

YEAR-END RESULTS

APRIL 2022

Reimagine Agriculture

FINANCIAL HIGHLIGHTS



45,8%

R10 881 MILLION

2021: R7 463 million
Turnover



0,8%

20,5%

2021: 19,7%
Return on opening equity



14,1%

R19,48 PER SHARE

2021: R17,07 per share
Net asset value



30,9%

R1 060 MILLION

2021: R810 million
Profit from normal operating activities (before corporate items)



19,2%

R601 MILLION

2021: R504 million
Profit after tax attributable to equity holders of the parent company



62,9%

398,2 c/share

2021: 244,4 c/share
Normalised headline earnings per share



<http://senwes.co/fin22>



BUSINESS SEGMENTS

FINANCIAL SERVICES

OPERATING PROFIT BEFORE TAX, AFTER FINANCE COST

4,8% ▲

2022	R153m
2021	R146m

Producers sold their products at good margins and at a rapid rate. Faster credit settlements occurred and new season purchases were made with surplus cash generated from previous season income. A lower credit exposure normally results in lower margins but also lower risk. This also resulted in a lower than expected credit loss provision compared to the previous year. Senwes is satisfied with the current exposure and rate of repayment.

INPUT SUPPLY

OPERATING PROFIT BEFORE TAX, AFTER FINANCE COST

51,3% ▲

2022	R481m
2021	R318m

Positive cash flows from the Senwes client base resulted in high equipment sales, stable margins and low levels of second-hand trade-ins. Large and medium-sized equipment underwent a super cycle of sales in the current year. Small machinery sales decreased compared to the previous year, due to delays in shipments from foreign suppliers and stronger competition with new entrants to the market. The intentions to produce more for the following season were evident in the acquisition of input products by the farmer producers, which influenced the retail and wholesale clusters positively.

MARKET ACCESS

OPERATING PROFIT BEFORE TAX, AFTER FINANCE COST

52,6% ▲

2022	R325m
2021	R213m

Moderate grain commodity carry-over stock levels, a good production season as well as a lower dispatch programme resulted in higher grain inventory levels throughout the year, which in turn resulted in above-average income from grain storage services. The changes made to the business model relating to the procurement and marketing of soft commodities, were well received by the market and unlocked larger volumes as well as improved margins in the process. The group was blessed with high quality product and due to the renewed focus on the logistics solution, the effective range of services was expanded to other markets. Customers liquidated their harvests at above-average margins.

PROCESSING, CONDITIONING AND MARKETS

OPERATING PROFIT BEFORE TAX, AFTER FINANCE COST

24,1% ▼

2022	R101m
2021	R133m

Record lime sales to producers, together with a larger market share, resulted in record results for Bastion. SA Dorper performed significantly worse than the previous year due to fewer skins sold, although at a higher average selling price and margin per skin. Carpe Diem Raisins, with a 12,8% strengthening of the R/\$ exchange rate, had a higher average purchase price and lower average sales price per tonne, which negatively affected the margin and the profit contribution.

DIVIDEND DECLARATION

SENWES

FINAL DIVIDEND PER SHARE*:
34 CENTS
[2021: 32 CENTS]

SPECIAL DIVIDEND PER SHARE*:
56 CENTS
[2021: 26 CENTS]

RECORD DATE:
24 August 2022
PAYMENT DATE:
29 August 2022

AGRIBEL HOLDINGS

FINAL DIVIDEND PER SHARE*:
25 CENTS
[2021: 23 CENTS]

SPECIAL DIVIDEND PER SHARE*:
21 CENTS
[2021: 19 CENTS]

RECORD DATE:
24 August 2022
PAYMENT DATE:
30 August 2022

*Dividend withholding tax will be applicable.

For trading in Senwes and Agribel shares, visit www.senwes.co.za.

OVERVIEW

An exceptionally good agricultural production and commodity price cycle, together with the unlocking of synergies from recent merger transactions and the reorganisation of the business model of the group, resulted in record results for the financial year.

ANNOUNCEMENTS

Senwes successfully concluded the acquisition of three John Deere agencies in East Germany namely Schlieper für Landmaschinen GmbH, Landmaschinen Vertrieb Deuben GmbH and Bartling Landtechnik GmbH Hohenseefeld which will be merged and rebranded as S&L Connect. This expansion to lower risk jurisdictions to diversify income streams is aligned with Senwes' strategic philosophy, specifically the strategic pillar of externalisation, and will be implemented in the first two quarters of the 2023 financial year.

PROSPECTS

Good carry-over moisture, higher winter crop plantings and a bigger movement towards soybean production are expected, which should result in a better balance of the commodity book than before. Even with excessive increases in production costs, the business confidence index in agriculture is expected to remain high and hectares under cultivation should remain high for the coming season.

DIRECTORS: JDM Minnaar (Chairperson), F Strydom (Chief Executive Officer)*, SF Booysen (Vice-Chairperson), CF Kruger (Chief Financial Officer)*, VJ Klein, AJ Kruger, NDP Liebenberg, GL Malherbe, JS Marais, JJ Minnaar, JPN Stander, WH van Zyl, JJ Viljoen and AG Waller. Company Secretary: EM Jojnt. *Executive