Progress with purpose

Interim RESULTS

31 October
2024

Senwes

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Macro environment

As anticipated, the overall agricultural conditions for the first half of the financial year weakened, primarily due to a decrease in the national harvest, with the impact on the traditional Senwes production area being even more significant. The Crop Estimates Committee predicts that the national maize and soybean crops for the 2023/24 production season will be lower by 22,6% and 33,6% respectively, compared to the previous season harvest, which is the smallest maize crop in five years. The smaller harvest, as a result, impacted the profitability of producers negatively. On a positive note, producers' input cost however declined slightly, driven by lower fuel prices, a strengthening of the rand over the preceding 12 months, and the suspension of load shedding, accompanied by the second in an expected series of interest rate cuts, providing much needed relief for producers.

Operational review

(9,2%)

Revenue

Revenue decreased by 9,2%, totaling R7 177 million for the period under review. The smaller harvest had a significant impact on the revenue of the Market Access segment, which declined by 33,8%. The smaller harvest also adversely impacted the cash flow earnings of producers. This resulted in a decrease in revenue of the Input Supply segment by 12,4%. In contrast, the Processing, Conditioning and Markets segment benefited from a record South African raisin harvest and higher international raisin prices, and as a result revenue increased by 61,0%. The capital allocation strategy contributed to a lower average credit book in the Financial Services and Advice segment, which reduced revenue by 7,0%, but ensured higher returns on capital employed of 7,0% over the last three years.

(41,6%)

Profit from normal operating activities

Profit from normal operational activities (before corporate and consolidation items) decreased by 41,6% to R485 million, representing a decrease of R346 million compared to the previous comparable six-month period.

7,0%

Like-for-like operating expenses

Like-for-like operating expenses (distribution, sales and administrative expenses) decreased by 7,0% to R1 188 million, while total operating expenses decreased by 3,6%. The Porst Landtechnik GmbH dealership within the existing S&L Connect business was consolidated for six months in the current year, compared to three months in the previous period.

Cost savings were achieved through the optimisation of central support and corporate services, continuous benchmarking of expenses, streamlining procurement and operational processes and the effective management of maintenance and capital expenditures across the Senwes Group.

(54,1%)

Profit after tax and non-controlling interest

Profit after tax and non-controlling interest (NCI) decreased by 54,1% to R241 million (October 2023: R525 million), while normalised headline earnings per share decreased by 52,4% to 143,5 cents per share (October 2023: 301,6 cents per share).

However, it is important to note that the six-month results in this challenging year still outperforms the full-year results of recent periods, highlighting the de-risking of the embedded income stream with mergers and acquisitions since 2019.

Capital structure

The total assets of R13,8 billion (October 2023: R15,5 billion) as of 31 October 2024 are financed by 37,2% (October 2023: 44,4%) interest-bearing liabilities, 26,4% (October 2023: 25,1%) non-interest-bearing liabilities, and 36,4% (October 2023: 30,5%) equity. The improved own capital ratio in the current environment enhances flexibility for capital allocation, enabling strategic investments in both organic growth and inorganic opportunities as they arise. Senwes continues to evaluate capital invested to ensure that it is aligned with its strategy and yields competitive returns exceeding the pre-determined hurdle rates. During the six months under review, R153 million was invested in property, plant and equipment; R22 million in share repurchase programmes; and R6 million in acquisitions from non-controlling shareholders.

Segmental results

	October 2024 R'm	October 2023 R'm	Change %
Market Access	**131**	**310**	**(57,7%)**
Grain cluster	131	310	(57,7%)
Input Supply	**118**	**296**	**(60,1%)**
Equipment cluster	32	193	(83,4%)
Retail cluster	55	66	(16,7%)
Wholesale cluster	31	37	(16,2%)
Financial Services and Advice	**109**	**123**	**(11,4%)**
Credit cluster	98	112	(12,5%)
Insurance and advice cluster	11	11	–
Processing, Conditioning and Markets	**127**	**102**	**24,5%**
Manufacturing cluster	119	52	128,8%
Meat cluster	14	12	16,7%
Milling and petfood cluster	(6)	38	(115,8%)
Profit from operational activities	**485**	**831**	**(41,6%)**
Corporate costs	(47)	(68)	30,9%
Consolidation entries, abnormal and sundry items	(28)	3	(1 033,3%)
Profit after interest, before tax	**410**	**766**	**(46,5%)**
Tax	(121)	(201)	39,8%
Profit after tax, before non-controlling interest	**289**	**565**	**48,8%**
Non-controlling interest	(48)	(40)	(20,0%)
Profit after tax	**241**	**525**	**(54,1%)**

Market Access

Revenue ↓ 33,8% **Operating profit** ↓ 57,7%

Grain cluster	October 2024 R'm	October 2023 R'm	Change %
Storage and handling services (Grainlink and Market Acces)	125	304	(58,9%)
Transport and logistics (Grainovation)	4	5	(20,0%)
Silocerts (50% share)	2	1	100,0%
Net profit after interest before tax	**131**	**310**	**(57,7%)**

The grain cluster was influenced by low rainfall and heatwaves in the traditional production area during the mid-summer period of the 2023/24 production season. These adverse conditions reduced soil moisture levels, stressed crops, and resulted in smaller harvests. Handling income was consequently lower than the previous year due to a 43,0% and 37,3% respective decrease in grain and oilseeds intake. Similarly, storage income was negatively influenced by lower average stock levels which decreased by 39,0%. The tonnage dispatched in the current year, as a percentage of total stock received, is higher than in the previous year, primarily driven by market demand in the SADC region.

Operating expenses reduced by 22,2%, as a direct result of the lower grain intake and cost-saving initiatives that were implemented to alleviate the impact of reduced revenue.

Input Supply

Revenue ↓ 12,4% **Operating profit** ↓ 60,1%

Equipment cluster	**October 2024 R'm**	**October 2023 R'm**	**Change %**
Large and self-propelled John Deere machinery (Senwes Equipment)	74	135	(45,2%)
Southern and Eastern Cape – partnership in large John Deere equipment (JDI)	4	27	(85,2%)
Large John Deere machinery dealerships in Germany (S&L Connect)	(53)	11	(581,8%)
Total large equipment	**25**	**173**	**(85,5%)**
Medium-sized machinery (Falcon, Staalmeester and Amazone)	7	20	(65,0%)
Profit after interest, before tax	**32**	**193**	**(83,4%)**

The national new whole goods market declined by 25,2%, primarily due to the smaller harvest, which impacted the profitability of producers. Senwes Equipment's new whole goods sales followed the trend of the overall market decline, although this was partially offset by a 5,3% increase in tractor market share. A slightly lower gross profit margin was achieved compared to the previous year, owing to higher inventory carrying costs.

Used whole goods sales increased by 86,0% compared to the previous year, driven by higher demand due to the lower profitability of producers and increased inventory levels resulting from the closure of the agri rental division. Rental machines were transferred to the used whole goods division.

Variable operating expenses decreased in line with a reduction in the sales volume, while total operating expenses decreased by 6,9%.

Inventory planning and stock management remain key focus areas in the division, and although still at higher levels, gross inventory reduced by R82 million during the period under review.

JDI experienced exceptional sales in the Swellendam, Bredasdorp and Cradock areas during the previous year, especially in terms of high-value equipment. However, as anticipated, demand normalised, resulting in a decrease in unit sales of whole goods.

The integration of Porst Landtechnik GmbH into the existing S&L Connect business, became effective on 1 August 2023. S&L Connect's financial performance was under pressure due to a slowdown in the agricultural machinery market in Germany. This was driven by geopolitical uncertainties related to conflicts in Ukraine and the Middle East, and a persistently low German business climate indicator. The German tractor market has decreased by 24,0% for units above 50hp and by 21,0% for units above 150hp over the rolling 12-month period compared to the previous year, which directly impacted the financial results of the German business unit.

Market demand for Falcon, Staalmeester and Amazone whole goods softened on the back of two exceptional years. The decrease in new whole goods sales of 38,2% was partially offset by an increase in part sales of 14,3%. Lower manufacturing costs and renegotiated steel prices with additional discounts contributed to a higher sales margin. Operating costs were well-managed and reduced by 8,8%.

Retail cluster	October 2024 R'm	October 2023 R'm	Change %
Senwes area of responsibility (Hinterland Group)	30	35	(14,3%)
KLK area of responsibility (KLK Landbou)	25	31	(19,4%)
Profit after interest, before tax	**55**	**66**	**(16,7%)**

Retail shops along with stores and yard sales remain under pressure due to low economic growth and a challenging prevailing business landscape. Procurement optimisation, service delivery and product availability aligned with customer expectations remain critical success factors for Hinterland.

Retail fuel volume sales remained consistent compared to the previous year, with the gross profit per litre decreasing by 15,7% after the inclusion of a year-to-date arbitrage loss of 19 cents per litre. Positive cash generated from operations and improved cash flow management led to an increase in finance income.

KLK's fuel and trading divisions faced headwinds from weaker consumer spending. Animal feed and Build it sales decreased by 6,0% and 5,1% respectively compared to the previous year. In addition, retail and wholesale fuel volumes sold decreased by 9,9% and 7,3% respectively.

Wholesale cluster	October 2024 R'm	October 2023 R'm	Change %
Wholesale distributer (Agrinet and Prodist)	18	19	(5,3%)
Pest control (Protek)	13	18	(27,8%)
Profit after interest, before tax	**31**	**37**	**(16,2%)**

The challenging economic environment faced by the retail sector directly impacted the Agrinet wholesale business. Revenue remains under pressure from key agri clients, while demand for load shedding-related products like electrical and outdoor items declined, resulting in a 3,6% revenue decrease compared to the same period last year. In response to these challenges, management has implemented strategic initiatives and cost-saving measures that have already begun to yield positive outcomes.

Protek's revenue continues to grow, driven by market share growth. However, the sales margin was lower than the previous year due to fertiliser promotions and the mix of products sold.

Financial Services and Advice

Revenue ↓ 7,0% **Operating profit** ↓ 11,4%

Credit cluster	October 2024 R'm	October 2023 R'm	Change %
Credit (Agri Credit Solutions)	98	112	(12,5%)
Profit after interest, before tax	**98**	**112**	**(12,5%)**

The credit cluster experienced a 15,6% decrease in revenue amounting to R33 million. This reduction was driven by a lower average credit book, as a result of the capital allocation strategy, which prioritised higher returns on capital employed. Term loans decreased compared to the previous year due to the repricing of term loans, the phasing out of stand-alone term loans and the improved cash flow position of clients. Higher interest earned on own funds positively impacted the results and mitigating the impact of reduced revenue.

Insurance and advice cluster	October 2024 R'm	October 2023 R'm	Change %
Insurance brokers (Certisure Group)	9	8	12,5%
Wealth Management (SS Wealth)	–	–	–
Insurance fund	4	1	300,0%
Underwriting cell captive	(1)	4	(125,0%)
Digital tranformation	(1)	(2)	50,0%
Profit after interest, before tax	**11**	**11**	**-**

The insurance broker business delivered stable performance compared to the previous year, and revenue increased by 2,9% to R30 million. Personal lines, agriculture, and commercial premiums increased due to growth in agricultural policies and higher tariffs applied by insurers. A similar increase in premiums was experienced within the administration division of Univision Broker Services. However, binder fees and commissions from credit life insurance decreased due to lower outstanding amounts of debt in the cell captive insurance book.

On 1 July 2023 Senwes added two third-party credit books in the cell captive structure to provide credit life insurance to its respective clients and producers. The decrease in the cell captive result compared to the previous year was primarily attributed to a higher claims ratio.

Processing, Conditioning and Markets

Revenue ↑ 61,0% **Operating profit** ↑ 24,5%

Manufacturing cluster	**October 2024 R'm**	**October 2023 R'm**	**Change %**
Lime production (Bastion Group: 50% share)	16	17	(5,9%)
Seed processing (Senwes Seed)	–	12	(100,0%)
Raisin conditioning (Carpe Diem Raisons Group)	82	6	1 266,7%
Laboratory services (NviroTek)	21	17	23,5%
Profit after interest, before tax	**119**	**52**	**128,8%**

This season, the decrease in producer profitability resulted in reduced lime sales in the Bastion Group of 7,0%, with sales in the North-West region – particularly from Marico and Buhrmansdrif – being the most affected. Tonnes produced increased from the previous year, due to the suspension of load shedding. The additional volume produced led to the reduction in the average production cost per tonne, which resulted in the gross profit margin being maintained in a demanding trading environment.

The sale of the Senwes Seed premises was finalised during the previous financial year, resulting in a profit from the sale of the property.

Carpe Diem Raisins benefited from a record South African national raisin harvest of 97 000 tonnes, and consequently, Carpe Diem Raisins' intake volume grew by 43,0% compared to the 2023 volume. The trading climate for raisins improved during the period under review, which resulted in the realisation of higher prices. Furthermore, improvement in Transnet's logistical service delivery meant that products could be delivered to markets quicker.

The NviroTek soil testing season commenced earlier than the previous year, which resulted in a portion of the revenue already being reported in the previous financial year. Despite this, the year-to-date soil sample volumes increased by 2,4% compared to the corresponding period in the previous year.

Meat cluster	**October 2024 R'm**	**October 2023 R'm**	**Change %**
Meat, skins and hide processing (KLK Meat and SA Dorper: 50% share)	14	12	16,7%
Profit after interest, before tax	**14**	**12**	**16,7%**

The improvement in the financial performance of the abattoirs is attributed to growth in export volumes and retail client sales, which also resulted in better gross profit margins for the division. Additionally, both the Carnarvon and Upington abattoirs experienced increased slaughter volumes compared to the previous year.

SA Dorper's results are lower than the previous year. The volume of contract hides processed decreased by 6,8%, while the quantity of Dorper skins sold increased by 34,3% compared to the previous year. The sale of lower-grade Dorper skins has negatively impacted the financial performance of SA Dorper.

Milling and petfood cluster	October 2024 R'm	October 2023 R'm	Change %
Food and beverage processing (Botselo Mills Group: 34,9% share)	(7)	31	(122,6%)
Petfood (Africum Agripet)	1	7	(85,7%)
Profit after interest, before tax	**(6)**	**38**	**(115,8%)**

Higher maize prices have reduced the profit margins of the Botselo milling business, especially because the mill is unable to transfer the increased costs fully onto consumers.

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

Forecast

The business environment in the next six months will remain challenging but may improve as a result of the ENSO-neutral 2024/25 summer season. South Africa's Crop Estimates Committee indicates that South African farmers intend to plant 4,47 million hectares of summer grains and oilseeds in the 2024/25 season. This is a slight increase of 0,8% from the previous season. The business and consumer sentiment in SA had also improved since the formation of the government of national unity earlier during the year, although it has not translated into meaningful improvements in the disposable incomes of South Africans, but the prospects of higher economic growth, lower inflation and interest rates could support consumer spending in the year ahead. It is foreseen that all of these factors improve prospects for renewed confidence in the sector.

This predicted optimism, when fully materialised, could in due course improve the trading environment of the Input Supply segment, although we anticipate that the segment trading environment will remain challenging in the next six months and focus will remain on the efficient procurement and management of raw materials to optimise profit going forward.

The outlook for the Market Access segment is expected to be subdued due to lower stock levels, and recovery will be dependent on the quantity of grain and oilseeds harvested in the upcoming season, which will only be reflected in the 2025/26 financial results.

It is expected that the Financial Services and Advice segment will still deliver a solid performance for the remainder of the financial year.

The Processing, Conditioning and Markets segment will continue to benefit from the strong international demand for raisins and prospect of another good raisin harvest.

The group remains focused on growth initiatives, efficiency improvements and cost-saving initiatives, managing our net working capital investment in line with the market outlook and maintaining disciplined capital allocation.

Other matters

An interim dividend of 52 cents/share (October 2023: 50 cents/share) has been declared with a record date of 11 December 2024 and a payment date of 17 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)	**704**	1 077	1 843
Depreciation and amortisation	**(113)**	(119)	(247)
Earnings before interest (EBIT)	**591**	958	1 596
Finance income	**42**	37	80
Finance costs	**(232)**	(280)	(475)
Profit after finance costs	**401**	715	1 201
Share of profit from joint ventures and associates	**9**	51	52
Profit before tax	**410**	766	1 253
Tax	**(121)**	(201)	(331)
Profit after tax	**289**	565	922
Profit after tax from:	**289**	565	922
Continuing operations	**286**	553	900
Discontinued operations	**3**	12	22
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax	**(12)**	(9)	(11)
Cash flow hedge movements	**(8)**	(4)	(8)
Exchange differences on translation of foreign operations	**(4)**	(5)	(3)
Total comprehensive income, net of tax	**277**	556	911
Profit after tax attributable to:			
Equity holders of the parent	**241**	525	855
Non-controlling interest	**48**	40	67
Total comprehensive income attributable to:			
Equity holders of the parent	**229**	516	844
Non-controlling interest	**48**	40	67

* Refer to note 8 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	**241**	525	855
Adjustments:			
Profit from sale of property, plant and equipment	**(14)**	(22)	(39)
Impairment of property, plant and equipment and intangible assets	**1**	–	12
Impairment of goodwill	**-**	–	32
Tax and NCI effect of adjustments	**4**	6	(2)
Headline earnings	**232**	509	858
Impairment/(reversal of impairment) of investments	**-**	31	(12)
Legal/consultation fees	**5**	2	1
Other once-off items	**-**	(39)	(30)
Tax and NCI effect of adjustments	**-**	11	8
Normalised headline earnings	**237**	514	825
Weighted average number of shares in issue ('000)	**164 840**	170 427	170 326
Earnings per share (cents)	**146,2**	308,2	501,8
Normalised headline earnings per share (cents)	**143,5**	301,6	484,3
Diluted earnings per share (cents)	**141,4**	299,6	486,6
Diluted normalised headline earnings per share (cents)	**138,8**	293,1	469,6

Dividends per share

Dividend (cents)	**52**	50	150
Interim dividend	**52**	50	50
Final dividend	**-**	–	50
Special dividend	**-**	–	50
Net asset value per share (cents)	**2 729**	2 554	2 714

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	**2 885**	3 015	2 917
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	**4 095**	4 364	4 326
Current assets			
Inventory	**6 093**	7 270	5 266
Trade and other receivables	**3 238**	3 317	4 498
Insurance contract assets	**25**	15	26
Inventory held to satisfy firm sales	**114**	23	187
Derivative financial instruments	**31**	12	289
Income tax receivable	**39**	10	36
Cash and short-term deposits	**199**	460	525
Total current assets	**9 739**	11 107	10 827
Non-current assets held for sale	**12**	–	13
Total assets	**13 846**	15 471	15 166
Equity and liabilities			
Equity			
Issued capital	**1**	1	1
Share premium	**67**	67	67
Treasury shares	**(305)**	(267)	(282)
Other reserves	**17**	25	38
Retained earnings	**4 713**	4 398	4 641
Own equity	**4 493**	4 224	4 465
Non-controlling interest	**552**	488	509
Total equity	**5 045**	4 712	4 974
Non-current liabilities			
Interest-bearing loans	**1 366**	1 496	1 455
Other financial liabilities	**138**	96	114
Lease liabilities	**10**	7	6
Deferred government grants	**8**	10	9
Deferred tax liability	**365**	335	361
Total non-current liabilities	**1 887**	1 944	1 945
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	**176**	291	144
Short-term portion of lease liabilities	**8**	8	8
Short-term portion of deferred government grants	**2**	2	2
Income tax payable	**32**	56	33
Short-term incentive bonuses	**31**	108	156
Bank overdraft	**64**	38	155
Provisions	**31**	29	36
Total current liabilities	**6 914**	8 815	8 247
Total liabilities	**8 801**	10 759	10 192
Total equity and liabilities	**13 846**	15 471	15 166

* Refer to note 8 regarding retrospective adjustments made.

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	**852**	1 050	2 061
Tax paid	**(76)**	(103)	(296)
Finance income received from the non-lending business	**42**	37	78
Finance costs paid on the non-lending business	**(224)**	(276)	(466)
Dividends paid	**(172)**	(173)	(264)
Changes in working capital	**905**	(1 837)	(1 339)
Net cash flows generated from/(used in) operating activities	**1 327**	(1 302)	(226)
Net cash flows used in investment activities	**(90)**	(220)	(395)
Net cash flows before financing activities	**1 237**	(1 522)	(621)
Net cash flows (used in)/generated from financing activities	**(1 471)**	1 870	913
Net (decrease)/increase in cash and cash equivalents	**(234)**	348	292
Cash and cash equivalents – beginning of the period	**370**	75	75
Exchange rate translation	**(1)**	(1)	3
Cash and cash equivalents – end of the period	**135**	422	370

* Refer to note 8 regarding retrospective adjustments made.

Condensed consolidated statement of changes in equity

	Issued capital and share premium R'm	Treasury shares R'm	Other reserves R'm	Retained earnings R'm	Non-controlling interest R'm	Total R'm
Group						
Balance as at 30 April 2024 (audited)	**68**	**(282)**	**38**	**4 641**	**509**	**4 974**
Profit for the year	–	–	–	241	48	289
Other comprehensive income	–	–	(12)	–	–	(12)
Dividends	–	–	–	(171)	(1)	(172)
Change in ownership of subsidiary	–	–	(2)	–	(4)	(6)
Equity-settled share-based payment scheme – Vesting	–	12	(12)	–	–	–
Net treasury shares purchased	–	(34)	–	1	–	(33)
Equity-settled share-based payment scheme – Expense	–	–	5	–	–	5
Recycling of reserves	–	(1)	–	1	–	–
Balance as at 31 October 2024 (unaudited)	**68**	**(305)**	**17**	**4 713**	**552**	**5 045**
Balance as at 30 April 2023 (audited)	**68**	**(65)**	**43**	**4 045**	**519**	**4 610**
Profit for the year	–	–	–	525	40	565
Other comprehensive income	–	–	(9)	–	–	(9)
Dividends	–	–	–	(173)	–	(173)
Change in ownership of subsidiary	–	–	(6)	–	(71)	(77)
Equity-settled share-based payment scheme – Vesting	–	12	(12)	–	–	–
Net treasury shares purchased	–	(214)	–	1	–	(213)
Equity-settled share-based payment scheme – Expense	–	–	9	–	–	9
Balance as at 31 October 2023 (unaudited)	**68**	**(267)**	**25**	**4 398**	**488**	**4 712**

Notes to the condensed consolidated financial statements

1. Related party transactions

1.1. Agribel Holdings Ltd ("Agribel")

Dividends of R124 million were paid to Agribel.

1.2. Trade debtors - Directors

Trade debtors comprise production credit accounts as well as other accounts which customers of the group qualify for. Credit extension, terms of repayment and interest rates in respect of loans are in line with company policy, which applies to all customers of the company.

R9,8 million (October 2023: R27,7 million) was owed to the group by directors on the above-mentioned accounts as at 31 October 2024, Rnil of which was in arrears (October 2023: Rnil). These accounts are covered by security held in terms of the credit policy.

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 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 R2 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. Operating segments

	Segmental revenue		
	6 months ended 31 October		12 months ended 30 April
	2024 Unaudited R'm	2023 Unaudited R'm	2024 Audited R'm
Financial Services and Advice (Agri Credit Solutions, Certisure Group, SS Wealth Planning, Senwes Insurance Fund, Senwes Cell Captive and Digital tranformation)	**227**	244	530
Income from financing clients, insurance brokerage, insurance revenue and service level agreement income	**236**	261	571
AgriRewards	**–**	–	(1)
Intragroup sales	**(9)**	(17)	(40)
Finance costs	**–**	–	–
Input Supply (Senwes Equipment, JD Implemente, Hinterland Group, Falcon, KLK Landbou Group (Retail and Fuel), Agrinet, Protek and SFL Holdings Group)	**5 469**	6 240	11 465
Income from sale of goods and services rendered	**5 482**	6 252	11 492
AgriRewards	**(5)**	(5)	(10)
Intragroup sales	**(8)**	(7)	(17)
Finance costs	**–**	–	–
Market Access (Senwes Grainlink, Grainovation and Silocerts)	**558**	843	1 434
Income from commodity trading, sale of goods and services rendered	**571**	858	1 459
AgriRewards	**(12)**	(15)	(24)
Intragroup sales	**(1)**	–	(1)
Finance costs	**–**	–	–
Profit from joint venture	**–**	–	–
Processing, Conditioning and Markets (Senwes Seed**, Carpe Diem Raisins Group, Abattoirs and Auctioneering**, Botselo Mills, SA Dorper, Bastion Lime Group and NviroTek Laboratories)	**921**	572	1 250
Income from sale of goods and services rendered	**921**	572	1 250
Finance costs	**–**	–	–
Profit from joint venture and associate	**–**	–	–
Normal operational activities	**7 175**	7 899	14 679
Corporate activities	**2**	3	5
Income from service level agreements and other corporate fees	**2**	3	5
Finance costs	**–**	–	–
Corporate costs	**–**	–	–
Consolidation, abnormal and sundry items	**–**	–	–
(Loss)/profit from associate	**–**	–	–
Total revenue	**7 177**	7 902	14 684
Profit before tax			
Tax			
Profit after tax (before non-controlling interest)			
Non-controlling interest			
Profit after tax (after non-controlling interest)			

** Discontinued during the prior year.

Segmental results

6 months ended 31 October		12 months ended 30 April
2024 Unaudited R'm	**2023 * Unaudited R'm**	**2024 Audited R'm**
109	123	249
109	123	253
-	–	(1)
-	–	–
-	–	(3)
118	296	431
180	347	549
(5)	(5)	(10)
-	–	–
(57)	(46)	(108)
131	310	593
297	537	946
(12)	(15)	(24)
-	–	–
(156)	(213)	(331)
2	1	2
127	102	122
121	64	89
(3)	(10)	(15)
9	48	48
485	831	1 395
(75)	(65)	(142)
2	3	5
(16)	(11)	(18)
(31)	(62)	(126)
(28)	3	(5)
(2)	2	2
-	–	–
410	766	1 253
(121)	(201)	(331)
289	565	922
(48)	(40)	(67)
241	525	855

* Refer to note 8 regarding retrospective adjustments made.

4. Acquisition and disposal of property, plant and equipment

During the six months ended 31 October 2024, the group acquired property, plant and equipment to the value of R153 million. Property, plant and equipment with a book value of R19 million were disposed of during the same period.

5. Capital commitments

Commitments already contracted amount to R55 million and will be financed from operating activities. Commitments of R69 million have already been approved by the board but not contracted as yet.

6. 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 Total R'm	Quoted prices in active markets for identical instruments Level 1 R'm	Significant other observable inputs Level 2 R'm	Significant unobservable inputs 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	4 388	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.

7. 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.

8. Restatement of comparative information

8.1 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	**-**

8.2 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	**-**

8.3 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 form 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	**-**

8.4 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	**-**

8.5 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	**-**

9. Other significant transactions

9.1 Share repurchase programme

Effective from 25 April 2024, Senwes announced a share repurchase programme in which shares was repurchased to the value of R12,5 million or 0,36% of the ordinary issued Senwes shares ("Senwes shares") being repurchased. The programme was extended by way of notice to shareholders on 25 October 2024. The extended programme duration was determined by a further repurchase consideration of R20 million being expended or 0,58% of the ordinary issued Senwes shares being repurchased. Before the amendment, the full 0,36% of the shares have been repurchased at an average price of R19,42 per share.

The shares are held as treasury shares within Senwes Capital.

10. Basis of preparation

The condensed consolidated interim results of Senwes 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 Senwes 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 accordance with 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 the Group Chief Financial Officer, CR Klingenberg CA (SA).

The results were made available publicly on 6 December 2024.
By order of the board of directors

JDM Minnaar
Chairman

F Strydom
Group Chief
Executive Officer

CR Klingenberg
Group Chief
Financial Officer

Klerksdorp
6 December 2024

Notice in terms of Sections 44 and 45 of the Companies Act, 71 of 2008

The amount of financial assistance approved for the period 1 May 2024 to 31 October 2024 is an increase in loans of R16,4 million, with total approved loan facilities of R7 billion. Letters of comfort to the value of R2,6 million were issued.

Directors

JDM Minnaar (Chairman), SF Booysen (Vice-chairman), F Strydom (Group Chief Executive Officer)*, CR Klingenberg (Group Chief Financial Officer)*, VJ Klein, NDP Liebenberg, GL Malherbe, JJ Minnaar, WH van Zyl, JJ Viljoen, AG Waller and EM Joynt (Company Secretary)* *Executive

Registered office

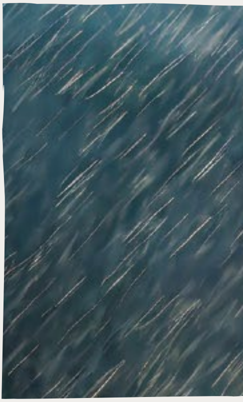
1 Charel de Klerk Street, Klerksdorp, 2570
Postal address: PO Box 31, Klerksdorp, 2571

Transfer secretaries

The Company Secretary

Postal address:	c/o The Company Secretary, Senwes Limited, PO Box 31, Klerksdorp, 2571
Telephone:	018 464 7104
Website:	www.senwes.com

Corporate *Information*



Enquiries regarding this report
Carl Klingenberg, Group Chief Financial Officer
Telephone: 018 464 7476

Senwes Ltd
Registration number: 1997/005336/06

Postal address
PO Box 31
Klerksdorp
2571

Registered office
1 Charel de Klerk Street
Klerksdorp
2570
Telephone: 018 464 7800
Email: info@senwes.co.za

Ethics hotline
080 464 7800

Investor relations
Attention: The Company Secretary
PO Box 31
Klerksdorp
2571
Telephone: 018 464 7104
Fax: 086 673 3041
Website: www.senwes.com

Trading of shares
Over-the-counter trading desk:
Attention: The Company Secretary
PO Box 31
Klerksdorp
2571
Telephone: 018 464 7104/018 464 7105
Fax: 086 673 3041

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

Financing partners
Absa Bank
Nedbank
Rand Merchant Bank
First National Bank
Investec Bank
African Bank