WESCOAL

Condensed consolidated annual financial statements

for the year ended 31 March 2020

Salient features

Revenue of
R3.810 billion
(FY19: R3.965 billion)

Mining volumes maintained at
6.0 million tonnes
(FY19: 5.9 million tonnes)

EBITDA of
R332 million
(FY19: R456 million)

Gross profit of
R333 million
(FY19: R462 million)

Cash flow generation of
44 cents per share
(FY19: 106 cents per share)

Total comprehensive income reflected a loss of
R137 million
(FY19: R88 million profit)

HEPS decreased to a loss of
32.7 cents per share
(FY19: 17.5 cents per share)

EPS decreased to a loss of
32.6 cents per share
(FY19: 20.2 cents per share)

Cash generated from operations
R183 million
(FY19: R462 million)

"The year has been challenging for Wescoal, but we have also been relatively successful in achieving some of the corporate objectives that were laid out last year. The strategy and core ideology of stability, scalability and sustainability has been well established, and it lays a foundation upon which we intend to return the company to profitability and to grow operationally in the year ahead."

Reg Demana
Chief executive officer

Chairman and chief executive officer's review

Performance review

Safety, health, environment and sustainability

Health and safety remains a top priority and regrettably a fatal accident occurred in June 2019 at one of our operations. Our condolences are extended to our deceased colleague's family.

The impact of COVID-19 on mining production is expected to continue throughout 2020 with the nationwide lockdown in force. Wescoal, being a coal mining company, was declared an essential service provider in the electricity and energy sector and was granted the necessary approval to operate during the lockdown. We have arrangements in place for business continuity and compliance, which includes the implementation of additional health and safety programmes with strict protocols. We continue to prioritise the health and safety of our employees with various campaigns as required.

The constrained South African economy, labour unrest and weather conditions affected Wescoal's performance in FY20 year under review. The two major challenges faced by the company were the under-performance of the mining contractors and the incessant strike actions posed by the contractor employees and the communities around our operations. The executive and management remain resolute and conscientious in managing these challenges which resulted in a loss of R137 million for the year. The group, however, maintained a positive cash flow and has instituted various initiatives to enhance mining operations and efficiencies, which are already showing a marked improvement in performance. Existing funding facilities present sufficient headroom for operational needs and current development projects.

Elandspruit incurred an additional R61 million cost when compared to FY19 due to the impact of a temporary increased strip ratio during FY20. Investment of R12 million to improve the safety of operations included the implementation of mobile equipment and light vehicle proximity detection systems. Environmental management improvements of R33 million, including an additional pollution control dam at Elandspruit and upgrades at other operations, were implemented.

Production and operational performance

The group coal production of 6mt is the result of significant improvement, resulting in record production of 1.8mt during Q4FY20, an increase of 27% on the comparable quarter ending March 2019. To enhance improved operational performance, a cost-saving exercise is being undertaken across the group, focusing on bulk procurement initiatives with mining contractors, supply chain efficiencies and a review of overhead structures.

Elandspruit

Operations at Elandspruit were affected by high rainfall and the national lockdown due to COVID-19. Elandspruit opencast production, however, was ramped up during FY20. Production of 785kt during Q4FY20 was an increase of 39% on the comparable quarter ending March 2019 and 26% on the immediately preceding quarter. The increase was due to optimisation of the mine pit configuration by increasing the coal face length and the deployment of additional equipment to increase the production rate. The underground section of Elandspruit Mine is expected to resume production during 2HFY21.

Khanyisa

Operations at Khanyisa were affected by flooding, employee unrest and dismissals and the national lockdown due to COVID-19. The Khanyisa Triangle that was acquired during 2019 was extended with the opening of a new box cut on the Triangle 2 area – a low strip ratio area where the first coal was reached in March 2020, ahead of schedule and within capex budget range. Khanyisa achieved full capacity production in March 2020 after the downtime in December 2019 due to flooding.

Vanggatfontein

Operations at Vanggatfontein were affected by a change in contractor, unprotected strikes, a mining stoppage due to a fatality on 17 June 2019, unprecedented rainfall and the national lockdown due to COVID-19. Vanggatfontein faced many challenges during FY20 resulting in an overall impact of R111 million when compared to FY19.

The extension of Vanggatfontein and the opening of the pit 5 box cut are well advanced. The first coal was extracted during Q4FY20 (92kt) within capex budget range. The project is being pursued as a joint development with a neighbouring mining right holder, which will further enable the extraction of some 450kt of boundary pillar coal that would otherwise have been sterilised. This pit will replace the VG3 pit, which is nearing the end of its life, and will maintain current production levels at Vanggatfontein.

As a result, the FY20 production volume of 2.2mt ROM was 19% lower than the prior year (FY19: 2.7mt). Various initiatives, including the new fleet of primary earth moving equipment, as well as access to multiple and increased coal face lengths, resulted in consistent improvement in each quarter and 80% of the target production rate was achieved by March 2020. The production of 828kt ROM during Q4FY20 is an improvement of 33% on the preceding quarter and exceeds the run rate of FY19 by 23% or 152kt.

Wescoal Trading

The Trading division's sales were significantly below customary levels at 759kt and 29% lower than the prior year (FY19: 1.072kt) due to continued adverse market conditions. International coal prices declined, materially resulting in oversupply, while an increasingly challenging domestic coal sales market resulted in sales to key private energy generation clients being significantly lower than in previous years.

The net cash flow from operating activities of R183 million, supplemented with long-term funding, was applied to fund capital investment activities amounting to R433 million. The group also invested R120 million towards instalments in terms of the self-funded Khanyisa Triangle acquisition and the development of its second phase.

Eskom

Post year-end, Wescoal received a force majeure notification from Eskom, applicable for the period starting on 16 April 2020 until one month after national lockdown is lifted. Wescoal is in constant discussions with Eskom to manage supply of coal in line with existing coal supply agreements and Eskom's requirements in the short term. The company will update the market appropriately if there is any material impact on its coal supply agreements with the parastatal. Eskom remains a key and reliable long-term customer.

Accountability

Wescoal's core values comply with the highest ethics and corporate governance measures. Our social licence to operate is underpinned by our responsibility and accountability for the impacts of our business operation in surrounding communities. Eight families officially became the proud owners of newly built modern homes in Klarinet, Emalahleni, after a successful title deed handover on 2 November 2019. The handover highlighted an initiative by Wescoal to relocate families living within a blasting radius at Khanyisa Colliery, where their residential structures were in very poor condition.

It is critical for Wescoal to honour its social contract with surrounding communities by delivering on all the promises the company makes, as its survival depends on the sustainability of these communities.

Capital structure

The group's consistent expansion and growth strategy accelerated key development projects during FY20, such as investing R433 million in extensions and recapitalisation. As a result, net debt increased to R1 240 million, with a gearing ratio at a peak of 58% (FY19: 29%). Notably, the net debt includes R304 million in respect of asset-based finance, utilised for the new fleet of earth moving equipment, that was acquired in the structured transaction that supports operational improvement through secured access by the mining contractor to the optimal fleet. In terms of the structured transaction, the finance lease liability is offset on the balance sheet with an equal and opposite finance lease asset in respect of lease obligations of the mining contractor in the back-to-back right-of-use agreement.

The net asset value per share, as a result of losses incurred, reduced to 211 cents (FY19: 251 cents per share) while positive cash flows from operations allowed for the repurchase of 22.4 million shares by Wescoal.

During June 2019, the group concluded the refinancing of its existing credit facilities through a consortium of South African commercial banks consisting of Nedbank Limited (acting through its Corporate and Investment Banking division) and Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division). The new credit-approved comprehensive, long-term refinance facilities are for a combined R1.1 billion, with a provision that also allows the group access to an additional R500 million accordion facility, subject to credit approval but within the legal agreements of the refinance facilities. This significantly reduces the lead time in accessing this additional liquidity facility. The benefits of consolidating various debt instruments include the effect of long-term debt and reduction of current liabilities, enhancing the group's liquidity, net current asset position and overall balance sheet strength.

In addition to the refinance, an asset-based funding structure was specifically put in place with the same consortium of lenders. A R297 million fleet of Caterpillar equipment secured by Wescoal serves its strategy to mitigate the inherent counterparty risk of the contract miner operating model. The facilities funded significant investment during the year on the extension and improvement of the Vanggatfontein and Khanyisa operations.

While financial debt covenants were under pressure as a result of operational performance, the net debt to EBITDA covenant requirement of 2.5:1 was impacted by R404 million of customer receipts expected by 31 March 2020 that were delayed. This resulted in the net debt to EBITDA covenant ratio of 3.4:1. The lenders acknowledged the prevalent circumstances and non-controllable events in the context of the COVID-19 lockdown that led to a temporary impact, confirmed their continued support and waived the covenant requirement for 31 March 2020.

Financial overview

Wescoal maintained a positive cash flow, generating R183 million from operations, notwithstanding exceptionally challenging circumstances. Revenue of R3.810 billion for FY20 is 4% lower (FY19: R3.965 billion), while various initiatives enabled production volumes to increase to 6.0mt ROM and sales volumes to increase by 6% or 6.3mt (FY19: 6.0mt) following the decline in FY19.

The company delivered EBITDA of R332 million (FY19: R456 million) against a decline in total comprehensive income which reflected a loss of R137 million (FY19: R88 million profit).

The under-performance of the mining contractors impacted coal production negatively. This was more notable at Vanggatfontein, where coal production capacity was severely impacted. Added to the production challenge, excessive rainfall impacted the financial performance of the group. Rainfall of 343mm during December resulting in as much as 15 days equivalent production loss at each operation, against the budget assumption of four days and under 100mm historic average rainfall pattern. The operating profit decreased by 101.13% to a R2.54 million operating loss.

Resource and reserve

The most recent SAMREC-compliant resource and reserve statements of the group are available on the Wescoal website www.wescoal.com. The respective resource and reserve statements contain details of all competent persons, their professional memberships, qualifications and experience.

Merger, acquisitions and corporate structure

Following the conclusion of the transfer of the business agreement for Arnot Mine, the process to integrate the mine into Wescoal Mining is underway. Arnot Mine is well positioned to supply coal directly to Eskom's Arnot power station primarily via a conveyor belt, with resources of approximately 210 million tonnes of coal. This "first of its kind" empowerment acquisition further positions Wescoal as a dynamic black-led and black-owned mining company.

The Vanggatfontein extension project is a joint development with a neighbouring mining rights holder, which will further enable the extraction of approximately 450kt boundary pillar area coal that would otherwise have been sterilised in the development phase. The project is well progressed to open a new box cut for an additional mining pit and coal face.

We also acquired Farm Vanggatfontein 251 with the intention of expanding the Vanggatfontein Colliery mining operations. This acquisition enables the opportunity for improved consistency of coal qualities, and is aligned with Wescoal's stated intention to extend and optimise its asset base.

Dividends and share buy-backs

After careful consideration of the financial position, performance of the group and macro-economic conditions, the board resolved not to declare a final dividend for FY20. The board remains committed to delivering shareholder value and is currently prioritising capital allocation to the recapitalisation and extension of existing operations and the development of the Moabsvelden Project.

Outlook statement

Thus far, we have supported various community and social upliftment projects, and we are managing the risks of COVID-19 at all levels. Operationally, our Moabsvelden box cut phase has commenced and the Arnot transaction is progressing well. Our internal extension projects are producing coal and we have had an encouraging end to Q4FY20 which proved to be our best quarter.

We are optimistic that we will achieve stability and add further production going forward. We continue to optimise existing businesses and assets and bolster our balance sheet to enable us to fund other growth opportunities that may arise. Eskom remains a consistent and reliable customer and the company remains committed to maintaining strong and supportive relations with Eskom in the future.

In the medium term, we aim to create an environment of stable operations translating to predictability and consistency which will lead to efficiency in both our Mining and Trading divisions.

Board and management appointments and governance

The Wescoal board bade farewell to Ms Teresita van Gaalen and Mr Kosie Pansegrouw who diligently served Wescoal for many years as independent non-executive directors. Their dedication to Wescoal is highly appreciated and we wish them the best in their future endeavours. Towards the end of FY20, the board bade farewell to the company secretary, Ms Sharon Ramoetlo and we wish her all the best for her future.

The Wescoal board composition has been enhanced by the appointment of three independent non-executive directors: Ms Zukie Siyotula (lead independent non-executive director, chairperson of the project and investment committee and the nomination committee, member of the remuneration committee and the audit, risk and compliance committee), Ms Nomavuso Mnxasana (chairperson of the remuneration committee, member of the audit, risk and compliance committee and member of the nomination committee) and Mr Andile Mabizela (chairperson of the social and ethics committee and member of the audit, risk and compliance committee).

Appreciation

We would like to thank our dynamic and committed executive team and all employees for their dedication and hard work throughout the year. Our appreciation extends to our dedicated advisors and the newly reconstituted board for their prompt and valuable guidance. We remain committed to communicating in a transparent and effective manner, while engaging (both formally and informally) with each stakeholder group in line with their needs.

Management will host our annual results presentation on 21 July 2020 at 11:00 which will be virtual via a webcast https://www.corpcam.com/Wescoal21072020 and a conference call on www.diamondpass.net/6054136. A playback recording will also be available on the same link.

Basis of preparation

The condensed consolidated financial information for the year ended 31 March 2020, has been prepared in accordance with the framework concepts and the recognition and measurement criteria of International Financial Reporting Standards, the preparation and disclosure requirements of IAS 34: *Interim Financial Reporting*, the SAICA Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa, 71 of 2008, as amended, on the basis consistent with the prior year. These condensed consolidated annual financial statements were prepared by HTCO Auditors under the supervision of Mr Izak J van der Walt (CA)SA.

Any reference to Wescoal's future financial performance has not been reviewed or reported on by the group auditor.

The directors are of the opinion that the group has adequate resources to continue in operation for the foreseeable future and, accordingly, the condensed consolidated financial results have been prepared on a going concern basis.

Independent audit review

This summarised report is extracted from audited information, but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office as well as on Wescoal's website: www.wescoal.com/annual-reports. The directors take full responsibility for the preparation of the abridged report and that the financial information has been correctly extracted from the underlying annual financial statements.

By order of the board

Dr Humphrey Mathe
Chairman

Reginald Demana
Chief executive officer

21 July 2020

Condensed consolidated statements of financial position

as at 31 March 2020

	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Assets				
Non-current assets	2 203 250	2 168 054	790 838	788 135
Property, plant and equipment	2 203 133	1 954 201	1 886	876
Right-of-use assets	1 867	–	772	–
Investment property	709	709	–	–
Goodwill	73 637	73 637	–	–
Intangible assets	8 412	10 769	1 964	3 860
Investments in subsidiaries	–	–	700 029	700 029
Investments in joint ventures	27 855	–	–	–
Restricted investments	54 919	47 797	–	–
Loans to group companies	–	–	24 948	34 214
Other receivables	49 860	44 454	49 860	44 454
Lease receivables	230 474	–	–	–
Deferred tax	40 799	23 616	11 379	4 702
Prepaid royalty	5 162	6 448	–	–
Restricted cash	6 423	6 423	–	–
Current assets	1 258 200	1 052 548	1 121 173	271 914
Inventories	131 329	82 817	–	–
Loans to group companies	–	–	1 083 324	86 229
Trade and other receivables	961 955	664 542	35 698	31 554
Finance lease receivables	49 810	–	–	–
Prepaid royalty	1 174	1 392	–	–
Current tax receivable	69 145	34 091	559	–
Acquisition deposit	–	153 410	–	153 410
Cash and cash equivalents	44 787	116 296	1 592	721
Non-current assets held-for-sale	–	131 470	–	–
Total assets	3 961 450	3 352 072	1 912 011	1 060 049
Equity attributable to equity holders of the parent	883 045	1 080 597	570 876	644 409
Share capital	629 838	665 423	629 838	665 423
Other reserve	(13 953)	11 412	13 160	11 412
Retained income/(accumulated loss)	267 160	403 762	(72 122)	(32 426)
Non-controlling interest	–	10 999	–	–
	883 045	1 091 596	570 876	644 409

	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Liabilities				
Non-current liabilities	1 217 662	1 049 514	–	–
Interest-bearing borrowings	–	148 201	–	–
Financial liabilities at amortised cost	–	2 975	–	–
Lease liabilities	230 020	96	–	–
Deferred tax	287 572	273 140	–	–
Environmental rehabilitation provision	700 070	625 102	–	–
Current liabilities	1 860 743	1 173 953	1 314 135	415 640
Trade and other payables	743 337	554 904	19 283	33 564
Loans from group companies	–	–	332 715	345 021
Interest-bearing borrowings	883 863	282 528	890 760	–
Financial liabilities at amortised cost	19 659	136 723	–	–
Lease liabilities	53 872	3 568	1 205	–
Current tax payable	61 893	48 290	–	66
Environmental rehabilitation provision	947	893	–	–
Bank overdraft	97 172	147 047	97 172	36 989
Liabilities of disposal groups	–	37 009	–	–
Total liabilities	3 078 405	2 260 476	1 341 135	415 640
Total equity and liabilities	3 961 450	3 352 072	1 912 011	1 060 049

Condensed consolidated statements of profit or loss and other comprehensive income

for the year ended 31 March 2020

	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Revenue	**3 810 490**	3 964 571	**138 821**	79 950
Cost of sales	**(3 477 701)**	(3 502 988)	**–**	–
Gross profit	**332 789**	461 583	**138 821**	79 950
Operating income	**5 030**	70 589	**8**	54
Operating expenses	**(340 895)**	(313 386)	**(120 601)**	(110 848)
Gains on disposal of assets	**583**	16 325	**–**	–
Foreign exchange (loss)/gain	**–**	(11 075)	**–**	–
Operating (loss)/profit	**(2 540)**	224 036	**18 228**	(30 844)
Interest income	**21 954**	16 173	**–**	–
Finance costs paid	**(151 260)**	(92 886)	**(63 743)**	(786)
Share of net profit of joint venture accounted for using the equity method	**(346)**	–	**–**	–
(Loss)/profit before taxation	**(132 192)**	147 323	**(45 515)**	(31 630)
Taxation recovery/(expense)	**(4 410)**	(59 057)	**5 819**	(1 831)
(Loss)/profit for the year	**(136 602)**	88 266	**(39 696)**	(33 461)
Other comprehensive income	**–**	–	**–**	–
Total comprehensive (loss)/income for the year	**(136 602)**	88 266	**(39 696)**	(33 461)
Total comprehensive (loss)/income attributable to:				
Owners of the parent	**(136 602)**	87 655	**(39 696)**	(33 461)
Non-controlling interest	**–**	611	**–**	–
	(136 602)	88 266	**(39 696)**	(33 461)
Earnings per share				
Basic (loss)/earnings per share (cents)	**(32.57)**	20.16	**–**	–
Diluted (loss)/earnings per share (cents)	**(32.57)**	20.15	**–**	–

Condensed consolidated statements of cash flows

for the year ended 31 March 2020

	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Cash flows from operating activities				
Cash generated from/(used in) operations	**183 344**	462 207	**(46 883)**	(64 249)
Interest income	**7 751**	7 120	**45 455**	2 557
Finance costs paid	**(89 321)**	(33 092)	**(63 310)**	(786)
Tax paid	**(65 621)**	(113 269)	**(1 482)**	–
Net cash from operating activities	**36 153**	322 966	**(66 220)**	(62 478)
Cash flows from investing activities				
Purchase of property, plant and equipment	**(433 049)**	(216 986)	**(2 109)**	(201)
Proceeds on sale of property, plant and equipment	**11 088**	56 733	**–**	11
Purchase of other intangible assets	**(227)**	(1 350)	**(226)**	(1 350)
Lease receipts	**25 913**	–	**–**	–
Purchase of rehabilitation investment	**(14 957)**	(11 057)	**–**	–
Repayment of loan to joint venture	**–**	29 000	**–**	–
Investment in joint venture	**(28 201)**	–	**–**	–
Acquisition deposit made	**–**	(150 000)	**–**	(150 000)
Withdrawal of acquisition deposit	**153 410**	–	**153 410**	–
Advances of loans to group companies	**–**	–	**(932 081)**	–
Repayment of loans to group companies	**–**	–	**–**	79 271
Repayments on loans from group companies	**–**	–	**(68 054)**	–
Proceeds from loans from group companies	**–**	–	**–**	97 741
Net cash from investing activities	**(286 023)**	(293 660)	**(849 060)**	25 472
Cash flows from financing activities				
Shares bought back	**(35 585)**	(10 305)	**(35 585)**	(10 305)
Proceeds on share options exercised	**793**	1 474	**793**	382
Proceeds from long-term borrowings	**622 434**	82 389	**–**	–
Repayment of long-term borrowings	**(180 892)**	(128 590)	**890 760**	–
Repayment of other financial liabilities	**(136 611)**	(1 388)	**–**	–
Repayment of lease liabilities	**(20 363)**	(5 488)	**–**	–
Dividends paid	**–**	(35 013)	**–**	(35 013)
Acquisition of additional shares in subsidiary from non-controlling interest	**(21 540)**	–	**–**	–
Net cash from financing activities	**228 236**	(96 921)	**855 968**	(45 318)
Total cash and cash equivalents movement for the year	**(21 634)**	(67 615)	**(59 312)**	(82 956)
Cash and cash equivalents at the beginning of the year	**(30 751)**	36 864	**(36 268)**	46 687
Net cash and cash equivalents at the end of the year	**(52 385)**	(30 751)	**(95 580)**	(36 268)

Condensed consolidated statements of changes in equity

for the year ended 31 March 2020

	Share capital R'000	Share-based payment reserve R'000	Other NDR R'000	Total reserves R'000	Retained income/ (accumulated loss) R'000	Total attributable to equity holders of the group/ company R'000	Non-controlling interest R'000	Total equity R'000
Group								
Balance as at 1 April 2018	675 346	10 320	–	10 320	351 120	1 036 786	10 388	1 047 174
Profit for the year	–	–	–	–	87 655	87 655	611	88 266
Other comprehensive income	–	–	–	–	–	–	–	–
Shares exercised	382	(382)	–	(382)	–	–	–	–
Share buy-back	(10 305)	–	–	–	–	(10 305)	–	(10 305)
Employee share option scheme	–	1 474	–	1 474	–	1 474	–	1 474
Dividends	–	–	–	–	(35 013)	(35 013)	–	(35 013)
Balance as at 1 April 2019	665 423	11 412	–	11 412	403 762	1 080 597	10 999	1 091 596
Loss for the year	–	–	–	–	(136 602)	(136 602)	–	(136 602)
Other comprehensive income	–	–	–	–	–	–	–	–
Employees share option scheme: Shares exercised	–	(24)	–	(24)	–	(24)	–	(24)
Share buy-back	(35 585)	–	–	–	–	(35 585)	–	(35 585)
Employee share option scheme	–	1 772	–	1 772	–	1 772	–	1 772
Acquisition of minority interest in Neosho Trading	–	–	(27 113)	(27 113)	–	(27 113)	(10 999)	(38 112)
Balance as at 31 March 2020	629 838	13 160	(27 113)	(13 953)	267 160	883 045	–	883 045
Company								
Balance as at 1 April 2018	675 346	10 320	–	10 320	36 048	721 714	–	721 714
Loss for the year	–	–	–	–	(33 461)	(33 461)	–	(33 461)
Other comprehensive income	–	–	–	–	–	–	–	–
Shares exercised	382	(382)	–	(382)	–	–	–	–
Share buy-back	(10 305)	–	–	–	–	(10 305)	–	(10 305)
Employee share option scheme	–	1 474	–	1 474	–	1 474	–	1 474
Dividends	–	–	–	–	(35 013)	(35 013)	–	(35 013)
Balance as at 1 April 2019	665 423	11 412	–	11 412	(32 426)	644 409	–	644 409
Loss for the year	–	–	–	–	(39 696)	(39 696)	–	(39 696)
Other comprehensive income	–	–	–	–	–	–	–	–
Employees share option scheme: Shares exercised	–	(24)	–	(24)	–	(24)	–	(24)
Share buy-back	(35 585)	–	–	–	–	(35 585)	–	(35 585)
Employee share option scheme	–	1 772	–	1 772	–	1 772	–	1 772
Balance as at 31 March 2020	629 838	13 160	–	13 160	(72 122)	570 876	–	570 876

Segmental report

for the year ended 31 March 2020

	Mining R'000	Trading R'000	Other R'000	Total R'000
As at 31 March 2020				
Total revenue	**2 975 107**	**1 036 911**	**(201 528)**	**3 810 490**
Inter-segment revenue	**182 993**	**18 863**	**(201 856)**	**–**
External revenues	**2 792 114**	**1 018 048**	**328**	**3 810 490**
EBITDA	**328 745**	**47 702**	**(44 662)**	**331 785**
As at 31 March 2019				
Total segment revenue	2 639 672	1 466 658	(141 757)	3 964 573
Inter-segment revenue	136 825	5 927	(142 752)	–
External revenues	2 502 847	1 460 731	995	3 964 573
EBITDA	417 552	69 988	(31 103)	456 437

Headline (loss)/earnings and diluted headline (loss)/earnings per share

for the year ended 31 March 2020

Headline (loss)/earnings and diluted headline (loss)/earnings are determined by adjusting basic (loss)/earnings and diluted (loss)/earnings by excluding separately identifiable remeasurement items in terms of the JSE headline earnings circular, HEPS Circular 2/2013.

The calculation of headline (loss)/earnings, net of taxation and non-controlling interest, per share is based on the basic (loss)/earnings per share calculation adjusted for the following items:

	2020		2019	
	Gross	Net of tax	Gross	Net of tax
Headline/diluted headline (loss)/earnings per share				
Net profit for the year attributable to owners of the company	(132 192)	(136 602)	146 712	87 655
Profit on disposal of property, plant and equipment	(583)	(433)	(16 325)	(11 539)
Headline (loss)/earnings	(132 775)	(137 035)	130 387	76 116
Headline (loss)/earnings per share (cents)		(32.67)		17.50
Diluted headline (loss)/earnings per share (cents)*		(32.67)		17.50

** As the group is in a loss making position, the impact of share options would be anti-dilutive and is therefore not taken into account.*

Corporate information

Wescoal Holdings Limited

Incorporated in the Republic of South Africa
(Registration number: 2005/006913/06)
Share code: WSL
ISIN: ZAE000069639
("Wescoal" or "the company" or "the group")

Registered address

1st Floor, Building 10
142 Western Service Road
Woodmead

Postal address

PO Box 1962, Edenvale 1610

Non-executive chairman

Dr HLM Mathe

Lead independent non-executive director

N Siyotula

Independent non-executive directors

A Mabizela
KM Maroga
N Mnxasana

Non-executive directors

C Maswanganyi
ET Mzimela
MR Ramaite

Executive directors

RL Demana *(Chief executive officer)*
IJ van der Walt *(Chief financial officer)*
T Tshithavhane

Company secretary

FluidRock Co Sec Proprietary Limited

Transfer secretaries

Computershare Investor Services Proprietary Limited

Sponsor

Nedbank Corporate and Investment Banking

Auditor

PricewaterhouseCoopers Inc.

IR advisor

Singular Systems IR

Website: www.wescoal.com

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HTCO AUDITORS

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