

UNAUDITED INTERIM RESULTS

AGRIBEL

HOLDINGS LTD

31 October

2024



Table of **contents**

Introduction	p 1
Condensed consolidated statement of comprehensive income	p 2
Consolidated statement of financial position	p 4
Consolidated statement of changes in equity	p 5
Condensed consolidated statement of cash flows	p 6
Notes	p 7

Introduction

The condensed consolidated interim results of Agribel Holdings Limited ("the company") as at, and for the six months ended 31 October 2024, comprise the company, all its subsidiaries, jointly controlled entities and associates (jointly referred to as "the group").

The Agribel Holdings Limited condensed consolidated interim results, including the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 31 October 2024, are prepared in accordance with the requirements of the IFRS Accounting Standards (IFRS) and its interpretations as adopted by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants (SAICA), Financial Reporting Guidelines as issued by the Accounting Practices Committee, financial pronouncements as issued by the Financial Reporting Standards Council, the presentation requirements of IAS 34 Interim Financial Reporting and the requirements of the South African Companies Act, 71 of 2008.

The accounting policies applied in the preparation of these condensed consolidated interim results are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the group's previous audited consolidated annual financial statements.

These interim results have not been audited or independently reviewed by the group's external auditors. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the group's annual financial statements as at 30 April 2024.

All amounts relate to the group's results unless otherwise specified.

The directors of the group take full responsibility for the preparation of this report.

The preparation of the group's results was supervised by JD Aucamp, CA (SA).

The results were published on 6 December 2024.

Condensed consolidated statement of comprehensive income

	6 months ended 31 October		12 months ended 30 April
	2024 Unaudited R'm	2023 * Unaudited R'm	2024 Audited R'm
Revenue	7 177	7 902	14 684
Earnings before depreciation and amortisation (EBITDA)	703	1 076	1 840
Depreciation and amortisation	(113)	(119)	(247)
Earnings before interest (EBIT)	590	957	1 593
Finance income	42	37	80
Finance costs	(232)	(291)	(486)
Profit after finance costs	400	703	1 187
Share of profit from joint ventures and associates	9	51	52
Profit before tax	409	754	1 239
Tax	(121)	(219)	(349)
Profit after tax	288	535	890
Profit after tax from:	288	535	890
Continuing operations	285	523	868
Discontinued operations	3	12	22
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax	(12)	(9)	(11)
Exchange differences on translation of foreign operations	(4)	(5)	(3)
Cash flow hedge movements	(8)	(4)	(8)
Total comprehensive income, net of tax	276	526	879
Profit after tax attributable to:			
Equity holders of the parent	181	364	613
Non-controlling interest	107	171	277
Total comprehensive income attributable to:			
Equity holders of the parent	172	358	605
Non-controlling interest	104	168	274

* Refer to note 6 regarding retrospective adjustments made.

Earnings and normalised headline earnings

	6 months ended 31 October		12 months ended 30 April
	2024 Unaudited R'm	2023 Unaudited R'm	2024 Audited R'm
Earnings per statement of comprehensive income	181	364	613
<i>Adjustments:</i>			
Impairment of property, plant and equipment and intangible assets	1	-	12
Impairment of goodwill	-	-	32
Profit from sale of property, plant and equipment	(14)	(22)	(39)
Tax and NCI effect of adjustments	5	11	(3)
Headline earnings	173	353	615
Legal/consultation fees	5	2	1
Impairment/(reversal of impairment) of investments	-	31	(12)
Other once-off items	-	(39)	(30)
Tax and NCI effect of adjustments	(1)	12	16
Normalised headline earnings	177	359	590
Weighted average number of shares in issue ('000)	129 821	131 730	131 405
Earnings per share (cents)	139,4	276,3	466,5
Normalised headline earnings per share (cents)	136,3	272,5	449,4

Dividends per share

Dividend (cents)	41	37	111
Interim dividend	41	37	37
Final dividend	-	-	37
Special dividend	-	-	37
Net asset value per share for the group (cents)	3 139	2 880	3 075

Consolidated statement of financial position

	As at 31 October		As at 30 April
	2024 Unaudited R'm	2023 * Unaudited R'm	2024 Audited R'm
Assets			
Non-current assets			
Property, plant and equipment	3 609	3 739	3 641
Investment properties	2	2	2
Right-of-use assets	18	14	14
Goodwill and intangible assets	215	244	228
Investment in joint ventures and associates	170	121	164
Other financial assets	6	6	6
Loans and other receivables	708	866	858
Deferred tax asset	91	96	137
Total non-current assets	4 819	5 088	5 050
Current assets			
Inventory	6 093	7 270	5 266
Trade and other receivables	3 240	3 317	4 498
Inventory held to satisfy firm sales	114	23	187
Derivative financial instruments	31	12	289
Insurance contract assets	25	15	26
Income tax receivable	39	10	36
Cash and short-term deposits	199	462	525
Total current assets	9 741	11 109	10 827
Non-current assets held for sale	12	-	13
Total assets	14 572	16 197	15 890
Equity and liabilities			
Equity			
Issued capital	131	131	131
Share premium	498	498	498
Other reserves	673	711	724
Retained earnings	2 761	2 475	2 675
Own equity	4 063	3 815	4 028
Non-controlling interest	1 512	1 415	1 464
Total equity	5 575	5 230	5 492
Non-current liabilities			
Interest-bearing loans	1 366	1 496	1 455
Redeemable preference shares	-	153	-
Lease liabilities	10	7	6
Deferred government grants	8	10	9
Other financial liabilities	138	96	114
Deferred tax liability	571	542	567
Total non-current liabilities	2 093	2 304	2 151
Current liabilities			
Trade and other payables	2 913	2 909	2 725
Contract liabilities	50	102	33
Short-term portion of interest-bearing loans	3 521	5 026	4 875
Derivative financial instruments	86	246	80
Other loans payable	165	128	134
Short-term portion of lease liabilities	8	8	8
Short-term portion of deferred government grants	2	2	2
Income tax payable	33	67	34
Short-term incentive bonuses	31	108	156
Bank overdraft	64	38	164
Provisions	31	29	36
Total current liabilities	6 904	8 663	8 247
Total liabilities	8 997	10 967	10 398
Total equity and liabilities	14 572	16 197	15 890

* Refer to note 6 regarding retrospective adjustments made.

Condensed consolidated statement of changes in equity

	Issued share capital and share premium	Non-distributable reserves	Other reserves	Change in ownership and treasury shares	Retained earnings	Total	Non-controlling interest
	R'm	R'm	R'm	R'm	R'm	R'm	R'm
Balance as at 30 April 2024 (audited)	629	78	60	586	2 675	4 028	1 464
Profit for the year	-	-	-	-	181	181	107
Other comprehensive income	-	-	(9)	-	-	(9)	(3)
Dividends	-	-	-	-	(97)	(97)	(48)
Change in ownership of subsidiaries	-	-	-	(31)	-	(31)	(9)
Equity-settled share-based payment scheme - Vesting	-	-	(9)	9	-	-	-
Net treasury shares purchased	-	-	-	(14)	1	(13)	-
Equity-settled share-based payment scheme - Expense	-	-	4	-	-	4	1
Recycling of reserves	-	-	-	(1)	1	-	-
Balance as at 31 October 2024 (unaudited)	629	78	46	549	2 761	4 063	1 512
Balance as at 30 April 2023 (audited)	605	78	59	534	2 181	3 457	1 448
Profit for the period	-	-	-	-	364	364	171
Other comprehensive income	-	-	(6)	-	-	(6)	(3)
Dividends paid	-	-	-	-	(70)	(70)	(45)
Issue of shares (Scrip dividends)	24	-	-	-	-	24	-
Change in ownership of subsidiary	-	-	-	40	-	40	(158)
Equity-settled share-based payment scheme - vesting	-	-	(9)	9	-	-	-
Net treasury shares purchased	-	-	-	(1)	-	(1)	-
Equity-settled share-based payment scheme - expense	-	-	7	-	-	7	2
Balance as at 31 October 2023 (unaudited)	629	78	51	582	2 475	3 815	1 415

Condensed consolidated statement of cash flows

	6 months ended 31 October		12 months ended 30 April
	2024 Unaudited R'm	2023 * Unaudited R'm	2024 Audited R'm
Cash from operating activities	851	1 049	2 059
Finance income received from the non-lending business	42	37	78
Tax paid	(76)	(111)	(313)
Finance costs paid on the non-lending business	(224)	(277)	(467)
Dividends paid	(145)	(91)	(169)
Changes in working capital	904	(1 838)	(1 339)
Net cash flows generated from/(used in) operating activities	1 352	(1 231)	(151)
Net cash flows used in investment activities	(92)	(383)	(405)
Net cash flows before financing activities	1 260	(1 614)	(556)
Net cash flows (used in)/generated from financing activities	(1 485)	1 985	860
Net (decrease)/increase in cash and cash equivalents	(225)	371	304
Cash and cash equivalents - beginning of the period	361	54	54
Exchange rate translation	(1)	(1)	3
Cash and cash equivalents - end of the period	135	424	361

* Refer to note 6 regarding retrospective adjustments made.

Notes

1. Shares in Senwes Limited

Agribel Holdings Limited's shareholding in Senwes remained at 68,7% during the year.

2. New business combinations and restructurings

2.1 KLK Landbou Ltd ("KLK")

During the year, Senwes increased its shareholding in KLK by purchasing an additional 0,1% of the non-controlling interest of KLK for R0,5 million, bringing the total shareholding to 58,4%. The transaction resulted in an increase of the change in ownership reserve of less than R1 million when rounded.

2.2 PE-BEE (Pty) Ltd ("Protek")

During the year, the group increased its shareholding in Protek by acquiring an additional 3% of the non-controlling interest of Protek for R6 million, resulting in a shareholding of 63%. The effective date of the transaction was 16 September 2024. The transaction resulted in the change in ownership reserve being decreased by R1 million.

2.3 Porst Landtechnik GmbH ("Porst")

During the prior year, S&L Connect GmbH ("S&L") acquired various assets from Porst to operate as a going concern within the existing S&L business. The transaction was effective from 1 August 2023. The group is in the process of finalising the fair value of assets acquired and liabilities assumed, as well as the assessment of further separately identifiable assets and/or liabilities. The assessments will be finalised by 30 April 2025.

3. Dividends

The board approved an interim dividend of 41 cents per share. Payment of the dividend will take place on 18 December 2024. The last day of trading is 11 December 2024. All shareholders registered in the shareholders register as at 11 December 2024, will qualify for the dividend. Dividend withholding tax of 20%, will be deducted where applicable.

4. Fair value of instruments

The following table summarises fair value measurements recognised in the statement of financial position or disclosed in the group's interim financial results by class of asset or liability and categorised by level according to the significance of inputs used in making the measurements:

	Carrying amount	Quoted Prices in Active markets for identical instruments	Significant other observable inputs	Significant unobservable inputs
	Total R'm	Level 1 R'm	Level 2 R'm	Level 3 R'm
31 October 2024 (Unaudited):				
Total assets	2 785	2 754	26	5
Total liabilities	(2 568)	(2 568)	-	-
30 April 2024 (Audited):				
Total assets	1 974	1 943	26	5
Total liabilities	(1 417)	(1 417)	-	-
31 October 2023 (Unaudited):				
Total assets	4 373	4 342	26	5
Total liabilities	(4 695)	(4 695)	-	-

During the period there was a significant increase in commodity financing as well as grain commodities measured at fair value as a result of increased on-balance sheet financing.

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting period and up to the date of this report.

6. Restatement of comparative information

6.1 Grain inventory periodically disposed of to a financial services institution

In prior years, grain inventory periodically disposed of to a financial services institution by agreement was derecognised from the company's statement of financial position as control of the underlying grain inventory was deemed to have passed from the Company to the financial services institution. Management's judgement and estimates were informed by historical transactions concluded on a similar basis.

In the 2024 financial year, management reassessed the accounting treatment of the call option in the agreement with the financial services institution. The agreement provided for an option to reacquire all or part of the grain at a specified location and specified option date. Management concluded that the group will continue to recognise the grain inventory sold to the financial institution until the option date, with the cash received being recognised as a short-term liability in the statement of financial position. The Company amended the accounting treatment in the prior financial period to align with industry practice, as per the guidance as set out in IFRS 15. Consequently, the comparative interim numbers have been restated accordingly.

The restatement has the following impact on comparative numbers:

	Group October 2023 R'm
Consolidated statement of financial position	
Increase in inventory	322
Increase in total current assets	322
Increase in total assets	322
Increase in short-term portion of interest-bearing loans	322
Increase in total current liabilities	322
Increase in total liabilities	322
Net adjustment in total equity	-
Condensed consolidated statement of comprehensive income	
Increase in earnings before depreciation and amortisation (EBITDA)	19
Increase in earnings before interest (EBIT)	19
Increase in finance costs	(19)
Net adjustment in profit before tax from operations	-
Condensed consolidated statement of cash flows	
Increase in cash from operating activities (inflow)	19
Decrease in changes in working capital (outflow)	(322)
Increase in finance costs paid on the non-lending business (outflow)	(19)
Net adjustment in net cash flows from operating activities	(322)
Decrease in net cash flows used in financing activities (inflow)	322
Net adjustment in consolidated statement of cash flows	-

6.2 Interest raised between group companies

During the 2023 financial year, interest was raised between two group companies, Africum (Pty) Ltd and Senwes Ltd, without a debt instrument being present. As a result, the interest charged between these companies has been restated in the comparative information.

The restatement has the following impact on comparative numbers:

	Group October 2023 R'm
Consolidated statement of financial position	
Increase in deferred tax asset	8
Increase in total non-current assets	8
Increase in total assets	8
Increase in income tax payable	8
Increase in total current liabilities	8
Increase in total liabilities	8
Net adjustment in total equity	-

6.3 Change in presentation of the statement of cash flows

Cash from current interest-bearing loans

During the 2024 financial year, the group restated its presentation of certain line items in the statement of cash flows. The change results in cash flows from current interest-bearing liabilities being presented as cash flows from financing activities. Prior to this change in presentation, the group presented these cash flows as part of changes in working capital. This change resulted in changes in working capital decreasing by R1 796 million (outflow) and net cash flows used in financing activities increasing by the same amount (inflow).

The group believes this presentation is more appropriate as it aligns the nature of transactions and will aid financial analysis. This constitutes a restatement of amounts to ensure improved presentation and comparability.

Adjustment on non-cash movements

An adjustment was made to cash from operating activities and changes in working capital. The adjustment was made due to a non-cash working capital movement being excluded from both the trade and other receivables as well as the provisions line of the changes in working capital. This resulted in cash from operating activities being overstated by R73 million and changes in working capital being understated by the same amount.

The impact of these changes in presentation on the consolidated financial statements is limited to the condensed consolidated statement of cash flows. The impact on each line item of the consolidated financial statements is as follows:

	Group October 2023 R'm
Decrease in cash from operating activities (outflow)	(73)
Decrease in changes in working capital (outflow)	(1 723)
Net cash flows generated from operating activities	(1 796)
Decrease in net cash flows used in financing activities (inflow)	1 796
Net increase in cash and cash equivalents	-

6.4 Change in presentation of finance costs

During the 2024 financial year, the group adjusted its presentation of certain line items in the statement of comprehensive income and segmental results note. The change results in interest paid on commodity financing being allocated to the market access segment in total. Prior to this change in presentation, the interest was allocated proportionately to all segments.

The group believes this presentation is preferable as it aligns the nature of transactions and will aid financial analysis. This constitutes a reclassification of amounts to ensure improved presentation and comparability.

The impact of this voluntary change in presentation on the interim consolidated financial statements is limited to the condensed consolidated statement of comprehensive income. The impact on each line item of the interim consolidated financial statements is as follows:

	Group October 2023 R'm
Condensed consolidated statement of comprehensive income	
Increase in earnings before depreciation and amortisation (EBITDA)	26
Increase in earnings before interest (EBIT)	26
Increase in finance costs	(26)
Net adjustment in profit before tax from operations	-
Condensed consolidated statement of cash flows	
Increase in cash from operating activities (inflow)	26
Increase in finance costs paid on the non-lending business (outflow)	(26)
Net adjustment in net cash flows from operating activities	-

6.5 Change in presentation of deferred and income tax balances

During the prior year, the group restated its presentation of deferred tax assets and liabilities in the statement of financial position, as well as income tax receivable and payable. The change ensures that the deferred tax assets and liabilities and income tax receivable and payable, as presented in the statement of financial position, is grouped on a per-company basis. Prior to this change in presentation, the group presented deferred tax assets and liabilities using a split based on the nature of the various temporary differences. Income tax receivable and payable was presented on a net basis for the group.

The group believes this presentation is more appropriate as it groups the assets and liabilities together which the group is able to net settle, as required by IAS 12.

The impact of this change in presentation on the consolidated financial statements is limited to the consolidated statement of financial position. The impact on each line item of the consolidated financial statements is as follows:

	Group October 2023 R'm
Consolidated statement of financial position	
Increase in deferred tax asset	6
Increase in total non-current assets	6
Increase in income tax receivable	10
Increase in total current assets	10
Increase in total assets	16
Increase in deferred tax liability	6
Increase in total non-current liabilities	6
Increase in income tax payable	10
Increase in total current liabilities	10
Increase in total liabilities	16
Net adjustment in total equity	-

Notes (continued)

By order of the board:



NDP Liebenberg

Chairman

6 December 2024



JJ Minnaar

Vice-Chairman

Directors:

NDP Liebenberg (Chairman), JJ Minnaar (Vice-Chairman), JDM Minnaar, GL Malherbe, JJ Viljoen and WH van Zyl.

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