

# VALUE-CREATING BUSINESS MODEL

## EXTERNAL ENVIRONMENT

### INPUTS

#### OUR CAPITALS



#### Financial

The pool of available funds Senwes uses to achieve its strategy.



#### Manufacturing

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



#### Natural

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



#### Intellectual

The group's investment in the right skills and systems.



#### Human

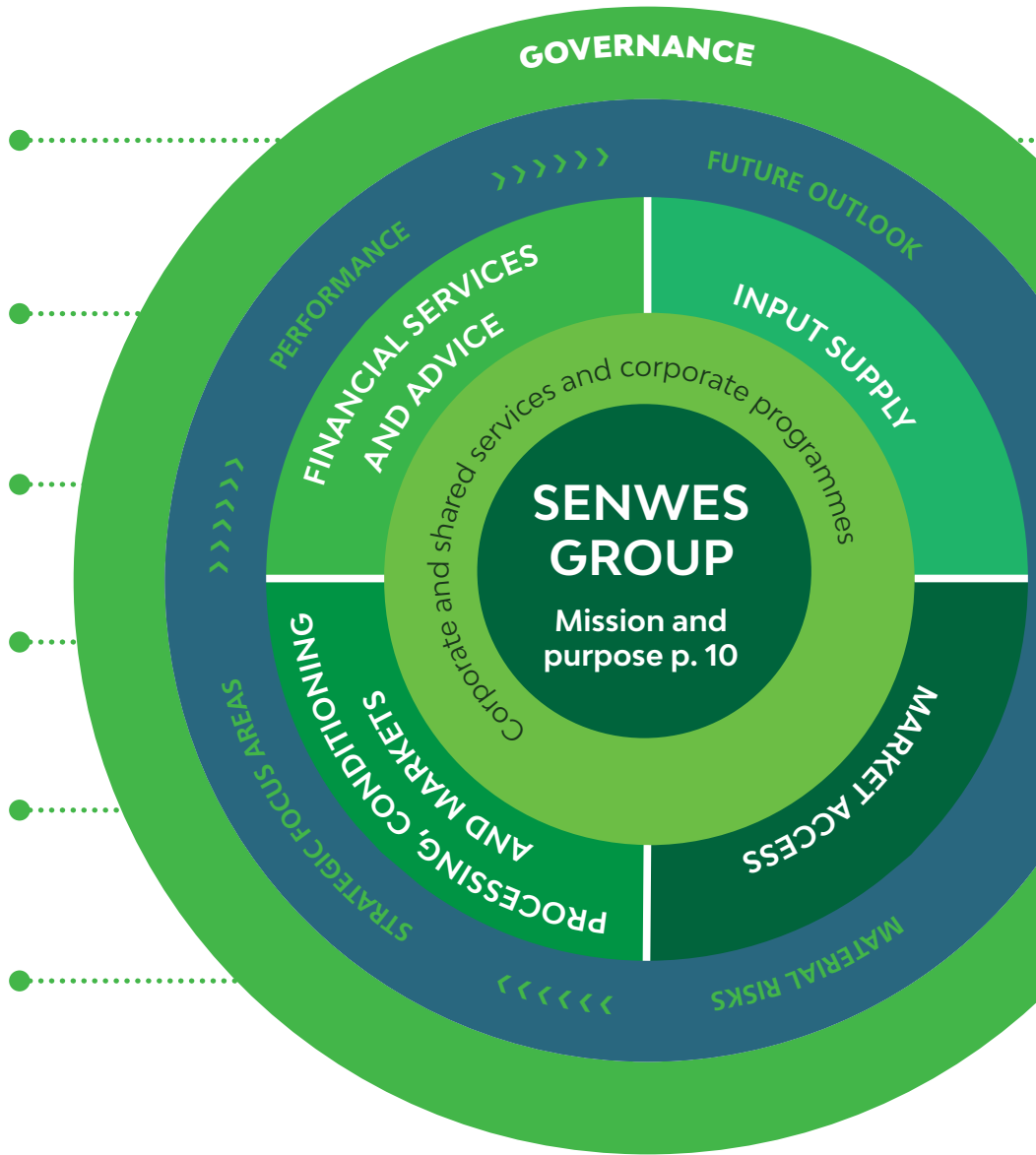
Employees are Senwes' key stakeholders.



#### Social and Relationship

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

For more detail, see p. 26



### MATERIAL RISKS

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

For more detail, see p. 86

### STRATEGIC FOCUS AREAS

- 1 Diversification, horizontal integration and consolidation
- 2 Internal integration of the customer
- 3 Reorganisation of business models
- 4 Unlocking value synergies
- 5 Increased investment in efficiencies in the value chain
- 6 Externalisation

For more detail, see p. 50

## PERFORMANCE

Net profit after tax (R'm)		Return on opening equity (%)		Total shareholders' return (%)	
2021	2020	2021	2020	2021	2020
595	337	20,5	13,0	12,7	5,5
▲ 76,6%		▲ 7,5%		▲ 7,2%	

For more detail, see p. 92

## OUTCOMES

### KEY HIGHLIGHTS

	Normalised headline earnings (R'm)	2021	2020
		420	246
		▲ 70,7%	
	New investment in property, plant and equipment (R'm)	2021	2020
		188	268
		▼ 29,9%	
	Head office electricity consumption for the year (MWh)	2021	2020
		1 452	1 392
		▲ 4,3%	
	Electricity consumption of Senwes Grainlink silos for the year (GWh)	2021	2020
		30,2	28,6
		▲ 5,6%	
	Head office water consumption for the year (kℓ)	2021	2020
		5 212	5 031
		▲ 3,6%	
	Total training costs (R'm)	2021	2020
		14,5	9,6
		▲ 51,0%	
	Average cost per employee (R'000)	2021	2020
		184,8	175,7
		▲ 5,2%	
	Corporate social investment and community spending (R'm)	2021	2020
		6,4	3,1
		▲ 106,5%	
	Loyalty scheme (AgriRewards) allocation (R'm)	2021	2020
		139	99
		▲ 40,4%	

For more detail, see p. 12

## STAKEHOLDERS

	<b>Shareholders and Investors</b>
	The group paid dividends to the amount of:
	>>> R122m ..... ▲
	<b>Clients and Customers</b>
	The group increased its financing book by:
	>>> 13% ..... ▲
	<b>Employees</b>
	The group paid salaries to the amount of:
	>>> R942m ..... ▲
	<b>Community</b>
	Community spending increased since the previous year:
	>>> 106,5% ..... ▲
	<b>Business Partners</b>
	Investments in subsidiaries and JVs amounted to:
	>>> R808m ..... ▲
	<b>Suppliers</b>
	The group's payments to suppliers of goods and services amounted to:
	>>> R5 603m ..... ▲
	<b>Government and Regulators</b>
	The group's payments to government amounted to:
	>>> R207m ..... ▲

For more detail, see p. 36

## FUTURE OUTLOOK

### Business

There is a clear shift in traditional crop composition choices. Soybean production is increasing and the country is nearing levels of self-sufficiency. In this regard Senwes is well positioned to increase its intake of soybeans.

For more detail, see p. 14

### Strategy

The Senwes Group will continue to reimagine its strategic purpose of adding value and solutions to its client base and keep on analysing the sector for meaningful acquisitions to add to its well-developed agri-business platform. This future fit agri-business platform will provide access to clients (market share and share of pocket), integrate the group's activities and most importantly, provide better access to markets for clients as well as input partners.

For more detail, see p. 46

### Economic

With a good turnover generated from the 2020/21 harvest, business confidence and planting intentions will probably be higher for the next season. High soil moisture levels should also result in producers spending more on the next season's inputs. However, the uptake of credit should slow down because of the surplus cash available in the market.

For more detail, see p. 80