



TWK Agriculture Holdings (Pty) Ltd



Unaudited condensed interim results
for the period ended 28 February 2022

Introduction

The unaudited condensed consolidated interim results of TWK Investments Ltd for the six months ended 28 February 2022 comprise the Company, all its subsidiaries and jointly controlled entities (jointly referred to as the Group).

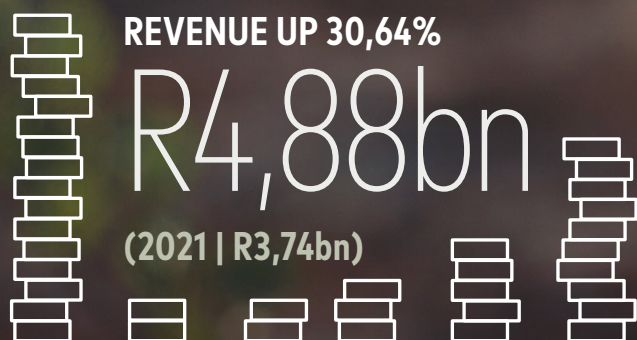
The accounting policies applied in the preparation of these condensed consolidated interim results are in accordance with IFRS and are consistent with the accounting policies applied in the preparation of the Group's previous audited consolidated annual financial statements.

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 2021.

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 12 April 2022. The results were made available publicly on 12 April 2022.



Financial highlights



**CASH FROM OPERATING ACTIVITIES
 BEFORE CHANGE IN WORKING
 CAPITAL UP 116,99%**

R461m

(2021 | R212m)



NAV PER SHARE UP 13,37%

R103,93

(2021 | R91,67)



TOTAL ASSETS UP 27,72%

R6,28bn

(2021 | R4,92bn)



EBITDA UP 115,05%

R427m

(2021 | R199m)



**PROFIT AFTER TAX
 UP 161,76%**

R249m

(2021 | R95m)

BASIC EARNINGS PER SHARE UP BY 138,15%



1 123,95 cents

(2021 | 471,95 cents)



About us

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 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 silo's. Furthermore, we produce our own branded maize meal, animal feeds and supply it at retail, wholesale and farm level.

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

Trade

Our network of retail stores offers customers a well-priced, comprehensive range of products dedicated to the agricultural sector. 30 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.

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

Renewable Energy

Roofspace Rental Group provides and maintains a solar solution to generate renewable electricity for tenants. We create an opportunity to safeguard tenants from any unwanted electricity cuts, assisting in creating a better, cleaner environment. Roofspace aims to provide longer lease terms, increase rental income and lower operations costs. We leverage our capital on energy-saving initiatives to altogether remove any landlord risks.

- Solar solutions
- Solar products

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

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
- Life insurance
- Wills and testaments
- Other specialised insurance products



Vehicles and Tyres

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
- 5 Total fuel stations with fast food and convenience stores
- Perfect water
- 2 Tyre retreading factories
- 4 Tyre retail outlets

Business and financial review

TWK is proud to present a record set of interim results. The diversity of its income streams providing resilience amidst the economic uncertainty, disruptions in trade networks, infrastructure challenges as well as the ongoing impact of the COVID-19 pandemic. Significant contributors to the improved results came from an increased demand and sales to key timber markets especially an increase of 223% in woodchip export sales and supported by the inclusion of the Peak Timber assets in the latter part of the previous financial year. The results were further strengthened by the increase in retail and mechanisation sales, with increased market share and the increase in fertiliser product prices. This translating into a 161,76% increase in profit after tax.

Our ability to move quickly, disciplined approach, customer focus and diversified business model and product mix enabled us to deliver a good set of results. Solid profit and Earnings per share growth converted into an increase in cash from operating activities before changes in working capital which enhanced our balance sheet. During the six months to February 2022, there was a general increase in demand for our products and services. There was a good demand for Input Supply to producers, the export of woodchips, increase in market share as well as an increase in the number of vehicles sold. The fuel sales remain under pressure.

Preservation of a robust balance sheet, working capital management during a period of growth, strong cash generation, customer focus, delivery to market demands and disciplined cost control were the key features of the Group during these 6 months.

TWK's overall results for the first six months are reflective of the quality of the underlying business and the Group's ability to adapt to an ever-changing environment. The general trading conditions improved, which resulted in an increase of sales and net profit in especially the Timber and Retail and Mechanisation segments. Even though a decrease in Mining Timber sales, the export market of woodchips increases dramatically resulted in an increase of 47% in total timber sales volume. The prospects for woodchip export look promising for the remainder of the year.

The growth in grain storage volumes because of strong crop yields resulted in an increase in more tonnage grain stored which resulted in an increase in profitability in the Grain segment.

The Production Credit Book grew strongly by 48,8% mainly due to higher grain plantings, higher input costs for farmers as well as increased market penetration. This resulted in an increase in earnings in the Financial Services segment.

Against a backdrop of international and national instability, revenue increased by 30,64% from R3,74 billion to R4,88 billion. The purposeful effort to gain market share, strategic acquisitions and improvement in our markets resulted in an increase of 115,05% in EBITDA to R427,3 million (Feb 2021: R198,7 million). Profit after tax increased to R248,6 million which is 161,76% higher than the R94,9 million of the corresponding period. Basic earnings per share increased to 1 123,95 cents per share, which is 138% higher than the corresponding period.

If the profit contribution of The Peak Timbers assets acquired during the latter part of the previous financial year is excluded, the basic earnings per share would have been 910,89 cents per share representing a 93,01% increase when compared to the corresponding period.

The Group's financial position is solid with total assets having increased by 27,72% from R4,92 billion to R6,28 billion. Net cash is lower due to an increase in Trade and other receivables (especially production accounts). The Group's gearing was 146,59% at 28 February 2022 which is higher than the corresponding period due the increased on-lending production accounts but still comfortably within the Group's norms. The net asset value per share increased by 13,37% to R103,93 per share at 28 February 2022 compared to R91,67 as at 28 February 2021.

Total assets increase due to capital expenditure, strategic acquisitions and increase in trade and other receivables. The debtors' book was higher in February than in August 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 taken.

Operational review

Timber segment

SEGMENT REVENUE

R1,15bn

INCREASED BY

80,73%

The Timber Segment reported revenue of R1,15 billion, an increase of 80,73% from R636,81 million delivered in the prior period ended February 2021.

This is primarily due to the improved sales performance in wood chip exports, lumber and treated pole products as well as timber sales from own plantations. Compared to the prior reporting period, sales volumes have improved substantially by 47% to 643,369 tonnes given the wood chip inventory available for export at the start of the reporting period as well as ports opening following the lifting of Covid-19 restrictions. The inclusion of Peak Timbers' results, acquired effective 11 March 2021, in this reporting period also contributed to the strong performance. Sunshine Seedlings Service (Pty) Ltd ("SSS"), acquired in the previous financial year, and Peak Timbers produced strong results.

TWK owns and operates a world-class woodchip production and export facility in Richards Bay, with the capability of producing and exporting 900 000 tonnes of woodchips per annum. The international demand for woodchips remained strong. During the period under review, 282,796 tonnes were exported from TWK's facility compared to 87,507 tonnes in the prior period, representing a 223% increase in export sales.

International pulp are also currently trading at high prices which is expected to continue for several months into 2022. International pulp prices will remain high as long as the disruptions in the global shipping industry, namely port congestion and shipping container shortages, prevail and fuel prices continue to increase. Pulp prices are only expected to start declining when logistics costs start declining. The current pulp inventory levels, together with the recent demand increases due to the geopolitical tensions caused by the Russian/Ukraine crisis, should keep pulp prices high.

TWK acquired a further 10% in SSS effective 1 September 2021, bringing TWK's shareholding to 61%. The remaining 39% of the shares will be purchased by TWK over the next three years.

The Peak Plantations' operations are in the process of being modernised, which includes the replacement of old harvesting and transport equipment with new equipment to increase efficiencies and production capacities. To date, the upgrading programme has shown very positive results, both in terms of sales volumes and revenues. Rocklands Sawmill, which formed part of the Peak Plantations acquisition, is in the process of being upgraded to a "wet off saw" and mining timber mill. This will further enhance and increase revenue streams for the new business unit in eSwatini, which performed better than expected.

BedRock, a wholly owned subsidiary of TWK Agri (Pty) Ltd, supplies mining timber support products into the gold and platinum mining industries. Unfortunately, this business did not produce the same strong results as it did in the first six months of the prior year, mainly due to a slow strike action at one of its major customers.

As a result of the above, EBITDA increased by 215,67% from R51,54 million (February 2021) to R162,68 million.

The outlook for the 2022 financial year for this segment remains positive and is expected to improve on 2021's full year results as industries return to pre-Covid-19 levels. TWK currently exports high-quality wood chips to some of the largest pulp and paper producers in Japan, China and Spain and will soon expand exports to other European countries, with European pulp mills, previously supplied by Russia, looking for alternative wood sources. As a result, overall strong demand for wood chips is expected to continue into the near to mid-term future. The continued and substantial increases in fuel prices in South Africa are expected to have a negative impact on our business as our timber resources are not located close to the end market(s), and must therefore often be transported over long distances.

Retail and Mechanisation segment

At the end of February 2022, TWK's retail outlets totalled 30 (February 2021: 29). TWK has five fertiliser depots situated in KwaZulu-Natal, Mpumalanga, North West and eSwatini as well as five fertiliser blending facilities located in Mpumalanga, KwaZulu-Natal and the Western Cape. In addition, TWK owns one organic fertiliser production facility in KwaZulu-Natal.

Revenue increased by 27,49% from R2,04 billion (February 2021) to R2,59 billion as this segment reported another record set of results given the excellent agricultural trading conditions. Contributing factors to the growth in revenue were the increase in retail and mechanisation sales, with increased market share outside TWK's traditional boundaries with focused marketing strategies. Also contributing to revenue growth was the increase in fertiliser product prices, on the back of global fertiliser ingredient supply shortages, which more than offset the reduction in fertiliser sales volumes. As a result, EBITDA increased by 106,98% to R173,35 million from R83,75 million (February 2021), with the EBITDA margin increasing to 6,7% from 4,1% (February 2021).

Mechanisation sales, through the New Holland agencies, continued to increase significantly in KwaZulu-Natal and Mpumalanga, as a result of record crops and crop prices reported in these regions. The new agency in Standerton positively contributed to this operation's results. Mechanisation units, including tractors, construction vehicles and agricultural capital equipment, sold during the period under review amounted to 144 units, an increase of 10% on the prior period's 131 units. This result is commendable given the global shortages in agricultural capital equipment.

The fertiliser business, Constantia Fertilisers, reported a strong financial performance for the first six months of the financial year. While there were continued increases in fertiliser raw material prices from September 2021 to mid-January 2022, Nitrogen prices started to decline in mid-January 2022. This resulted in better margins being achieved on stock that had already been purchased before the increases took effect. However, towards the end of February 2022, raw material prices once again showed a sharp increase as a result of the Russian/Ukraine crisis, which is creating global and local supply shortages in fertiliser ingredients.

SEGMENT REVENUE

R2,59bn

INCREASED BY

27,49%

Although better margins were realised, fertilizer sales reduced by 20% from 152 107 tonnes (February 2021) to 121 671 tonnes (February 2022). The main reason for the lower tonnes sold were mainly due to the inability of Sasol to supply Limestone Ammonium Nitrate fertiliser due to various manufacturing problems they experienced from September 2021 until the end of December 2021, which were at the peak of the planting season.

Retail, fertiliser and mechanisation trading conditions are expected to be uncertain for the remainder of the financial year as global fertiliser price increases and availability of imported agricultural equipment and products are uncertain given the Russian/Ukraine crisis. The agricultural sector could experience margin pressures, with rising fuel and crop input costs, which will negatively impact the retail, fertiliser and mechanisation businesses. However, these negative cost pressures could be countered by higher grain prices and the strengthening of the Rand against the US Dollar.

OPERATIONAL REVIEW continued

Grain segment

SEGMENT REVENUE

R426m

DECREASED BY

9,15%

The Grain segment's revenue for the six months ended 28 February 2022 is lower than the prior period, decreasing by 9,15% from R468,36 million (February 2021) to R425,53 million as a result of a once off transaction during 2021. However, Earnings before tax increased by 129,2%. The solid results were due to growth in volumes as a result of strong crop yields and completing capital expansions to enable TWK to package yellow maize products and produce full-fat soy.

The drought in South America resulted in the Chicago Mercantile Exchange (CME) grain prizes increasing to very high levels. However, the stronger rand countered some of these price hikes.

The Grain Storage business, on average, stored more tonnage than the previous period, reporting a 21% increase in grain received on the back of strong crop yields. As a result, the Grain Marketing business also reported strong results given the higher volumes.

In South Africa and eSwatini, the grain mills and animal feed operation's performance continued to be negatively impacted by the higher maize and soya prices as well as consumer spending pressure.

Arrow Feeds, based in eSwatini, reported a decrease of 5.7% in volumes, resulting in a decrease of 4.6% in revenue due to higher grain prices and strikes throughout the reporting period.

EBITDA increased by 45,89% from R14,92 million (February 2021) to R21,77 million due to the increased grain stored and additional product lines, the EBITDA margin increased to 5,12% (February 2021: 3,19%).

The main drivers of agricultural commodity prices are the result of the compound interactions among macroeconomic factors such as Brent crude oil prices, crop size, exchange rates and the growing demand for food and agricultural productivity. As a result of the Russian/Ukraine crisis, agricultural input costs, like fertiliser and fuel, are expected to increase grain prices even further. A global supply shortage of grain could occur if Ukraine is unable to plant summer crops, given that they are a large world exporter of grain.

South Africa experienced very good rainfall, in places slightly more than average, which should result in good 2021/2022 crops. This in turn bodes well for TWK's Grain Storage and Grain Marketing businesses. However, the high unemployment rate and consumers facing increased cost pressures pose a risk to the TWK grain mills and animal feed businesses, which should in part, be alleviated by the extension of the Covid-relief allowances for the next year.

OPERATIONAL REVIEW continued

Financial Services segment

SEGMENT REVENUE

R99,77m

INCREASED BY

17,11%

Revenue increased by 17,11% from R85,19 million in February 2021 to R99,77 million, with EBITDA increasing by 21,59% to R44,72 million from R36,78 million (February 2021).

The **Insurance Division** reported a 2.7% growth in short-term insurance premium income for the period under review, which resulted in growth in commission income of 12%. The short-term section of the Insurance Division focused on extending and increasing its mandates thus increasing profitability and resulting in a better customer experience when submitting claims. A short-term portfolio in Nelspruit were acquired on 1 December 2021 with annual commission income of R1,2 million.

The total crop insurance premium decreased by 1,92% as a direct result of a 7% decrease in crop hectares insured. However, it was offset by an increase of 23,83% in total tree hectares insured as at 28 February 2022 with a total client count of 745.

The well-established Life Insurance business managed growth in commission income by 30,47% for the six months ended 28 February 2022. Two investment portfolios were acquired, one in Vanderbijlpark with a portfolio of R300 million and the other in Nelspruit with a portfolio of R304 million which contributed to the growth in the commission income. A further potential acquisition in Nelspruit is currently being explored.

The Medical Insurance Portfolio continued to show remarkable growth. Commission revenue on the Medical Insurance Portfolio grew by 52,72% as a result of an increase of 16,20% in members from 4,423 members as at 31 August 2021 to 5,140 members as at 28 February 2022.

On 28 February 2022, the **Credit Division** reported growth of 69%, mainly due to higher grain plantings in the area in which TWK operates, higher input costs for farmers as well as increased market penetration.

As a result, the Production Credit Book grew strongly by 48,8% to R808 million as at 28 February 2022 (28 February 2021: R543 million; 31 August 2021: R318 million). Production accounts handed over due to non-performing debt slightly increased by 4% for the period under review, notwithstanding the dramatic increase in the Production Credit Book. Furthermore, bad debts written off decreased from 0,75% to 0,33% of the total TWK debtors' portfolio. It was possible to accommodate the growth in production facilities and the increase in new clients due to the effective syndicate lending agreement with Standard Bank and FNB, which gives TWK access to sufficient funding for on-lending to producers without the risk of having only one source of funding. TWK's risk monitoring system is effective and comprehensive to ensure that its credit risk is managed effectively.

Despite the increase in the Production Credit Book, bridging facilities declined by 49,20% compared to the R13,4 million at 31 August 2021 on the back of good yields and crop prices being achieved, resulting in the farmers being able to repay their bridging facilities.

OPERATIONAL REVIEW continued

Motors and Tyres segment

The Motors and Tyres segment reported an increase in revenue of 15,40% to R581,27 million (February 2021: R503,70 million), mainly as a result of increased vehicle sales and better profit margins as a result of less units available to sell. The solid performance of the dealerships was offset by the poor performance of the filling stations.

EBITDA increased by 22,83% from R18,22 million (February 2021) to R22,38 million, with the EBITDA margin strengthening from 3,62% (February 2021) to 3,85%.

Motors

During the period under review, the Motors division reported a 30,2% increase in the overall number of vehicles sold, notwithstanding the ongoing shortage of new vehicles on the back of the worldwide semi-conductor crisis, as well as the shortage of used vehicles. The TWK Dealerships outperformed NAAMSA and delivered an increase in new vehicle sales of 22,4%. This was complemented by an increase of 7,8% in used vehicle sales. The Haval dealership continued to perform exceptionally well. The healthy performance in the new vehicle market reflected an improvement in domestic conditions, although year-on-year comparisons remain difficult to interpret because of differing pandemic circumstances during the corresponding period ended 28 February 2021.

The Filling Station division's petrol and diesel sales volumes decreased by 6% from 1 157 234 litres (February 2021) to 1 083 573 litres. TWK decided to sell its fossil fuel business and the process is ongoing.

Trading conditions are expected to be challenging for the remainder of the financial year. The growth-positive National Budget tabled in February 2022 provided some good news for businesses and consumers with a cut in corporate income tax, accommodating adjustments in personal income tax brackets and no hike in the fuel or Road Accident Fund levy, for the first time since 1990. However, South African motorists' relief was short-lived as fuel prices hit record highs in March 2022 with further petrol hikes expected in April on the back of the Russian/Ukraine crisis. The increase in the interest rate on 24 March 2022 will also dampen consumer spend. Demand for services and parts should continue to increase as TWK can service all automotive models.

SEGMENT REVENUE

R581,27m

INCREASED BY

15,40%

Tyres

Protea Tyres continued to experience challenging trading conditions during the six months ended February 2022 as a result of China not being able to meet demand regarding the supply of new tyres and tyre casings for re-treading due to global supply chain issues. Protea Tyres imports approximately 50% of new tyres and casings used from China. As a result, new truck tyre sales volumes declined by 10%.

Due to the unprecedented high rainfall experienced in the areas in which Protea Tyres operates, the demand for re-treaded truck tyres sharply declined over the November 2021 to mid-January 2022 period, on account of mines becoming inaccessible which directly impacted the commodity transport activity resulting in less mileage recorded per truck.

The rebate income received from Protea Tyres' major rubber suppliers came under pressure as these suppliers tried to keep price increases to a minimum, whilst trying to recoup raw material cost increases,

Operating expenses were well maintained despite being negatively impacted by shipping costs increasing by approximately 150% over the reporting period. This was in part, offset by the strengthening of the Rand against the US Dollar.

The cost and management restructuring of the Northern Cape re-treading tyre business was successful and, as a result of the streamlined and better equipped business, is well positioned for good growth going forward. Despite market conditions expected to remain challenging for the remainder of the financial year, especially given the sharp increase in fuel prices and the global raw material shortages as a result of the Russian/Ukraine crisis, a stronger second half is expected due to the second half normally being more robust than the first half given the increase in coal commodity activity during the winter months.

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.

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 recent inclusion of ABSA to the syndication loan structure with Standard Bank and FNB supports the growth prospects. The various assets held for sale are already in advanced stages of negotiation and will also contribute to reduced interest costs and improved liquidity.

The overall strong demand of wood chips to some of the largest pulp and paper producers in Japan, China and Spain are expected to be expanded to other European countries as a direct result of the Ukraine and Russia crisis. International pulp is currently trading at high prices which is expected to continue for several months into 2022.

The Peak Plantations' operations are in the process of being modernized, which in turn will result in increased profitability and cash generation.

The Retail trading conditions are expected to be uncertain given the Ukraine crisis. The agricultural sector could experience margin pressures, with rising fuel and crop input costs, which will negatively impact the retail segment. However, these negative cost pressures could be countered by higher grain prices and the strengthening of the Rand against the US Dollar.

The sale of the loss-making fuel sites in the coming months will support profitability. We expect General Trade sales to be on the same levels than before Covid due to record high grain yields.

The Grain Storage and Grain Marketing divisions will also perform well on the back of good grain yield. The profitability of the Maize meal division will remain under pressure due to high grain prices.

It is expected that the Financial services segment will perform better during the second half of the financial year mainly because of better trading conditions, inflation and gaining new clients on the back of the effective syndicate lending agreement.

Management holds the view that the second half of the year will outperform the corresponding period during 2021 and therefore will substantially outperform the previous year results which ended on 31 August 2021.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2022

Figures in Rand	As at 28 Feb 2022	As at 28 Feb 2021	As at 31 Aug 2021 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	1 155 362 104	996 385 375	1 115 979 402
Right-of-use assets	141 845 367	92 088 093	103 203 782
Biological assets	1 114 955 497	448 792 124	1 021 402 910
Intangible assets	201 416 946	192 855 610	185 630 259
Investments in associates	11 209 192	5 827 645	8 031 028
Loans to group companies	13 662 576	13 326 668	13 775 901
Loans receivable	106 585 843	80 192 866	109 504 921
Investments at fair value	39 825 332	41 084 384	40 161 332
Finance lease receivables	13 432 524	6 006 902	11 297 751
Deferred tax	35 988 104	70 688 474	113 398 384
	2 834 283 485	1 947 248 141	2 722 385 670
Current assets			
Biological assets	256 010 502	358 640 573	275 265 531
Inventories	1 054 305 333	774 350 414	907 998 270
Loans receivable	42 372 096	47 393 267	30 835 156
Trade and other receivables	1 735 442 078	1 530 235 991	1 123 741 443
Derivative financial instruments	62 283 350	27 135 990	3 804 569
Finance lease receivables	7 631 551	9 916 314	5 538 889
Current tax receivable	26 414 850	29 159 913	27 415 855
Cash and cash equivalents	107 229 346	110 608 517	243 177 058
	3 291 689 106	2 887 440 979	2 617 776 771
Non current assets held for sale and assets of disposal groups	156 427 396	84 178 048	150 945 593
Total assets	6 282 399 987	4 918 867 168	5 491 108 034
Equity and liabilities			
Equity attributable to equity holders of parent			
Share capital	28 257 332	33 716 360	28 257 332
Reserves	490 494 760	492 972 149	498 468 431
Retained income	866 095 094	673 719 247	748 625 492
	1 384 847 186	1 200 407 756	1 275 351 255
Non-controlling interest	584 251 280	433 254 378	494 076 863
Total equity	1 969 098 466	1 633 662 134	1 769 428 118
Liabilities			
Non-current liabilities			
Other loans payable	17 256	3 634 192	16 490
Borrowings	1 050 827 300	686 759 531	1 031 323 824
Lease liabilities	122 863 770	80 442 989	85 319 683
Retirement benefit obligation	5 096 000	5 959 000	5 096 000
Deferred tax	249 344 911	268 390 443	310 553 153
	1 428 149 237	1 045 186 155	1 432 309 150
Current liabilities			
Trade and other payables	1 076 918 573	812 949 143	938 157 469
Other loans payable	7 100 696	9 369 497	7 100 696
Borrowings	1 401 386 510	1 058 233 510	1 279 081 220
Derivative financial instruments	574 153	—	5 111 166
Lease liabilities	28 169 722	21 320 426	26 476 972
Contract liabilities	58 929 342	72 122 414	2 665 572
Current tax payable	19 004 363	958 792	9 256 946
Provisions	8 597 760	5 310 720	6 881 173
Dividend payable	8 377 278	8 385 399	8 377 164
Bank overdraft	276 093 887	251 368 978	6 262 388
	2 885 152 284	2 240 018 879	2 289 370 766
Liabilities of disposal groups	—	—	—
Total liabilities	4 313 301 521	3 285 205 034	3 721 679 916
Total equity and liabilities	6 282 399 987	4 918 867 168	5 491 108 034

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED 28 FEBRUARY 2022

Figures in Rand	For the 6 months ended 28 Feb 2022	For the 6 months ended 28 Feb 2021	For the year ended 31 Aug 2021 (Audited)
Revenue from continuing operations	4 882 777 690	3 737 915 324	8 856 204 888
Profit from equity accounted investments	3 178 164	2 111 843	4 315 226
Loyalty scheme payments	(15 539 868)	(10 806 461)	(10 806 461)
Profit before interest, tax, depreciation and amortisation (EBITDA)	427 337 477	198 716 897	528 295 317
Depreciation and amortisation	(43 174 844)	(33 595 069)	(66 907 074)
Profit before interest and tax (EBIT)	384 162 633	165 121 828	461 388 243
Finance cost	(42 751 164)	(36 243 758)	(102 274 172)
Profit before tax from continuing operations	341 411 469	128 878 070	359 114 071
Taxation	(92 849 604)	(33 919 272)	(86 020 712)
Profit after tax from continuing operations	248 561 865	94 958 798	273 093 359
Discontinued operations			
Loss from discontinued operations	—	—	(1 549 208)
Taxation related to discontinued operations	—	—	338 889
Nett loss from discontinued operations	—	—	(1 210 319)
Profit for the year	248 561 865	94 958 798	271 883 040
Other comprehensive income			
Gains on property revaluation	—	—	12 183 808
Remeasurement of defined benefit liability	—	—	490 000
Changes in fair value of equity investments at fair value through other comprehensive income	(336 000)	—	56 695
Taxation related to other comprehensive income	75 264	—	(846 451)
Total other comprehensive income/(loss) for the year	(260 736)	—	11 884 052
Total comprehensive income for the year	248 301 129	94 958 798	283 767 092
Profit attributable to:			
Owners of the parent	147 186 105	61 431 950	175 466 123
Non-controlling interest	101 375 760	33 526 848	96 416 917
Profit for the year	248 561 865	94 958 798	271 883 040
Total comprehensive income attributable to:			
Owners of the parent	147 003 191	61 431 950	184 369 643
Non-controlling interest	101 297 938	33 526 848	99 397 449
Total comprehensive income for the year	248 301 129	94 958 798	283 767 092
Basic earnings per share — cents	1 123,95	471,95	1 343,61

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 28 FEBRUARY 2022

Figures in Rand	Share capital	Revaluation reserve	Reserve for investments at fair value through OCI	Restructuring reserve	Share-based payment reserve	Change of ownership reserve	Total reserves	Retained income	Total attributable to equity holders of the group/ company	Non-controlling interest	Total equity
Balance at 1 September 2021 (audited)	28 257 332	398 036 696	25 394 273	75 137 000	4 356 262	(4 455 800)	498 468 431	748 625 492	1 275 351 255	494 076 863	1 769 428 118
Total comprehensive income for the 6 month period	—	—	(182 915)	—	—	—	(182 915)	147 186 105	147 003 190	101 297 938	248 301 128
Treasury shares	—	—	—	—	(205 832)	—	(205 832)	—	(205 832)	—	(205 832)
Dividends	—	—	—	—	—	—	—	(19 093 475)	(19 093 475)	(19 331 002)	(38 424 477)
Other changes for the period	—	—	—	—	—	(7 584 924)	(7 584 924)	(10 623 028)	(18 207 952)	8 207 481	(10 000 471)
Total changes for the period recognised directly in equity	—	—	—	—	(205 832)	(7 584 924)	(7 790 756)	(29 716 503)	(37 507 259)	(11 123 521)	(48 630 780)
Balance at 28 February 2022	28 257 332	398 036 696	25 211 358	75 137 000	4 150 430	(12 040 724)	490 494 760	866 095 094	1 384 847 186	584 251 280	1 969 098 466

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED 28 FEBRUARY 2022

Figures in Rand	For the 6 months ended 28 Feb 2022	For the 6 months ended 28 Feb 2021	For the year ended 31 Aug 2021 (Audited)
Cash from operating activities	460 804 980	212 364 406	391 948 268
Changes in working capital	(599 140 625)	(274 351 572)	321 836 798
Cash generated from operations	(138 335 645)	(61 987 166)	713 785 066
Interest income	2 203 068	5 599 606	7 190 396
Dividend income	1 403 959	1 738 581	3 508 167
Finance cost	(78 170 146)	(42 331 653)	(136 890 548)
Income tax paid	(63 861 160)	(28 055 627)	(65 190 021)
Net cash from operating activities	(276 759 924)	(125 036 259)	522 403 060
Cash flows from investing activities	(198 439 453)	(71 046 241)	(342 948 336)
Net cash flows before financing activities	(475 199 377)	(196 082 500)	179 454 724
Cash flows from financing activities	107 844 643	(17 031 277)	(14 893 370)
Dividends paid	(38 424 477)	(21 325 828)	(21 325 828)
Net (decrease)/increase in cash and cash equivalents	(405 779 211)	(234 439 605)	143 235 526
Cash and cash equivalents at the beginning of the year	236 914 670	93 679 144	93 679 144
Total cash and cash equivalents at the end of the year	(168 864 541)	(140 760 461)	236 914 670

SEGMENTAL INFORMATION

FOR THE SIX-MONTH PERIOD ENDED 28 FEBRUARY 2022

Figures in Rand	Revenue			Profit and loss/separately disclosable items			
	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 ended 28 Feb 2022							
Continuing operations							
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 and tyres	592 377 341	(11 109 383)	581 267 958	22 376 991	(6 740 271)	(12 022 831)	3 613 889
Corporate	43 483 565	(35 707 161)	7 776 404	12 509 860	(1 707 966)	8 736 529	19 538 423
Renewable energy	17 936 699	(185 642)	17 751 057	5 462 793	(1 636 467)	(3 115 296)	711 030
Total	8 312 621 486	(3 429 843 796)	4 882 777 690	442 877 345	(43 174 844)	(42 751 164)	356 951 337
Loyalty scheme payments				(15 539 868)			(15 539 868)
Taxation							(92 849 604)
Group total				427 337 477			248 561 865
For the 6 months ended 28 Feb 2021							
Continuing operations							
Timber	1 049 962 913	(413 150 628)	636 812 285	51 536 123	(8 315 729)	(1 417 364)	41 803 030
Retail and mechanisation	3 558 835 515	(1 519 573 162)	2 039 262 353	83 751 557	(12 123 128)	(5 703 452)	65 924 977
Financial services	83 706 229	1 487 110	85 193 339	36 782 833	(513 705)	(17 648 632)	18 620 496
Grain	624 562 848	(156 201 734)	468 361 114	14 924 351	(4 401 584)	(3 489 703)	7 033 064
Motors and tyres	509 079 779	(5 374 883)	503 704 896	18 218 420	(5 831 323)	(13 352 067)	(964 970)
Corporate	29 638 810	(26 267 451)	3 371 359	3 413 353	(2 121 038)	5 871 811	7 164 126
Renewable energy	1 510 351	(300 373)	1 209 978	896 721	(288 562)	(504 351)	103 808
Total	5 857 296 445	(2 119 381 121)	3 737 915 324	209 523 358	(33 595 069)	(36 243 758)	139 684 531
Loyalty scheme payments				(10 806 461)			(10 806 461)
Taxation							(33 919 272)
Group total				198 716 897			94 958 798

SEGMENTAL ASSETS AND LIABILITIES

AS AT 28 FEBRUARY 2022

Figures in Rand	As at 28 February 2022			As at 31 August 2021 (Audited)		
	Total assets	Total liabilities	Net assets	Total assets	Total liabilities	Net assets
Continuing operations						
Timber	2 242 721 041	(1 399 309 057)	843 411 984	2 188 909 863	(1 440 131 399)	748 778 464
Retail and mechanisation	953 466 861	(812 281 252)	141 185 609	800 905 064	(722 315 667)	78 589 397
Financial services	1 619 499 027	(1 600 156 631)	19 342 396	955 903 298	(933 096 366)	22 806 932
Grain	228 230 389	(174 611 241)	53 619 148	265 530 410	(205 160 598)	60 369 812
Motors and tyres	259 742 889	(214 091 746)	45 651 144	261 047 868	(235 342 075)	25 705 793
Corporate	854 657 157	—	854 657 157	987 284 055	(162 474 489)	824 809 566
Renewable energy	124 082 623	(112 851 594)	11 231 029	31 527 476	(23 159 322)	8 368 154
Total	6 282 399 987	(4 313 301 521)	1 969 098 466	5 491 108 034	(3 721 679 916)	1 769 428 118

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