TWK agri

TWK Investments Ltd

ADVANCE

UNAUDITED CONDENSED INTERIM RESULTS

FOR THE PERIOD ENDED 28 FEBRUARY 2023

/INTRODUCTION

THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS OF TWK INVESTMENTS LTD FOR THE SIX MONTHS ENDED 28 FEBRUARY 2023 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 2022.

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 18 April 2023. The results were made available publicly on 18 April 2023.

FINANCIAL HIGHLIGHTS

Revenue
R5,25bn
(Feb 2022: R4,88bn)
▲ 7,57%

Total assets
R6,61bn
(Feb 2022: R6,32bn)
▲ 4,53%

NAV per share
R54,68
(Feb 2022: R50,24)
▲ 8,84%

Profit after tax
R200m
(Feb 2022: R247m)
▼ 19,03%

EBITDA
R373m
(Feb 2022: R429m)
▼ 13,05%

Cash from operating activities (before change in working capital)
R357m
(Feb 2022: R460m)
▼ 22,39%

Basic earnings per share (from continuing operations)
477,10c
(Feb 2022: 565,77c)
▼ 15,67%

/TWK AT A GLANCE

TWK INVESTMENTS LTD (TWK) IS LISTED WITH A PRIMARY LISTING ON THE CAPE TOWN STOCK EXCHANGE UNDER THE SHARE CODE 4ATWK AND A SECONDARY LISTING ON A2X.

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 provides commodity strategic support and services to farmers. We focus on hedging and selling maize and soya beans at the best possible market prices, while the division also enables farmers to safely store and dry their grains at our HACCP and SAFEX registered silos. Furthermore, we manufacture our own branded maize meal, animal feeds and supply it at retail, wholesale, and farm level.

- Grain storage
- Grain marketing (Safex trading)
- Grain industries

RETAIL AND MECHANISATION

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

32 retail branches are spread across the Mpumalanga and KwaZulu-Natal regions. 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.

- 32 trade branches
- Constantia blending plants and fertiliser depots
- Mechanisation (including New Holland agencies)
- Gromor organic fertilisers

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
- Treated timber plant
- Lumber and mining timber sawmills
- Charcoal production
- Timber and vegetable seedling nurseries
- Untreated timber products
- BedRock Mining Timber
- Logistics
- Sunshine Seedling Services

FINANCIAL SERVICES

The Financial Services division provides unique financing and insurance solutions to the agricultural and related industries. Our products and services have expanded over the years to complement the growth and development of the company's diverse client base and have service points in Mpumalanga, KwaZulu-Natal, Western and Eastern Cape, Free State and Gauteng.

- Seasonal credit facilities
- Monthly accounts
- Forestry loans
- Asset finance
- Personal and commercial insurance brokerage
- Crop insurance brokerage
- Agriculture insurance
- Plantation insurance
- Liability insurance
- Transit cover
- Medical aid and gap cover
- Life insurance
- Wills and testaments
- Funeral administration
- Fiduciary services
- Other specialised insurance products

MOTORS

The TWK Motors division offers a wide range of vehicle related products and services. This diversified division consists of various business 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
- 3 Total fuel stations with fast food and convenience stores

/BUSINESS AND FINANCIAL REVIEW

WHILE OUR RESULTS FOR THE FIRST SIX MONTHS ENDED 28 FEBRUARY 2023 ARE SOMEWHAT DISAPPOINTING IT UNDERLINES THE EFFECTIVENESS AND IMPORTANCE OF OUR DIVERSIFIED, BUT FOCUSED BUSINESS MODEL.

Over the past eight years, we have pursued a clear and consistent long-term plan focused on building a stronger and more competitive business which is sustainable and delivers consistent turnover and earnings growth. For the first six months of 2023 we achieved total turnover growth but not earnings growth. Earnings growth were achieved in the Timber, Financial services and Grain segments, but was negatively affected by the Retail and mechanisation segment.

The diversity of its income streams provided resilience amidst the economic uncertainty, disruptions in trade networks and infrastructure challenges. The significant contributor to the results came from an increased demand and sales to key timber markets especially an increase of 19,92% in woodchip export sales and supported by the sale of the Roofspace business which formed part of the Renewable Energy segment.

Our ability to move quickly, disciplined approached, customer focus, diversified business model and product mix enabled us to deliver positive results amid challenges in the fertiliser business. Preservation of a robust balance sheet, working capital management, strong cash generation, customer focus, delivery to market demands and disciplined cost control were the key features of the Group during these six months which converted into an increase in cash from operating activities which enhanced our balance sheet.

Total woodchip exports during the period was 384 978 tonnes compared to 282 796 tonnes in the prior period. The prospects for woodchip export look promising for the remainder of the year. The Production Credit Book grew strongly by 13,3% and peaked at R916,7 million during the period under review mainly due to higher input costs for farmers as well as increased market penetration. This resulted in an increase in earnings in the Financial services segment.

Revenue increased by 7,57% from R4,88 billion to R5,25 billion. The market challenges in the fertiliser business resulted in a decrease of 13,05% in EBITDA to R372,7 million (Feb 2022: R428,9 million). Profit after tax decreased to R200,3 million which is 19,03% lower than the R246,6 million of the corresponding period. Basic earnings per share decreased to 462,21 cents per share, which is 18,30% lower than the corresponding period.

The Group's financial position is solid with total assets having increased by 4,53% from R6,32 billion to R6,61 billion. Net cash is lower due to an increase in Trade and other receivables (especially production accounts). The net asset value per share increased by 8,84% to R54,68 per share as at 28 February 2023 compared to R50,24 as at 28 February 2022.

Total assets increased due to capital expenditure and increase in trade and other receivables. The debtors' book was higher in February 2023 than in August 2022 which is in line with the cyclical nature of the agricultural industry as well as the gaining of market share. Assets are evaluated on a continuous basis where applicable, and the necessary impairments have been accounted for.

OPERATIONAL REVIEW

/TIMBER

THE TIMBER DIVISION REPORTED AN INCREASE OF 28,66% IN REVENUE TO R1,48 BILLION FROM THE R1,15 BILLION FOR THE SIX MONTHS ENDED 28 FEBRUARY 2023.

This was mainly due to the growth in wood chip exports and local timber sales. TWK's world-class woodchip production and export facility in Richards Bay has the capability of producing and exporting about 900 000 tonnes of woodchips per annum. During the period under review, 384 978 tonnes were exported from TWK's facility compared to 282 796 tonnes in the prior period, representing a 36,13% increase in export sales. The improvement was mainly the result of the continued strong demand from pulp manufacturers in China, Japan and from new European customers, given the prolonged Russia/Ukraine crisis.

Total sales volumes increased by 19,92% to 771 536 tonnes (February 2022: 643 369 tonnes) given the strong wood chip demand, both internationally and nationally. TWK Timber continues to expand its international offset market. Although lumber and treated pole sales were good, pricing pressure was experienced on the back of challenging market conditions. Sales to the mining sector were down on the prior period as a result of closure of certain shafts at two of Bedrock's mining customers, as well as the negative impact of load shedding at the relevant operations. BedRock, a wholly owned subsidiary of TWK Agri (Pty) Ltd, supplies mining timber support products to the gold and platinum mining industries.

As indicated at year end, international pulp prices continued to trade at record high prices and this trend should continue as the demand for pulp and pulp-related products, including packaging, remains robust. The worldwide shortage of ships and containers as global logistics remain in flux, supports the global pulp price.

TWK's Sunshine Seedling Services ("SSS") shareholding, as at 28 February 2023, was 71%, with the remaining 29% of the shares to be purchased by TWK over the next two and a half years. SSS performed below expectations for the period under review. TWK, through SSS, acquired Top Crop Nursery effective 1 February 2023 which complements the SSS business, delivers solid margins and provides management expertise.

The modernisation of Peak Plantations, completed during the previous financial year, has contributed to the robust performance of this business. Despite heavy rains in January and February 2023 as a result of the two cyclones, sales, especially in the high value products, are doing exceptionally well. The upgrade of the Rocklands Sawmill, which forms part of Peak Plantations, with a new "wet off saw" mill was commissioned in October 2022. This further enhanced and increased revenue streams for the business unit in eSwatini.

Load shedding has also negatively impacted TWK Timber's operations and we are in the process of either installing generators, battery power or solar at all our operations. The one mill already has solar and large capital projects are being planned for the next six months to make these operations less dependent on the national grid.

Despite increased operating costs due to load shedding, EBITDA increased by 21,62% from R162,68 million (February 2022) to R197,86 million. The EBITDA margin however decreased from 14,14% (February 2022) to 13,36% as a result of margin pressure in the SSS business for the period under review.

The outlook for the next six months for this division remains positive and it is expected that there will be an improvement on 2022's full year results. Overall strong local and global demand for wood chips is expected to continue into the near future at good pricing levels.

OPERATIONAL REVIEW

/ RETAIL AND MECHANISATION

AT THE END OF FEBRUARY 2023, TWK'S RETAIL OUTLETS TOTALLED 32 (FEBRUARY 2022: 30), WITH FIVE FERTILISER DEPOTS SITUATED IN KWAZULU-NATAL, MPUMALANGA, NORTH WEST, EASTERN CAPE AND ESWATINI. TWK ALSO OWNS FIVE FERTILISER BLENDING FACILITIES LOCATED IN MPUMALANGA, KWAZULU-NATAL, AND THE WESTERN CAPE. IN ADDITION, THE GROUP OWNS ONE ORGANIC FERTILISER PRODUCTION FACILITY IN KWAZULU-NATAL.

Revenue marginally decreased by 0,32% from R2,59 billion (February 2022) to R2,59 billion. This segment's results came under severe pressure mainly as a result of the performance of Constantia Fertilisers. EBITDA decreased by 72,63% to R47,44 million from R173,35 million (February 2022), with the EBITDA margin decreasing to 1,83% from 6,67% (February 2022).

The main reasons for the decrease in profit are the significant declines in fertiliser product prices and sales volumes (against very favourable market conditions in the comparative period), the negative impact of load shedding on our retail outlets, the high interest rate as well as production price inflation. TWK has either generators, back-up batteries or solar panels at all their retail outlets, but it comes at an additional cost. We have been able to maintain our market share, however it has resulted in placing margin pressure on the business.

Since the beginning of October 2022, the fertiliser market has experienced, on average, a significant decrease of 45,8% in raw material fertiliser prices for the three main ingredients namely nitrogen, phosphates and potassium. The main reason for these declines is attributed to a worldwide oversupply of fertilisers which resulted from extra production capacity created by India, the possibility of China re-entering the export fertiliser market and a sharp decline in world gas prices which led to much higher production of fertilisers globally. As a result of the declining fertiliser prices, farmers have held back in buying fertiliser stock.

Fertiliser sales declined by 22,24 % from 121 671 tonnes (February 2022) to 94 604 tonnes (February 2023). Margins came under severe pressure and certain fertiliser products were sold well below cost price to ensure that stock levels were reduced.

Mechanisation sales, through the New Holland agencies, decreased by 6,94% to 134 units (February 2022: 144 units) mainly as a result of sugar cane farmers in the KwaZulu-Natal region experiencing decreased volumes and prices and not spending funds on capital equipment.

Rudamans Pty (Ltd), acquired effective 1 November 2022, was integrated into the business during the period under review.

Retail and mechanisation trading conditions are expected to remain under pressure for the next six months as increased cost and price inflation will continue to place pressure on margins. The availability of imported high kilowatt equipment from New Holland will also remain constrained as a result of global logistics challenges. As previously mentioned, sugar cane farmers in KwaZulu-Natal are currently struggling with adverse market conditions which impacts all retail and mechanisation sales into this agricultural sector. All indications are that fertiliser raw material prices can further decline as high stock levels are held by fertiliser producers in the Arab Gulf and Baltic States. As a result, local farmers are reluctant to purchase fertilisers for future use in anticipation of further price declines. We will continue to keep stock levels as low as possible until there are clear indications on world pricing prior to the summer planting season starting in September. Given the normal weather conditions, it is however anticipated that local fertiliser price levels will slowly recover to 2021 levels once the South African planting season commences.

OPERATIONAL REVIEW

/FINANCIAL SERVICES

REVENUE INCREASED BY 27,29% FROM R99,77 MILLION IN FEBRUARY 2022 TO R127,00 MILLION, WITH EBITDA INCREASING BY 35,77% TO R60,72 MILLION FROM R44,72 MILLION (FEBRUARY 2022). THE INCREASE IN EBITDA IS MAINLY ATTRIBUTABLE TO THE STRONG PERFORMANCE DELIVERED BY THE INSURANCE DIVISION.

The Insurance Division reported a 9,97% growth in short-term insurance premium income for the six months ended February 2023 compared to February 2022, which resulted in growth in commission income of 6,19% for the same period. The short-term section of the Insurance Division focused on extending and increasing its mandates, thus increasing profitability, resulting in a 9,86% increase in binder fee income and a better customer experience when submitting claims.

The total crop insurance premium increased by 22,05% for the period February 2023 compared to February 2022, which translated to a 17,26% increase in commission received. The total hectares insured increased by 1,48%, even though the total tree area decreased by 1,81%. As a result of the prevailing macroeconomic conditions, a decision was reached to reduce the clients insured based on stricter financial criteria, resulting in total clients insured decreasing from 753 (February 2022) to 629 (February 2023).

The Medical Insurance Portfolio continued to show remarkable growth. Commission revenue on the Medical Insurance Portfolio grew by 20,99% as a result of an increase of 14,94% in members from 5 140 members as at 31 August 2022 to 5 908 members as at 28 February 2023.

The well-established Life Insurance business managed to grow its commission income by 26,56% for the six months ended February 2023.

TWK Financial Services, in collaboration with FutureGen, acquired Executive Underwriting Managers (Pty) Ltd ("EUM") effective 1 June 2022. TWK Agri has a 60% shareholding in EUM. EUM is managing the administration of funeral policies for approximately 383 Financial Service Providers across the country. This business has 101 044 active policies as at 28 February 2023 insuring 613 147 lives (31 August 2022: 101 165 active policies and 607 476 lives) on its database.

On 28 February 2023, the **Credit Division** reported nett interest growth of 2,39%. The Production Credit Book grew strongly by 13,3% and peaked at R916,7 million during the period under review (peak 2021/22 financial year: R808,6 million). Production accounts placed on bridging facilities due to late payments amounted to 0,89% (R8,2 million) of the total Production Credit Book of which approximately R800 000 has already been collected with payment arrangements being in place for the outstanding balances. No production accounts have been handed over due to non-performance for the period under review.

Despite the significant increase in the Production Credit Book, bridging facilities declined by 60,9% (R8,2 million) compared to the previous period (R20,9 million) due to favourable conditions experienced by our farmers which improved their financial performance. Furthermore, emphasis was placed on the quality of the Production Credit Book, supported by sound securities.

OPERATIONAL REVIEW

/GRAIN

THE GRAIN SEGMENT'S REVENUE FOR THE SIX MONTHS ENDED 28 FEBRUARY 2023 INCREASED BY 57,85% FROM R425,53 MILLION (FEBRUARY 2022) TO R671,71 MILLION MAINLY DUE TO THE ROBUST PERFORMANCE BY THE GRAIN MARKETING BUSINESS AS WELL AS THE DRASTIC INCREASE IN MAIZE PRODUCT AND ANIMAL FEED PRICES DUE TO THE HIGH AVERAGE MAIZE PRICE.

However, the impact of the high average grain prices and the inability to recover some of these costs, specifically the animal feed business, and other variable cost hikes such as fuel and energy, resulted in EBITDA decreasing by 48,16% from R21,77 million (February 2022) to R11,29 million, with the EBITDA margin down to 1,68% (February 2022: 5,12%).

The Grain Storage business stored 10% less grain than in the prior period ended February 2022. This was as a result of grain being dispatched earlier than the prior period due to lower crops for the 2021/2022 harvest season.

The Grain Marketing business reported a solid set of results primarily as a result of marketing in a wider offset area and appointing a new grain trader that both contributed to this business increasing its grain volumes marketed.

The South African Grain Mill business supplies white maize meal to food retailers. Results continue to be negatively impacted by the high grain input prices and consumer spend being negatively impacted by growing inflationary pressures and increased interest rates.

Arrow Feeds, based in eSwatini, reported an increase of 23,81% in revenue, a direct result of higher animal feed selling prices offset by a decrease of 2,49% in volumes sold.

During this reporting period, KwaZulu-Natal and Mpumalanga have been severely impacted by two major cyclones during January and February 2023, one being Cyclone Freddy, the longest-lasting storm on record. As a result, the road transport sector remains under pressure as the road infrastructure is deteriorating and it is also starting to impact the 2022/2023 growing season in these two regions.

The ongoing Russian/Ukraine crisis and the draught in South America last year have resulted in a global shortage of grains, keeping grain prices, on average, high over the short- to medium-term.

We also expect diesel spent to increase substantially as a result of higher stages of load shedding, negatively impacting the Grain Storage and Grain Mill businesses. The Grain Marketing business is expected to do well for the remainder of the financial year with the Grain Mill business and Arrow Feeds benefitting from the declining grain prices which will improve margins. Consumer spending pressure will continue as price inflation rise and macroeconomic conditions deteriorate. As white maize remains a staple food product, the Grain segment should, on-balance, benefit from lower grain prices.

OPERATIONAL REVIEW

/MOTORS

THE MOTORS SEGMENT REPORTED A DECREASE IN REVENUE OF 36,10% TO R371,42 MILLION (FEBRUARY 2022: R581,27 MILLION).

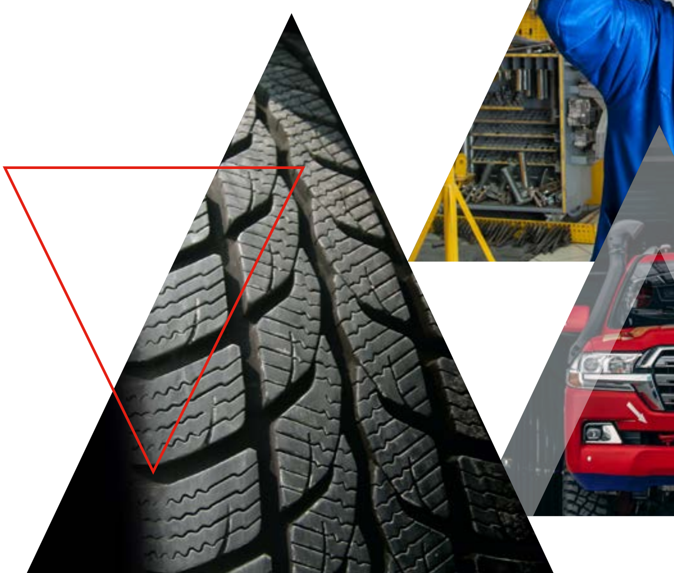
This is a direct result of severe vehicle stock shortages in the major vehicle brands mainly as a result of the KwaZulu-Natal Toyota manufacturing plant being closed due to flood damage as well as the ongoing worldwide semi-conductor crisis. The financial health of the consumer has also deteriorated as South Africa grapples with record high load shedding, high interest rates and escalating price inflation.

During the period under review, dealerships reported a decrease in the overall number of vehicles sold compared to the prior period, as a result of the ongoing shortage of new vehicles as well as used vehicles. The TWK Dealerships performed below the average NAAMSA statistics as reported for the six months ended February 2023, delivering declines in new vehicle and used vehicles sales of 10,9% and 15,8%, respectively.

As at the end of February 2023, the majority of filling stations have been sold with the Piet Retief Total filling station being classified as "assets-held-for-sale". Subsequent to period end, the sale agreement of this filling station has also been concluded.

As a result of the overall challenging market conditions experienced by this segment, EBITDA decreased by 70,13% from R22,38 million (February 2022) to R6,68 million, with the EBITDA margin weakening from 3,85% (February 2022) to 1,80%.

Trading conditions are expected to remain challenging given high fuel prices, higher interest rates and vehicle stock shortages. Once the backlog of motor vehicles have been resolved, we expect trading conditions to improve. Demand for all auto parts and services are likely to remain under pressure over the short- to medium-term as consumers delay the servicing of their vehicles in lieu of basic needs and given the ongoing global parts shortages.



/PROSPECTS

WITH A PRIMARY FOCUS TO GAIN MARKET SHARE AND INCREASE PROFITABILITY WE WILL CONTINUE TO FOCUS ON LIQUIDITY AND CASH FLOW AND FOCUS ON COST SAVING MEASURES ACROSS OUR OPERATIONS AS WELL AS KEEP ON APPLYING MEASURES TO OPTIMISE WORKING CAPITAL. WE WILL ACHIEVE THIS WITHOUT LOSING FOCUS TO GROW THE BUSINESS VERTICALLY AND HORIZONTALLY IN A SUSTAINABLE MANNER.

The Group has sufficient headroom to enable it to conform to covenants on its existing borrowings, and 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. The various assets held for sale are already in advanced stages of finalisation and will also contribute to reduced interest costs and improved liquidity.

The overall strong demand for wood chips to some of the largest pulp and paper producers in Japan, China and the new European markets are expected to result in record export volumes from the TWK export facility in Richards Bay. The increase in demand coupled with the weakening in the rand and the increase in woodchip prices will benefit TWK during the second half of the financial year.

The Retail trading conditions are expected to remain under pressure as a direct result of high prices of products with resulted pressure on margins. It is anticipated that local fertiliser price levels will slowly recover to the 2022 levels once the South African planting season commences given the normal weather conditions, however expected that margins on fertiliser sales will remain under pressure. The sales in the mechanisation division are expected to remain strong especially in the Mpumalanga areas as orders for equipment is high.

The sale of the loss-making fuel sites and the sale of Roofspace which form part of the Renewable Energy segment will reduce borrowings and interest costs.

The Grain Marketing business is expected to do well for the remainder of the financial year with the Grain Mill business and Arrow Feeds benefitting from the declining grain prices which will improve margins. Consumer spending pressure will continue as price inflation rise and macroeconomic conditions deteriorate.

It is expected that the Financial services segment will perform better during the second half of the financial year mainly because of higher utilisation of the credit facilities by farmers and resulted increase in net interest earned. The credit book is healthy with no additional production accounts handed over due to non-performance for the period under review due to favourable conditions experienced by our farmers.

The outlook for the next six months for the Group remains positive. Overall strong local and global demand for wood chips is expected to continue into the near future at good pricing levels.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE SIX-MONTH PERIOD ENDING 28 FEBRUARY 2023

Figures in Rand	For the 6 months ending 28 Feb 2023	For the 6 months ending 28 Feb 2022	For the year ending 31 Aug 2022 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	**1 249 136 107**	1 155 362 104	1 200 014 533
Right of use assets	**91 074 426**	141 774 787	69 734 306
Investment property	**8 082 817**	–	–
Biological assets	**1 155 360 299**	1 114 955 497	1 133 353 031
Goodwill and intangible assets	**187 555 286**	201 416 946	199 081 390
Investments in associates	**13 191 553**	11 209 192	10 896 546
Loans to group companies	**8 048 754**	13 662 576	11 259 666
Loans receivable	**63 300 900**	106 585 843	79 027 829
Investments at fair value	**53 296 259**	71 279 159	48 517 098
Finance lease receivables	**6 499 966**	13 432 524	11 007 356
Deferred tax	**39 471 109**	47 537 350	35 810 818
	2 875 017 476	2 877 215 978	2 798 702 573
Current assets			
Biological assets	**373 150 204**	256 010 502	319 224 705
Inventories	**1 182 271 717**	1 054 305 333	1 256 486 645
Loans receivable	**152 275 023**	42 372 096	34 296 655
Trade and other receivables	**1 840 219 170**	1 734 917 392	1 314 932 358
Derivative financial instruments	**2 849 595**	62 283 350	9 202 622
Finance lease receivables	**10 555 312**	7 631 551	8 458 672
Current tax receivable	**24 356 038**	26 291 226	33 375 334
Cash and cash equivalents	**96 970 817**	107 044 559	218 219 222
	3 682 647 876	3 290 856 009	3 194 196 213
Non-current assets held for sale and assets of disposal groups	**53 214 187**	156 427 396	260 173 568
Total assets	**6 610 879 539**	6 324 499 383	6 253 072 354
Equity and liabilities			
Equity attributable to equity holders of parent			
Share capital	**835 271 656**	847 181 446	835 420 378
Reserves	**6 729 617**	38 088 575	12 791 145
Retained income	**1 191 085 568**	967 171 458	1 072 620 548
	2 033 086 841	1 852 441 479	1 920 832 071
Non-controlling interest	**83 838 767**	59 279 566	67 120 774
Total equity	**2 116 925 608**	1 911 721 045	1 987 952 845
Liabilities			
Non-current liabilities			
Loans from group companies	**48 800 000**	73 210 000	61 000 000
Other loans payable	**–**	17 256	1 041 661
Borrowings	**837 837 131**	1 050 827 300	809 827 554
Lease liabilities	**70 227 712**	122 863 770	50 348 509
Retirement benefit obligation	**4 585 000**	5 096 000	4 585 000
Deferred tax	**249 934 389**	228 386 475	234 790 295
	1 211 384 232	1 480 400 801	1 161 593 019
Current liabilities			
Trade and other payables	**1 189 700 091**	1 108 574 824	1 086 241 609
Loans from group companies	**24 400 000**	24 400 000	24 400 000
Other loans payable	**5 642 787**	7 100 696	1 009 644
Borrowings	**1 592 881 355**	1 401 386 510	1 764 308 117
Derivative financial instruments	**7 798 363**	–	16 224 000
Lease liabilities	**27 788 330**	28 169 722	24 212 163
Contract liabilities	**99 487 951**	58 929 342	1 353 726
Current tax payable	**4 273 439**	19 005 322	1 749 772
Provisions	**8 434 466**	8 597 760	8 456 961
Dividend payable	**119 484**	119 474	119 484
Bank overdraft	**305 355 952**	276 093 887	106 192
	3 265 882 218	2 932 377 537	2 928 181 668
Liabilities of disposal groups	**16 687 481**	–	175 344 822
Total liabilities	**4 493 953 931**	4 412 778 338	4 265 119 509
Total equity and liabilities	**6 610 879 539**	6 324 499 383	6 253 072 354

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDING 28 FEBRUARY 2023

Figures in Rand	For the 6 months ending 28 Feb 2023	For the 6 months ending 28 Feb 2022	For the year ending 31 Aug 2022 (Audited)
Revenue from continuing operations	**5 252 117 569**	4 882 735 498	9 956 349 069
Gross profit	**855 665 366**	902 642 303	1 647 450 250
Profit from equity-accounted investments	**1 552 299**	3 178 164	2 865 517
Loyalty scheme payments	**(26 250 000)**	(15 539 868)	(15 123 477)
Other operating expenses	**(559 881 876)**	(532 931 999)	(1 095 946 187)
Profit before interest, tax, depreciation and amortisation (EBITDA)	**372 778 999**	428 932 552	665 442 681
Depreciation and amortisation	**(32 620 125)**	(43 174 844)	(62 640 608)
Profit before interest and tax (EBIT)	**340 158 874**	385 757 708	602 802 073
Finance cost	**(65 918 464)**	(46 996 668)	(105 900 012)
Profit before tax	**274 240 410**	338 761 040	496 902 061
Taxation	**(68 477 622)**	(92 107 484)	(134 303 703)
Profit after tax from continuing operations	**205 762 788**	246 653 556	362 598 358
Discontinued operations			
Profit/(loss) from discontinued operations	**(2 691 363)**	–	6 938 908
Taxation related to discontinued operations	**(2 786 303)**	–	(6 676 850)
Nett profit/(loss) from discontinued operations	**(5 477 666)**	–	262 056
Profit for the year	**200 285 122**	246 653 556	362 860 414
Other comprehensive income			
Gains on property revaluation	**–**	–	(4 510 987)
Remeasurement of defined benefit liability	**–**	–	252 152
Changes in fair value of equity investments at fair value though other comprehensive income	**4 248 904**	2 929 280	(9 247 673)
Taxation related to other comprehensive income	**(1 127 891)**	(656 159)	4 673 185
Total other comprehensive income/(loss) for the year	**3 121 013**	2 273 121	(8 833 323)
Total comprehensive income for the year	**203 406 135**	248 926 677	354 027 091
Profit attributable to:			
Owners of the parent			
From continuing operations	**175 497 992**	207 087 075	311 963 668
From discontinued operations	**(5 477 666)**	–	262 056
Non-controlling interest	**30 264 796**	39 566 481	50 634 690
Profit for the year	**200 285 122**	246 653 556	362 860 414
Total comprehensive income attributable to:			
Owners of the parent	**173 141 339**	209 360 196	304 545 605
Non-controlling interest	**30 264 796**	39 566 481	49 481 486
Total comprehensive income for the year	**203 406 135**	248 926 677	354 027 091
Basic earnings per share from continuing operations — cents	**477,10**	565,77	850,39
Basic earnings per share from discontinued operations — cents	**(14,89)**	–	0,71
Headline earnings per share — cents	**328,94**	569,95	863,04
Diluted headline earnings per share — cents	**310,63**	535,58	812,81

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDING 28 FEBRUARY 2023

Figures in Rand	Share capital	Treasury shares	Total share capital	Revaluation reserve	Reserve for investments at fair value through OCI	Restruc-turing reserve	Share-based payments reserve	Change of ownership reserve	Total reserves	Retained income	Total attributable to equity holders of the group/ company	Non-controlling interest	Total equity
Balance on 1 September 2022 (audited)	884 202 338	(48 781 960)	835 420 378	46 849 668	1 786 714	(41 727 523)	5 555 904	326 382	12 791 145	1 072 620 547	1 920 832 070	67 120 773	1 987 952 843
Total comprehensive income for the six-month period		–	–	–	3 121 013	–	–	–	3 121 013	170 020 326	173 141 339	30 264 796	203 406 135
Transfer between reserves	–	–	–	–	(3 399 379)	–	–	–	(3 399 379)	3 847 562	448 183	(448 183)	–
Treasury shares		(148 722)	(148 722)								(148 722)		(148 722)
Interest in subsidiaries sold	–	–	–	–	–	–	–	–	–	–	–	(4 383 869)	(4 383 869)
Dividends	–	–	–	–	–	–	–	–	–	(55 402 867)	(55 402 867)	(6 575 910)	(61 978 777)
Changes in ownership interest	–	–	–	–	–	–	–	(5 783 162)	(5 783 162)	–	(5 783 162)	(2 138 840)	(7 922 002)
Total changes for the six-month period	–	(148 722)	(148 722)	–	(3 399 379)	–	–	(5 783 162)	(9 182 541)	(51 555 305)	(60 886 568)	(13 546 802)	(74 433 370)
Balance on 28 February 2023	**884 202 338**	**(48 930 682)**	**835 271 656**	**46 849 668**	**1 508 348**	**(41 727 523)**	**5 555 904**	**(5 456 780)**	**6 729 617**	**1 191 085 568**	**2 033 086 841**	**83 838 767**	**2 116 925 608**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDING 28 FEBRUARY 2023

Figures in Rand	For the 6 months ending 28 Feb 2023	For the 6 months ending 28 Feb 2022	For the year ending 31 Aug 2022 (Audited)
Cash from operating activities	**357 319 243**	459 663 714	671 339 683
Changes in working capital	**(244 188 374)**	(570 340 527)	(290 233 717)
Cash generated from operations	**113 130 869**	(110 676 813)	381 105 966
Interest income	**4 969 398**	3 047 618	3 436 719
Dividend income	**1 632 640**	1 403 959	1 414 299
Finance cost	**(124 130 533)**	(82 415 650)	(184 705 653)
Income tax paid	**(46 230 889))**	(62 994 467)	(116 552 637)
Net cash from operating activities	**(50 628 515)**	(251 635 353)	84 698 694
Cash flows from investing activities	**(138 446 882)**	(199 250 788)	(320 929 534)
Net cash flows before financing activities	**(189 075 397)**	(450 886 141)	(236 230 840)
Cash flows from financing activities	**(172 418 880)**	95 071 818	269 530 279
Dividends paid	**(65 003 889)**	(48 954 894)	(50 906 299)
Net (decrease)/increase in cash and cash equivalents	**(426 498 166)**	(404 769 217)	(17 606 860)
Cash and cash equivalents at the beginning of the year	**218 113 031**	235 719 889	235 719 889
Total cash and cash equivalents at the end of the year	**(208 385 135)**	(169 049 328)	218 113 030

SEGMENTAL INFORMATION

FOR THE SIX-MONTH PERIOD ENDING 28 FEBRUARY 2023

	Revenue			Profit and loss/separately disclosable items			
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
For the 6 months ending 28 Feb 2023							
Timber	**2 587 307 453**	**(1 106 606 194)**	**1 480 701 259**	**197 861 220**	**(11 230 917)**	**(25 385 521)**	**161 244 782**
Retail and Mechanisation	**3 923 371 050**	**(1 332 009 401)**	**2 591 361 649**	**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	**373 590 038**	**(2 170 975)**	**371 419 063**	**6 684 353**	**(2 061 160)**	**(2 985 369)**	**1 637 824**
Corporate	**46 192 295**	**(36 266 083)**	**9 926 212**	**75 034 118**	**(1 591 909)**	**14 826 382**	**88 268 591**
Total	**7 950 354 314**	**(2 698 236 745)**	**5 252 117 569**	**399 028 999**	**(32 620 125)**	**(65 918 464)**	**300 490 410**
Reconciling items							
Discontinued operations*							**(5 477 666)**
Loyalty scheme payments				**(26 250 000)**			**(26 250 000)**
Taxation							**(68 477 622)**
Group total				**372 778 999**			**200 285 122**

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

	2023
Motors	(6 757 212)
Retail and Mechanisation	(1 931 572)
Renewable energy	3 211 118

	Revenue			Profit and loss/separately disclosable items			
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
For the 6 months ending 28 Feb 2022							
Timber	2 056 845 430	(905 963 754)	1 150 881 676	162 683 298	(14 824 348)	(2 531 372)	145 327 578
Retail and Mechanisation	4 940 022 207	(2 340 220 144)	2 599 802 063	173 347 370	(14 298 275)	(8 881 337)	150 167 758
Financial Services	97 703 645	2 068 635	99 772 280	44 723 914	(1 173 118)	(22 078 530)	21 472 266
Grain	564 252 599	(138 726 347)	425 526 252	21 773 119	(2 794 399)	(2 858 327)	16 120 393
Motors	592 377 341	(11 109 383)	581 267 958	22 376 991	(6 740 271)	(12 022 831)	3 613 889
Corporate	43 441 373	(35 707 161)	7 734 212	14 104 935	(1 707 966)	4 491 025	16 887 994
Renewable energy	17 936 699	(185 642)	17 751 057	5 462 793	(1 636 467)	(3 115 296)	711 030
Total	8 312 579 294	(3 429 843 796)	4 882 735 498	444 472 420	(43 174 844)	(46 996 668)	354 300 908
Reconciling items							
Loyalty scheme payments				(15 539 868)			(15 539 868)
Taxation							(92 107 484)
Group total				428 932 552			246 653 556

SEGMENTAL ASSETS AND LIABILITIES

FOR THE SIX-MONTH PERIOD ENDING 28 FEBRUARY 2023

	As at 28 February 2023			As at 28 February 2022		
Figures in Rand	Total assets	Total liabilities	Net assets	Total assets	Total liabilities	Net assets
Continuing operations						
Timber	**2 608 708 564**	**(1 582 842 596)**	**1 025 865 968**	2 242 721 041	(1 399 309 057)	843 411 984
Retail and Mechanisation	**1 044 616 597**	**(854 100 791)**	**190 515 806**	953 466 861	(812 281 252)	141 185 609
Financial Services	**1 632 062 986**	**(1 595 467 554)**	**36 595 432**	1 619 499 027	(1 600 156 631)	19 342 396
Grain	**194 781 222**	**(148 970 342)**	**45 810 880**	228 230 389	(174 611 241)	53 619 148
Motors	**222 621 234**	**(170 793 132)**	**51 828 102**	259 742 889	(214 091 746)	45 651 143
Corporate	**908 088 936**	**(141 779 516)**	**766 309 420**	896 756 552	(99 476 817)	797 279 735
Renewable energy	**–**	**–**	**–**	124 082 624	(112 851 594)	11 231 030
Total	**6 610 879 539**	**(4 493 953 931)**	**2 116 925 608**	6 324 499 383	(4 412 778 338)	1 911 721 045

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