

## YEAR-END RESULTS APRIL 2019

### ANNOUNCEMENTS

#### AgriRewards Loyalty Scheme

	2019	2018
Grain deliveries (R/t)	45,00	50,00
Grain procurement (R/t)	-	5,00
Ave. interest-bearing transactions (%)	0,35	0,75
New whole goods sales (%)	0,25	-

#### Share Repurchase Programme

Senwes will launch a repurchase programme of its ordinary shares. Refer to the announcement published on [www.senwes.co.za](http://www.senwes.co.za) or [www.zarx.co.za](http://www.zarx.co.za).

#### Acquisition of majority share in KLK Landbou

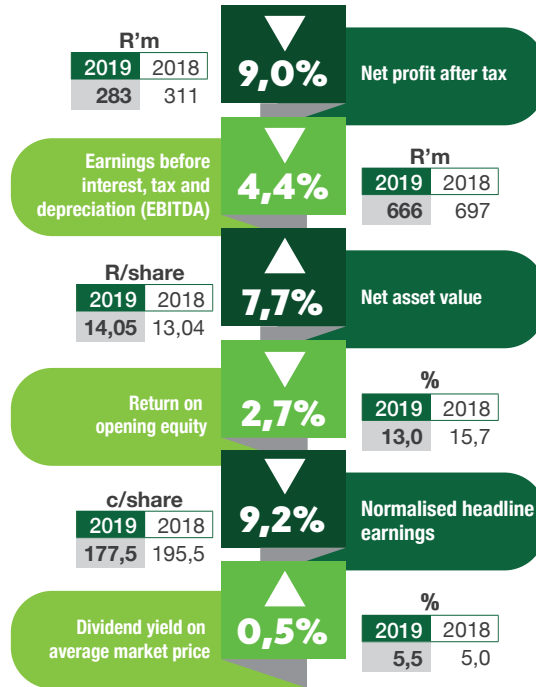
Senwes acquired a controlling share of 57,44% in KLK, for an amount of R175,1 million. The effective date of the transaction is 1 July 2019. For more details regarding the transaction refer to the offer circular issued, available at [www.zarx.co.za](http://www.zarx.co.za).

### OVERVIEW AND PROSPECTS

The 2020 season is at risk and a difficult year is expected since producers planted late and fewer hectares were planted. A smaller summer grain crop is therefore expected. The group will focus on cost savings, margin improvement and discerning application of operating capital in particular. A conservative risk approach will be maintained while the proposed capital expenditure programmes will still enjoy preference. Diversification through differentiated commodities and improved service delivery should support the business through volatile business cycles. Future prospects are, however, still challenging in the macro-agricultural environment and a better commodity price cycle should relieve considerable pressure on clients and stimulate spending within the sector.

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### FINANCIAL HIGHLIGHTS



### DIVIDEND DECLARATION

#### FINAL DIVIDEND PER SHARE:

**30 cents** (2018: 27 cents)

Record date: **22 August 2019**

Payment date: **29 August 2019**

Dividend withholding tax will be applicable.

For Senwes share trading, visit [www.zarx.co.za](http://www.zarx.co.za)

### BUSINESS SEGMENTS

#### Financial Services

OPERATING PROFIT BEFORE TAX AFTER FINANCE COSTS

5,0% ▲

2019 R168m

2018 R160m

21 business units

The land debate affected business confidence and investments in agriculture and had a significant impact on business within this channel. The lower profitability of our client base resulted in cash flow limitations and pressure on the balance sheet capacity of clients. Despite this, the business unit performed well and exceeded the previous year's results by 5%.

#### Input Supply

OPERATING PROFIT BEFORE TAX AFTER FINANCE COSTS

150,8% ▲

2019 R30m

2018 (R59m)

123 business units

The commodity price cycle is still under pressure and reflects the profitability of the primary producer and of all businesses in this channel as a result. Volumes, margins and higher inventory levels affected the operating results and increased competition levels, while fierce drought conditions early in the season put this channel under more pressure. However, better balance sheet management, together with the integration of the wholesale and retail business, turned this pillar around and the previous year's results were exceeded by R89m.

#### Market Access

OPERATING PROFIT BEFORE TAX AFTER FINANCE COSTS

27,2% ▼

2019 R300m

2018 R412m

93 business units

A national maize crop in excess of 16,8m tonnes realised the previous year, followed by a much smaller maize crop of 12,5m tonnes this year. The operating results decreased by 27,2% to R300m.

