

UNAUDITED INTERIM RESULTS

# AGRIBEL

HOLDINGS LTD



31 October

# 2023

# TABLE OF CONTENTS

INTRODUCTION

p 1

CONDENSED CONSOLIDATED STATEMENT  
OF **COMPREHENSIVE INCOME**

p 2

CONSOLIDATED STATEMENT  
OF **FINANCIAL POSITION**

p 4

CONDENSED CONSOLIDATED STATEMENT  
OF **CHANGES IN EQUITY**

p 5

CONDENSED CONSOLIDATED STATEMENT  
OF **CASH FLOWS**

p 6

NOTES

p 7

# INTRODUCTION

**T**he condensed consolidated interim results of Agribel Holdings Limited ("the company") as at, and for the six months ended 31 October 2023, comprise the company, all its subsidiaries, jointly controlled entities and associates (jointly referred to as "the group").

The Agribel Holdings 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 2023, are prepared in accordance with the requirements of the International Financial Reporting 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 terms of IFRS and are consistent with the accounting policies applied in the preparation of the group's previous audited consolidated annual financial statements, except as stated in note 6 of these 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 2023.

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 JD Aucamp, CA (SA).

The results were published on 7 December 2023.

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 MONTHS ENDED 31 OCTOBER		12 MONTHS ENDED 30 APRIL
	2023 UNAUDITED R'm	2022 * UNAUDITED R'm	2023 ** AUDITED R'm
Revenue	7 902	6 692	13 642
Operating profit before depreciation and amortisation (EBITDA)	1 031	725	1 695
Depreciation and amortisation	(119)	(94)	(205)
Operating profit before interest (EBIT)	912	631	1 490
Finance income	37	35	47
Finance costs	(246)	(129)	(263)
Profit after finance costs	703	537	1 274
Share of profit from joint ventures and associates	51	19	26
Profit before tax	754	556	1 300
Tax	(219)	(138)	(320)
Profit for the year	535	418	980
Profit after tax from:	535	418	980
Continuing operations	523	414	978
Discontinued operations	12	4	2
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of tax	-	2	3
Fair value adjustment on other financial assets	-	2	3
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax	(9)	(7)	53
Exchange differences on translation of foreign operations	(5)	10	32
Cash flow hedge movements	(4)	(17)	21
Total comprehensive income for the year, net of tax	526	413	1 036
Profit attributable to:			
Equity holders of the parent	364	289	661
Non-controlling interest	171	129	319
Total comprehensive income attributable to:			
Equity holders of the parent	358	286	702
Non-controlling interest	168	127	334

\* A reclassification adjustment of R12 million has been made between Finance income (decrease) and Revenue (increase). This constitutes a reclassification of amounts to ensure improved presentation and comparability.

\*\* Refer to note 6 regarding retrospective adjustments made.

# EARNINGS AND NORMALISED HEADLINE EARNINGS

	6 MONTHS ENDED 31 OCTOBER		12 MONTHS ENDED 30 APRIL
	2023 UNAUDITED R'm	2022 UNAUDITED R'm	2023 AUDITED R'm
<b>Earnings per statement of comprehensive income</b>	<b>364</b>	289	661
<i>Adjustments:</i>			
Impairment of property, plant and equipment and intangible assets	-	-	27
Impairment of goodwill	-	1	2
Profit from sale of property, plant and equipment	(22)	(18)	(35)
Gain on the disposal of investment in joint venture	-	-	(2)
Tax and NCI effect of adjustments	11	9	9
<b>Headline earnings</b>	<b>353</b>	281	662
Legal/consultation fees	2	7	17
Impairment of investments	31	4	10
Other once-off items	(39)	48	47
Tax and NCI effect of adjustments	12	(24)	(32)
<b>Normalised headline earnings</b>	<b>359</b>	316	704
Weighted average number of shares in issue ('000)	131 730	127 995	128 251
Earnings per share (cents)	276,3	221,3	515,4
Normalised headline earnings per share (cents)	272,5	246,9	548,9

## DIVIDENDS PER SHARE

Dividend (cents)	37	26	54
Interim dividend proposed	37	26	-
Final dividend	-	-	29
Special dividend	-	-	25
Net asset value per share for the group (cents)	2 880	2 379	2 625

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 OCTOBER		AS AT 30 APRIL
	2023 UNAUDITED R'm	2022 UNAUDITED R'm	2023 AUDITED R'm *
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 739	3 351	3 485
Investment property	2	2	2
Right-of-use assets	14	33	30
Goodwill and intangible assets	244	267	255
Investment in joint ventures and associates	121	121	101
Other financial assets	6	8	6
Insurance contract assets	15	-	12
Loans and other receivables	866	1 104	1 103
Deferred tax asset	82	96	77
<b>Total non-current assets</b>	<b>5 089</b>	<b>4 982</b>	<b>5 071</b>
<b>Current assets</b>			
Inventory	6 948	6 026	2 872
Trade and other receivables	3 317	3 434	4 630
Other loans receivable	-	3	1
Inventory held to satisfy firm sales	23	2	126
Derivative financial instruments	12	64	72
Cash and short-term deposits	462	117	361
<b>Total current assets</b>	<b>10 762</b>	<b>9 646</b>	<b>8 062</b>
Non-current assets held for sale	-	19	2
<b>TOTAL ASSETS</b>	<b>15 851</b>	<b>14 647</b>	<b>13 135</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Issued capital	131	99	107
Share premium	498	498	498
Other reserves	711	665	671
Retained earnings	2 475	1 845	2 181
<b>Own equity</b>	<b>3 815</b>	<b>3 107</b>	<b>3 457</b>
Non-controlling interest	1 415	1 174	1 448
<b>Total equity</b>	<b>5 230</b>	<b>4 281</b>	<b>4 905</b>
<b>Non-current liabilities</b>			
Interest-bearing loans	1 496	1 461	1 440
Redeemable preference shares	153	275	201
Other financial liabilities	96	135	71
Lease liabilities	7	24	21
Deferred government grants	10	12	12
Deferred tax liability	536	492	453
<b>Total non-current liabilities</b>	<b>2 298</b>	<b>2 399</b>	<b>2 198</b>
<b>Current liabilities</b>			
Trade and other payables	2 909	2 833	1 987
Contract liabilities	102	59	27
Short-term portion of interest-bearing loans	4 704	4 575	2 915
Derivative financial instruments	246	123	364
Other loans payable	128	94	95
Short-term portion of lease liabilities	8	11	13
Short-term portion of deferred government grants	2	3	2
Tax payable	49	2	18
Short-term incentive bonuses	108	106	190
Bank overdraft	38	45	307
Provisions	29	116	114
<b>Total current liabilities</b>	<b>8 323</b>	<b>7 967</b>	<b>6 032</b>
<b>Total liabilities</b>	<b>10 621</b>	<b>10 366</b>	<b>8 230</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15 851</b>	<b>14 647</b>	<b>13 135</b>

\* Refer to note 6 regarding retrospective adjustments made.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	ISSUED SHARE CAPITAL AND SHARE PREMIUM	NON-DISTRIBUTABLE RESERVES	OTHER RESERVES	CHANGE IN OWNERSHIP & TREASURY SHARES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTEREST
	R'm	R'm	R'm	R'm	R'm	R'm	R'm
<b>Balance at 30 April 2023 (audited)</b>	<b>605</b>	<b>78</b>	<b>59</b>	<b>534</b>	<b>2 181</b>	<b>3 457</b>	<b>1 448</b>
Profit for the period	-	-	-	-	364	364	171
Other comprehensive income	-	-	(6)	-	-	(6)	(3)
Dividends	-	-	-	-	(70)	(70)	(45)
Issue of shares (scrip dividends)	24	-	-	-	-	24	-
Change in ownership of subsidiaries	-	-	-	40	-	40	(158)
Equity-settled share-based payment scheme - Vesting	-	-	(9)	9	-	-	-
Net treasury shares purchased	-	-	-	(1)	-	(1)	-
Equity-settled share-based payment scheme - Expense	-	-	7	-	-	7	2
<b>Balance at 31 October 2023 (unaudited)</b>	<b>629</b>	<b>78</b>	<b>51</b>	<b>582</b>	<b>2 475</b>	<b>3 815</b>	<b>1 415</b>
<b>Balance at 30 April 2022 (audited)</b>	<b>581</b>	<b>78</b>	<b>23</b>	<b>619</b>	<b>1 614</b>	<b>2 915</b>	<b>1 051</b>
Profit for the period	-	-	-	-	289	289	129
Other comprehensive income	-	-	(3)	-	-	(3)	(2)
Dividends	-	-	-	-	(58)	(58)	(45)
Issue of shares (scrip dividends)	16	-	-	-	-	16	-
Change in ownership of subsidiary	-	-	-	(51)	-	(51)	23
Acquisition of subsidiary	-	-	-	-	-	-	17
Equity-settled share-based payment scheme - vesting	-	-	(15)	18	(2)	1	(1)
Net treasury shares purchased	-	-	-	(6)	2	(4)	-
Equity-settled share-based payment scheme - expense	-	-	5	(3)	-	2	2
<b>Balance at 31 October 2022 (unaudited)</b>	<b>597</b>	<b>78</b>	<b>10</b>	<b>577</b>	<b>1 845</b>	<b>3 107</b>	<b>1 174</b>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 MONTHS ENDED 31 OCTOBER		12 MONTHS ENDED 30 APRIL
	2023 UNAUDITED R'm	2022 UNAUDITED R'm	2023 AUDITED R'm
Cash from operating activities	1 077	930	1 844
Finance income received from the non-lending business	37	35	47
Finance costs paid on the non-lending business	(232)	(110)	(228)
Tax paid	(111)	(100)	(300)
Dividends paid	(91)	(87)	(137)
Changes in working capital	207	32	(422)
<b>Net cash flows from operating activities</b>	<b>887</b>	<b>700</b>	<b>804</b>
Net cash flows used in investment activities	(383)	(533)	(550)
<b>Net cash flows before financing activities</b>	<b>504</b>	<b>167</b>	<b>254</b>
Net cash flows used in financing activities	(133)	(93)	(209)
<b>Net increase in cash and cash equivalents</b>	<b>371</b>	<b>74</b>	<b>45</b>
Cash and cash equivalents – beginning of the period	54	(2)	(2)
Exchange rate translation	(1)	-	11
<b>Cash and cash equivalents – end of the period *</b>	<b>424</b>	<b>72</b>	<b>54</b>

\* Includes bank overdraft (R38m) and cash and short-term deposits (R462m).



1. SHARES DISPOSED IN SENWES LIMITED

During the year, Agribel disposed of a portion of its investment in Senwes. In total, 8 715 439 shares (6,6%) of the total investment has been disposed. Agribel's shareholding as at 31 October 2023 was 68,7% (April 2023: 73,5%).

2. NEW BUSINESS COMBINATIONS

2.1 Porst Landtechnik GmbH ("Porst")

During the 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 is effective from 1 August 2023.

This transaction marks the acquisition of the fourth John Deere dealer in East Germany where S&L has been granted the area of responsibility ("AOR") by John Deere. The acquisitions to date enable a more effective and successful takeover of the AOR as there is value encapsulated in the know-how of the transferring employees and the location of the properties acquired

Preliminary fair value of assets acquired and liabilities assumed:

	R'm
Preliminary fair value of assets acquired and liabilities assumed *	306
Consideration paid	306
<b>Preliminary fair value of assets acquired and liabilities assumed *</b>	<b>-</b>

\* The net assets recognised in the 31 October 2023 interim financial statements are based on a preliminary assessment of fair value, while the group finalises the fair value measurement of assets acquired and liabilities assumed. Assessment of further separately identifiable assets and/or liabilities is also in progress.

2.2 Carpe Diem Raisins (Pty) Ltd ("CDR")

During the year, KLK Landbou Ltd increased its shareholding in CDR by purchasing the remaining 20% shareholding from the non-controlling shareholders of CDR for R75 million, bringing the total shareholding to 100%. The effective date of the transaction being 29 May 2023. The transaction resulted in a reduction of the change in ownership reserve of R5 million in the statement of changes in equity.

2.3 KLK Landbou Ltd ("KLK")

During the year, Senwes increased its shareholding in KLK by purchasing an additional 0,3% of the non-controlling interest of KLK for R3 million, bringing the total shareholding to 58,1%. The transaction resulted in a reduction of the change in ownership reserve of less than R1 million when rounded.

3. DIVIDENDS

The board approved an interim dividend of 37 cents per share. Payment of the dividend will take place on 19 December 2023. The last day of trading is 12 December 2023. All shareholders registered in the shareholders register as at 13 December 2023, will qualify for the dividend. Dividend withholding tax of 20%, will be deducted where applicable.

## 4. 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	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL INSTRUMENTS	SIGNIFICANT OTHER OBSERVABLE INPUTS	SIGNIFICANT UNOBSERVABLE INPUTS
	TOTAL R'm	LEVEL 1 R'm	LEVEL 2 R'm	LEVEL 3 R'm
<b>31 October 2023 (Unaudited):</b>				
Total assets	4 066	4 020	26	20
Total liabilities	(4 373)	(4 373)	-	-
<b>30 April 2023 (Audited):</b>				
Total assets	423	255	163	5
Total liabilities	(499)	(499)	-	-
<b>31 October 2022 (Unaudited):</b>				
Total assets	3 620	3 592	24	4
Total liabilities	(3 674)	(3 674)	-	-

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.

## 5. EVENTS AFTER THE REPORTING PERIOD

During November 2023, the total outstanding redeemable preference shares have been redeemed. The settlement was financed through the proceeds generated from the sale of shares listed in note 1. An amount of R153 million was paid to Grindrod Bank as settlement for the redeemable preference shares.

Except for the events listed above, the directors are not aware of any material event which occurred after the reporting period and up to the date of this report.

## 6. CHANGES IN ACCOUNTING STANDARDS

Since the last reported financial statements, namely the annual financial statements for the year ended 30 April 2023, except for the changes below, there were no significant new standards evaluated and implemented in the financial statements of the group.

During the year, the group implemented IFRS 17, Insurance contracts, for the first time. IFRS 17 deals with the recognition, measurement and presentation of insurance contracts and replaces IFRS 4 which was an interim standard. IFRS 17 applies to the Senwes Cell Captive which is a cell owned by Senwes and administrated by Guardrisk Life and underwrites risks within the credit life insurance domain.

The retrospective method of adoption is applied and consequently the comparative figures have been adjusted as indicated below. Current year figures are also presented for comparison purposes.

	6 MONTHS ENDED 31 OCTOBER		12 MONTHS ENDED 30 APRIL
	2023 UNAUDITED R'm	2022 UNAUDITED R'm	2023 UNAUDITED R'm
<b>Consolidated statement of financial position</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Decrease in Other financial assets	(15)	-	(12)
Increase in Insurance contract assets	15	-	12
<b>Net adjustment in the consolidated statement of financial position</b>	-	-	-
<b>Condensed consolidated statement of comprehensive income</b>			
Revenue	6	-	10
Other line items in EBITDA	(6)	-	(10)
<b>Net adjustment in the condensed consolidated statement of comprehensive income</b>	-	-	-

The effective date of the investment in the Senwes Cell Captive was 1 November 2022 and consequently no adjustment is made to the October 2022 balances and transactions.

Detailed disclosures will be done in the annual financial statements.

## 7. OTHER SIGNIFICANT TRANSACTIONS

### 7.1 Legal claim settlement

During the prior year, a provision was created for a legal claim against Africum Commodities (Pty) Ltd ("Africum Commodities"). During the current year, a settlement of R43 million has been paid to the claimant.

### 7.2 Senwes Cell Captive

During the prior year, Senwes divested its share in the Molemi Sele Management (Pty) Ltd ("MSM") Joint Venture with NWK Ltd ("NWK") and Afgri Operations Ltd ("Afgri") as partners. Senwes invested in a separate Guardrisk cell captive special purpose insurance company on 1 November 2022. Subsequently, the Senwes portion of the book previously included in the Joint Venture was transferred to a new cell captive which is 100% owned by Senwes.

On 1 July 2023 Senwes expanded geographically by onboarding two additional third-party credit books into the Senwes Cell Captive structure to provide credit life insurance to their respective clients and producers.

## NOTES (CONTINUED)

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By order of the board:

**NDP Liebenberg**

Chairman

7 December 2023

**JJ Minnaar**

Vice-Chairman

**DIRECTORS:**

NDP Liebenberg (Chairman), JJ Minnaar (Vice-Chairman), JDM Minnaar, GL Malherbe, JJ Viljoen and WH van Zyl.

**REGISTERED OFFICE:**

1 Charel de Klerk Street, Klerksdorp, 2570

Postal address: PO Box 31, Klerksdorp, 2571

Telephone: (018) 464 7800

**TRANSFER SECRETARIES:**

The Company Secretary

Agribel Holdings Limited

PO Box 31

Klerksdorp

2571

Telephone: 076 212 1776

# CORPORATE INFORMATION

## **AGRIBEL HOLDINGS LIMITED**

Reg.no: 1996/017629/06

### **POSTAL ADDRESS**

PO Box 31  
Klerksdorp  
2570

### **REGISTERED OFFICE**

1 Charel de Klerk Street  
Klerksdorp  
2570  
Telephone: 018 464 7800  
Fax: 018 464 2228

### **AUDITOR**

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

### **INVESTOR RELATIONS**

Attention: The Company Secretary  
Senwes Limited  
PO Box 31  
Klerksdorp  
2571  
Telephone: 018 464 7104  
Fax: 018 464 7121

### **TRADING OF SHARES**

Over-The-Counter (OTC) trading  
[www.senwes.co.za](http://www.senwes.co.za)  
Telephone: 018 464 7105

### **FINANCE PARTNERS**

Absa Bank  
Grindrod Bank