

**UNAUDITED CONSOLIDATED
INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER
2023**

Strategic growth with a global vision.



Executive review of our performance

Overview of the period

The Group produced robust results against the background of volatile currencies and an uncertain world macro-economic and political environment.

Focused management has kept a tight grip on operations and, the disposal of some non-core properties has generated cash, which was used in the buy-back a quantum of both ordinary and preference shares. This, together with solid operational performance resulted in an improvement in net profit of 8% to R356 million, with Earnings per Share (EPS) improving by 12% to 303 cents. Focus will continue to be on debt reduction, as higher interest rates have meant an increase in finance costs of R22 million, which were mainly offset by the R19 million improved contribution in equity accounted earnings from Kian Ann.

Revenue increased by R461 million (12%) from R3.8 billion to R4.3 billion, of which the South African operations contributed R178 million, the rest of Africa contributed R89 million, while Europe and America contributed the balance of R194 million. The weakening of the Rand from R19.81 to R23.48 for the GBP and R16.31 to R18.66 for the USD boosted revenue on translation. The gross profit margin of 32.6% held steady from 32.5% in the comparative period, with gross profit increasing by 12%, from R1.2 billion to R1.4 billion. Selling, administration and distribution costs increased by 12% from R0.9 billion to R1.0 billion, resulting in operating profit before net finance income on financing transactions and foreign exchange movements, increasing by 8% from R333 million to R359 million. Equity accounted earnings from investments in joint ventures increased by R20.6 million, or 23%, from R90 million to R110 million, of which, the Kian Ann Group contributed an increase in earnings of 21%, bolstered by a R33 million gain on the sale of a property-owning subsidiary. The remaining increase in equity accounted earnings of joint ventures was contributed by KMP Far East Pte. Ltd, of which 50% was acquired effective 3 April 2023 for SGD 2.2 million (approximately R29 million). The increase in equity accounted earnings was offset by a R22 million increase in net finance costs, due to higher interest rates during the period. Net profit for the period increased 8% from R330 million to R356 million.

The Group repurchased approximately 1% of its ordinary and 3% of its preference shares in issue in the period, to the value of R49 million, resulting in earnings per share increasing by 32 cents from 272 cents to 304 cents per share. Likewise, diluted earnings per share increased from 271 cents to 303 cents. Headline earnings per share increased slightly from 268 cents to 269 cents per share and diluted headline earnings per share increased from 266 cents to 268 cents per share, but a decrease of 5% in headline earnings from R278 million to R265 million with the property sale profits excluded amongst others.

Effective 3 July 2023, the Group acquired a 100% shareholding in Imexpart Limited ("Imex") which is based in the United Kingdom for £4.7 million (approximately R112 million). Imex distributes a wide variety of truck and bus parts for DAF, Mercedes, Volvo, MAN, Iveco, Renault, Scania, and Cummins engines and carries a full range of replacement parts including items such as bumpers and step panels for trucks. The acquisition provides an opportunity to distribute RPA-Auto Agri products through Imex, which has been included in the RPA segment since the acquisition date.

Cash generated from operations before working capital changes increased by 9% from R469 million to R513 million with working capital absorbing R190 million, resulting in cash generated from operations increasing from R290 million to R322 million.

Group performance

Operational overview

Operations comprise:

- **Replacement Parts Services and Solutions: Industrial (RPI)** – is the importer and local manufacturer of industrial consumable products, services, and solutions for all industries in Southern Africa, and offers world class solutions and products, with the aim of improving the efficiency of our customers and ensuring that they remain globally competitive.
- **Replacement Parts Services and Solutions: Auto Agri (RPA)** – operates in South Africa and certain European countries and focuses on the importation and distribution of automotive aftermarket parts and Original Equipment Manufacturer ("OEM") kits, as well as driveshaft parts and other replacement parts for the agricultural industry.
- **Capital Equipment and related parts and services (CE)** – sells capital equipment, spare parts and provides the related services to the earthmoving, construction, mining and logistics industries in South Africa.
- **Replacement Parts Services and Solutions: Earthmoving equipment (RPE)** – supplies after-market replacement spare parts, ground engaging tools and undercarriage parts for earthmoving equipment and other capital equipment, with operations in South Africa, the United Kingdom and the United States of America.
- **Kian Ann Group (KAG)** – supplies and manufactures parts for capital equipment and other heavy machinery and the automotive industry. KAG has expanded regionally and globally with subsidiary and related companies in China, Indonesia, Malaysia, India and the United Kingdom, with further distribution businesses in the United States of America and Canada.
- **Corporate Group** – Comprises MacNeil Plastics and Group support services including financing, investment, and property operations in South Africa.

Executive review of our performance (continued)

RPI

Revenue increased by 8% from R2.3 billion to R2.5 billion, while operating profit before interest on financing transactions and foreign exchange movements increased by 2% from R172 million to R175 million. This increase was despite the higher level of estimated credit loss provisions raised in the African subsidiaries of R17 million. Profit before tax decreased 19% from R146 million to R119 million due to R10 million lower forex gains year-on-year, and higher net finance costs due to significant interest rate hikes over the period.

RPA

Revenue in RPA increased by 27% from R280 million to R356 million supported by the Imex acquisition. However, RPA's operating profit before interest on financing transactions and foreign exchange movements decreased by 28% from R66 million to R47 million due to a higher level of operational costs, with the inclusion of Imex and the reversal of provisions in the prior year of impairments taken relating to the war in Ukraine. Imex contributed approximately 18% of RPA revenue, however still being in the integration phase, it contributed only 5% of operating profit before interest on financing transactions and foreign exchange.

CE

Revenue in CE increased by 9% from R581 million to R633 million, with operating profit before interest on financing transactions and foreign exchange movements increasing by 34% from R50 million to R66 million, largely due to effective cost control and, a resurgence in the sale of capital equipment through the CE finance book towards the end of the period.

RPE

Revenue in RPE increased by 26% from R470 million to R594 million, reflecting the good trading from the United Kingdom enhanced on translation, and reflecting one of the best six-months of sales from the South African operation. The operating profit before interest on financing transactions and foreign exchange movements followed suit with an increase of 29%, from R60 million to R77 million.

KAG

KAG contributed R108 million to Group earnings for the current period compared to R90 million in the prior period, bolstered by a R33 million gain on the disposal of a property-owning subsidiary in Shanghai. The operations and inventory from these premises, have been relocated and absorbed into the KKB production and warehouse facility in Khunshan.

Strategic focus and prospects

The Group strategy to build both a geographically diverse (with 50% of the Group earnings outside South Africa) and sectorally diverse business by 2026, will be tempered by the careful evaluation of growth and acquisition opportunities. The prevailing market conditions, notably the current high interest rates and tough trading conditions experienced worldwide, as well as Rand volatility and load shedding locally, remain a challenge. We are confident that Invicta is well positioned in this context with our relatively low level of debt to continue to provide sustainable returns to shareholders. Our current initiatives include conversion to solar power at selected installations in South Africa, and a limited share buy-back program funded from capital receipts.

Any forward-looking statements in this announcement have not been reviewed nor reported on by the Group's auditor.

Changes to the board and board committees

On 31 July 2023, Anthony Michael Sinclair resigned as a director of Invicta, but remains as a director of certain operations until 31 March 2024. We thank Anthony for his invaluable contribution to the Group over many years. There have been no other Board changes during the period under review.

Ordinary dividend policy

The board intends paying dividends on an annual basis by applying a cover ratio of between 2.75 and 3.25 times on sustainable earnings.

Appreciation

The board extends its gratitude to management and staff who have demonstrated operational excellence and incredible adaptability to changing conditions in the performance of their duties.

The board is confident management will continue to explore and focus on those strategic areas which have been identified as being able to deliver sustainable value to all stakeholders.

Consolidated statement of financial position

	Notes	Unaudited six months ended		Audited year ended
		30 September	30 September	31 March
		2023 R'000	2022 R'000	2023 R'000
ASSETS				
Non-current assets		3,783,295	3,480,818	3,601,799
Property, plant and equipment		1,115,992	1,065,446	1,023,842
Investment property		123,159	55,687	115,768
Right-of-use assets		225,381	219,416	248,989
Goodwill		57,703	47,463	48,316
Other intangible assets		76,795	56,137	48,463
Net investment in finance leases		55,217	18,425	33,958
Loan and other receivables		100,952	195,490	117,787
Derivatives		–	15,074	11,262
Investment in associates		77,827	62,735	67,747
Investment in joint ventures	4	1,784,941	1,603,667	1,687,437
Deferred taxation		165,328	141,278	198,230
Current assets		5,155,134	4,756,973	5,115,689
Inventories		2,931,098	2,762,333	2,891,906
Trade and other receivables		1,229,776	1,202,140	1,278,695
Net investment in finance leases		118,735	44,498	40,383
Loan and other receivables		70,585	110,967	67,870
Derivatives		170	3,331	1,940
Current taxation		57,924	54,724	34,938
Cash and cash equivalents		746,846	578,980	799,957
Assets classified as held for sale		25,181	83,407	60,625
Total assets		8,963,610	8,321,198	8,778,113

Consolidated statement of financial position

	Notes	Unaudited six months ended		Audited
		30 September	30 September	year ended
		2023	2022	31 March
		R'000	R'000	R'000
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital - ordinary shares	5	2,403,858	2,521,408	2,403,858
Treasury shares	5	(77,163)	(155,051)	(30,874)
Preference shares	5	712,500	750,000	712,500
Other reserves		(19,128)	(26,016)	(27,002)
Foreign currency translation reserve	4	303,178	93,478	218,009
Retained earnings		2,174,125	1,773,320	1,977,802
Equity attributable to owners of the parent		5,497,370	4,957,139	5,254,293
Non-controlling interests		91,615	87,333	84,842
Shareholders' equity		5,588,985	5,044,472	5,339,135
LIABILITIES				
Non-current liabilities				
Borrowings	6	1,153,792	1,127,134	1,196,819
Right-of-use lease liabilities		189,229	198,874	222,605
Finance lease liabilities		70,900	20,780	24,990
Deferred taxation		35,715	26,862	29,408
Employee benefit bonus incentive		31,908	–	32,558
Current liabilities		1,893,081	1,903,076	1,932,281
Trade and other payables*		1,319,763	1,257,719	1,318,200
Derivatives		1,539	–	3,613
Employee benefit bonus incentive and provision		131,777	170,978	222,358
Current taxation		10,236	18,585	17,125
Borrowings	6	204,490	195,310	118,491
Right-of-use lease liabilities		85,704	73,887	81,154
Finance lease liabilities		44,903	28,954	23,885
Profit share liability		71,033	67,854	77,779
Bank overdrafts		23,636	89,789	69,676
Liabilities classified as held for sale		–	–	317
Total liabilities		3,374,625	3,276,726	3,438,978
Total equity and liabilities		8,963,610	8,321,198	8,778,113

*Includes the R22 million dividend payable as at 30 September 2022 which was disclosed separately in the unaudited consolidated interim results for the six months ended 30 September 2022. This presentation is consistent with the audited annual consolidated financial statements as at 31 March 2023.

Consolidated statement of profit or loss and other comprehensive income

	Notes	Change %*	Unaudited six months ended		Audited year ended
			30 September 2023 R'000	30 September 2022 R'000	31 March 2023 R'000
Revenue	7	12	4,291,645	3,830,652	7,769,948
Cost of sales			(2,891,488)	(2,584,846)	(5,246,005)
Gross profit		12	1,400,157	1,245,806	2,523,943
Expected credit losses recognised on trade receivables			(19,636)	(4,558)	(4,189)
Expected credit losses on loan and other receivables			–	(299)	–
Selling, administration and distribution costs		12	(1,021,146)	(908,152)	(1,870,455)
Operating profit before net finance income on financing transactions and foreign exchange movements		8	359,375	332,797	649,299
Finance income from financing transactions			6,551	3,932	8,140
Finance costs on financing transactions			(4,281)	(1,185)	(2,873)
Foreign exchange gains			136,883	154,168	289,038
Foreign exchange losses and costs			(102,796)	(121,152)	(297,016)
Operating profit	8	7	395,732	368,560	646,588
Equity-accounted earnings from investment in associates			7,310	6,241	12,817
Equity-accounted earnings from investment in joint ventures		23	110,135	89,571	152,851
Finance income			25,288	17,969	43,017
Finance costs			(85,896)	(56,351)	(131,222)
Profit before taxation		6	452,569	425,990	724,051
Taxation expense	9		(96,556)	(95,993)	(136,806)
Profit for the period		8	356,013	329,997	587,245
Other comprehensive income					
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of taxation):</i>					
Exchange differences on translation of foreign operations			85,169	313,399	439,044
Total comprehensive income for the period			441,182	643,396	1,026,289

*The % change is calculated based on the September period on period movement.

Consolidated statement of profit or loss and other comprehensive income

	Change Notes	%	Unaudited six months ended		Audited year ended
			30 September 2023 R'000	30 September 2022 R'000	31 March 2023 R'000
Profit attributable to:					
Owners of the parent - ordinary shares			299,903	282,879	489,523
Non-controlling interests			12,551	12,857	24,546
Owners of the parent - preference shares			43,559	34,261	73,176
Profit for the period	8		356,013	329,997	587,245
Total comprehensive income attributable to:					
Owners of the parent - ordinary shares			385,072	581,898	913,072
Non-controlling interests			12,551	27,237	40,041
Owners of the parent - preference shares			43,559	34,261	73,176
Total comprehensive income for the period	(31)		441,182	643,396	1,026,289
Basic earnings per share (cents)					
	10	12	304	272	481
Diluted earnings per share (cents)					
	10	12	303	271	479

*The % change is calculated based on the September period on period movement.

Consolidated statement of changes in equity

	Notes	Unaudited six months ended		Audited
		30 September 2023 R'000	30 September 2022 R'000	year ended 31 March 2023 R'000
Ordinary share capital				
Balance at the beginning of the period	5	–	5,236	5,236
Par value shares converted to no par value shares	5	–	(5,236)	(5,236)
Balance at the end of the period	5	–	–	–
Ordinary share premium				
Balance at the beginning of the period	5	–	2,516,172	2,516,172
Par value shares converted to no par value shares	5	–	(2,516,172)	(2,516,172)
Balance at the end of the period	5	–	–	–
Stated capital - ordinary shares				
Balance at the beginning of the period	5	2,403,858	–	–
Par value shares converted to no par value shares	5	–	2,521,408	2,521,408
Ordinary shares cancelled	5	–	–	(117,550)
Balance at the end of the period	5	2,403,858	2,521,408	2,403,858
Treasury shares				
Balance at the beginning of the period	5	(30,874)	–	–
Ordinary shares purchased	5	(24,725)	(117,551)	(151,416)
Ordinary shares cancelled	5	–	–	117,550
Ordinary shares disposed to director S.B Joffe - options exercised	5	–	–	2,992
Preference shares purchased	5	(21,564)	(37,500)	(37,500)
Preference shares cancelled	5	–	–	37,500
Balance at the end of the period	5	(77,163)	(155,051)	(30,874)
Preference shares				
Balance at the beginning of the period	5	712,500	750,000	750,000
Preference shares cancelled	5	–	–	(37,500)
Balance at the end of the period	5	712,500	750,000	712,500
Other reserves*				
Balance at the beginning of the period		(27,002)	(29,883)	(29,883)
Equity-settled share-based payments exercised		–	–	(4,239)
Equity-settled share-based payments issued		9,003	6,283	13,112
Equity-settled share-based payments cancelled		(1,129)	(2,416)	(5,992)
Balance at the end of the period		(19,128)	(26,016)	(27,002)
Foreign currency translation reserve				
Balance at the beginning of the period		218,009	(205,540)	(205,540)
Total comprehensive income		85,169	299,018	423,549
Balance at the end of the period		303,178	93,478	218,009
Retained earnings				
Balance at the beginning of the period		1,977,802	1,593,958	1,593,958
Total comprehensive income		343,462	317,139	562,699
Ordinary shares purchased		(2,091)	(13,331)	(13,331)
Preference shares purchased		(674)	1,489	1,489
Ordinary dividends declared		(98,713)	(94,254)	(99,002)
Preference dividends declared		(43,559)	(34,261)	(73,176)
Equity-settled share-based payments cancelled		1,129	2,416	5,001
Transfers between reserves		–	164	164
Disposal of subsidiary		(3,231)	–	–
Balance at the end of the period		2,174,125	1,773,320	1,977,802
Attributable to equity shareholders		5,497,370	4,957,139	5,254,293

*Consists of a common control reserve, share-based payment reserve and other statutory reserves.

Consolidated statement of changes in equity

	Unaudited six months ended		Audited
	30 September	30 September	year ended
	2023	2022	31 March
Notes	R'000	R'000	R'000
Non-controlling interest			
Balance at the beginning of the period	84,842	62,742	62,742
Total comprehensive income	12,551	27,238	40,041
Ordinary dividends declared	(510)	(722)	(16,016)
Transfers between reserves	–	(164)	(164)
Disposal of subsidiary	(5,268)	(1,761)	(1,761)
Balance at the end of the period	91,615	87,333	84,842
Total equity	5,588,985	5,044,472	5,339,135

Consolidated statement of cash flows

	Notes	Unaudited six months ended		Audited
		30 September	30 September	year ended
		2023	2022	31 March
		R'000	R'000	R'000
Cash flows from operating activities				
Cash generated from operations	11	322,388	290,298	639,099
Finance costs paid		(83,370)	(56,367)	(128,296)
Finance cost on financing transactions paid		(4,281)	(1,185)	(1,076)
Dividends paid to Group shareholders		(144,842)	(129,508)	(163,831)
Dividends paid to non-controlling interests		(510)	(722)	(16,016)
Taxation paid		(92,043)	(74,277)	(152,890)
Finance income received		23,219	17,911	42,099
Finance income from financing transactions received		6,551	3,931	8,140
Net cash inflow from operating activities		27,112	50,081	227,229
Cash flows from investing activities				
Proceeds on disposal of property, plant and equipment and other intangible assets		38,302	24,036	38,898
Additions to property, plant and equipment		(25,681)	(38,634)	(78,092)
Additions to other intangible assets		(3,392)	(544)	(1,603)
Acquisition of subsidiaries and businesses	14	(104,698)	(1,895)	–
Additional investment in associate		–	–	(38)
Acquisition of joint venture	4	(28,750)	–	–
Proceeds on disposal of subsidiaries (net of cash and cash equivalents disposed)	13	6,824	(391)	(391)
Dividends received from associates		–	2,702	3,679
Dividends received from joint venture		101,877	–	83,893
Funds lent in relation to loan and other receivables		–	(9,811)	(9,811)
Payments received from loan and other receivables		6,010	4,401	125,249
Net cash (outflow)/inflow from investing activities		(9,508)	(20,136)	161,784
Cash flows from financing activities				
Funding received in respect of borrowings	6	504,847	141,191	185,000
Principal repayment of borrowings	6	(522,290)	(31,894)	(129,686)
Funding received in respect of finance lease liabilities		107,569	14,195	47,671
Principal repayment of finance lease liabilities		(40,670)	(20,603)	(46,228)
Principal repayment of right-of-use lease liabilities		(45,885)	(39,202)	(82,315)
Payment of profit share liability		(7,165)	–	(5,007)
Proceeds received on termination of interest rate swaps	4	8,656	–	–
Ordinary shares repurchased		(26,816)	(130,881)	(164,747)
Preference shares repurchased		(22,238)	(36,011)	(36,011)
Net cash outflow from financing activities		(43,992)	(103,205)	(231,323)
Net (decrease)/increase in cash and cash equivalents		(26,388)	(73,260)	157,690
Cash and cash equivalents at the beginning of the period		730,324	528,975	528,975
Effect of foreign exchange rate movement on cash balances		19,274	33,476	43,659
Cash and cash equivalents at the end of the period		723,210	489,191	730,324
Cash and cash equivalents				
Bank and cash balances		746,846	578,980	799,957
Bank overdrafts		(23,636)	(89,789)	(69,676)
Cash and cash equivalents from continuing operations		723,210	489,191	730,281
Cash and cash equivalents classified as held for sale		–	–	43
Total		723,210	489,191	730,324

Segment reporting

The Group determines and presents operating segments based on the information that is provided internally to the Group Executive Committee.

Segment revenue

	Unaudited six months ended 30 September			
	Sale of goods	Services	Rental	Total
	R'000	R'000	R'000	R'000
2023				
RPI: Industrial	2,480,039	5,061	–	2,485,100
RPA: Auto-agri	356,117	–	–	356,117
CE: Capital equipment	551,716	47,991	33,007	632,714
RPE: Earthmoving	593,760	–	–	593,760
Corporate Group	215,622	–	11,323	226,945
Inter-segment elimination	(2,991)	–	–	(2,991)
Total	4,194,263	53,052	44,330	4,291,645
2022				
RPI: Industrial	2,300,866	3,927	–	2,304,793
RPA: Auto-agri	279,752	–	–	279,752
CE: Capital equipment	518,742	29,296	33,230	581,268
RPE: Earthmoving	470,076	–	–	470,076
Corporate Group	188,008	–	10,031	198,039
Inter-segment elimination	(3,276)	–	–	(3,276)
Total	3,754,168	33,223	43,261	3,830,652
	Audited year ended 31 March			
	Sale of goods	Services	Rental	Total
	R'000	R'000	R'000	R'000
2023				
RPI: Industrial	4,767,461	8,430	–	4,775,891
RPA: Auto-agri	550,426	688	–	551,114
CE: Capital equipment	875,014	101,032	81,471	1,057,517
RPE: Earthmoving	985,544	–	–	985,544
Corporate Group	389,597	–	20,713	410,310
Inter-segment elimination	(10,428)	–	–	(10,428)
Total	7,557,614	110,150	102,184	7,769,948

Profit or loss

	Unaudited six months ended 30 September				Audited year ended 31 March	
	Operating profit/(loss)*		Profit/(loss) before taxation		Operating profit/(loss)*	Profit/(loss) before taxation
	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2023 R'000
RPI: Industrial**	175,220	172,353	118,738	146,269	369,110	256,815
RPA: Auto-agri	47,420	65,644	44,972	59,494	114,871	104,698
CE: Capital equipment	66,477	49,641	71,719	54,441	84,050	89,815
RPE: Earthmoving***	76,936	59,769	72,782	68,973	108,164	105,372
KAG: Kian Ann Group	–	–	108,074	89,571	–	152,851
Corporate Group****	(6,678)	(14,610)	36,284	7,242	(26,896)	14,500
Total	359,375	332,797	452,569	425,990	649,299	724,051

*Operating profit/(loss) before interest on financing transactions and foreign exchange movements.

**The profit before taxation as at 30 September 2023 includes Rnil million (2022: R6.2 million) equity accounted earnings of associates. In the second half of financial year 2023, this segment disposed of its AME investments in associates to Africa Maintenance Equipment South Africa (Pty) Ltd which forms part of the corporate segment.

***The profit before taxation as at 30 September 2023 includes R2.1 million (2022: Rnil) equity accounted earnings of KMP Far East Pte. Ltd.

****The profit before taxation as at 30 September 2023 includes R7.3 million (2022: Rnil million) equity accounted earnings of AME associates.

Segment reporting

Segment assets and liabilities

	Unaudited six months ended 30 September				Audited year ended 31 March	
	Segment assets		Segment liabilities		Segment assets	Segment liabilities
	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2023 R'000
RPI: Industrial*	3,850,166	3,696,103	1,521,099	1,430,169	3,862,146	1,560,526
RPA: Auto-agri	634,256	428,122	165,216	107,488	444,655	93,611
CE: Capital equipment	976,438	891,824	488,976	380,300	922,772	438,630
RPE: Earthmoving**	887,764	768,249	249,620	227,644	883,642	282,785
KAG: Kian Ann Group Corporate Group***	1,754,756	1,603,667	–	–	1,687,437	–
	835,049	933,233	949,714	1,131,125	916,836	1,063,109
Total continuing operations	8,938,429	8,321,198	3,374,625	3,276,726	8,717,488	3,438,661
Classified as held for sale****	25,181	–	–	–	60,625	317
Total	8,963,610	8,321,198	3,374,625	3,276,726	8,778,113	3,438,978

*The segment assets include an investment in associate of R48.1 million (September 2022: R62.7 million and March 2023: R45.3 million). In the second half of financial year 2023, this segment disposed of investments in associates to Africa Maintenance Equipment South Africa (Pty) Ltd which forms part of the corporate segment.

**The segment assets include an investment in joint venture (KMP Far East Pte. Ltd) of R30.2 million (September 2022: Rnil).

***The segment assets include investments in AME associates of R29.7 million (September 2022: Rnil million and March 2023: R22.5 million).

****Assets and liabilities classified as held for sale relate to the Corporate segment.

Other segment information

	Unaudited six months ended 30 September				Audited year ended 31 March	
	Depreciation and amortisation		Non-current asset additions*		Depreciation and amortisation	Non-current asset additions*
	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2023 R'000
RPI: Industrial	67,945	76,500	75,604	55,135	142,768	92,221
RPA: Auto-agri	6,512	5,011	6,980	1,161	9,784	4,299
CE: Capital equipment	21,793	25,953	9,334	13,114	48,807	25,823
RPE: Earthmoving	17,685	14,502	3,930	5,899	30,213	12,871
Corporate Group	(6,038)	(9,468)	3,772	6,463	(11,232)	9,736
Total	107,897	112,498	99,620	81,772	220,340	144,950

*Includes additions to property, plant and equipment and other intangible assets.

Notes to the financial information

1. Basis of preparation

The unaudited and unreviewed consolidated interim financial results are prepared in accordance with the JSE Limited Listings Requirements for interim reports, the requirements of IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act, No 71 of 2008 of South Africa applicable to summary financial statements.

These consolidated interim financial results do not include all the notes typically included in the annual financial statements and should therefore be read in conjunction with the Group audited annual consolidated financial statements for the year ended 31 March 2023.

The consolidated interim financial results comprise the consolidated statement of financial position at 30 September 2023, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months ended 30 September 2023 and selected explanatory notes.

The accounting policies and method of computation applied in the preparation of these consolidated interim financial results are in terms of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and are consistent with those applied in the preparation of the Group's 2023 audited annual consolidated financial statements.

These unaudited and unreviewed consolidated interim financial results for the six months ended 30 September 2023 were prepared under the supervision of Ms. Nazlee Rajmohamed CA(SA), in her capacity as Group Financial Director.

The Board takes full responsibility for the preparation of these unaudited and unreviewed consolidated interim financial results and for ensuring that the financial information has been correctly prepared.

2. Auditors responsibility

These unaudited interim financial results have neither been audited nor reviewed by the Group's auditor.

3. Going concern

In preparing these consolidated interim financial results, the directors have confirmed the Group's ability to continue as a going concern for the foreseeable future. The following factors were considered:

Financial performance

The Group has adequate resources with sufficient facilities and/or access to cash to meet future commitments and debt repayments as they fall due in the next 12 months and gearing levels remain low.

Liquidity and solvency

The Group is liquid and solvent.

Debt covenants

The Group has met bank covenants applicable at 30 September 2023.

Covenants	Requirement	Achieved
Net debt to EBITDA ratio	3.0 <	1.16
Interest cover ratio	3.5 >	8.35

Notes to the financial information

3. Going concern (continued)

The relevant contractual definitions are as follows:

- **Net Debt to EBITDA Ratio:** Net Debt divided by EBITDA
Net Debt is net of any Cash or Cash Equivalent Investments, excludes obligations to any other member of the Group and includes the capitalised value of finance leases.
EBITDA means the consolidated operating profit before net finance income on financing transactions and foreign exchange movements, excluding results from discontinued operations, adding back depreciation and amortisation, and adjusting for the impact of foreign exchange. Non-recurring items are not included.
- **Total Interest Cover Ratio** is the EBITDA divided by Net Finance Charges
Finance Charges means finance payments in respect of Group borrowings less finance income.

4. Derivatives, investment in joint venture and foreign exchange

Net investment in finance leases

The Group has increased its financing of capital equipment transactions in the current period from the bank which are then leased to customers. As a result, the current and non-current finance lease liabilities and the net investment in finance leases have increased by R67 million and R100 million respectively, compared to 31 March 2023.

Derivatives – interest rate swaps

Effective 15 September 2023, the Group early terminated two interest rate swaps (swap 53014582 and 53014781) which had original termination dates of 9 September 2024 and 9 September 2025 respectively. The fair value at the date of early terminating was R10 million. The proceeds received on early termination amounted to R9 million and the Group recognised a loss on the early termination of R1 million. Swap 53014578 reported at 31 March 2023 terminated at maturity date on 11 September 2023. As at 30 September 2023, the Group does not hold any interest rate swap contracts.

Investment in joint ventures

The investment in joint ventures increased by R98 million from R1,687 million at 31 March 2023 to R1,785 million at 30 September 2023. The increase is attributable to the acquisition of the 50% ordinary share capital in KMP Far East Pte. Ltd (KMPFE) for a consideration of SGD2.2 million (approximately R29 million) effective 3 April 2023, the R110 million equity accounted earnings, foreign exchange movements of R60 million offset by a dividend received from KAG of R102 million.

KMPFE is based in Singapore and distributes aftermarket parts for diesel engines for industrial and agricultural machinery and serves customers in more than 13 countries across the Asia-Pacific region. KMPFE contributed R2 million to the equity accounted earnings reported on the consolidated statement of profit or loss and other comprehensive income.

Foreign exchange translations

The foreign currency translation reserve reported at 30 September 2023 of R303 million increased by R85 million compared to R218 million as at 31 March 2023. The increase is due to the significantly weaker Rand against translated currencies, in particular the US dollar (30 September 2023 US\$1: R18.83 and 31 March 2023 US\$1:17.72, the Singapore dollar (30 September 2023 SGD1:R13.82 and 31 March 2023 SGD1: R13.33) and the British pound (30 September 2023 GBP1: R23.01 and 31 March 2023 GBP1: R21.96).

Likewise, assets and liabilities on the consolidated statement of financial position have been impacted on translation to Rand.

Notes to the financial information

5. Stated capital, treasury shares and preference shares

Share repurchases

During the current financial year, the Group purchased 1,026,957 ordinary no par value shares for R26.9 million and 215,639 preference shares for R22.3 million on the open market. As at 30 September 2023, these shares were held as treasury shares by the Group.

	Unaudited six months ended		Audited
	30 September 2023 R'000	30 September 2022 R'000	year ended 31 March 2023 R'000
Reconciliation of movements			
Ordinary share capital and share premium			
Balance at the beginning of the period	–	2,521,408	2,521,408
Par value shares converted to no par value shares	–	(2,521,408)	(2,521,408)
Balance at the end of the period	–	–	–
Stated capital - ordinary shares			
Balance at the beginning of the period	2,403,858	–	–
Par value shares converted to no par value shares	–	2,521,408	2,521,408
Ordinary no par value shares cancelled	–	–	(117,550)
Balance at the end of the period	2,403,858	2,521,408	2,403,858
Treasury shares			
Balance at the beginning of the period - ordinary shares	(30,874)	–	–
Ordinary shares purchased	(24,725)	(117,551)	(151,416)
Ordinary no par value shares disposed to director S.B Joffe	–	–	2,992
- options exercised	–	–	117,550
Ordinary shares cancelled	–	–	–
Ordinary treasury shares at the end of the period	(55,599)	(117,551)	(30,874)
Preference shares purchased	(21,564)	(37,500)	(37,500)
Preference shares cancelled	–	–	37,500
Total balance at the end of the period	(77,163)	(155,051)	(30,874)
Preference shares			
Balance at the beginning of the period	712,500	750,000	750,000
Repurchased and cancelled	–	–	(37,500)
Balance at the end of the period	712,500	750,000	712,500
Reconciliation of movements in issued shares (number of issued shares)			
Total ordinary shares issued			
Balance at the beginning of the period	99,844,589	104,727,070	104,727,070
No par value shares repurchased and cancelled	–	–	(4,882,481)
Balance at the end of the period	99,844,589	104,727,070	99,844,589
Ordinary treasury shares held			
Balance at the beginning of the period	1,131,968	–	–
No par value shares purchased	1,026,957	4,882,481	6,125,270
No par value shares cancelled	–	–	(4,882,481)
No par value shares disposed to director S.B Joffe - options exercised	–	–	(110,821)
Balance at the end of the period	2,158,925	4,882,481	1,131,968
Preference treasury shares held			
Balance at the beginning of the period	–	–	–
Shares purchased	215,639	375,000	375,000
Shares cancelled	–	–	(375,000)
Balance at the end of the period	215,639	375,000	–
Total preference shares issued			
Balance at the beginning of the period	7,125,000	7,500,000	7,500,000
Shares repurchased and cancelled	–	–	(375,000)
Balance at the end of the period	7,125,000	7,500,000	7,125,000

Notes to the financial information

6. Borrowings

Description	Interest rate	Maturity	Unaudited six months ended		Audited year ended
			30 September	30 September	31 March
			2023	2022	2023
			R'000	R'000	R'000
Secured borrowings					
Mortgage bonds*	Prime	120 months tenor	146,192	163,727	151,822
Standard Bank GBP revolving credit facility**	SONIA	December 2024	81,742	160,148	175,678
Nedbank revolving credit facility**	JIBAR overnight deposit	February 2025	582,432	582,432	582,432
RMB revolving credit facility**	JIBAR overnight deposit	February 2025	100,000	175,000	100,000
ABSA USD term loan**	3.80% fixed	February 2026	138,344	129,853	127,611
Asset financing loan**	Prime	48 to 60 months tenor	125,704	74,223	102,188
Unsecured borrowings					
Overnight credit facilities	Prime less 1% to 2.25%		145,000	–	45,000
Other borrowings	0% to 9.23%	On demand to April 2026	38,868	37,061	30,579
Total borrowings			1,358,282	1,322,444	1,315,310
Less: Current borrowings			(204,490)	(195,310)	(118,491)
Non-current borrowings			1,153,792	1,127,134	1,196,819

*The mortgage bonds are secured by the related land and buildings.

**These loans and revolving credit facilities are secured by cross-sureties provided by Group companies.

Reconciliation of borrowings movement	Unaudited six months ended		Audited year ended
	30 September	30 September	31 March
	2023	2022	2023
	R'000	R'000	R'000
Balance at the beginning of the period	1,315,310	1,142,603	1,142,603
Funds raised*	504,847	141,191	185,000
Interest accrued	59,622	36,260	94,412
Payments of capital*	(522,290)	(31,894)	(129,686)
Payments of interest	(56,789)	(36,276)	(92,797)
Acquisition of subsidiaries	3,794	–	–
Other non-cash items	(294)	–	6,975
Vehicle asset financing non-cash item	33,222	29,592	56,800
Foreign currency translation	20,860	40,968	52,003
Balance at the end of the period	1,358,282	1,322,444	1,315,310

*The current period includes R392 million drawn down on the RMB revolving credit facility which was repaid by 30 September 2023.

Notes to the financial information

7. Revenue

	Unaudited six months ended		Audited
	30 September	30 September*	Year ended 31 March
	2023	2022	2023
	R'000	R'000	R'000
<i>Revenue from contracts with customers</i>			
Sale of goods	4,194,263	3,754,168	7,557,614
-Equipment and parts	1,325,586	988,818	2,100,660
-Engineering consumables and tools	2,653,055	2,577,343	5,067,358
-Plastic pipe ware and hardware	215,622	188,007	389,596
Rendering of services	53,052	33,223	110,150
Rental income	44,330	43,261	102,184
External revenue	4,291,645	3,830,652	7,769,948

Geographical Sales

South Africa operations and other African operations comprise 75% (September 2022:79%) and 12% (September 2022: 11%) of the Group revenue respectively, with the remaining 13% (September 2022: 10%) being operations in Europe and America.

8. Operating profit

Operating profit includes the following:

Income			
Profit on disposal of property, plant and equipment	3,505	6,341	9,545
Profit on disposal of a business/investments	605	–	–
Profit on derecognition of right-of-use assets and right-of-use lease liabilities	29	2,793	2,961
Fair value adjustment - interest rate swaps	–	7,397	2,166
Impairment reversal of property, plant and equipment	–	398	5,368
Expenses			
Depreciation	54,390	56,543	112,745
Amortisation of other intangible assets	10,626	15,118	24,274
Depreciation of right-of-use assets	42,881	40,837	83,321
Operating lease expenses*	3,805	6,192	10,787
Impairment of property, plant and equipment	–	53	–
Impairment of property classified as held for sale	–	–	6,293
Impairment of investment property	–	–	430
Fair value adjustment on profit share liability	–	–	15,233
Fair value adjustment - interest rate swaps	3,311	–	–
Loss on disposal of property, plant and equipment	1,804	714	3,974
Auditors' remuneration	11,370	8,667	22,770
Employment benefit expense	655,826	611,526	1,223,791
- Short-term employee benefit expense	611,552	572,208	1,143,500
- Defined contribution plan expense	35,271	33,035	65,978
- Equity settled share-based payment expenses - equity settled	9,003	6,283	13,112
- Equity settled share-based payment expenses - options exercised	–	–	1,201

*Expenditure from the lease of short-term assets, expenditure from leases of low value assets, and expenditure from leases with variable lease payments.

Notes to the financial information

9. Income taxation

	Unaudited six months ended		Audited
	30 September	30 September	year ended
	2024	2023	31 March
	R'000	R'000	R'000
Current taxation			
– current year	24,768	40,957	103,711
– prior year	–	557	–
Deferred taxation			
– current year	37,498	16,058	(220)
– previously unrecognised tax asset recognised	–	–	(39,563)
– prior year	–	420	–
Withholding tax	1,496	1,956	8,829
Share transfer tax	123	417	320
Current taxation in foreign jurisdictions	32,671	35,628	63,729
Taxation expense	96,556	95,993	136,806
Reconciliation of effective tax rate	%	%	%
Tax rate using the Group's domestic tax rate	27.0	27.0	27.0
Share in profit of associates and joint ventures	(6.9)	(6.1)	(6.2)
<i>Tax effect of exempt/non-taxable income:</i>			
Employee tax incentive	–	(0.1)	–
Profit share liability revaluation	–	–	0.6
Other permanent differences and exempt income*	0.5	(0.1)	0.4
<i>Taxation effect of non-deductible expenses:</i>			
Consulting, legal, and secretarial fees	–	0.1	0.1
Amortisation of agency rights	–	0.2	0.2
Leasehold depreciation	0.2	0.1	–
Penalties and interest	–	–	0.2
Impairment	–	(0.8)	(0.5)
<i>Foreign taxation:</i>			
Effect of tax rates in foreign jurisdictions	(1.1)	1.0	(0.2)
Capital gains tax differential	0.1	(0.2)	(0.1)
Learnership allowances	(0.3)	–	(0.3)
Taxation adjustments	–	0.2	1.5
Dividend withholding tax	0.2	0.5	1.2
Tax losses where no deferred taxation asset has been recognised	2.0	1.7	1.6
Tax losses utilised where no deferred taxation asset previously recognised	(0.4)	(1.0)	(6.6)
Effective tax rate	21.3	22.5	18.9

*Other permanent differences and exempt income comprise foreign statutory disallowed expenses and exempt income. The directors of the Group have applied appropriate judgement in assessing the tax treatment of instruments in the tax computations and that the Group has reasonable tax provision for any potential exposures.

Notes to the financial information

10. Earnings per share

	Unaudited six months ended		Audited year ended
	30 September 2023	30 September 2022	31 March 2023
Earnings per share (cents)			
Basic earnings per share	304	272	481
Diluted earnings per share	303	271	479
Headline earnings per share	269	268	488
Diluted headline earnings per share	268	266	486
Ordinary shares ('000)			
In Issue	99,845	104,727	99,845
Weighted average	98,664	103,957	101,828
Diluted weighted average	99,007	104,441	102,228
Weighted average number of ordinary shares ('000)			
Issued shares (net of treasury shares) at the beginning of the period	98,713	104,727	104,727
Ordinary shares repurchased during the period	(49)	(770)	(2,899)
Balance at the end of the period	98,664	103,957	101,828
Diluted weighted average number of ordinary shares ('000)			
Weighted average number of ordinary shares for the period	98,664	103,957	101,828
Add: Dilutive effect of equity settled share-based payments	343	484	400
Balance at the end of for the period	99,007	104,441	102,228
The share-based payment option tranche 14, 15, 18 and 19 (September 2022 and March 2023: tranches 13, 14, 15 and 18) are non-dilutive as the options are currently 'out of the money' and have not been included in the table above.			
Headline earnings (R'000)			
Profit attributable to owners of the parent - ordinary shares	299,903	282,879	489,523
Headline earnings adjustments			
Adjustments for:			
Profit on disposal of property, plant and equipment	(3,505)	(6,341)	(9,545)
Less: Taxation thereon	924	1,536	1,621
Less: Other shareholders interest thereon	–	2	56
Loss on disposal of property, plant and equipment	1,804	714	3,974
Less: Taxation thereon	(169)	(157)	(1,065)
Less: Other shareholders interest thereon	–	–	(16)
Profit on disposal of subsidiary	(605)	–	–
Reversal of impairment - property, plant and equipment	–	(345)	(5,368)
Impairment of investment property	–	–	430
Less: Taxation thereon	–	–	(93)
Impairment of property classified as held for sale	–	–	6,293
Less: Taxation thereon	–	–	(972)
(Profit)/loss on disposal of investment included in equity-accounted earnings post taxation	(33,218)	–	12,244
Profit on disposal of property, plant and equipment included in equity-accounted earnings post taxation	(203)	–	–
Headline earnings	264,931	278,288	497,082

Notes to the financial information

11. Reconciliation of profit before tax to cash generated from operations

	Unaudited six months ended		Audited
	30 September	30 September	year ended
	2023	2022	2023
	R'000	R'000	R'000
Profit before taxation	452,569	425,990	724,051
<i>Adjusted for:</i>			
Finance income from financing transactions	(6,551)	(3,932)	(8,140)
Finance costs on financing transactions	4,281	4,558	2,873
Expected credit losses on loan receivables	–	299	–
Finance income	(25,288)	(17,969)	(43,017)
Finance costs	85,896	52,978	131,222
Share of profits of associates	(7,310)	(6,241)	(12,817)
Share of profits of joint ventures	(110,135)	(89,571)	(152,851)
Fair value adjustment on profit share liability	–	–	15,233
Profit on disposal of property, plant and equipment	(3,505)	(6,341)	(9,545)
Profit on disposal of investments and businesses	(605)	–	–
Profit on derecognition of right-of-use assets and right-of-use liabilities	(29)	(2,818)	(2,988)
Loss on derecognition of right-of-use assets and right-of-use lease liabilities	–	25	27
Depreciation	97,271	97,380	196,066
Amortisation	10,626	15,118	24,274
Lease smoothing	(2)	(35)	(569)
Reversal of impairment - property, plant and equipment	–	(345)	(5,368)
Impairment of property classified to held for sale	–	–	6,293
Impairment of investment property	–	–	430
Loss on disposal of property, plant and equipment	1,804	714	3,974
Loss on termination of interest rate swaps	1,207	–	–
Share-based payment expenses - equity settled	9,003	6,283	13,112
Share-based payment expenses - options exercised	–	–	1,201
Revaluation of derivatives	3,311	(7,397)	(2,166)
Retirement obligation accrual	(15)	–	117
Other non-cash adjustments	–	–	4,295
Cash generated before movements in working capital	512,528	468,696	885,707
Working capital changes:	(190,140)	(178,398)	(246,608)
Increase in inventories	(13,115)	(194,438)	(327,516)
Decrease/(increase) in trade and other receivables	111,071	52,771	(44,573)
(Decrease)/increase in trade and other payables	(100,003)	(6,504)	73,074
(Decrease)/increase in employee benefit bonus incentives and provision	(87,966)	(50,929)	44,043
(Increase)/decrease in net investment in finance leases*	(100,127)	20,702	8,364
Cash generated from operations	322,388	290,298	639,099

*The Group finances certain capital equipment transactions to customers at market related interest rates, resulting in the recognition of a net investment in finance leases. The financed asset consequently serves as security for the lease transactions. As a result, the cash flow implications of the net investment in finance leases are considered to be cash flows from operations.

Notes to the financial information

12. Capital risk management and financial instruments

Capital risk management

Capital is managed to ensure that operations are able to continue as a going concern, whilst maximising return to stakeholders through an appropriate debt and equity structure. The capital structure of the Group consists of debt, which includes borrowings, cash and cash equivalents, preference shares and equity. Capital risk is continuously reviewed by the board and risks are mitigated accordingly. The treasury function is administered at Group level where strategies for the funding of working capital requirements and capital expenditure projects are implemented, taking into account cash flow projections and expected movements in interest rates.

	Unaudited six months ended		Audited
	30 September	30 September	year ended
	2023	2022	31 March
	R'000	R'000	R'000
Total interest-bearing debt	1,749,018	1,644,939	1,667,944
Less: Cash and cash equivalents	(723,210)	(489,191)	(730,281)
Net interest-bearing debt	1,025,808	1,155,748	937,663
Total equity	5,588,985	5,044,472	5,339,135
Net debt to equity ratio	18%	23%	18%

Categories for financial instruments

	Unaudited six months ended		Audited
	30 September	30 September	year ended
	2023	2022	31 March
	R'000	R'000	R'000
Financial assets			
Net investment in finance lease – amortised cost	173,952	62,923	74,341
Loan and other receivables – amortised cost	171,537	306,457	185,657
Derivatives - forward exchange contracts – mandatory fair value through profit or loss	170	3,502	28
Derivatives – interest rate swaps – mandatory fair value through profit or loss	–	18,405	13,174
Trade and other receivables – amortised cost	1,130,558	1,118,945	1,162,539
Cash and cash equivalents – amortised cost	746,846	578,980	799,957
Financial liabilities			
Borrowings – amortised cost	1,358,282	1,322,444	1,315,310
Right-of-use lease liabilities – amortised cost	274,933	272,761	303,759
Finance lease liabilities – amortised cost	115,803	49,734	48,875
Trade and other payables – amortised cost	1,242,399	1,153,379	1,232,722
Derivative forward exchange contracts – mandatory fair value through profit or loss	1,539	–	3,613
Profit share liability – mandatory fair value through profit or loss	71,033	67,854	77,779
Bank overdrafts – amortised cost	23,636	89,789	69,676

Notes to the financial information

12. Capital risk management and financial instruments (continued)

Financial instruments measured at fair value

An analysis of the financial instruments that are measured subsequent to initial recognition at fair value including information about the valuation techniques and inputs used in determining the fair value, is represented in the table below. They are grouped into levels 1 to 3 based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group can access at the measurement date.

Level 2 - inputs are inputs, other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised on a recurring basis, the Group determines whether transfers have occurred between the levels in the hierarchy by reassessing the categorisation at the end of each reporting period.

2023	Unaudited six months ended 30 September				
	Balance at reporting date	Valuation technique(s) and key	Level 1	Level 2	Level 3
	R'000				
Financial assets at fair value					
Derivatives - forward exchange contracts	170	1	170	–	–
Financial liabilities at fair value					
Profit share liability	71,033	3	–	–	71,033
Derivatives - forward exchange contracts	1,539	1	1,539	–	–

2022

Financial assets at fair value					
Derivatives -forward exchange contracts	3,502	1	3,502	–	–
Derivatives - interest rate swaps	18,405	2	–	18,405	–
Financial liabilities at fair value					
Profit share liability	67,854	3	–	–	67,854

2023	Audited year ended 31 March				
	Balance at reporting date	Valuation technique(s) and key	Level 1	Level 2	Level 3
	R'000				
Financial assets at fair value					
Derivatives - interest rate swaps	13,174	2	–	13,174	–
Derivatives - forward exchange contracts	28	1	28	–	–
Financial liabilities at fair value					
Profit share liability	77,779	3	–	–	77,779
Derivatives - forward exchange contracts	3,613	1	3,613	–	–

Valuation technique(s) and key inputs:

1.Expected settlement value.

2.Monte Carlo Simulation Technique along with the Geometric Brownian Motion Model.

3.Earnings multiple valuation based on three times the average annual profit before taxation over the past 24 months multiplied by the notional percentage holding.

Notes to the financial information

12. Capital risk management and financial instruments (continued)

Financial instruments measured at fair value (continued)

The valuation of the profit share liability is based on historic earnings and contractually determined price earnings multiples; as such this valuation is not sensitive to a change in assumptions.

Movements in Level 3 financial liabilities are as follows:

	Unaudited six months ended		Audited year
	30 September	30 September	31 March
	2023	2022	2023
	R'000	R'000	R'000
Profit share liability at fair value			
Fair value at the beginning of the period	77,779	62,892	62,892
Fair value adjustment recognised in profit or loss	–	–	15,233
Other adjustment	337	4,701	4,434
Foreign currency translation	83	261	227
Payments	(7,166)	–	(5,007)
Fair value at the end of the period	71,033	67,854	77,779

13. Disposal of businesses and subsidiaries

Non-core property disposals classified as held for sale at 31 March 2023 (Properties)

Effective 19 June 2023, the Group disposed of the property located at Airport City with a carrying value of R21.9 million for a purchase consideration of R22.4 and incurred selling costs of R0.5 million. In addition, the property located in Rustenburg with a carrying value of R6.0 million was disposed effective 30 June 2023 for a purchase consideration of R5.8 million (VAT exclusive) and selling costs of R0.4 million incurred. The net loss recognised on disposal was R0.6 million.

Disposal of Fidelio Properties Proprietary Limited classified as held for sale at 31 March 2023 (Subsidiary)

Effective 31 August 2023, the Group disposed of its 100% interest in Fidelio Properties Proprietary Limited for a purchase consideration of R7.2 million. The carrying value of the net assets disposed was R6.6 million and a net gain of R0.6 million was recognised.

The value of assets and liabilities disposed was as follows:

2023	Unaudited six months ended		
	Properties	Subsidiary	Total
A summary of the financial impact of the disposals is disclosed below:	R'000	R'000	R'000
Property, plant and equipment	27,927	6,462	34,389
Loans and other receivables	–	165	165
Trade and other receivables	–	840	840
Cash and cash equivalents	–	376	376
Trade and other payables	–	(1,097)	(1,097)
Deferred tax liability	–	(44)	(44)
Current taxation liability	–	(107)	(107)
Net assets disposed of	27,927	6,595	34,522
Proceeds received	27,264	7,200	34,464
Net assets disposed	(27,927)	(6,595)	(34,522)
(Loss)/profit on disposal of held for sale assets and liabilities	(663)	605	(58)
Proceeds received	27,264	7,200	34,464
Cash and cash equivalents disposed	–	(376)	(376)
Total cash inflow on disposal	27,264	6,824	34,088

Notes to the financial information

14. Acquisition of businesses and subsidiaries

Acquisition of subsidiary

Effective 3 July 2023, the Group acquired a 100% shareholding in Imexpart Limited for a total consideration of £4.7 million.

Imexpart Limited is based in the United Kingdom and distributes a wide variety of truck and bus parts for DAF, Mercedes, Volvo, MAN, Iveco, Renault, Scania, and Cummins engines and carries a full range of replacement parts including bumpers and step panels for trucks.

Part of the Invicta strategy is to diversify into new geographical areas in industries and markets which leverage the existing Invicta business. The acquisition provides opportunities to distribute RPA – Auto agri products and as such, the acquisition is included in this segment from the effective acquisition date.

The Group has concluded a preliminary purchase price allocation which is subject to a final review process. The preliminary fair value of the assets and liabilities acquired is as follows:

	Unaudited six months ended 30 September
	R'000
Fair value of net assets acquired:	
Property, plant and equipment	78,824
Right of use assets	383
Inventories	42,173
Trade and other receivables	46,622
Cash and cash equivalents	999
Deferred tax liability	(2,272)
Borrowings	(3,794)
Right of use lease liabilities	(416)
Trade and other payables	(54,686)
Current taxation liabilities	(2,485)
Fair value of net assets acquired	105,348
Cash purchase consideration	105,697
Amounts due to seller*	7,180
Total purchase consideration	112,877
Goodwill recognised on acquisition	7,529
Cash paid	105,697
Cash and cash equivalents acquired	(999)
Cash outflow on acquisition of subsidiary	104,698
Profit after taxation since acquisition date included in the consolidated results for the period	1,813
Revenue since acquisition date included in the consolidated results for the period	61,304
Profit after taxation had the business combination been included for the entire period	4,555
Revenue had the business combination been included for the entire period	125,900

*Contractually agreed contingent consideration of £300,000 payable in two equal instalments, 6 months and 12 months from the acquisition date subject to any claims.

Goodwill

Based on the preliminary purchase price allocation, the purchase price for the acquisition of Imexpart Limited exceeds the at acquisition fair value of the net assets acquired, resulting in goodwill recognised. The consideration paid includes amounts for expected synergies, revenue growth and future market developments and the goodwill arose from the expected benefit from economies of scale the Group expects to achieve.

Acquisition costs

Acquisition costs of £120 thousand (approximately R3 million) have been recognised in profit or loss and included in selling, administration, and distribution costs.

Notes to the financial information

15. Dividends paid

A cash dividend of 100 cents per ordinary share was paid on 7 August 2023 to shareholders registered on 4 August 2023 and a cash preference dividend of 666.36 cents per preference share was paid on 3 July 2023 to shareholders registered on 27 June 2023.

16. Contingent liabilities and commitments for property, plant and equipment

Contingent liabilities

The banks have guaranteed R51.5 million (31 March 2023: R39.3 million) on behalf of the Group to creditors.

Commitments for property, plant and equipment

The Group has committed R7 million (September 2022: R13 million) for the purchase of plant and equipment as at 30 September 2023.

17. Events after the reporting date

There have been no material events after the reporting date.

18. Related parties

The Group entered into various related party transactions in the ordinary course of business. There have been no significant changes in related party transactions since 31 March 2023.

19. Seasonality

The Group's five-year average first-half revenues, excluding the 2021 financial period due to the impact of the Covid-19 pandemic, have averaged 50% of annual revenues.

Preference share cash dividend

As announced on 6 November 2023, the directors of the Company have declared a gross cash dividend of 537.27277 cents per preference share for the period from Tuesday, 6 June 2023 to Monday, 6 November 2023. The preference share cash dividend will be paid out of distributable reserves.

- Dividends tax "DT" of 20% will be withheld in terms of the Income Tax Act, 58 of 1962 for those shareholders who are not exempt from the DT;
- Accordingly, shareholders who are not exempt from DT will receive a net dividend of 429.81822 cents per preference share;
- Invicta Holdings Limited has 7 125 000 preference shares in issue; and
- Invicta Holdings Limited's income tax reference number is 9400/012/03/6.

The salient dates for the preference share cash dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 28 November 2023
Shares commence trading "ex" dividend	Wednesday, 29 November 2023
Record date	Friday, 1 December 2023
Payment date	Monday, 4 December 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 29 November 2023 and Friday, 1 December 2023, both days inclusive.

Ordinary share cash dividend

The board intends paying a dividend at financial year end, by applying a cover ratio between 2.75 and 3.25 times on sustainable earnings.

By order of the board

L Mpumlwana
Group company secretary

Johannesburg
27 November 2023

Date of publication: 27 November 2023

Administrative and corporate information

Invicta Holdings Limited

Registration number 1966/002182/06

Ordinary Share code: IVT Ordinary Share ISIN ZAE000029773

Preference Share code: IVTP Preference Share ISIN: ZAE000173399

("Invicta" or the "Company" or the "Group")

Registered office: Invicta Holdings Limited, 3 Droste Crescent, Droste Park, Johannesburg, Gauteng, 2094.

PO Box 33431, Jeppestown, Johannesburg, Gauteng, 2043

info@invictaholdings.co.za | www.invictaholdings.co.za

Transfer secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196. Private Bag X9000, Saxonwold, 2132, South Africa

Tel: 011 370 5000 www.computershare.com

Sponsor: Nedbank Corporate and Investment Banking, a division of Nedbank Limited, 135 Rivonia Road, Sandown, Sandton, 2196

Directors: Dr CH Wiese* (Chairman), SB Joffe (Chief Executive Officer), C Barnard, N Rajmohamed, LR Sherrell*, RA Wally^, Adv JD Wiese*, PM Makwana^, I Van Heerden*, F Davidson^

** Non-executive ^ Independent non-executive*

Group company secretary: Lebohang Mpumlwana

