



TWK Agriculture Holdings (Pty) Ltd



**Unaudited condensed  
consolidated interim results**  
for the six months ended  
29 February 2024

# Introduction

**The unaudited condensed consolidated interim results of TWK Holdings Ltd for the six months ended 29 February 2024 comprise the company, all its subsidiaries and jointly controlled entities (jointly referred to as the group).**

The accounting policies applied in the preparation of these condensed consolidated interim results are in accordance with IFRS and are consistent with the accounting policies applied in the preparation of the Group's previous audited consolidated annual 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 31 August 2023.

All the 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 the Group Chief Financial Officer, JEW Fivaz, and approved by the Board of Directors on 13 May 2024. The results were made available publicly on 21 May 2024.

# Financial highlights

## Revenue

R4,19bn

2023: R4,86bn

▼ 13,66%

## Total assets

R6,78bn

2023: R6,56bn

▲ 3,53%

## Profit after tax

R96m

2023: R200m

▼ 51,87%

## EBITDA

R282,6m

2023: R389,7m

▼ 27,48%

## NAV per share

118,3c

2023: 111,91c

▲ 5,71%

## Cash from operating activities

R320,4m

2023: R354,1m

▼ 9,52%

## Basic earnings per share

655,98c

2023: 1 139,85c

▼ 42,45%

# TWK at a glance

## WHERE WE CONDUCT OUR BUSINESS

● Grain	● Financial Services
● Trade	■ Insurance
■ Fertiliser	◆ Financing
◆ Mechanisation	● Motors
● Timber	■ Vehicles
■ Bedrock	● Corporate Services
◆ MTP	● Welverdiend
◆ SSS	

### NORTH WEST

2 2 1

### LIMPOPO

1 1 2 2

### GAUTENG

3 3 2

### MPUMALANGA

5 11 3 5  
6 2 1 9  
1 9 5 1

### KZN

16 3 2  
3 1 5 2

### WESTERN CAPE

2 4

### FREE STATE

1 3

### ESWATINI

1 1 2 3

## TWK INVESTMENTS LTD (TWK) IS LISTED ON THE CAPE TOWN STOCK EXCHANGE UNDER THE SHARE CODE 4ATWK.

The TWK story started in 1940 when the Transvaal Wattle Growers Co-operative Agricultural Company Ltd was registered. In 2014, the company was restructured into its current form with TWK Agriculture Holdings (Pty) Ltd as the ultimate holding company and TWK Investments as the investment entity.

TWK is a diversified group of companies operating in the following segments:

### GRAIN

The Grain division, inter alia, provides commodity strategic support and services to farmers ensuring they can grow grain profitably on an ongoing basis. We focus on hedging and selling grains at the best possible market prices, while the division also enables farmers and end users to safely store and dry their grains at our HACCP and SAFEX registered silos. Furthermore, we produce our own branded maize meal and animal feeds and supply it at retail, wholesale, and farm level.

- Grain storage
- Grain marketing (SAFEX trading)
- Grain processing (RSA and Eswatini)

### 6 GRAIN LOCATIONS

- 📍 Piet Retief
- 📍 Mkondo Silo
- 📍 Panbult Silo
- 📍 Rietspruit Bunker – Ermelo
- 📍 Klipfontein Silo – Lydenburg
- 📍 Eswatini

### MOTORS

The TWK Motors division offers a wide range of vehicle related products and services. This diversified division consists of various businesses units, with a number of represented brands. Vehicle dealerships and business units are based in Piet Retief, Ermelo and Standerton.

- 2 Toyota dealerships
- 2 Isuzu dealerships
- 2 Haval and GWM dealerships
- Hino dealership
- 1 Total fuel station with fast food and convenience stores

### 6 VEHICLES LOCATIONS

- 📍 Toyota Dealerships: Piet Retief | Standerton
- 📍 Isuzu Dealerships: Ermelo | Standerton
- 📍 Haval and GWM Dealerships: Ermelo | Standerton
- 📍 Hino Dealership: Piet Retief
- 📍 Europcar: Ermelo
- 📍 Total/Bonjour/Steers: Piet Retief

### TRADE

Our network of retail stores offers customers a well-priced, comprehensive range of products dedicated to the agricultural sector.

30 retail and mechanisation branches are spread across the Mpumalanga and KwaZulu-Natal regions and one retail branch in Eswatini. Constantia fertiliser is part of our trade division and provides various fertiliser blends to our customers. These products are distributed throughout South Africa by our branch networks and our professional sales representatives.

Our Mechanisation division primarily acts as a New Holland reseller in Mpumalanga and KwaZulu-Natal and offers various implements and mechanical solutions to the market.

- 31 trade branches
- 5 Constantia blending plants and 3 fertiliser depots
- Mechanisation (including New Holland agencies)
- Gromor compost and fertiliser

### 29 TRADE LOCATIONS

- 📍 Balfour
- 📍 Belfast
- 📍 Bethal
- 📍 Bizana
- 📍 Carolina
- 📍 Cedarville
- 📍 Dundee
- 📍 Empangeni
- 📍 Ermelo
- 📍 Eswatini, Matsapa
- 📍 Flagstaff
- 📍 Greytown
- 📍 Hoedspruit
- 📍 Howick
- 📍 Ixopo
- 📍 Kokstad
- 📍 Lothair
- 📍 Lydenburg
- 📍 Middelburg
- 📍 Mooi River
- 📍 Nelspruit
- 📍 Piet Retief
- 📍 Pietermaritzburg
- 📍 Pongola
- 📍 Swartberg
- 📍 Sylyn
- 📍 Underberg
- 📍 Vryheid
- 📍 Winterton

### 11 FERTILISER LOCATIONS

- 📍 Secunda
- 📍 Nelspruit/Harmonie
- 📍 Umlaas Road
- 📍 Wellington
- 📍 Richards Bay
- 📍 Piet Retief
- 📍 Marble Hall
- 📍 Lichtenburg
- 📍 Jan Kempdorp
- 📍 George
- 📍 Durban

### 7 MECHANISATION LOCATIONS

- 📍 Ermelo
- 📍 Piet Retief
- 📍 Piet Retief Engineering
- 📍 Bethal
- 📍 Kokstad
- 📍 Standerton
- 📍 Pietermaritzburg

## TIMBER

TWK ensures that our timber and that of our suppliers are delivered to local and international markets at competitive prices. Exports to international markets are done from TWK's chipping mill in Richards Bay. We provide multiple processed and unprocessed timber products while cultivating 37 400 hectares of forestry plantations in South Africa and Eswatini.

- Forestry plantations
- Timber marketing
- Woodchip export facility, Richards Bay
- Bedrock mining timber
- Treated timber plant
- Softwood and hardwood sawmills
- Charcoal production
- Sunshine Seedling timber and vegetable seedling nurseries

## 10 TIMBER LOCATIONS

- 📍 Piet Retief
- 📍 Ermelo
- 📍 Nelspruit
- 📍 Richards Bay
- 📍 Howick
- 📍 Northern Farms
- 📍 Southern Farms
- 📍 Eswatini Peak
- 📍 Eswatini Nhlanguano
- 📍 Vryheid

## 8 BEDROCK LOCATIONS

- 📍 Amandelbult
- 📍 Bleskop
- 📍 Lonmin
- 📍 Modikwa
- 📍 Union
- 📍 Pretoria
- 📍 Welkom
- 📍 Westonaria

## 5 MTP LOCATIONS

- 📍 Piet Retief
- 📍 Whiteriver
- 📍 Eswatini Peak
- 📍 Eswatini Nhlanguano (x2)

## 2 SUNSHINE SEEDLING SERVICES LOCATIONS

- 📍 Piet Retief
- 📍 Pietermaritzburg

## FINANCIAL SERVICES

The Financial Services division, comprising the financing and insurance divisions, provides unique financing and insurance solutions to agricultural and related industries.

The TWK financing division offers various risk solutions to agricultural customers, from production facilities to monthly accounts.

The TWK Insurance division was established in 1978 to support clients. Over the years, the products and services increased to complement the growth and development of the company's diverse client base. Currently, TWK Insurance has service centres in Mpumalanga, KwaZulu-Natal, Limpopo, Western and Eastern Cape, Free State, and Gauteng, and its primary product offerings include the following:

- Short-term insurance;
- Crop insurance;
- Plantation insurance;
- Long-term insurance;
- Medical aid and gap cover;
- Alternative risk transfer;
- Funeral administration; and
- Fiduciary services

In addition, we offer specialised services, such as crop assessments for our clients, to assist them with determining damages to crops.

## 26 INSURANCE LOCATIONS

- 📍 Piet Retief
- 📍 Nigel
- 📍 Bethlehem
- 📍 Bethal
- 📍 Newcastle
- 📍 Secunda
- 📍 Nelspruit
- 📍 Ficksburg
- 📍 Groblersdal
- 📍 Marble Hall
- 📍 Winterton
- 📍 Vrede
- 📍 Middelburg
- 📍 Ermelo
- 📍 Knysna
- 📍 Pretoria
- 📍 Malelane
- 📍 Howick
- 📍 Pietermaritzburg
- 📍 Somerset Wes
- 📍 George
- 📍 Montagu
- 📍 Lydenburg
- 📍 Standerton
- 📍 Vanderbijlpark
- 📍 Ladybrand

## 1 FINANCING LOCATION

- 📍 Piet Retief

# Business and financial review

**TWK Holdings' performance for the six months ended 29 February 2024 was impacted by external factors that resulted in headwinds beyond our direct control. However, Constantia Fertiliser, the Grain and Financial Services Segments positively contributed to the results.**

The Timber Segment faced significant difficulties due to contamination of its woodchip stockpiles and the interruption of the chipping operation following a fire at the NCT chipping facility adjacent to our own facility in Richards Bay. In addition, the Retail and Mechanisation Segment encountered pressures amid challenging macroeconomic conditions. Despite these challenges, our diversified yet focused business model has enabled us to manage and mitigate these adverse factors to the best of our ability.

On the positive side, Constantia Fertiliser achieved much improved results as fertiliser market volatility normalised and we adjusted our raw material procurement strategies accordingly. The Grain and Financial Services Segments also reported a solid set of results for the period under review.

As a result, revenue and EBITDA from continued operations decreased by 13,7% from R4,9 billion to R4,2 billion and 27,6% to R282,6 million (Feb 2023: R389,7 million), respectively. For the Operational Review of each segment, refer to pages 12 to 18.

Profit after tax from continued operations decreased by 49,3% to R118,3 million (Feb 2023: R233,5 million). Basic earnings per share decreased to 655,98 cents per share, which is 42,45% lower than the corresponding period.

The Group's financial position remains solid with total assets having increased by 6,0% from R6,4 billion to R6,8 billion. Net cash from operations from August is lower due to profitability of the Group coming under pressure and an increase in Trade and other receivables.

The net asset value per share increased by 5,7% to R118,3 per share as at 29 February 2024 compared to R111,91 as at 28 February 2023.

Total assets increased mainly due to an increase in biological assets and an increase of 7% in trade and other receivables. This was attributable to an outstanding insurance claim receivable. Assets are evaluated on a continuous basis where applicable, and the necessary impairments have been accounted for.

For the period under review, discontinued operations consisted of the 100% shareholding in TWK Motors (Pty) Ltd, which was classified as assets-held-for-sale at year-end. Management is in advanced negotiations relating to the sale of the Group's shareholding. This business forms part of the Motor segment.

# Timber segment

**The Timber Segment experienced a very challenging six months as a direct result of the fire that broke out at the Richards Bay Woodchip Mill (NCT) in Richards Bay on 30 September 2023, which raged for two weeks. Although TWK's woodchip facility, located adjacent the NCT facility, incurred no fire damage, the fire impact on the quality of TWK's woodchip stockpiles has been extensive and operations ceased for a significant period. The woodchip stockpiles had to be sprayed with fire detergent to prevent the stock piles catching fire. Taking into account all factors, the total impact of the fire on the TWK business is estimated at approximately R255 million while TWK received a final insurance settlement for stock damage and clearance, business interruption, and expenses of approximately R160 million.**

TWK Timber had orders for five shiploads of exported woodchips and as a result, all these ships had to be cancelled, resulting in TWK not exporting any woodchips to Japan for five months during this reporting period. Consequently, during the period under review, 43 247 tonnes were exported from TWK's facility compared to 341 263 tonnes in the prior period, representing a sharp 87% decrease in export sales. TWK Timber managed to sell a large portion of these damaged woodchips to biofuel markets at reduced prices in a tough market.

As a result, revenue declined by 35,19% from R1,46 billion (February 2023) to R946,67 million for the six months ended 29 February 2024.

Total sales volumes decreased by 44% to 704 527 tonnes (February 2023: 1 258 039 tonnes) largely due to the impact of the Richards Bay fire. Due to the timber exchanges that exist between TWK and other national markets, TWK was not able to fulfil its part of the exchanges, and therefore those sales volumes were also lost. Industrial lumber sales remained under pressure because of the consumer being under financial strain, as confirmed by the results published by the DIY retailers. Treated pole sales were also down period-on-period given the cautious outlook of farmers, especially fruit farmers, as market conditions remain challenging. As confirmed in a recent Statistics South Africa report, mining production output declined by 3,3% year-on-year in January 2024, which negatively impacted the sales to the mining sector. Bedrock's mining customers are finding it difficult to keep their shafts open with further shutdowns of customer shafts during the period under review being experienced. BedRock, a wholly-owned subsidiary of TWK Agri (Pty) Ltd, supplies mining timber support products to the gold and platinum mining industries.

TWK's Sunshine Seedlings ("SSS") shareholding, as at 29 February 2024, was 81% (31 August 2023: 71%), with the remaining 19% of the shares to be purchased by TWK over the next period. SSS reported an improved performance for the period under review and was supported by the Top Crop Nursery that delivered another solid set of results.

The TWK plantations, including the Peak Plantations in Eswatini, made a very positive contribution to the net results of the Timber segment.

EBITDA decreased by 60,08% from R223,70 million (February 2023) to R89,30 million, as well as the EBITDA margin from 15,31% (February 2023) to 9,43%, mainly as a result of the Richards Bay fire.

We are expecting a robust performance from TWK Timber for the remainder of the 2024 financial year mainly due to the recovery in international pulp prices as well as having already secured our woodchip export order book. The trading conditions in the mining, industrial and agricultural sectors are expected to remain challenging given the current mining sector outlook as well as El Niño impacting the agricultural sector in certain regions. TWK Timber continues to explore innovative, value-added products and expansion projects to ensure sustainable growth for this segment.



# Retail and Mechanisation segment

**At the end of February 2024, TWK's retail outlets totalled 31 (February 2023: 32), situated in KwaZulu-Natal (13 outlets), Mpumalanga (13 outlets), Eastern Cape (three outlets), Limpopo (one outlet) and Eswatini (one outlet). Six of these branches include a New Holland Mechanisation agency and three branches include a Husqvarna agency. TWK also owns five fertiliser blending facilities located in Mpumalanga, KwaZulu-Natal, and the Western Cape.**

Revenue decreased by 11,45% from R2,59 billion (February 2023) to R2,29 billion as this segment continued to be impacted by lower sales volumes across the retail and mechanisation operations offset by an improved performance from Constantia Fertilisers. This directly correlates with the financial strain experienced by most farmers and consumers in the areas in which we trade as everyone grapples with tough economic conditions in the retail market, higher interest rates, increased diesel bills, uncertain political environment due to upcoming elections, and a decline in production facilities to farmers. Commercial farmers and consumers are purchasing products just as needed to protect their cash flow.

EBITDA however increased by 29,69% to R61,53 million from R47,44 million (February 2023), with the EBITDA margin increasing to 2,68% from 1,83% (February 2023). The main reason for the increase in EBITDA is attributable to the improvement in Constantia Fertiliser's profit and good cost management.

During the financial period under review, there was reduced price volatility, particularly in potassium and phosphate prices, compared to the financial year ended 31 August 2023. However, nitrogen prices remained volatile, which is typical for this product. The Rand/Dollar exchange rate experienced marginal fluctuations, ranging between R18,68 and R19,33 during the period under review. Our strategic decision to import smaller quantities of fertiliser, on a "Free Carrier Agreement (FCA)" basis more regularly, benefitted the business. An FCA contract entails a third party importing and warehousing imported goods on behalf of its customers. As a result, Constantia Fertiliser achieved significant savings on demurrage and stockholding costs. Consequently, the financial performance improved compared to the prior comparable period.

Looking ahead, we will continue this strategy of importing fewer raw materials more frequently on an FCA-basis. This approach is essential because crops in the summer rainfall areas deteriorated rapidly toward the end of February 2024 due to insufficient rainfall. As a result, lower fertiliser sales volumes are expected for the summer crop season, which starts towards the end of the financial year. On a positive note, the wheat and canola planting season in the Western Cape already commenced in March 2024 and indications suggest that fertiliser sales volumes will be normal on the back of the previous season, where good yields were realised. All these factors combined should ensure that Constantia Fertiliser's results at the end of this financial year will significantly surpass the previous year's performance.

Fertiliser sales for the period ended 29 February 2024 increased by 7,27% from 94 604 tonnes (February 2023) to 101 483 tonnes. This growth in sales volumes can be attributed to the average price of fertiliser returning to normal levels.

Mechanisation sales have decreased by 8,4% on New Holland units to 163 units (February 2023: 178 units). Given the current economic conditions, we are satisfied with the New Holland agencies' performance. Unfortunately, the ground working equipment sales have declined significantly and excess stock were carried over from the previous financial year into the current year. Our focus remains on reducing these stock levels, albeit at lower gross profit margins. By the end of the 2024 financial year, stock levels should normalise.

Rudamans, rebranded to TWK Agri effective 1 September 2023, are still facing challenges as the implementation of the strategic plan for the Nelspruit and Hoedspruit branches are taking longer than expected. However, we are already seeing a notable improvement in the performance of these branches.

The Retail and Mechanisation Segment is expecting trading conditions to remain challenging and with this being an election year, adding further uncertainty regarding the financial health of consumers and farmers. Exacerbating this, is that dry conditions in certain areas where we operate, are negatively impacting crop yields. Constantia Fertiliser will continue to focus on the efficient procurement and management of raw materials to optimise profit going forward. Currently all indications are that the fertiliser business will return to almost normal after a very volatile period mainly caused by the Ukrainian war and export restrictions by China. After a very volatile market the past financial period, various enhanced and new strategies were implemented regarding the sourcing, warehousing, and distribution of products which in future will ensure a more stable and profitable income stream.



# Financial Services segment

**Revenue increased by 1,48% from R127,00 million in February 2023 to R128,89 million, with EBITDA increasing by 4,75% to R63,6 million from R60,72 million (February 2023).**

## INSURANCE DIVISION

The Insurance Division acquired a 100% shareholding in Galinco Risk Services (Pty) Ltd (Galinco), a short-term insurance brokerage, on 1 December 2023. Galinco reported a commission income of R1,7 million for the period ended 29 February 2024.

In addition to acquiring the short-term book of Galinco the short-term insurance premiums written grew by 8,17% period-on-period, leading to a 3,77% increase in commission income. The focus on customer service and experience drove a 9,89% growth in fee income.

The total crop insurance premium increased by 0,88%, resulting in a 1,24% rise in commission received. Despite macroeconomic challenges, new client acquisitions contributed to a 1,75% increase in total insured clients; however, this was offset by declines in insured hectares of 2,37% and tree area of 4,02%.

Medical insurance commission revenue significantly increased by 15,25%, mainly due to a 15,13% rise in members from February 2023 to February 2024. Despite an operating loss attributed to high overhead costs, the restructuring to a commission-based agent salary model is anticipated to yield positive results for the remainder of the 2024 financial year.

Executive Underwriting Managers (Pty) Ltd (EUM) provides expert administrative underwriting services in the funeral industry and saw revenue growth of 13,01%, with 99 233 active policies as at 29 February 2024, insuring 617 145 lives (February 2023: 101 044 active policies and 613 147 lives).

## CREDIT DIVISION

The Financial Services' total debtors book includes various facility types such as month accounts, term loans, asset financing, revolving credit, and forestry facilities catering to our clients' diverse needs.

The Production Credit Book decreased by 12,8% during the period under review, peaking at R798,8 million (peak 2023 financial year: R916,7 million). Nett interest income increased by 6,86%, driven by higher interest earned on bridging facilities due to late payments.

Despite various macroeconomic challenges, divisions within the Financial Services segment demonstrated resilience and growth through strategic acquisitions, client expansion, and revenue diversification efforts.

Restructuring initiatives and strategic partnerships are expected to bolster profitability and operational efficiency for the remainder of the financial year.

# Grain segment

**Revenue and EBITDA for the period ended 29 February 2024 increased by 21,32% from R671,71 million (February 2023) to R814,88 million and 108,53% from R11,29 million (February 2023) to R23,54 million, respectively. The EBITDA margin also increased to 2,89% (February 2023: 1,68%).**

These results were achieved on a solid performance by the Grain Marketing business and the increase in maize product and animal feed prices. The average maize and soya prices remained high during the reporting period, underpinned by a weak exchange rate.

The Grain Storage business received 29% less grain into the silos compared to the prior period ended February 2023. This was mainly attributable to lower maize and soya yields in the Mpumalanga regions, which were severely impacted by the drought during January and February. We are expecting less maize and soya beans to be exported during the remainder of the year, which could be favourable for the storage sector.

The Grain Marketing business continued to report a solid set of results primarily as a result of marketing in a wider offset area and the appointment of new grain traders at the start of the financial period, which contributed to this business increasing its grain volumes marketed.

TWK, through its South African Grain Mill business, supplies white maize meal to food retailers and end consumers. The high levels of loadshedding in the Mkondo area hampered our factory output. Challenging macroeconomic conditions on a strained consumer and the increase in maize prices from December 2023 to February 2024, negatively impacted the margins for the Grain Mill business. At the current maize price, we expect maize meal sales to remain under pressure.

Arrow Feeds, based in Eswatini, reported an increase of 12,23% in revenue, a direct result of higher animal feed selling prices and an increase of 15,50% in volumes sold. Further to this, animal feedlot sales were less impacted by the higher maize prices as yellow maize did not increase as much as white maize for human consumption. Continued focus on efficiencies, margin management and upgrades to existing infrastructure will support sales.

The outlook for the Grain Segment is expected to be subdued as the predicted El Niño weather has impacted crops in certain of the regions we trade in, even though to a lesser extent than other agricultural areas in South Africa. Given the uncertainty on the weather, South Africa may have to import maize to the coastal regions. The weak exchange rate may persist resulting in volatile commodity prices. However, an increase in our national footprint for marketing and sales can contribute to offset some of the negative outlooks.

# Our prospects

**We remain committed to achieving sustainable growth for our stakeholders through gaining market share and increasing profitability. Our focus on liquidity and cash flow remains a priority and where possible, cost-saving measures are encouraged across all our operations.**

Despite the political and social uncertainties typically associated with an election year, exacerbated by unfavourable macroeconomic conditions placing financial strain on businesses and the consumer, the Group is expecting improved results for the second half of the financial year ending 31 August 2024.

The Timber Segment is expecting a robust performance for the remainder of the 2024 financial year, mainly due to the recovery in international pulp prices as well as having already secured 100% of the mill's capacity on its woodchip export order book. Trading conditions in the mining, industrial and agricultural sectors are expected to remain challenging given the current mining sector outlook as well as El Niño impacting the agricultural sector in certain regions.

The Retail and Mechanisation Segment is expecting trading conditions to remain challenging. The dry conditions in certain areas where we operate, are negatively impacting crop yields. Constantia Fertiliser will continue to focus on the efficient procurement and management of raw materials to optimise profit going forward.

It is expected that the Financial Services Segment will still deliver a solid performance for the remainder of the financial year.

The outlook for the Grain Segment is expected to be subdued as the predicted EL Niño weather pattern has impacted crops in certain of the regions we trade in. The chances of South Africa having to import maize to the coastal regions is increasing. The weak exchange rate may persist resulting in volatile commodity prices.

The Group has sufficient working capital and undrawn financing facilities to service its operating activities and ongoing investments. The syndication loan structure with Standard Bank, ABSA and FNB supports the growth prospects.

We believe the Group's strategy is resolute and will over the long term, unlock value for all stakeholders.

# Condensed consolidated statement of financial position

For the six-month period ending 29 February 2024

Figures in Rand	For the 6 months ending 29 Feb 2024	For the 6 months ending 28 Feb 2023*	For the year ending 31 Aug 2023 (audited)*
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1 251 067 266	1 197 506 657	1 245 726 105
Right of use assets	78 607 263	78 773 468	77 601 262
Investment property	6 608 346	8 082 817	6 200 000
Biological assets	1 259 256 422	1 155 360 299	1 230 312 170
Goodwill and intangible assets	209 614 084	187 555 286	184 960 727
Investments in associates	25 026 655	13 191 553	24 468 631
Loans to group companies	5 883 098	8 048 754	8 923 935
Loans receivable	52 553 467	63 300 900	62 920 332
Investments at fair value	11 893 101	25 488 920	12 216 054
Finance lease receivables	16 610 750	6 499 966	14 456 631
Deferred tax	36 450 830	23 603 975	42 716 635
	<b>2 953 571 282</b>	2 767 412 595	2 910 502 482
<b>Current assets</b>			
Biological assets	423 686 556	373 150 204	374 322 409
Inventories	1 024 451 748	1 102 995 584	1 308 906 700
Loans receivable	156 821 075	152 275 023	154 498 070
Trade and other receivables	1 941 438 963	1 811 713 370	1 282 055 342
Derivative financial instruments	13 561 047	2 849 595	2 340 276
Finance lease receivables	13 681 061	10 555 312	14 167 647
Current tax receivable	26 675 613	23 372 483	18 872 023
Cash and cash equivalents	60 592 922	95 555 357	113 920 974
	<b>3 660 908 985</b>	3 572 466 928	3 269 083 441
Non-current assets held for sale and assets of disposal groups	174 529 018	217 542 985	218 205 937
<b>Total assets</b>	<b>6 789 009 285</b>	6 557 422 508	6 397 791 860
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of parent</b>			
Share capital	30 987 639	38 195 678	31 329 099
Reserves	459 262 527	432 471 987	459 471 142
Retained income	1 088 720 436	1 017 620 216	1 061 993 021
	<b>1 578 970 602</b>	1 488 287 881	1 552 793 262
Non-controlling interest	708 944 906	691 322 948	676 890 646
<b>Total equity</b>	<b>2 287 915 508</b>	2 179 610 829	2 229 683 908

\* The comparative periods have been restated for the effect of the reclassification of discontinued operations.

# Condensed consolidated statement of financial position

For the six-month period ending 29 February 2024 continued

Figures in Rand	For the 6 months ending 29 Feb 2024	For the 6 months ending 28 Feb 2023*	For the year ending 31 Aug 2023 (audited)*
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	<b>761 921 599</b>	837 837 131	876 668 467
Lease liabilities	<b>62 022 149</b>	61 111 780	59 877 830
Retirement benefit obligation	<b>4 076 000</b>	4 585 000	4 076 000
Deferred tax	<b>331 332 550</b>	269 949 737	316 351 424
	<b>1 159 352 298</b>	1 173 483 648	1 256 973 721
<b>Current liabilities</b>			
Trade and other payables	<b>1 176 078 788</b>	1 026 783 244	1 002 719 086
Other loans payable	<b>700 696</b>	5 642 787	700 696
Borrowings	<b>1 618 050 653</b>	1 592 881 355	1 721 526 706
Derivative financial instruments	<b>1 932 629</b>	7 798 363	5 600 677
Lease liabilities	<b>23 888 898</b>	24 093 206	24 974 655
Contract liabilities	<b>93 613 989</b>	99 487 951	2 196 920
Current tax payable	<b>819 356</b>	4 129 330	8 844 716
Provisions	<b>10 027 284</b>	8 434 466	11 111 565
Dividend payable	<b>28 456 858</b>	20 915 603	22 438 233
Bank overdraft	<b>285 165 038</b>	305 355 952	488 628
	<b>3 238 734 189</b>	3 095 522 257	2 800 601 882
Liabilities of disposal groups	<b>103 007 290</b>	108 805 774	110 532 349
<b>Total liabilities</b>	<b>4 501 093 777</b>	4 377 811 679	4 168 107 952
<b>Total equity and liabilities</b>	<b>6 789 009 285</b>	6 557 422 508	6 397 791 860

\* The comparative periods have been restated for the effect of the reclassification of discontinued operations.

# Condensed consolidated statement of profit or loss and other comprehensive income

For the six-month period ending 29 February 2024

Figures in Rand	For the 6 months ending 29 Feb 2024	For the 6 months ending 28 Feb 2023*	For the year ending 31 Aug 2023 (audited)*
Revenue from continuing operations	<b>4 196 636 956</b>	4 860 677 454	9 612 470 799
<b>Gross profit</b>	<b>579 294 209</b>	838 434 185	1 547 809 857
<b>Profit from equity-accounted investments</b>	<b>1 589 112</b>	1 552 299	6 331 657
Loyalty scheme payments	<b>(6 207 808)</b>	(26 250 000)	(26 400 000)
Other operating expenses	<b>(502 610 839)</b>	(545 656 272)	(1 021 047 289)
<b>Profit before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>282 620 365</b>	389 732 844	683 186 878
Depreciation and amortisation	<b>(32 339 917)</b>	(30 536 812)	(61 637 664)
<b>Profit before interest and tax (EBIT)</b>	<b>250 280 448</b>	359 196 032	621 549 214
Finance cost	<b>(91 787 239)</b>	(58 273 426)	(168 291 714)
<b>Profit before tax</b>	<b>158 493 209</b>	300 922 606	453 257 500
Taxation	<b>(40 175 803)</b>	(67 400 991)	(112 200 431)
<b>Profit after tax from continuing operations</b>	<b>118 317 406</b>	233 521 615	341 057 069
<b>Discontinued operations</b>			
Profit/(loss) from discontinued operations	<b>(22 192 126)</b>	(28 796 070)	(76 254 028)
Taxation related to discontinued operations	<b>262 295</b>	(4 459 668)	(16 598 767)
<b>Net profit/(loss) from discontinued operations</b>	<b>(21 929 831)</b>	(33 255 738)	(92 852 795)
<b>Profit for the year</b>	<b>96 387 575</b>	200 265 877	248 204 274
<b>Other comprehensive income</b>			
Gains on property revaluation	–	–	38 845 018
Remeasurement of defined benefit liability	–	–	188 668
Changes in fair value of equity investments at fair value through other comprehensive income	<b>(322 953)</b>	4 040	585 851
Taxation related to other comprehensive income	<b>69 758</b>	(211 000)	(2 919 828)
<b>Total comprehensive income/(loss) for the year</b>	<b>(253 195)</b>	(206 960)	36 699 709
<b>Total comprehensive income for the year</b>	<b>96 134 380</b>	200 058 917	284 903 983
<b>Profit attributable to:</b>			
<b>Owners of the parent</b>			
From continuing operations	<b>86 804 697</b>	151 528 135	248 100 373
From discontinued operations	<b>(21 929 831)</b>	(33 255 738)	(92 852 795)
Non-controlling interest	<b>31 512 709</b>	81 993 480	92 956 696
<b>Profit for the year</b>	<b>96 387 575</b>	200 265 877	248 204 274
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	<b>64 666 251</b>	118 065 437	181 075 721
Non-controlling interest	<b>31 468 129</b>	81 993 480	103 828 262
<b>Total comprehensive income for the year</b>	<b>96 134 380</b>	200 058 917	284 903 983
<b>From continuing operations</b>			
Basic earnings per share – cents	<b>655,98</b>	1 139,85	1 870,97
<b>From discontinued operations</b>			
Basic earnings /(loss) per share – cents	<b>(165,72)</b>	(250,16)	(700,22)

\* The comparative periods have been restated for the effect of the reclassification of discontinued operations.

## Condensed consolidated statement of changes in equity

For the six-month period ending 29 February 2024

Figures in Rand	Share capital	Revaluation reserve	Reserve for investments at fair value through OCI	Restructuring reserve	Share-based payments reserve	Change in ownership reserve	Total reserves	Retained income	Total attributable to equity holders of the Group/ Company	Non-controlling interest	Total equity
<b>Balance on 1 September 2023 (audited)</b>	31 329 099	399 456 190	9 511 554	73 433 888	7 922 551	(30 853 041)	459 471 142	1 061 993 021	1 552 793 262	676 890 646	2 229 683 908
<b>Total comprehensive income for the six-month period</b>	–	–	(208 615)	–	–	–	(208 615)	64 874 866	64 666 251	31 468 129	96 134 380
Transfer between reserves	–	–	–	–	–	–	–	–	–	–	–
Treasury shares	(341 460)	–	–	–	–	–	–	–	(341 460)	–	(341 460)
Interest in subsidiaries sold	–	–	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	(26 693 888)	(26 693 888)	(16 243 839)	(42 937 727)
Changes in ownership interest	–	–	–	–	–	–	–	(11 453 563)	(11 453 563)	16 829 970	5 376 407
<b>Total changes for the six-month period</b>	(341 460)	–	–	–	–	–	–	(38 147 451)	(38 488 911)	586 131	(37 902 780)
<b>Balance on 29 February 2024</b>	30 987 639	399 456 190	9 302 939	73 433 888	7 922 551	(30 853 041)	459 262 527	1 088 720 436	1 578 970 602	708 944 906	2 287 915 508



# Condensed consolidated statement of cash flows

For the six-month period ending 29 February 2024

Figures in Rand	For the 6 months ending 29 Feb 2024	For the 6 months ending 28 Feb 2023	For the year ending 31 Aug 2023 (audited)
Cash from operating activities	<b>320 409 554</b>	354 113 565	543 631 610
Changes in working capital	<b>(183 660 133)</b>	(264 820 748)	88 155 093
<b>Cash generated from operations</b>	<b>136 749 421</b>	89 292 816	631 786 703
Interest income	<b>3 304 189</b>	4 111 802	11 770 395
Dividend income	—	—	349 575
Finance costs	<b>(146 117 487)</b>	(119 718 743)	(270 083 396)
Income tax paid	<b>(21 493 843)</b>	(46 811 045)	(79 940 443)
<b>Net cash from operating activities</b>	<b>(27 557 720)</b>	(73 125 170)	293 882 834
Cash flows from investing activities	<b>(39 845 915)</b>	(165 153 819)	(335 967 595)
<b>Net cash flows before financing activities</b>	<b>(67 403 635)</b>	(238 278 989)	(42 084 761)
Cash flows from financing activities	<b>(227 663 100)</b>	(168 260 361)	(11 385 843)
Dividends paid	<b>(42 937 727)</b>	(21 712 221)	(48 021 076)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(338 004 462)</b>	(428 251 570)	(101 491 679)
Cash and cash equivalents at the beginning of the year	<b>113 432 346</b>	218 450 975	214 924 025
<b>Total cash and cash equivalents at the end of the year</b>	<b>(224 572 116)</b>	(209 800 595)	113 432 346

# Segmental information

For the six-month period ending 29 February 2024

Figures in Rand	Total segment revenue	Inter segment revenue	Revenue from external customers	Operating profit before interest, tax, depreciation and amortisation (EBITDA)	Depreciation and amortisation	Finance costs	Earnings before loyalty scheme payments and taxation
<b>FOR THE 6 MONTHS ENDING 29 FEB 2024</b>							
Timber	1 651 206 103	(704 533 865)	946 672 238	89 295 137	(10 723 957)	(47 528 368)	31 042 812
Retail and Mechanisation	3 865 550 762	(1 571 053 288)	2 294 497 474	61 529 224	(14 247 730)	(13 126 562)	34 154 932
Financial Services	129 133 586	(246 746)	128 886 840	63 606 552	(1 739 465)	(36 364 631)	25 502 456
Grain	1 389 078 223	(574 197 335)	814 880 888	23 535 434	(2 558 852)	(8 925 050)	12 051 532
Motors	—	—	—	1 306 112	—	—	1 306 112
Corporate	51 301 633	(39 602 117)	11 699 516	49 555 714	(3 069 913)	14 157 372	60 643 172
<b>Total</b>	<b>7 086 270 307</b>	<b>(2 889 590 607)</b>	<b>4 196 636 956</b>	<b>288 828 173</b>	<b>(32 339 917)</b>	<b>(91 787 239)</b>	<b>164 701 016</b>
<b>Reconciling items</b>							
Discontinued operations*							(21 929 830)
Loyalty scheme payments				(6 207 808)			(6 207 808)
Taxation							(40 175 803)
<b>Group total</b>				<b>282 620 365</b>			<b>96 387 575</b>

\* The value reported under Discontinued Operations have been isolated from the main segments after taking into account intercompany eliminations, as follows:

Figures in Rand	2024
Timber	(25 257 716)
Motors	3 517 248
Retail and Mechanisation	(189 362)

Figures in Rand	Total segment revenue	Inter segment revenue	Revenue from external customers	Operating profit before interest, tax, depreciation and amortisation (EBITDA)	Depreciation and amortisation	Finance costs	Earnings before loyalty scheme payments and taxation
<b>FOR THE 6 MONTHS ENDING 28 FEB 2023</b>							
Timber	2 499 863 226	(1 039 103 133)	1 460 760 093	223 701 090	(11 208 763)	(25 137 642)	187 354 685
Retail and Mechanisation	3 923 291 163	(1 332 009 401)	2 591 281 762	47 442 340	(13 640 326)	(13 400 029)	20 401 985
Financial Services	127 895 459	(891 972)	127 003 487	60 720 529	(1 621 659)	(34 663 735)	24 435 135
Grain	891 998 019	(220 292 120)	671 705 899	11 286 439	(2 474 154)	(4 310 192)	4 502 093
Motors	—	—	—	1 632 624	—	—	1 632 624
Corporate	46 192 295	(36 266 083)	9 926 212	71 199 822	(1 591 909)	19 238 172	88 846 089
<b>Total</b>	<b>7 489 240 162</b>	<b>(2 628 562 709)</b>	<b>4 860 677 453</b>	<b>415 982 844</b>	<b>(30 536 811)</b>	<b>(58 273 426)</b>	<b>327 172 611</b>
<b>Reconciling items</b>							
Discontinued operations*							(33 255 733)
Loyalty scheme payments				(26 250 000)			(26 250 000)
Taxation							(67 400 991)
<b>Group total</b>				<b>389 732 844</b>			<b>200 265 887</b>

\* The value reported under Discontinued Operations have been isolated from the main segments after taking into account intercompany eliminations, as follows:

Figures in Rand	2023
Timber	(29 714 840)
Motors	(6 752 012)
Renewable energy	3 211 118

## Segmental assets and liabilities

For the six-month period ending 29 February 2024

Figures in Rand	As at 29 February 2024			As at 28 February 2023		
	Total assets	Total liabilities	Net assets	Total assets	Total liabilities	Net assets
Timber	<b>2 918 919 526</b>	<b>(1 793 968 227)</b>	<b>1 124 951 299</b>	2 603 234 156	(1 577 368 188)	1 025 865 968
Retail and Mechanisation	<b>833 589 731</b>	<b>(702 446 890)</b>	<b>131 142 841</b>	1 038 937 915	(848 422 109)	190 515 806
Financial Services	<b>1 636 795 206</b>	<b>(1 583 129 546)</b>	<b>53 665 660</b>	1 629 802 413	(1 593 206 982)	36 595 431
Grain	<b>253 122 377</b>	<b>(160 613 630)</b>	<b>92 508 747</b>	182 853 916	(137 043 036)	45 810 880
Motors	<b>175 726 300</b>	<b>(146 011 333)</b>	<b>29 714 967</b>	203 368 082	(151 539 981)	51 828 101
Corporate	<b>970 856 145</b>	<b>(114 924 151)</b>	<b>855 931 994</b>	899 226 026	(70 231 383)	828 994 643
<b>Total</b>	<b>6 789 009 285</b>	<b>(4 501 093 777)</b>	<b>2 287 915 508</b>	6 557 422 508	(4 377 811 679)	2 179 610 829

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