Barloworld


# Annual results

For the 12 months ended
30 September 2022

## Built on enduring partnerships and transformative growth

# One Barloworld

## Our purpose

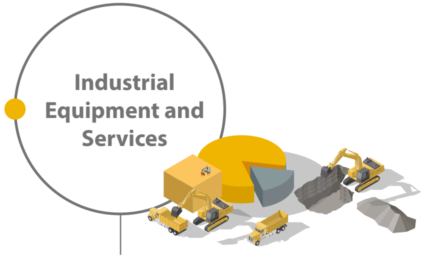
To inspire **a world of difference,** enabling growth and progress in society.

## Our vision

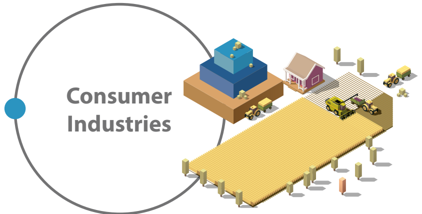
We create enduring **economic and social value** for our stakeholders by building businesses that serve industrial customers.

## Our sustainabiliy commitment

To be a responsible corporate delivering products, services and solutions that generate sustainable outcomes.




**Our Industrial Equipment and Services business offers earthmoving equipment, industrial services and power systems that enable a large array of mining, construction and power solutions for our customers through deep relationships built on trust.**

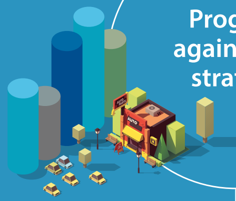



**Through our Consumer Industries business we provide large businesses with the ingredients essential to the manufacturing of, among others, food and beverages, paper, pharmaceuticals, building materials and adhesives.**

# Our corporate structure


**Other includes Digital Disposal Solutions (including SMD), Khula Sizwe, Handling and Corporate office.

# Key features of our performance



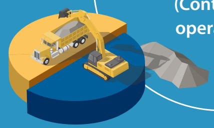
## Progress against our strategy

Completing our exit out of businesses that are not core to Barloworld's strategy

- Unbundling of Car Rental and Leasing is under way
- Disposal of the Logistics business is complete

Strengthening the group's position in its core verticals:

- Equipment southern Africa delivers record returns
- Ingrain delivers a solid performance



## Our financial performance (Continuing operations)

Revenue grew
**15%**

EBITDA
**up 9%**

Operating profit from core trading activities up
**up 12.8%**

Free cash generated of
**R3.7 bn**

HEPS of
**1 096cps**

## Our environmental, social and governance (ESG) performance

### Environmental

- We closed our first green loan and a green bond in July 2022 for R1bn and R1.1bn respectively
- Barloworld achieved an ISS rating of 1 for our Environmental Quality Score and an MSCI A rating

We have established five-year efficiency improvement targets **against which all our operations will be measured**

### Social

- Barloworld issued Africa's first gender-linked bond to consolidate our social and financial performance
- We reduced our lost time injury frequency rate to 0.30 (FY21: 0.37) and achieved zero work-related fatalities in the reporting period
- Our wellness programme continues to grow its impact on mental wellness, financial wellness and life management. Life management is made up of four components: legal advice; financial advice; family care and medical advice
- Siyakhula, our wealth-building enterprise and supplier development (ESD) programme added an additional 28 SMMEs
- Mbewu, a fully-fledged non-profit company formed by Barloworld, drives economic sustainability, transformation and growth through its financial and non-financial support of social enterprises over a period of three to five years
- We achieved an ISS rating of 1 for our Social Quality Score

### Governance performance

- The composition of our board, its appropriate balance of knowledge, skills, experience, diversity (55% of its members are women and 60% are black South Africans) and independence (80% of our directors are independent non-executive directors) equips it to discharge its governance role and responsibilities, objectively and effectively

**55%**
**female board members and 60% black South African board**

"Barloworld has created value for its stakeholders as a result of delivering on its strategy and our focus on sound capital allocation, despite all the challenges presented by the operating environment."

**Dominic Sewela**
**Group Chief Executive Officer**

# Group Chief Executive Officer's review

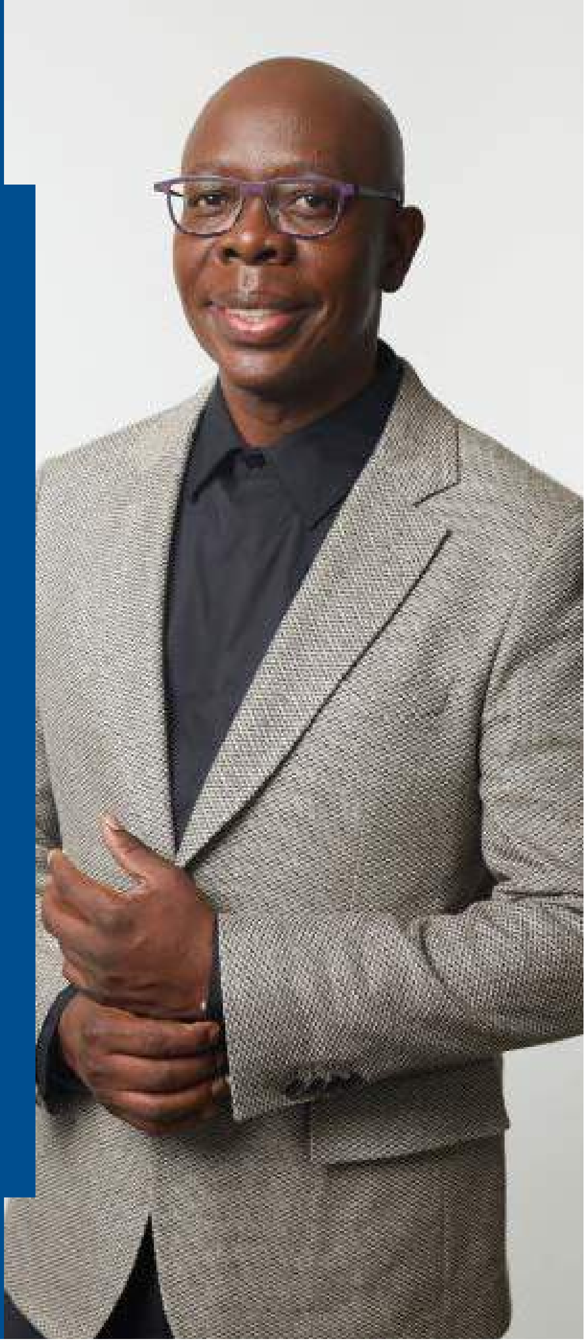
## AT A GLANCE

Revenue from continuing operations was 15% ahead of the prior year

Ingrain continues to outperform expectations, delivering a strong 34.6% revenue uplift

Total group revenue of R49.2 billion increased by 9.5%

Operating profit from core trading activities from continuing operations increased by 12.8% to R3.7 billion



## Performance review

The group delivered impressive and improved results despite some key challenges in the prevailing operating environment. Revenue from continuing operations was 15% ahead of the prior year as Eurasia produced satisfactory results supported by Russia where revenue was in line with the prior year. Equipment southern Africa delivered revenue which is 19.9% higher compared to the prior year despite supply chain challenges. Ingrain continued to outperform expectations, delivering a strong 34.6% revenue uplift for the full 12 months compared to 11 months in the prior period. The performance is also due to good sales volumes and higher international starch and glucose prices.

Group HEPS increased by 576 cents to 1 771 cents in the current year, driven by a robust performance from Equipment southern Africa, resilient performance from Equipment Eurasia and strong results from Ingrain. Group normalised HEPS increased by 556 cents to 1 781 cents.

Revenue from continuing operations of R39.4 billion was 15.4% ahead of the prior year's R34.1 billion. This was driven by an improvement in trading activities across most of our business segments. Total group revenue of R49.2 billion increased by 9.5% compared to the prior year (after adjusting for Motor Retail which was included for 5 months in the prior year).

The operating profit from core trading activities from continuing operations increased by 12.8% to R3.7 billion, positively impacted by a growth in revenue and cost containment measures. Group operating profit, which includes the Car Rental and Leasing business held as a discontinued operation, increased by 32% to R5.6 billion.

### Capital allocation remains a key enabler to value creation

The group's approach to capital allocation is linked to its overall strategy. This has driven investments of cash in projects that yield returns higher than their cost of capital, issuing cash distributions to shareholders through special and ordinary dividends and share buy-backs with the goal of maximising shareholder value. Barloworld also de-risked its defined benefit pension fund obligation in the United Kingdom (UK) securing current and future shareholder earnings from its adverse fluctuations, as well as releasing the cash investments in the UK for use anywhere in the group.

As the group's order book and delivery capacity increased in 2022, there was a natural increase in the working capital to grow our fleet and inventory. This necessitated higher funding requirements and therefore an increase in related net debt for the year under review. It is essential to note that there is an effort to increase debt in the business in order to meet our target capital structure. The group's key measures, return on invested capital (ROIC^) improved to 16.9% compared to the 11.3% generated in the prior year.

The board has approved a final dividend of 295cps, bringing our total dividend to 460cps. This is in line with the group's stated dividend cover of 2.5 to 3.0 times normalised headline earnings for continuing operations. The board has also approved a special dividend of 550 cents per share.

^ Not audited

## A value-creating workforce

Our people are key to our group as they build businesses that serve our industrial customers and deliver on our ambition. They are skilled, high performers employed in a leading distributor of industrial equipment and services and a leading processor and distributor of food ingredients. We have a total workforce of 8 609. The largest employer for the group is Equipment southern Africa, which employs 37% of our workforce. Our discontinued operation in Car Rental and Leasing is the second largest employer at 21%, followed by Equipment Eurasia with 18% of our employees and Ingrain accounts for 10% of our workforce. The discontinued Logistics division and Other segments make up the remainder of the workforce.

Barloworld has a long history of being a responsible citizen. In 1978, the group was one of the first employers in the country to publish a code of conduct. By 2001, we had implemented an HIV/Aids programmes across all our southern African operations. In 2022 we introduced a Fair and Responsible Pay policy to ensure that all our employees are paid at a level that makes it possible for them to actively participate in the economy.

Safety, and achieving zero harm, is always an area of focus for us. During FY2022 we were able to reduce our lost time injury frequency rate (LTIFR) by 19% year on year to 0.30.

The key performance indicator for the gender-linked bond we issued in FY2022 is gender diversity in leadership: by 2025 we are to equal or exceed 50% women representation in leadership; women are currently 80% of our top management and 67% of our senior management. We have also committed to grow the proportion of black women-owned businesses in our South African operations' supply chain to equal or exceed 15%.

We have increased the number of black people in top management roles to 76% and 68% of our senior management team comprises black South Africans. For the year under review, we reported that we have employed 135 differently abled people, one of whom is a member of top management, another is a member of the senior management team, and 36 are members of our middle management.

Providing young people with work opportunities is critical in South Africa. This year we enrolled 148 young people in apprenticeships, internships and learnerships and 54 were beneficiaries of our Young Talent Programme. We awarded 155 bursaries, which the bursars are using to study chemical, electrical and mechanical engineering, data science, finance, agriculture and mechatronics.

**155** **bursaries awarded**

## Enabling growth and progress in society

Through our active role in society, we enable growth and progress in the communities in which we operate.

Our contribution to education goes back to the 1970s when the CS Barlow Foundation was established to develop and accelerate the technical training of black South Africans. In 1975 the Foundation invested R700 000 in the construction of a trade school, which was followed by investments in a number of secondary schools. The Barloworld Trust remains focused on education, although its focus is on improving science, technology, engineering and mathematics teaching by providing training for secondary school teachers rather than investing in infrastructure. During the year under review the Trust also partnered with the SAB Foundation's Social Innovation Fund to assist people living with disabilities to access funding for social innovation.

The Trust partnered with Habitat for Humanity during FY2022 to assist those left homeless in KwaZulu-Natal after the floods.

Through Mbewu we provide financial and non-financial support to women-run social enterprises that are mainly operating in the agricultural field. One such business is Bee Loved who used the funding it secured from Mbewu to construct a rural honey-processing facility, making it possible for the owner to expand her business and train more bee farmers. Through this initiative, she has improved the socio-economic outlook for rural communities in Taung in the North West province. She built more than 600 beehives and distributed them to unemployed young rural South Africans. The support provided enabled her to increase enterprise development and facilitate market access, which made it possible to integrate young farmers into agricultural value chains and agro-food markets with a direct offtake and profit-sharing agreement.

Siyakhula, our enterprise and supplier development programme, disbursed more than R25 million to 35 beneficiaries in the year under review, supporting 900 jobs. In total, including 28 SMMEs whose loans were brought forward from previous years, Siyakhula supported 87 beneficiaries providing approximately 2 500 jobs in FY2022.

We continue creating value by procuring goods and services from the previously disadvantaged, whenever possible, and driving economic sustainability, transformation and growth.

**R25 million**
**to 35 beneficiaries in the year under review, supporting 900 jobs**

## Access to adequate, safe and affordable housing

It was a good moment when work finally started on the construction of a multipurpose development called Barlow Park, on the land that previously housed our head office. The Barlow Park development comprises a high-density residential precinct with ancillary uses including convenience, retail, educational, commercial and healthcare. Construction started with the retail component, which will be followed by the construction of 750 residential units available for rent at rates geared to middle and lower income tenants. A further 850 residential units will be constructed at a later stage. Barloworld has contributed the land and 50% of the equity for the project. Residents will have access to sports fields and plenty of green space.

## Environmental stewardship

Barloworld considers good environmental practices to be a prerequisite for value creation and trustworthiness.

To secure our legitimacy and the trust of our stakeholders who include the communities in which we operate, our employees, customers, shareholders and regulators, it is important that we employ sound and sustainable business practices that keep our people safe and healthy and protect the environment. We provide reliable reporting and ensure we comply with legislation and regulations.


Currently, our main environmental focus is on reducing our impact on climate change. Our carbon emissions, water withdrawals, energy efficiency and introduction of renewable energy sources all play a part in our impact on climate change. We continue to increase the efficiency of our use of fossil fuels, electricity generated using fossil fuels and water. We have been able to improve the group's intensity levels in our continuing operations and those held for sale/discontinuing, in all our focus areas. The intensity levels (calculated by dividing the level of emissions by the gross value added) of our carbon emissions improved 3%, while the intensity of our water withdrawals improved 7% and energy efficiency intensity improved 4%. Our efforts to increase our use of renewable energy resulted in a 24% increase in our access to solar photovoltaic, which increased to 1 728MWh.

**Energy efficiency intensity improved 4%**

## Governance

Our board of directors is committed to maintaining the highest standards of corporate governance and considers all the elements of the value creation process when steering and setting Barloworld's strategic direction.

### Changes to our board and succession planning

Mr Nicola Chiaranda was appointed as an independent non-executive director of the Barloworld board with effect from 11 February 2022, bringing extensive agricultural and food experience to the board.

At a meeting held on 10 February 2022, the board resolved to separate the combined audit and risk committee into two committees after considering the operating environment, business needs and feedback from shareholders during governance roadshows held earlier in the year.

## Outlook*

We anticipate headwinds in the short term resulting from the effects of high inflation, however, we believe that Equipment southern Africa is wellpositioned to achieve sustainable growth in the long term driven by the need for infrastructure development and increased mining activity to support the energy transition to zero carbon emissions.

We continue to manage the risks and exposures for our Equipment Eurasia business, including a strong focus on addressing the needs of our employees through a very uncertain and challenging period while remaining agile and adaptable to ensure compliance with an ever-changing regulatory environment. Measures have commenced to reduce costs and right-size working capital in line with expected revenue reductions, while at the same time maintaining excellent customer service.

At Ingrain, the latest maize production estimate suggests that there will be sufficient crops to meet domestic demand. Although this should be enough to support domestic requirements, the higher international maize prices which are sustained by the ongoing war between Russia and Ukraine and the fluctuating local currency are expected to support higher local maize prices going forward. Ingrain continues to invest in resources to support the growth of the Consumer Industries business in line with the group strategy.

The group will continue to focus on delivering against its strategy and consolidating core asset light and cash generative businesses in the two key areas of Industrial Equipment and Services and Consumer Industries. Our focus remains on the health and safety of our employees, customer service, and sustaining a lower cost to serve while growing market share and services.

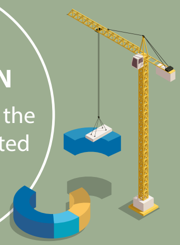
* This outlook has not been reviewed or reported on by the group's auditors.

## Our strategy

Barloworld is an industrial processing, distribution and services company with two primary areas of focus: Industrial Equipment and Services and Consumer Industries (food and ingredient solutions).

**OUR AMBITION**

Sustainably double the intrinsic value created every four years



**Deliver top quartile shareholder returns**

**Drive profitable growth**

**Instil a high-performance culture**

Sustainable development

**STRATEGIC LEVERS**


A **Fix and optimise** existing business portfolio to get to full potential or exit

B **Active shareholder operating model** A key strategic enabler

C **Acquisitive growth and portfolio changes** in identified growth verticals – programmatic or bolt-on M&A

Our strategy, based on a clear ambition and outcome, is to sustainably double the group's intrinsic value every four years, which means that we need to be forward looking in how we approach our business. The group is actively pivoting its portfolio towards defensive, relatively asset light and cash generative industrial sectors, based on a business-to-business operating model.

**As we strengthen our position in our chosen verticals, our strategic focus will remain on:**

### A Fix and optimise

We continued to deliver on our strategic lever of fixing and optimising our existing business portfolio to ensure we extract its full potential. In line with our focus on optimally deploying capital within the group, we exited our investments in Logistics. The group successfully concluded its exit from all the businesses related to the Transport division. Further to this the group took a decision to close the non-profitable Global Solutions business (which was a division within the Supply Chain Solutions business) and the process was finalised by 30 September 2022. The sale of the remaining Warehousing and Distribution business within the Supply Chain Solutions business has been finalised and is awaiting regulatory approvals that are customary for a transaction of this nature. Following the completion of the sale of the Warehousing and Distribution business, the group will have completed its exit from all its investments in the Logistics business.

We have also indicated that we will exit our Car Rental and Leasing business through an unbundling and separate listing as indicated in the unbundling announcement dated 21 November 2022.

Going forward, our focus will remain on reviewing businesses with low operating performance and on implementing the various disposal and corporate actions intended to simplify the group's portfolio.

### B Active shareholder operating model

The role of our Corporate Centre remains one of an active shareholder operating model. This is a key component of our "managing for value model" and focuses on:

- setting strategy and driving transactions through a centralised mergers and acquisitions (M&A) function
- a centralised management team and the deployment of leadership and talent to the best suited opportunities within the group
- monitoring, measuring and rewarding performance that contributes to the achievement of the group's strategic priorities
- allocating organisational resources to support performance and deliver on strategy, including responsibly allocating these in terms of our overall strategic objectives and by using BBS
- responsible corporate citizenship and ethical and effective leadership that ensure socio-economic and environmental outcomes that meet stakeholder expectations.
- Setting governance and compliance standards.

### C Acquisitive growth and portfolio changes

The integration of Ingrain and Equipment Mongolia into the group is progressing well. Ingrain continues to deliver ahead of our initial expectations and has already made a significant contribution to revenue, operating performance, operating profit and earnings. Our short-term priorities are to complete these integrations and extract further value.

As we near the completion of our identified portfolio changes, future acquisitive growth, in line with our identified strategic growth segments and investment guardrails, is being actively considered.

# Group financial review

## Accounting presentation changes

### Disposal groups held for sale and distribution, discontinued operations

Following the board's approval to unbundle and separately list Car Rental and Leasing, the businesses are now classified as held for distribution in terms of IFRS 5. Car Rental and Leasing is classified as part of discontinued operations in the income statement, and comparatives have been restated in this regard. Assets held for sale are recognised at fair value less cost to sell, therefore depreciation is not charged on entities that are either held for sale or for distribution from the date that the entities are classified as such and accordingly, there is a depreciation adjustment of R46 million for Car Rental, R504 million for Avis Fleet and R71 million for Logistics.

### New income statement presentation

Following the review of our prior year financial statements by the JSE's proactive monitoring panel, Barloworld changed the presentation of the income statement as follows:

- Items that were previously classified as non-operating and capital items are now referred to as impairments and capital items and are incorporated into operating profit before finance income and finance costs
- 'Operating profit from core trading activities' has been introduced as a new subtotal and replaces what was previously 'operating profit'. Operating profit from core trading activities also incorporates fair value adjustments on financial instruments. These were previously grouped with finance costs and finance income. Operating profit margin is determined as operating profit from core trading activities divided by revenue
- Earnings before interest, depreciation and amortisation now incorporate fair value adjustments on financial instruments.

## Group results

Total group HEPS (earned on continuing and discontinued operations) increased by 576 cents to 1 771 cents in the current year. Total group revenue of R49.2 billion increased by 9.5% compared to the prior year (after adjusting for Motor Retail which was included for 5 months in the prior year).

Total group EBITDA of R7.7 billion and operating profit from core earnings of R5.6 billion showed an increase by 12.4% and 32.0%, respectively. This represents group EBITDA and group operating profit margins of 15.7% and 11.4%, compared to 15.3% and 9.4% in the prior year, respectively.

**Total group EBITDA of R7.7 billion increase by 12.4%**

**Operating profit from core earnings of R5.6 billion increase by 32%**

## Continuing operations

HEPS from continuing operations increased by 151 cents to 1 096 cents in the current year.

Revenue of R39.4 billion increased by 15.4% compared to the prior year. This was driven by an improvement in trading conditions in the majority of our business segments.

EBITDA grew by 9.2% to R4.8 billion when compared to the prior year, while operating profit from core trading activities grew by 12.8% to R3.7 billion, positively impacted by the increase in revenue and cost containment measures. The EBITDA margin was 12.2% compared to 12.8% in the prior year, while the total operating profit margin achieved was 9.3% compared to 9.5% achieved in the prior year.

- **EBITDA for Equipment southern Africa** grew by 11.3% to R2.8 billion compared to the prior year, representing an EBITDA margin of 12.8% compared with the prior year's margin of 13.8%. The operating profit margin of 9.6% compared with the prior year's margin of 10.2%.

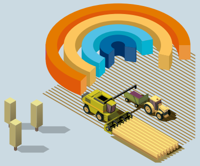
R2.8bn
(11.3% UP)

- **EBITDA for Equipment Eurasia** decreased by 3.3% to R1.4 billion compared to the prior year, representing an EBITDA margin of 13.0% compared to 13.4% in the prior year. The operating profit margin of 11.0% is in line with the prior year.

R1.4bn
(3.3% DOWN)

- **EBITDA for Ingrain** grew by 27.5% to R974 million compared to the prior period of 11 months, representing an EBITDA margin of 16.5% compared to 17.4% in the prior period. The operating profit margin of 12% is in line with the prior period.

R974mil
(27.5% UP)

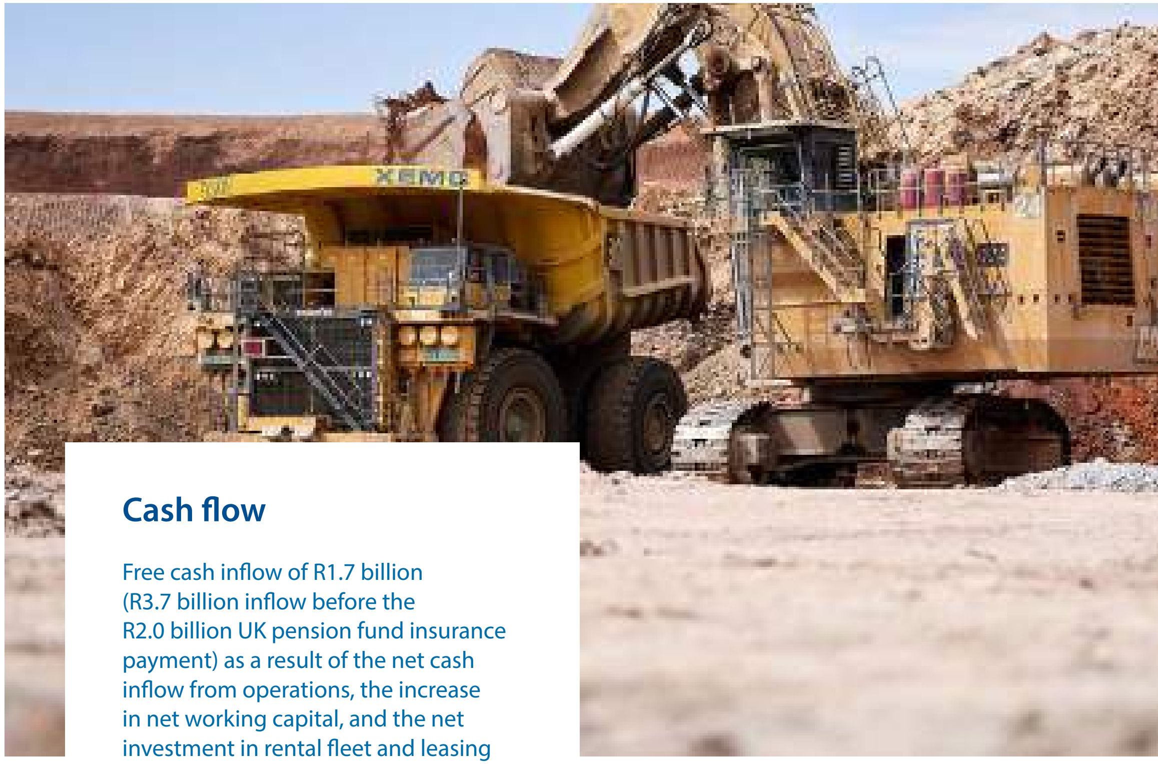


Net finance costs of R879 million increased by 14.7% compared to the prior year, driven by the higher average net debt balance of the group and increased interest rates during the year. Average net debt increased in the current period mainly because of an increase in average working capital; a net investment in vehicle rental fleet and fleet leasing assets; a £95.2 million UK pension fund insurance payment; a R2.3 billion special dividend; and a R1.0 billion share buy-back.

Impairments and capital items of R1.0 billion resulted mainly from the impairment of non-current assets in Equipment Russia on the back of the expected financial impact resulting from sanctions imposed against Russia.

The effective tax rate (ETR) of 49.3% was mainly impacted by impairments and capital items and various other items; the elimination of intergroup interest relating to discontinued operations; the recognition of prior period tax losses; prior year tax adjustments; and the effect of tax rate changes. The adjusted ETR is 25.5% (23% in FY2021) after adjusting for these items. The rate was further impacted by the reduction of the tax rate in South Africa, and movements in the IAS 12.41 adjustments, which resulted from local currency movements in jurisdictions where taxable income is based on local currencies and withholding tax on dividends declared from Russia.

Income from associates and joint ventures of R309 million is significantly higher than the prior year loss of R16 million. This improvement is largely driven by the better trading conditions of Bartrac, our joint venture in the Katanga province of the Democratic Republic of Congo (DRC). Bartrac reported a profit of R143 million against a loss of R112 million in the prior year. The improvement is due to the restructuring executed in the prior financial year as well as an increase in revenue derived from new customers. NMI-DSM's profit of R153 million is 50.7% higher than the prior year, and includes a net gain amount of R18 million relating to impairments and other capital items.



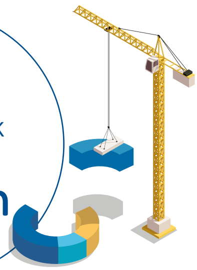
## Cash flow

Free cash inflow of R1.7 billion (R3.7 billion inflow before the R2.0 billion UK pension fund insurance payment) as a result of the net cash inflow from operations, the increase in net working capital, and the net investment in rental fleet and leasing assets. The total net cash from operating activities also included R3.1 billion in ordinary and special dividends.

The net cash outflow from investing activities of R152 million included net proceeds of R109 million from the disposal of the Logistics businesses.

The net cash outflow from financing activities was largely influenced by R1.0 billion shares bought back in our share buy-back programme, and the R354 million repayment of lease liabilities offset by the net increase in long-term debt.

FREE CASH FLOW BEFORE PAYMENT OF UK PENSION FUND
R3.7bn



## Financial position, gearing and liquidity

Group total assets amounted to R54.4 billion compared to R52.8 billion at the end of FY2021, and were mainly impacted by the impairment of assets in Equipment Russia and Logistics disposals, normal and significant special dividend payments, and share buy-backs. These were offset by the investment in working capital and net investment in the rental fleet and leasing assets.

Following the approval of an unbundling and separate listing of the Car Rental and Leasing business, the non-current assets held for sale increased from R2.3 billion on 30 September 2021 to R11.7 billion. Liabilities associated with assets held for sale increased from R1.7 billion at the end of the prior financial year to R8.0 billion. Included in the group's normal debt is R1.2 billion associated with Car Rental and Leasing, and not in liabilities associated with assets held for sale as it is currently contracted by the group.

The group's state of financial position at 30 September 2022 remained strong with total assets exceeding total liabilities by R18.9 billion (R21.4 billion at 30 September 2021).

The group has significant headroom on existing facilities for both local and offshore operations, which increased to R9.3 billion from R7.6 billion at interims. Of the total headroom, R618 million comprises non-committed facilities. The group actively reviews and monitors all facilities on an ongoing basis, and we remain confident of our liquidity position.

Our South African short-term debt includes R1.4 billion in bonds maturing in the next 12 months, overnight borrowing facilities of R2.9 billion, and other loans from uncommitted facilities amounting to R215 million. In the current financial year, we raised R2.2 billion in the bond market and expect to participate in the bond market in 2023 to the extent that we have liquidity requirements. The issuance of R2.2 billion was sourced through two ESG instruments: a sustainability bond focused on the environment and a gender-linked bond focused on gender diversity. Barloworld believes it is critical for our financing strategy to reflect the ESG impact that the group has made.

Within our R15 billion DMTN programme, a total of R5.1 billion is held in bonds. The inaugural R1.1 billion gender-linked bond was launched through a public auction during August 2022. Barloworld also repaid bonds in September 2022, June 2022, May 2022, March 2022, February 2022 and December 2021 to the value of R2.8 billion in line with our capital allocation policy.

Net debt at 30 September 2022 was R4.6 billion down from the R7.6 billion reported at 31 March 2022, mainly as a result of the increase in cash generated in the latter half of 2022.


### Group facilities

| R bilion | Sep 2022 |
|---|---|
| Utilised | **14 158** |
| Unutilised | **9 302** |
| Total Facilities | **23 460** |
| Unutilised — committed | **8 685** |
| Unutilised — uncommitted | **618** |
| **Total unutilised facilities** | **9 302** |

### Debt covenants

| | Sep 2022 |
|---|---|
| EBITDA:Interest cover > 3.0 times | **7.5 times** |
| Net debt:EBITDA cover < 3.0 times | **0.6 times** |

# Divisional performance

## Industrial Equipment and Services

| R million | Revenue Year ended 30 Sep 2022 | Revenue Year ended 30 Sep 2021 | Operating profit from core trading activities Year ended 30 Sep 2022 | Operating profit from core trading activities Year ended 30 Sep 2021 | Invested capital Year ended 30 Sep 2022 | Invested capital Year ended 30 Sep 2021 |
|---|---|---|---|---|---|---|
| Southern Africa | **21 851** | 18 230 | **2 098** | 1 862 | **7 748** | 7 186 |
| Share of associate profit/(loss) | | | **151** | (105) | | |
| **Operating margin** | | | | | | |
| Southern Africa | | | **9.6%** | **10.2%** | | |

### Equipment southern Africa

Equipment southern Africa offers business-to-business sales, servicing, rebuilding and salvaging of earthmoving equipment, industrial services and power systems that enable a large variety of mining, construction and power solutions for our customers in the mining, construction, energy and transportation sectors.

Equipment southern Africa has delivered exceptional results despite ongoing global supply chain challenges. Total revenue increased by 19.9% to R21.8 billion (FY2021: R18.2 billion), mainly driven by a 34.4% growth in machine sales. Rental was up 18.6% compared to the prior year, while total parts sales were up 11.5%. Revenue was bolstered by strong demand for commodities and the easing of the global supply chain backlog.

Operating profit from core trading activities before movement in fair value adjustments on financial instruments was up 21.7% at R2.4 billion (FY2021: R1.9 billion). The related operating margin increased to 10.8% (FY2021: 10.7%) compared to the prior period.

The improvement in operating margin despite the strong machine sales contribution to the revenue mix demonstrates that cost efficiencies and lean principles are now embedded within the business. Losses on fair value adjustments on financial instruments of R268.9 million (FY2021: R83.2 million) were a result of the overall weakening of the rand against the US dollar and the increase in the foreign creditor balances as stock levels increased.

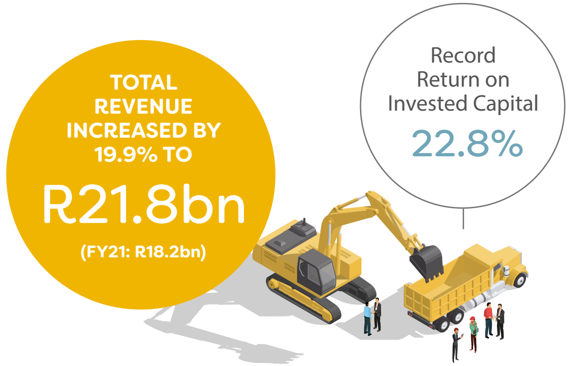
As a result, operating profit after movements in fair value adjustment on financial instruments was up 12.7% at R2.1 billion (FY2021: R1.9 billion), resulting in an operating margin of 9.6% (FY2021: 10.2%). EBITDA was 11.3% higher compared to prior year.

The effective tax rate for the year under review was 25.5% (FY2021: 21.9%). Due to the reversal of the IAS 12.41 deferred tax charge on the back of a strengthening Angolan kwanza and Zambian kwacha against the US dollar, the effective tax rate was lower than the statutory tax rate.

Bartrac, the joint venture in the DRC, delivered a positive share of associate income of R143 million (FY2021: R112 million loss).

The return to profitability in the current year was mainly driven by focused execution of the turnaround plan and increased sales activity. Invested capital was R562 million higher than the comparative period at R7.7 billion (FY2021: R7.2 billion). The stock holding in the current year increased; this was necessitated by longer lead times and the need to meet customer demand. The business delivered positive free cash flow of R1.9 billion (FY2021: R3.0 billion) and a record return on invested capital (ROIC) of 22.8% (FY2021: 15.2%).

The firm order book remains strong at R4.7 billion (FY2021: R3.2 billion).



## Equipment Eurasia

**The Barloworld Equipment Eurasia division sells, services and rents mainly Caterpillar equipment and engines in Russia and Mongolia. Our markets include mining, construction, forestry, rental, and power systems, with mining dominating the revenue portfolio in both countries.**

Trading in Mongolia over the first nine months of the financial year was negatively impacted by border closures and bottlenecks at Chinese ports due to strict Covid-19 measures implemented by the Chinese government. These measures not only restricted products entering the country for supply to operational mining customers, but also resulted in several mines suspending operations due to the inability to export commodities through the Chinese border. These restrictions have recently been lifted and products have started flowing through the borders at a more normalised rate. This had an immediate positive impact on trading in the region for August and September. Mining activity in Mongolia has also increased as demand for commodities remains strong. Refer below for specific comments on Russia's trading environment.

Following a strong start in the first half and despite an improvement by Mongolia, Equipment Eurasia recorded a 12% decrease in revenue in rand terms for the second half versus H1. This was driven by the impact of sanctions imposed due to the war in Ukraine.

The weakening rand has positively impacted the conversion of the dollar operating results to the rand by 6.6% on average.

| | Revenue | | Operating profit/(loss) from core trading activities | | Invested capital | |
|---|---|---|---|---|---|---|
| | Year ended | | Year ended | | Year ended | |
| | Audited | | Audited | | Audited | |
| R million | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 |
| Russia | **8 880** | 8 319 | **954** | 881 | **1 383** | 2 991 |
| Mongolia | **1 801** | 2 358 | **216** | 288 | **1 931** | 1 281 |
| Eurasia | **10 681** | 10 677 | **1 170** | 1 169 | **3 314** | 4 272 |

Total Equipment Eurasia revenue remained constant compared to the prior period at R10.7 billion. In dollar terms, revenue at USD674 million was 6.1% down with Russia contributing 83% of total revenue. The decrease in dollar terms was mainly driven by reduced revenue in Mongolia while Russia showed a marginal increase. Although gold continued to be the main contributor to revenue (29%), coal remains an important contributor in the Eurasia region and has increased from 24% in the prior year to 26%. Significant contributions to revenue, driven by other commodities like diamonds (7%), copper/nickel (9%) and construction (12%), further supported the results.

The aftermarket contribution mix remained healthy and improved to 47% of total revenue for the Eurasia division with both Russia and Mongolia showing improvements. Aftermarket contributed 54% to Mongolia's revenue despite some customer sites being closed for extended periods due to Covid. In dollar terms, aftermarket revenue for Eurasia presented a 3.8% growth.

Both businesses are still relatively young in their development cycles. We anticipate some fluctuation in the aftermarket contribution to total revenue year on year, influenced by the timing of major new greenfield opportunities ahead.

The expectation is that this contribution range will fluctuate depending on the revenue cycle.

In rand terms, the Barloworld Equipment Eurasia operating profit from core trading activity at R1 170 million ended marginally higher than the previous year as an 8.3% increase from Russia was offset by a decreased operating profit in Mongolia. In dollar terms, the total Eurasia operating profit from core trading activity was 6.2% lower at USD74 million (FY2021: USD78.9 million). Despite certain cost pressures in Russia, cost remains well controlled throughout both businesses, maintaining a good operating margin of 11.0% for the division which was assisted by an improved aftermarket mix.

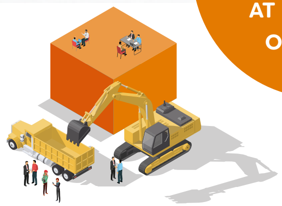
EBITDA was USD87.7 million compared to USD96.7 million in 2021, impacted by lower trading activity in Mongolia as well as lower depreciation and amortisation due mainly to the impact of impaired property, plant and equipment in Russia. As a result, EBITDA as a percentage of net revenue reduced to 13% (FY2021: 13.5%).

Our continued and dedicated focus on cash preservation helped the division to end on a positive note for the period generating USD92.1 million with a free cash flow/EBITDA conversion ratio of 105%.

The ROIC for Eurasia in dollar terms at 26.6% is well ahead of the prior year of 18.4%, with Russia being the main contributor. When impairments are added back to invested capital (denominator), the Eurasia division's ROIC is 23.3% for the rolling 12-month period ending 30 September 2022.

The total firm order book at the end of September 2022 was USD26 million (FY2021: USD224 million), with further firm orders to the value of USD6 million secured after 30 September 2022. The book is driven by gold (26%), coal (16%), copper/nickel (16%) and iron ore (15%); 61% of the firm order book relates to Russia.

**FREE CASHFLOW OF USD92.1m AT 105% OF EBITDA**



# Eurasia - USD Analysis

| USD million | Revenue | | Operating profit from core trading activities | | ROIC | |
|---|---|---|---|---|---|---|
| | Year ended | | Year ended | | Year ended | |
| | 30 Sep **2022** | 30 Sep **2021** | 30 Sep **2022** | 30 Sep **2021** | 30 Sep **2022** | 30 Sep **2021** |
| Russia | **562** | 561 | **61** | 60 | **39,0%** | 21,4% |
| Mongolia | **112** | 157 | **13** | 19 | **8,9%** | 12,8% |
| | **674** | 718 | **74** | 79 | **26,6%** | 18,4% |

## Russia

The Russian business continued to perform well in the period under review, despite disruptions caused by the Russia-Ukraine war. While the business complies with international sanctions, we continued to deliver orders for products available in inventory to customers not affected by sanctions. Although revenue is on a diminishing trajectory due to sanctioned restricted supply, Russia's revenue in US dollar terms was flat on the comparative period. The main reason for diminishing revenue levels is the inability to source products, rather than reduced demand from customers.

Operating profit from core trading activity for the period exceeded the prior year by 2.2% in US dollar terms. Despite increased cost pressures driven by a stronger Russian ruble, Russia delivered a strong operating margin of 10.8% (FY2021:10.6%). Russia generated cash of USD106.5 million, a free cash flow/EBITDA conversion ratio of 156%.

The firm order book for Russia at 30 September 2022 reduced sharply to USD16 million compared to USD94 million at 31 March 2022. This reduction is solely due to severely restricted supply in compliance with sanctions implemented by various countries.

The tax line benefitted from a stronger ruble in the second half of the year, which has positively impacted ROIC.

The ROIC for Russia in dollar terms at 39.0% is well ahead of the prior year (21.4%), supported by improved net operating profit after tax and lower invested capital. When impairments are added back to invested capital (denominator), Russia's ROIC is 31.4% for the rolling 12-month period ending 30 September 2022.


# Consumer Industries

| R million | Revenue | | Operating profit/(loss) | | Invested capital | |
|---|---|---|---|---|---|---|
| | 12 months | 11 months | 12 months | 11 months | 12 months | 11 months |
| | 30 Sep **2022** | 30 Sep **2021** | 30 Sep **2022** | 30 Sep **2021** | 30 Sep **2022** | 30 Sep **2021** |
| Ingrain | **5 903** | 4 385 | **708** | 526* | **4 671** | 4 875 |

*Restated to include fair value adjustment on financial instruments.

Ingrain positions Barloworld for growth in the food ingredients markets focused on business-to-business customers. The business has established a strong pillar for the development of the Consumer Industries vertical. The acquisition of Ingrain closed on 31 October 2020 and the comparative results are therefore for the 11 months to 30 September 2021.

## Ingrain

Ingrain's operating profit for the 12 months ended 30 September 2022 increased to R708 million (11-month comparative period September 2021 (FY2021: R526 million)) benefiting from increased sales volumes, higher international selling prices of starch and glucose on the back of increased soft commodities prices and improved agri-product sales. These factors partially offset the unfavourable margin impact of the sales mix and production efficiency losses.

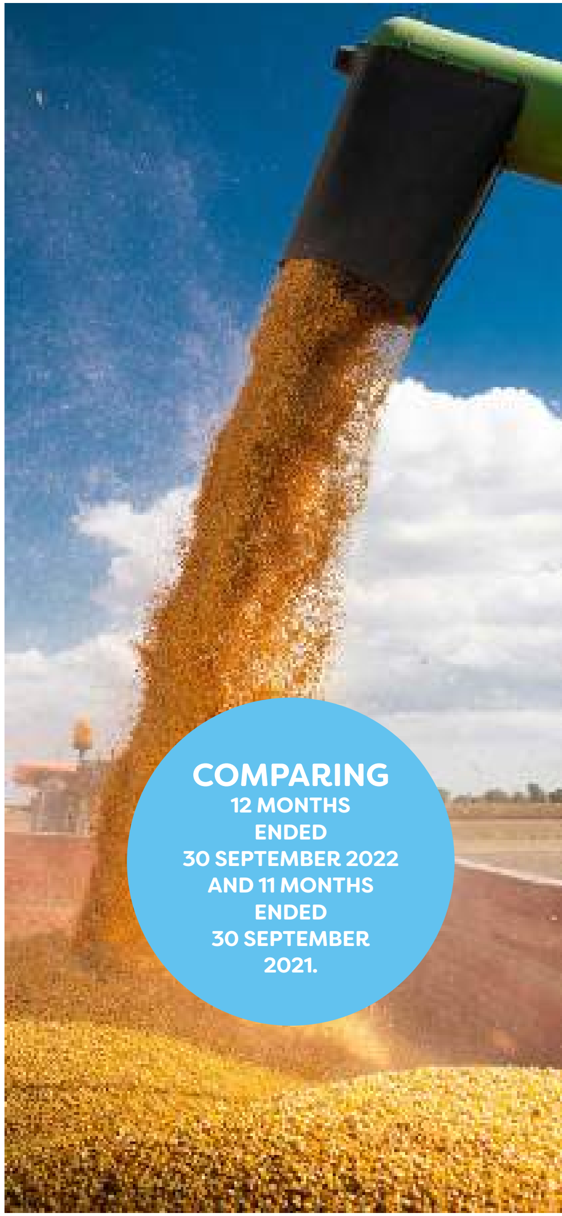
EBITDA for the period increased to R974 million (FY2021: R764 million). EBITDA margins decreased to 16.4% (FY2021: 17.4%) and were impacted by lower contribution margins due to a normalised sales mix, production efficiency losses, and the impact of investing in capacitating the business for future growth.

Free cash flow of R633 million (FY2021: R768 million) was pleasing. This is a result of improved operating performance and lower working capital absorption, despite higher capital investments of R170 million, in line with the group's commitment to invest in capital projects in Ingrain and positioning the business for further organic growth.

Starch and glucose sales volumes increased by 21.0% compared to the 11 month prior reporting period. In the domestic market, sales volumes grew by 20.3% over the comparative period, supported by the performance of the alcoholic beverages, confectionery, and prepared foods sectors. Export sales volumes were 26.5% ahead of the prior reporting period, as the business saw improved throughput from its operations supported by the Barloworld Business System.

Local maize prices have continued to trade higher during the financial year, impacted by higher international corn prices, a weaker exchange rate, and further exacerbated by the drawn out Russia-Ukraine war. Notwithstanding these factors, South African maize prices are trading closer to export parity levels, resulting in local maize prices being competitive, and providing support to the business's margins.

The final maize crop for the 2021/22 maize season in South Africa was 16.315 million tons – the second-highest crop on record. The latest production estimate suggests that a current season crop of 15.329 million tonnes will be harvested, which will be sufficient to meet domestic demand. Although this should be enough to support domestic requirements, the higher international maize prices and the fluctuating local currency are expected to support higher local maize prices going forward.



## Other segments

Revenue from other segments increased by 14.2% to R949 million, largely due to an increase in external rentals received by Khula Sizwe which was offset by a reduction of 5.9% in revenue from SMD and Crownmill.

The other segments' net operating losses were R321 million compared to a loss of R297 million in the prior year. The losses are mainly as a results of the reduction of profitability in SMD. These were offset by improved income in Khula Sizwe and the reduction in Corporate Office expenses.

Share of associate profits includes NMI-DSM, which generated R153 million, during the year compared to the prior year's profit of R102 million for NMI-DSM.

**REVENUE FROM OTHER SEGMENTS, INCREASED**

14.2% to R949 million

**SHARE OF ASSOCIATE PROFITS INCREASED**

| | Revenue | | Operating profit from core trading activities | | Invested capital | |
|---|---|---|---|---|---|---|
| | Year ended | | Year ended | | Year ended | |
| | Audited | | Audited | | Audited | |
| R million | 30 Sep **2022** | 30 Sep **2021** | 30 Sep **2022** | 30 Sep **2021** | 30 Sep **2022** | 30 Sep **2021** |
| South Africa | **949** | 831 | **(193)** | (193) | **2 656** | 2 410 |
| United Kingdom | | | **(128)** | (123) | (251) | 75 |
| | **949** | 831 | **(321)** | (297) | **2 405** | 2 485 |
| Share of associate profit/(loss) | | | **158** | 129 | | |

REVENUE GROWTH BY 12.8% TO
**R5 982m**

EBITDA GREW
**64.9%**

OPERATING PROFIT SURGED BY
**150.3%**

## Discontinued operations

The board has approved the exit of our Car Rental and Leasing business through an unbundling and separate listing. The business is therefore classified as a discontinued operation during the period under review.

## Car Rental business

There are a number of tailwinds which have benefited the car rental industry across our operating markets, as the easing of pandemic-imposed restrictions has positively impacted activity levels and rental demand. While demand has improved, global supply chain constraints continue to impact our ability to procure vehicles and demand remains below pre-pandemic levels.

The business's strategy of diversifying its offering and increasing efforts to drive subscription products continues to pay off. Revenue grew by 12.8% to R 5 982 million due to sustained demand for subscription offerings, a solid base of insurance business (replacement), and the recovery in domestic and corporate travel.

The growth trajectory in the profitability of the car rental business was sustained surpassing pre-Covid levels in the period under review. EBITDA grew 64.9% to R1 590 million, a record EBITDA with the margin expanding from 18.2% in the prior year to 26.6%. Operating profit surged by 150.3% to R871 million ahead of the comparative period, with the operating profit margin more than doubling from 6.6% in the prior year to 14.6%. Fleet utilisation averaged 79% (2ppts above the prior comparative period) due to process efficiencies and stringent out-of-service vehicle management. The used car business continued to maximise profit margins driven by the constraints in new vehicle supply.

### Leasing business

The trading conditions remain challenging with supply chain disruptions and consequent constrained supply of new vehicles, which have resulted in contract extensions and increased maintenance costs. There were areas of growing demand, particularly in the corporate and SMME segments. The underlying leasing business demonstrated positive results in the second half of the year, supported by strong market share retention in the corporate sector and diversifying into heavy commercial vehicles. Notwithstanding the positive underlying performance, overall revenue was down 4.7.% to R2 820 million impacted by an adverse outlook on parts pricing and a resultant actuarial valuation adjustment, with interest rates and foreign currency fluctuations increasing the projected future costs. Excluding the impact of external factors on the maintenance fund, leasing revenue grew by 1.9% to R1 753 million.

Operating profits were further impacted by once-off costs associated with the funding externalisation, declining by 1.4% year on year though buffered by strong contract management and a focus on the health of the fleet. Notwithstanding the headwinds, the EBITDA margin expanded to 45.1%.

Used vehicle margins continued to benefit from the integration with the car rental operation, leveraging infrastructure, strategic disposal channels, and systems.

STRATEGY OF DIVERSIFYING CONTINUES TO PAY OFF

## Ordinary dividend number 186

Notice is hereby given that final dividend number 186 and a special dividend have been declared (collectively the dividends) of 295 cents and 550 cents per ordinary share in respect of the 12 months ended 30 September 2022 subject to the applicable dividends tax levied in terms of the Income Tax Act, 58 of 1962 (as amended) (the Income Tax Act) as follows:

| DIVIDEND | ORDINARY | SPECIAL |
|---|---|---|
| GROSS AMOUNT | 295 cps | 550 cps |
| WITHHOLDING TAX | 20.0% | 20.0% |
| NET AMOUNT | 236 cps | 440 cps |

Payment of the special dividend is subject to exchange control approval by the South African Reserve Bank. A further announcement will be released once such approval has been obtained.

In accordance with the JSE Listings Requirements, the following additional information is disclosed:

- The dividends have been declared out of income reserves
- The company's income tax number is IT 9000051715
- The local dividend tax rate is 20% (twenty percent)
- Barloworld has 189 641 787 ordinary shares in issue

In compliance with the requirements of Strate and the JSE Limited, the following dates are applicable to the dividends:

**Dividends declared**
Monday, 21 November 2022

**Finalisation date**
Friday, 23 December 2022

**Last day to trade cum dividends**
Tuesday, 3 January 2023

**Ordinary shares trade ex-dividends**
Wednesday, 4 January 2023

**Record date**
Friday, 6 January 2023

**Payment date**
Monday, 9 January 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 4 January 2023 and Friday, 6 January 2023, both days inclusive.

On behalf of the board
**Nomini Rapoo**
Group Company Secretary

# Independent auditor's report to the shareholders of Barloworld Limited

## Report on the Audit of the Summarised Preliminary Consolidated Financial Statements

### Opinion

The summarised preliminary consolidated financial statements of Barloworld Limited, set out on pages 20 to 58, contained in the accompanying summarised preliminary report, which comprise the summarised preliminary consolidated statement of financial position as at 30 September 2022, the summarised preliminary consolidated statement of comprehensive income, summarised preliminary consolidated statement of changes in equity and summarised preliminary consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Barloworld Limited for the year ended 30 September2022.

In our opinion, the accompanying summarised preliminary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, on the basis described in Note 1 to the summarised preliminary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

### Summary Consolidated Financial Statements

The summarised preliminary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act of South Africa applicable to the annual financial statements of Barloworld Limited. Reading the summarised preliminary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

### The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 21 November 2022. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

A member firm of Ernst & Young Global Limited.
A full list of Directors is available on the website.
Chief Executive: Ajen Sita

SNG Grant Thornton is a member firm of Grant Thornton International Ltd (GTIL).
A comprehensive list of all Directors is available at the Company offices or registered office.
SizweNtsalubaGobodo Incorporated. Registration Number: M2005/034639/21
Victor Sekese (Chief Executive)

### Directors' Responsibility for the summarised preliminary consolidated financial statements

The directors are responsible for the preparation of the summarised preliminary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 1 to the summarised preliminary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements and for such internal control as the directors determine is necessary to enable the preparation of summarised preliminary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on whether the summarised preliminary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.), *Engagements to Report on Summary Financial Statements.*

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Ernst & Young Inc.
Director: Sifiso Sithebe
Registered Auditor
Chartered Accountants (SA)

21 November 2022

SizweNtsalubaGobodo Grant Thornton Inc.

SizweNtsalubaGobodo Grant Thornton Inc.
Director: Collins Mashishi
Registered Auditor
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21 November 2022

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# Financial statements

## Summarised consolidated income statement

for the year ended 30 September 2022

| R million | Notes | Audited 2022 | Audited Restated* 2021 |
|---|---|---|---|
| **CONTINUING OPERATIONS** | | | |
| **Revenue** | 3 | **39 383** | **34 123** |
| **Operating profit before items listed below** | | **5 120** | **4 642** |
| Reversal of impairments on financial assets and contract assets | | **35** | **6** |
| Fair value adjustments on financial instruments | | **(284)** | **(182)** |
| B-BBEE transaction charge | | **(82)** | **(81)** |
| **Operating profit before depreciation and amortisation, impairments and capital items, interest and taxation** | | **4 789** | **4 385** |
| Depreciation | | **(963)** | **(964)** |
| Amortisation of intangible assets | | **(172)** | **(180)** |
| **Operating profit from core trading activities** | 4 | **3 654** | **3 241** |
| **Impairments and capital items comprising of:** | | | |
| Reversal of impairment of property, plant and equipment | | **33** | |
| Impairment of property, plant and equipment, intangibles and other assets | | **(628)** | **(49)** |
| Impairment of goodwill | | **(217)** | |
| Impairment of indefinite life intangible assets | | **(194)** | |
| Foreign currency translation on liquidation of subsidiaries | | | **147** |
| Gains on the disposal of property, plant and equipment and other assets | | **47** | **41** |
| Other capital items | | **(59)** | |
| **Profit before finance costs and income** | | **2 636** | **3 380** |
| Finance costs | | **(1 007)** | **(885)** |
| Finance income | | **129** | **119** |
| **Profit before taxation** | | **1 758** | **2 614** |
| Taxation | 5 | **(866)** | **(462)** |
| **Profit after taxation** | | **892** | **2 152** |
| Profit from associates and joint ventures | | **309** | **36** |
| **Profit for the year from continuing operations** | | **1 201** | **2 188** |

| R million | Notes | Audited 2022 | Audited Restated* 2021 |
|---|---|---|---|
| **DISCONTINUED OPERATIONS** | | | |
| Profit from discontinued operations | 10 | **851** | **612** |
| **Profit for the year** | | **2 052** | **2 800** |
| Attributable to: | | | |
| Owners of Barloworld Limited | | **2 043** | **2 756** |
| Non-controlling interests in subsidiaries | | **9** | **44** |
| | | **2 052** | **2 800** |
| **Earnings per share group (cents)** | | | |
| – basic | | **1 051.9** | **1 390.9** |
| – diluted | | **1 040.7** | **1 375.8** |
| **Earnings per share from continuing operations (cents)** | | | |
| – basic | | **617.2** | **1 077.4** |
| – diluted | | **610.6** | **1 065.7** |
| **Profit per share from discontinued operation (cents)** | | | |
| – basic | | **434.7** | **313.5** |
| – diluted | | **430.1** | **310.1** |

* Refer to note 18.

# Summarised consolidated statement of financial position

for the year ended 30 September 2022

| R million | Notes | Audited 2022 | Audited 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | **16 840** | **21 237** |
| Property, plant and equipment | | 7 555 | 11 417 |
| Investment property | | 932 | 1 000 |
| Right-of-use assets | | 359 | 634 |
| Goodwill | 6 | 2 138 | 2 756 |
| Intangible assets | 7 | 2 080 | 2 370 |
| Investment in associates and joint ventures | 8 | 2 424 | 1 880 |
| Long-term trade and other receivables | | 16 | 134 |
| Long-term financial assets | | 178 | 198 |
| Deferred taxation assets | | 1 158 | 848 |
| **Current assets** | | **25 849** | **29 220** |
| Vehicle rental fleet | | | 2 819 |
| Inventories | | 8 595 | 8 111 |
| Trade and other receivables | | 7 027 | 6 949 |
| Contract assets | | 786 | 424 |
| Taxation | | 242 | 196 |
| Cash and cash equivalents | 9 | 9 199 | 10 721 |
| Assets classified as held for sale | 10 | 11 717 | 2 387 |
| **Total assets** | | **54 406** | **52 844** |

| R million | Notes | Audited 2022 | Audited 2021 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Capital and reserves** | | | |
| Share capital and premium | | (2 212) | (1 200) |
| Other reserves | | 6 517 | 4 911 |
| Retained income | | 14 614 | 17 711 |
| **Interest of shareholders of Barloworld Limited** | | **18 919** | **21 422** |
| Non-controlling interest | | 262 | 283 |
| **Interest of all shareholders** | | **19 181** | **21 705** |
| **Non-current liabilities** | | **10 776** | **10 139** |
| Interest-bearing liabilities | | 8 641 | 7 401 |
| Deferred taxation liabilities | | 1 042 | 1 186 |
| Lease liabilities | | 416 | 770 |
| Provisions and other accruals | | 177 | 140 |
| Contract liabilities | | | 445 |
| Other non-current liabilities | | 500 | 197 |
| **Current liabilities** | | **16 475** | **19 214** |
| Trade and other payables | | 10 949 | 10 441 |
| Contract liabilities | | 1 574 | 2 131 |
| Lease liabilities | | 111 | 133 |
| Provisions and other accruals | | 719 | 859 |
| Taxation | | 15 | 155 |
| Amounts due to bankers and short-term loans | | 3 107 | 5 495 |
| Liabilities directly associated with assets classified as held for sale | 10 | 7 974 | 1 786 |
| **Total equity and liabilities** | | **54 406** | **52 844** |

# Summarised consolidated statement of other comprehensive income

for the year ended 30 September 2022

| R million | Audited 2022 | 2021 |
|---|---|---|
| **Profit for the year** | **2 052** | **2 800** |
| **Items that may be reclassified subsequently to profit or loss:** | **1 544** | **(1 069)** |
| Exchange gain/(loss) on translation of foreign operations | **1 465** | **(1 252)** |
| Translation reserves realised on liquidation/disposal of subsidiaries | **(1)** | **135** |
| Gain on cash flow hedges | **97** | **62** |
| Deferred taxation on cash flow hedges | **(17)** | **(14)** |
| **Items that will not be reclassified to profit or loss:** | **(2 044)** | **826** |
| Actuarial (loss)/gain on post-retirement benefit obligations | **(2 244)** | **1 020** |
| Taxation effect of actuarial gain/(loss) | **200** | **(194)** |
| **Other comprehensive loss for the year, net of taxation** | **(500)** | **(243)** |
| **Total other comprehensive income for the year** | **1 552** | **2 557** |
| **Total other comprehensive income attributable to:** | | |
| Barloworld Limited shareholders | **1 543** | **2 513** |
| Non-controlling interest in subsidiaries* | **9** | **44** |
| | **1 552** | **2 557** |

* Non-controlling interest includes R7 million (2021: R9 million) related to discontinued operations.

# Summarised consolidated statement of changes in equity

for the year ended 30 September 2022

| | Audited | | | | | |
|---|---|---|---|---|---|---|
| R million | Share capital and premium | Other reserves | Retained income | Attributable to Barloworld Limited shareholders | Non-controlling interest | Interest of all shareholders |
| **Balance at 1 October 2020** | **(1 121)** | **5 856** | **14 769** | **19 504** | **246** | **19 750** |
| **Other comprehensive income** | | **(1 069)** | **826** | **(243)** | | **(243)** |
| Profit for the year | | | **2 756** | **2 756** | **44** | **2 800** |
| Total comprehensive income for the year | | **(1 069)** | **3 582** | **2 513** | **44** | **2 557** |
| Share buy back | **(79)** | | | **(79)** | | **(79)** |
| Khula Sizwe B-BBEE charges | | **137** | | **137** | | **137** |
| Equity settled IFRS 2 charges | | **89** | | **89** | | **89** |
| Share scheme receipts | | **(99)** | | **(99)** | | **(99)** |
| Transfer of reserves | | **(15)** | **15** | | | |
| Other reserve movements | | **12** | **1** | **13** | | **13** |
| Other changes in non-controlling interest | | | | | **(1)** | **(1)** |
| Dividends | | | **(656)** | **(656)** | **(6)** | **(662)** |
| **Balance at 30 September 2021** | **(1 200)** | **4 911** | **17 711** | **21 422** | **283** | **21 705** |

# Summarised consolidated statement of changes in equity continued

for the year ended 30 September 2022

| | Audited | | | | | |
|---|---|---|---|---|---|---|
| R million | Share capital and premium | Other reserves | Retained income | Attributable to Barloworld Limited shareholders | Non-controlling interest | Interest of all shareholders |
| **Other comprehensive income** | | **1 544** | **(2 044)** | **(500)** | | **(500)** |
| Profit for the year | | | **2 043** | **2 043** | **9** | **2 052** |
| **Total comprehensive income for the year** | | **1 544** | **(1)** | **1 543** | **9** | **1 552** |
| Share buy back | **(1 012)** | | | **(1 012)** | | **(1 012)** |
| Khula Sizwe B-BBEE charges | | **93** | | **93** | | **93** |
| Equity settled IFRS 2 charges | | **108** | | **108** | | **108** |
| Share scheme receipts | | **(80)** | | **(80)** | | **(80)** |
| Disposal of subsidiaries | | **49** | **(57)** | **(8)** | **(28)** | **(36)** |
| Transfer of reserves | | **(90)** | **90** | | | |
| Other reserve movements | | **(18)** | **3** | **(16)** | **2** | **(14)** |
| Other changes in non-controlling interest | | | | | **(2)** | **(2)** |
| Dividends | | | **(3 131)** | **(3 131)** | **(2)** | **(3 133)** |
| **Balance at 30 September 2022** | **(2 212)** | **6 517** | **14 614** | **18 919** | **262** | **19 181** |

# Summarised consolidated statement of cash flows

for the year ended 30 September 2022

| R million | Notes | Audited 2022 | Audited 2021 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Cash generated from operations before investment in rental fleets and leasing receivables excluding settlement of financial instruments (derivatives)** | | **7 549** | **10 665** |
| Inflow of investment in leasing receivables | | **26** | **60** |
| Fleet leasing and equipment rental fleet | | **(1 288)** | **(445)** |
| Additions | | **(2 842)** | **(2 484)** |
| Proceeds on disposal | | **1 554** | **2 039** |
| Vehicles rental fleet | | **(1 739)** | **(1 745)** |
| Additions | | **(3 774)** | **(3 785)** |
| Proceeds on disposal | | **2 035** | **2 040** |
| **Cash generated from operations** | | **4 548** | **8 535** |
| Finance costs | | **(1 153)** | **(1 092)** |
| Settlement of financial instruments (derivatives) | | **(177)** | **(114)** |
| Dividends received from investments, associates and joint ventures | | **5** | **173** |
| Finance income | | **157** | **140** |
| Taxation paid | | **(1 487)** | **(1 196)** |
| **Cash inflow from operations** | | **1 893** | **6 446** |
| Dividends paid (including non-controlling interest) | | **(3 120)** | **(657)** |
| **Cash (used in)/retained from operating activities** | | **(1 227)** | **5 789** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Acquisition of subsidiaries | 11 | | **(5 329)** |
| Proceeds on disposal of subsidiaries | 12 | **109** | **878** |
| Investments realised | | **96** | **389** |
| Advances to joint ventures | | **(25)** | |
| Acquisition of intangible assets | | **(47)** | **(51)** |
| Proceeds on realisation of right of use assets | | **62** | |
| Acquisition of property, plant and equipment | | **(558)** | **(521)** |
| Replacement capital expenditure | | **(271)** | **(415)** |
| Expansion capital expenditure | | **(287)** | **(106)** |
| Proceeds on disposal of property, plant and equipment | | **208** | **338** |
| **Net cash used in investing activities** | | **(155)** | **(4 296)** |
| **Net cash (outflow)/inflow before financing activities** | | **(1 381)** | **1 493** |

| R million | Notes | Audited 2022 | Audited 2021 |
|---|---|---|---|
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Shares repurchased for equity-settled share-based payments | | **(80)** | **(98)** |
| Share buy back | | **(1 012)** | **(79)** |
| Proceeds from long-term borrowings | | **5 337** | **4 552** |
| Repayment of long-term borrowings | | **(3 573)** | **(1 439)** |
| Movement in short-term interest-bearing liabilities | | **(823)** | **316** |
| Repayments of lease liabilities | | **(354)** | **(399)** |
| **Net cash (used in)/received from financing activities** | | **(505)** | **2 853** |
| **Net (decrease)/increase in cash and cash equivalents** | | **(1 887)** | **4 346** |
| **Cash and cash equivalents at beginning of year** | | **10 721** | **6 743** |
| Cash and cash equivalents held for sale at the beginning of year | | **118** | |
| Effect of foreign exchange rate movement on cash balance | | **557** | **(250)** |
| Effect of cash balances classified as held for sale | | **(310)** | **(118)** |
| **Cash and cash equivalents at end of year** | | **9 199** | **10 721** |
| Cash balances not available for use due to reserving restrictions (Refer note 9) | | **145** | **79** |

# Notes to the summarised consolidated financial statements

for the year ended 30 September 2022

## 1. Basis of preparation

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act, 71 of 2008 applicable to financial statements.

The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the summarised consolidated financial statements are derived in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the annual financial statements for the year ended 30 September 2022.

The summarised consolidated financial statements are presented in South African rand, which is Barloworld Limited's functional and presentation currency. The summarised consolidated financial statements do not include all the disclosures required for complete annual financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board. The Board is satisfied that the group companies are sufficiently liquid and solvent to be able to support the current operations for the next 12 months. Accordingly, the summarised consolidated financial statements are prepared on a going concern basis.

The summarised consolidated financial statements appearing in this announcement are the responsibility of the directors. The directors take full responsibility for the preparation of the summarised consolidated financial statements.

This preliminary report and the complete set of the consolidated financial statements were prepared by GE Hanekom Group Financial Manager CA(SA) under the supervision of P Ndlovu Executive Group Finance, CA(SA).

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 2. Reconciliation of net profit to headline earnings

| R million | Audited 2022 | Audited Restated* 2021 |
|---|---|---|
| **BASIC** | | |
| Profit for the year attributable to Barloworld Limited shareholders | **2 043** | **2 756** |
| Adjusted for the following: | | |
| **Remeasurements excluded from headline earnings** | **1 397** | **(388)** |
| Loss/(profit) on disposal of subsidiaries and investments | **299** | **(515)** |
| Tax impact of profit on disposal of subsidiaries and investments | | **127** |
| Profit on disposal of plant, property, equipment and other assets excluding rental assets | **(3)** | **(55)** |
| Tax on profit on disposal of property | **8** | **6** |
| Impairment of goodwill | **217** | **115** |
| Tax impact on impairment of goodwill | **(22)** | **(4)** |
| Foreign currency translation on liquidation of subsidiaries | | **(147)** |
| Impairment of plant and equipment and intangibles and other assets | **804** | **226** |
| Tax impact on impairment on plant and equipment, right of use assets, intangibles and other assets | | **(6)** |
| Reversal of impairment of property and right of use assets | **(85)** | |
| Impairment of indefinite life intangible assets | **193** | |
| Tax benefit of impairment of indefinite life intangible assets | | **(76)** |
| Tax impact of loss on capital items | **(1)** | |
| Tax impact of reversal on impairment of investment | **6** | **(5)** |
| Impairment of investments in associates and joint ventures | | **(52)** |
| Impairment of property, plant and equipment – associate and joint venture share | **4** | **20** |
| Tax benefit of impairment on property, plant and equipment – associate and joint venture share | **(1)** | |
| Profit on sale of property – associate and joint venture share | **(3)** | **(2)** |
| Bargain purchase on acquisition of business - associate and joint venture share | **(19)** | |
| Deferred tax on acquisition of business related to associate and joint venture share | | **(14)** |
| Non-controlling shareholders interest on share of Impairments and capital items | | **(6)** |
| **Headline earnings** | **3 440** | **2 368** |

| R million | Audited 2022 | Audited Restated* 2021 |
|---|---|---|
| Profit from continuing operations | **1 201** | **2 189** |
| Non-controlling shareholder's interest in net profit from continuing operations | **(2)** | **(54)** |
| Profit from continuing operations attributable to Barloworld Limited shareholders | **1 199** | **2 135** |
| Adjusted for the following items in continued operations: | | |
| **Gross remeasurements excluded from headline earnings from continuing operations** | **932** | **(263)** |
| Profit on disposal of plant, property, equipment and other assets excluding rental assets | **(45)** | **(41)** |
| Tax on profit on disposal of property | **8** | **6** |
| Impairment of goodwill | **217** | |
| Tax benefit of impairment of goodwill | **(22)** | |
| Impairment of indefinite life intangible assets | **193** | |
| Tax benefit of impairment of indefinite life of intangible assets | | **(76)** |
| Foreign currency translation on liquidation of subsidiaries | | **(147)** |
| Impairment of plant and equipment and intangibles and other assets | **628** | **49** |
| Tax impact of loss on capital items | **(1)** | |
| Reversal of impairment of property and right of use assets | **(33)** | |
| Tax impact of reversal on impairment of investment | **6** | **(5)** |
| Reversal of impairment of investments in associates and joint ventures | | **(52)** |
| Impairment of property, plant and equipment – associate and joint venture share | **4** | **20** |
| Tax benefit of impairment on property, plant and equipment – associate and joint venture share | **(1)** | |
| Bargain purchase on acquisition of business-associate and joint venture share | **(19)** | |
| Profit on sale of property – associate and joint venture share | **(3)** | **(2)** |
| Deferred tax on acquisition of business related to associate and joint venture share | | **(14)** |
| **Headline earnings from continuing operations** | **2 131** | **1 872** |

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 2. Reconciliation of net profit to headline earnings continued

| R million | Audited 2022 | Audited Restated* 2021 |
|---|---|---|
| Profit from discontinued operations attributable to Barloworld Limited shareholders | 851 | 612 |
| Non-controlling shareholders interest in net profit from discontinued operations | (7) | 10 |
| Profit from discontinued operations attributable to Barloworld Limited shareholders | 844 | 621 |
| Adjusted for the following: | | |
| **Gross remeasurements excluded from headline earnings from discontinuing operations** | 465 | (126) |
| Loss/(profit) on disposal of subsidiaries and investments | 299 | (515) |
| Tax impact of profit on disposal of subsidiaries and investments | | 127 |
| Loss/(profit) on disposal of plant, property, equipment and other assets excluding rental assets | 42 | (14) |
| Impairment of goodwill | | 115 |
| Tax impact on impairment of goodwill | | (4) |
| Impairment of plant and equipment and intangibles and other assets | 176 | 177 |
| Tax impact on Impairment of plant and equipment and intangibles and other assets | | (6) |
| Reversal of impairment of property and right of use asset | (52) | |
| Non-controlling shareholders interest on share of Impairments and capital items | | (6) |
| **Headline earnings from discontinued operations** | 1 309 | 495 |

| | Audited 2022 | Audited 2021 | Audited 2022 Cents | Audited Restated* 2021 Cents |
|---|---|---|---|---|
| **Headline earnings per share** | | | | |
| **BASIC** | | | | |
| The weighted average number of ordinary shares | 194 223 441 | 198 158 482 | | |
| Headline earnings per share (basic) | | | 1 770.8 | 1 194.8 |
| Headline earnings per share from continuing operations (basic) | | | 1 096.3 | 944.9 |
| Headline earnings per share from discontinued operations (basic) | | | 674.1 | 249.9 |
| **DILUTED** | | | | |
| Fully converted weighted average number of shares (note 9.1) | 196 310 543 | 200 329 551 | | |
| Headline earnings per share (diluted) | | | 1 752.0 | 1 181.8 |
| Headline earnings per share from continuing operations (diluted) | | | 1 084.7 | 934.7 |
| Headline earnings per share from discontinued operations (diluted) | | | 667.0 | 247.2 |
| **Percentage dilution** | 1.1 | 1.1 | | |

* Refer to note 18

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 3. Revenue disaggregation

| R million | Audited 2022 | Audited Restated* 2021 |
|---|---|---|
| The Group revenue disaggregation has been determined as follows: | | |
| **Revenue recognised in terms of IFRS 15: Revenue from contracts with customers** | | |
| **Sale of goods (earned at a point in time)** | **32 184** | **27 697** |
| Equipment (new and used) | 14 721 | 12 801 |
| Vehicles (new and used) | 66 | 77 |
| Parts (new and used) | 11 495 | 10 434 |
| Starch and glucose – local markets | 3 889 | 3 020 |
| Starch and glucose – export markets | 779 | 460 |
| Starch and glucose – Co-products | 1 235 | 905 |
| **Rendering of services (earned over time)** | **7 199** | **6 426** |
| Parts revenue earned over time as services | 1 246 | 1 381 |
| Service | 4 399 | 3 768 |
| – Workshop and in-field service | 3 424 | 2 672 |
| – Fitment and repairs | 975 | 1 096 |
| Commissions | 260 | 279 |
| Rental (outside the scope of IFRS 16) | 1 286 | 998 |
| Freight forwarding | 8 | |
| **Total continuing operations** | **39 383** | **34 123** |

| R million | Audited 2022 | Audited Restated* 2021 |
|---|---|---|
| **Discontinued operations (Note 10)** | | |
| **Sale of goods** | **3 586** | **11 869** |
| Vehicles (new and used) | 3 586 | 10 768 |
| Parts (new and used) | | 1 101 |
| **Rendering of services** | **4 460** | **6 119** |
| Parts revenue earned over time as services, maintenance and repairs under contracts are performed | | 36 |
| Service | 78 | 745 |
| – Workshop and in-field service | 78 | 663 |
| – After-sales | | 82 |
| Commissions | 39 | 289 |
| Rental (outside the scope of IFRS 16) | 2 638 | 1 681 |
| Freight forwarding | 43 | 53 |
| Supply chain support solutions | 960 | 1 120 |
| Transportation | 702 | 2 195 |
| | **8 046** | **17 988** |
| **Revenue recognised in terms of IFRS 16: Leases** | | |
| Fixed leasing income | 1 631 | 1 585 |
| Variable leasing income^ | 122 | 142 |
| **Total leasing income** | **1 753** | **1 727** |
| **Total discontinued operations** | **9 798** | **19 715** |
| **Total group** | **49 184** | **53 838** |

^ Variable leasing income earned mainly relates to excess kilometres and additional maintenance costs invoiced.
* The restatement is due to discontinued operation of Car Rental and Leasing (Refer to note 18).

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 4. Operating profit from core trading activities

| R million | Audited 2022 | Audited Restated* 2021 |
|---|---|---|
| Revenue | 39 383 | 34 123 |
| Less: Net expenses | 35 729 | 30 881 |
| Cost of goods sold | 28 803 | 25 377 |
| Other operating costs | 6 926 | 5 504 |
| **Continuing operations – operating profit from core trading activities** | 3 654 | 3 242 |
| **Discontinued operations – operating profit from core trading activities** | 1 933 | 989 |
| **Total group – Operating profit from core trading activities** | 5 587 | 4 231 |
| **Expenses include the following:** | | |
| **Amortisation of intangible assets** | 173 | 189 |
| **Amortisation of intangible assets arising from acquisitions** | 115 | 105 |
| Continuing operations | 115 | 104 |
| Discontinued operations | | 1 |
| **Amortisation of other intangible assets** | 58 | 84 |
| Continuing operations | 57 | 76 |
| Discontinued operations | 1 | 8 |
| **Depreciation of property, plant and equipment and right of use assets** | 1 943 | 2 436 |
| **Depreciation of property, plant and equipment** | 1 771 | 2 207 |
| Continuing operations | 839 | 851 |
| Discontinued operations | 932 | 1 356 |
| **Depreciation of right of use assets** | 172 | 229 |
| Continuing operations | 124 | 113 |
| Discontinued operations | 48 | 116 |
| **Operating leases – low value assets equipment, IT, plant and vehicles** | 61 | 122 |
| Continuing operations | 1 | 1 |
| Discontinued operations | 60 | 121 |
| **Operating leases – low value assets property** | 46 | 34 |
| Continuing operations | | (4) |
| Discontinued operations | 46 | 37 |

* Refer note 18.

| R million | Audited 2022 | Audited Restated* 2021 |
|---|---|---|
| **Expense relating to short-term leases** | 35 | 43 |
| Continuing operations | 29 | 24 |
| Discontinued operations | 6 | 19 |
| **Expenses relating to variable lease payments not included in measure of lease liability** | 77 | 42 |
| Discontinued operations | 77 | 42 |
| **Income from subleasing right-of-use assets** | (9) | (2) |
| Continuing operations | (1) | (1) |
| Discontinued operations | (8) | (1) |
| **Auditors' remuneration:** | 86 | 93 |
| **Audit fees** | 83 | 74 |
| Continuing operations | 62 | 53 |
| Discontinued operations | 21 | 21 |
| **Fees for other services** | 3 | 19 |
| Continuing operations | 2 | 17 |
| Discontinued operations | 1 | 2 |
| **Staff costs (excluding directors' emoluments)** | 6 164 | 7 014 |
| Continuing operations | 4 974 | 4 647 |
| Discontinued operations | 1 190 | 2 367 |
| **Restructuring costs (excluding staff costs)** | 8 | 22 |
| Continuing operations | 7 | |
| Discontinued operations | 1 | 22 |
| **Amounts recognised in respect of retirement benefit plans** | | |
| Defined contribution funds | 459 | 606 |
| Continuing operations | 333 | 401 |
| Discontinued operations | 126 | 205 |
| Defined benefit funds | 10 | 27 |
| Continuing operations | 10 | 27 |
| **Inventory movements** | 72 | 61 |

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 4. Operating profit from core trading activities continued

| R million | Audited 2022 | Audited Restated* 2021 |
|---|---|---|
| Amount of write-down of inventory to net realisable value and losses of inventory | 155 | 162 |
| Amount of reversals of inventory previously written down | (83) | (101) |
| **Impairment losses (reversals of impairment) on financial assets and contract assets** | **14** | **57** |
| Continuing operations | (35) | (6) |
| Discontinued operations | 49 | 63 |
| **Total IFRS 2 B-BBEE charges (note 4.1)** | **94** | **137** |
| Continuing operations# | 82 | 81 |
| Discontinued operation | 12 | 56 |

# includes other B-BBEE charges related to the Khula Sizwe transaction.
* The restatement is due to discontinued operation of Car Rental and Leasing (Refer to note 18).

4.1 The Group's B-BBEE deal Khula Sizwe was implemented on 1 October 2019. At 30 September 2022, 63 (2021: 63) of the 64 properties had transferred to Khula Sizwe. The IFRS 2 Share Based Payment charges for the employee trust has been fully accounted for in the 2020 and 2021 financial years. During the current year the management grant was amended to change the forfeiture period from 5 years to 3 years. No other rights or rules were amended, therefore the vesting period remains 5 years. The amendment was approved by the board and the JSE provided a no objection letter in this regard. As a result of this amendment a full cumulative charge of R91 million for the remaining 3 years was accounted for in the current financial year.

## 5. Taxation

| R million | Audited 2022 | Audited Restated* 2021 |
|---|---|---|
| Taxation per income statement – continuing operations | (866) | (462) |
| Prior year taxation | (91) | 44 |
| Taxation on impairment of indefinite life intangible assets, impairment of property, plant and equipment and other impairments and capital items | 10 | 75 |
| Attributable to a change in the rate of income tax | 22 | 65 |
| Taxation on profit before prior year taxation, impairments and capital items and rate change | (807) | (646) |
| **Discontinued operations (note 10)** | | |
| Normal taxation | (352) | (221) |
| Deferred taxation | (153) | (57) |
| Normal taxation on disposal of business | | (40) |
| Deferred taxation on disposal of business | | (87) |
| Total discontinued operations | (505) | (405) |
| **Total group** | **(1 371)** | **(867)** |

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 5. Taxation continued

| % | Audited 2022 | Restated* 2021 |
|---|---|---|
| **South Africa normal taxation rate** | **28.0** | **28.0** |
| Foreign rate differential | (10.6) | (2.6) |
| **Reduction in rate of taxation** | **(15.3)** | **(19.6)** |
| Exempt income and special allowances^ | (1.7) | |
| Taxation losses of prior periods | (5.9) | (7.4) |
| Impairments and capital items taxation^^^ | | (3.7) |
| IAS12.41 adjustment^^ | (6.5) | (4.1) |
| Rate change adjustment** | (1.2) | (2.4) |
| Under/overprovision of tax in respect of prior year | | (1.7) |
| **Increase in rate of taxation** | **47.1** | **11.5** |
| Disallowable charges^^^^ | 11.5 | 1.0 |
| Impairments and capital items taxation^^^ | 16.4 | |
| Prior year taxation | 5.8 | |
| Impact of elimination of intergroup interest netting to discontinued operations | 5.7 | 3.8 |
| Withholding tax | 6.7 | 6.2 |
| Current year losses not utilised | 1.1 | 0.5 |
| **Taxation as a percentage of profit before taxation^^^^^** | **49.3** | **17.7** |
| **Taxation** (excluding elimination of intergroup interest netting to discontinued operations and impairments and capital items taxation) as a percentage of profit before taxation (excluding impairments and capital items) | **25.5%** | **23.0%** |

^ Exempt income and special allowances largely comprise of Mongolia earn out income, reversal of impairments, fair value adjustments, learnerships allowances, dividends, investment income taxed at lower rates and other capital income/gains.

** The rate change impact is mainly attributable to the impact on deferred tax balances of the change in the South Africa corporate tax rate from 28% to 27% which despite only applying to the group with effect from 1 October 2022, has been substantively enacted.

^^ This amount represents a recognition in deferred tax of the effect of the movement of the exchange rate on the USD equivalent of the local currency tax base of non-monetary assets (i.e. inventories and fixed assets) and the reversals of deferred tax previously raised when the related items of inventory or fixed assets are sold. It applies to the Group's companies in Zambia, Angola, Mozambique, Malawi, Mongolia and Russia where the functional currency and tax reporting currency is not the same.

^^^^ Disallowable charges relate largely to disallowable fines and penalties relating to the inability to deliver machines in Russia and comply with warranty obligations as a result of the geo-political situation, intra-group expenses. Non-deductible legal and consulting fees incurred in implementing the Group's revised strategy, expenses incurred in the production of dividend income, unproductive interest, IFRS2 charges and other accounting adjustments.

^^^ Impairments and capital items taxation refer to expenses/income that are unrelated to Barloworld's core operations and fall outside the normal course of business. Most of the impairments are not tax deductible. This would include items excluded from the headline earnings of the group, refer to note 2.

^^^^^ The effective tax rate is above the statutory rate of 28% largely because of disallowable expenses (11.5%), the tax impact of non-operating and capital items (16.4%), withholding taxes (6.7%) despite the significant release of the deferred tax liability raised in terms of IAS12.41 in light of the appreciation of local currencies against the USD in most of the dual currency territories but mainly in Russia (-6.5%) and the foreign rate differential (-10.6%), being the impact of the currency movement on local currency trial balances and the differing statutory rates.

* The restatement is due to discontinued operation of Car Rental and Leasing (Refer to note 18).

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 6. Goodwill

| R million | Audited 2022 | 2021 |
|---|---|---|
| **COST** | | |
| At 1 October | 3 723 | 2 241 |
| Subsidiaries acquired | | 1 640 |
| Disposal | (170) | (3) |
| Business/Subsidiary disposed# | (9) | (95) |
| Translation differences | 107 | (60) |
| At 30 September | 3 651 | 3 723 |
| **ACCUMULATED IMPAIRMENT LOSSES** | | |
| At 1 October | 967 | 889 |
| Business/Subsidiary disposed# | (9) | (33) |
| Disposal | (169) | |
| Impairment | 217 | 115 |
| Translation differences | 51 | (4) |
| At 30 September | 1 057 | 967 |
| **CARRYING AMOUNT** | 2 594 | 2 756 |
| Classified as held for sale (note 10) | (456) | |
| **Total per statement of financial position** | 2 138 | 2 756 |

# Prior year relates to the disposal of Barloworld Motor Retail.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 6. Goodwill continued

Goodwill is allocated to the following cash generating units for impairment testing purposes:

| Significant cash-generating units (CGUs) | Geographical Location | Reportable segment to which the CGU belong | Carrying amount of Goodwill 2022 R million | Carrying amount of Goodwill 2021 R million | Accumulated impairments 2022 R million | Accumulated impairments 2021 R million |
|---|---|---|---|---|---|---|
| Avis Rent a Car South Africa | South Africa | Car Rental southern Africa | **176** | 176 | **(619)** | (619) |
| Avis Fleet South Africa | South Africa | Leasing | **282** | 282 | **(11)** | (11) |
| Equipment Russia | Russia | Equipment Eurasia | | 217 | **(217)** | |
| Equipment Botswana Zambia Angola Mozambique Malawi (BZAMM) | Rest of Africa | Equipment southern Africa | | | **(57)** | (57) |
| Equipment Mongolia | Mongolia | Equipment Eurasia | **344** | 289 | | |
| Ingrain | South Africa | Ingrain | **1 640** | 1 640 | | |
| Other^ | Various | Various | **152** | 152 | **130** | (130) |
| **CARRYING AMOUNT** | | | **2 594** | 2 756 | **(1 034)** | (817) |
| Classified as held for sale* | | | **(456)** | | | |
| **TOTAL** | | | **2 138** | 2 756 | | |

^ The aggregate of the remaining immaterial goodwill balances consists of Salvage Management and Disposals and Crownmill Trading cash generating units in 2022 and 2021.

Goodwill is allocated to the appropriate CGUs based on which CGU is expected to benefit from the synergies arising in a business combination. External and internal factors surrounding the business operations play a role in determining an indication of impairment. In addition, the carrying amount of goodwill is subject to an annual impairment test.

Impairment of goodwill arises when the recoverable amount of the CGU, including goodwill, is less than the carrying value. The recoverable amount is determined as the greater of the fair value less costs to sell or the value in use.

Due to the war between Russia and Ukraine and the sanctions imposed, the assets related to Russia were tested for impairment. As a result, the group impaired R1 030 million which consists of the goodwill related to Russia of R217 million, indefinite intangible assets of R193 million (refer note 9), finite intangible assets of R16 million (refer note 12) and property, plant and equipment of R604 million (refer to Income Statement). The Russian assets less liabilities equals the recoverable amount for the Russia CGU.

Due to the reduction in revenue and profitability associated with supply chain challenges experienced in Asia as a result of Covid-19 related restrictions instituted, the Equipment Mongolia cash generating unit was considered to have indicators of impairment. The impairment test did not result in an impairment.

The key assumptions used in the value in use calculation for the CGU's are shown below:

The discount rate applied to the five year forecast period has been outlined for each cash generating unit in the table below. Discount rates applied to cash flow projections are based on a country or region-specific discount rate, dependent upon the location of cash-generating operations.

At each impairment testing interval a discounted cash flow valuation model is applied using a five-year strategic plan as approved by the board. The financial plans are the quantification of strategies derived from the use of a common strategic planning process followed across the group. The process ensures that significant risks and sensitivities are appropriately considered and factored into strategic plans.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 6. Goodwill continued

The pre-tax nominal discount rates applied are as follows:

| Significant cash-generating units (CGUs) | Geographical Location | Currency | 2022 | 2021 |
|---|---|---|---|---|
| Avis Rent a Car southern Africa | South Africa | ZAR | **19.7%** | **26.9%** |
| Avis Fleet southern Africa | South Africa | ZAR | **19.7%** | **26.1%** |
| Equipment Russia | Russia | USD | **17.5%** | **13.2%** |
| Equipment Mongolia | Mongolia | USD | **17.7%** | **14.7%** |
| Ingrain | South Africa | ZAR | **15.9%** | **16.5%** |
| Other | Various | Various | **15% to 20%** | **14.5% to 14.6%** |

Long term growth rates applied to extrapolate cash flows are as follows:

| Significant cash-generating units (CGUs) | Geographical Location | Currency | 2022 | 2021 |
|---|---|---|---|---|
| Avis Rent a Car southern Africa | South Africa | ZAR | **4.6%** | **4.6%** |
| Avis Fleet southern Africa | South Africa | ZAR | **4.6%** | **4.6%** |
| Equipment Russia | Russia | USD | **2.1%** | **2.0%** |
| Equipment Mongolia | Mongolia | USD | **2.1%** | **2.0%** |
| Ingrain | South Africa | ZAR | **4.6%** | **4.6%** |
| Other | Various | Various | **4.6%** | **4.6%** |

**Key operating assumptions:**

**Sales growth rates:** sales growth rates have been derived by analysing historical data, considering growth rates projected by the senior management teams which includes price and volumes and considering the economic and trading conditions of each area within South Africa and the rest of the world.

**Gross margins:** gross margins have been derived by analysing historical data, approved forecast gross margins for the forecast period, and considering the impact of currency fluctuations.

**Operating costs:** Operating costs have been derived by analysing historical data, considering economic and trading conditions, committed and uncommitted capital expenditure, and operating requirements coupled by various operational improvement initiatives.

**Working capital:** working capital requirements are driven by required stock turn ratios, credit terms and capital expenditure requirements.

**Long-term growth rates:** long-term growth rates are based on the longer term inflation and currency expectations for the various industries in South Africa and the rest of the world.

As at 30 September 2022, management have performed sufficient sensitivity analyses to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual cash-generating units to exceed their value in use.

**Other key assumptions**

**Equipment Russia**

The trade restrictions affect the ability of the business to trade due to customers being either sanctioned or specific products not being allowed to be sold as well as destination controls implemented by various countries. Furthermore, there are significant supply chain disruptions making it difficult for unsanctioned products to enter Russia and be distributed to unsanctioned customers. This has resulted in Equipment Russia not being able to serve and deliver products to major customers in the ordinary course of business.

At 31 March 2022 an impairment assessment was performed to assess the carrying value of the Equipment Russia cash generating unit (CGU). Based on an interim five-year forecast, the value in use for the Equipment Russia CGU indicated an impairment of R1 030 million. This impairment was allocated to goodwill, intangible assets and property, plant and equipment. The remainder of properties as well as other fixed assets were not fully impaired, but retained at their fair values supported by value-in-use calculations at 30 September 2022. The remaining depreciable assets will continue to be depreciated in line with the accounting policy.

At 30 September 2022, at the appropriate WACC rate of 17.5% (13.2% at 30 September 2021), a terminal growth rate of 2.1% (2% at 30 September 2021) and updated projected cash flows based on significantly reduced activity over the next five years, the value in use for the Equipment Russia CGU indicated that no further impairment of the carrying value of assets is required. The remainder of properties as well as other fixed assets that were not fully impaired were retained at their fair values. At various sensitivity levels for the WACC rate, terminal growth rate and trading activity and operating margins there were no indications of further impairment.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 7. Intangible assets

| R million | Audited 2022 | 2021 |
|---|---|---|
| **COST** | | |
| At 1 October | 4 380 | 3 723 |
| Subsidiaries acquired # | | 1 063 |
| Additions | 47 | 52 |
| Business/Subsidiary disposed | (16) | (59) |
| Disposals | (160) | (228) |
| Translation differences | 308 | (171) |
| **At 30 September** | 4 559 | 4 380 |
| **ACCUMULATED AMORTISATION AND IMPAIRMENT** | | |
| At 1 October | 1 979 | 2 091 |
| Charge for the year | 174 | 189 |
| Business/Subsidiary disposed | (14) | (37) |
| Disposals | (140) | (197) |
| Impairment^ | 289 | 5 |
| Translation differences | 182 | (72) |
| **At 30 September** | 2 470 | 1 979 |
| **CARRYING AMOUNT** | | |
| At 30 September | 2 089 | 2 401 |
| Less: Classified as held for sale (note 10) | (9) | (31) |
| **Total Group** | 2 080 | 2 370 |

# Acquisition of Ingrain in the prior financial year included customer relationships that arose from non-contractual customer relationships which represent loyal customers that will continue their relationship after the acquisition.
^ Impairments in the prior year relate to licenses in Mongolia and software and minor customer relationships in South Africa .

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 7. Intangible assets continued

| Significant cash-generating units (CGUs) | Useful life | Geographical Location | Reportable segment to which the CGUs belong | Carrying value 2022 R million | Carrying value 2021 R million | Accumulated impairments 2022 R million | Accumulated impairments 2021 R million |
|---|---|---|---|---|---|---|---|
| Equipment Russia | Indefinite | Russia | Equipment Eurasia | | **193** | **193** | |
| Equipment South Africa | Indefinite | South Africa | Equipment Southern Africa | **277** | **277** | | |
| Equipment Mongolia | Finite | Mongolia | Equipment Eurasia | **741** | **655** | | |
| Equipment BZAMM | Indefinite | Greater Africa | Equipment Southern Africa | | | **708** | **708** |
| Other | Indefinite | Various | Various | | | | |
| **Supplier Relationship intangible assets** | | | | **1 018** | **1 125** | **901** | **708** |
| Ingrain | Finite | South Africa | Ingrain | **882** | **949** | | |
| Other | Finite | Various | Various | **5** | **14** | | |
| **Customer relationships and order backlog intangible assets** | | | | **887** | **963** | | |

The Equipment South Africa and Russia indefinite life intangible assets classified as Supplier Relationships are in relation to a dealer agreement which has no fixed termination date. The indefinite useful life is supported by Barloworld's long standing relationship with Caterpillar Incorporated, (CAT) as the exclusive CAT mining equipment dealer in South Africa, BZAMM and parts of Russia and Mongolia.

Customer relationships arose in Ingrain from non-contractual customer relationships, which represent loyal customers that will continue their relationship after the acquisition. The write off period is 15 years.

The key assumptions used in the recoverable amount calculation for the CGU's shown above (indefinite life) are contained in note 6.

As at 30 September 2022, management have performed the appropriate sensitivity analyses to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual cash-generating units to exceed their recoverable amount.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 8. Investment in associates and joint ventures

| | (Loss)/Income from associates and joint ventures | | Carrying value of the investment | |
|---|---|---|---|---|
| R million | **2022** | 2021 | **2022** | 2021 |
| Associates | **166** | 108 | **946** | 778 |
| Joint ventures | **142** | (72) | **1 478** | 1 102 |
| **Total continuing operations** | **308** | **36** | **2 424** | **1 881** |
| Discontinued operations (note 10) | **2** | 1 | **8** | |
| **Total group** | **310** | **36** | **2 432** | **1 881** |

Impairment of investments arises when the recoverable amount of the Investment is less than the carrying value. The recoverable amount is determined as the greater of the fair value less costs to sell or the value in use. For the purposes of assessing the above Investments for impairment, the recoverable amount was based on the fair value less costs to sell method.

| (Reversal)/Impairments recognised in the year | Geographical Location | Reportable segment | **2022** R million | **2021** R million |
|---|---|---|---|---|
| BHBW South Africa (Pty) Limited^ | South Africa | Other segments | | (40) |
| BHBW Zambia Limited* | Zambia | Other segments | | (12) |
| Barloworld Maponya (Pty) Limited* | South Africa | Other segments | | 2 |
| **Total** | | | | (50) |

^ It should be noted that the impairment of the investment in BHBW South Africa (Pty) Ltd was partially reversed by R40 million in the prior financial year due to better financial outlook. Management has embarked on a turnaround business strategy that will improve future operations and thus improve working capital. Securing additional funders has already lead to increased sales and will further enhance the opportunity for growth. The business continues to identify complementary product lines to drive growth and diversify the revenue.
* Relates to (reversal of impairments)/impairments of investments and loans to joint ventures.

The following key assumptions have been used in determining the fair value less costs to sell of each investment at 30 September 2022:

| | Bartrac Equipment Limited* | BHBW South Africa (Pty) Limited | NMI Durban South Motors (Pty) Ltd |
|---|---|---|---|
| Pre-tax nominal discount rate | **22.0%** | **23.6%** | **17.2%** |
| Terminal growth rate | **2.1%** | **4.6%** | **4.6%** |

The following key assumptions have been used in determining the fair value less costs to sell of each investment at 30 September 2021:

| | Bartrac Equipment Limited* | BHBW South Africa (Pty) Limited | NMI Durban South Motors (Pty) Ltd |
|---|---|---|---|
| Pre-tax nominal discount rate | 16.0% | 19.4% | 15.4% |
| Terminal growth rate | 2.0% | 4.6% | 4.6% |

* US Dollar based

As at 30 September 2022, management have performed sufficient sensitivity analysis to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual cash-generating units to exceed their recoverable amount (fair value less costs to sell).

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 9. Cash and cash equivalents

| R million | Audited 2022 | Audited 2021 |
|---|---|---|
| **Cash balances not available for use due to other contractual and foreign exchange restrictions*** | **145** | **79** |

* The restricted cash relates mainly to cash held in Malawi R56 million ($3.1 million) (2021: R33 million ($2.1 million)) which was not easily accessible, as well as R81 million (GBP4 million) (2021: R37 million (GBP1.8 million)) held in Barloworld Insurance.

At 30 September 2022 cash held in Russia was R419 million ($23 million). This cash will be utilised for operational purposes to settle liabilities, therefore not included in restricted cash above.

## 10. Discontinued operations

In January 2021 Barloworld announced that the Motor Retail business will be sold to NMI DSM effective 1 June 2021 and in February 2021 the board took a firm decision to dispose of the Logistics business. Motor Retail and Logistics represents significant lines of business and has therefore been disclosed as discontinued operations. The disposal of 50% of Motor Retail to NMI DSM was concluded on 1 June 2021 and therefore no trading (Sep 2021: 8 months) was reported in the discontinued operations for Motor Retail.

During the current reporting period the group disposed of it's 51% share in the Refrigerated transport business (Aspen), effective 1 December 2021, as well as the Manline and Timber transport business (Transport) that ran the hazardous fuel, chemicals and forestry industry, effective 1 March 2022, out of the Logistics division. (Refer note 12). The Refrigerated transport disposal was approved by the competition commission in Botswana. The sale of the remaining Warehousing and Distribution business within the Supply Chain Solutions business has been finalised and is awaiting regulatory approvals that are customary for a transaction of this nature.

On 9 February 2022 the board took a decision to divest its interest in Car Rental and Leasing as a result the trading results are presented as part of discontinued operations.

Refer to note 5 for the impact of intergroup interest on discontinued operations.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 10. Discontinued operations continued

### Results from discontinued operations as reported are as follows:

| R million | 2022 | Restated* 2021 |
|---|---|---|
| **Revenue** | **9 798** | **19 715** |
| **Profit before items listed below** | **3 014** | **2 599** |
| Impairment on financial assets and contract assets | **(49)** | **(63)** |
| Fair value adjustments on financial instruments | **(39)** | **(9)** |
| B-BBEE transaction charge | **(12)** | **(55)** |
| **Operating profit before depreciation and amortisation, impairments and capital items, interest and taxation** | **2 914** | **2 471** |
| Depreciation | **(980)** | **(1 472)** |
| Amortisation of intangible assets | **(1)** | **(9)** |
| **Operating profit from trading activities** | **1 933** | **989** |
| Impairments and capital items: | | |
| Loss on disposal of property, plant and equipment and right of use assets | **(42)** | |
| Reversal of impairment of property and right of use assets | **52** | |
| Impairment of goodwill (note 6) | | **(115)** |
| Impairment of property, plant and equipment, intangibles and other assets | **(176)** | **(177)** |
| Capital items | | **13** |
| **Profit before finance costs and income** | **1 767** | **710** |
| Finance costs^ | **(131)** | **(235)** |
| Finance income | **18** | **24** |
| **Profit before taxation** | **1 654** | **501** |
| Taxation | **(506)** | **(278)** |
| **Net profit after taxation** | **1 148** | **223** |
| Profit from associates | **2** | **1** |
| **Profit from discontinued operations** | **1 150** | **224** |
| (Loss)/profit on disposal of businesses | **(299)** | **515** |
| Taxation on disposal of Motor Retail businesses | | **(127)** |
| **Profit from discontinued operations per income statement** | **851** | **612** |
| **Profit on discontinued operations to the owners of Barloworld Limited after non-controlling interest** | **844** | **621** |
| Taxation on trading loss | **(506)** | **(278)** |
| Tax on disposal of Motor Retail businesses | | **(127)** |
| Total discontinued taxation (note 5) | **(506)** | **(405)** |

### The cash flows from the discontinued operation are as follows:

| R million | 2022 | 2021 |
|---|---|---|
| Cash flows from operating activities | **(1 099)** | **730** |
| Cash flows from investing activities | **117** | **852** |
| Cash flows from financing activities | **1 091** | **(1 812)** |

^ Finance costs are reflected after the elimination of intergroup interest.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 10. Discontinued operations continued

The major classes of assets and liabilities classified as held for sale are as follows:

| | 2022 | | | | |
|---|---|---|---|---|---|
| R million | Total Held for Sale | Logistics[1] | Other Segments[2] | Car rental[3] | Leasing[3] |
| Property, plant and equipment | 4 218 | | 98 | 121 | 3 999 |
| Right of use assets | 179 | 1 | | 166 | 12 |
| Goodwill | 456 | | | 174 | 282 |
| Intangible assets | 9 | | | 9 | |
| Long term finance lease receivables | 132 | 7 | | | 125 |
| Long term financial assets | 8 | | | | 8 |
| Deferred tax asset | 118 | | | 102 | 16 |
| Vehicle rental fleet | 3 812 | | | 3 812 | |
| Inventories | 471 | | | 448 | 23 |
| Trade and other receivables | 1 805 | 230 | | 1 024 | 551 |
| Taxation | 199 | | | 153 | 46 |
| Cash and cash equivalents | 310 | 3 | | 101 | 206 |
| **Total assets classified as held for sale*** | **11 717** | **241** | **98** | **6 110** | **5 268** |
| Deferred tax liability | 316 | | | | 316 |
| Interest-bearing liabilities | 2 116 | 6 | | | 2 110 |
| Short and long term lease liabilities | 396 | 111 | | 259 | 26 |
| Bank overdraft and short term loans | 294 | 54 | | | 240 |
| Total current payables | 3 560 | 186 | | 2 555 | 819 |
| Contract liabilities | 847 | | | | 847 |
| Provisions and other accruals | 231 | 66 | | | 165 |
| Tax provision | 214 | | | 207 | 7 |
| **Total liabilities associated with assets classified as held for sale**** | **7 974** | **423** | | **3 021** | **4 530** |
| Net assets classified as held for sale | 3 743 | (182) | 98 | 3 089 | 738 |

| | 2021 | | |
|---|---|---|---|
| R million | Total Held for Sale | Logistics[1] | Other Segments[2] |
| Property, plant and equipment | 751 | 606 | 145 |
| Right of use assets | 318 | 318 | |
| Intangible assets | 31 | 31 | |
| Long term finance lease receivables | 37 | 37 | |
| Long term financial assets | 4 | 4 | |
| Deferred tax asset | 141 | 133 | 8 |
| Inventories | 29 | 29 | |
| Trade and other receivables | 805 | 804 | |
| Taxation | 126 | 126 | |
| Contract assets | 28 | 28 | |
| Cash and cash equivalents | 118 | 118 | |
| **Total assets classified as held for sale*** | **2 388** | **2 234** | **153** |
| Deferred tax liability | 128 | 128 | |
| Interest-bearing liabilities | 155 | 155 | |
| Short and long term lease liabilities | 423 | 423 | |
| Bank overdraft and short term loans | 94 | 94 | |
| Total current payables | 681 | 681 | |
| Provisions and other accruals | 179 | 179 | |
| Tax provision | 126 | 126 | |
| **Total liabilities associated with assets classified as held for sale**** | **1 786** | **1 786** | |
| Net assets classified as held for sale | 601 | 448 | 153 |

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 10. Discontinued operations continued

Note 1. This represents the assets and liabilities of the Logistics business classified as held for sale and a discontinued operation.

Note 2. The assets held for sale within the Other segments related to various properties that are in the process of being sold.

Note 3. The assets and liabilities of Car Rental and Leasing business classified as held for sale and a discontinued operations.

* Includes financial assets of R2 248 million (2021: R 990 million).
** Includes financial liabilities measured at amortised cost of R7 451 million (R1 352 million)

The valuation techniques used to determine the fair value less costs to sell is a combination of the discounted cashflows, market multiple technique and offer prices received. In terms of the valuation techniques the fair value of assets held for sale will be classified as level 3 as the valuation techniques are based on unobservable market data and adjusted for based on management's experience and knowledge of the business. Management have considered and concluded that no reasonable change in the significant unobservable inputs would result in a material change in the fair value.

When entering into the sale of Logistics management believed they could sell the businesses as a whole as a going concern. The disposal process commenced with a broad set of interested parties. Management identified three separate transactions to different buyers. Strong buyer interest emerged through the process for the underlying discrete businesses. Each of the disposal group's had a single coordinated plan to dispose of the businesses in Logistics. The table below depicts the disposal groups reported at 30 September.

| | 2022 | | | | | |
|---|---|---|---|---|---|---|
| R million | Total | Logistics disposal group 1 | Logistics disposal group 2 | Logistics disposal group 3 | Car Rental | Leasing |
| Revenue | **9 798** | **63** | **656** | **1 001** | **5 978** | **2 100** |
| Operating profit from trading activities | **1 933** | **(3)** | **67** | **(15)** | **923** | **961** |
| Profit before taxation | **1 654** | **16** | **448** | **(571)** | **883** | **878** |
| Taxation | **(506)** | **(1)** | **(46)** | **(4)** | **(230)** | **(225)** |
| Profit/(loss) after taxation | **1 148** | **15** | **401** | **(574)** | **653** | **653** |
| The impairments related to the Fair value less costs to sell the business are listed below: | | | | | | |
| Property, plant and equipment | **21** | | | **21** | | |
| Right of use assets | **52** | | | **52** | | |
| Intangibles | **79** | | | **25** | | **54** |
| Provisions | **25** | | | **22** | | **3** |
| **Total impairments** | **177** | | | **120** | | **57** |

The valuation techniques used to determine the fair value less costs to sell is a combination of the discounted cashflows, market multiple technique and offer prices received.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 10. Discontinued operations continued

| | 2021* | | | | | | |
|---|---|---|---|---|---|---|---|
| R million | Total | Motor Retail | Logistics disposal group 1 | Logistics disposal group 2 | Logistics disposal group 3 | Car Rental | Leasing |
| Revenue | 19 715 | 8 915 | 354 | 983 | 2 033 | 5 302 | 2 128 |
| Operating profit from trading activities | 989 | 211 | 20 | (21) | (83) | 367 | 496 |
| Loss before taxation | 501 | 125 | (21) | (93) | (327) | 343 | 474 |
| Taxation | (278) | (1) | (8) | (58) | (28) | (87) | (96) |
| Profit/(loss) after taxation | 223 | 124 | (29) | (151) | (354) | 256 | 377 |
| The impairments related to the Fair value less costs to sell the business are listed below: | | | | | | | |
| Goodwill | 115 | | | 53 | 62 | | |
| Property, plant and equipment | 95 | | 36 | 20 | 39 | | |
| Right of use assets | 53 | | 1 | | 52 | | |
| Intangibles | 4 | | 1 | 2 | 1 | | |
| Provisions | 25 | | | | 25 | | |
| **Total impairments** | 292 | | 38 | 75 | 179 | | |

Logistics disposal group 1: Refrigerated transport business sold effective 1 December 2021.
Logistics disposal group 2: Manline and Timber transport business that run the hazardous fuel, chemicals and forestry industry, sold effective 1 March 2022.
Logistics disposal group 3: Conglomerate of the warehouse and distribution, managed solutions, industrial projects businesses. Refer note 20.

* Restated. Refer note 18.

## 11. Acquisition of subsidiaries

| R million | 2022 | 2021 |
|---|---|---|
| **Acquisition of subsidiaries:** | | |
| Inventories acquired | | (787) |
| Receivables acquired | | (749) |
| Trade and other payables | | 837 |
| Cash | | (24) |
| Intangible assets | | (53) |
| Property, plant and equipment, non-current assets and goodwill | | (2 611) |
| Lease liabilities | | 29 |
| Total net assets acquired | | (3 358) |
| Goodwill arising on acquisitions | | (1 640) |
| Customer relationship intangible arising on acquisition in terms of IFRS 3 Business Combinations | | (1 011) |
| Deferred taxation on acquisition | | 704 |
| Cash amounts paid to acquire subsidiaries | | (5 305) |
| True up payment on Mongolia acquisition | | (48) |
| | | (5 353) |
| **Bank balances and cash in subsidiaries acquired** | | 24 |
| **Total acquisitions** | | (5 329) |

The acquisition in prior year related to the acquisition of Ingrain.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 12. Proceeds on disposal of subsidiaries

| R million | Audited 2022 | Audited 2021 |
|---|---|---|
| **Proceeds on disposal of subsidiaries:** | | |
| Inventories disposed | 21 | 1 617 |
| Receivables disposed | 253 | 446 |
| Payables, taxation and deferred taxation balances disposed and settled | (201) | (1 718) |
| Borrowings net of cash | (362) | (744) |
| Property, plant and equipment, non-current assets, goodwill and intangibles | 828 | 911 |
| Investment in cell captives | | 32 |
| Deferred tax | (88) | 4 |
| Net assets disposed | 451 | 548 |
| Non-controlling interest | (28) | |
| (Loss)/profit on disposal | (299) | 515 |
| Payments to be received in future | | (150) |
| Net cash proceeds on disposal of subsidiaries | 124 | 913 |
| Bank Balances and cash in subsidiaries disposed | (15) | (35) |
| **Cash proceeds on disposal of subsidiaries** | 109 | 878 |

Effective 1 June 2021, the group divested in the Motor Retail businesses to NMI Durban South Motors (Pty) Ltd . Refer to note 10.

During the current year the group disposed of its 51% share in the Refrigerated transport business as well as the Manline and Timber transport business. Refer to note 10.

## 13. Commitments

| R million | Audited 2022 | Audited 2021 |
|---|---|---|
| **Capital expenditure commitments to be incurred:** | | |
| Contracted – Property, plant and equipment | 271 | 87 |
| Contracted – Intangible assets | 13 | 9 |
| Contracted – Vehicle rental fleet | 955 | 3 094 |
| Approved but not yet contracted* | 247 | 618 |
| **Total group** | 1 486 | 3 808 |
| Classified as held for sale | (972) | |
| **Total continuing operations** | 514 | 3 808 |
| Share of joint ventures capital expenditure to be incurred: | | |
| Contracted | 139 | |
| **Total** | 653 | 3 808 |

Capital expenditure will be financed by funds generated by the business, existing cash resources and borrowing facilities available to the group.

* The group has approved R46 million for the revised Barlow Park development plan which will be carried out in different phases over an estimated 5 year period.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 14. Dividends

| | Audited | |
|---|---|---|
| R million | **2022** | 2021 |
| **Ordinary shares** | | |
| Normal dividend No 184 paid on 10 January 2022: 300 cents per share (2021: No dividend) | **582** | |
| Special dividend No 184 paid on 10 January 2022: 1 150 cents per share (2021: No 183 : 200 cents per share) | **2 233** | **389** |
| Interim dividend No 185 paid on 27 June 2022: 165 cents per share (2021: No 183: 137 cents per share) | **316** | **267** |
| **Paid to Barloworld Limited shareholders** | **3 131** | **656** |
| Paid to non-controlling shareholders | **2** | **6** |
| | **3 133** | **662** |

| | Audited | |
|---|---|---|
| Cents | **2022** | 2021 |
| **Analysis of dividends declared in respect of current year's earnings:** | | |
| **Ordinary dividends per share** | | |
| Interim dividend | **165** | **137** |
| Final dividend | **295** | **300** |
| | **460** | **437** |
| **Special dividends per share** | | |
| Interim dividend | | 200 |
| Final dividend | **550** | 1 150 |
| | **550** | 1 350 |

**6% cumulative non redeemable preference shares**

Preference dividends declared on each of the following dates:
12 October 2021 (paid on 2 November 2021) R22 500
17 October 2022 (7 November 2022) R22 500

## 15. Contingent liabilities

| | Audited | |
|---|---|---|
| R million | **2022** | 2021 |
| Performance guarantees given to customers and other guarantees and claims | **178** | **193** |
| Buy-back and repurchase commitments not reflected on the statement of financial position | | **18** |

## 16. Related party transactions

There were no related party transactions outside the ordinary course of business requiring separate disclosure in the consolidated financial statements.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 17. Financial instruments

| R million | Audited 2022 | Audited 2021 |
|---|---|---|
| **ASSETS** | | |
| **Non Current** | | |
| Long-term finance lease receivables | **148** | **162** |
| Long-term financial assets | **69** | **185** |
| **Current** | | |
| Trade and other receivables | **7 239** | **6 208** |
| Cash and cash equivalents | **9 509** | **10 839** |
| Classified as Held for Sale | **(2 248)** | **(963)** |
| **Total assets** | **14 717** | **16 431** |
| **LIABILITIES** | | |
| **Non Current** | | |
| Interest-bearing non-current liabilities | **10 757** | **7 493** |
| Lease liabilities non-current | **813** | **1 193** |
| Other non-current liabilities | | **23** |
| **Current** | | |
| Lease liabilities current | **111** | **133** |
| Trade and other payables | **12 078** | **9 441** |
| Amounts due to bankers and short-term loans | **3 401** | **5 589** |
| Classified as Held for Sale | **(6 366)** | **(1 353)** |
| **Total liabilities** | **20 794** | **22 519** |

All financial instruments are carried at fair value or amounts that approximate fair value, except for the non-current portion of fixed rate receivables, payables and interest-bearing borrowings, which are carried at amortised cost. The carrying amounts for investments, cash, cash equivalents as well as the current portion of receivables, payables and interest-bearing borrowings approximate fair value due to the short-term nature of these instruments. The fair values have been determined using available market information and discounted cash flows.

For all of the above mentioned financial liability categories the carrying value approximates the fair value with the exception of non-current Interest-bearing liabilities where the fair value as at 30 September 2022 is lower than the carrying value by R73 million (30 September 2021: R40 million higher than the carrying value).

### Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets. The markets from which these quoted prices are obtained are the bonds market, the stock exchange as well other similar markets.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The valuation techniques used in deriving level 2 fair values are consistent with valuing comparable hedging instruments (foreign exchange contracts and interest rate swaps). The primary input into these valuations are foreign exchange rates and prevailing interest rates which are derived from external sources of information.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The valuation techniques used in deriving level 3 fair values are discounted cash flows as well as the net asset value approach of the investment that is being valued. This information is based on unobservable market data, and adjusted for based on management's experience and knowledge of the investment.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 17. Financial instruments continued

| | 2022 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets at fair value through profit or loss** | | | | |
| Long term financial assets | 3 | | 25 | 28 |
| Trade and other receivables | | 16 | | 16 |
| **Financial assets irrevocably designated at FVOCI*** | | | | |
| Trade and other receivables | | 175 | | 175 |
| **Total** | 3 | 191 | 25 | 219 |
| **Financial liabilities at fair value through profit or loss** | | | | |
| Trade and other payables | | 1 | | 1 |
| **Total** | | 1 | | 1 |

| | 2021 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets at fair value through profit or loss** | | | | |
| Long term financial assets | 2 | | 19 | 21 |
| Trade and other receivables | | 7 | | 7 |
| **Financial assets irrevocably designated at FVOCI*** | | | | |
| Trade and other receivables | | 82 | | 82 |
| **Total** | 2 | 89 | 19 | 110 |
| **Financial liabilities at fair value through profit or loss** | | | | |
| Other non-current liabilities | | 23 | | 23 |
| Trade and other payables | | 9 | 41 | 50 |
| **Total** | | 32 | 41 | 73 |

* This relates to forward exchange contracts that are part of a cash flow hedging relationship (of which the effective portion had been recognised through OCI and the ineffective portion had been recognised through profit or loss)

Refer to note 10 regarding assets and liabilities held for sale as level 3 fair value measurements.

**Reconciliation of Level 3 Fair Value Measurements**

| | Fair Value through profit and loss: | | | |
|---|---|---|---|---|
| | Unlisted shares Note 1 | Investment in cell captives + Derivative Note 2 | Earn out liability Note 3 | Total |
| **Balance as at 1 October 2020** | 16 | 62 | (84) | (6) |
| Disposals | | (32) | | (32) |
| Total gains recognised in profit and loss | | (27) | 43 | 16 |
| **Balance 30 September 2021** | 16 | 3 | (41) | (22) |
| **Balance as at 1 October 2021** | 16 | 3 | (41) | (22) |
| Total gains recognised in profit and loss | | 6 | 41 | 47 |
| **Balance 30 September 2022** | 16 | 9 | | 25 |

**Note 1**

Unlisted shares are measured at fair value considering the latest arm's length share trade information available for this investment. Sensitivity to inputs is considered immaterial for further disclosure.

**Note 2**

The valuation techniques used in deriving fair value of investments in cell captives are based on Net asset value approach of the underlying cell captives. Sensitivity to inputs is considered immaterial for further disclosure. Refer to note 15 for more information on the derivative (unlisted debt instrument)

**Note 3**

This relates to the earn-out liability as a result of the Mongolia acquisition. This is a liability for an amount to potentially be paid to the sellers in the future (4 years from acquisition) should revenues and profits of Mongolia exceed certain thresholds as per the sales agreement. The unobservable inputs in this valuation thus relates to estimation of future profits to measure against thresholds as per the sales agreement. Sensitivity to these inputs are considered immaterial for further disclosure.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 17. Financial instruments continued

### Market risk

#### i) Currency risk

**Trade commitments**

Currency risk arises because the group enters into financial transactions denominated in the functional currency of the transacting entities. The group's currency exposure management policy for the southern African operations is to hedge substantially all material foreign currency trade commitments in which customers have or will not be accepting the currency risk. In respect of offshore operations, where there is a traditionally stable relationship between the functional and transacting currencies, the need to take foreign exchange cover is at the discretion of the divisional board. Each division manages its own trade exposure within the overall framework of the group policy. In this regard the group has entered into certain forward exchange contracts which do not relate to specific items appearing in the statement of financial position, but were entered into to cover foreign commitments not yet due or proceeds not yet received. The risk of having to close out these contracts is considered to be low.

**Net currency exposure and sensitivity analysis**

The following table represents the extent to which the Group has monetary assets and liabilities in currencies other than the group companies' functional currency. The information is shown inclusive of the impact of forward contracts and options in place to hedge the foreign currency exposures. There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured. Based on the net exposure below it is estimated that a simultaneous 10% change in all foreign currency exchange rates against divisional functional currency will impact the fair value of the net monetary assets/liabilities of the group to the extent of R67 million (2021: R102 million), of which R17 million (2021: R10 million) will impact other comprehensive income and R50 million (2021: R92 million) will impact profit or loss.

#### ii) Interest rate risk

Interest rate risk arises when the absolute level of interest rates on the Group's interest-bearing borrowings are subject to fluctuations. The group manages the exposure to interest rate risk by maintaining a balance between fixed and floating rate borrowings. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are structured according to expected movements in interest rates. There has been no change in the current year to this approach.

| R million | 2022 | 2021 |
|---|---|---|
| **Interest rate sensitivity analysis** | | |
| Impact of a 1% change in South African interest rates | | |
| – charge to profit or loss, | 113 | 118 |
| Impact of a 1% change in offshore interest rates | | |
| – charge to profit or loss | 29 | 13 |

### Credit risk management

Credit risk arises from the risk that a counter-party may default or not meet its obligations timeously as contracted. Credit risk is managed on a Group-wide basis. Potential areas of credit risk relate primarily to trade receivables and cash on deposit. Trade receivables consist mainly of a large and widespread customer base. Where considered appropriate, use is made of credit guarantee insurance. The granting of credit is controlled by a thorough application process based factors specific and unique to each operating division which includes creditworthiness checks using the reputable ITC institutions, the credit quality of the customer, its financial position, upfront deposits received etc. Group companies monitor the financial position of their customers on an on-going basis. It is group policy to deposit cash with major banks and financial institutions with strong credit ratings.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the group's historical credit loss experience shows significantly different loss patterns for the different customer segments, the provision for loss allowance is further distinguished between the Group's different operations.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 17. Financial instruments continued

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the group's historical credit loss experience shows significantly different loss patterns for the different customer segments, the provision for loss allowance is further distinguished between the Group's different operations.

| | 2022 | | |
|---|---|---|---|
| | Gross carrying amount R million | Lifetime ECL R million | Average ECL/ Impairment ratio (%) |
| Equipment | **3 909** | **(380)** | **10%** |
| Ingrain | **701** | | |
| Car Rental and Leasing | **1 452** | **(443)** | **31%** |
| Logistics | **328** | **(50)** | **15%** |
| Other segments | **39** | **(2)** | **5%** |
| **Total group** | **6 429** | **(875)** | **13.6%** |

| | 2021 | | |
|---|---|---|---|
| | Gross carrying amount R million | Lifetime ECL R million | Average ECL/ Impairment ratio (%) |
| Equipment | **4 137** | **(340)** | **8%** |
| Ingrain | **602** | **(1)** | |
| Car Rental and Leasing | **1 311** | **(542)** | **41%** |
| Logistics | **777** | **(61)** | **8%** |
| Other segments | **65** | **(3)** | **4%** |
| **Total group** | **6 892** | **(947)** | **13.7%** |

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 17. Financial instruments continued

### iii) Liquidity risk

Liquidity risk arises when the group cannot meet its contractual cash outflows as they fall due and payable. The group manages liquidity risk by monitoring forecast cash flows, maintaining a balance between long term and short term debt and ensuring that adequate unutilised borrowing facilities are maintained. Unutilised bank facilities amounted to R9.3 billion (2021: R9.5 billion). There has been no change to this approach during the current year or prior year.

**Maturity profile of financial liabilities**

The maturity profile of the financial instruments is summarised as follows (based on contractual undiscounted cash flows):

| | Repayable during the year ending 30 September **2022** | | | |
|---|---|---|---|---|
| R million | Total owing | Within one year | two to five years | greater than five years |
| Interest-bearing liabilities | **14 062** | **4 475** | **8 115** | **1 472** |
| Trade payables and other non-interest bearing liabilities | **12 077** | **12 077** | | |
| Lease liabilities | **1 235** | **286** | **720** | **229** |
| FEC's | **1** | **1** | | |

| | Repayable during the year ending 30 September **2021** | | | |
|---|---|---|---|---|
| R million | Total owing | Within one year | two to five years | greater than five years |
| Interest-bearing liabilities | 16 893 | **7 806** | **7 479** | **1 608** |
| Trade payables and other non-interest bearing liabilities | 9 432 | **9 432** | | |
| Lease liabilities | 1 942 | **416** | **1 049** | **477** |
| FEC's | 32 | **32** | | |

| | Maturity profile of financial guarantees contracts as at 30 September **2022** | | |
|---|---|---|---|
| R million | Total owing | Within one year | two to five years |
| Risk share debtors | **442** | **141** | **301** |
| Financial guarantees on behalf of joint ventures and associates | **1 188** | **1 188** | |

| | Maturity profile of financial guarantees contracts as at 30 September **2021** | | |
|---|---|---|---|
| R million | **Total owing** | **Within one year** | **two to five years** |
| Risk share debtors | **378** | **93** | **285** |
| Financial guarantees on behalf of joint ventures and associates | **1 234** | **1 234** | |

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 17. Financial instruments continued

**iii) Liquidity risk** continued

During 2018 the Barloworld Equipment division entered into a Risk Share Agreement with Caterpillar Financial Corporation Financeira, S.A. , E.F.C. - Sucursal em Portugal and Barloworld Equipment UK Limited. The Risk Share Agreement only relates to certain agreed upon customer risk profiles and relates to exposure at default less any recoveries. As at 30 September 2022 the maximum exposure of this guarantee was estimated to be R241 million (2021: R189 million) representing 25% of the capital balance outstanding.

During 2018 the Barloworld Equipment division entered into Risk Share Agreement with Caterpillar Financial Services South Africa (Pty) Ltd. The Risk Share Agreement only relates to certain agreed upon customer risk profiles and relates to exposure at default less any recoveries. As at 30 September 2022 the gross maximum exposure of this guarantee was estimated to be R142 million (2021: R139 million) representing 25% of the capital balance outstanding.

During 2018 the Vostochnaya Technica Equipment division entered into a Risk Share Agreement with Caterpillar Financial LLC. The Risk Share Agreement only relates to certain agreed upon customer risk profiles and relates to exposure at default less any recoveries. As at 30 September 2022 the maximum exposure of this guarantee was estimated to be R59 million (2021: R49 million) representing 40% - 60% of the capital balance outstanding.

Barloworld also provides certain guarantees, proportionate to our shareholding on behalf of NMI DSM, Maponya, Bartrac, and BHBW of which non-performance by these associates & joint ventures will result in contractual cashflows to be made by Barloworld which has been included in above-mentioned maturity analysis.

As these risk share agreements relate to a contractual payment in the event of default they are accounted for as financial instruments (Financial Guarantee contracts).

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 18. Re-presentations of prior year results

**1. Car Rental and Leasing re-presented to discontinuing operations**

As at 1 February 2022 Car Rental and Leasing is disclosed as held for sale and discontinued operations on the basis of management's firm intention to divest Barloworld's interest in Car Rental and Leasing. Refer to note 10 discontinued operations and assets classified as held for sale. The impact of the decision has resulted in the statement of profit or loss and other comprehensive income and statement of financial position being restated to include Car Rental and Leasing as part of discontinued operations per below.

**2. Income statement IFRS presentation**

In the prior years the group presented operating profit as a subtotal on the face of the income statement. The operating profit excluded all items which were previously defined as impairments and capital items. Impairments and capital items include, inter alia, impairments of property, plant and equipment; impairments of indefinite life intangible assets and other intangible assets. As part of the proactive monitoring review of financial statements, the JSE's proactive monitoring panel reviewed the company's prior year annual financial statements and the condensed financial statements for the half year ended 31 March 2022. The JSE challenged the company on the appropriateness of excluding these items from operating profit, as these could be seen as operational in nature in the context of the requirements of IAS1.BC56. The company elected to rearrange the presentation of income statement as follows:

- Renamed the non-operating and capital items to impairments and capital items
- Moved the impairments and capital items to reflect after operating profit from core trading activities
- Replaced the subtotal of operating profit that excludes non-operating and capital items with a new subtotal of operating profit from core trading activities
- Introduced another subtotal of operating profit before finance costs, which includes impairments and capital items.

| R million | 30 September 2021 | 1. Leasing and Car Rental reclassification | 2. Income statement IFRS presentation | Sub totals no longer disclosed | Restated |
|---|---|---|---|---|---|
| **CONTINUING OPERATIONS** | | | | | |
| **Revenue** | 41 553 | (7 430) | | | 34 123 |
| **Operating profit before items listed below** | 6 942 | (2 300) | | | 4 642 |
| Reversal of impairments on financial assets and contract assets | (59) | 65 | | | 6 |
| Fair value adjustments on financial instruments | | | (182) | | (182) |
| B-BBEE transaction charge | | | (81) | | (81) |
| Operating profit before depreciation and amortisation, impairments and capital items, interest and taxation | 6 883 | (2 235) | (263) | | 4 385 |
| Depreciation | (2 312) | 1 348 | | | (964) |
| Amortisation of intangible assets | (181) | 1 | | | (180) |
| Operating profit before B-BBEE transaction charge | 4 390 | (886) | (49) | | 3 241 |
| B-BBEE transaction charge | (95) | 14 | 81 | | |
| Operating profit from core trading activities | 4 295 | (872) | (182) | | 3 241 |
| Impairments and capital items comprising of: | | | | | |
| Impairment of property, plant and equipment, intangibles and other assets | | | (49) | | (49) |
| Foreign currency translation on liquidation of subsidiaries | | | 147 | | 147 |
| Gains on the disposal of property, plant and equipment and other assets | | | 41 | | 41 |
| **Operating profit before finance costs and income*** | 4 295 | (872) | (43) | | 3 380 |
| Fair value adjustments on financial instruments | (190) | 8 | 182 | | |
| Finance costs | (944) | 59 | | | (885) |
| Finance income | 124 | (5) | | | 119 |

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 18. Re-presentations of prior year results continued

| R million | 30 September 2021 | 1. Leasing and Car Rental reclassification | 2. Income statement IFRS pre-sentation | Sub totals no longer disclosed | Restated |
|---|---|---|---|---|---|
| **Profit before impairments and capital items** | **3 285** | **(810)** | **139** | **(2 614)** | |
| **Impairments and capital items comprising of:** | | | | | |
| Reversal of impairment/(Impairment) of investments | **52** | | **(52)** | | |
| Impairment of property, plant and equipment, intangibles and other assets | **(49)** | | **49** | | |
| Other capital items | **192** | **(4)** | **(188)** | | |
| **Profit before taxation** | **3 480** | **(814)** | **(52)** | | **2 614** |
| Taxation | **(644)** | **182** | | | **(462)** |
| **Profit after taxation** | **2 836** | **(632)** | **(52)** | | **2 152** |
| Loss from associates and joint ventures | **(13)** | **(3)** | **52** | | **36** |
| **Profit for the year from continuing operations** | **2 823** | **(635)** | | | **2 188** |
| | | | | | |
| **DISCONTINUED OPERATION** | | | | | |
| (Loss)/profit from discontinued operation | **(23)** | **635** | | | **612** |
| **Profit for the year** | **2 800** | | | | **2 800** |
| | | | | | |
| **Attributable to:** | | | | | |
| Owners of Barloworld Limited | **2 756** | | | | **2 756** |
| Non-controlling interests in subsidiaries | **44** | | | | **44** |
| | **2 800** | | | | **2 800** |

* Previously disclosed as Operating profit.

## 19. Acquisitions

### 19.1 Barloworld Mongolia Limited acquisition update

Following the finalisation of the Purchase Price Assessment as at 31 August 2021, per IFRS 3 all subsequent adjustments in terms of the SPA needs to be accounted for through profit and loss. The earn-out contingent consideration of R26 million ($1.5 million), was reassessed at 30 September 2022 and reversed to profit on financial instruments. A further subsequent adjustment of R14 million ($0.8 million) was recognised during the period in impairments and capital items as a profit.

## 20. Events after the reporting period

The sale of the remaining Warehousing and Distribution business within the Supply Chain Solutions business has been finalised and is awaiting regulatory approvals that are customary for a transaction of this nature. Following the completion of the sale of the Warehousing and distribution business, the group will have completed its exit from all its investments in the Logistics business.

Subsequent to year end the first portion of the Barlowpark property transferred to the joint venture partner. Refer note 10.

The board of directors of Barloworld has resolved to unbundle and separately list the entire ordinary share capital of Zeda, a wholly-owned subsidiary of Barloworld, which currently houses Barloworld's investment in its car rental and vehicle leasing business (the Unbundling). Zeda trades under the market leading "Avis" and "Budget" brands in South Africa and 10 other sub-Saharan African countries.

Subject to the approval of the JSE Limited (JSE), the Unbundling will be implemented by way of the listing 100% of the issued ordinary share capital of Zeda, on the Main Board of the JSE (the Listing) on Tuesday, 13 December, 2022 (the Listing Date) and a pro rata distribution in specie of such JSE-listed Zeda Distribution Shares for no consideration, to holders of Barloworld ordinary shares (Barloworld Ordinary Shares) entitled to receive this distribution (Barloworld Ordinary Shareholders) on Monday, 19 December, 2022 (the Unbundling Operative Date).

To date, Barloworld has divested of a number of businesses identified as non-core to its strategic ambition. The Unbundling is in line with this strategy.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 21. Business and geographical segments

| | Continuing operations | | | | | | | | | | Discontinued operations | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Consolidated | | Eliminations | | Equipment | | Ingrain | | Other segments | | Motor Retail | | Automotive | | | | Logistics | |
| | | | | | | | | | | | | | Car Rental | | Leasing | | | |
| R million | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 |
| **Operating and geographical segments**** | | | | | | | | | | | | | | | | | | |
| **Revenue** | | | | | | | | | | | | | | | | | | |
| Southern Africa | 28 476 | 23 278 | | | 21 851 | 18 230 | 5 677 | 4 217 | 949 | 831 | | 8 915 | 5 978 | 5 302 | 2 100 | 2 128 | 1 722 | 3 371 |
| Australia | 226 | 168 | | | | | 226 | 168 | | | | | | | | | | |
| Russia | 8 880 | 8 319 | | | 8 880 | 8 319 | | | | | | | | | | | | |
| Mongolia | 1 801 | 2 358 | | | 1 801 | 2 358 | | | | | | | | | | | | |
| | 39 383 | 34 123 | | | 32 532 | 28 907 | 5 903 | 4 385 | 949 | 831 | | 8 915 | 5 978 | 5 302 | 2 100 | 2 128 | 1 722 | 3 371 |
| Inter-segment revenue*** | | | (2 703) | (3 140) | 2 389 | 2 332 | | | 314 | 808 | | | 4 | 3 | 99 | 91 | 423 | 376 |
| | 39 383 | 34 123 | (2 703) | (3 140) | 34 921 | 31 239 | 5 903 | 4 385 | 1 263 | 1 639 | | 8 915 | 5 982 | 5 305 | 2 199 | 2 219 | 2 145 | 3 747 |
| Operating profit before items listed below | 5 120 | 4 642 | | | 4 428 | 4 058 | 968 | 772 | (276) | (187) | | 246 | 1 636 | 1 024 | 1 264 | 1 276 | 113 | 53 |
| Reversal of impairments on financial assets and contract assets | 35 | 6 | | | 34 | 8 | 1 | | | (2) | | 8 | (43) | (49) | 10 | (16) | (16) | (6) |
| Fair value adjustments on financial instruments | (284) | (182) | | | (254) | (86) | 6 | (8) | (36) | (88) | | (2) | (1) | (1) | (38) | (7) | | 1 |
| B-BBEE transaction charge | (82) | (81) | | | (17) | (26) | | | (65) | (55) | | (21) | (5) | (11) | (2) | (3) | (5) | (21) |
| **EBITDA** | 4 789 | 4 386 | | | 4 191 | 3 954 | 975 | 764 | (377) | (332) | | 231 | 1 587 | 963 | 1 234 | 1 250 | 92 | 27 |
| Depreciation | (963) | (964) | | | (845) | (834) | (193) | (171) | 75 | 41 | | (20) | (666) | (595) | (272) | (754) | (42) | (103) |
| Amortisation of intangibles | (172) | (180) | | | (80) | (89) | (73) | (67) | (19) | (24) | | | (1) | (1) | | | (1) | (8) |
| **Operating profit from core trading activities** | 3 654 | 3 242 | | | 3 266 | 3 031 | 709 | 526 | (321) | (315) | | 211 | 920 | 367 | 962 | 496 | 49 | (84) |

Revenue for Eurasia has been disaggregated between Russia and Mongolia and the prior period updated accordingly.

Revenue from other segments relates to rental income in Khula Sizwe and the sale of used vehicles by Salvage Management and disposals

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 21. Business and geographical segments continued

| | Continuing operations | | | | | | | | | | Discontinued operations | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Consolidated | | Eliminations | | Equipment | | Ingrain | | Other segments | | Motor Retail | | Automotive | | | | Logistics | |
| | | | | | | | | | | | | | Car Rental | | Leasing | | | |
| R million | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 |
| **By geographical region** | | | | | | | | | | | | | | | | | | |
| Southern Africa | 2 585 | 2 184 | | | 2 096 | 1 862 | 681 | 515 | (192) | (193) | | 211 | 922 | 367 | 961 | 496 | 49 | (84) |
| United Kingdom* | (128) | (123) | | | | | | | (128) | (123) | | | | | | | | |
| Australia | 28 | 11 | | | | | 28 | 11 | | | | | | | | | | |
| Eurasia | 1 170 | 1 169 | | | 1 170 | 1 169 | | | | | | | | | | | | |
| **Total segment results** | 3 654 | 3 241 | | | 3 266 | 3 031 | 709 | 526 | (321) | (315) | | 211 | 920 | 367 | 962 | 496 | 49 | (84) |
| (Losses)/Income from associates and joint ventures | 309 | 36 | | | 151 | (93) | | | 158 | 129 | | (2) | | | 2 | 3 | | |
| Finance costs | (1 007) | (885) | | | (480) | (370) | (151) | (151) | (376) | (364) | | (81) | (37) | (31) | (29) | (28) | (66) | (95) |
| Finance income | 129 | 119 | | | 155 | 137 | 2 | 2 | (28) | (20) | | 2 | | | | 5 | 18 | 16 |
| Impairments and capital items | (1 018) | 139 | | | (987) | 4 | (4) | (2) | (27) | 137 | | (5) | (3) | 6 | (54) | (2) | (109) | (278) |
| Taxation | (866) | (462) | | | (609) | (684) | (138) | (63) | (119) | 285 | | (1) | (230) | (87) | (225) | (95) | (51) | (94) |
| (Loss) profit on disposal of businesses* | | | | | | | | | | | | 515 | | | | | (299) | |
| Taxation on disposal of Motor Retail businesses | | | | | | | | | | | | (127) | | | | | | |
| Profit from discontinued operation | 851 | 612 | | | | | | | | | | | | | | | | |
| **Net profit** | 2 052 | 2 799 | | | 1 496 | 2 025 | 418 | 312 | (713) | (149) | | 512 | 650 | 255 | 656 | 379 | (458) | (535) |

* United Kingdom include the UK corporate office.

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 21. Business and geographical segments continued

| | Continuing operations | | | | | | | | | | Discontinued operations | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Consolidated | | Eliminations | | Equipment | | Ingrain | | Other segments | | Motor Retail | | Automotive | | | | Logistics | |
| | | | | | | | | | | | | | Car Rental | | Leasing | | | |
| R million | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 |
| **Assets** | | | | | | | | | | | | | | | | | | |
| Property, plant and equipment | 7 555 | 11 417 | | | 3 711 | 4 010 | 2 462 | 2 475 | 1 382 | 1 349 | | | | 119 | | 3 464 | | |
| Investment property | 932 | 1 000 | | | | | | | 932 | 1 000 | | | | | | | | |
| Right of use assets | 359 | 634 | | | 1 035 | 1 089 | 11 | 19 | (687) | (805) | | | | 322 | | 9 | | |
| Intangible assets | 2 080 | 2 370 | | | 1 117 | 1 249 | 922 | 999 | 41 | 60 | | | | 8 | | 54 | | |
| Investment in associates and joint ventures | 2 424 | 1 880 | | | 1 414 | 1 054 | | | 1 010 | 826 | | | | | | | | |
| Long-term finance lease receivables | 16 | 134 | | | | 9 | | | 16 | | | | | | | 125 | | |
| Long-term financial assets | 178 | 198 | | | 11 | 11 | | | 167 | 187 | | | | | | | | |
| Vehicle rental fleet | | 2 819 | | | | | | | | | | | | 2 819 | | | | |
| Inventories | 8 595 | 8 111 | | | 7 454 | 6 681 | 1 118 | 1 098 | 23 | 25 | | | | 288 | | 19 | | |
| Trade and other receivables | 7 027 | 6 949 | | | 6 170 | 5 372 | 758 | 676 | 99 | (44) | | | | 485 | | 460 | | |
| Contract assets | 786 | 424 | | | 786 | 424 | | | | | | | | | | | | |
| Assets classified as held for sale | 11 717 | 2 387 | | | | | | | (181) | (29) | | | 6 275 | 13 | 5 284 | | 339 | 2 403 |
| **Segment assets** | 41 669 | 38 323 | | | 21 698 | 19 899 | 5 271 | 5 267 | 2 802 | 2 569 | | | 6 275 | 4 054 | 5 284 | 4 131 | 339 | 2 403 |
| **By geographical region** | | | | | | | | | | | | | | | | | | |
| Southern Africa | 35 323 | 30 819 | | | 15 512 | 12 556 | 5 159 | 5 190 | 2 754 | 2 485 | | | 6 275 | 4 054 | 5 284 | 4 131 | 339 | 2 403 |
| United Kingdom | 48 | 84 | | | | | | | 48 | 84 | | | | | | | | |
| Australia | 112 | 77 | | | | | 112 | 77 | | | | | | | | | | |
| Eurasia | 6 186 | 7 343 | | | 6 186 | 7 343 | | | | | | | | | | | | |
| **Total segment assets** | 41 669 | 38 323 | | | 21 698 | 19 899 | 5 271 | 5 267 | 2 802 | 2 569 | | | 6 275 | 4 054 | 5 284 | 4 131 | 339 | 2 403 |

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 21. Business and geographical segments continued

| | Continuing operations | | | | | | | | | | Discontinued operations | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Consolidated | | Eliminations | | Equipment | | Ingrain | | Other segments | | Motor Retail | | Automotive | | | | Logistics | |
| | | | | | | | | | | | | | Car Rental | | Leasing | | | |
| R million | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 |
| Goodwill | 2 138 | 2 756 | | | 345 | 506 | 1 640 | 1 640 | 153 | 152 | | | | 176 | | 282 | | |
| Taxation | 242 | 196 | | | | | | | | | | | | | | | | |
| Deferred taxation assets | 1 158 | 848 | | | | | | | | | | | | | | | | |
| Cash and cash equivalents | 9 199 | 10 721 | | | | | | | | | | | | | | | | |
| **Consolidated total assets** | **54 406** | **52 844** | | | | | | | | | | | | | | | | |
| **Liabilities** | | | | | | | | | | | | | | | | | | |
| Long-term non-interest bearing including provisions | 677 | 782 | | | 100 | 63 | | | 577 | 250 | | | | | | 469 | | |
| Trade and other payables including provisions | 11 668 | 11 300 | | | 9 742 | 7 108 | 1 613 | 1 397 | 313 | 355 | | | | 1 623 | | 817 | | |
| Lease liabilities | 527 | 903 | | | 1 252 | 1 264 | 13 | 22 | (738) | (946) | | | | 533 | | 30 | | |
| Contract liabilities | 1 574 | 2 131 | | | 1 574 | 1 801 | | | | | | | | | | 330 | | |
| Liabilities directly associated with assets classified as held for sale | 7 974 | 1 786 | | | | | | | (1 400) | (928) | | | 5 140 | | 3 895 | | 339 | 2 714 |
| **Segment liabilities** | **22 420** | **16 902** | | | **12 668** | **10 236** | **1 626** | **1 419** | **(1 248)** | **(1 269)** | | | **5 140** | **2 156** | **3 895** | **1 646** | **339** | **2 714** |
| **By geographical region** | | | | | | | | | | | | | | | | | | |
| Southern Africa | 18 333 | 13 069 | | | 9 306 | 6 785 | 1 563 | 1 372 | (1 911) | (1 604) | | | 5 140 | 2 156 | 3 895 | 1 646 | 339 | 2 714 |
| United Kingdom | 662 | 335 | | | | | | | 662 | 335 | | | | | | | | |
| Australia | 63 | 47 | | | | | 63 | 47 | | | | | | | | | | |
| Eurasia | 3 362 | 3 451 | | | 3 362 | 3 451 | | | | | | | | | | | | |
| **Segment liabilities** | **22 420** | **16 902** | | | **12 668** | **10 236** | **1 626** | **1 419** | **(1 248)** | **(1 269)** | | | **5 140** | **2 156** | **3 895** | **1 646** | **339** | **2 714** |

# Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2022

## 21. Business and geographical segments continued

| | Continuing operations | | | | | | | | | | Discontinued operations | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Consolidated | | Eliminations | | Equipment | | Ingrain | | Other segments | | Motor Retail | | Automotive | | | | Logistics | |
| | | | | | | | | | | | | | Car Rental | | Leasing | | | |
| R million | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 |
| Interest-bearing liabilities (excluding held for sale amounts) | 11 748 | 12 896 | | | | | | | | | | | | | | | | |
| Deferred taxation liabilities | 1 042 | 1 186 | | | | | | | | | | | | | | | | |
| Taxation | 15 | 155 | | | | | | | | | | | | | | | | |
| **Consolidated total liabilities** | 35 226 | 31 139 | | | | | | | | | | | | | | | | |
| **Invested capital** | | | | | | | | | | | | | | | | | | |
| Southern Africa | 21 649 | 20 959 | | | 7 748 | 7 186 | 4 629 | 4 846 | 2 656 | 2 410 | | | 3 259 | 2 753 | 3 067 | 2 643 | 290 | 1 123 |
| United Kingdom | (251) | 75 | | | | | | | (251) | 75 | | | | | | | | |
| Australia | 42 | 29 | | | | | 42 | 29 | | | | | | | | | | |
| Eurasia | 3 314 | 4 272 | | | 3 314 | 4 272 | | | | | | | | | | | | |
| | 24 574 | 25 336 | | | 11 062 | 11 458 | 4 671 | 4 875 | 2 405 | 2 485 | | | 3 259 | 2 753 | 3 067 | 2 643 | 290 | 1 123 |

* The consolidated total excludes discontinued operations for income statement items but includes it for the statement of financial position.
** The geographical segments are determined by the location of assets.
*** Inter-segment revenue is priced on an arm's-length basis.
### Effective 31 October 2020, the group acquired Tongaat Hulett Starch ("Ingrain") which is separately disclosed as a new segment for the group.

# Salient features

for the year ended 30 September 2022

| R million | 2022 | Restated* 2021 |
|---|---|---|
| **Financial** | | |
| Headline earnings per share from continuing operations - (cents) | **1 096** | **945** |
| Group Headline earnings per share – (cents) | **1 771** | **1 195** |
| Group Return on invested capital (ROIC) (%)** | **16.9%** | **11.3%** |
| Group – Economic profit (R millions) | **789** | **(673)** |
| Dividends per share (cents) | **460** | **437** |
| Operating margin from continued operations – including B-BBEE (%)* | **9.3%** | **9.5%** |
| Group rolling EBITDA/Interest paid (times) – excluding IFRS 16 | **7.5** | **8.9** |
| Group net debt/equity (%) | **29.1%** | **16.7%** |
| Group return on net operating assets (RONOA) (%) | **28.6%** | **20.3%** |
| Group return on ordinary shareholders' funds (%) | **17.7%** | **12.1%** |
| Net asset value per share (cents) | **9 741** | **10 811** |
| Number of ordinary shares in issue (000) | **189 642** | **200 250** |

| R million | 2022 | Restated* 2021 |
|---|---|---|
| **Non-financial** | | |
| **Natural Capital[1α]** | | |
| **Non-renewable energy consumption (GJ)[β] – Continuing Operations[α]** | **4 183 773** | **3 794 804** |
| Non-renewable energy consumption (GJ)[β] – Group[1] | **4 759 400** | **5 350 062** |
| Greenhouse gas emissions (tCO2e)[Δ] – Continuing Operations[α] | **514 183** | **457 391** |
| Greenhouse gas emissions (tCO2e)[Δ] – Group[1] | **566 952** | **593 923** |
| Water withdrawals (municipal sources) (ML) – Continuing Operations[α] | **2 861** | **2 658** |
| Water withdrawals (municipal sources) (ML) – Group[1] | **2 983** | **2 819** |
| Human Capital | | |
| Number of employees – Continuing Operations[α] | **6 123** | **7 998** |
| Number of employees – Group[1] | **8 609** | **10 229** |
| Lost-time injury frequency rate (LTIFR)[†] – Continuing Operations[α] | **0.30** | **0.37** |
| Lost-time injury frequency rate (LTIFR)[†] – Group[1] | **0.33** | **0.44** |
| Number of work-related fatalities – Continuing Operations[α] | | |
| Number of work-related fatalities – Group[1] | | **1** |
| **Social and Relationship Capital** | | |
| Corporate social investment (R million) | **52** | **16** |
| **dti[^] B-BBEE rating (level)** | **3** | **3** |

** Return on invested capital (ROIC) is calculated by a rolling 12 month net Group operating profit after tax over total equity, plus net debt and IFRS 16 lease liabilities.
* The restatement is due to discontinued operation of Car Rental and Leasing (Refer to note 19).
β Excludes rental fleets
1 Group includes continuing and discontinued operations
Δ Scope 1 and 2.
† Lost-time injuries multiplied by 200 000 divided by total hours worked.
^ Department of Trade and Industry (South Africa).

# Salient features continued

for the year ended 30 September 2022

| | Closing rate | | Average rate | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| United States Dollar | 17.97 | 15.05 | 17.50 | 14.89 |
| British Sterling | 20.06 | 20.29 | 19.95 | 20.35 |

Exchange rates used:

- Balance sheet – closing rate (rand)
- Income statement and cash flow statement- average rate (rand)

# Corporate information

Barloworld Limited
(Incorporated in the Republic of South Africa)
(Registration number 1918/000095/06) (Income Tax Registration number 9000/051/71/5)
(JSE Share code: BAW) (JSE ISIN: ZAE000026639)
(Share code: BAWP)
(JSE ISIN: ZAE000026647)
(Bond issuer code: BIBAW)
("Barloworld" or the "company" or the "group")

**Registered office and business address**
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PO Box 782248
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T +27 11 445 1000
E bawir@barloworld.com

**Directors**
Non-executive
NN Gwagwa (Chairman), FNO Edozien^, HH Hickey, MD Lynch-Bell*, NP Mnxasana, NV Mokhesi, H Molotsi, P Schmid, N Chiaranda#

^ Nigeria * UK, # Italy

Executive directors
DM Sewela (Group Chief Executive), N Lila (Group Finance Director)

**Group Company Secretary**
Nomini Rapoo

**Group Investor Relations**
Nwabisa Piki

**Enquiries**
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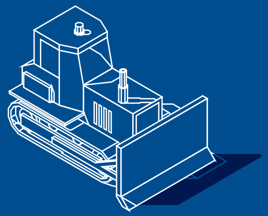
E bawir@barloworld.com

**Sponsor**
Nedbank Corporate and Investment Banking
a division of Nedbank Limited



barloworld.com