and its sustainability is depended on by communities. The group's contribution to the fiscus is also substantial.

The group supports high levels of ethical conduct and sustainability at all levels. A web-based sustainability report is available separately on Senwes' website and explains these aspects more comprehensively.

### Principles 4 and 5

#### Strategy, performance and reporting

The board takes accountability for the performance of the group. In doing so, the board supports the group in setting and achieving its strategic objectives. Information related to required disclosures is contained in, among other reports, this integrated report and the supplementary reports, available at [www.senwes.com](http://www.senwes.com).

### Principles 6 to 10

#### Governing structures and delegation

The board provides guidance and oversight to the group on the management of compliance, risk, remuneration governance, as well as the enterprise-wide risk management function, which fully supports sound governance practices.

There is a clear division between the rights, responsibilities and competencies of the non-executive and executive authority in order to ensure a balance of power and authority, such that no one individual has unfettered decision-making powers.

The delegation of authority to management was reviewed during the 2024 financial period. The reservation of authority policy contains the key material matters that are reserved for consideration by the board only.

### Principles 11 to 15

#### Governance of functional areas

The focused governance of functional areas such as risk, compliance, IT and technology, remuneration and assurance are delegated to the various board committees. The chairmen of these committees report formally and comprehensively in writing to the board on these matters.

### Principles 16 and 17

#### Stakeholder relationships

The board ensures a stakeholder-inclusive approach and has approved a comprehensive stakeholder engagement policy. The group's strategy aims to create sustainable values for all stakeholders and for Senwes to become a preferred investment partner, employer, supplier and distribution channel, as well as a good corporate citizen.

During the period under review, more focus has been directed on the rural areas and the material impact that the group makes thereon.

## Shareholder structure

The majority shareholder, Agribel Holdings Ltd (Agribel), has long-term strategic plans for the group as the holding company and control structure of Senwes. Currently, the Agribel directors have majority representation on the Senwes board as contemplated in the Memorandum of Incorporation (MOI) of Agribel.

## Apply and explain

The principles of King IV have been adopted as far as practically possible but given the current shareholder structure, the group does not apply certain principles of King IV:

### Principle 7:

The board does not comprise a majority of independent directors.

### Principle 8:

The non-executive chair of the board is not an independent director but is supported by a duly elected and experienced independent non-executive vice-chair, who was also elected as the lead independent director.

The chairman of the board is the chairman of the Nomination Committee (Nomco). The Chairman of Remuneration Committee (Remco) is a non-independent non-executive director.

Although both committees do not have independent chairmen, the committees' independent judgement is always ensured by a strong lead independent vice chairman and robust debate and member engagement.

Agribel fully supports the strategy of Senwes and in certain instances actively assists with the facilitation of the strategy of growth, diversification and consolidation.

As indicated above, the shareholder structure dictates the composition of the board and is as follows:

Shareholders	Number of shares	% shares held
Agribel Holdings Limited	124 162 715	68,68%
Senwes Capital Proprietary Limited	10 835 221	5,99%
Senwes Share Incentive Scheme Trust	5 418 043	3,00%
Producers	23 068 774	12,76%
Public	17 304 555	9,57%
	<b>180 789 308</b>	<b>100,00%</b>

The Senwes Group comprises the divisions, companies and relationships, including subsidiaries, joint ventures and associates as reflected on **pages 28 to 31** of this report.

## The board

### Mandate of the board:

**The board acts as a unitary governance structure and collectively ensures in terms of King IV that it:**

- Guides strategic direction: Considers and reviews the 10-year rolling strategy of the group, presented by management, and the budgets necessary for the implementation of the approved strategy.
- Approves policy and planning.
- Provides oversight and monitoring.
- Ensures accountability.
- Approves and implements formal reservation (board) and delegation of authority (CEO and below) policies.

**In doing so, the board has committed to fulfilling the following responsibilities:**

- Delegates management of the group to a competent executive management team.
- Ensures that a robust strategy process is defined, resourced and executed by management.
- Ensures compliance with appropriate legislation (including regulations), governance codes and appropriate best practices.
- Governs disclosures so that stakeholders can effectively assess the performance of the group.
- Protects the interests of the group's stakeholders and ensures fair, responsible and transparent people practices.
- Oversees the risk management function and ensures that it informs management's development and implementation of the strategy.
- Ensures that the board remains independent in executing its duties.
- Adopts a fair and responsible remuneration policy.
- Ensures a culture of ethics and wellbeing.

### The composition of the board

Shareholders	Board members
Agribel Holdings Ltd	6
<b>Together with:</b>	
Independent non-executive directors	4
Executive directors	2
	<b>12</b>

With four independent non-executive directors on the board and an experienced executive team, no single individual can exercise undue influence on the decision-making processes of the board.

Directors are nominated and elected by shareholders and provision has been made for rotation in the form of a staggered rotation programme, in terms of which no board member's term of office may exceed three years without reappointment. Directors are appointed, subject to re-election, by the shareholders in accordance with the Companies Act and the MOI.

If a director has served for a period of more than nine years, best practice requires the board to consider whether that director continues to be independent in executing his fiduciary duties. The board, upon recommendation by the Nomination Committee (Nomco), has adopted the policy of annually reviewing the directors' independence if their tenure has reached nine years or more.

Based on the results of the evaluation, the board will consider whether there is any evidence of any circumstance and/or relationship that would impair their judgement, to the extent that their independence is compromised. The process to evaluate the independence of one director appointed to the board in 2009, was undertaken in February 2024, prior to the AGM. This director, Dr Booysen, was re-elected and the independence evaluation will reoccur annually.

The composition and the performance of the board, individual directors and committees are carefully scrutinised by Nomco. Shareholders are provided with information about directors to enable them to make informed decisions regarding the election of such directors. The reappointment of non-executive directors is not an automatic process and, through Nomco, the board conducts a screening process to ensure that proposed board of candidates are "fit and proper" to serve as board members. The succession plans for the chairman and vice-chairman have also been approved by this committee.

The board continuously evaluates itself with the assistance of Nomco. During the period under review, Nomco once again conducted a performance evaluation of the board and its practices. The board critically evaluated itself in terms of size, composition and skills set as well as the workload of the board committees. Overall, no serious concerns were raised except that the board was of the opinion that it was slightly too big in terms of numbers.

The board committees contribute significantly to the effectiveness of the board by ensuring that detailed oversight and reporting take place.

## The board charter

The board charter regulates the parameters within which the board operates and ensures the application of the principles of good corporate governance in all its dealings. Furthermore, the board charter sets out the roles and responsibilities of the board and individual directors, including the composition

and relevant procedures of the board. The board charter is reviewed annually and is aligned with the provisions of all relevant statutory and regulatory requirements, including, amongst others, the Companies Act No 71 of 2008, as amended (the Companies Act), King IV and the company's MOI.

## Board meetings and attendance of board meetings

The board meets quarterly and board committees occur before board meetings to ensure that the board's work is being done and attended to comprehensively. Meetings are well attended, as can be seen from the following table:

Director	Board <sup>1</sup>	Audit Committee <sup>2</sup>	Risk Committee <sup>3</sup>	Remco	Nomco	Investment Committee	Social and Ethics Committee
<b>Number of meetings</b>	5	5	2	3	2	4	1
<b>Non-executive:</b>							
<b>JDM Minnaar</b> (Chair) <sup>4</sup>	5	5	2	3	2	4	1
<b>SF Booysen</b> (Vice-chair)	5	5	-	3	2	4	-
<b>VJ Klein</b>	5	2	2	-	-	-	1
<b>NDP Liebenberg</b>	5	2	-	3	2	4	-
<b>G Malherbe</b>	4	1	2	-	-	-	1
<b>JS Marais</b> (retired 22 August 2023) <sup>5</sup>	1	1	-	-	-	-	1
<b>JJ Minnaar</b>	5	4	2	3	-	-	-
<b>JPN Stander</b>	5	5	1 <sup>#</sup>	-	-	-	-
<b>WH van Zyl</b>	5	2	2	3	-	-	-
<b>AG Waller</b>	5	5	-	-	-	4	-
<b>JJ Viljoen</b>	5	2	2	-	-	-	1
<b>Executive: <sup>6</sup></b>							
<b>F Strydom</b>	5	5	2	3	2	4	1
<b>CR Klingenberg</b>	5	5	2	3	-	4	1

<sup>1</sup> Includes strategic session.

<sup>2</sup> Five meetings held due to appointment process for new auditors. Non-members attended interim and half-year meetings by invitation.

<sup>3</sup> Other members attended the Risk Committee upon invitation: #.

<sup>4</sup> Ex officio member of all board committees.

<sup>5</sup> Retired at the annual general meeting.

<sup>6</sup> Executive directors attend meetings by invitation and are members of the Senwes Risk Committee only.

## The role and function of the chair

The chair is a non-executive director who is appointed by the board on an annual basis. The positions of the chair and the Group Chief Executive Officer are separate with segregated duties.

The primary role of the chair is to provide ethical and effective leadership to the board, set the tone for its performance and undertake the management thereof. Our chairman regularly engages with the board members, both on a collective basis and separately with the non-executive directors.

The chair must regularly communicate with the Group Chief Executive Officer regarding all operational matters and must, without hesitation, consult the remainder of the board regarding any matters which may be a source of concern. He also acts as a facilitator at all meetings of the board of directors (or members' meetings) in order to ensure that no member, executive or non-executive, dominates discussions, that appropriate discussion takes place, and that relevant opinions are forthcoming.

The chair is the link between the board of directors and Group Chief Executive Officer. The Group Chief Executive Officer shall inform the chair of all substantial matters between board meetings.





## Declaration of and dealing with personal interests

The personal interests of directors are monitored comprehensively and reported continuously in terms of the embedded governance practices.

The shareholding of the board is indicated below:

Name	Senwes shares	Direct %	Agribel shares	* Indirect %
<b>Non-executive:</b>				
NDP Liebenberg & related parties	-	0,00%	1 193 329	0,89%
JDM Minnaar & related parties	8 982	0,00%	17 142 066	12,73%
JJ Minnaar & related parties	42 215	0,02%	6 287 437	4,67%
WH van Zyl & related parties	54 143	0,03%	5 884 356	4,37%
JJ Viljoen & related parties	24 356	0,01%	483 874	0,36%
GL Malherbe & related parties	30 671	0,02%	84 018	0,06%
AG Waller	-	0,00%	22 041	0,02%
SF Booysen	-	0,00%	1 497 370	1,11%
<b>Executive:</b>				
F Strydom	2 915 701	1,61%	3 610 136	2,68%
<b>Subtotal of directors</b>	<b>3 076 068</b>	<b>1,70%</b>	<b>36 204 627</b>	<b>26,89%</b>
<b>Other shareholders</b>	<b>177 713 240</b>	<b>98,30%</b>	<b>98 444 101</b>	<b>73,11%</b>
<b>TOTAL</b>	<b>180 789 308</b>	<b>100,00%</b>	<b>134 648 728</b>	<b>100,00%</b>

\* Indirect interest is based on the percentage of the shareholding of the entity in Senwes, multiplied by the percentage interest held by the individual.

Directors have unrestricted access to the Group Company Secretary, who provides guidance and advice in relevant circumstances and may also seek independent advice in terms of the protocol for the procurement of independent external advice regarding the business of the group, at the cost of the group.

Share trading by directors and management takes place in terms of a formal Code of Conduct for Personal Trading of Shares and Positions in the group. Directors' dealings are disclosed on the Senwes website within 48 hours of a trade occurring.

During the period under review, share trading was conducted during the open periods listed below, while trading in closed periods was prohibited.

Date 2023/2024	Status of trading	Reason
28 April 2023	Closed	Preparation of the annual financial statements.
29 June 2023	Open	Publication of annual financial statements and dividend announcements.
22 August 2023	Closed	Consider potential transaction.
21 September 2023	Open	Potential transaction not pursued.
18 October 2023	Closed	Amendment of Repurchase Programme and preparation of the interim financial statements.
8 December 2023	Open	Announcement of the interim financial results and Repurchase Programme.
23 April 2024	Closed	Announcement of Repurchase Programme and preparation of the annual financial statements.

## Board committees

### Functions and mandates

The board established a number of committees to facilitate effective decision making and to assist the board in the execution of its duties and powers, whilst still reserving the material decisions for itself in terms of the "Reservation of Authority".

The powers and execution of the responsibilities of each committee are arranged by means of formal, written mandates, which are reviewed and approved by the board on an annual basis.

Board committees serve a useful purpose by focusing on clearly defined issues in greater depth than the main board. The group makes use of these board committee structures to ensure that the onerous work of the board is attended to properly.

These committees meet regularly in terms of the board's annual work plan and annually review their mandates, after which such mandates are presented to the board for approval.

After each meeting, the chairmen of the board committees report in writing on the activities of the committees to the main board, as the board is required to ensure that the committees act within their mandates and have done the work they are required to do.

The main board will rely on these committees to provide certain safeguards as per the mandates of the committees, such as recognition of risks, fair remuneration of management, strong internal controls, sound investment decisions and good communication with stakeholders.

The board therefore expects each governance committee to inform it of any risks or other issues of strategic importance, which it has discovered during the execution of its mandate.

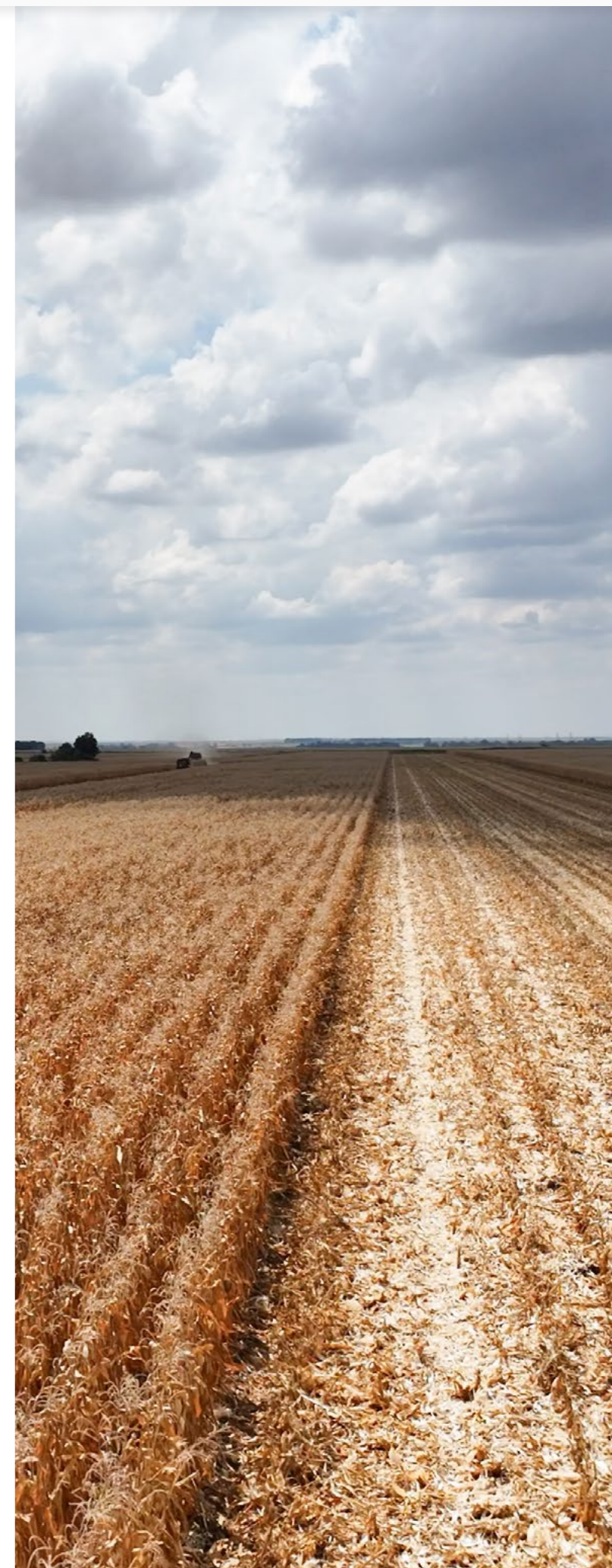
The board also expects to be given the assurance that, apart from the risks or issues specifically reported on, the committee has carried out all the functions required of it in a satisfactory manner and that no additional issues have come to its attention, which the board needs to consider.

During the board evaluation conducted in March 2024, the board expressed satisfaction with the active role played by each board committee in ensuring that the onerous responsibilities of the board are properly executed and addressed.

### The Audit Committee

The board is satisfied that it has an independent Audit Committee.

This committee comprises a majority of independent non-executive directors and is chaired by Steve Booysen. The Group Chief Executive Officer, Group Chief Financial Officer and major financial and corporate disciplines throughout the group also attend committee meetings.



The Audit Committee met four times during the period under review. In terms of the provisions of the Companies Act and its mandate, the committee attends to the following:

- Annual internal and external audit planning and budgets.
- Internal and external audit reporting.
- Integrated reporting.
- Integrity of controls and financial disclosure.
- Appointment of external auditors and verification of independence.
- Approval and recommendation of the annual financial reports.
- Distribution to shareholders, liquidity and solvency tests and compliance assurance in terms of the Companies Act, IFRS and accounting policies.
- Governance frameworks.
- Tax strategy and risk.
- Combined assurance in terms of risk, audit and compliance.

It ensures appropriate reporting of the going concern recommendations and supports the board actively in ensuring that appropriate corporate governance and information technology frameworks are in place and are being maintained as such.

The Audit Committee annually considers the major tax strategies and risks in terms of legislation, structuring of proposed transactions and prevailing tax issues affecting the group via the Tax Risk Committee.

During the period under review, the Audit Committee recommended the appointment of the new independent external auditors, PricewaterhouseCoopers Inc (PwC).

The board approved the recommendation and appointed PwC as the new auditors in accordance with the requirements of the Independent Regulatory Board of Auditors (IRBA) relating to mandatory audit firm rotation.

Both the audit committee and the board considered the independence and qualifications of PwC as external auditors, in accordance with Sections 90 and 94(8) of the Companies Act and were satisfied that PwC is independent and that it is qualified to act as the external auditors of the Company.

Mr Pieter Vermeulen will serve as the designated audit partner.

## The Investment Committee

The Investment Committee comprises non-executive directors only. This committee met three times during the year under the guidance of its chair, Steve Booysen. The executive directors also attend the meetings. This committee is responsible for various matters and its mandate has been expanded to include the management of liabilities. The committee attends to:

- Investment philosophy and investment management.
- Growth transactions and joint venture partnerships.
- Investment performance.
- Funding requirements and equity structuring.
- Liability management.
- Review of post-implementation audit reports relating to investments made.

## The Nomination Committee (Nomco)

This committee met twice during the year and is chaired by Danie Minnaar, chair of the board. It comprises non-executive directors only and meetings are attended by the Group Chief Executive Officer and the Group Company Secretary. Nomco is the caretaker of governance and compliance with King IV and the board charter and is mandated to:

- Consider the composition of the board of directors, taking the business and size of the group and the commercial and sector imperatives in which the group operates into account.
- Determine and recommend targets for race and gender representation.
- Determine the independence requirements and the appointment of a lead independent director.
- Identify the required fields of knowledge, skills, experience, culture, age, gender and race in order to service such requirements.
- Ensure a transparent and formal nomination, election and ultimately an appointment process.
- Invite nominations for candidates for appointment, subject to the provisions of the Companies Act and the Codes on Corporate Governance.
- Recruit and appoint candidates that meet the “fit and proper” criteria as directors.
- Evaluate the performance, efficiency, balance and diversity of the board of directors.

## The Remuneration Committee (Remco)

This committee met twice during the year under the chairmanship of Nico Liebenberg and comprises non-executive directors only. The corporate divisions, mainly corporate services and human resources, attend meetings on invitation. Remco attends to the following:

- Recommendations regarding non-executive and executive directors’ remuneration to the board and shareholders.
- Reviews and ensures the application of the remuneration philosophy.
- Ensures sound incentive scheme management and reasonable and appropriate salaries/wages.
- Ensures appropriate succession planning for the executive directors and management.
- Employment equity.

The remuneration philosophy and policy are dealt with in detail in the remuneration report. The report explains the practical application and implementation of remuneration governance in support of the recommendations for the remuneration of directors for the new year, as contained in the notice of the annual general meeting and the special resolution in this regard.

## Senwes Share Incentive Scheme Trust (LTI)

The participants of the LTI share incentive scheme are executive and senior managers who are able to influence the performance of the group and are able to align the interests of the group with those of the shareholders.

Vesting of shares is based on predetermined performance targets. If these targets are not achieved, the allocated shares are forfeited. The annual grants in terms of the share scheme vest every three years.

The scheme is overseen by the board, with the detail being attended to by Remco. The Group Company Secretary, as the duly appointed compliance officer, ensures compliance with section 97 of the Companies Act.

## The Risk Committee

This committee comprises non-executive and executive directors and is chaired by Jaco Minnaar. Risk Management and all the other divisions are exposed to the committee by means of a structured work plan. The committee met twice during the year.

This committee plays a strategic role in guiding the board in its strategic plans. It analyses strategic and operational risks at all levels. During the period under review, the committee reviewed its risk management plan and risk appetite once again and presented these for approval to the board.

Risk management is applied throughout the Senwes Group. It is understood that risk management will assist with ensuring the long-term sustainability of Senwes. The current risk culture within the group contributes to the creation of shareholder value on a sustainable basis that is consistent with shareholders’ expectations. The reporting structure is as follows:

- Executive: Risk and risk officers;
- Exco;
- Compliance Committee; and
- Risk Committee.

The risk management functions continuously report on material risks and opportunities of the group, as well as those of each operational business unit or joint venture.

## The Social and Ethics Committee

The committee is responsible for the oversight of some of the other board committees as provided for in the Companies Act. Ms Venete Klein is the chair, and the committee met once during the year. It comprises non-executive directors only. The committee is responsible for, inter alia:

- Labour matters
- Transformation and B-BBEE matters
- Consumer protection and sound business practices
- Code of Ethics and Code of Conduct
- Sustainable culture and values
- Stakeholder engagement
- Sustainability and concomitant integrated sustainability reporting

The Social and Ethics Committee carried out its statutory obligations in terms of its mandate and the committee confirms that the group conducts its affairs diligently and responsibly as required in terms of good corporate citizenship. The committee reviewed and was satisfied with the sustainability report as presented to the shareholders.

During the period under review, and upon recommendation of management, a sustainability officer has been appointed that must ensure the design and implementation of an aligned Group Sustainability Strategy taking into account Environmental, Social and Governance Matters (“ESG”).

## Group Company Secretary

The board, collectively and individually, is guided by the Group Company Secretary in the execution of their continued responsibilities and duties. Newly appointed directors undergo an appropriate induction process presented by the Group Company Secretary, which contains various elements.

As required in terms of the Companies Act, the Group Company Secretary supervises compliance with legislation throughout the group. The appropriate structures in this regard have been established, as explained under the heading “compliance with legislation”.

## Access to information and protection of personal information

The group complies with the Access to Information Act, 2000 and the Promotion of Access to Information Act (PAIA) manual which is available on the group’s website. Subject to the Protection of Personal Information Act (POPIA) 2013, shareholders also have access to the shares register, minutes of shareholders’ meetings and information regarding a number of the group’s matters. Any enquiries may be addressed to the Group Company Secretary as the deputy information officer.



## Shareholder information

Senwes’ five largest shareholders as at 30 April 2024:

Name of shareholder	Number of shares	% of issued shares
Agribel Holdings	124 162 715	68,68%
Senwes Capital (Pty) Ltd	10 835 221	5,99%
Senwes Share Incentive Scheme Trust	5 418 043	3,00%
F Strydom	2 915 701	1,61%
Vanki (Pty) Ltd	1 000 000	0,55%

## Shareholder information in terms of portfolio size:

Size of holding	Number of holders	%	Total number of shares	%
1 to 1 000	753	29,48%	255 281	0,14%
1 001 to 5 000	676	26,47%	1 758 104	0,97%
5 001 to 30 000	849	33,24%	11 270 487	6,23%
30 001 to 100 000	224	8,77%	11 166 501	6,18%
100 001 and more	52	2,04%	156 338 935	86,48%
	<b>2 554</b>	<b>100,00%</b>	<b>180 789 308</b>	<b>100,00%</b>

## Shareholder diary

Shareholder diary	Date
Financial year-end	30 April 2024
Announcement of results in the media	5 July 2024
Annual general meeting notices available	17 July 2024
Annual general meeting	29 August 2024 at 09:00

## Statement of compliance

The company has applied the principles of King IV in all instances, except in relation to the board composition as stated above.

## Compliance with legislation

The board accepts responsibility for compliance with all applicable legislation and regulatory requirements. This is reported via the internal Compliance and Ethics Committee, chaired by the Group Company Secretary, and then to the Risk Committee and in certain instances to the Audit Committee as well. No major incidents of non-compliance with legislation have been reported during the period under review.

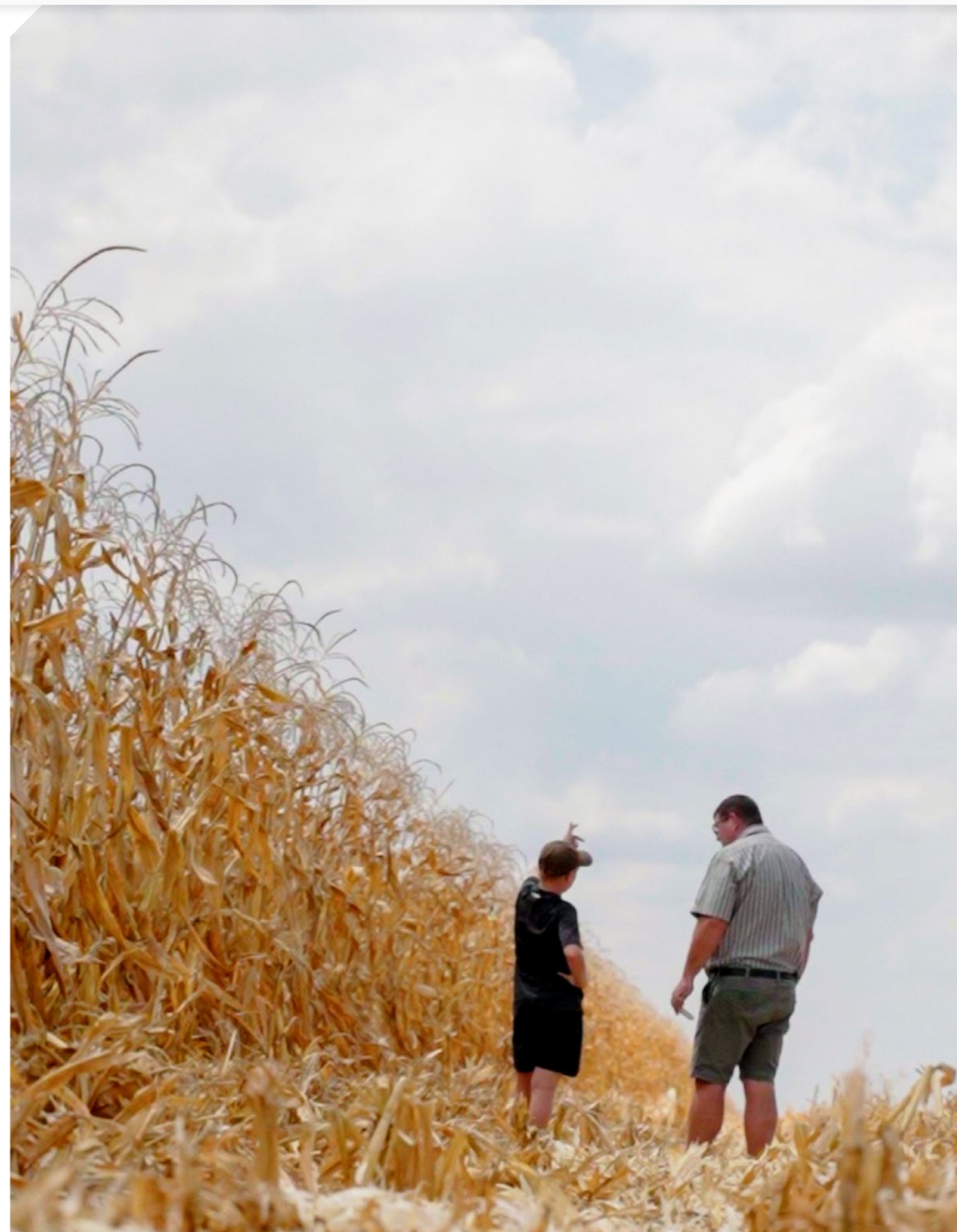
## Going concern

After recommendation by the Audit Committee, the board records the facts and assumptions used to determine whether the business will continue as a going concern for the new financial period and approves the going concern principle.

## Share trading and shareholding

The trading of Senwes and Agribel shares has been taking place on an over-the-counter (OTC) basis since 15 October 2021. An OTC market is a decentralised platform on which shareholders and potential shareholders trade shares not listed on an exchange through bilateral negotiations.

The OTC is managed under strict supervision and the practices that applied in the listed environment are still valid.



# Senwes board of Directors

To ensure that we deliver on our purpose of future-focused and sustainable value creation, our approach to corporate governance promotes strategic decision making that balances short-, medium- and long-term outcomes to reconcile the interests of the group, our stakeholders and society.

Through its collective experience and skills, the Senwes board continuously drives the outcomes that support the group's vision of reimagining agri-business to strengthen the group's contribution towards the agricultural and food value chain, and by doing so, positively impacting the lives of all South Africans.



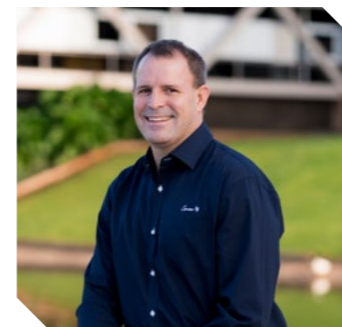
**JDM (Danie) Minnaar** <sup>(59)</sup>  
**Chairman**  
 Director since September 1999  
 BCom (Economics)  
 • Nomination Committee  
 • Investment Committee  
 • Ex officio member of all board committees



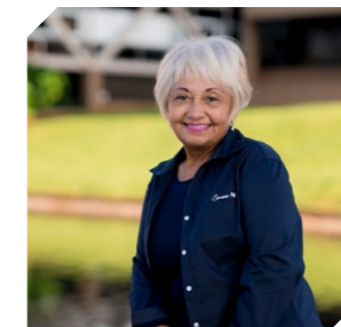
**SF (Steve) Booysen** <sup>(61)</sup>  
**Vice-chairman**  
 Independent director since October 2009  
 BCompt(Hons), DCom, CA(SA)  
 • Audit Committee  
 • Remuneration Committee  
 • Nomination Committee  
 • Investment Committee



**F (Francois) Strydom** <sup>(64)</sup>  
**Group Chief Executive Officer**  
 Director since June 2002  
 BScAgric(Hons) (Animal Science)  
 • Risk Committee



**CR (Carl) Klingenberg** <sup>(65)</sup>  
**Group Chief Financial Officer**  
 Director since February 2023  
 BCom(Hons), CA(SA)  
 • Risk Committee



**VJ (Venete) Klein** <sup>(65)</sup>  
**Independent Non-executive Director**  
 Director since August 2019  
 Executive Development Programmes at Harvard, Insead and MIT  
 • Social and Ethics Committee  
 • Risk Committee



**NDP (Nico) Liebenberg** <sup>(65)</sup>  
**Non-executive Director**  
 Director since August 2008  
 BCom(Hons), Masters in Sustainable Agriculture  
 • Remuneration Committee  
 • Nomination Committee  
 • Investment Committee



**GL (Gert) Malherbe** <sup>(66)</sup>  
**Non-executive Director**  
 Director since October 2020  
 BAgric  
 • Social and Ethics Committee  
 • Risk Committee

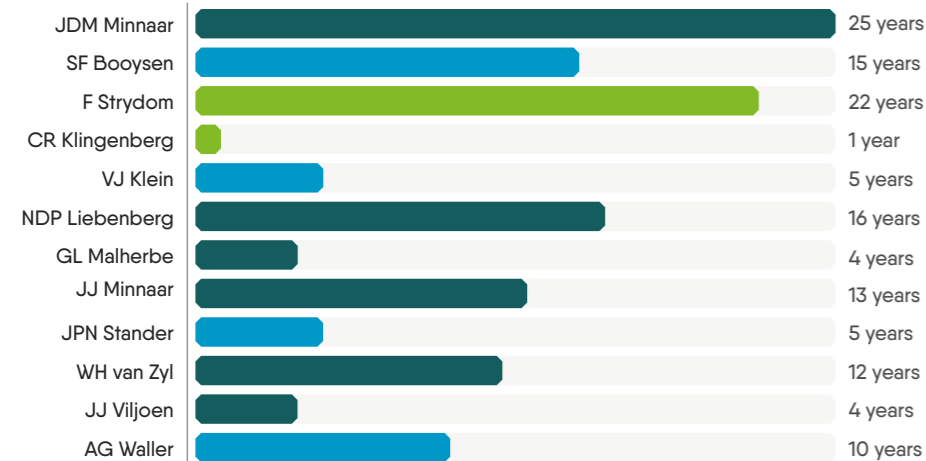


**JJ (Jaco) Minnaar** <sup>(47)</sup>  
**Non-executive Director**  
 Director since August 2011  
 BEng (Agriculture)  
 • Audit Committee  
 • Remuneration Committee  
 • Risk Committee

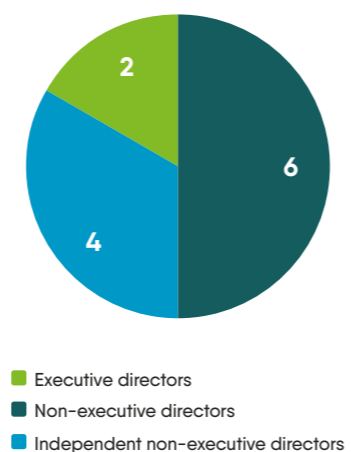


**JPN (Pieter) Stander** <sup>(62)</sup>  
**Independent Non-executive Director**  
 Director since August 2019  
 BAgriAdmin(Hons) (Agricultural Economics)  
 • Audit Committee

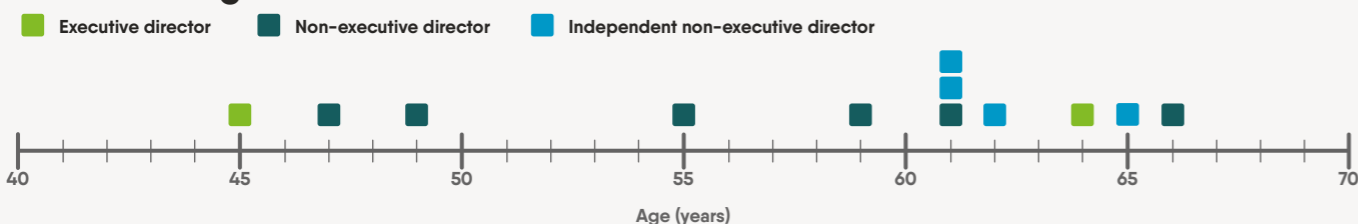
## Years of service on the board



## Board membership



## Directors' age distribution



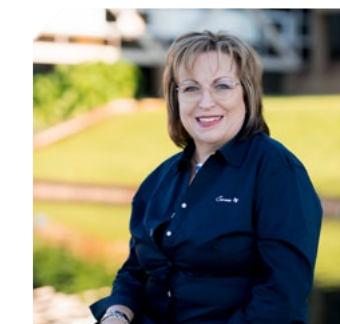
**WH (Thabo) van Zyl** <sup>(49)</sup>  
**Non-executive Director**  
 Director since August 2012  
 BScAgric (Agricultural Economics)  
 • Remuneration Committee  
 • Risk Committee



**JJ (Hansie) Viljoen** <sup>(61)</sup>  
**Non-executive Director**  
 Director since October 2020  
 BAgric  
 • Social and Ethics Committee  
 • Risk Committee



**AG (Andrew) Waller** <sup>(61)</sup>  
**Independent Non-executive Director**  
 Director since December 2014  
 BCom(Hons), CA(SA)  
 • Audit Committee  
 • Investment Committee



**EM (Elmarie) Joynt** <sup>(54)</sup>  
**Group Company Secretary and Chief Legal Counsel**  
 Appointed in February 2002  
 BCom(Law), LLB, LLM, FCIS, FCIBM, Attorney and Notary of the High Court

# Remuneration Report

The board, through Remco, is committed to ensure that the remuneration of employees is fair and responsible in the context of the approved remuneration philosophy. Remco attends to all remuneration matters of the group as provided for in its written mandate, approved by the board of directors.

Remco is mandated by the board to independently approve and oversee the implementation of a remuneration philosophy that supports the group's long-term strategy. In all of its activities, Remco also endeavours to ensure that the remuneration reporting is comprehensive and transparent.

In establishing the remuneration philosophy and policy, the Senwes Group considers the following:

- Remuneration that is compliant with regulations and aligned with codes of best practice.
- Fair, reasonable and market-related remuneration.
- Policies and practices that strive for internal equity.
- Remuneration that is economically affordable and aligned with the group's code of ethics.
- Aligns executive long-term wealth interests with the long-term interests of the shareholders.

During the period under review, an average increase of 6,6% on the total salary bill, effective from 1 August 2023, was approved. Under performing employees were granted only a 5,5% increase, in line with the group's performance-based approach to annual increases.

Remco adheres to the National Minimum Wage (NMW) as determined by the Department of Employment and Labour, the Motor Industry Bargaining Council (MIBCO), and the Metal and Engineering Industries Bargaining Council (MEIBC) in all the applicable companies within the group that have employees registered with these councils.

Employee forums were consulted with regards to the salary increases for the Senwes Group, as well as certain policies during the period under review. Consultations with employee forums will continue throughout the upcoming financial period.

During the period under review, an additional discretionary profit share amount was approved by the board, based on the group's exceptional performance in the 2022/23 financial period. This additional profit share was divided amongst all employees in addition to their normal short-term incentives.

In the pursuit of fostering a dynamic and inclusive workplace culture, Senwes embarked on a group-wide transformative culture journey in December 2022. Over the past year, significant strides have been made in this regard, reflecting the group's commitment to continuous improvement and sustainable growth. As part of the group's culture journey, an overarching HR plan was

formulated outlining the priorities and initiatives for the upcoming year. In addition, focus has been placed on regularly reviewing and updating group-wide policies (which includes remuneration and reward-related policies) to ensure that these policies align with the group's cultural priorities. More detail regarding the group's culture journey can be found in the web-based sustainability report at [www.senwes.com](http://www.senwes.com).

## Key messages:

The group's remuneration philosophy, remuneration policy, short-term incentive scheme and long-term incentive scheme are reviewed annually to ensure that the objectives of the group's remuneration mix are successfully achieved:

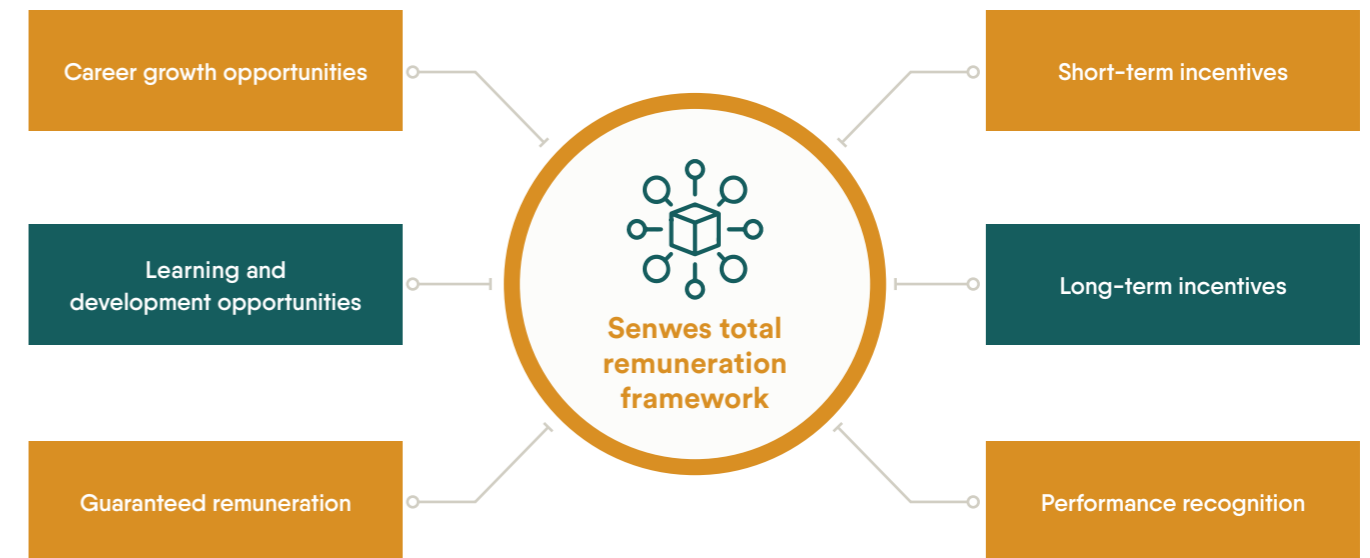
- To attract, retain, motivate and reward talented and high-performing employees.
- To achieve the group's strategic objectives.
- To deliver expected shareholder return, ensure sustainable performance, and achieve shareholder value creation in the long term.

By applying a sound remuneration philosophy, Remco is committed to ensuring that the remuneration of non-executive directors and executive management is fair and reasonable in the context of the overall remuneration.

The group's philosophy is to encourage sustainable long-term performance that is consistently aligned with the interests of shareholders.

Senwes adopted a holistic and total reward philosophical approach to remuneration, which takes into consideration financial and non-financial, direct and indirect, as well as intrinsic and extrinsic rewards, based on and in support of the employee value proposition.

The Remuneration Report is presented to shareholders annually as contemplated in the Companies Act, 2008. Shareholders have approved this report by means of a non-binding vote during 2023.



## Remuneration philosophy

### Guiding principles

- The remuneration philosophy is governed through the governance structures to ensure alignment with the vision, commitment, values, strategic direction and objectives of the group.
- The remuneration philosophy and practice must be compliant with relevant regulations, be economically sensible and ethically aligned and have market competitiveness.
- The group uses a total reward approach, applying an appropriate reward mix for the various employees based on and in support of the employee value proposition.
- The group remuneration philosophy must be transparent and implemented fairly and consistently, based on the factors of role, qualifications, experience,

scarcity of skills, individual contribution, level of performance and talent potential.

- Remuneration of employees will be based on relevant and appropriate market benchmarks to strive for competitiveness of total reward positioning, within the parameters of affordability.
- Total remuneration must be aligned with individual, business unit and corporate performance.

### Scope

- The philosophy outlines the governance framework through which remuneration is determined and managed throughout the group and across all levels of the organisation.
- The philosophy is approved by the board, whereas management is responsible for the implementation thereof.

The philosophy is aligned with the Senwes Group strategy and is part of Senwes' operating philosophy, policies and standards.

### Strategic objectives

- To ensure that the business has the right mix of skills.
- To attract and retain the right talent.
- To develop a high-performance culture which rewards individual, team and corporate performance.
- To motivate result-oriented behaviour and pursuit of excellence.
- To encourage long-term focus that ensures sustainability of performance, effective risk alignment and management.
- To encourage behaviour that is aligned with the culture, values and objectives of the group.
- To align employees' interests with the interests of the shareholders.

## Remuneration governance

### Board of directors

- The board has the highest decision-making authority to approve the remuneration philosophy.
- The board delegates oversight and the application of the remuneration philosophy to Remco.
- The board provides oversight of the execution of the philosophy.

### Remuneration committee

Remco is responsible for the following in line with the Remco mandate:

- Accountability for all remuneration matters in the group, including oversight of the implementation of the remuneration philosophy.
- Recommendations to the board regarding executive directors' remuneration.
- Determining the remuneration of non-executive directors, and recommending first to the board, and subsequently to the shareholders at the AGM for approval.
- Approving the remuneration structure of the company.

- Ensuring that there is an appropriate, adequate, and effective remuneration system in place.
- Ensuring that remuneration strategy is economical and ethical, and that the philosophy is applied consistently and fairly throughout the organisation.
- Benchmarking and evaluating income differential rate between the executives and the employees.
- Working in consultation with other board committees and relevant internal functions in ensuring a co-operative and responsible remuneration philosophy design, planning, decision making and execution.
- Approving the benchmark methodology, including the peer group of companies used for the purpose of determining external market competitiveness of the group's remuneration.
- May engage independent external advisors and relevant stakeholders on any matters of remuneration as they deem necessary, to ensure that the remuneration philosophy, related policies and practices are aligned with the group's objectives.
- Reporting to the shareholders on behalf of the board on remuneration matters.

### Composition of Remco

Name	Director status	Qualification	Position held
Nico Liebenberg	Non-executive director	BCom(Hons), Masters in Sustainable Agriculture	Committee Chairman
Steve Booysen	Independent non-executive director	BCompt(Hons), DCom, CA(SA)	Member
Jaco Minnaar	Non-executive director	BEng (Agriculture)	Member
Thabo van Zyl	Non-executive director	BScAgric (Agricultural Economics)	Member
Francois Strydom	Group Chief Executive Officer	Permanent invitees with no voting power. They are excluded when matters relating to their own remuneration are discussed.	
Carl Klingenberg	Group Chief Financial Officer		

The meetings are also attended by the Group Executive: Human Resources, who is responsible for remuneration, as well as external advisors from time to time, as deemed necessary by Remco.

### Executive committee

The Senwes Group's executives, under the supervision of the Group CEO, have the responsibility of proposing and implementing the remuneration philosophy, policy and strategies, as envisaged by Remco, on behalf of the board.

### Human Resources department

The Senwes Group's Human Resources department is responsible for remuneration management through:

- Developing policy proposals, providing guidelines, tools and support to management in the implementation of the remuneration philosophy and policy.
- Undertaking of annual benchmarks to ensure market competitiveness.
- Formulating a wage negotiation strategy and engaging in wage consultation processes with employee forums and other relevant parties which are aligned with the mandate approved by Remco.

## Remuneration governance structure



### Remuneration strategy

Senwes' remuneration strategy is based on a total reward approach, which includes financial and non-financial, direct and indirect, intrinsic and extrinsic rewards, based on and in support of the employee value proposition.

### Employee value proposition

Senwes strives to be an employer of choice. In this regard, Senwes has developed an employee value proposition, which steers the group's employee engagement and talent strategy towards the realisation of that vision. The purpose of our employee value proposition is to enable the organisation to attract prospective talent, improve employee engagement and performance, instill behaviour consistent with our culture and values, develop an enabling and supportive work environment, and to retain talent.

The employee value proposition is based on the following four pillars:

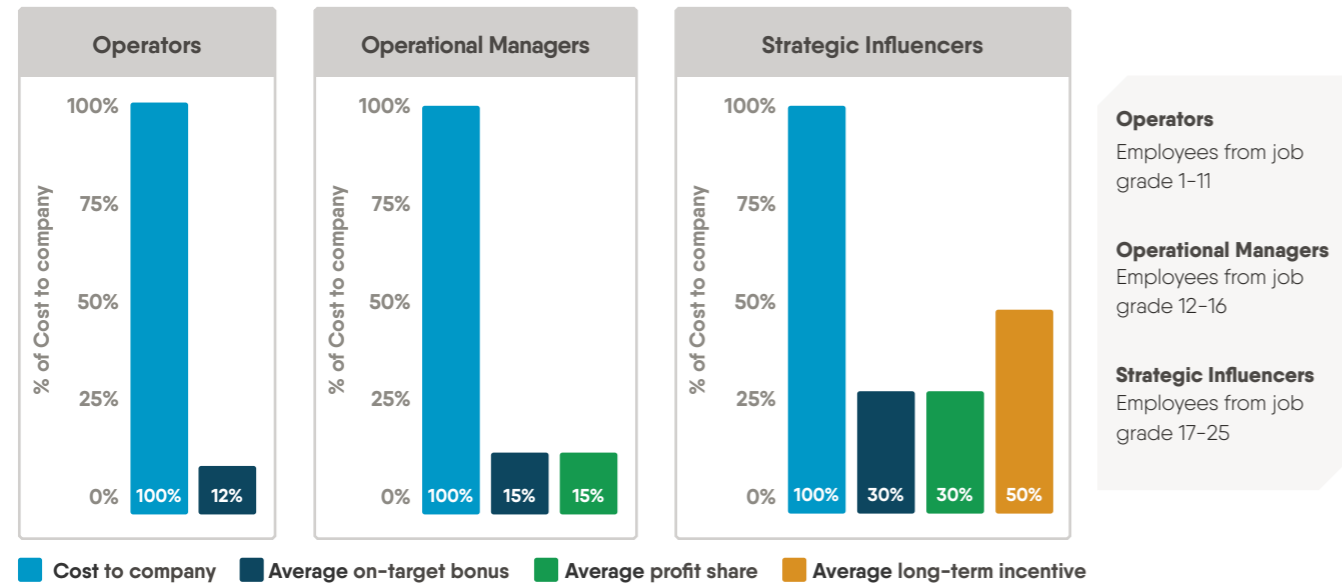


## Remuneration structure

The remuneration structure comprises guaranteed pay (total cost to company), special purpose bonus (in exceptional circumstances, at the discretion of the Directors and/or Remco), short-term incentives and long-term incentives.

An appropriate remuneration mix is maintained between fixed and variable performance-based remuneration, as well as between short-term and long-term performance-based remuneration. The diagram below illustrates the functioning of the remuneration structure:

### Remuneration philosophy and incentives



## Directors' remuneration

Remco reviews the remuneration of executive and non-executive directors annually, based on external surveys and benchmarks against a peer group of companies and other relevant benchmarks. The committee also considers the skill level, performance and retention of the directors. Remuneration is generally positioned at the median (midpoint) of the relevant benchmark.

### Non-executive directors' remuneration

Non-executive directors' remuneration is reviewed on an annual basis and tabled at the annual general meeting for approval as a non-binding vote, as required in terms of section 66(9) of the Companies Act, 2008.

Non-executive directors' fees are benchmarked against various surveys and compared to a peer group of companies, approved by Remco, to ensure market competitiveness. The peer group comprises companies with a similar profile to that of the Senwes Group from an investor's perspective.

Non-executive directors' fees comprise a fixed fee for board membership, as well as additional fees for board committee participation. The fee for the vice-chairman of the board is based on a percentage of the chairman's fee, which is set at 70%. The chairmen of board committees are paid a premium commensurate with their roles and as compensation for the additional responsibilities as chairmen.

Non-executive directors do not participate in either the short-term or long-term incentive schemes. The out-of-pocket expenses of non-executive directors, including travelling and accommodation expenses, are reimbursed monthly after due submission of such claims.

At the annual general meeting of the Senwes Group in August 2023, shareholders approved a 6,0% increase in non-executive directors' remuneration. The approval is valid for a period of 12 months.

### Executive directors' remuneration

The primary objective is to ensure that executive directors receive remuneration which is appropriate to their scale and scope of responsibility and performance. This will attract, motivate and retain individuals of exceptional calibre and behaviour, as well as incentivise them to work in the short-term and long-term interest of the group in line with shareholders' interests. The remuneration mix of the executive directors consists of guaranteed pay, short-term and long-term incentives. Total remuneration is weighted towards variable, performance-based remuneration. Appropriate benchmarking is done against applicable and selected peer groups.

The board approved a 6,0% increase for executive directors during the period under review.

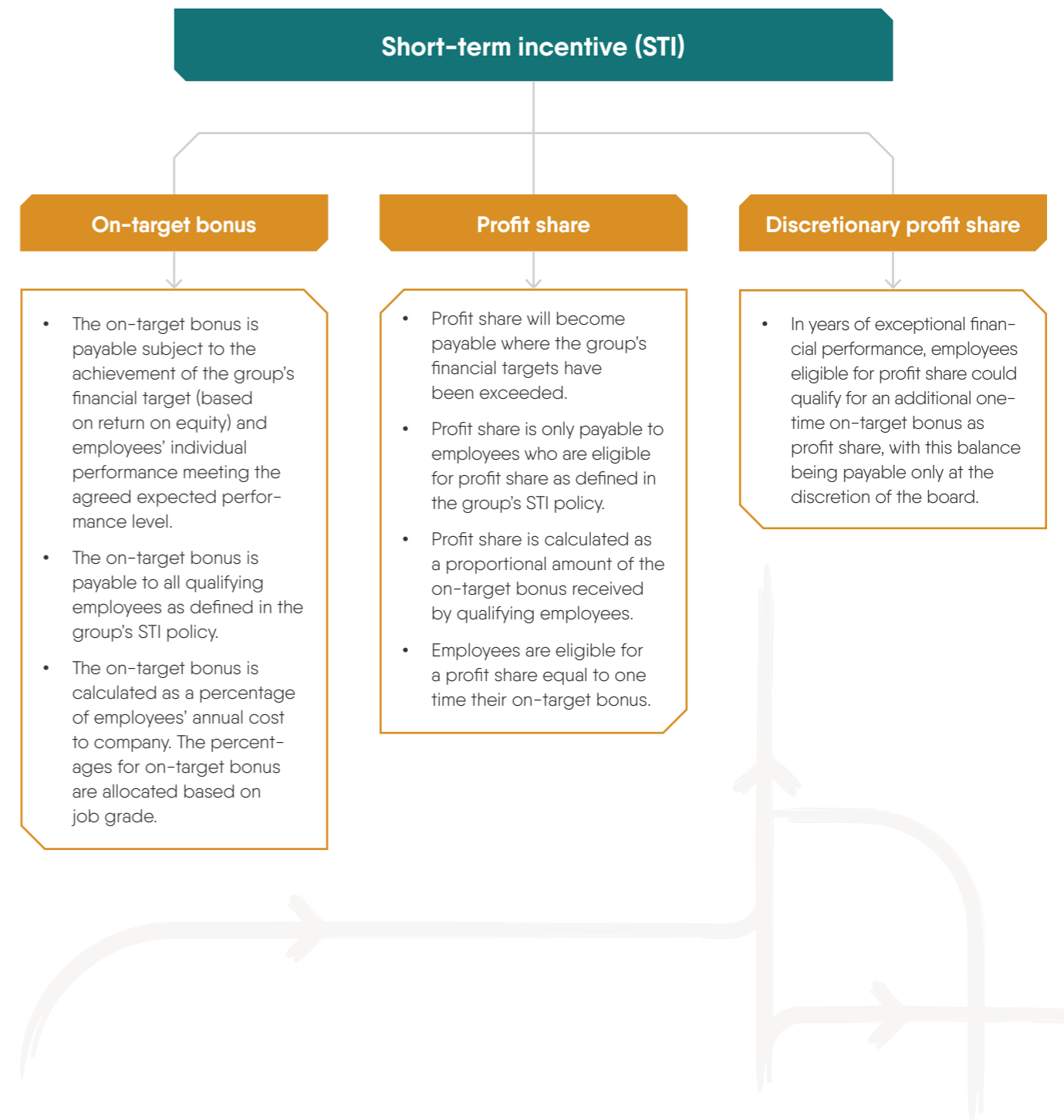
## Guaranteed remuneration

Remco determines executive directors' and other executives' total remuneration and reviews it at least annually, using benchmarks based on external surveys and a peer group of companies. The benchmarks are verified with independent HR specialist consultants at the discretion of Remco. Guaranteed pay is positioned at the median of the relevant benchmark. Variations will occur around the median, which will be influenced by various factors such as the strategic importance of the role, level of experience of the executive, performance record and other considerations that Remco may deem appropriate.

## Short-term and long-term incentives

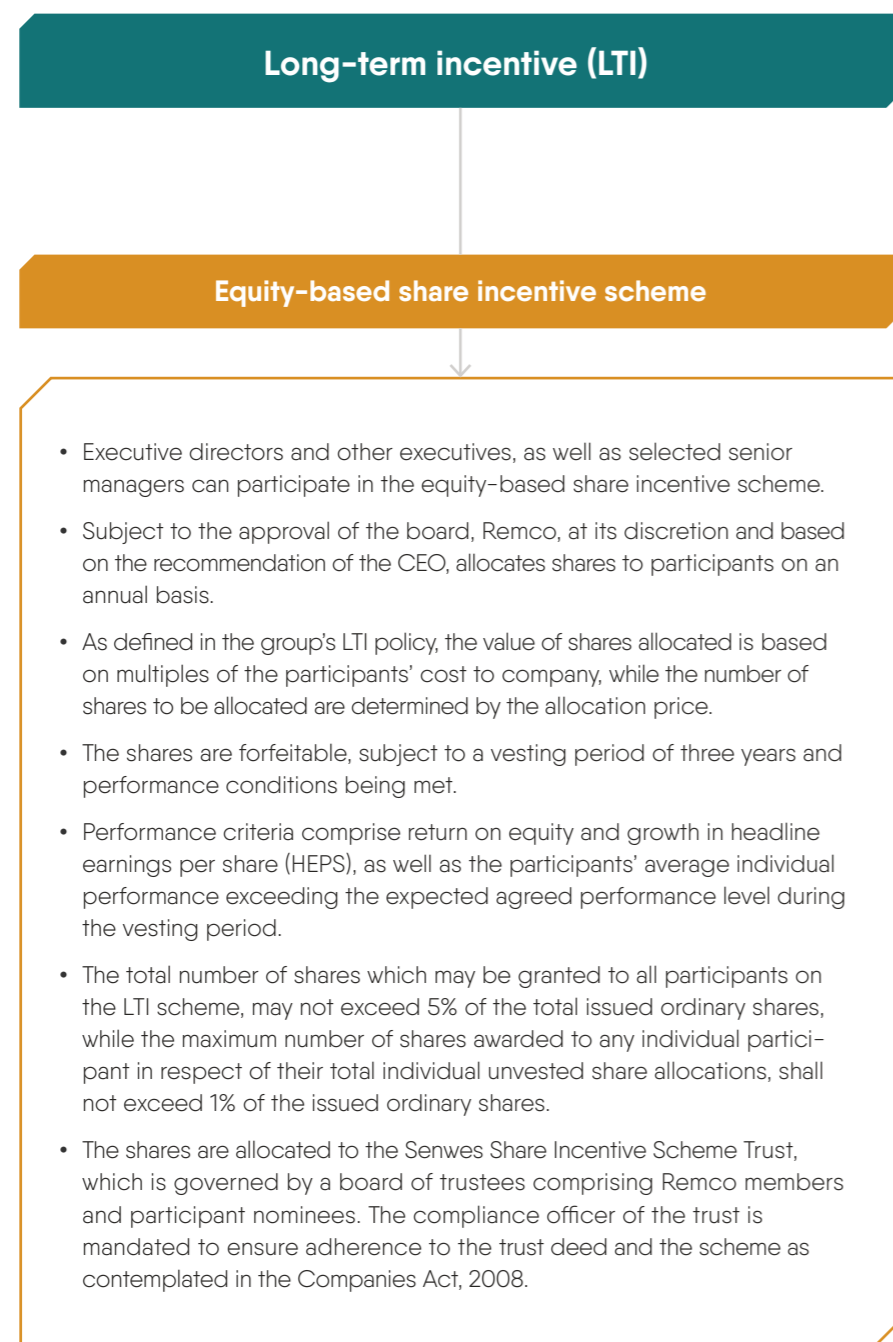
### Short-term incentives

Short-term incentives (STI) are paid in cash and are based on the achievement of annual targets. The STI comprises an on-target bonus and profit share where targets have been exceeded. The criteria for qualifying for short-term incentives are based on the group's financial performance (return on equity target) as well as the individual performance objectives of employees.



## Long-term incentives

The group's long-term incentives comprise of an equity-based share incentive scheme, which is used for retention as well as long-term performance incentivisation.



## Discretion and judgement

The remuneration philosophy recognises that mechanistic and formulaic remuneration practices, whilst providing certainty and predictability, are not always appropriate in all circumstances. Remco and board discretion are important to ensure that remuneration practices and outcomes always remain appropriate, including circumstances that are not anticipated by the remuneration philosophy and policy. This discretion must be exercised legally, fairly, ethically and justly.

## Remuneration outcomes 2023 – 2024

### 1. Remuneration of executive directors

#### 1.1. Service contracts of executive directors

Position	Contract
Group Chief Executive Officer	3-year fixed contract expiring 31/07/2025 *
Group Chief Financial Officer	Full-time basis (permanent), effective from 01/02/2023 *

\* Note that already appointed executive directors have fixed-term contracts with possible contract extensions, but newly appointed executive directors are to be appointed on a full-time basis, as determined by Remco and approved by the board in 2018. Fixed-term contracts must be reviewed six months before the termination date to decide on extension or termination.

#### 1.2. Remuneration outcome

F Strydom (Group Chief Executive Officer)

	2024	2023
Guaranteed remuneration	7 094 732	6 797 172
Total STI-payment	8 163 474	11 366 130
Total LTI-expense	6 448 453	5 227 746

#### 1.3. Remuneration outcome

CR Klingenberg (Group Chief Financial Officer)

	2024	2023
Guaranteed remuneration	2 996 549	706 749 *
Total STI-payment	3 044 901	-
Total LTI-expense	856 188	-

\* CR Klingenberg was only appointed effective 1 February 2023, and did not qualify for STI and LTI in the 2023 financial year. Guaranteed remuneration was also only for a portion of the 2023 financial period.

### 2. Remuneration of non-executive directors

2024			
Non-executive	Total directors' remuneration	Remuneration	Travel and accommodation expenses
SF Booysen	1 112 433	1 092 754	19 679
VJ Klein	830 003	819 986	10 017
AJ Kruger <sup>1</sup>	-	-	-
NDP Liebenberg	1 213 218	1 206 943	6 275
GL Malherbe	750 277	737 073	13 204
JS Marais <sup>2</sup>	798 406	788 614	9 792
JDM Minnaar	1 965 240	1 952 192	13 048
JJ Minnaar	1 143 627	1 126 986	16 641
JPN Stander	977 272	947 868	29 404
WH van Zyl	776 892	769 245	7 647
JJ Viljoen	737 073	737 073	-
AG Waller	580 316	572 041	8 275
<b>Total</b>	<b>10 884 757</b>	<b>10 750 775</b>	<b>133 982</b>

2023			
Non-executive	Total directors' remuneration	Remuneration	Travel and accommodation expenses
SF Booysen	1 052 880	1 033 261	19 619
VJ Klein	771 594	760 347	11 247
AJ Kruger <sup>1</sup>	302 921	295 860	7 061
NDP Liebenberg	1 151 150	1 145 691	5 459
GL Malherbe	712 001	696 488	15 513
JS Marais	1 050 678	1 029 762	20 916
JDM Minnaar	1 889 920	1 852 723	37 197
JJ Minnaar	1 073 232	1 055 161	18 071
JPN Stander	963 787	903 126	60 661
WH van Zyl	737 064	726 908	10 156
JJ Viljoen	693 629	693 629	-
AG Waller	579 001	540 898	38 103
<b>Total</b>	<b>10 977 857</b>	<b>10 733 854</b>	<b>244 003</b>

<sup>1</sup> Retired 24 August 2022

<sup>2</sup> Retired 22 August 2023





## Summary of Remco activities

The subject of remuneration features high on the corporate governance agenda, amongst top issues such as strategy, risk and compliance management, financial performance, operational efficiencies, and talent and leadership succession. Key matters relating to remuneration are: Reward and performance alignment, wage gaps and income differentials. Remco has these issues on its radar and evaluates them on an ongoing basis.

Remco considered the following and approved, or accordingly recommended it to the board for approval:

- The committee reviewed and approved the remuneration philosophy, policy, strategy and practices and is satisfied that the remuneration framework is appropriate for the achievement of organisational objectives of attracting and retaining the best talent and motivating performance and desired behaviour.
- The committee considered the payment of short-term incentives based on the rules of the scheme and the achievement of set objectives and was satisfied that rules are being complied to and with the accuracy of the performance measures and incentive amounts to be paid.
- The committee approved long-term incentive awards, as well as the payment of vesting incentives in line with the performance conditions as set out in the rules of the LTI-scheme.
- The committee approved participants in the equity-based long-term incentive scheme as well as the number of shares allocated to each participant.
- The committee reviewed and approved the succession plans for senior management. This included emergency cover, continuity plans and development plans for current as well as potential successors and took note of the overall organisational succession plans.
- The committee reviewed the group's performance with regards to employment equity in line with the approved talent diversification and employment equity strategy and plan, as well as compliance with the Employment Equity Act.

Matters which were considered during the period under review and changed with a view to the future, include:

- External benchmark of Executive Directors' remuneration.
- External benchmark of Non-executive Directors' remuneration.

## Looking forward

Remco continues to believe that the remuneration philosophy and policy support the strategic imperatives of the group. The committee welcomes the transparency required in terms of the King IV report and the committee endeavours to meet the requirements via this remuneration report.

The image features a dark blue background with a faint, light blue graphic of a tree with upward-pointing arrows on its branches. A horizontal green band runs across the middle, containing a photograph of three stacks of coins of increasing height from left to right. Small green plants with three leaves each are growing out of the top of each stack. The text 'Financial review' is overlaid in white on the left side of the coin stacks.

# Financial review



## Report by the *Chief Financial Officer*

Group CFO  
**Carl Klingenberg**

### Results summary

Senwes Group delivered yet another set of strong and resilient financial results for the financial year ended 30 April 2024, on the back of favourable agricultural conditions during the 2022/23 production season, with a challenging trading environment for the 2023/24 production season caused by summer drought and extremely high temperatures. We are proud to have delivered more value for our stakeholders, including shareholders, employees, customers, governments and society.

**7,6%**

### Revenue

The group's revenue increased to R14 684 million (2023: R13 642 million), which is largely attributable to an increase in sales volume through the equipment cluster, handling and storage income in the grain division. The inclusion of the S&L Connect operation for an entire financial year (2023: 10 months) and the acquisition of the fourth dealership in Germany, effective for nine months of the financial year, further contributed to the growth in revenue. The overall increase in revenue was partially offset by a decline in revenue from the retail business in the Senwes area of responsibility.

**(7,2%)**

### Profit from normal operating activities

Profit from normal operating activities (before corporate and consolidation items) decreased by 7,2% to R1 395 million (2023: R1 503 million), with the operating margin decreasing to 9,5% (2023: 11,0%). The operating margin was mainly influenced by lower operating margins within our Input Supply and Processing, Conditioning, and Markets segment.

**0,2%**

### Like-for-like operating expenses

Like-for-like operating expenses (distribution, sales and administrative expenses) decreased by 0,2% to R2 433 million and total operating expenses increased by 3,2%, mainly due to the inclusion of the German business for the entire financial year (prior year: 10 months), and the acquisition of the fourth dealership in Germany during the year (9 months).

Cost savings were achieved from the optimisation of central support and corporate services, continuous benchmarking of expenses, streamlining procurement and operational processes and efficiently managing maintenance and capital expenditures.

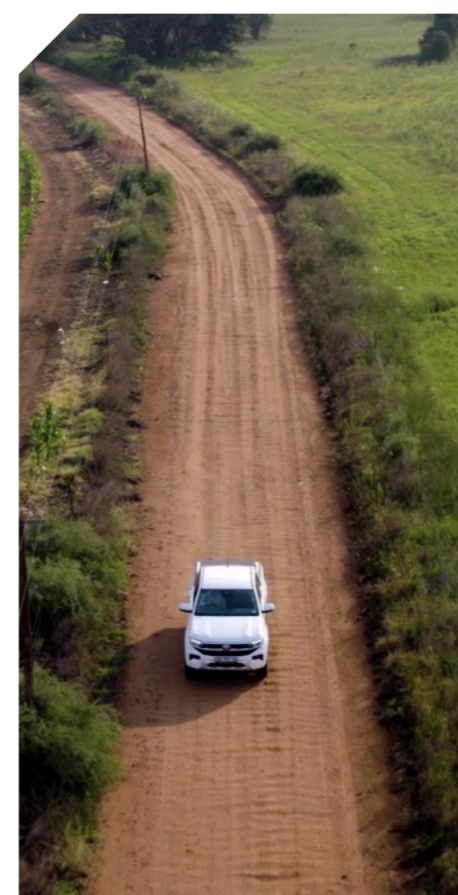
**(5,7%)**

### Profit after tax and non-controlling interest

Profit after tax and non-controlling interest (NCI) decreased by 5,7% to R855 million (2023: R907 million), while normalised headline earnings per share decreased by 13,2% to 484,3 cents per share (2023: 558,1 cents per share).

During the year under review, the group's cash generation remained robust, with cash from operating activities increasing by 14,3% to R2 061 million (2023: R1 803 million).

Considering the satisfactory financial results, a healthy balance sheet as well as future earnings and cash generation prospects, the board of directors proposed a final dividend of 50 cents per share and a special dividend of 50 cents per share. With the interim dividend of 50 cents per share, the total dividend for the year amounts to 150 cents per share, representing a dividend cover of 3,3 times from earnings per share, and a dividend yield on opening market price of 9,1%.



"Senwes Group's strong financial performance reflects strategic agility amidst agricultural challenges and economic uncertainty, anchored in our commitment to progress with purpose."

### Group segmental results analysis

	2024 R'm	2023 R'm	Change %
<b>Market Access</b>	<b>593</b>	<b>526</b>	<b>12,7%</b>
Grain cluster	593	526	12,7%
<b>Input Supply</b>	<b>431</b>	<b>630</b>	<b>(31,6%)</b>
Equipment cluster	195	385	(49,4%)
Retail cluster	168	191	(12,0%)
Wholesale cluster	68	54	25,9%
<b>Financial Services and Advice</b>	<b>249</b>	<b>195</b>	<b>27,7%</b>
Credit cluster	216	169	27,8%
Insurance and advice cluster	33	26	26,9%
<b>Processing, Conditioning and Markets</b>	<b>122</b>	<b>152</b>	<b>(19,7%)</b>
Manufacturing cluster	50	105	(52,4%)
Meat cluster	37	33	12,1%
Milling and petfood cluster	35	14	150,0%
<b>Profit from normal operational activities</b>	<b>1 395</b>	<b>1 503</b>	<b>(7,2%)</b>
Corporate costs	(137)	(160)	14,4%
Consolidation, abnormal and sundry items	(5)	(16)	68,8%
<b>Profit after interest, before tax</b>	<b>1 253</b>	<b>1 327</b>	<b>(5,6%)</b>
Tax	(331)	(320)	(3,4%)
<b>Profit after tax, before NCI</b>	<b>922</b>	<b>1 007</b>	<b>(8,4%)</b>
NCI	(67)	(100)	33,0%
<b>Profit after tax</b>	<b>855</b>	<b>907</b>	<b>(5,7%)</b>

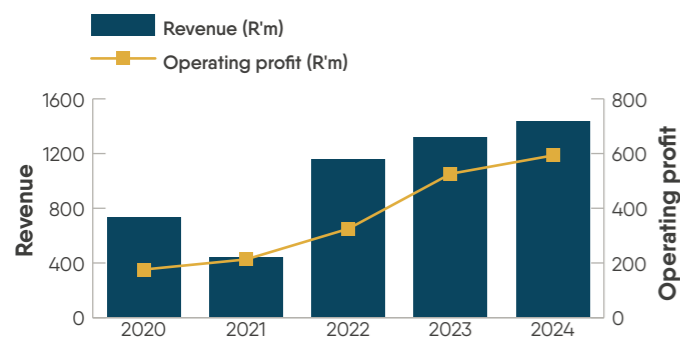
Included in the segment results is the proportional profit share from joint ventures and associates. The results of partially owned subsidiaries are fully consolidated and the minority shareholders' portion of profits is shown as NCI. The results per segment are discussed in detail in this report.

### Reconciliation of profit growth

<b>Profit after tax 2023</b>	<b>907</b>
<b>Market Access</b>	<b>67</b>
<b>Mechanisation - Local</b>	<b>(87)</b>
<b>Mechanisation - Europe</b>	<b>(103)</b>
<b>Retail cluster</b>	<b>(23)</b>
<b>Wholesale cluster</b>	<b>14</b>
<b>Financial Services and Advice</b>	<b>54</b>
<b>Processing, Conditioning and Markets</b>	<b>(30)</b>
<b>Corporate costs and consolidation</b>	<b>34</b>
<b>Increase in tax</b>	<b>(11)</b>
<b>Decrease in NCI</b>	<b>33</b>
<b>Profit after tax 2024</b>	<b>855</b>

## Market Access

Revenue ↑ 8,7% Operating profit ↑ 12,7%



Within the Market Access segment, revenue increased by 8,7% to R1 434 million (2023: R1 319 million). The increase was primarily driven by revenue growth in storage and handling services delivered by Grainlink.

A combination of total grain received per tonne contributed to the increase in revenue.

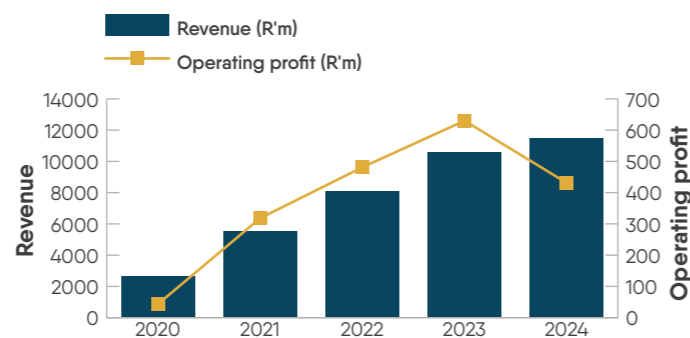
Grain cluster	2024 R'm	2023 R'm	Change %
Storage and handling services (Grainlink) and Market Access	584	520	12,3%
Transport and logistics (Grainnovation)	7	4	75,0%
Silocerts (50% share)	2	2	-
<b>Net profit after interest, before tax</b>	<b>593</b>	<b>526</b>	<b>12,7%</b>

In the previous financial year, a significant volume of oilseeds from the 2023 harvest was received before April 2023, the 2024 production season was more normalised and therefore lower receipts of oilseeds were recorded in the year under review. However, this was countered by an increase of 10,3% in the maize intake and an increase in total grain volume dispatched of 9,3%, positively impacting handling income. Storage income is 23,5% higher than the previous period due to earlier receipts, higher average stock levels during year and the mix of commodities received.

During the year, cost-saving initiatives, such as extending trading hours to mitigate the impact of load shedding, were implemented. As a result, operating expenses increased by an amount below the inflation rate, and did not align with the increase in grain handling.

## Input Supply

Revenue ↑ 8,5% Operating profit ↓ 31,6%



The Input Supply segment achieved an 8,5% increase in revenue totaling to R11 465 million (2023: R10 563 million). The growth in revenue was driven by the equipment cluster's increased units in the high-value machines sales. Revenue for the entire financial year, as opposed to the ten months from the acquisition date in the previous financial year, were consolidated for the German-based S&L Connect business. The acquisition of a fourth John Deere dealership in Germany, effective for nine months of the financial year, also contributed to the revenue growth.

Equipment cluster	2024 R'm	2023 R'm	Change %
Large and self-propelled machinery (Senwes Equipment)	178	247	(27,9%)
Southern and Eastern Cape - partnership in large equipment (JDI)	38	30	26,7%
Large machinery dealerships in Germany (S&L Connect)	(67)	36	(286,1%)
<b>Total large equipment</b>	<b>149</b>	<b>313</b>	<b>(52,4%)</b>
Medium-sized machinery (Falcon) - includes Staalmeeester as merging entity from 1 May 2022	49	57	(14,0%)
Automotive (KLK)	(3)	15	(120,0%)
<b>Profit after interest, before tax</b>	<b>195</b>	<b>385</b>	<b>(49,4%)</b>

The market conditions were favourable but tapered off due to adverse weather conditions during the 2023/24 production season. Positive cash flows experienced by the Senwes client base during the 2022/23 production season resulted in continued record equipment sales (including more sales of higher-value machinery) although at lower margins, which was offset by higher carrying costs of inventory. Inventory management will remain a focus area.

While the construction and forestry department achieved increased sales compared to the previous year, this growth was negatively impacted by higher carrying costs of inventory.

JDI delivered exceptional sales in the Swellendam, Bredasdorp and Cradock areas, especially in terms of high-value equipment.

S&L Connect acquired various assets from Porst Landtechnik GmbH to operate within the existing S&L Connect business, effective from 1 August 2023. The transaction marks the acquisition of the fourth John Deere dealership in East Germany. The financial performance of S&L Connect for the financial year under review was under pressure due to unstable economic conditions characterised by high interest rates, inflation, and decreasing business confidence in the German agricultural sector. These challenges were compounded by the reduction of government agricultural subsidies. Management has implemented action plans to restore the business to profitability and to ensure that the investment realises the required return.

Falcon's turnover growth was in line with inflation, and the demand for their products remain resilient in current market conditions. An increase in operating expenses negatively impacted operating profit.

Retail cluster	2024 R'm	2023 R'm	Change %
Senwes area of responsibility (Hinterland Group)	102	120	(15,0%)
KLK area of responsibility (KLK Landbou)	66	71	(7,0%)
<b>Profit after interest, before tax</b>	<b>168</b>	<b>191</b>	<b>(12,0%)</b>

Hinterland's sales continued to be under strain due to high interest rates, inflation and negative consumer sentiment amid unfavourable weather conditions during the 2023 production season. To mitigate these challenges, efficiency programs and cost-saving initiatives were implemented, resulting in decreased operating expenses compared to the previous year to alleviate the impact of reduced revenue.

The KLK retail division generated higher revenue than the previous year mainly due to improved sales of animal feed and fuel. This was offset by higher operational costs within the division and competitors exerting pressure on margins. KLK's wholesale fuel division performed better than the previous year due to renegotiated prices with suppliers.

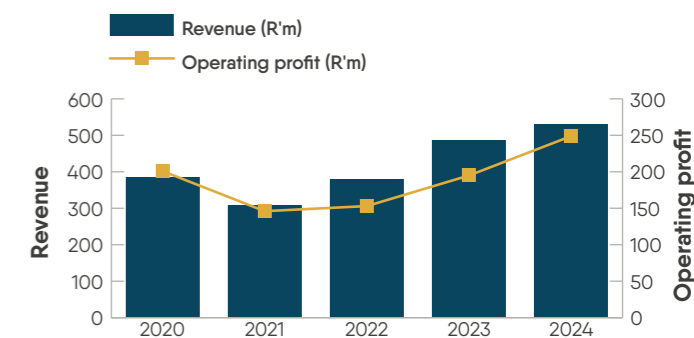
Wholesale cluster	2024 R'm	2023 R'm	Change %
Wholesale distributor (Agrinet)	29	24	20,8%
Pest control (Protek)	39	30	30,0%
<b>Profit after interest, before tax</b>	<b>68</b>	<b>54</b>	<b>25,9%</b>

Agrinet's sales remain under pressure due to the weak economic environment of high inflation, high interest rates and low growth. The impact of the pressured turnover was relieved by a below-inflation increase in operating expenses and interest cost savings. The previous financial year was negatively affected by the South African Commercial Catering and Allied Workers Union (SACCAWU) strike in May and June 2022.

Protek's excellent results for the financial year can be attributed to market share growth, leading to a revenue increase of 14,0% and improved margins through the repacking of bulk products.

## Financial Services and Advice

Revenue ↑ 9,1% Operating profit ↑ 27,7%



The Financial Services and Advice segment achieved a 9,1% increase in revenue totaling to R530 million (2023: R486 million). The increase in revenue primarily stems from higher prime interest rates, affecting the credit cluster specifically.

Credit cluster	2024 R'm	2023 R'm	Change %
Credit (Agri Credit Solutions)	216	169	27,8%
<b>Profit after interest, before tax</b>	<b>216</b>	<b>169</b>	<b>27,8%</b>

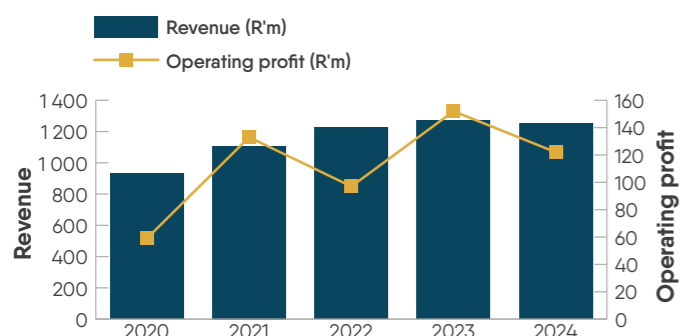
The summer season hectares financed were sixty four thousand hectares lower than the previous season due to the improved cash flow positions of most clients who could purchase some inputs such as fertiliser, utilising surplus cash rather than financing. The implementation of the capital allocation strategy also contributed to a lower average credit book but ensured higher returns on capital employed. Higher interest earned on own funds positively impacted the results. Loans in arrears decreased, which resulted in a lower credit loss provision compared to the previous year.

Insurance and advice cluster	2024 R'm	2023 R'm	Change %
Insurance brokers (Certisure Group)	21	18	16,7%
Wealth Management (SS Wealth)	(1)	-	-
Insurance fund	7	5	40,0%
Underwriting cell captive	14	7	100,0%
Digital transformation	(8)	(4)	(100,0%)
<b>Profit after interest, before tax</b>	<b>33</b>	<b>26</b>	<b>26,9%</b>

On 1 November 2022, Senwes exited the Molemi Sele cell captive structure (joint venture) and invested in a separate Guardrisk cell captive special purpose insurance company. On 1 July 2023, Senwes onboarded two additional third-party credit books into the cell captive structure to provide credit life insurance to its respective clients and producers. The growth in the insurance broker business can be attributed to the increase in the Senwes Cell Captive credit life insurance book, on which Certisure earns binder fees. There was also generic income growth in the life insurance and commercial segment.

## Processing, Conditioning and Markets

Revenue ↓ 1,7%    Operating profit ↓ 19,7%



The Processing, Conditioning and Markets segment experienced a 1,7% decrease in revenue totaling to R1 250 million (2023: R1 272 million). The decrease can be attributed to the declined financial performance of the manufacturing cluster, particularly the raisin conditioning business where revenue declined by R87 million.

Manufacturing cluster	2024 R'm	2023 R'm	Change %
Lime production (Bastion Lime Group: 50% share)	19	12	58,3%
Seed processing (Senwes Seed)	12	1	1100,0%
Raisin conditioning (Carpe Diem Raisins Group)	(8)	73	(111,0%)
Laboratory services (NviroTek)	27	19	42,1%
<b>Profit after interest, before tax</b>	<b>50</b>	<b>105</b>	<b>(52,4%)</b>

Bastion Lime's results improved compared to the previous year, mainly due to higher volumes sold as producers were able to harvest earlier than the previous year, therefore extending the lime application season and a reduction in fixed cost.

The Senwes seed business was sold to ZAR Seed Production (Pty) Ltd (part of the Zeder Group) effectively from 1 February 2023. The transfer of the property was finalised during the current financial year, resulting in a profit from the sale of the property.

Carpe Diem Raisins reported a financial loss for the first time. The disappointing set of results is due to lower raisin sale volumes as a result of a smaller harvest intake and a soft European market. The crystallisation of 675 tonnes of raisins from the 2022 harvest season and an increase in expected credit losses further contributed to the loss for the year.

Compared to the previous year, a larger volume of soil samples were received by NviroTek. This resulted in an increase in revenue compared to the previous year, and improved operating profit.

Meat cluster	2024 R'm	2023 R'm	Change %
Meat, skins and hide processing (KLK Meat and SA Dorper: 50% share)	37	33	12,1%
<b>Profit after interest, before tax</b>	<b>37</b>	<b>33</b>	<b>12,1%</b>

The abattoirs' performance was positively influenced by increased slaughter volumes and a higher gross profit margin. The increased slaughter volumes were as a result of adverse weather conditions in the previous year, especially in the Calvinia and Carnarvon areas.

SA Dorper's performance surpassed that of the previous year, driven by an enhanced average margin per skin resulting from the receipt of better quality skins. However, this was partially offset by a decrease in the quantity of skins sold.

Milling and petfood cluster	2024 R'm	2023 R'm	Change %
Food and beverage processing (Botselo Mills Group: 34,9% share)	29	10	190,0%
Petfood (Africum Agripet and Supreme Pet)	6	4	50,0%
<b>Profit after interest, before tax</b>	<b>35</b>	<b>14</b>	<b>150,0%</b>

Botselo Mills Group's results increased compared to the previous year due to market share gained from competition and an increase in margins.

The petfood business was disposed of in the 2021 financial year, with the final income earned during the current financial year from the transaction in terms of a supply agreement.



## Normalised headline earnings

	% Change	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
<b>Profit before tax and NCI</b>	<b>(5,6%)</b>	<b>1 253</b>	<b>1 327</b>	<b>870</b>	<b>749</b>	<b>446</b>
Tax	3,4%	(331)	(320)	(202)	(176)	(109)
NCI	(33,0%)	(67)	(100)	(67)	(69)	(34)
<b>Profit after tax and NCI</b>	<b>(5,7%)</b>	<b>855</b>	<b>907</b>	<b>601</b>	<b>504</b>	<b>303</b>
<b>Adjusted by:</b>						
• Gain on bargain purchase of subsidiaries		-	-	-	(102)	(56)
• (Gain)/loss on the disposal of investment in joint venture		-	(2)	10	(28)	-
• Impairments/(reversal of impairments) of investments, loans, intangible assets and PPE		-	37	59	(9)	(12)
• Profit from sale of PPE		(39)	(35)	(1)	(37)	(8)
• Impairment of goodwill		32	2	8	29	12
• Legal and consultation fees		1	17	16	15	6
• Restructuring costs		-	-	-	11	-
• Other items and tax impact		(24)	36	(4)	37	1
<b>Normalised headline earnings</b>	<b>(14,2%)</b>	<b>825</b>	<b>962</b>	<b>689</b>	<b>420</b>	<b>246</b>

The profit before tax and NCI decreased by 5,6% to R1 253 million (2023: R1 327 million), while earnings after tax and NCI also decreased. Deducting all abnormal once-off items results in normalised headline earnings of R825 million (2023: R962 million), which is a decrease of 14,2%. The group achieved a return on opening equity of 20,9% (2023: 27,4%).

## Cash flow statement analysis

<b>Cash from operating activities</b>						2 061
<b>Finance income (non-lending business)</b>						78
<b>Finance costs (non-lending business)</b>						(466)
<b>Tax paid</b>						(296)
<b>Dividends paid</b>						(264)
<b>Changes in working capital</b>						(1 339)
<b>Net purchase of PPE and intangible assets</b>						(198)
<b>Acquisition of/or additional share purchase in subsidiaries</b>						(325)
<b>Movement in related and third party loans</b>						50
<b>Treasury shares purchased</b>						(229)
<b>Net proceeds from interest bearing loans</b>						1 232
<b>Other items</b>						(12)
<b>Net cash flows for the year</b>						292

Compared to the previous year, cash from operating activities increased by R258 million to R2 061 million (2023: R1 803 million). The group maintains a high quality of earnings when comparing cash from operating activities with operating profit of R1 596 million (2023: R1 522 million). Changes in working capital mainly include an outflow of R1 710 million due to an increase in inventory and an inflow of R330 million due to a decrease in trade and other receivables.

## Balance sheet analysis

### Simplified statement of financial position

	2024 R'm	2023 R'm
<b>Assets</b>		
Property, plant and equipment	2 917	2 761
Goodwill and intangible assets	228	255
Investments in JV's and associates	164	101
Inventory	5 266	3 615
Derivative financial instruments	289	72
Debtors and loans receivable	5 356	5 733
• Long-term	858	1 103
• Short-term	4 498	4 630
Agency inventory	187	126
Cash	525	361
Other	234	199
<b>Total assets</b>	<b>15 166</b>	<b>13 223</b>
<b>Equity and liabilities</b>		
Own equity	4 465	4 091
Non-controlling interest	509	519
Long-term debt	1 575	1 532
Short-term debt	5 027	3 766
Creditors	2 914	2 203
Bank overdraft	155	286
Derivative financial instruments	80	364
Other	441	462
<b>Total equity and liabilities</b>	<b>15 166</b>	<b>13 223</b>
Net asset value per share	R27,14	R23,37
Gearing ratio	123%	112%

### Capital allocation

Capital is mainly allocated to capital projects, credit extended to producers, grain stock, machinery and retail stock, as well as working capital for expansion into new markets. Material movements can be explained as follows:

1 Goodwill and intangible assets amounting to R32 million and R5 million, respectively, were impaired within the SFL Holdings Group (German operations) during the year. This impairment resulted from a reassessment of future cash flow projections, indicating a decline

in the recoverable amount of the cash-generating unit.

2 Grain inventory is higher than the prior year mainly due to more tonnes on hand (seventy eight thousand tonnes). Higher SAFEX prices and the mix of commodities also contributed to a higher inventory value. Large equipment inventory increased significantly from the previous year due to a higher proportion of expensive items on hand and tractors being delivered before year-end after long lead times. Lead times have returned to normal, and stock orders will be placed based on these expected

lead times to ensure effective stock management. The acquisition of Porst Landtechnik GmbH also contributed to higher stock levels in the current year.

3 As at 30 April 2024, the net pre-season contracts were priced below the closing SAFEX price, resulting in Senwes recognising a net asset with exposure. The year-on-year movement reflects SAFEX price volatility during the current season, with most contracts priced lower than the market price as at 30 April 2024.

4 Term loans decreased due to the repricing of these loans and the phasing out of stand-alone term loans as part of the group's optimal capital allocation strategy.

### How we fund

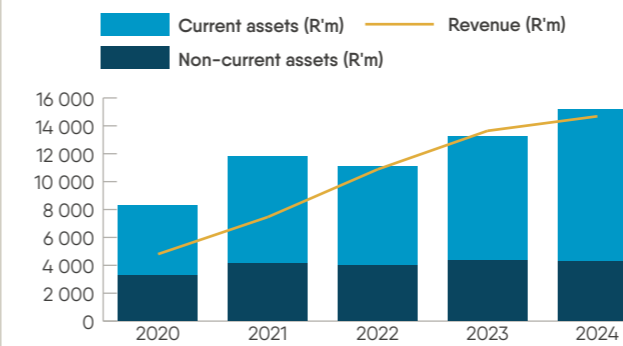
Own equity increased by R374 million, while short-term loans increased by R1 261 million. Creditors increased by R711 million. This can be explained as follows:

5 Senwes rewards shareholders either through dividends or by buying shares in the open market. During the year, Senwes has bought back shares to the value of R229 million mainly through various buy-back programmes.

6 The utilisation of current facilities increased by R1 261 million, primarily to maintain required working capital levels. This includes a R459 million increase in commodity finance directly linked to grain stock levels.

7 Grain creditors, comprising producer and supplier payouts, have increased significantly compared to the prior year, mainly due to the increase in grain prices. Additionally, high inventory levels, particularly related to the SFL Holdings Group, were financed by creditors.

### Total asset movement analysis



	2020	2021	2022	2023	2024
Non-current assets (R'm)	3 352	4 146	4 049	4 393	4 339
Current assets (R'm)	4 989	7 666	7 096	8 830	10 827
Revenue (R'm)	4 803	7 463	10 881	13 642	14 684

Total assets increased cumulatively by 81,8% to R15 166 million (2020: R8 341 million) from 2020. Furthermore, the percentage of current assets to total assets increased annually from 2020 (59,8%) to 2024 (71,4%), primarily due to higher inventory levels, as well as various business combinations throughout the period.

### Future expectations

The overall agriculture outlook for the next 12 months is anticipated to weaken primarily due to a decrease in the national harvest. The Crop Estimates Committee predicts the maize and soybean crops for the forthcoming season to be lower by 18,4% and 35,8% respectively. Additionally, cash flow of producers is expected to remain under pressure due to high interest rates and inflation.

The lower forecasted harvest will have a significant impact on the financial results of the Market Access segment, and the reduction in cash flow earnings of producers will adversely affect the Input Supply segment in the coming 12 months.

The Processing, Conditioning and Markets segment will benefit from a larger raisin harvest and increase in international raisin prices. The Financial Services and Advice segment is anticipated to deliver a stable set of results.

To mitigate these external impacts, the group is focusing on growth initiatives, efficiency improvements and cost-saving initiatives, and reducing our net working capital investment in line with the anticipated decrease in revenue.

The group continues to maintain a strong financial position, which is particularly important given the agricultural challenges forecasted for FY24/25, and has sufficient access to cash resources and existing facilities to fund all operational cash flow requirements. Focus will be placed on optimising capital allocation by monitoring each business return on capital employed and return on invested capital as an internal indicator for improving and maintaining capital efficiencies.

The group remains focused to create long-term value for all its stakeholders, through organic growth, merger and/or acquisition opportunities that align with our strategic objective and maintaining sustainable dividend payouts.

### Closing remarks

We will embrace the challenging environment in which we operate, and in doing so, identify growth opportunities to ensure the long-term achievement of our strategic objectives. The group is well positioned to capitalise on any improvement in economic and trading conditions in the coming year.

We are humbled by the daily presence and grace of God.

*Carl Klingenberg*  
Carl Klingenberg

Group Chief Financial Officer  
5 July 2024  
Klerksdorp



# Managing risk in the agricultural sector

## Gradually, then suddenly...

The World Economic Forum's (WEF) latest Global Risks Report identifies the key risks facing the world over the next decade. In the next two years, misinformation and disinformation is seen as the biggest risk given the world risk environment, while over the next 10 years environmental risks will dominate. The report focuses on four main drivers of risk of the global landscape, namely:

- Climate change – Trajectories relating to global warming and related consequences to earth systems.
- Demographic bifurcation – Changes in the size, growth and structure of populations around the world.
- Technological acceleration – Developmental pathways for frontier technologies.
- Geostrategic shifts – Material evolution in the concentration and sources of geopolitical power.

The agricultural industry is not without risks or concerns either, with the Agbiz/IDC Agribusiness Confidence Index (ACI) continuing to decline. The ACI deteriorated by 10 points to 40 in Q4 2023. This was its lowest level since Q2 2020, at the height of the Covid-19 pandemic's hard lockdown restrictions. The ACI remained at 40 points in Q1 2024. Critically, the Q4 2023 and Q1 2024 readings are below the neutral 50-point mark, implying that South African agri-businesses are downbeat about business conditions in the country.

This pessimism emanates from the numerous challenges facing the sector such as intensified delays, inefficiencies at the ports, deteriorating rail and road infrastructure, worsening municipal service delivery, increased geopolitical uncertainty and persistent episodes of load shedding.



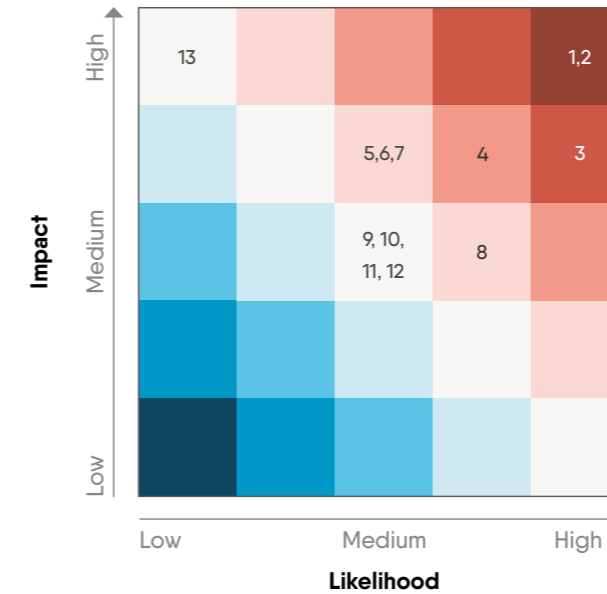
The 2023/24 year is a tale of two halves given the local climate situation. The first half of the year experienced the effects of the second largest maize crop and largest soybean crop in the past ten years with above-average client profitability. The second half of the year experienced later than normal summer crop plantings with a traditional El Niño like mid-summer drought period. Below-average rainfall in February and March will have a significant impact on the Senwes risk profile going forward.

Senwes chooses to actively manage its risks by following an Enterprise-wide Risk Management (ERM) framework, which provides a framework for our management to effectively deal with uncertainty and associated risks and opportunities, thereby enhancing our capacity to create value.

No entity operates in a risk-free environment and ERM does not create such an environment. ERM rather enables management to operate more effectively in environments filled with risks. It cannot and does not operate in isolation within Senwes, but rather as an enabler of the management process.

## Senwes' material risks

Senwes deems its risk management practices as being effective and fully acknowledges the volatile agricultural industry and our need to be smarter, more agile, more effective, proactive and forward looking and, at the same time, being appropriately responsive.



All risks are residually quantified and the heatmap provides an overview of the risk rating in terms of impact and probability, considering the existing mitigating control measures.

Rank	Risk name
1	Weather and climate
2	Market size and market share
3	Political and economic climate
4	Credit, liquidity and market
5	Theft and fraud
6	Information technology – systems and cyber
7	Commodity price
8	Urbanisation, scarcity and retention of skills
9	Transition and customer
10	Unique competitor
11	Environmental and health and safety
12	Diversification and agricultural industry
13	Regulation and compliance

## Our ERM framework is based upon four critical risk activities

### 01 Ensuring risk governance

ERM is interrelated with corporate governance by providing information to the board on the most significant risks and how they are being managed through the Risk Committee. It is therefore crucial that we utilise and optimise our risk resources which include our employees, risk management technology and liaison network.

### 02 Enhancing the risk culture

Risk management is deeply rooted in the culture of Senwes and its strategic and tactical intent. The responsibility and accountability for risk management reside at all levels of the organisation, from its board down to each business manager and employee.

Being risk aware requires that management considers information about internal and external environments, deploys precious resources and recalibrates enterprise activities to changing circumstances.

### 03 Enterprise-wide risk-based strategy

Management considers the entity's risk appetite first in evaluating strategic alternatives, then in setting objectives which are aligned with the selected strategy. Thereafter, mechanisms are developed to manage the related risks.

Risk appetite therefore guides resource allocation and assists us in aligning the organisation, people and processes in designing the infrastructure required to effectively respond to and monitor risks.

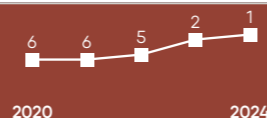
### 04 Managing the risk process

The group has a formal risk assessment process in place through which risks and mitigating management actions are identified, assessed, monitored and reported on.

Our core strategic focus area as part of the risk management process remains the ability to respond to risks by ensuring multiple response plans per risk category.

# Material risks and opportunities

## 1. Weather and climate risk



### Description

The group is dependent on favourable weather conditions for sustainable agricultural production and producer profitability. The seasonality of weather and climate changes is not linked to a financial or calendar year and could therefore negatively impact the group over consecutive years. The 2023/24 moderate to strong El Niño event had a negative effect on the group's financial results for the second half of the year with a significant impact expected in 2024/25.

### Mitigation and control

Senwes is indirectly exposed to income volatility because of adverse weather and climate events. These events influence the volume of grain produced in the Senwes area of operation, subsequently reducing storage income and producer profitability. This impacts the Market Access and Input Supply pillars, especially the equipment, retail and production inputs. The income volatility of a catastrophic climate event is mitigated by operational efficiencies and the effective management of grain stock.

### Opportunities

- Externalisation and/or diversification into new, counter-cyclical markets, lower risk jurisdictions and/or commodities.
- Fully understand and model the impact of weather and climate risk from the producer's point of view and tailor the group's solution offering to mitigate the impact of these risks.

### Strategic focus areas triggered

- Diversification, horizontal integration and consolidation
- Increased investment in efficiencies within the value chain
- Internal integration of the customer
- Externalisation

For more information on the group strategy, see [p. 50](#)

## 2. Market size and market share risk



### Description

Commodity price changes and input costs have changed the grain market size dynamics in terms of commodity production. However, the impact of the El Niño event affected the grain market size in the last quarter of 2023/24 and going into 2024/25. The smaller grain market size had a negative impact on the equipment, retail and production input market sizes.

South Africa's agricultural machinery sales declined notably in January 2024 to April 2024. The tractor sales were down 25% YoY, with a total of 1 866 units sold in the first four months of 2024 (January 2023 to April 2023: 2 475 units). Combined harvester sales were down 61%, with 78 units sold during January 2024 to April 2024, compared to 198 units during the corresponding period in 2023. This significant sales decline broadly reflects the normalisation of sales after a few years of robust activity.

### Mitigation and control

The group continued the investment in technology. Infrastructure at its business units remains a focus area to increase market share by means of offering a more attractive value proposition to clients.

### Opportunities

- Consolidation and/or expansion to achieve critical mass and market share growth.
- Continuous research, innovation, evaluation and, where necessary, improvement of the group's core activities and solutions, to maintain a competitive advantage and grow market share.

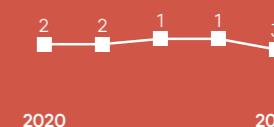
### Strategic focus areas triggered

- Diversification, horizontal integration, and consolidation
- Internal integration of the customer
- Increased investment in efficiencies within the value chain
- Externalisation

For more information on the group strategy, see [p. 50](#)



## 3. Political and economic climate risk (including load shedding)



### Description

The group and the agricultural sector could be negatively impacted by political decisions, civil unrest, high unemployment rates, mismanagement of state-owned enterprises (SOEs) (electricity, water and rail), volatile exchange rate movements and unsustainable growth. Various policy changes affecting the agricultural sector could severely impact the group's strategic intent.

The most significant political threat to the group and industry remains the policy of land expropriation without compensation. Furthermore, 2024 being an election year adds to the risk given the increase in uncertainty.

Economic growth outlooks remain subdued with longer than initially expected periods of higher inflation rates, interest rates and unemployment.

### Mitigation and control

Senwes utilises agricultural land owned by producers to secure credit extension to these clients. In the event of agricultural land being nationalised or expropriated without compensation, the value of agricultural land will diminish and nullify the value of the security that Senwes holds against outstanding funds. This risk can only be accepted and cannot be mitigated.

Senwes continues to actively play its part within the agricultural and food value chain, and will continue to provide innovative and integrated solutions to our customers to enable them to do their business.

### Opportunities

- Externalisation and/or diversification into new markets and/or lower risk jurisdictions.
- Optimising our electricity base, and building and growing our alternative energy base to further de-risk our current South African footprint.
- Increased focus on the development of solutions which aim to reduce the impact of political and economic challenges for both the Senwes Group and its customers.
- Engagement at political/governmental level to aid in the formulation and roll-out of sustainable solutions to navigate South Africa's political and economic challenges.

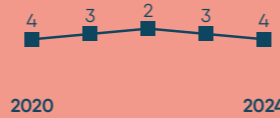
### Strategic focus areas triggered

- Diversification, horizontal integration, and consolidation
- Harvesting of value synergies and reorganisation of business models
- Increased investment in efficiencies within the value chain
- Internal integration of the customer
- Externalisation

For more information on the group strategy, see [p. 50](#)



## 4. Credit, liquidity and market risk



### Description

The profile of the credit book with regards to concentration and geographical risk remains a risk factor. The changes in the risk environment include, amongst others, the changes in input costs and the effect it has on the credit exposure as well as the aftermath of the mid-summer drought going into the new production season. Weather risks therefore added to the risk exposure.

The Senwes Group is also exposed to medium-term liquidity and volatile interest rate changes. Volatile commodity price changes also hold a significant risk regarding liquidity, cash flow and bank covenants in the short term due to the variation margin on hedged market positions.

### Mitigation and control

The potential credit concentration risk mainly relates to debtors. Debtors consist of many clients, who are spread over different geographic areas. Credit is extended in accordance with the credit policy of the group. Prudent credit evaluation processes are strictly adhered to. The group continuously focuses on managing its balance sheet to be naturally hedged against fluctuating interest rates to a large extent, by ensuring that interest-bearing debt is mainly utilised for interest-earning assets, both at floating interest rates.

Liquidity risk is actively managed with all financiers and the group remains within risk-covenant levels. Liquidity and balance sheet management is seen as a strategic enabler for the group.

Optimal capital allocation and monitoring of both capital employed, and capital invested is seen as a key strategic enabler and received specific focus from the ALCO. Furthermore, focus is being placed on improving the group's own capital ratio which should create funding opportunities for future growth transactions.

### Opportunities

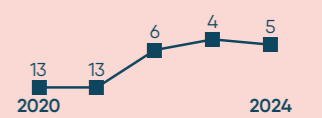
- Improved allocation of all resources including capital, funding and investments. Implementing more refined calculations of returns or profitability – considering return ratios such as return on invested capital (ROIC), return on capital employed (ROCE) as well as free cash flow in decision making with regards to capital allocation.
- Diversification and/or expansion into new, lower risk and counter-cyclical markets or commodities.
- Formulation and roll-out of new and adapted solutions which aim to mitigate credit, liquidity and market risk.

### Strategic focus areas triggered

- Diversification, horizontal integration, and consolidation
- Harvesting of value synergies and reorganisation of business models
- Externalisation

For more information on the group strategy, see [p. 50](#)

## 5. Theft and fraud risk



### Description

The economic climate gives rise to theft and fraudulent activities, especially involving high-value commodities such as grain and production inputs. The diversified nature of the group's activities also increases the possibilities of theft or fraud. This is further exacerbated by the complexity of certain activities which require special control measures.

### Mitigation and control

A focus on business processes, a culture project, best practice-aligned appointment practices and the upgrading of physical control measures are some of the management actions implemented to mitigate the risk to an acceptable level. The code of conduct is embedded in the risk culture of the company, which contributes to the mitigation of this risk.

### Opportunities

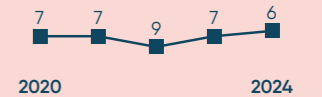
- Develop and/or optimise the group's code of conduct and ethics processes by utilising the latest technology in this regard.
- Strengthen the group's anti-theft and fraud culture by means of continuously raising awareness and training personnel as well as optimising and adapting response processes and penalty proceedings in this regard.

### Strategic focus areas triggered

- Diversification, horizontal integration, and consolidation
- Harvesting of value synergies and reorganisation of business models
- Externalisation

For more information on the group strategy, see [p. 50](#)

## 6. Information technology risk – systems and information security



### Description

The company relies heavily on technology and innovative system developments. The main risks relate to security, archiving, capacity, data integrity, relevance, integration and adaptability.

### Mitigation and control

An IT strategy and management committee is in place and formal change, project and integration management are applied. Furthermore, extensive business and IT disaster recovery processes have been established. Continuous focus is placed on IT governance and improving the maturity of systems.

### Opportunities

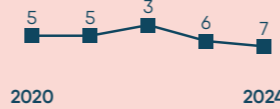
- Continuous internal system development structured in a manner which ensures long-term sustainability, strengthens cyber security and data integrity, enables effective integration, and ensures effortless adaptability in line with the group's strategic evolution.

### Strategic focus areas triggered

- Harvesting of value synergies and reorganisation of business models

For more information on the group strategy, see [p. 50](#)

## 7. Commodity price risk



### Description

Volatile commodity markets such as grains, oilseeds, fertiliser, steel and oil have an impact on the entire agricultural value chain. Most primary input products' prices, such as fertiliser and fuel, saw a decline in the second half of the year while seed prices increased. Global commodity prices have also started to decline in the latter part of the year.

### Mitigation and control

The group uses derivative instruments to manage and hedge exposure to commodity price risk. In accordance with the group's risk management policy, only minimal unhedged market positions exist from time to time. The hedging instruments used consist of soft commodity futures contracts as well as option contracts.

### Opportunities

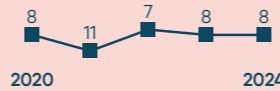
- Continuous development and optimisation of the group's hedging instruments.
- Development and roll-out of tailor-made solutions (hedging and pricing strategies) which aim to manage or mitigate commodity price risk for producers and optimise their cash flow positions and profitability.

### Strategic focus areas triggered

- Harvesting of value synergies and reorganisation of business models

For more information on the group strategy, see [p. 50](#)

## 8. Urbanisation, scarcity and retention of skills



### Description

The group is exposed to rural and/or agricultural areas, not only with regards to business operations, but also with regards to the scarcity of necessary skills in these areas.

The recruitment and retention of right-fit employees are challenges in the industry and for Senwes. The rural operating areas of Senwes add to the risk exposure in this regard.

### Mitigation and control

Our integrated skills development framework guides proportionate, yet balanced, investment in various skills development categories across all levels of the organisation. The framework sets clear guidelines for employees to acquire the full spectrum of training, ranging from technical to job-specific skills, without neglecting the need for personal growth, people skills and leadership development.

More information about training can be found in the group's web-based Sustainability Report at [www.senwes.com](http://www.senwes.com).

### Opportunities

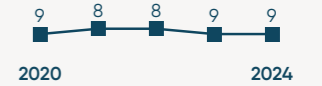
- Optimisation of skills development and retention programmes as well as succession planning strategies.
- Re-thinking the group's entire talent and skills sourcing model – considering alternative methods (contracts or contingencies, remote work, crowd sourcing, etc.) to attract and retain talent and adopting the changes necessary to mitigate risks associated with skills scarcity and retention.
- Define, develop, and sell a working environment which balances the key attractive factors of urbanisation with the benefits of living in rural areas.

### Strategic focus areas triggered

- Diversification, horizontal integration, and consolidation
- Increased investment in efficiencies within the value chain
- Harvesting of value synergies and reorganisation of business models
- Externalisation

For more information on the group strategy, see [p. 50](#)

## 9. Transition and customer risk



### Description

The group is exposed to agri-technological quantum leaps, alternative storage, and evolving customer needs or priorities, which could lead to a paradigm shift in agriculture. Clients are consolidating (increasing in size) – and are increasingly fulfilling the role of agri-businesses themselves. The group's sustainability is at risk without transition and diversification.

### Mitigation and control

Senwes still believes in strong client relationships and continuously attempts to improve these relationships. Customer needs and our ability to fulfil those needs remain high on the group's agenda.

The group uses its digital transformation unit, with the objective of leading initiatives aimed at digitally matching supply and demand.

Alternative storage structures are addressed by innovative market transactions and by investments in technology and infrastructure at the silos.

### Opportunities

- Expand and optimise customer research and the customer intelligence database of the group to enable the proactive development of solutions, to prevent the group from being bypassed in the process where a customer seeks a solution to fit his/her needs elsewhere in the market.
- Leverage the group's already strong client relationships to improve the matching of the group's offerings and clients' needs.
- Development of solutions that will enable the group's transition to business partner of choice for its clients.

### Strategic focus areas triggered

- Diversification, horizontal integration, and consolidation
- Internal integration of the customer
- Harvesting of value synergies and reorganisation of business models
- Increased investment in efficiencies within the value chain
- Externalisation

For more information on the group strategy, see [p. 50](#)



## 10. Unique competitor risk



### Description

The group operates in a competitive environment. Innovation and market penetration strategies throughout the agricultural value chain on the part of our competitors (local and international), could have an adverse effect on market share and the group's results.

### Mitigation and control

Senwes is exposed to competitors and innovative strategies, and capital investments have been made to retain and grow market share.

### Opportunities

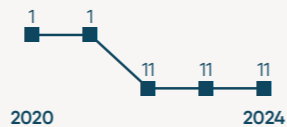
- Continuously challenge the status quo to ensure that the group is always aware of its exposure to unique competitor risk, and that it can mitigate the necessary risks by means of the correct counter-acting balance of defensive and/or offensive strategic actions.
- Outside-the-box-thinking to enable the development and provision of new or alternative (non-traditional) solutions, i.e. optimising the group's solution offering in such a manner that it ensures unquestionable competitive edge.
- Continuously evaluate partnerships (e.g. suppliers, joint venture partners, etc.) across the group with regards to their contribution in ensuring or enhancing the group's competitive advantage.
- Increased participation in the parts or industries of the value chain where the group has never been involved and which could aid in mitigating the impacts of unique competitor risk.

### Strategic focus areas triggered

- Diversification, horizontal integration, and consolidation
- Internal integration of the customer
- Harvesting of value synergies and reorganisation of business models
- Increased investment in efficiencies within the value chain
- Externalisation

For more information on the group strategy, see [p. 50](#)

## 11. Environmental and health and safety risk



### Description

The risk trend since 2020 declined mostly due to the impact of the global Covid-19 pandemic and subsequent termination of the national state of disaster.

The group is subjected to compliance requirements regarding employee health and safety, environmental and quality assurance. The health and safety of our employees is crucial along with the safe and best practice principles storage requirements given the grain commodities that we store.

### Mitigation and control

Operations, the safety of grain as a core product and the handling thereof are continuously assessed by Senwes through a Hazard Analysis Critical Control Point (HACCP) and quality management system. Senwes also incorporates a fully functional SHEQ department to enable the policy environment, effective structures, education and training, empowering employees to make judgement calls and enforcing rules and regulations.

### Opportunities

- Develop and optimise the group's environmental, health and safety compliance and assurance processes and systems, also through the utilisation of the latest technology in this regard.
- Strengthen the group's environmental and health and safety compliance culture through continuously upskilling and training personnel as well as optimising and adapting development programmes in this regard.

### Strategic focus areas triggered

- Harvesting of value synergies and reorganisation of business models

For more information on the group strategy, see [p. 50](#)

## 12. Diversification and agricultural industry risk



### Description

Senwes is exposed to limited growth opportunities, especially in the local agricultural sector. The group and industry could reach a level of maturity that would increase the difficulties associated with volume and profit growth.

### Mitigation and control

Senwes continues to work on its 10-year rolling strategy. The focus of our strategy is diversification, horizontal integration and local consolidation, increased investment in efficiencies in the value chain, business unit integration and externalisation.

The reduction of risk in the current business models and geographic exposures therefore remain a high priority.

### Opportunities

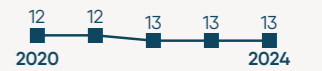
- Upscaling through consolidation and/or expansion to ensure critical mass and the unlocking of value synergies as well as increased investment in efficiencies to ensure long-term sustainability, despite limited growth opportunities in the local agricultural sector.
- Diversification and/or externalisation into new markets, lower risk jurisdictions and/or commodities.
- Development and roll-out of solutions which will ensure growth in the client base and an increase in the share of current clients' spending across the Senwes Group.

### Strategic focus areas triggered

- Diversification, horizontal integration, and consolidation
- Internal integration of the customer
- Harvesting of value synergies and reorganisation of business models
- Increased investment in efficiencies within the value chain
- Externalisation

For more information on the group strategy, see [p. 50](#)

## 13. Regulation and compliance risk



### Description

The risk describes the wide range of legislation that the group must comply with. The material acts are, inter alia, the Companies Act, relevant tax regulations, FICA, FMA, FAIS, NCA, CPA, POPIA and OHSA.

### Mitigation and control

The board accepts total responsibility for compliance with all applicable legislation and regulatory requirements. This is reported through the internal Compliance Committee and then to the Risk Committee as well as the Audit Committee. Focused attention is being afforded to compliance aspects throughout the company.

### Opportunities

- Continuously drive improvement and optimisation of the group's compliance coverage plan.
- Strive for a culture of compliance through cultivating an understanding of regulatory compliance requirements by means of continuously upskilling and training personnel in this regard.

### Strategic focus areas triggered

- Harvesting of value synergies and reorganisation of business models

For more information on the group strategy, see [p. 50](#)

# Group Financial Review

## 5-year review

### Financial Statements

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
<b>Statement of financial position</b>					
<b>Assets</b>					
Non-current assets	4 326	4 391	4 030	4 146	3 352
Current assets	10 827	8 830	7 096	7 666	4 989
Non-current assets held for sale	13	2	19	-	-
<b>Total assets</b>	<b>15 166</b>	<b>13 223</b>	<b>11 145</b>	<b>11 812</b>	<b>8 341</b>
<b>Equity and liabilities</b>					
Capital and reserves	4 465	4 091	3 316	2 937	2 560
Non-controlling interest	509	519	424	376	343
Equity	4 974	4 610	3 740	3 313	2 903
Non-current liabilities	1 945	1 826	1 796	467	859
Current liabilities	8 247	6 787	5 609	8 032	4 579
<b>Total equity and liabilities</b>	<b>15 166</b>	<b>13 223</b>	<b>11 145</b>	<b>11 812</b>	<b>8 341</b>
Interest-bearing liabilities included in current and non-current liabilities	6 641	5 508	5 572	5 992	4 347
<b>Income statement per segment</b>					
<b>Revenue</b>					
Financial Services and Advice	530	486	380	309	385
Input Supply	11 465	10 563	8 095	5 534	2 633
Market Access	1 434	1 319	1 162	440	735
Processing, Conditioning and Markets	1 250	1 272	1 224	1 108	930
<b>Normal operating activities</b>	<b>14 679</b>	<b>13 640</b>	<b>10 861</b>	<b>7 391</b>	<b>4 683</b>
Corporate income	5	2	20	72	120
<b>Total revenue</b>	<b>14 684</b>	<b>13 642</b>	<b>10 881</b>	<b>7 463</b>	<b>4 803</b>
<b>Profit/(loss)</b>					
Financial Services and Advice	249	195	153	146	201
Input Supply	431	630	481	318	43
Market Access	593	526	325	213	176
Processing, Conditioning and Markets	122	152	97	133	59
<b>Normal operating activities</b>	<b>1 395</b>	<b>1 503</b>	<b>1 056</b>	<b>810</b>	<b>479</b>
Corporate costs	(137)	(160)	(131)	(138)	(89)
Consolidated, abnormal and sundry items	(5)	(16)	(55)	77	56
<b>Profit before tax</b>	<b>1 253</b>	<b>1 327</b>	<b>870</b>	<b>749</b>	<b>446</b>
Tax	(331)	(320)	(202)	(176)	(109)
<b>Profit after tax, before non-controlling interest</b>	<b>922</b>	<b>1 007</b>	<b>668</b>	<b>573</b>	<b>337</b>
Non-controlling interest	(67)	(100)	(67)	(69)	(34)
<b>Profit after tax and non-controlling interest</b>	<b>855</b>	<b>907</b>	<b>601</b>	<b>504</b>	<b>303</b>
Net finance costs (finance costs less finance income) included in results	(395)	(221)	(92)	(107)	(126)
<b>Cash flow statement</b>					
Cash from operating activities	2 061	1 803	1 331	920	585
Change in operating capital	(1 339)	7	(1 568)	(989)	(514)
<b>Total finance income and finance costs, tax and dividends paid</b>	<b>(948)</b>	<b>(745)</b>	<b>(444)</b>	<b>(365)</b>	<b>(353)</b>
Finance income	78	45	38	20	4
Finance costs paid	(466)	(256)	(122)	(123)	(128)
Tax paid	(296)	(298)	(182)	(140)	(117)
Dividends paid	(264)	(236)	(178)	(122)	(112)
<b>Net cash flow (used in)/generated from operating activities</b>	<b>(226)</b>	<b>1 065</b>	<b>(681)</b>	<b>(434)</b>	<b>(282)</b>
Net cash used in from investment activities	(395)	(550)	(168)	(330)	(927)
Net cash generated from/(used in) financing activities	913	(449)	1 302	244	1 243
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>292</b>	<b>66</b>	<b>453</b>	<b>(520)</b>	<b>34</b>

### Financial and operating ratios

	Definitions see p.104	5-year CAGR %	2024	2023	2022	2021	2020
<b>Financial growth (%)</b>							
Total assets		20,1	14,7	18,6	(5,6)	41,6	37,6
Total equity		16,1	7,9	23,3	12,9	14,1	22,9
Interest-bearing liabilities		18,2	20,6	(1,1)	(7,0)	37,8	50,8
Revenue		40,4	7,6	25,4	45,8	55,4	78,7
Profit before tax		25,8	(5,6)	52,5	16,2	67,9	12,1
Normalised headline earnings per share		22,2	(13,2)	40,1	62,9	69,5	(18,8)
Net asset value per share		14,1	16,1	20,0	14,1	13,4	7,2
Closing market price per share		11,8	16,4	17,9	21,7	4,5	-
Total dividends for the year		20,1	13,6	6,5	37,8	50,0	-
<b>Performance of ordinary shares</b>							
<b>Cents per share</b>							
Earnings	1		501,8	525,8	347,6	294,4	178,3
Normalised headline earnings	2		484,3	558,1	398,2	244,4	144,2
Diluted normalised headline earnings	3		469,6	540,4	384,8	236,4	137,9
Net asset value	4		2 713,7	2 337,4	1 947,7	1 707,3	1 506,1
Closing market price			1 920	1 650	1 400	1 150	1 100
<b>Total dividends for the year</b>							
Final dividend proposed			50	40	34	32	30
Interim dividend paid			50	36	34	32	30
Special dividend proposed			50	56	56	26	-
<b>Percentage</b>							
Price-book ratio	5		70,8	70,6	71,9	67,4	73,0
Dividend yield on opening market price	6.1		9,1	9,4	10,8	8,2	5,5
Dividend yield, excluding special dividends, on opening market price	6.2		6,1	5,4	5,9	5,8	5,5
<b>Times</b>							
Price-earnings ratio	7		4,0	3,0	3,5	4,7	7,6
Cyclically adjusted price earnings ratio (CAPE ratio)	8		6,4	6,4	6,7	6,3	6,4
EV/EBITDA multiple	9		5,1	4,6	7,1	8,1	9,2
Dividend cover	10.1		3,3	4,0	2,8	3,3	3,0
Dividend cover, excluding special dividends	10.2		5,0	6,9	5,1	4,6	3,0
<b>R'million</b>							
Market capitalisation	11		3 471	2 983	2 531	2 079	1 989
<b>Shareholders' return</b>							
Return on opening equity (%)	12		20,9	27,4	20,5	19,7	13,0
Total shareholders' return on opening market price (%)	13		25,5	27,3	32,5	12,7	5,5
Alpha (%)	14		10,2	15,4	9,9	7,7	0,3
Alpha to residual risk ratio (cents alpha achieved per R1 residual risk)	15		57,0	86,7	56,3	39,0	1,3
<b>Productivity and efficiency</b>							
Asset velocity (times)	16		1,0	1,1	0,9	0,7	0,7
Revenue/equity (times)	17		3,0	3,0	2,9	2,3	1,7
Number of employees			5 282	5 079	4 986	5 098	3 427
Operating profit per employee (R'000)	18		302,2	299,7	187,9	165,2	172,5
Return on total assets (%)	19		6,1	7,6	6,0	4,9	4,0
Return on invested capital (%)	20		16,2	19,5	13,9	12,5	9,8
Return on capital employed (ROCE) (%)	21		20,2	22,6	16,3	15,4	11,7
Operating profit as a % of income	22		10,9	11,2	8,6	11,3	12,3
Effective tax rate (%)	23		26,4	24,1	23,3	24,2	24,5
<b>Solvency and liquidity</b>							
Equity as a % of net assets	24		42,8	45,6	40,2	35,6	40,0
Own capital ratio (including commodity finance)	25.1		32,8	34,9	33,6	28,0	34,8
Own capital ratio (excluding commodity finance)	25.2		35,8	37,4	33,8	31,8	35,0
Gearing ratio (%)	26		123,0	111,6	146,7	180,3	143,7
Non-interest-bearing liabilities as a % of equity	27		71,4	67,4	48,1	75,7	37,6
Finance costs (R'm)	28		475	266	130	127	130
Interest cover (times)	29.1		4,0	6,6	8,7	7,9	5,1
Interest cover (times) (excluding commodity finance interest)	29.2		9,6	11,8	13,9	12,2	10,4
Current ratio (times)	30		1,3	1,3	1,3	1,0	1,1
Quick asset ratio (times)	31		0,7	0,7	0,9	0,6	0,9

## Definitions of the financial and operating ratios

### 1. Earnings per share

Earnings attributable to shareholders, divided by the weighted average number of shares in issue during the year.

### 2. Normalised headline earnings per share

Normalised headline earnings, divided by the weighted average number of shares in issue during the year.

### 3. Diluted normalised headline earnings per share

Normalised headline earnings, divided by the weighted average diluted number of shares in issue during the year.

### 4. Net asset value per share

Own equity divided by the number of shares in issue at year-end, net of treasury shares.

### 5. Price-book ratio

Closing market price per share divided by the net asset value per share, at year-end.

### 6. Dividend yield on opening market price

#### 6.1. Dividend yield on opening market price

Total dividend per share divided by the opening market price per share.

#### 6.2. Dividend yield, excluding special dividends, on opening market price

Total dividend per share, less special dividend per share, divided by the opening market price per share.

### 7. Price-earnings ratio

Closing market price per share divided by the normalised headline earnings per share.

### 8. Cyclically adjusted price-earnings ratio (CAPE-ratio)

Closing market price per share divided by the 10-year average, inflation-adjusted headline earnings per share.

### 9. EV/EBITDA multiple

Enterprise value (EV) divided by the earnings, before interest, taxes, depreciation, and amortisation (EBITDA). Where the EV is calculated as market capitalisation plus the value of interest-bearing debt, less cash.

### 10. Dividend cover

#### 10.1. Dividend cover

Earnings per share divided by the total dividend per share.

#### 10.2. Dividend cover, excluding special dividends

Earnings per share divided by the total dividend less special dividend per share.

### 11. Market capitalisation

Closing market price per share multiplied by the number of shares in issue at year-end.

### 12. Return on opening equity

Profit after tax attributable to equity holders of the parent divided by the opening balance of own equity.

### 13. Total shareholders' return on opening market price

Total dividend plus growth in the market price per share, divided by the opening market price per share.

### 14. Alpha

Alpha is defined as the percentage (%) by which the actual return on equity (definition 12) outperforms the required return on equity.

### 15. Alpha to residual risk ratio

Alpha (in R'm) divided by the group's average residual risk (in R'm). Where alpha is defined as the value by which the actual return on equity outperforms the required return on equity. The ratio expresses alpha as a value in cents achieved per R1 residual risk taken.

### 16. Asset velocity

Revenue divided by total average assets.

### 17. Revenue/equity

Revenue divided by total closing equity.

### 18. Operating profit per employee

Profit before tax from continuing operations, adjusted with finance costs, finance income and share of profit from associates and joint ventures (operating profit), divided by the total number of employees in the group at year-end.

### 19. Return on total assets

Profit after tax (including non-controlling interest) divided by total assets.

### 20. Return on invested capital

Net operating profit after tax (NOPAT) divided by the sum of opening shareholder funds and the average of the borrowed funds.

### 21. Return on capital employed (ROCE)

Earnings before interest and tax (EBIT) divided by the sum of net working capital (based on monthly averages) and all non-current assets.

### 22. Operating profit as a % of income

Operating profit as a percentage (%) of revenue. Where operating profit is calculated as the earnings before interest and tax, excluding profit or loss from joint ventures and associates.

### 23. Effective tax rate

Tax expenses as per the financial statements as a percentage (%) of profit before tax.

### 24. Equity as a % of net assets

Total equity expressed as a percentage (%) of total assets, reduced by non-interest-bearing debt.

### 25. Own capital ratio

**25.1. Own capital ratio including commodity finance**  
Total equity expressed as a percentage (%) of total assets (or total equity and liabilities).

**25.2. Own capital ratio excluding commodity finance**  
Total equity expressed as a percentage (%) of total assets (or total equity and liabilities) less commodity finance inventory.

### 26. Gearing ratio

Interest-bearing debt, reduced by cash, divided by total equity.

### 27. Non-interest-bearing liabilities as a % of equity

Non-interest-bearing liabilities and provisions divided by total equity.

### 28. Finance cost

Refer to note 22.2 in the annual financial statements.

### 29. Interest cover

#### 29.1. Interest cover

Earnings before interest, tax, depreciation and amortisation (EBITDA), divided by finance costs.

#### 29.2. Interest cover (excluding commodity finance interest)

Earnings before interest, tax, depreciation and amortisation (EBITDA), divided by finance costs (excluding commodity finance interest expense).

### 30. Current ratio

Current assets divided by current liabilities.

### 31. Quick asset ratio

Current assets less inventory, divided by current liabilities.



## Summarised consolidated and separate statements of financial position

as at 30 April 2024

	Group		Company	
	2024 R'm	* 2023 Restated R'm	2024 R'm	* 2023 Restated R'm
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2 917	2 761	753	786
Investment property	2	2	1	1
Right-of-use assets	14	30	-	1
Goodwill and intangible assets	228	255	5	4
Investment in subsidiaries	-	-	770	810
Investment in joint ventures and associates	164	101	30	30
Other financial assets	6	6	-	-
Long-term portion of other loans receivable	-	-	376	390
Loans and other receivables	858	1 103	-	-
Deferred tax assets	137	133	-	-
<b>Total non-current assets</b>	<b>4 326</b>	<b>4 391</b>	<b>1 935</b>	<b>2 022</b>
<b>Current assets</b>				
Inventories	5 266	3 615	1 494	953
Trade and other receivables	4 498	4 630	679	374
Other loans receivable	-	1	4 542	5 164
Insurance contract assets	26	12	23	9
Inventory held to satisfy firm sales	187	126	187	126
Derivative financial instruments	289	72	288	68
Income tax receivable	36	13	-	-
Cash and short-term deposits	525	361	355	6
<b>Total current assets</b>	<b>10 827</b>	<b>8 830</b>	<b>7 568</b>	<b>6 700</b>
Non-current assets held for sale	13	2	-	2
<b>Total assets</b>	<b>15 166</b>	<b>13 223</b>	<b>9 503</b>	<b>8 724</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Issued capital and share premium	68	68	68	68
Treasury shares	(282)	(65)	-	-
Foreign currency translation reserve	26	29	-	-
Reserves	12	14	43	39
Retained earnings	4 641	4 045	2 566	2 450
<b>Total own equity</b>	<b>4 465</b>	<b>4 091</b>	<b>2 677</b>	<b>2 557</b>
Non-controlling interest	509	519	-	-
<b>Total equity</b>	<b>4 974</b>	<b>4 610</b>	<b>2 677</b>	<b>2 557</b>
<b>Non-current liabilities</b>				
Interest-bearing loans	1 455	1 440	1 268	1 342
Other financial liabilities	114	71	88	58
Lease liabilities	6	21	-	-
Deferred government grants	9	12	-	-
Deferred tax liability	361	282	174	124
<b>Total non-current liabilities</b>	<b>1 945</b>	<b>1 826</b>	<b>1 530</b>	<b>1 524</b>
<b>Current liabilities</b>				
Trade and other payables	2 725	1 986	451	300
Contract liabilities	33	27	33	26
Short-term portion of interest-bearing loans	4 875	3 658	4 622	3 615
Other loans payable	144	95	22	5
Derivative financial instruments	80	364	79	352
Income tax payable	33	52	1	23
Short-term incentive bonuses	156	190	85	105
Bank overdraft	155	286	-	204
Short-term portion of lease liabilities	8	13	-	-
Short-term portion of deferred government grants	2	2	-	-
Provisions	36	114	3	13
<b>Total current liabilities</b>	<b>8 247</b>	<b>6 787</b>	<b>5 296</b>	<b>4 643</b>
<b>Total liabilities</b>	<b>10 192</b>	<b>8 613</b>	<b>6 826</b>	<b>6 167</b>
<b>Total equity and liabilities</b>	<b>15 166</b>	<b>13 223</b>	<b>9 503</b>	<b>8 724</b>

\* Refer to the annual financial statements regarding restated prior year figures.

## Summarised consolidated and separate statements of comprehensive income

for the year ended 30 April 2024

	Group		Company	
	2024 R'm	* 2023 Restated R'm	2024 R'm	* 2023 Restated R'm
Services rendered	1 101	1 154	943	901
Income from sale of goods	13 126	12 073	535	388
<b>Revenue from contracts with customers</b>	<b>14 227</b>	<b>13 227</b>	<b>1 478</b>	<b>1 289</b>
Insurance revenue	46	10	59	23
Finance income relating to the lending business	411	405	343	297
<b>Revenue</b>	<b>14 684</b>	<b>13 642</b>	<b>1 880</b>	<b>1 609</b>
Cost of sales	(10 290)	(9 507)	80	36
Finance costs relating to the lending business	(160)	(185)	(277)	(285)
<b>Gross profit</b>	<b>4 234</b>	<b>3 950</b>	<b>1 683</b>	<b>1 360</b>
Other operating income	248	317	70	149
Gain on disposal of investment in joint venture	-	2	-	22
Distribution, sales and administrative expenses	(2 836)	(2 747)	(953)	(877)
Expected credit loss (expense)/income on financial assets	(16)	5	(3)	(10)
Insurance service expense	(34)	(5)	(39)	(10)
Reinsurance expense	-	-	(8)	(8)
<b>Operating profit</b>	<b>1 596</b>	<b>1 522</b>	<b>750</b>	<b>626</b>
Finance income	80	45	66	35
Finance costs	(475)	(266)	(303)	(137)
Share of profit from joint ventures and associates	52	26	-	-
<b>Profit before tax from operations</b>	<b>1 253</b>	<b>1 327</b>	<b>513</b>	<b>524</b>
Tax	(331)	(320)	(133)	(139)
<b>Profit after tax</b>	<b>922</b>	<b>1 007</b>	<b>380</b>	<b>385</b>
<b>Profit after tax from:</b>				
Continuing operations	900	1 001	368	383
Discontinued operations	22	6	12	2
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax</b>	<b>(11)</b>	<b>53</b>	<b>(8)</b>	<b>21</b>
Exchange differences on translation of foreign operations	(3)	32	-	-
Cash flow hedge movements	(8)	21	(8)	21
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of tax</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>
Fair value adjustment on other financial assets	-	3	-	-
<b>Total comprehensive income for the year, net of tax</b>	<b>911</b>	<b>1,063</b>	<b>372</b>	<b>406</b>
<b>Profit after tax attributable to:</b>				
Equity holders of the parent	855	907	380	385
Non-controlling interest	67	100	-	-
<b>Total comprehensive income attributable to:</b>	<b>844</b>	<b>960</b>	<b>372</b>	<b>406</b>
Equity holders of the parent	844	960	372	406
Non-controlling interest	67	103	-	-

\* Refer to the annual financial statements regarding restated prior year figures.

	2024 cents/share	2023 cents/share
<b>Earnings per share</b>		
Earnings per share	501.8	525.8
Diluted earnings per share	486.6	509.1

	2024 cents/share	2023 cents/share
<b>Dividends for the year</b>		
Dividends per share paid during the year	146	126
Final dividend previous year	40	34
Special dividend previous year	56	56
Interim dividend	50	36
Final dividend per share proposed	50	40
Special dividend per share proposed	50	56

## Summarised consolidated and separate statements of changes in equity

for the year ended  
30 April 2024

Group	Issued share capital and share premium R'm	Treasury shares R'm	Share-based payment reserve R'm	Changes in ownership R'm	Other reserves R'm	Foreign currency translation reserve R'm	Retained earnings R'm	Non-controlling interest R'm	Total equity R'm
<b>Balance as at 30 April 2022</b>	68	(129)	37	(17)	(9)	-	3 366	424	3 740
<b>Total comprehensive income</b>	-	-	-	-	24	29	907	103	1 063
Profit for the year	-	-	-	-	-	-	907	100	1 007
Other comprehensive income	-	-	-	-	24	29	-	3	56
Dividends	-	-	-	-	-	-	(225)	(11)	(236)
Change in ownership of subsidiaries	-	-	-	(12)	-	-	-	(15)	(27)
Acquisition of subsidiary	-	-	-	-	-	-	-	18	18
Equity-settled share-based payment scheme - Vesting	-	23	(20)	-	-	-	(3)	-	-
Net treasury shares sold	-	41	-	-	-	-	(4)	-	37
Equity-settled share-based payment scheme - Expense	-	-	15	-	-	-	-	-	15
Recycling of reserves	-	-	-	-	(4)	-	4	-	-
<b>Balance as at 30 April 2023</b>	<b>68</b>	<b>(65)</b>	<b>32</b>	<b>(29)</b>	<b>11</b>	<b>29</b>	<b>4 045</b>	<b>519</b>	<b>4 610</b>
<b>Total comprehensive income</b>	-	-	-	-	(8)	(3)	855	67	911
Profit for the year	-	-	-	-	-	-	855	67	922
Other comprehensive income	-	-	-	-	(8)	(3)	-	-	(11)
Dividends	-	-	-	-	-	-	(259)	(5)	(264)
Change in ownership of subsidiaries	-	-	-	(6)	-	-	-	(72)	(78)
Equity-settled share-based payment scheme - Vesting	-	12	(12)	-	-	-	-	-	-
Net treasury shares purchased	-	(229)	-	-	-	-	-	-	(229)
Equity-settled share-based payment scheme - Expense	-	-	24	-	-	-	-	-	24
<b>Balance as at 30 April 2024</b>	<b>68</b>	<b>(282)</b>	<b>44</b>	<b>(35)</b>	<b>3</b>	<b>26</b>	<b>4 641</b>	<b>509</b>	<b>4 974</b>

Company	Issued share capital and share premium R'm	Treasury shares R'm	Share-based payment reserve R'm	Changes in ownership R'm	Other reserves R'm	Foreign currency translation reserve R'm	* Retained earnings R'm	Non-controlling interest R'm	Total equity R'm
<b>Balance as at 30 April 2022</b>	68	-	37	-	(14)	-	2 298	-	2 389
<b>Total comprehensive income</b>	-	-	-	-	21	-	385	-	406
Profit for the year	-	-	-	-	-	-	385	-	385
Other comprehensive income	-	-	-	-	21	-	-	-	21
Other movements	-	-	-	-	-	-	(2)	-	(2)
Dividends	-	-	-	-	-	-	(228)	-	(228)
Equity-settled share-based payment scheme - Vesting	-	-	(20)	-	-	-	(3)	-	(23)
Equity-settled share-based payment scheme - Expense	-	-	15	-	-	-	-	-	15
<b>Balance as at 30 April 2023</b>	<b>68</b>	<b>-</b>	<b>32</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>2 450</b>	<b>-</b>	<b>2 557</b>
<b>Total comprehensive income</b>	-	-	-	-	(8)	-	380	-	372
Profit for the year	-	-	-	-	-	-	380	-	380
Other comprehensive income	-	-	-	-	(8)	-	-	-	(8)
Dividends	-	-	-	-	-	-	(264)	-	(264)
Equity-settled share-based payment scheme - Vesting	-	-	(12)	-	-	-	-	-	(12)
Equity-settled share-based payment scheme - Expense	-	-	24	-	-	-	-	-	24
<b>Balance as at 30 April 2024</b>	<b>68</b>	<b>-</b>	<b>44</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>2 566</b>	<b>-</b>	<b>2 677</b>

\* Refer to the annual financial statements regarding restated prior year figures.

## Summarised consolidated and separate statements of cash flows

for the year ended 30 April 2024

### Net cash flows (used in)/generated from operating activities

Cash from operating activities **	(226)	1 065	(1 039)	382
Finance income received from the non-lending business	2 061	1 803	905	586
Finance costs paid on the non-lending business	78	45	18	21
Tax paid	(466)	(256)	(296)	(128)
Dividends paid	(296)	(298)	(101)	(81)
Changes in working capital	(264)	(236)	(264)	(228)
	(1 339)	7	(1 301)	212

### Net cash flows (used in)/generated from investment activities

Purchase of property, plant and equipment	(395)	(550)	673	(467)
Purchase of intangible assets	(265)	(245)	(54)	(82)
Proceeds from the disposal of property, plant and equipment	(19)	(2)	-	-
Acquisition of subsidiaries	86	78	25	17
Acquisition of other financial assets	(247)	(425)	-	(132)
Disposal of investment in joint venture	-	(7)	-	(7)
Disposal of investment in subsidiary	-	23	-	23
Dividends received from investments in joint ventures	(1)	-	-	-
Dividends received from subsidiaries	1	3	1	3
Additional loans received from related parties	-	-	-	3
Repayment of loans from related parties	49	33	22	-
Additional loans advanced to related and third parties	-	(7)	(5)	(21)
Repayment of loans to related and third parties	-	(1)	(105)	(508)
	1	-	789	237

### Net cash flows before financing activities

### Net cash flows generated from/(used in) financing activities

Treasury shares purchased	(621)	515	(366)	(85)
Repayment of interest-bearing loans	913	(449)	919	(103)
Proceeds from interest-bearing loans	(229)	(12)	-	-
Repayment of principal portion of lease liabilities	(78)	(401)	(74)	(89)
Additional share purchase in/capital contributions to subsidiaries	1 310	-	1 007	-
Deferred government grants received	(12)	(14)	-	(1)
	(78)	(27)	(14)	(13)
	-	5	-	-

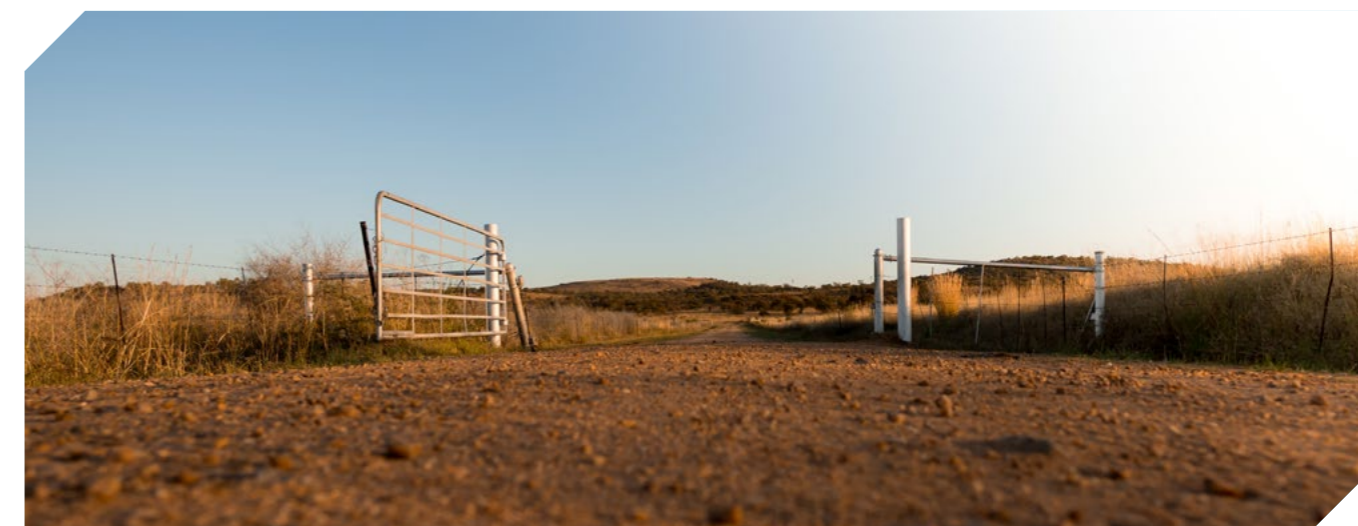
### Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the year	292	66	553	(188)
Exchange rate translation	75	(2)	(198)	(10)
	3	11	-	-

### Cash and cash equivalents at the end of the year

	370	75	355	(198)
<b>** Additional information on operational cash flows:</b>	<b>251</b>	<b>220</b>	<b>66</b>	<b>12</b>
Finance costs paid disclosed as part of cost of sales	(160)	(185)	(277)	(285)
Finance income received disclosed as part of revenue	411	405	343	297

\* Refer to the annual financial statements regarding restated prior year figures.



## Segmental information

For management and control purposes, the group is divided into business units based on their products, services and clients and consists of the following reportable segments:

Financial Services and Advice	
(Agri Credit Solutions, Certisure Group, SS Wealth Planning, Molemi Sele Management *, Senwes Insurance Fund, Senwes Cell Captive and Digital Strategy)	Credit extension to agricultural producers and grain buyers. Agri Credit Solutions also renders agricultural services to its client base. Certisure includes commission received on short term, crop and life insurance premiums and administration fees. SS Wealth Planning facilitates wealth creation by means of a wide range of wealth planning and related services for clients. Molemi Sele held investments in agricultural companies and a cell captive. Digital strategy aims to collect and manage data to extract intelligence and contribute value to the supply chain. The Senwes Insurance Fund acts as an insurer for entities within the Senwes Group, and the Senwes Cell Captive provides credit life insurance to agricultural producers.
Input Supply	
(Senwes Equipment, JD Implemente, Hinterland Group, Falcon, KLK Landbou Group (Retail and Fuel), Agrinet, Protek and SFL Holdings Group)	Sales at retail outlets (including fuel stations), direct sales of farming input requirements, car dealership sales, the importation, manufacturing and sale of mechanisation goods and spare parts, as well as the servicing of such farming and other mechanisation equipment, local and internationally. Wholesale supply of agricultural, fuel and industrial retail products to agricultural and other retail outlets. Buying, repackaging, distribution and selling of pesticides and fertiliser for the household and retail market.
Market Access	
(Senwes Grainlink, Grainovation and Silocerts)	Income received from the handling and storage of agricultural produce and the transportation of grain commodities. Commission earned on marketing of grain and revenue from the sale of grain. Electronic issuing and trading of silo certificates.
Processing, Conditioning and Markets	
(Senwes Seed *, Carpe Diem Raisins Group, KLK Feedlot *, Abattoirs and Auctioneering *, Botselo Mills, SA Dorper, Bastion Lime Group and NviroTek Laboratories)	Processing of seed. Buying, processing, packaging and sale of raisins. The feedlots aid in getting animals market-ready while the abattoirs and auctioneering sites handle the slaughtering and selling of lamb and beef carcasses. The mills produce a wide range of maize products and a specialised beer powder. SA Dorper handles the processing and exporting of Dorper skins and cattle hides. The Bastion Lime Group specialises in the production and marketing of high-quality lime and gypsum products for agricultural and industrial purposes. NviroTek Laboratories is an independent and accredited testing laboratory group with an analytical focus on chemistry, microbiology, hygiene monitoring, chromatography and biological analysis.
Corporate	
(Senwes Share Incentive Scheme Trust, Thobo Trust, Senwes Capital and RealFin Collective Investment Scheme)	Head office services, information technology, human resources, engineering and property assets, central administration, fleet management, secretarial services, legal services, corporate marketing, risk management, internal audit, strategic development, group finance, market intelligence, corporate finance and business engineering, treasury and governance.

Income tax is managed on a group basis and is not allocated to operating segments. Services rendered between related parties, as reflected in operating segments are on an arm's length basis in a manner similar to transactions with third parties. The group executive committee monitors the operational results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segmental performance is evaluated, based on operating profit or loss, and is measured consistently against operating profit or loss in the consolidated financial statements.

\* Discontinued during the previous year.

## Net segmental assets

	Group					
	2024 R'm	2023 R'm	2024 R'm	2023 R'm	2024 R'm	2023 R'm
	Assets		Liabilities		Net	
Financial Services and Advice	3 959	4 788	(2 193)	(2 421)	1 766	2 367
Input Supply	6 460	5 106	(4 677)	(3 479)	1 783	1 627
Market Access	3 286	2 120	(2 072)	(1 747)	1 214	373
Processing, Conditioning and Markets	908	775	(612)	(416)	296	359
<b>Total operations</b>	<b>14 613</b>	<b>12 789</b>	<b>(9 554)</b>	<b>(8 063)</b>	<b>5 059</b>	<b>4 726</b>
Corporate	416	301	(277)	(268)	139	33
<b>Total segmental assets/(liabilities)</b>	<b>15 029</b>	<b>13 090</b>	<b>(9 831)</b>	<b>(8 331)</b>	<b>5 198</b>	<b>4 759</b>
Deferred tax	137	133	(361)	(282)	(224)	(149)
<b>Total</b>	<b>15 166</b>	<b>13,223</b>	<b>(10 192)</b>	<b>(8 613)</b>	<b>4 974</b>	<b>4 610</b>

## Segmental revenue and results

The Senwes Group operates in South Africa and Germany.

### Financial Services and Advice

Income from financing clients, insurance brokerage, insurance revenue and service level agreement income

AgriRewards

Intragroup sales

Finance costs

Profit from joint venture

### Input Supply

Income from sale of goods and services rendered

AgriRewards

Intragroup sales

Finance costs

### Market Access

Income from commodity trading, sale of goods and services rendered

AgriRewards

Intragroup sales

Finance costs

Profit from joint venture

### Processing, Conditioning and Markets

Income from sale of goods and services rendered

Finance costs

Profit from joint venture and associate

Normal operational activities

### Corporate

Income from service level agreements and other corporate fees

Interest income from joint ventures and associate

Finance costs

Corporate costs

Consolidation, abnormal and sundry items

Profit from associate

### Total revenue

### Profit before tax

Tax

### Profit after tax (before non-controlling interest)

Non-controlling interest

### Profit after tax (after non-controlling interest)

	Group			
	2024 R'm	* 2023 R'm	2024 R'm	* 2023 R'm
	Segmental revenue		Segmental profit/(loss)	
	530	486	249	195
	571	508	253	194
	(1)	(1)	(1)	(1)
	(40)	(21)	-	-
	-	-	(3)	-
	-	-	-	2
	11 465	10 563	431	630
	11 492	10 591	549	679
	(10)	(6)	(10)	(6)
	(17)	(22)	-	-
	-	-	(108)	(43)
	1 434	1 319	593	526
	1 459	1 340	946	740
	(24)	(21)	(24)	(21)
	(1)	-	-	-
	-	-	(331)	(195)
	-	-	2	2
	1 250	1 272	122	152
	1 250	1 272	89	144
	-	-	(15)	(14)
	-	-	48	22
	14 679	13 640	1 395	1 503
	5	2	(142)	(176)
	5	1	5	1
	-	1	-	1
	-	-	(18)	(14)
	-	-	(126)	(148)
	-	-	(5)	(16)
	-	-	2	-
	14 684	13 642		
			1 253	1 327
			(331)	(320)
			922	1 007
			(67)	(100)
			855	907

\* Refer to the annual financial statements regarding restated prior year figures.

The accounting treatment for transactions between segments aligns with that for transactions with third parties. These inter-segment transactions are eliminated in the segmental reports.

## Segmental disclosable items

	Group					
	2024 R'm	2023 R'm	2024 R'm	2023 R'm	2024 R'm	2023 R'm
	Capital expenditure		Depreciation on PPE		Non-cash transactions *	
Financial Services and Advice	(2)	(7)	(3)	(3)	(3)	17
Input Supply	(150)	(113)	(114)	(68)	192	81
Market Access	(36)	(22)	(57)	(25)	19	(39)
Processing, Conditioning and Markets	(54)	(37)	(18)	(21)	4	5
Corporate	(23)	(66)	(26)	(57)	(11)	104
<b>Total</b>	<b>(265)</b>	<b>(245)</b>	<b>(218)</b>	<b>(174)</b>	<b>201</b>	<b>168</b>

\* Non-cash transactions consist of provisions made.



# Glossary of terms

The following abbreviations and definitions have been used throughout this integrated report.

## A

### AFS

Annual financial statements

### AGBIZ

Agricultural Business Chamber of South Africa

### AGM

Annual general meeting

### ALCO

Asset and Liability Committee

## B

### B-BBEE

Broad-Based Black Economic Empowerment

### BUSINESS ACTIVITIES

At the core of the business model is the conversion of inputs into outputs through business activities. These activities may include the planning, designing and manufacturing of products or the deployment of specialised skills and knowledge in the provision of services.

### BUSINESS MODEL

An organisation's system of transforming inputs through its business activities into outputs and outcomes that aim to fulfil the organisation's strategic purposes and create value over the short, medium and long term.

## C

### CA (SA)

South African Chartered Accountant

### CAGR

Compounded annual growth rate

### CEO

Chief Executive Officer

### CFO

Chief Financial Officer

### COMPANIES ACT

Act no 71 of 2008 (as amended)

## COMPLIANCE

Compliance is a key element of corporate governance. It refers to compliance with legislation and policies within the group.

### COVID-19

Novel Coronavirus disease

### CPA

Consumer Protection Act

### CSI

Corporate Social Investment

## E

### EBIT

Earnings before interest and tax

### EBITDA

Earnings before interest, tax, depreciation and amortisation

### EL NIÑO

Climate pattern that describes the unusual warming of surface waters in the eastern tropical Pacific ocean.

### ERM-FRAMEWORK

Enterprise-wide Risk Management Framework

### EXCO

Executive Committee

## F

### FAIS

Financial Advisory and Intermediary Services Act

### FCIBM

Fellow of the Chartered Institute of Business Management

### FCIS

Fellow of the Institute of Chartered Secretaries and Administrators

### FICA

Financial Intelligence Centre Act

### FINSTEER

Financial Steering Committee

## FMA

Financial Market Act

## G

### GmbH

Is an abbreviation of the German phrase "Gesellschaft mit beschränkter Haftung," which means "company with limited liability." It's a suffix used after a private limited company's name in Germany.

## H

### HACCP

Hazard Analysis Critical Control Point

### HEPS

Headline earnings per share

## I

### IDC

Industrial Development Corporation

### IFRS

International Financial Reporting Standards

### IIRC

International Integrated Reporting Council

### INTEGRATED REPORT (IR)

Concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term.

### IT

Information technology

## J

### JDI

JD Implemente

### JV

Joint venture

## L

### LONG TERM

A period beyond three years

### LTD

Limited

### LTI

Long-term share incentive scheme

## M

### MEDIUM TERM

A period of one to three years

### MEIBC

Metal and Engineering Industries Bargaining Council

### MIBCO

Motor Industry Bargaining Council

### MOI

Memorandum of Incorporation

## N

### NAV

Net asset value

### NCA

National Credit Act

### NCI

Non-controlling interest

### NOMCO

Nomination Committee

## O

### OECD

Organisation for Economic Co-operation and Development

### OHSA

Occupational Health and Safety Act

### OTC

Over-the-counter

## OUTCOMES

The internal and external consequences (positive or negative) for the different forms of capital as a result of an organisation's business activities and outputs.

## OUTPUTS

An organisation's products and services and any byproducts and waste.

## P

### PAIA

Promotion of Access to Information Act

### POPIA

Protection of Personal Information Act

### PPE

Property, plant and equipment

### (PTY) LTD

Proprietary Limited

### PwC

PricewaterhouseCoopers

## R

### REMCO

Remuneration Committee

### RISK APPETITE

An expression of the maximum level of residual risk that the group is prepared to accept in order to deliver on its business objectives.

## S

### SACCAWU

South African Commercial Catering and Allied Workers Union

### SAFEX

South African Futures Exchange

## SFL HOLDINGS GROUP (SFL HOLDINGS AND S&L CONNECT)

SFL Holdings GmbH is a holding company incorporated in Germany, which holds 100% of S&L Connect GmbH. S&L Connect holds the German operations which comprises six John Deere agencies and sub-dealers. SFL Holdings GmbH and S&L Connect GmbH are collectively referred to as the SFL Holdings Group.

## SHEQ

Safety, health, environmental sustainability and quality management

## SHORT TERM

A period of less than 12 months

## SOEs

State-owned enterprises

## SR

Sustainability report

## STAKEHOLDERS

People or groups whose interests are linked in various ways with those of the organisation. Such people or groups can include shareholders, business partners, employees and the community.

## STI

Short-term incentive scheme

## T

## TRADITIONAL GROUP

Senwes operations before the acquisitions since 2019.

## W

### WEF

World Economic Forum

## Y

### YoY

Year-on-year

# Corporate Information

## Enquiries regarding this report

Carl Klingenberg, Group Chief Financial Officer  
Telephone: 018 464 7476

## Senwes Ltd

Registration number: 1997/005336/06

## Country of incorporation and domicile

South Africa

## Postal address

PO Box 31  
Klerksdorp  
2570

## Trading of shares

Over-the-counter trading desk:  
Attention: The Company Secretary  
PO Box 31  
Klerksdorp  
2570  
Telephone: 018 464 7145  
Fax: 086 673 3041

## Auditor

PricewaterhouseCoopers Inc.  
4 Lisbon Lane  
Waterfall City  
Jukskei View  
2090  
Telephone: 011 797 4000

## Registered office

1 Charel de Klerk Street  
Klerksdorp  
2570  
Telephone: 018 464 7800  
Email: [info@senwes.co.za](mailto:info@senwes.co.za)

## Ethics hotline

080 464 7800

## Investor relations

Attention: The Company Secretary  
PO Box 31  
Klerksdorp  
2570  
Telephone: 018 464 7104  
Fax: 086 673 3041  
Website: [www.senwes.com](http://www.senwes.com)

## Financing partners

Absa Bank  
Nedbank  
Rand Merchant Bank  
First National Bank  
Investec Bank  
Grindrod Bank  
UniCredit Bank AG  
Sparkassen Finance Group