FINANCIAL HIGHLIGHTS

**Turnover**
- R1 954 million
- 2018: R1 478 million

**Net asset value**
- R14,5 per share
- 2018: R13,7 per share

**Cash from operating activities**
- R279 million
- 2018: R152 million

**Profit attributable to equity holders of the parent company**
- R168 million
- 2018: R155 million

**Normalised headline earnings**
- 86,9 c/share
- 2018: 98,5 c/share

**Earnings before interest, tax, depreciation and amortisation (EBITDA)**
- R420 million
- 2018: R335 million

**OVERVIEW AND PROSPECTS**

The group was under severe pressure for the larger part of the first six months and very few of the key indicators and business drivers were positive. The result was that headline earnings per share of 86,9c was 11,8% lower than the 98,5c of the corresponding period of the previous year. Should the gain from the acquisition of KLK Landbou Limited ("KLK") be taken into account, the earnings of R168m are 8,4% higher than the R155m of the previous year. The net cash inflow since year-end has been R97,1m, despite the cash outflow due to the acquisition of KLK.

Indications are that the second six months of the year will be more difficult for the group, despite the expected higher hectares to be planted. The market access division expects lower stock levels, while retail will probably not be able to make up what it lost during the first six months.

**DIVIDEND DECLARATION**

**INTERIM DIVIDEND PER SHARE:**
- 30 cents (2018: 30 cents)

**Record date:**
- 11 December 2019

**Payment date:**
- 12 December 2019

Dividend withholding tax, where applicable, will be withheld.

For Senwes share trading, visit www.zarx.co.za

**BUSINESS SEGMENTS**

**Financial Services**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend Declaration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>R101m</td>
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<tr>
<td>2018</td>
<td>R83m</td>
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**Input Supply**

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<th>Year</th>
<th>Dividend Declaration</th>
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<td>2019</td>
<td>R42m</td>
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<tr>
<td>2018</td>
<td>R24m</td>
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</table>

**Market Access**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend Declaration</th>
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<tbody>
<tr>
<td>2019</td>
<td>R136m</td>
</tr>
<tr>
<td>2018</td>
<td>R155m</td>
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</tbody>
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**25 business units**

The late harvest delayed the repayment of seasonal accounts by approximately six weeks and, as a result, more interest was earned on the increased book. Despite the late repayments, no further impairment was needed on 31 October 2019.

**174 business units**

The mechanisation business expanded its offer with the acquisition of Staalmeester, which offers a good hedge with its low value/high volume product range for the high value/low volume business of the John Deere agency, which feels the impact when farming units are less profitable. The portfolio was strengthened even further by the inclusion of the gain from acquisition of KLK, as well as the operating profit of this group for the past two months. The joint retail and wholesale venture with Agri is under pressure as a result of the late season and the difficult economic conditions in the retail sector.

**93 business units**

A smaller and later crop than the previous year, as well as lower carry-over stock levels, resulted in a 14,3% lower income from the silo business. In addition, higher premiums were paid in order to maintain market share, a higher provision was made for the high value/low volume business of the John Deere agency, which feels the impact when farming units are less profitable. The portfolio was strengthened even further by the inclusion of the gain from acquisition of KLK, as well as the operating profit of this group for the past two months. The joint retail and wholesale venture with Agri is under pressure as a result of the late season and the difficult economic conditions in the retail sector.

**ANNOUNCEMENTS**

The Senwes group increased its interest in the logistics company, Grainovation, from 50% to 100% and also obtained a 100% interest in the Falcon group.

The participation in the capitalisation of the loyalty scheme delivered satisfactory results and at the closing date, 31 October 2019, 72% of the participants to the scheme had converted their rewards to equity.

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*(Executive)