OMNIA

UNAUDITED FINANCIAL RESULTS

for the six months ended 30 September 2022

Strategic delivery and financial highlights
(from continuing operations)

Financial highlights (excluding Zimbabwe)

Disciplined execution of strategy delivered robust financial performance

Successful implementation of operating model underpinned enhanced operating performance

Security of supply maintained to customers in a challenging operating environment

Strong financial position maintained through **prudent cash management and capital allocation**

Progress made on ESG objectives with the commissioning of reverse osmosis and solar energy plant

Revenue
R11 566 million
(HY2022: R9 684 million)
↑ 19%

Operating profit
R1 066 million
(HY2022: R723 million)
↑ 47%

Operating margin
9.2%
(HY2022: 7.5%)
↑ 23%

EBITDA (excluding impairments)
R1 412 million
(HY2022: R1 084 million)
↑ 30%

Adjusted earnings per share
410 cents
(HY2022: 300 cents)
↑ 37%

Adjusted headline earnings per share
401 cents
(HY2022: 304 cents)
↑ 32%

Financial highlights (including Zimbabwe)

Revenue ↑ 23%
R12 164 million
(HY2022: R9 902 million)

Operating profit ↑ 18%
R802 million
(HY2022: R679 million)

Operating margin ↓ 4%
6.6%
(HY2022: 6.9%)

EBITDA (excluding impairments) ↑ 10%
R1 151 million
(HY2022: R1 042 million)

Earnings per share ↑ 8%
304 cents
(HY2022: 282 cents)

Headline earnings per share ↑ 3%
295 cents
(HY2022: 286 cents)

Net asset value increased to **R9 809 million** (HY2022: R9 323 million) driven by strong operational performance

Net working capital increased by R2 130 million to **R5 207 million** (HY2022: R3 077 million) due to higher investment in a rising commodity cycle

Net cash (excluding lease liabilities) decreased by R990 million to **R140 million** (HY2022: R1 130 million) due to focused management of cash despite higher net working capital

Salient ESG features

Zero fatalities recorded
(HY2022: Zero)

Recordable case rate
0.20
(HY2022: 0.35)

Lost-time injury incidents
leading to a person's inability to perform their regular duties for at least one full shift
6
(HY2022: 7)

Global credit rating maintained at
long term: A, short term: A1, with an **improved outlook to positive**
(HY2022: long term A, short term: A1, with a stable outlook)

B-BBEE rating
Level 2
(HY2022: Level 2)

Zero environmental incidents
(HY2022: Zero)

Group GHG emissions
78 143 tonnes of CO_2e
(HY2022: 113 830)

Energy use efficiency
0.32
(HY2022: 0.31) gigajoules per tonne of product manufactured, with a production decrease of 10%

Water use efficiency
0.46
(HY2022: 0.46) kilolitres per tonne of product manufactured, with a production decrease of 10%

Water recycled or reused
27 megalitres
(HY2022: 23 megalitres)

1st runner-up for the
2022 Responsible Care® Initiative of the Year Award
(corporate social responsibility)

1st runner-up for the
2022 Responsible Care® Initiative of the Year Award
(AXXIS™ Titanium system)

1st runner-up for the
2022 Responsible Care® Water Award
(Sasolburg reverse osmosis plant)

BME Indonesia wins consecutive **"Good Mining Practices" award**

Report overview

Omnia delivered another set of exceptional financial results for HY2023, with growth in revenue, margin improvement and prudent cash management. We maintained the strength of our balance sheet, improved our return on capital and are investing for the future. These results reflect the underlying strength of our business model and the ongoing disciplined execution of our strategy in a complex and challenging macro environment.

Introduction of additional earnings measure

The impact of operations in Zimbabwe has necessitated the introduction of an adjusted earnings measure in order to determine operational performance and provide stakeholders with better clarity on the Group's underlying performance. Omnia Zimbabwe is subject to the application of *IAS 29 Financial Reporting in Hyperinflationary Economies*, which results in earnings volatility. In addition, the government of Zimbabwe introduced a change in monetary policy which caused a further notable devaluation in the Zimbabwean dollar, resulting in disproportionate foreign exchange movements (most of which are unrealised) in this period's results. Omnia Zimbabwe contributes less than 5% to Group revenue.

Zimbabwe remains a key ammonium nitrate and fertilizer market. Omnia Zimbabwe's operating model and risk management initiatives continue to yield positive results and are cash generative.

Macro environment

The global environment remains uncertain, characterised by ongoing geopolitical conflict and supply chain challenges, which continue to adversely impact the manufacturing sector through supply shortages and rising prices of key inputs. Elevated levels of inflation have triggered fears of a global recession and exchange rates have remained volatile, particularly across emerging markets.

In South Africa, deteriorating utility infrastructure, labour unrest, socio-political instability, disruptions to electricity supply and the adverse impact of weather conditions have placed severe pressure on the economy. Ammonia availability was constrained during the period owing to ongoing challenges at the rail utility and production interruptions at a key local supplier. Supply chain disruptions also affected the chemicals sector as European suppliers reduced production in response to elevated input costs, rising gas prices and export restrictions in the Southeast Asian market.

Business overview

Against this backdrop, we maintained security of supply and were able to meet customer requirements across all business segments. This was achieved through the successful implementation of our operating model, which resulted in an enhanced operating performance. Our supply chain optimisation strategy and integrated manufacturing capabilities enabled us to improve our competitive position, diversify sources of supply, increase our agility and responsiveness to changing market dynamics, drive efficiencies and expand operating margins. The success of these actions underpinned our operating and financial performance.

Adjusted headline earnings per share from continuing operations increased by 32% to 401 cents (HY2022: 304 cents), and adjusted earnings per share from continuing operations increased by 37% to 410 cents (HY2022: 300 cents).

Working capital increased by R2 130 million to R5 207 million (HY2022: R3 077 million), driven by high commodity prices. The rise in working capital was partly offset by focused management actions, which resulted in a positive net cash balance (excluding lease liabilities) of R140 million (HY2022: R1 130 million).

An improvement in our overall volume-margin mix, the resonance of the Omnia Nutriology® value proposition with our customers as well as supportive commodity prices were contributing factors to our overall financial performance.

Sales volumes were lower year-on-year largely due to a normalising sales cycle in Agriculture and a reduction in mining activity in South Africa. Over the course of Q2FY2023 volumes have recovered and we expect this momentum to continue in the second half of FY2023. In line with the anticipated rise in sales volumes, the net working capital position is expected to unwind for the full year.

We are committed to disciplined capital management. A strong and flexible financial position is paramount to remaining resilient in the current volatile and uncertain environment and to retain optionality for growth. A disciplined focus on costs, prudent capital expenditure and stringent working capital management has enabled us to maintain a robust financial position with a positive net cash balance. This was achieved in a high commodity price environment which required an elevated investment in working capital. We continue to manage our net working capital judiciously to ensure we meet market demand, while managing price risk exposure.

Safety

Safety remains our number one priority and a core value for Omnia. During the period under review, there were six recordable cases (HY2022: seven) and a reduction in the number of safety events, with a Group-wide recordable case rate (RCR) of 0.20 (HY2022: 0.35). This is an important indicator of our managed interventions to deliver improvements to people and process safety across our operations. Concerted efforts continue to be made to ensure that a culture of safety is practised and strict safety protocols are maintained at all sites. The prevalence of road safety incidents remains a concern and various interventions, including stringent safety protocols with third-party transporters, have been implemented to aid prevention, correction, and post-incident reporting across all segments.

Our objective remains: to have no accidents and zero harm.

Environmental stewardship

We continue to make good progress against our ESG targets. Carbon emissions have reduced following the EnviNox® emission abatement system repair in Sasolburg during Q4FY2022. Energy consumption continues to track production volumes, with water usage remaining flat.

The reverse osmosis water treatment plant in Sasolburg was commissioned in August. The plant treats cooling water blowdown to produce potable water quality, which is reused in the manufacturing process. This project is estimated to save 180 megalitres of potable water per annum.

Our solar energy plant at Sasolburg was commissioned in October to augment electricity supply at the facility. The solar plant produces five megawatts of electricity at peak performance. Together with our ability to generate electricity from excess process steam from the nitric acid plants, the site's own energy generation is likely to average between 25% and 35% of its annual electricity requirement, with the potential to increase in future.

This is particularly significant considering the volatility in energy supply in the country. We recognise that the issues facing Eskom are complex, requiring the joint cooperation of the public and private sectors to resolve them. We are proud of Omnia's contribution in supporting the country during this energy crisis and will continue to consider investing in further energy-generation solutions for our operations.

Capital allocation and growth

In line with our capital allocation framework, we continue to explore organic and inorganic growth opportunities in key markets that complement our core business and capabilities. Our focus remains on strengthening our competitive position by pursuing greener technologies, expanding geographically and optimising capital allocation.

A key objective of our capital investments has been to deliver on our ESG priorities, deploying capital to lower the environmental impact of our operations and ultimately support our 2030 sustainability goals.

We continue to evaluate our invested capital, to ensure that it is aligned with our strategy and yields competitive returns above our hurdle rates. All growth opportunities will be executed through a disciplined capital allocation process to optimise risk-adjusted returns.

SARS international tax audit update

On 30 September, SARS partially allowed our objection to the additional tax assessments raised in respect of the Group's 2014 – 2016 years of assessment, resulting in a nominal reduction in the original tax assessments raised by SARS. The Group disagrees with SARS' findings and will lodge an appeal against the revised assessments following the partial allowance of our objection. The Group remains committed to expeditiously bringing this matter to a close.

Outlook

While we have delivered a notable operational turnaround since FY2019, we believe there is significant additional upside within the business, both through further operating efficiency gains and from selected organic growth options in our core operations. We are also exploring various inorganic opportunities internationally to complement our AgriBio and speciality mining capabilities.

We anticipate improved volumes for the full year in the Agriculture and Mining segments. Our medium-term guidance on margins is maintained for the Agriculture and Chemicals segments, while the Mining segment is expected to show an improvement in margins albeit at lower levels than our targeted range.

We believe we have a portfolio of assets and opportunities that play favourably into global mega trends on food security, climate change, and the growing importance of material sciences. We have been strategic in our primary sector positioning, and today's global landscape continues to affirm that we are well poised to improve and grow our business.

As we continue to navigate our way through a complex and challenging environment, we remain focused on executing our long-term strategy to deliver growth and an improved return on capital. By focusing on what is in our control and harnessing our drive, resilience, and teamwork, we aim to create a stronger business that delivers sustainable value for all stakeholders, in line with our purpose of **innovating to enhance life, together creating a greener future**.

Investors are referred to **www.omnia.co.za/reports-and-results/financial-results/2023** where a detailed analysis of the Group's financial results, including a statement of comprehensive income and a statement of financial position, can be found.

Shareholders are reminded that should they wish to make use of the Group's electronic communication notification system to receive all shareholder-entitled communication electronically as opposed to delivery through physical mail, and have not already done so, this option can still be elected by advising the Group's transfer secretaries at the following email address **ecomms@linkmarketservices.co.za** or by contacting the call centre on +27 86 154 6572. Other related queries can be sent to **omniaIR@omnia.co.za**.

Financial results

Condensed consolidated statement of comprehensive income

for the period ended 30 September 2022

Rm	**Unaudited 6 months 30 Sep 2022**	Unaudited 6 months 30 Sep 2021	% change	Audited 12 months 31 Mar 2022
Continuing operations				
Revenue	**12 164**	9 902	23	21 437
Cost of sales	**(9 220)**	(7 679)	(20)	(16 815)
Gross profit	**2 944**	2 223	32	4 622
Distribution expenses	**(763)**	(710)	(7)	(1 498)
Administrative expenses	**(756)**	(712)	(6)	(1 369)
Other operating income	**298**	1	>100	78
Other operating expenses	**(435)**	(90)	(>100)	(277)
Impairment losses on non-financial assets	**(6)**	–	(>100)	(29)
Net impairment (losses)/reversal on financial assets	**(5)**	28	(>100)	29
Share of net (loss)/profit of investments: equity method	**(4)**	1	(>100)	–
Operating profit before the items below	**1 273**	741	72	1 556
Net impact of hyperinflation and foreign exchange movements	**(471)**	(62)	(>100)	41
Net foreign exchange movements in Zimbabwe operations	**(814)**	18	(>100)	(155)
Monetary adjustment for hyperinflation in Zimbabwe	**343**	(80)	>100	196
Operating profit	**802**	679	18	1 597
Finance income	**41**	31	32	74
Finance expense	**(72)**	(40)	(80)	(150)
Profit before income tax	**771**	670	15	1 521
Income tax expense	**(239)**	(203)	(18)	(428)
Profit for the period from continuing operations	**532**	467	14	1 093
Discontinued operations				
Profit for the period from discontinued operations	**–**	40	(100)	260
Profit for the period	**532**	507	5	1 353
Other comprehensive income				
Items that may be reclassified to profit or (loss) (net of tax)				
Currency translation differences – Zimbabwe	**107**	28	>100	(57)
Currency translation differences – excluding Zimbabwe	**515**	153	>100	78
Other comprehensive income for the period from continuing operations	**622**	181	>100	21
Discontinued operations				
Other comprehensive income	**–**	–	–	–
Total comprehensive income from continuing operations	**1 154**	648	78	1 114
Total comprehensive income from discontinued operations	**–**	40	(100)	260
Total comprehensive income for the period	**1 154**	688	68	1 374

Rm	**Unaudited 6 months 30 Sep 2022**	Unaudited 6 months 30 Sep 2021	% change	Audited 12 months 31 Mar 2022
Profit/(loss) for the period attributable to:				
Owners of Omnia Holdings Limited	**540**	507	7	1 356
From continuing operations	**540**	467	16	1 096
From discontinued operations	**–**	40	(100)	260
Non-controlling interest	**(8)**	–	(100)	(3)
From continuing operations	**(8)**	–	(100)	(3)
	532	507	5	1 353
Total comprehensive income/(loss) for the period attributable to:				
Owners of Omnia Holdings Limited	**1 162**	688	69	1 374
From continuing operations	**1 162**	648	79	1 114
From discontinued operations	**–**	40	(100)	260
Non-controlling interest	**(8)**	–	(100)	–
From continuing operations	**(8)**	–	(100)	–
	1 154	688	68	1 374
Earnings per share attributable to the equity holders of Omnia Holdings Limited				
Basic earnings per share from continuing operations (cents)	**304**	282	8	653
Basic earnings per share from discontinued operations (cents)	**–**	25	(100)	158
Basic earnings per share (cents)	**304**	307	(1)	811
Diluted earnings per share from continuing operations (cents)[1]	**304**	278	9	652
Diluted earnings per share from discontinued operations (cents)[1]	**–**	24	(100)	155
Diluted earnings per share (cents)[1]	**304**	302	1	807

[1] In the current period HY2023, the diluted earnings per share is limited to the basic earnings per share due to the diluted earnings per share calculation being antidilutive in nature.

Financial results continued

Condensed consolidated statement of financial position

as at 30 September 2022

Rm	**Unaudited 6 months 30 Sep 2022**	Restated – Unaudited[1] 6 months 30 Sep 2021	Restated – Unaudited[1] 6 months 30 Sep 2020	Audited 12 months 31 Mar 2022
Assets				
Non-current assets	**5 473**	5 512	6 370	5 427
Property, plant and equipment	**4 565**	4 700	4 987	4 593
Right-of-use assets	**412**	287	357	227
Goodwill and intangible assets	**211**	341	866	278
Investments accounted for using the equity method	**5**	29	11	23
Financial assets at fair value through profit or loss	**4**	17	–	90
Trade and other receivables	**–**	27	79	–
Deferred income tax	**276**	111	70	216
Current assets	**14 674**	10 196	9 018	10 563
Inventories	**8 094**	4 528	4 199	4 175
Trade and other receivables	**4 937**	4 192	3 948	3 744
Derivative financial instruments	**283**	47	5	5
Income tax	**284**	63	87	234
Cash and cash equivalents	**1 076**	1 366	779	2 405
Assets held for sale[2]	**108**	1 192	2 334	21
Total assets	**20 255**	16 900	17 722	16 011
Equity				
Capital and reserves attributable to the owners of Omnia Holdings Limited	**9 821**	9 324	9 472	10 022
Share capital	**3 094**	3 188	3 396	3 145
Reserves	**1 141**	596	1 220	488
Retained earnings	**5 586**	5 540	4 856	6 389
Non-controlling interest	**(12)**	(1)	105	(4)
Total equity	**9 809**	9 323	9 577	10 018

[1] Restated – For more detail on the restatement refer to note on page 30.
[2] The remaining investment in Umongo of R93 million and Acol of R15 million are expected to be disposed of in the next 12 months.

Rm	**Unaudited 6 months 30 Sep 2022**	Restated – Unaudited[1] 6 months 30 Sep 2021	Restated – Unaudited[1] 6 months 30 Sep 2020	Audited 12 months 31 Mar 2022
Liabilities				
Non-current liabilities	**847**	794	598	805
Deferred income tax	**428**	452	230	488
Interest-bearing borrowings	**7**	32	–	47
Lease liabilities	**351**	262	309	211
Provisions	**61**	48	59	59
Current liabilities	**9 599**	6 461	7 111	5 188
Interest-bearing borrowings	**813**	5	2 105	5
Lease liabilities	**108**	75	100	59
Bank overdrafts	**116**	199	129	1
Derivative financial instruments	**211**	27	151	62
Income tax	**419**	431	300	492
Contract liabilities	**211**	169	–	347
Provisions	**36**	34	28	42
Trade payables – supply chain financing	**519**	–	–	135
Trade and other payables	**7 166**	5 521	4 298	4 045
Liabilities directly associated with the assets held for sale	**–**	322	436	–
Total liabilities	**10 446**	7 577	8 145	5 993
Total equity and liabilities	**20 255**	16 900	17 722	16 011

[1] Restated – For more detail on the restatement refer to note on the page 30.

Rm	**Unaudited 6 months 30 Sep 2022**	Restated – Unaudited[1] 6 months 30 Sep 2021	Restated – Unaudited[1] 6 months 30 Sep 2020	Audited 12 months 31 Mar 2022
Additional information				
Net working capital[2]	**5 207**	3 077	3 782	3 335
Net (debt)/cash including lease liabilities[3]	**(319)**	793	(1 864)	2 082
Net cash/(debt) (excluding lease liabilities)[3]	**140**	1 130	(1 455)	2 352
Net asset value per share (Rand)	**60**	57	57	59
Capital expenditure				
Depreciation	**280**	303	338	616
Amortisation	**63**	60	137	116
Capital expenditure incurred	**175**	144	9	387
Authorised but not contracted for	**101**	283	185	489
Authorised and contracted for	**262**	211	135	57

[1] Restated – For more detail on the restatement refer to note on page 30.

[2] Includes trade payables – supply chain financing.

[3] Excludes trade payables – supply chain financing.

Financial results continued

Condensed consolidated statement of cash flows

for the period ended 30 September 2022

Rm	**Unaudited 6 months 30 Sep 2022**	Restated Unaudited[1] 6 months 30 Sep 2021	Audited 12 months 31 Mar 2022
Net cash (outflow)/inflow from operating activities	**(693)**	658	1 367
Cash (utilised in)/generated from operations	**(126)**	739	1 941
Interest paid	**(53)**	(41)	(79)
Interest received	**9**	33	59
Income taxes paid	**(523)**	(73)	(554)
Net cash (outflow)/inflow from investing activities	**(115)**	(28)	664
Purchase of property, plant and equipment	**(175)**	(142)	(385)
Proceeds on disposal of property, plant and equipment and intangible assets	**61**	7	36
Additions to intangible assets	**(1)**	(2)	(2)
Purchase of cell captive preference shares	**–**	–	(4)
Restricted cash released[1]	**–**	116	116
Payment of deferred consideration	**–**	(7)	(55)
Proceeds from the disposal of Umongo	**–**	–	958
Net cash outflow from financing activities	**(808)**	(1 236)	(1 447)
Purchase of treasury shares	**(58)**	(126)	(169)
Proceeds from interest-bearing borrowings raised	**4 263**	10	27
Repayment of interest-bearing borrowings	**(3 477)**	(39)	(41)
Repayment of trade payables (supply chain financing)	**(157)**	–	(160)
Repayment of lease liabilities	**(36)**	(73)	(96)
Dividends paid	**(1 343)**	(1 008)	(1 008)
Net (decrease)/increase in cash and cash equivalents	**(1 616)**	(606)	584
Net cash and cash equivalents at the beginning of the period	**2 404**	1 833	1 833
Effect of foreign currency movement	**172**	(56)	(13)
Net cash and cash equivalents at the end of the period	**960**	1 171	2 404

[1] Restated – For more detail on the restatement refer to note on page 30.

Condensed consolidated statement of changes in equity

for the period ended 30 September 2022

Rm	Share capital	Treasury shares	Other reserves	Retained earnings	Non-controlling interests	Total
	Attributable to the owners of Omnia Holdings Limited					
At 31 March 2021 (audited)	3 534	(220)	385	6 041	(1)	9 739
Profit for the period	–	–	–	507	–	507
Other comprehensive income	–	–	181	–	–	181
Total	3 534	(220)	566	6 548	(1)	10 427
Transactions with shareholders						
Shares acquired as part of a share-based payment scheme	–	(126)	–	–	–	(126)
Share-based payment transactions	–	–	30	–	–	30
Dividends paid	–	–	–	(1 008)	–	(1 008)
At 30 September 2021 (unaudited)	3 534	(346)	596	5 540	(1)	9 323
Profit for the period	–	–	–	849	(3)	846
Other comprehensive expense	–	–	(160)	–	–	(160)
Total	3 534	(346)	436	6 389	(4)	10 009
Transactions with shareholders						
Shares acquired as part of a share-based payment scheme	–	(43)	–	–	–	(43)
Share-based payment transactions	–	–	52	–	–	52
At 31 March 2022 (audited)	**3 534**	**(389)**	**488**	**6 389**	**(4)**	**10 018**
Profit/(loss) for the period	**–**	**–**	**–**	**540**	**(8)**	**532**
Other comprehensive income	**–**	**–**	**622**		**–**	**622**
Total	**3 534**	**(389)**	**1 110**	**6 929**	**(12)**	**11 172**
Transactions with shareholders						
Shares acquired as part of a share-based payment scheme	**–**	**(58)**	**–**	**–**	**–**	**(58)**
Share-based payment transactions and vesting	**7**	**–**	**31**	**–**	**–**	**38**
Dividends paid	**–**	**–**	**–**	**(1 343)**	**–**	**(1 343)**
At 30 September 2022 (unaudited)	**3 541**	**(447)**	**1 141**	**5 586**	**(12)**	**9 809**

Financial results continued

Reconciliation of headline earnings

for the period ended 30 September 2022

Rm	**Unaudited 6 months 30 Sep 2022**	Unaudited 6 months 30 Sep 2021	Audited 12 months 31 Mar 2022
Basic earnings attributable from continuing operations to the owners of Omnia Holdings Limited			
Profit from continuing operations attributable to the owners of Omnia Holdings Limited	**540**	467	1 096
Less: Dividends distributed to participants of the share incentive schemes on unvested shares	**(45)**	–	(24)
Basic earnings attributable from continuing operations to the owners of Omnia Holdings Limited	**495**	467	1 072
Adjusted for:			
Insurance income for replacement of property, plant and equipment	**–**	–	(1)
(Profit)/loss on disposal of property, plant and equipment	**(26)**	6	5
Tax effect	**5**	–	(2)
Impairment of property, plant and equipment and intangible assets	**6**	–	29
Headline earnings from continuing operations	**480**	473	1 103
Add: Dividends distributed to participants of the share incentive schemes on unvested shares	**45**	–	24
Diluted headline earnings from continuing operations	**525**	473	1 127
Zimbabwe operations inclusive of net impact of hyperinflation on foreign exchange losses (net of tax)	**172**	29	96
Adjusted basic earnings from continuing operations*	**667**	496	1 168
Adjusted headline earnings from continuing operations*	**652**	502	1 199
Adjusted diluted headline earnings from continuing operations*	**697**	502	1 223

* The Group has presented its earnings on an adjusted basis by excluding the Zimbabwe operations from the current and prior year periods. The Zimbabwe operations include the hyperinflation net monetary adjustments attributable to IAS 29, which has a notable impact on the results of the Group.

Rm	**Unaudited 6 months 30 Sep 2022**	Unaudited 6 months 30 Sep 2021	Audited 12 months 31 Mar 2022
Basic earnings attributable to the owners of Omnia Holdings Limited			
Total profit from operations – attributable to the owners of Omnia Holdings Limited	**540**	507	1 356
Less: Dividends distributed to participants of the share incentive schemes on unvested shares	**(45)**	–	(24)
Basic earnings attributable to the owners of Omnia Holdings Limited	**495**	507	1 332
Adjusted for:			
Insurance income for replacement of property, plant and equipment	**–**	–	(1)
(Profit)/loss on disposal of property, plant and equipment	**(26)**	6	5
Tax effect	**5**	–	(2)
Profit on disposal of Umongo Petroleum	**–**	–	(304)
Tax effect	**–**	–	45
Impairment of intangible assets and fixed assets	**6**	–	29
Headline earnings	**480**	513	1 104
Add: Dividends distributed to participants of the share incentive schemes on unvested shares	**45**	–	24
Diluted headline earnings	**525**	513	1 128
Zimbabwe operations inclusive of net impact of hyperinflation on foreign exchange losses (net of tax)	**172**	29	96
Adjusted basic earnings*	**667**	536	1 428
Adjusted headline earnings*	**652**	542	1 200
Adjusted diluted headline earnings*	**697**	542	1 224

* The Group has presented its earnings on an adjusted basis by excluding the Zimbabwe operations from the current and prior year periods. The Zimbabwe operations include the hyperinflation net monetary adjustments attributable to IAS 29, which has a notable impact on the results of the Group.

Financial results continued

Reconciliation of headline earnings continued

for the period ended 30 September 2022

Number of shares 000s	**Unaudited 6 months 30 Sep 2022**	Unaudited 6 months 30 Sep 2021	Audited 12 months 31 Mar 2022
Weighted average number of shares in issue	**162 659**	165 321	164 228
Weighted average number of diluted shares in issue	**167 734**	168 005	168 010
Number of shares in issue (excluding treasury shares)	**162 357**	163 386	162 832
Headline earnings per share from continuing operations (cents)	**295**	286	672
Headline earnings per share from discontinued operations (cents)	**–**	24	1
Headline earnings per share (cents)	**295**	310	673
Diluted headline earnings per share from continuing operations (cents)[1]	**295**	282	671
Diluted headline earnings per share from discontinued operations (cents)[1]	**–**	23	1
Diluted headline earnings per share (cents)[1]	**295**	305	672
Adjusted earnings per share			
Adjusted basic earnings per share from continuing operations (cents)*	**410**	300	711
Adjusted diluted earnings per share from continuing operations (cents)*[1]	**410**	295	709
Adjusted basic earnings per share (cents)*	**410**	325	870
Adjusted diluted earnings per share (cents)*[1]	**410**	319	864
Adjusted headline earnings per share from continuing operations (cents)*	**401**	304	730
Adjusted diluted headline earnings per share from continuing operations (cents)*[1]	**401**	299	728
Adjusted headline earnings per share (cents)*	**401**	328	731
Adjusted diluted headline earnings per share (cents)*[1]	**401**	323	729

[1] In the current period HY2023, the diluted earnings per share is limited to the basic earnings per share due to the diluted earnings per share calculation being antidilutive in nature.

* The Group has presented its earnings on an adjusted basis by excluding the Zimbabwe operations from the current and prior year periods. The Zimbabwe operations include the hyperinflation net monetary adjustments attributable to IAS 29, which has a notable impact on the results of the Group.

Adjusted earnings measure

The adjusted earnings measure is the responsibility of the board of directors of the Group and has been prepared for illustrative purposes only and because of its nature may not fairly present the Group's financial position, changes in equity or results of the operations. The information has not been reviewed nor reported on by the Group's auditors.

Segmental information

The Group's chief operating decision maker has been identified as the executive committee, consisting of the chief executive officer, the finance director, managing directors of the Group's operating segments and executives of other Group functions. The executive committee is responsible for allocating resources, assessing the performance of operating segments and making strategic decisions.

Operating segments have not been aggregated and are all individually reported as reportable segments. Operating segments have been grouped in terms of the three industries in which the Group trades, namely Agriculture, Mining and Chemicals. The executive committee primarily reviews revenue, operating profit, operating margins, profit before tax, EBITDA (excluding impairments), net working capital, net controlled assets and return on net controlled assets at a segment level.

The executive committee reviews the Group's performance from both a product and a geographical perspective and has identified the following operating segments within the Group which are described below.

AGRICULTURE

Agriculture RSA: As part of its innovative Nutriology® proposition, this division manufactures and trades in granular, liquid and speciality fertilizer, humates and other Biostimulants, as well as value-added services and solutions. The South African customer base includes commercial and small-scale farmers, co-operatives and other corporate clients. The business also supplies raw material and manufactured goods to Agriculture International, Mining and Chemicals.

Agriculture International: This division produces and trades in granular, liquid and speciality fertilizers, Biostimulants including humates, fulvates and kelp products. A full range of trace elements, biostimulants and plant health products are sold globally to improve crop health, yields and soil health in a sustainable and environmentally conscious way. Products, value-added services and solutions are delivered to a broad customer base through company-owned operations in select SADC countries, Australia and Brazil as well as international exports.

MINING

Mining RSA: This division comprises the BME business in South Africa. The business focuses on blasting agents – bulk emulsion and blended bulk explosives – complemented by the AXXIS™ electronic detonator system and modern software crucial to cost-efficient, safe and environmentally friendly mining operations. BME leverages its blasting products, equipment, accessories, technical services and digital solutions to add value to customers' blasting operations. A part of Mining RSA's revenue relates to recovering costs for services and technology. This division also provides raw material and other supplies to Mining International.

Mining International: This division relates to the BME businesses outside of South Africa (supplying similar products and services to Mining RSA) and includes the Protea Mining Chemicals business. The territories in which this division operates include SADC, West Africa, Australia, USA, Indonesia and Canada (by way of a joint venture).

CHEMICALS

Protea Chemicals: This division is a well-known manufacturer and distributor of specialty, functional and effect chemicals, polymers and other services and solutions serving both RSA and export customers. Sectors into which the business supplies a range of specialty, technical and product application support and SHEQ-related services include water, agricultural, industrial and life sciences.

Segmental information continued

Segmental analysis of revenue

for the period ended 30 September 2022

Rm	**Gross revenue Unaudited 6 months 30 Sep 2022**	Gross revenue Unaudited 6 months 30 Sep 2021	Gross revenue Audited 12 months 31 Mar 2022	**Net revenue[1] Unaudited 6 months 30 Sep 2022**	Net revenue[1] Unaudited 6 months 30 Sep 2021	Net revenue[1] Audited 12 months 31 Mar 2022
Agriculture RSA	**7 586**	5 212	12 163	**4 678**	3 504	8 843
Agriculture International (excluding Zimbabwe)	**1 879**	2 046	3 229	**1 138**	1 468	2 335
Total Agriculture (excluding Zimbabwe)	**9 465**	7 258	15 392	**5 816**	4 972	11 178
Agriculture International (Zimbabwe)[2]	**598**	353	877	**489**	200	442
Net impact of devaluation in Zimbabwe[2]	**–**	–	–	**109**	18	179
Total Agriculture	**10 063**	7 611	16 269	**6 414**	5 190	11 799
Mining RSA	**2 870**	2 350	4 629	**2 088**	1 653	3 325
Mining International	**2 547**	1 741	3 776	**2 226**	1 627	3 342
Total Mining	**5 417**	4 091	8 405	**4 314**	3 280	6 667
Protea Chemicals	**1 650**	1 604	3 283	**1 436**	1 432	2 971
Umongo Petroleum (discontinued operation)	**–**	889	1 414	**–**	846	1 340
Total Chemicals	**1 650**	2 493	4 697	**1 436**	2 278	4 311
Total	**17 130**	14 195	29 371	**12 164**	10 748	22 777
Continuing operations	**17 130**	13 306	27 957	**12 164**	9 902	21 437
Discontinued operations	**–**	889	1 414	**–**	846	1 340

[1] Net revenue excludes inter-company transactions eliminated on consolidation.

[2] See page 32 for results from the Group's Zimbabwean operation accounted for under *IAS 29 Financial Reporting in Hyperinflationary Economies.*

Segmental analysis of revenue by performance obligation

for the period ended 30 September 2022

Rm	**Net revenue Unaudited 6 months 30 Sep 2022**	Net revenue Unaudited 6 months 30 Sep 2021	Net revenue Audited 12 months 31 Mar 2022
Product	**11 751**	9 482	20 323
Transport	**223**	185	610
Services	**190**	235	504
Revenue per performance obligation from continuing operations	**12 164**	9 902	21 437

Analysis of revenue per performance obligation per segment:

Rm	**Product**	**Transport**	**Services**	**Net revenue**
Period ended 30 September 2022				
Agriculture RSA	**4 519**	**124**	**35**	**4 678**
Agriculture International	**1 728**	**2**	**6**	**1 736**
Total Agriculture	**6 247**	**126**	**41**	**6 414**
Mining RSA	**1 989**	**34**	**65**	**2 088**
Mining International	**2 079**	**63**	**84**	**2 226**
Total Mining	**4 068**	**97**	**149**	**4 314**
Protea Chemicals	**1 436**	**–**	**–**	**1 436**
Total Chemicals	**1 436**	**–**	**–**	**1 436**
Total	**11 751**	**223**	**190**	**12 164**
Period ended 30 September 2021				
Agriculture RSA	3 343	120	41	3 504
Agriculture International	1 681	1	4	1 686
Total Agriculture continuing operations	5 024	121	45	5 190
Mining RSA	1 536	27	90	1 653
Mining International	1 490	37	100	1 627
Total Mining	3 026	64	190	3 280
Protea Chemicals	1 432	–	–	1 432
Total Chemicals	1 432	–	–	1 432
Total	9 482	185	235	9 902
Year ended 31 March 2022				
Agriculture RSA	8 293	463	87	8 843
Agriculture International	2 945	3	8	2 956
Total Agriculture continuing operations	11 238	466	95	11 799
Mining RSA	3 077	59	189	3 325
Mining International	3 037	85	220	3 342
Total Mining	6 114	144	409	6 667
Protea Chemicals	2 971	–	–	2 971
Total Chemicals	2 971	–	–	2 971
Total	20 323	610	504	21 437

Segmental information continued

Segmental analysis of profit or loss

for the period ended 30 September 2022

Rm	Operating profit/(loss) Unaudited 6 months 30 Sep 2022	Operating profit/(loss) Unaudited 6 months 30 Sep 2021	Operating profit/(loss) Audited 12 months 31 Mar 2022
Agriculture RSA	**468**	385	999
Agriculture International	**190**	108	220
Total Agriculture (excluding Zimbabwe)	**658**	493	1 219
Agriculture International (Zimbabwe)[1]	**207**	18	(170)
Net impact of devaluation in Zimbabwe[1]	**(471)**	(62)	41
Total Agriculture	**394**	449	1 090
Mining RSA	**177**	116	277
Mining International	**182**	134	237
Total Mining	**359**	250	514
Protea Chemicals	**104**	50	142
Umongo Petroleum (discontinued operation)	**–**	59	21
Total Chemicals	**104**	109	163
Head Office and elimination[2] continuing	**(55)**	(70)	(149)
Head Office and elimination[2] discontinued	**–**	(3)	303
Total	**802**	735	1 921
Continuing operations	**802**	679	1 597
Discontinued operations	**–**	56	324

[1] See page 32 for results from the Group's Zimbabwean operation accounted for under *IAS 29 Financial Reporting in Hyperinflationary Economies.*

[2] Head Office and elimination includes acquisition-related costs, amortisation of intangible assets from the acquisition, employee share-based payment expenses and certain other once-off costs.

Profit/(loss) before tax Unaudited 6 months 30 Sep 2022	Profit /(loss) before tax Unaudited 6 months 30 Sep 2021	Profit/(loss) before tax Audited 12 months 31 Mar 2022	EBITDA Unaudited 6 months 30 Sep 2022	EBITDA Unaudited 6 months 30 Sep 2021	EBITDA Audited 12 months 31 Mar 2022
467	383	997	**643**	555	1 410
202	117	243	**201**	137	238
669	500	1 240	**844**	692	1 648
204	18	(172)	**210**	20	(167)
(471)	(62)	41	**(471)**	(62)	41
402	456	1 109	**583**	650	1 522
175	113	270	**233**	174	401
181	135	240	**210**	154	306
356	248	510	**443**	328	707
102	47	138	**160**	97	212
–	61	22	**–**	66	27
102	108	160	**160**	163	239
(89)	(81)	(236)	**(35)**	(33)	(89)
–	(3)	303	**–**	–	303
771	728	1 846	**1 151**	1 108	2 682
771	670	1 521	**1 151**	1 042	2 352
–	58	325	**–**	66	330

Segmental information continued

Segmental analysis of the statement of financial position

as at 30 September 2022

	Net[1] working capital Unaudited 6 months 30 Sep 2022 Rm	Net[1] working capital[2] Unaudited 6 months 30 Sep 2021 Rm	Net[1] working capital Audited 12 months 31 Mar 2022 Rm
Agriculture RSA	**1 166**	527	591
Agriculture International (excluding Zimbabwe)	**1 485**	493	607
Agriculture International (Zimbabwe)[3]	**289**	297	227
Total Agriculture	**2 940**	1 317	1 425
Mining RSA	**644**	360	536
Mining International	**1 002**	869	749
Total Mining	**1 646**	1 229	1 285
Protea Chemicals	**675**	597	614
Umongo Petroleum	**–**	527	–
Total Chemicals	**675**	1 124	614
Head Office and elimination[4]	**(54)**	(66)	11
Total	**5 207**	3 604	3 335
Consolidated (excluding net assets held for sale)	**5 207**	3 077	3 335
Net assets held for sale	**–**	527	–

[1] Net working capital includes supply chain financing.

[2] Restated – for more detail on the restatement refer to note on page 30.

[3] See page 32 for results from the Group's Zimbabwean operation accounted for under *IAS 29 Financial Reporting in Hyperinflationary Economies*.

[4] Head Office and elimination includes acquisition-related balances and employee share-based payment balances.

Net-controlled assets Unaudited 6 months 30 Sep 2022 Rm	Net-controlled assets[2] Unaudited 6 months 30 Sep 2021 Rm	Net-controlled assets Audited 12 months 31 Mar 2022 Rm	Return on net-controlled assets Unaudited 6 months 30 Sep 2022 %	Return on net-controlled assets[2] Unaudited 6 months 30 Sep 2021 %	Return on net-controlled assets Audited 12 months 31 Mar 2022 %
4 560	4 130	4 064	**20.5**	18.6	24.6
1 726	749	807	**22.0**	28.8	27.3
300	315	265	**(>100)**	(27.9)	(48.8)
6 586	5 194	5 136	**12.0**	17.3	21.2
1 422	1 162	1 329	**24.9**	20.0	20.8
1 285	1 140	1 076	**28.3**	23.5	22.0
2 707	2 302	2 405	**26.5**	21.7	21.4
949	968	921	**21.9**	10.3	15.4
–	552	–	**–**	21.4	–
949	1 520	921	**21.9**	14.3	15.4
173	436	95	**(63.6)**	(32.1)	(>100)
10 415	9 452	8 557	**15.4**	15.6	18.7
10 400	8 900	8 557	**15.4**	15.3	18.7
15	552	–	**–**	20.3	–

Segmental information continued

Agriculture segment

	Net revenue Unaudited 6 months 30 Sep 2022 Rm	Net revenue Unaudited 6 months 30 Sep 2021 Rm	Net revenue Audited 12 months 31 Mar 2022 Rm
Agriculture RSA	**4 678**	3 504	8 843
Agriculture International (excluding Zimbabwe)	**1 138**	1 468	2 335
Total Agriculture (excluding Zimbabwe)	**5 816**	4 972	11 178
Agriculture International (Zimbabwe)	**489**	200	442
Net impact of devaluation in Zimbabwe	**109**	18	179
Total Agriculture	**6 414**	5 190	11 799

Global agribusiness and fertilizer industries operated in a challenging environment in HY2023, particularly due to volatility in commodity prices since the Russia-Ukraine conflict escalated in February. Maintaining security of supply has become critical for our customers as these macro effects have been compounded by local supply chain disruptions. Our agile and integrated supply chain approach ensured that we were in a strong position to meet demand.

Against this backdrop, the **Agriculture segment (excluding Zimbabwe)**, delivered a robust financial performance. Revenue increased by 17.0% to R5 816 million (HY2022: R4 972 million). Operating profit grew by 33.5% to R658 million (HY2022: R493 million) and operating margins rose to 11.3% (HY2022: 9.9%) which is within our targeted guidance range. This performance was primarily attributable to a focused strategy on optimising the margin mix, efficient manufacturing and supply chain operations, delivery of the Omnia Nutriology® model to customers, and was supported by elevated commodity prices.

Volumes reduced compared to the prior period, largely due to farmers in South Africa buying inputs later in the season in anticipation of softening commodity prices, inclement weather delaying harvesting, and the deferred contract process in Zambia. The International business continued to focus on its global distribution drive of AgriBio products into new markets with increased volumes achieved in Brazil and other South American markets.

Net working capital increased due to higher commodity prices and stockholding as a result of a later start to the planting season compared to the prior year. This is anticipated to unwind in the second half of FY2023 as experienced subsequent to this financial reporting period.

Safety and ESG remain a strategic priority and emphasis continues to be placed on safety and environmental awareness in our global operations. There were six recordable incidents during the period across Agriculture operations globally. A number of safety interventions were undertaken including greater safety awareness training particularly as we move into our peak production season, a focus on fatigue management and a concerted effort on transporter safety awareness. The RCR improved to 0.24 (HY2022: 0.51).

Agriculture RSA's (including manufacturing) net revenue increased by 33.5% to R4 678 million (HY2022: R3 504 million). This was supported by elevated commodity prices and growth in speciality sales volumes. Overall volumes were however down year-on-year due to a delay in purchasing by farmers. Focused cost management resulted in a decrease in expenses, which contributed to the overall operating profit increase of 21.6% to R468 million (HY2022: R385 million).

Omnia's agile and diversified supply chain ensured that the division was able to meet the market demand despite significant local and global supply disruptions. Manufacturing's focus on quality products and optimisation enabled the business to market superior offerings at competitive prices.

Net working capital increased to R1 166 million (HY2022: R527 million) largely due to a notable rise in inventory value (linked to elevated commodity prices) and a normalising sales cycle.

Agriculture International's (excluding Zimbabwe) net revenue decreased by 22.5% to R1 138 million (HY2022: R1 468 million) due to the deferred Zambian contract process. Operating profit for the period increased 75.9% to R190 million (HY2022: R108 million) driven by a strategic focus on the volume-margin mix

Operating profit/(loss) Unaudited 6 months 30 Sep 2022 Rm	Operating profit/(loss) Unaudited 6 months 30 Sep 2021 Rm	Operating profit/(loss) Audited 12 months 31 Mar 2022 Rm	Operating margin Unaudited 6 months 30 Sep 2022 %	Operating margin Unaudited 6 months 30 Sep 2021 %	Operating margin Audited 12 months 31 Mar 2022 %
468	385	999	**10.0**	11.0	11.3
190	108	220	**16.7**	7.4	9.4
658	493	1 219	**11.3**	9.9	10.9
207	18	(170)	**42.3**	9.0	(38.5)
(471)	(62)	41	**(>100)**	(>100)	22.9
394	449	1 090	**6.1**	8.7	9.2

in Africa, growth in higher margin AgriBio products, and the non-recurring losses of the fixed price contract in Zambia in the prior period.

The operations in the SADC region benefited from a broader product offering targeting different customer sectors across all countries. Our strategic direction, underpinned by a multi-sector value proposition, enabled the region to consolidate its existing markets and grow in new markets and sectors. In Zambia, we continued to diversify our offering to limit our dependence on commercial farmers and bulk contracts.

Exports of AgriBio products from Australia to the Southeast Asian market increased as supply chain constraints in Australia eased. The business continued to grow in Brazil, generating strong revenue and margin growth through sales into new South American markets. Broadening the product range in both Australia and export markets to our customers has remained the focus of this business.

Agriculture Zimbabwe continued to be managed on a risk-adjusted basis while pursuing alternative distribution options. Net revenue increased by 174.3% to R598 million (HY2022: R218 million). Sales volumes were increased responsibly while limiting our exposure to liquidity challenges, which ensured that the operations continued to generate cash in a challenging macro-economic environment.

Outlook

As the planting season commences in the southern hemisphere and notwithstanding the ongoing volatility in commodity prices, the Agriculture segment's outlook for the second half of FY2023 remains positive. We expect an increase in overall demand influenced by the La Niña phenomenon bringing about good agronomic conditions, supported by a buoyant commodity price environment.

Our integrated operating and supply chain model will enable Omnia to mitigate the risk of disrupted supply chains and volatile prices through product mix and flexibility in supply. The supply chain and manufacturing operations will continue to enhance plant utilisation and optimisation efforts. Further investments in R&D are anticipated to create new product opportunities, while investments into renewable energy and water recycling, in line with our environmental stewardship strategy, and are expected to reduce risk on utility supply and enhance returns.

In our Africa business, we continue to implement our regional hub model to pursue organic geographic expansion. Zambia is now a fully-fledged regional hub growing sales into the region. In Mozambique, we are broadening our market segments with a concerted effort to increase market penetration. Kenya will be pursuing a value-added approach with increased regional distribution.

The AgriBio market continues to grow at a strong rate. Our offering of quality products with proven science and R&D data is a strong value proposition as industry regulations for AgriBio products tighten in certain markets. Our distribution efforts into new territories (USA, EU, Eastern Europe and Turkey) are expected to gain momentum as we focus on expanding our global footprint.

Strategically, the Agriculture (including manufacturing) segment remains committed to increasing volumes globally while maintaining margin guidance. We will continue growing global partnerships particularly in the AgriBio business, while improving plant and production efficiency in the SADC region.

Mining segment

	Net revenue Unaudited 6 months 30 Sep 2022 Rm	Net revenue Unaudited 6 months 30 Sep 2021 Rm	Net revenue Audited 12 months 31 Mar 2022 Rm
Mining RSA	**2 088**	1 653	3 325
Mining International	**2 226**	1 627	3 342
Total Mining	**4 314**	3 280	6 667

In the **Mining segment**, higher commodity prices supported revenue and operating profit which increased by 31.5% to R4 314 million (HY2022: R3 280 million) and 43.6% to R359 million (HY2022: R250 million), respectively. This was partially offset by lower volumes and above-inflationary input cost increases. Strained mining and manufacturing sectors in South Africa impacted the availability of used oil, which is a key input in our emulsion explosives, adversely affecting margins. Overall operating margins increased to 8.3% (HY2022: 7.6%).

Volumes reduced in South Africa, particularly in Q1 FY2023 due to inclement weather, industrial action, regulatory challenges and the ramp up of electricity curtailment in the country which weighed heavily on mining activity. For West Africa, the conflict between Russia and Ukraine as well as COVID-19 related supply chain disruption resulted in rising input costs.

Despite these challenges, BME ensured that continuous supply to customers was prioritised. This included investing in infrastructure to enable raw materials imports, reviewing alternate power supplies to mitigate the risk of losing production capability, and sourcing from alternate international suppliers. An expanded used oil collection strategy was implemented, which included broadening our supplier network and commissioning a new processing facility.

In line with continuous improvement in our technology, test results from our AXXIS™ Titanium electronic delay detonators showed that they are increasingly resistant to high current AC voltages, confirming the stability of our product. We also accomplished our first blast of these detonators in Australia and Lesotho. This achievement, together with testing of AXXIS™ Titanium and Silver detonators in North America, reaffirmed the resilience of our system in cold climates.

BME recorded an RCR performance of 0.16 (HY2022: 0.05). A special focus on contract management, driver safety awareness, vehicle management, and surveillance was implemented in order to improve our safety standards. This included the upgrade of in-cab driver camera units for our vehicles, which will assist in monitoring driver behaviour and implementing corrective and preventative interventions going forward.

Mining RSA's net revenue increased by 26.3% to R2 088 million (HY2022: R1 653 million). Operating profit for the period grew by 52.6% to R177 million (HY2022: R116 million). Revenue was positively impacted by contractual recovery of the elevated ammonia prices, offset by a rise in input costs. A number of management actions were undertaken during the period to reduce costs and optimise operational efficiencies. The realisation of large customer contracts supported throughput of the Group's plants and enhanced the overall performance. The division was successful in securing multiple contract extensions and gaining new business in both surface and underground mines.

Mining International's net revenue increased by 36.8% to R2 226 million (HY2022: R1 627 million). Operating profit for the period increased by 35.8% to R182 million (HY2022: R134 million). A number of new mining contracts were secured, particularly in the SADC region. In Zambia, a new business contract was acquired at the beginning of the financial year. However, ramp up of volumes took longer than expected due to operational delays at the new mine site. BME secured a tender in Lesotho with no mobilisation necessary due to BME being the previous incumbent before the mine's temporary closure. In Botswana, our distributor model with a local

Operating profit Unaudited 6 months 30 Sep 2022 Rm	Operating profit Unaudited 6 months 30 Sep 2021 Rm	Operating profit Audited 12 months 31 Mar 2022 Rm	Operating margin Unaudited 6 months 30 Sep 2022 %	Operating margin Unaudited 6 months 30 Sep 2021 %	Operating margin Audited 12 months 31 Mar 2022 %
177	116	277	**8.5**	7.0	8.3
182	134	237	**8.2**	8.2	7.1
359	250	514	**8.3**	7.6	7.7

partner was finalised, providing the business with a local presence that will act as a catalyst for growth in the country. In Namibia, a sizeable customer renewed its contract.

West Africa's volumes were negatively impacted by the continued unrest in Burkina Faso, with the second coup d'état of the year taking place in September. Our largest mining customer in the region remains closed due to ongoing security concerns. The ECOWAS Development Bank sanctions, which led to border closures in Mali at the beginning of FY2023, were lifted in June, with a prolonged negative impact on mine productivity. Our operations in Mauritania and Sierra Leone performed well.

We have continued to pursue an active growth strategy through a hybrid of partnering and direct access to market in Australia. The Indonesian partnership is in its final stages of execution and good progress has been made in establishing manufacturing facilities in Canada and mobilising for a large contract.

Protea Mining Chemicals delivered a strong set of results due to volume growth in the mining explosives market and solvent extraction applications. Sound supply chain management enabled the business to successfully overcome supply challenges and secure substantial volumes of ammonia derivative business, which contributed strongly to this positive result.

Outlook

BME continues to embrace ESG priorities through the ongoing pursuit of efficiency in mining to serve both sustainability and production imperatives. Through partnering with our customers, we are well positioned to deliver market relevant capabilities. Continuous improvement is being explored to further differentiate our current AXXIS™ initiating systems. Our digital offerings also make mining more effective and less carbon intensive. Our core focus is to enable greener, alternative emulsion technology and processes, which is in line with our objective to support the global transition to net zero.

Ammonium nitrate is an important input into the mining explosives value chain. We anticipate that customers will prioritise supply security going forward, which should stand BME in good stead given Omnia's integrated supply chain and manufacturing which places the Group in a good position to meet customer needs.

Sales volumes are expected to be buoyant in RSA and the SADC region. Steady macro-economics, including socio-political and infrastructure stability as well as weather conditions conducive to mining production, will remain key to achieving this.

The global exploration budget trend shows further signs of recovery which is positive for the global mining industry over the longer term. Exploration spend is particularly robust in our primary markets of North America, Australia, West Africa, and to a lesser extent the SADC region.

The second half of FY2023 is expected to show a rise in volumes and improved margins through cost reduction and the recovery in used oil availability.

Growth in global demand for clean energy is accelerating the reopening of mining operations in the SADC region. PMC is well positioned to deliver products to these customers and provide the applicable on-site support and supply chain services.

Segmental information continued

Chemicals segment

	Net revenue Unaudited 6 months 30 Sep 2022 Rm	Net revenue Unaudited 6 months 30 Sep 2021 Rm	Net revenue Audited 12 months 31 Mar 2022 Rm
Protea Chemicals	**1 436**	1 432	2 971
Umongo Petroleum (discontinued operation)	**–**	846	1 340
Total Chemicals	**1 436**	2 278	4 311

The implementation of the sector specific business model designed to drive expertise-based unique customer and principal relationships is progressing well. Particular emphasis has been placed on building a portfolio of high-performance specialty and environmentally-friendly products and solutions to supplement our traditional chemistries. Success was achieved in the agriculture, consumer care and industrial sectors, with advances being made in biodegradable cleaning and coatings chemicals. While volumes were lower, revenue remained stable as a result of these product mix improvements.

Reliability of supply to customers remained a key focus area and a core competence of our business, despite ongoing challenges in South Africa associated with supply chain disruptions, service provision failures by power and water utilities, and various socio-political factors.

This enabled the business to successfully withstand the effects of elongated supply chains, increasing product cost and muted demand experienced in the first half of FY2023, which enabled the business to increase margin and profit compared to the prior year.

The **Chemicals segment's** net revenue from continuing operations increased by 0.3% to R1 436 million (HY2022:R1 432 million) while operating profit rose by 108.0% to R104 million (HY2022: R50 million). Operating profit includes profit made on asset sales of R34 million offset by R22 million in once off adjustments relating to accelerated amortisation of IT software, and the write off of intangibles relating to trademarks and contracts applicable to discontinued brands in line with the business's strategy.

Net working capital increased by 13.1% to R675 million (HY2022: R597 million).

Enhanced focus on safety delivered improvements in the RCR to 0.15 (HY2022: 0.37).

	Operating profit Unaudited 6 months 30 Sep 2022 Rm	Operating profit Unaudited 6 months 30 Sep 2021 Rm	Operating profit Audited 12 months 31 Mar 2022 Rm	Operating margin Unaudited 6 months 30 Sep 2022 %	Operating margin Unaudited 6 months 30 Sep 2021 %	Operating margin Audited 12 months 31 Mar 2022 %
	104	50	142	**7.2**	3.5	4.8
	–	59	21	**–**	7.0	1.6
	104	109	163	**7.2**	4.8	3.8

Outlook

As the rebalancing of the product mix continues, the number of specialty products and associated services will increase. This is anticipated to provide sustained growth in margins and profitability within our targeted sectors. Increased focus on customer service delivery coupled with expertise-based product and application is expected to provide the basis from which the business will deliver operating margins within our guidance range.

With the disruptions in supply chains anticipated to continue, our ability to reliably source products through global partners and principals remains key to ensuring that our customers' requirements are consistently met. Focus therefore remains on building a network of principals to support the strategy.

The supply of green, environmentally friendly alternative chemistries and solutions across the sectors remains a key strategic focus area in the medium term.

Capital structure

The funding facilities negotiated in August 2021 remain in place and were utilised by the Group during HY2023. The Group is in the process of reviewing these facilities with the intention of optimising them in line with business strategy, working capital and capital requirements.

The Group has complied with the financial covenants of its borrowing facilities during HY2023. The financial covenants in place for the relevant facilities are as follows:
- Net debt: EBITDA from continuing operations – 31 March <2
- Net debt: EBITDA from continuing operations – 30 September <2.5
- Interest cover ratio >4

On 30 September 2022, the Group's interest cover ratio was 35.0 and the net debt: EBITDA was 0.1 times. (The financial covenants are calculated on a rolling 12-month period.)

Retaining optionality in the current environment allows Omnia to allocate capital to both organic and inorganic opportunities as and when they are identified, in line with its strategy. The board carefully considers capital allocation decisions to ensure that they are value accretive, provide the right diversification that is complementary to Omnia's core businesses and strengthen the overall positioning of the Group.

While Omnia believes it prudent to maintain a strong financial position in the current economic environment, it is not Omnia's intention to maintain an ungeared position in the long term.

The Board has decided not to declare an interim dividend. The overall cash position will be assessed at year-end and the appropriate capital distribution will be in line with Omnia's aim to maintain a headline earnings per share cover ratio of between 1.5 – 2.5.

Other financial disclosures

South African Revenue Service (SARS) audit

On 17 June 2021, Omnia Group Proprietary Limited received a finalisation of audit letter from SARS, indicating a possible upward adjustment to taxable income following the conclusion of a transfer pricing audit relating to the company's 2014 to 2016 years of assessment. Per the finalisation of audit letter, additional assessments resulting in a cumulative additional tax liability of approximately R415 million and understatement penalties of R165 million were levied. The additional assessments attract interest at a rate prescribed by SARS (calculated monthly), amounting to approximately R375 million at 30 September 2022.

In July 2021, the Group submitted a request for the deferment of payment to SARS in respect of its 2014 to 2016 years of assessment. The request was partially granted in November 2021, with SARS requesting a payment of R207 million by 2 December 2021 and all future possible payments being deferred pending the outcome of dispute resolution proceedings and the final determination of any appeal processes by the courts. Interest continues to accrue on the outstanding balance of tax at the rate prescribed by SARS. Such interest has been recognised separately from the Group's estimated uncertain tax liabilities.

An objection to the 2014 to 2016 assessments raised by SARS was submitted on 15 November 2021 following extensive engagement with transfer pricing specialists. The Group received a request for substantiating documentation from SARS on 26 January 2022, which was submitted to SARS on 7 April 2022. On 30 September 2022, SARS partially allowed the objection, resulting in a nominal reduction in the additional assessments raised by SARS on 17 June 2021. The Group continues to disagree with SARS' findings despite the partial allowance and will lodge an appeal against the revised assessments raised by SARS. In this regard, Omnia has been granted an extension to file the notice of appeal by 12 December 2022.

In addition to the above mentioned appeal process, Omnia has commenced with lodging requests with the South African Competent Authority to consult with the Competent Authorities of relevant foreign jurisdictions to remedy the double tax position that will arise if the above mentioned additional assessments are upheld and agree the respective taxing right position between the jurisdictions in accordance with applicable treaties.

The Group continues to desire an amicable conclusion to this matter. A resolution reached through the Alternative Dispute Resolution Process with SARS is still considered to be the most probable outcome of the dispute and therefore the basis upon which a provision has been raised in this regard in terms of IFRIC 23 remains unchanged.

While the Group remains committed to expeditiously bringing this matter to a close, based on the current information on hand, the matter is not expected to be concluded during the Group's 2023 financial year.

Restatements for the period ended 30 September 2021 and 30 September 2020

Restatement 1 – Accounting for leases

In prior periods, on the adoption of IFRS16, certain leases were recognised on the statement of financial position that did not meet the recognition criteria of IFRS 16. In addition, another lease was recognised over the incorrect lease term and this has been increased to reflect the correction. As a result, the comparatives in the consolidated statement of financial position as at 30 September 2021 and 30 September 2020 have been restated.

Restatement 2 – Disaggregation of provisions from trade and other payables

Provisions have in the past been included in trade and other payables in the consolidated statement of financial position and itemised in the relevant trade and other payables notes. The comparative disclosures as at 30 September 2021 and 30 September 2020 have been reclassified accordingly and presented as a separate line item.

Restatement 3 – Restricted cash treatment – Statement of cash flows

In the prior period, management treated the release of restricted cash as part of operating activities. During the finalisation of the 31 March 2022, audit it was determined that the classification of investing activities would be more appropriate. The statement of cash flow has been restated at 30 September 2021 to reflect this change.

Financial impact of restatements 1 – 3

The net statement of comprehensive income effect of the above adjustments was immaterial and consequently no statement of comprehensive income restatement was considered necessary. Therefore, no adjustments to any of the following results and key metrics previously reported by the Group were required:

- Consolidated profit before and after tax
- Total earnings per share (basic and diluted)
- Total headline earnings per share (basic and diluted)
- Net asset value of the Group or net asset value per share

The impact of the above mentioned restatements is detailed below:

Statement of financial position Rm	As reported 30 Sep 2021	Restatement 1	Restatement 2	As restated at 30 Sep 2021	As reported 30 Sep 2020	Restatement 1	Restatement 2	As restated at 30 Sep 2020
Assets								
Non-current assets	5 586	(74)	–	5 512	6 446	(76)	–	6 370
Right-of-use assets	361	(74)	–	287	433	(76)	–	357
Total assets	16 974	(74)	–	16 900	17 798	(76)	–	17 722
Liabilities								
Non-current liabilities	828	(34)	–	794	636	(38)	–	598
Lease liabilities	296	(34)	–	262	347	(38)	–	309
Provisions	–	–	48	48	–	–	59	59
Trade and other payables	48	–	(48)	–	59	–	(59)	–
Current liabilities	6 501	(40)	–	6 461	7 149	(38)	–	7 111
Lease liabilities	115	(40)	–	75	138	(38)	–	100
Provisions	–	–	34	34	–	–	28	28
Trade and other payables	5 555	–	(34)	5 521	4 326	–	(28)	4 298
Total liabilities	7 651	(74)	–	7 577	8 221	(76)	–	8 145
Total equity and liabilities	16 974	(74)	–	16 900	17 798	(76)	–	17 722

Statement of cash flows Rm	As reported 30 Sep 2021	Restatement 1	Restatement 3	As restated at 30 Sep 2021
Net cash inflow/(outflow) from operating activities	809	(35)	(116)	658
Cash generated from/(utilised in) operations	890	(35)	(116)	739
Net cash (outflow)/inflow from investing activities	(144)	–	116	(28)
Restricted cash released	–	–	116	116
Net cash (outflow)/inflow from financing activities	(1 271)	35	–	(1 236)
Repayment of lease liabilities	(108)	35	–	(73)

Other financial disclosures continued

Monetary (loss)/gain on hyperinflation

Hyperinflation in Zimbabwe remains, with the continued weakening of the Zimbabwean dollar. Seasonal fluctuations in inventory, creditors and debtors influence the net impact of hyperinflation and foreign exchange movements. The loss for the period ended 30 September 2022 was R471 million (HY2022: R62 million loss) which has been recognised in profit or loss below operating profit before the net impact of the devaluation in Zimbabwe, as required by *IAS 29 Financial Reporting in Hyperinflationary Economies.* The Group's Zimbabwean subsidiary's contribution to the Group's statement of comprehensive income and the Group's statement of financial position is as follows:

Rm	**Unaudited 6 months 30 Sep 2022**	Unaudited 6 months 30 Sep 2021	Audited 12 months 31 Mar 2022
Statement of comprehensive income			
Revenue	**598**	218	621
Expenses	**(391)**	(200)	(791)
Operating profit/(loss)	**207**	18	(170)
Net impact of hyperinflation on foreign exchange (losses)/gains	**(471)**	(62)	41
Interest expense	**(2)**	–	(2)
Loss before tax	**(266)**	(44)	(131)
Tax income	**94**	15	35
Loss for the period	**(172)**	(29)	(96)
Statement of financial position			
Property, plant and equipment	**11**	17	17
Inventory	**252**	266	270
Monetary asset	**48**	96	78
Monetary liabilities	**(546)**	(408)	(510)
Deferred tax asset/(liability)	**55**	(4)	30
Equity	**180**	32	115

Employee share schemes

Omnia Performance Share Scheme

The Group's remuneration and nominations committee approved an employee share scheme to align the interests of its employees with those of the company's shareholders and to attract and retain employees. The share scheme was set up to remunerate employees through the issue of performance shares, retention shares, remuneration shares, sign-on shares and deferred bonus shares. Each of the different share awards contain specific performance conditions and vesting periods.

New performance shares were awarded to employees in the current period with a fair value of R106 million, which will be expensed over a period ranging from three to five years. R52 million of the awards allocated were purchased in the previous financial year with an additional R58 million in shares purchased in the current financial period.

Omnia Broad-Based Employee Share Scheme

The Omnia Broad-Based Employee Share Scheme intends to create ownership of Omnia for all eligible employees employed within Omnia as of 1 July 2021. Employees eligible to participate in the scheme are intended to benefit from the growth in value of the Omnia share price during the execution of the Group strategy. Employees who are recipients of performance shares as per the Omnia Performance Share Scheme (comprising executives and senior management) will not be eligible to participate in this scheme.

Shares assigned to employees will be housed in the Omnia Broad-Based Employee Share Trust, with a three-year vesting period. This will be expensed over the vesting period with the corresponding entry in share-based payment reserves. No additional shares have been purchased. Allocations to new staff members with a fair value of R5 million have been made in the current financial year, with a vesting period of three years.

For the above schemes, a total of R45 million has been distributed as dividends to the participants, of which R24 million related to prescribed officers during the period.

Fair value measurements

Derivative financial assets and liabilities are classified at fair value through profit or loss and are initially recognised at the fair value of the consideration given or received. These assets and liabilities are subsequently remeasured at fair value. Transaction costs, where applicable, are expensed in profit or loss. Gains or losses arising from changes in the fair value of derivatives are recognised in other operating income or other operating expenses in profit or loss in the period in which they arise. Financial assets and liabilities are derecognised when the respective right or obligation to cash flows has expired, has been settled or the Group has transferred all the risks and rewards of ownership substantially.

During the current period, derivative financial assets of R283 million (HY2022: R47 million) and derivative financial liabilities of R211 million (HY2022: R27 million) were classified as level 2 of the fair value hierarchy. All significant inputs required to fair value derivative instruments are observable market data and therefore are included in level 2 of the fair value hierarchy.

During the current period financial assets at fair value through profit and loss of R97 million (HY2022: R17 million) were classified as level 3 of the fair value hierarchy. The fair value of the remaining investment in Umongo amounting to R93 million, which has been classified as held for sale, was determined based on the agreed price per the sales agreement, which takes into consideration the underlying financial performance of Umongo.

The carrying value of all other financial assets and liabilities is measured at amortised cost, which approximates the fair value due to the short-term nature thereof.

Contingent liabilities

Legal proceedings

The Group is currently involved in various legal proceedings and is, in consultation with its legal counsel, assessing the potential outcome of these proceedings on an ongoing basis. As proceedings progress, management makes provisions in respect of legal proceedings where appropriate. Litigations, current or pending, are not likely to have a material adverse effect on the Group.

Tax investigations

The Group is currently subject to tax investigations by revenue authorities across several jurisdictions. The Group is in the process of providing relevant information requested by the respective revenue authorities and assessing the potential outcome of the investigations. As these investigations progress, and where considered appropriate, management makes provision for any expected tax and related expenditure that may result from the investigations. Certain tax investigations across the Group have been stalled as a result of the COVID-19 pandemic.

Other financial disclosures continued

Events after the reporting period

No events occurred after the reporting date that could have a material impact on the condensed interim financial statements.

Basis of preparation

The condensed interim financial statements for the period ended 30 September 2022 (interim results) have been prepared in accordance with *IAS 34 Interim Financial Reporting*, International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial pronouncements as issued by the Financial Reporting Standards Council, presentation and disclosures as required by the JSE Listings Requirements and the Companies Act, Act 71 of 2008, as amended.

The interim results do not include all the notes of the type normally included in the annual financial statements. Accordingly, the interim results are to be read in conjunction with the annual financial statements for the year ended 31 March 2022 and any public announcements made by Omnia. The accounting policies adopted are in terms of IFRS and are consistent with those of the previous financial year and corresponding interim reporting period.

The preparation of these interim results was supervised by the finance director, S Serfontein CA(SA). The board takes full responsibility for the preparation of the interim results and the results have not been reviewed or audited by the Group's auditors.

Board of directors

The board believes that this report is a balanced and appropriate representation of the financial and operational performance and approved it on 22 November 2022.

T Eboka
Chair

T Gobalsamy
Chief executive officer

S Serfontein
Finance director

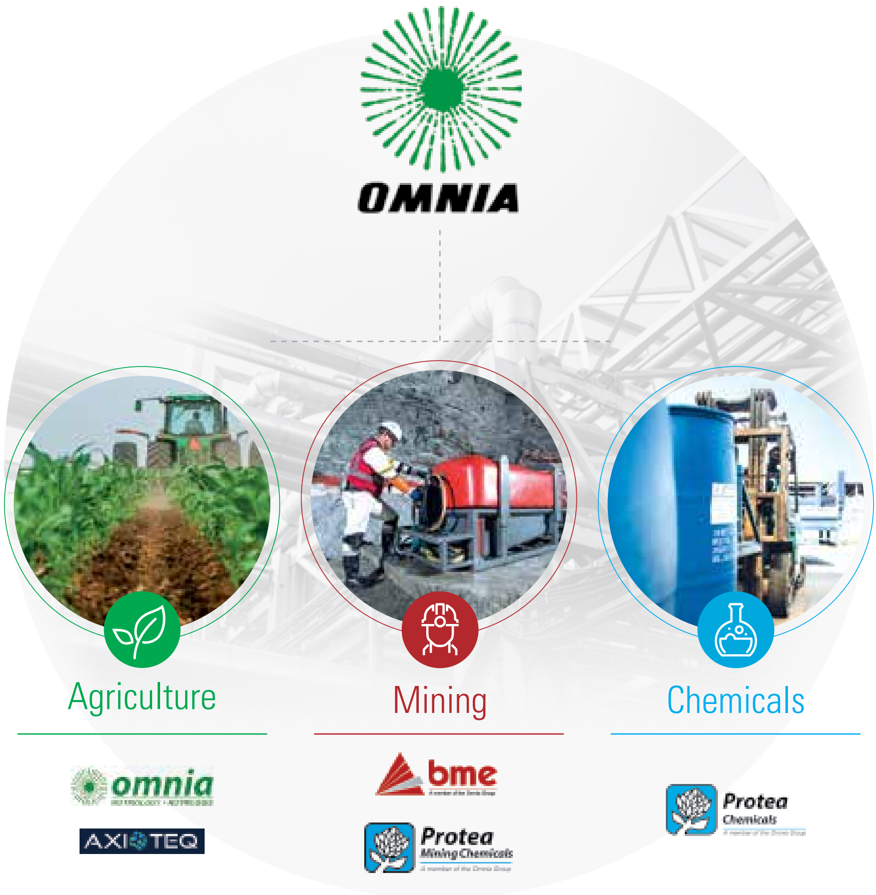
22 November 2022

Background information

Omnia is a diversified Group that conducts research and development, manufactures and supplies chemicals and specialised services and solutions for the **Agriculture**, **Mining** and **Chemicals** application industries.

Differentiation is ensured through using innovation combined with intellectual capital, whereby Omnia adds value for customers at various stages of the supply and service chain.

With its purpose of **innovating to enhance life, together creating a greener future**, the Group's solutions for its customers promote the responsible handling and use of chemicals for **health, safety and a lower environmental impact**, with a progressive shift towards cleaner technologies.



Company information

Executive directors:
T Gobalsamy (chief executive officer),
S Serfontein (finance director)

Non-executive directors:
T Eboka (chair), Prof N Binedell,
R Bowen (British), G Cavaleros,
S Mncwango, T Mokgosi-Mwantembe,
W Plaizier (Dutch), Z Swanepoel, R van Dijk

Company secretary:
M Nana

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Forward-looking statements

Throughout this report there are certain statements made that are "forward-looking statements". Any statements preceded or followed by, or that include the words "forecasts", "believes", "expects", "intends", "plans", "predictions", "will", "may", "should", "could", "anticipates", "estimates", "seeks", "continues", or similar expressions or the negative thereof, are forward-looking statements.

By their nature, forward-looking statements are speculative and allude to known and unknown risks, opportunities, macro-economic issues and any factors that could cause the actual results, performance or achievements of the Group to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements.

Forward-looking statements are not guarantees of future performance and reflect the Group's view at the date of publication of this report. The Group is not obliged to publicly update or revise these forward-looking statements for events or circumstances occurring after the date of publication of this report. Any forward-looking statement contained herein based on current trends and/or activities of the Group should not be taken as a representation that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group.

Forward-looking statements should not be relied on because they involve uncertainties and known and unknown risks, which risk factors are described throughout the commentary in this report, and include economic, business and political conditions in South Africa and elsewhere.

OMNIA

Bastion

www.omnia.co.za

OMNIA HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Registration number 1967/003680/06
LEI NUMBER: 529900T6L5CEOP1PNP91
JSE code: OMN • ISIN: ZAE000005153
("Omnia" or "the Group")