



**Invicta**  
HOLDINGS LIMITED

**2022**

**UNAUDITED CONSOLIDATED  
INTERIM RESULTS**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER

Firmly **rooted** in South Africa and  
strategically **geared** for **growth**



# Executive review of our performance

## Overview of the period

Invicta has once again produced a robust performance with headline earnings up 35% to R278 million, with a strong performance particularly from offshore operations, where performance was further enhanced by a weaker Rand, these operations are now contributing more than 35% of Group profits. The Ukraine war has resulted in a volatile world economic environment, causing both logistical issues and higher energy prices, effecting all aspects of business. The Group strategically increased its inventory levels to deal with these factors and was able to keep on supplying its customers at a high level, a mantra the Group has consistently followed. The cost reduction measures enforced by the Covid-19 pandemic remain embedded in the operations and have further contributed to the performance of the Group and have assisted in offsetting inflationary pressures.

Revenue at R3.8 billion represents a 7.2% increase over the comparative period and gross profit margin was 1.9% higher at 32.5%. A net foreign exchange gain of R33 million and equity accounted earnings from the Kian Ann Group of R90 million, boosted operating results, producing a profit from continuing operations for the period of R330 million.

Cash generated from operations before working capital changes amounted to R469 million, compared to R456 million in the comparative period. Higher working capital requirements given the weaker Rand, strategic increases in inventory holdings and supply chain issues absorbed R178 million in cash in contrast to the prior period where working capital generated cash of R327 million.

The Group repurchased approximately 4.4% of its ordinary and 5% of its preference shares in issue in the last six months to the value of R167 million, resulting in a net decrease in cash and cash equivalents of R73 million and a closing value of R489 million. The net interest bearing debt to equity remains a healthy 23%.

## Group performance

### Operational overview

Operations comprise:

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

### RPI

Revenue increased by 3.4% from R2.2 billion to R2.3 billion, this increase was tempered by the floods in Kwazulu-Natal which affected certain customers and branches. Operating profit before interest on financing transactions and foreign exchange movements remained flat at R172 million as once-off profits on the sale of certain businesses in the prior period was not repeated in the current period and certain provisions have been made for expected bonuses. Profit before tax was boosted by strong foreign exchange gains.

# Executive review of our performance (continued)

## RPA

Revenue increased by 9.5% from R255 million to R280 million. While the war in Ukraine has affected our Ukrainian business negatively, we have secured our assets and previous impairments have been reversed. Business in Poland remains strong with RPA's operating profit before interest on financing transactions and foreign exchange movements increasing by 26.7 % from R52 million to R66 million.

## CE

Revenue in the CE segment increased by 4% from R559 million to R581 million and operating profit before interest on financing transactions and foreign exchange movements decreased by 4.6% from R50 million to R49.6 million, largely due to higher freight costs and the scaling up of dealer commissions.

## RPE

Revenue increased by 137.7% to R470 million from R198 million, well above previous revenue levels. The revenue increase is mainly due to the acquisition of KMP on 1 January 2022. Further increases in the inventory value are attributable to the KMP acquisition which grew by R74 million since March 2022 and added R278 million to inventory levels at 30 September 2022. The operating profit before interest on financing transactions and foreign exchange movements increased by 49.2% from R40 million to R60 million.

## KAG

KAG contributed R90 million to Group earnings for the current period compared to R35 million (excluding the re-measurement gain on fair value of investment of R372 million) in the comparative period, successfully overcoming difficult conditions in China where Covid-19 lockdowns of over five weeks disrupted operations. In particular we are pleased with the contribution from the Kunshen Kensetsu Buhin Co. Ltd roller manufacturing business.

## Strategic focus and prospects

While we remain committed to developing a diversified sustainable replacement parts group, we are vigilant in monitoring prevailing economic conditions to secure above market returns to stakeholders. Our ambition of building a Group that is both geographically diverse (with 50% of the Group earnings outside South Africa) and sectorally diverse by 2026 will be tempered by careful evaluation of opportunities. We are constantly reviewing and restructuring existing businesses to ensure the desired returns are achieved. Further, Group services will be leveraged to optimise delivery and structure.

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

## Changes to the board and board committees

There have been no changes during the period under review.

## Ordinary dividend policy

The board intends paying dividends on an annual basis by applying a cover ratio between 2.75 and 3.25 times on sustainable earnings. Due to the share repurchase undertaken during the period the Board is not recommending a dividend declaration for the interim period.

## Appreciation

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

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

# Consolidated statement of financial position

	Notes	Unaudited six months ended		Audited
		30 September	30 September	year ended
		2022	2021	31 March
		R'000	R'000	R'000
<b>ASSETS</b>				
<b>Non-current assets</b>		<b>3,480,818</b>	3,011,001	3,193,554
Property, plant and equipment		1,065,446	975,417	1,048,581
Investment property		55,687	116,198	116,198
Right-of-use assets		219,416	225,874	220,751
Financial investments		–	994	–
Goodwill	4	47,463	3,391	42,560
Other intangible assets		56,137	27,526	68,629
Net investment in finance leases		18,425	32,754	24,019
Loan and other receivables		195,490	129,078	157,037
Derivatives - interest rate swaps		15,074	6,813	11,008
Investment in associates	4	62,735	41,115	50,636
Investment in joint ventures	4	1,603,667	1,285,310	1,298,853
Deferred taxation		141,278	166,531	155,282
<b>Current assets</b>		<b>4,756,973</b>	4,623,210	4,698,029
Inventories	4	2,762,333	2,172,929	2,569,733
Trade and other receivables		1,202,140	1,167,467	1,288,443
Net investment in finance leases		44,498	66,170	59,904
Loan and other receivables		110,967	5,847	128,327
Derivatives - interest rate swaps		3,331	–	–
Current taxation		54,724	71,236	69,268
Cash and cash equivalents		578,980	1,139,561	582,354
Assets classified as held for sale	4	83,407	132,783	6,251
<b>Total assets</b>		<b>8,321,198</b>	7,766,994	7,897,834

# Consolidated statement of financial position

	Notes	Unaudited six months ended		Audited year ended
		30 September	30 September	31 March
		2022 R'000	2021 R'000	2022 R'000
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Ordinary share capital	5	–	5,574	5,236
Ordinary share premium	5	–	2,679,310	2,516,172
Stated capital	5	<b>2,521,408</b>	–	–
Treasury shares	5	<b>(155,051)</b>	(71,024)	–
Preference shares	5	<b>750,000</b>	750,000	750,000
Other reserves		<b>(26,016)</b>	(31,551)	(29,883)
Foreign currency translation reserve	4	<b>93,478</b>	(138,660)	(205,540)
Retained earnings		<b>1,773,320</b>	1,412,720	1,593,958
<b>Equity attributable to owners of the parent</b>		<b>4,957,139</b>	4,606,369	4,629,943
Non-controlling interests		<b>87,333</b>	59,074	62,742
<b>Shareholders' equity</b>		<b>5,044,472</b>	4,665,443	4,692,685
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	6	<b>1,127,134</b>	655,901	976,959
Right-of-use lease liabilities		<b>198,874</b>	213,742	201,457
Finance lease liabilities		<b>20,780</b>	56,571	22,201
Deferred taxation		<b>26,862</b>	27,615	26,045
<b>Current liabilities</b>		<b>1,903,076</b>	2,147,722	1,978,487
Trade and other payables		<b>1,235,406</b>	1,205,951	1,329,667
Provisions		<b>170,978</b>	104,460	208,910
Current taxation		<b>18,585</b>	36,078	25,946
Dividends payable		<b>22,313</b>	17,708	23,307
Borrowings	6	<b>195,310</b>	527,534	165,644
Right-of-use lease liabilities		<b>73,887</b>	70,132	74,831
Finance lease liabilities		<b>28,954</b>	55,181	33,911
Profit share liability		<b>67,854</b>	77,480	62,892
Bank overdrafts		<b>89,789</b>	53,198	53,379
<b>Total liabilities</b>		<b>3,276,726</b>	3,101,551	3,205,149
<b>Total equity and liabilities</b>		<b>8,321,198</b>	7,766,994	7,897,834

# Consolidated statement of profit or loss and other comprehensive income

	Change		Unaudited six months ended		Audited
			30 September	30 September	year ended
	Notes	%*	2022 R'000	2021 R'000	2022 R'000
<b>Continuing operations</b>					
Revenue	7	7	3,830,652	3,574,242	7,188,991
Cost of sales			(2,584,846)	(2,481,915)	(4,981,775)
<b>Gross profit</b>		14	<b>1,245,806</b>	<b>1,092,327</b>	<b>2,207,216</b>
Expected credit (losses)/gains recognised on trade receivables			(4,558)	1,676	4,800
Expected credit (losses)/gains on loan and other receivables			(299)	614	5,178
Selling, administration and distribution costs			(908,152)	(726,647)	(1,546,546)
<b>Operating profit before net finance income on financing transactions and foreign exchange movements</b>		(10)	<b>332,797</b>	<b>367,970</b>	<b>670,648</b>
Finance income from financing transactions			3,932	7,037	11,809
Finance costs on financing transactions			(1,185)	(3,896)	(7,637)
Foreign exchange gains			154,168	61,275	118,769
Foreign exchange losses and costs			(121,152)	(50,168)	(134,609)
<b>Operating profit</b>	8	(4)	<b>368,560</b>	<b>382,218</b>	<b>658,980</b>
Finance costs			(56,351)	(55,266)	(106,029)
Dividends received			–	1,465	–
Equity-accounted earnings from investment in associates			6,241	2,048	6,378
Equity-accounted earnings from investment in joint ventures			89,571	21,573	101,887
Finance income			17,969	15,668	26,436
<b>Profit before taxation</b>		16	<b>425,990</b>	<b>367,706</b>	<b>687,652</b>
Taxation expense	9		(95,993)	(91,405)	(166,836)
<b>Profit for the period from continuing operations</b>		19	<b>329,997</b>	<b>276,301</b>	<b>520,816</b>
<b>Discontinued operations</b>					
Profit for the period from discontinued operations			–	385,330	385,330
<b>Profit for the period</b>		(50)	<b>329,997</b>	<b>661,631</b>	<b>906,146</b>
<b>Other comprehensive income</b>					
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods (net of taxation):</i>					
Exchange differences on translation of foreign operations			313,399	32,388	(37,225)
<b>Total comprehensive income for the period</b>			<b>643,396</b>	<b>694,019</b>	<b>868,921</b>

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

# Consolidated statement of profit or loss and other comprehensive income

	Change	Unaudited six months ended		Audited year ended	
		Notes	30 September 2022	30 September 2021	31 March 2022
	%*	R'000	R'000	R'000	
<b>Profit attributable to:</b>					
Owners of the parent - ordinary shares (continuing)		282,879	232,292	440,278	
Owners of the parent - ordinary shares (discontinued operations)		–	385,330	385,330	
Non-controlling interests		12,857	16,301	23,285	
Owners of the parent - preference shares		34,261	27,708	57,253	
<b>Profit for the period</b>	(50)	<b>329,997</b>	<b>661,631</b>	<b>906,146</b>	
<b>Total comprehensive income attributable to:</b>					
Owners of the parent - ordinary shares (continuing)		581,898	261,524	402,630	
Owners of the parent - ordinary shares (discontinued operations)		–	385,330	385,330	
Non-controlling interests		27,237	19,457	23,708	
Owners of the parent - preference shares		34,261	27,708	57,253	
<b>Total comprehensive income for the period</b>	(7)	<b>643,396</b>	<b>694,019</b>	<b>868,921</b>	
<b>Basic earnings per share from continuing operations (cents)</b>	10	29	272	211	408
<b>Basic earnings per share (cents)</b>	10	(52)	272	562	764
<b>Diluted earnings per share from continuing operations (cents)</b>	10	32	271	206	395
<b>Diluted earnings per share (cents)</b>	10	(50)	271	547	741

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



# Consolidated statement of changes in equity

	Notes	Unaudited six months ended		Audited
		30 September	30 September	year ended
		2022	2021	2022
		R'000	R'000	R'000
<b>Ordinary share capital</b>				
Balance at the beginning of the period	5	5,236	5,574	5,574
Par value shares converted to no par value shares	5	(5,236)	–	–
Shares repurchased	5	–	–	(338)
<b>Balance at the end of the period</b>	5	–	5,574	5,236
<b>Ordinary share premium</b>				
Balance at the beginning of the period	5	2,516,172	2,679,310	2,679,310
Par value shares converted to no par value shares	5	(2,516,172)	–	–
Shares repurchased	5	–	–	(163,138)
<b>Balance at the end of the period</b>	5	–	2,679,310	2,516,172
<b>Stated capital</b>				
Balance at the beginning of the period	5	–	–	–
Par value shares converted to no par value shares	5	2,521,408	–	–
<b>Balance at the end of the period</b>	5	2,521,408	–	–
<b>Treasury shares</b>				
Balance at the beginning of the period	5	–	(49,406)	(49,406)
Shares purchased	5	(155,051)	(21,618)	–
Shares cancelled	5	–	–	49,406
<b>Balance at the end of the period</b>	5	(155,051)	(71,024)	–
<b>Preference shares</b>				
Balance at the beginning of the period	5	750,000	750,000	750,000
<b>Balance at the end of the period</b>	5	750,000	750,000	750,000
<b>Other reserves*</b>				
Balance at the beginning of the period		(29,883)	(98,147)	(98,147)
Other reserve movements		–	(43)	(46)
Equity-settled share-based payments issued		6,283	3,051	10,775
Equity-settled share-based payments cancelled		(2,416)	–	(8,370)
Transfers between reserves		–	844	–
Disposal of subsidiary		–	69,086	71,967
Acquisition of non-controlling interests		–	(6,342)	(6,062)
<b>Balance at the end of the period</b>		(26,016)	(31,551)	(29,883)
<b>Foreign currency translation reserve</b>				
Balance at the beginning of the period		(205,540)	381,498	381,498
Total comprehensive income/(loss)		299,018	29,232	(37,648)
Disposal of subsidiary		–	(549,390)	(549,390)
<b>Balance at the end of the period</b>		93,478	(138,660)	(205,540)
<b>Retained earnings</b>				
Balance at the beginning of the period		1,593,958	931,823	931,823
Total comprehensive income		317,139	645,330	882,861
Preference dividends paid		(34,261)	(27,708)	(57,253)
Ordinary shares repurchased		–	–	(34,052)
Ordinary dividends paid		(94,254)	(65,972)	(69,657)
Treasury shares purchased		(11,842)	(5,285)	–
Other reserve movements		–	–	(630)
Equity-settled share-based payments cancelled		2,416	–	8,370
Transfers between reserves		164	3,618	4,463
Disposal of subsidiary		–	(69,086)	(71,967)
<b>Balance at the end of the period</b>		1,773,320	1,412,720	1,593,958
<b>Attributable to equity shareholders</b>		<b>4,957,139</b>	<b>4,606,369</b>	<b>4,629,943</b>

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

# Consolidated statement of changes in equity

	Notes	Unaudited six months ended		Audited
		30 September	30 September	year ended
		2022	2021	31 March
		R'000	R'000	R'000
<b>Non-controlling interest</b>				
Balance at the beginning of the period		62,742	125,436	125,436
Total comprehensive income		27,238	19,457	23,708
Ordinary dividends paid		(722)	(509)	(1,107)
Transfers between reserves		(164)	(4,462)	(4,463)
Disposal of subsidiary	13	(1,761)	(287,455)	(287,455)
Non-controlling interest arising on the issue of additional		–	209,427	209,427
Acquisition of non-controlling interests		–	(2,820)	(2,804)
<b>Balance at the end of the period</b>		<b>87,333</b>	<b>59,074</b>	<b>62,742</b>
<b>Total equity</b>		<b>5,044,472</b>	<b>4,665,443</b>	<b>4,692,685</b>

# Consolidated statement of cash flows

	Notes	Unaudited six months ended		Audited
		30 September	30 September	year ended
		2022	2021	31 March
		R'000	R'000	R'000
<b>Cash flows from operating activities</b>				
Cash generated from operations	11	290,298	783,183	978,121
Finance costs		(56,367)	(54,289)	(106,413)
Finance cost on financing transactions		(1,185)	(4,465)	(7,739)
Dividends paid to Group shareholders		(129,508)	(103,358)	(130,989)
Dividends paid to non-controlling interests		(722)	(509)	(1,107)
Taxation paid		(74,277)	(97,052)	(183,489)
Finance income		17,911	18,872	24,791
Finance income from financing transactions		3,931	7,037	11,809
<b>Net cash inflow from operating activities</b>		<b>50,081</b>	<b>549,419</b>	<b>584,984</b>
<b>Cash flows from investing activities</b>				
Proceeds on disposal of property, plant and equipment and other intangible assets		24,036	8,089	126,225
Additions to property, plant and equipment		(38,634)	(94,643)	(122,544)
Additions to other intangible assets		(544)	(1,383)	(8,263)
Acquisition of subsidiaries and businesses		(1,895)	(1,089)	(267,574)
Acquisition of associates		–	(30,925)	(37,389)
Proceeds on disposal of subsidiaries and businesses	13	(391)	(292,490)	(296,585)
Dividends received from associates		2,702	–	1,465
Dividends received from joint ventures		–	20,091	24,821
Funds lent in relation to loan and other receivables		(9,811)	(100)	(75,230)
Payments received from loan and other receivables		4,401	104,899	108,888
<b>Net cash outflow from investing activities</b>		<b>(20,136)</b>	<b>(287,551)</b>	<b>(546,186)</b>
<b>Cash flows from financing activities</b>				
Funding received in respect of borrowings	6	141,191	262,838	1,300,134
Principal repayment of borrowings	6	(31,894)	(343,887)	(1,501,824)
Funding received in respect of finance lease liabilities		14,195	67,012	44,169
Repayment of finance lease liabilities		(20,603)	(70,904)	(104,190)
Payment of right-of-use lease liabilities		(39,202)	(39,216)	(75,807)
Payment of profit share liability		–	–	(6,350)
Ordinary shares repurchased		–	–	(148,122)
Treasury shares acquired		(166,892)	(26,903)	–
Proceeds from issue of shares to non-controlling interests		–	1,790	1,790
Acquisition of non-controlling interest		–	(9,162)	(8,866)
<b>Net cash outflow from financing activities</b>		<b>(103,205)</b>	<b>(158,432)</b>	<b>(499,066)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(73,260)</b>	<b>103,436</b>	<b>(460,268)</b>
Cash and cash equivalents at the beginning of the period		528,975	998,966	998,966
Effect of foreign exchange rate movement on cash balances		33,476	(16,039)	(9,723)
<b>Cash and cash equivalents at the end of the period</b>		<b>489,191</b>	<b>1,086,363</b>	<b>528,975</b>
<b>Cash and cash equivalents</b>				
Bank and cash balances		578,980	1,139,561	582,354
Bank overdrafts		(89,789)	(53,198)	(53,379)
<b>Total</b>		<b>489,191</b>	<b>1,086,363</b>	<b>528,975</b>

# Segment reporting

The Group determined and presents operating segments based on the information that is provided internally to the Group Executive Committee. During the 2022 financial year, the reporting basis used by the Group Executive Committee for interventions and resource allocations changed following the sale of the Kian Ann Group, the sale of the SAMRAND property and the sale of the agricultural and earthmoving divisions in the 2021 financial year. Consequently, the Group determined the following operating segments in financial year 2022 and all comparative operating segment information presented below, has been represented for the six-month period ending 30 September 2021.

Reportable segments	Operations
Replacement Parts, Services & Solutions: Industrial (RPI: Industrial)	Wholesaler of engineering consumables, tools and equipment and belting and provider of various technical services operating in Africa and Asia.
Replacement Parts, Services & Solutions: Auto-agri (RPA: Auto-agri)	Supplier of imported and local automotive components operating in South Africa and Europe.
Capital equipment (CE: Capital equipment)	Wholesale and retail distributor of construction equipment, forklifts and related OEM parts and components operating in South Africa.
Replacement Parts, Services & Solutions: Earthmoving equipment (RPE: Earthmoving)	Supplier of after-market replacement spare parts for earthmoving equipment, ground engaging tools and undercarriage parts, as well as spare parts for heavy-duty diesel engine for industrial and agricultural machinery operating in South Africa, Europe and America.
Kian Ann Group (Joint Venture)	Manufacture and distributor of heavy machinery parts and diesel engine components operating in Asia, America and Canada.
Corporate Group	Comprises MacNeil Plastics and Group support services including financing, investment, and property, operating in South Africa.

## Segment revenue

	Unaudited six months ended 30 September			
	Sale of goods	Services	Rental	Total
	R'000	R'000	R'000	R'000
<b>2022</b>				
RPI: Industrial	2,300,866	3,927	–	2,304,793
RPA: Auto-agri	279,752	–	–	279,752
CE: Capital equipment	518,742	29,296	33,230	581,268
RPE: Earthmoving	470,076	–	–	470,076
Corporate Group	188,008	–	10,031	198,039
Inter-segment elimination	(3,276)	–	–	(3,276)
<b>Total</b>	<b>3,754,168</b>	<b>33,223</b>	<b>43,261</b>	<b>3,830,652</b>
<b>2021*</b>				
RPI: Industrial	2,225,856	2,526	–	2,228,382
RPA: Auto-agri	255,498	–	–	255,498
CE: Capital equipment	412,573	43,616	102,802	558,991
RPE: Earthmoving	192,600	5,175	–	197,775
Corporate Group	315,130	–	20,810	335,940
Inter-segment elimination	(2,344)	–	–	(2,344)
<b>Total continuing operations</b>	<b>3,399,313</b>	<b>51,317</b>	<b>123,612</b>	<b>3,574,242</b>
Discontinued operations	461,233	–	–	461,233
<b>Total</b>	<b>3,860,546</b>	<b>51,317</b>	<b>123,612</b>	<b>4,035,475</b>

\*Represented.

	Audited year ended 31 March			
	Sale of goods	Services	Rental	Total
	R'000	R'000	R'000	R'000
<b>2022</b>				
RPI: Industrial	4,431,150	5,470	–	4,436,620
RPA: Auto-agri	517,825	528	–	518,353
CE: Capital equipment	779,041	68,608	214,445	1,062,094
RPE: Earthmoving	547,397	–	–	547,397
Corporate Group	600,906	–	35,732	636,638
Inter-segment elimination	(12,111)	–	–	(12,111)
<b>Total continuing operations</b>	<b>6,864,208</b>	<b>74,606</b>	<b>250,177</b>	<b>7,188,991</b>
Discontinued operations	461,233	–	–	461,233
<b>Total</b>	<b>7,325,441</b>	<b>74,606</b>	<b>250,177</b>	<b>7,650,224</b>

# Segment reporting

## Profit or loss

	Unaudited six months ended 30 September				Audited year ended 31 March	
	Operating profit/(loss)**		Profit/(loss) before taxation		Operating profit/(loss)**	Profit/(loss) before taxation
	2022 R'000	2021* R'000	2022 R'000	2021* R'000	2022 R'000	2022 R'000
RPI: Industrial	172,353	173,226	146,269	134,933	332,208	240,389
RPA: Auto-agri	65,644	51,817	59,494	48,226	94,222	83,851
CE: Capital equipment	49,641	52,013	54,441	66,136	113,393	122,113
RPE: Earthmoving	59,769	40,068	68,973	42,840	68,988	67,475
KAG: Kian Ann Group	–	–	89,571	21,573	–	77,066
Corporate Group	(14,610)	50,846	7,242	53,998	61,837	96,758
<b>Total continuing operations</b>	<b>332,797</b>	<b>367,970</b>	<b>425,990</b>	<b>367,706</b>	<b>670,648</b>	<b>687,652</b>
Discontinued operations	–	384,051	–	390,892	411,768	390,892
<b>Total</b>	<b>332,797</b>	<b>752,021</b>	<b>425,990</b>	<b>758,598</b>	<b>1,082,416</b>	<b>1,078,544</b>

\*Represented.

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

## Segment assets and liabilities

	Unaudited six months ended 30 September				Audited year ended 31 March	
	Segment assets		Segment liabilities		Segment assets	Segment liabilities
	2022 R'000	2021* R'000	2022 R'000	2021* R'000	2022 R'000	2022 R'000
RPI: Industrial	3,696,103	3,472,295	1,430,169	1,476,905	3,527,709	1,416,828
RPA: Auto-agri	428,122	366,942	107,488	104,176	379,378	113,407
CE: Capital equipment	891,824	1,009,657	380,300	407,620	899,191	346,379
RPE: Earthmoving	768,249	256,906	227,644	101,426	705,779	279,823
KAG: Kian Ann Group	1,603,667	1,285,310	–	–	1,298,853	–
Corporate Group	933,233	1,243,101	1,131,125	1,011,424	1,080,673	1,048,712
<b>Total continuing operations</b>	<b>8,321,198</b>	<b>7,634,211</b>	<b>3,276,726</b>	<b>3,101,551</b>	<b>7,891,583</b>	<b>3,205,149</b>
Discontinued operations	–	132,783	–	–	6,251	–
<b>Total</b>	<b>8,321,198</b>	<b>7,766,994</b>	<b>3,276,726</b>	<b>3,101,551</b>	<b>7,897,834</b>	<b>3,205,149</b>

\*Represented.

## Other segment information

	Unaudited six months ended 30 September				Audited year ended 31 March	
	Depreciation and amortisation		Non-current asset additions*		Depreciation and amortisation	Non-current asset additions*
	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2022 R'000
RPI: Industrial	76,500	73,502	55,135	13,588	146,983	41,467
RPA: Auto-agri	5,011	3,915	1,161	2,579	8,708	3,596
CE: Capital equipment	25,953	20,993	13,114	37,372	44,617	7,910
RPE: Earthmoving	14,502	4,387	5,899	83	14,231	2,458
Corporate Group	(9,468)	(11,030)	6,463	76,632	(22,482)	194,812
<b>Total continuing operations</b>	<b>112,498</b>	<b>91,767</b>	<b>81,772</b>	<b>130,254</b>	<b>192,057</b>	<b>250,243</b>
Discontinued operations	–	10,826	–	2,049	10,826	2,049
<b>Total</b>	<b>112,498</b>	<b>102,593</b>	<b>81,772</b>	<b>132,303</b>	<b>202,883</b>	<b>252,292</b>

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

# Notes to the financial information

## 1. Basis of preparation

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

These consolidated interim financial results do not include all the notes typically included in the annual financial statements and should therefore be read in conjunction with the Group audited consolidated financial statements for the year ended 31 March 2022.

The consolidated interim financial results comprise the consolidated statement of financial position at 30 September 2022, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months ended 30 September 2022 and selected explanatory notes.

The accounting policies and method of computation applied in the preparation of these consolidated interim financial results are in terms of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and are consistent with those applied in the preparation of the Group's 2022 audited consolidated financial statements.

These unaudited and unreviewed consolidated interim financial results for the six months ended 30 September 2022 were prepared under the supervision of Ms. Nazlee Rajmohamed CA(SA), in her capacity as Group Financial Director.

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

## 2. Auditors responsibility

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

## 3. Going concern

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

### Financial performance

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

### Liquidity and solvency

The Group is liquid and solvent.

### Debt covenants

The Group has met bank covenants applicable at 30 September 2022.

Covenants	Requirement	Achieved
Net debt to EBITDA ratio	3.0 <	1.42
Interest cover ratio	3.5 >	10.90

# Notes to the financial information

## 3. Going concern (continued)

The relevant contractual definitions are as follows:

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

## 4. Foreign exchange translations, inventory and assets classified as held for sale

### Foreign exchange translations

The foreign currency translation reserve reported at 30 September 2022 of R93 million credit, increased by R299 million compared to R206 million debit at 31 March 2022. The increase is due to the significantly weaker Rand against translated currencies, in particular, the US dollar (30 September 2022 US\$1: R17.98 and 31 March 2022 US\$1: R14.58) and Singapore dollar (30 September 2022 SGD1: R12.53 and 31 March 2022 SGD: R10.77).

Foreign denominated balances in US dollar and Singapore dollar which are translated to Rand and reported in goodwill, loan and other receivables, investment in associates, investment in joint ventures and borrowings (includes a loan denominated in British pounds (GBP) where the Rand weakened from GBP1: R19.15 at 31 March 2022 to GBP1: R20.02 at 30 September 2022, refer note 6) on the consolidated statement of financial position have likewise increased on translation compared to balances translated as at 31 March 2022.

### Inventory

Inventory increased by R193 million to R2.8 billion at 30 September 2022 compared to R2.6 billion at 31 March 2022 impacted by the weaker Rand and the strategic increase in inventory levels to deal with global supply chain delays.

### Assets classified as held for sale

The directors have initiated a plan to dispose the following properties which do not form part of the core business or strategic property holdings of the Group:

- Erf 415, Isando, Extension 1
- Erf 101, Benrose Extension 2
- Erf 35064, Bellville, Cape Town

As a result, R23 million and R60 million has been reclassified from property, plant and equipment and investment property respectively, to assets classified as held for sale. The property classified as held for sale as at 31 March 2022 of R6 million was disposed during the current period and a profit of R4 million recognised.

# Notes to the financial information

## 5. Stated capital, treasury shares and preference shares

### Conversion of par value ordinary shares to no par value

The authorised ordinary share capital of Invicta Holdings Limited has been increased, through special resolution number 1 and shareholder approval at a general meeting, where it was resolved and approved that the ordinary share capital be reorganised by the conversion of all of the existing par value ordinary shares of R0.05 (five cents) each in the issued and authorised share capital into no par value ordinary shares. The conversion became effective on 2 June 2022. All the shares rank *parri passu* with one another, on the basis that each no par value ordinary share has the rights and privileges equivalent to the rights and privileges which were attached to such par value shares immediately prior to its conversion. In addition, through special resolution number 2, the Board resolved the creation of a further 151 000 000 ordinary no par value shares in the ordinary share capital of Invicta Holdings Limited, increasing the authorised ordinary share capital from 134 000 000 to 285 000 000 shares.

### Share repurchases

During the current financial period, the Group purchased 4,882,811 ordinary shares and 375,000 preference shares on the open market for R131 million and R36 million respectively. The shares were cancelled on 6 October 2022 (note 16).

	Unaudited six months ended		Audited year ended
	30 September	30 September	31 March
	2022	2021	2022
	R'000	R'000	R'000
<b>Reconciliation of movements</b>			
<b>Ordinary share capital and share premium</b>			
Balance at the beginning of the period	2,521,408	2,684,884	2,684,884
Par value shares converted to no par value shares	(2,521,408)		
Ordinary shares repurchased	–	–	(163,476)
<b>Balance at the end of the period</b>	<b>–</b>	<b>2,684,884</b>	<b>2,521,408</b>
<b>Stated capital</b>			
Balance at the beginning of the period	–	–	–
Par value shares converted to no par value shares	2,521,408	–	–
<b>Balance at the end of the period</b>	<b>2,521,408</b>	<b>–</b>	<b>–</b>
<b>Treasury shares</b>			
Balance at the beginning of the period	–	(49,406)	(49,406)
Treasury shares purchased - ordinary shares	(117,551)	(21,618)	–
Treasury shares purchased - preference shares	(37,500)	–	–
Ordinary shares cancelled	–	–	49,406
<b>Balance at the end of the period</b>	<b>(155,051)</b>	<b>(71,024)</b>	<b>–</b>
<b>Preference shares</b>			
Balance at the beginning of the period	750,000	750,000	750,000
<b>Balance at the end of the period</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>
<b>Reconciliation of movements in issued shares (number of issued shares)</b>			
<b>Ordinary shares</b>			
Balance at the beginning of the period	104,727,070	111,494,738	111,494,738
Ordinary shares repurchased	–	–	(6,767,668)
<b>Balance at the end of the period</b>	<b>104,727,070</b>	<b>111,494,738</b>	<b>104,727,070</b>
<b>Treasury shares</b>			
Balance at the beginning of the period	–	1,541,823	1,541,823
Treasury shares purchased - ordinary shares	4,882,881	897,687	–
Treasury shares purchased - preference shares	375,000	–	–
Ordinary shares cancelled	–	–	(1,541,823)
<b>Balance at the end of the period</b>	<b>5,257,881</b>	<b>2,439,510</b>	<b>–</b>
<b>Preference shares</b>			
Balance at the beginning of the period	7,500,000	7,500,000	7,500,000
<b>Balance at the end of the period</b>	<b>7,500,000</b>	<b>7,500,000</b>	<b>7,500,000</b>



# Notes to the financial information

## 6. Borrowings

Description	Interest rate	Maturity	Unaudited six months ended		Audited year ended
			30 September	30 September	31 March
			2022 R'000	2021 R'000	2022 R'000
<b>Secured borrowings</b>					
Mortgage bonds*	Prime	120 months tenor	163,727	228,175	173,658
Standard Bank GBP revolving credit facility**	SONIA	December 2024	160,148	–	153,183
Standard Bank USD term loan**	4.89% fixed	February 2022	–	378,948	–
Nedbank revolving credit facility**	JIBAR overnight deposit	February 2025	582,432	203,021	582,432
RMB revolving credit facility**	JIBAR overnight deposit	February 2025	175,000	–	35,000
ABSA USD term loan**	3.80% fixed	February 2023	129,853	109,011	105,286
ABSA term loan**	3-month JIBAR	March 2023	–	226,611	–
Asset financing loan**	Prime	48 to 60 months tenor	74,223	–	55,961
<b>Unsecured borrowings</b>					
Borrowings from various lenders	0% to 9.23%	On demand to April 2026	37,061	37,669	37,083
<b>Total borrowings</b>			<b>1,322,444</b>	<b>1,183,435</b>	<b>1,142,603</b>
<b>Less: Current borrowings</b>			<b>(195,310)</b>	<b>(527,534)</b>	<b>(165,644)</b>
<b>Non-current borrowings</b>			<b>1,127,134</b>	<b>655,901</b>	<b>976,959</b>

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

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

Reconciliation of borrowings movement	Unaudited six months ended		Audited year ended
	30 September	30 September	31 March
	2022 R'000	2021 R'000	2022 R'000
Balance at the beginning of the period	1,142,603	1,286,470	1,286,470
Funds raised	141,191	262,838	1,300,135
Interest accrued	36,260	22,357	72,534
Payments of capital	(31,894)	(343,887)	(1,501,824)
Payments of interest	(36,276)	(18,949)	(70,667)
Acquisition of subsidiaries	–	2,995	36,297
Liabilities held for sale reinstated*	–	187,796	187,796
Disposal of subsidiary/businesses	–	(222,082)	(222,082)
Other non-cash items	–	(446)	442
Vehicle asset financing non-cash item	29,592	(1,713)	68,130
Foreign currency translation	40,968	8,056	(14,628)
<b>Balance at the end of the period</b>	<b>1,322,444</b>	<b>1,183,435</b>	<b>1,142,603</b>

\* The liabilities classified as held for sale in the prior period were reinstated to better illustrate the impact of the disposal of the subsidiary in this note.

# Notes to the financial information

## 7. Revenue

	Unaudited six months ended		Audited
	30 September	30 September*	Year ended
	2022	2021	31 March
	R'000	R'000	R'000
<i>Revenue from contracts with customers</i>			
<b>Sale of goods</b>	<b>3,754,168</b>	3,399,313	6,864,208
-Equipment and parts	<b>988,818</b>	606,943	1,543,169
-Engineering consumables and tools	<b>2,577,343</b>	2,563,772	4,882,751
-Plastic pipe ware and hardware	<b>188,007</b>	228,598	438,288
<b>Rendering of services</b>	<b>33,223</b>	51,317	74,606
Rental income	<b>43,261</b>	123,612	250,177
<b>External revenue</b>	<b>3,830,652</b>	3,574,242	7,188,991

\*R2.2 million has been reclassified from rendering of services to rental income for the period ending 30 September 2021.

### Geographical sales

South African operations and other African operations comprise 79% (September 2021: 86%) and 11% (September 2021: 11%) of Group revenue respectively, with the remaining 9.5% being operations in Europe and America.

## 8. Operating profit

Operating profit includes the following:

<b>Income</b>			
Profit on disposal of property, plant and equipment	<b>6,341</b>	2,683	11,443
Profit on disposal of a business/investments	–	40,633	68,714
Profit on derecognition of right-of-use assets and right-of-use lease liabilities	<b>2,793</b>	5,597	6,593
Fair value adjustment on profit share liability	–	2,235	9,266
Fair value adjustment on interest rate swaps	<b>7,397</b>	608	4,803
Reversal of impairment of property, plant and equipment	<b>398</b>	–	–
<b>Expenses</b>			
Depreciation	<b>56,543</b>	43,082	93,153
Amortisation of other intangible assets	<b>15,118</b>	10,728	23,339
Depreciation of right-of-use assets	<b>40,837</b>	37,957	75,565
Operating lease expenses*	<b>6,192</b>	8,972	17,868
Impairment of property, plant and equipment	<b>53</b>	–	398
Loss on disposal of investment/business	–	21	5,660
Loss on disposal of property, plant and equipment	<b>714</b>	803	3,189
Auditors' remuneration	<b>8,667</b>	8,392	17,987
Employment benefit expense	<b>611,526</b>	520,700	1,085,934
- Short-term employee benefit expense	<b>572,208</b>	489,646	1,018,503
- Defined contribution plan expense	<b>33,035</b>	28,003	56,656
- Equity settled share-based payment expense	<b>6,283</b>	3,051	10,775

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

# Notes to the financial information

## 9. Income taxation

	Unaudited six months ended		Audited
	30 September	30 September	year ended
	2022	2021	31 March
	R'000	R'000	2022
			R'000
Current taxation			
– current year	40,957	51,894	102,481
– prior year	557	72	(169)
Deferred taxation			
– current year	16,058	10,305	6,048
– prior year	420	2,145	2,193
– tax rate change	–	–	5,029
Withholding tax	1,956	480	1,839
Share transfer tax	417	4	497
Current taxation in foreign jurisdictions	35,628	26,505	48,918
<b>Taxation expense for continuing operations</b>	<b>95,993</b>	<b>91,405</b>	<b>166,836</b>
<b>Reconciliation of effective tax rate</b>	<b>%</b>	<b>%</b>	<b>%</b>
Tax rate using the Group's domestic tax rate	27.0	28.0	28.0
Changes in tax rates	–	–	0.9
Profit on disposal of subsidiary	–	(2.4)	(1.3)
Share in profit of associates and joint ventures	(6.1)	(1.8)	(4.4)
<i>Tax effect of exempt/non-taxable income:</i>			
Dividends received and accrued	–	(0.1)	–
Employee tax incentive	(0.1)	–	(0.1)
Learnership allowances	–	–	(0.6)
Profit share liability revaluation	–	(0.2)	(0.4)
Other permanent differences and exempt income*	(0.1)	0.5	0.1
<i>Taxation effect of non-deductible expenses:</i>			
Consulting, legal and secretarial fees	0.1	0.3	0.5
Amortisation of agency rights	0.2	–	0.1
Leasehold depreciation	0.1	0.1	0.1
Penalties and interest	–	–	0.1
(Reversal of impairment)/impairment	(0.8)	–	0.5
<i>Foreign taxation:</i>			
Effect of tax rates in foreign jurisdictions	1.0	1.9	1.9
Capital gains tax differential	(0.2)	(0.2)	(1.9)
Prior year taxation adjustments	0.2	0.4	0.1
Dividend withholding tax	0.5	0.1	0.3
Tax losses where no deferred taxation asset has been recognised	1.7	0.3	1.2
Tax losses utilised where no deferred taxation asset previously recognised	(1.0)	(2.0)	(0.8)
<b>Effective tax rate</b>	<b>22.5</b>	<b>24.9</b>	<b>24.3</b>

\*Other permanent differences and exempt income comprise foreign statutory disallowed expenses and exempt income.

The directors of the Group have applied appropriate judgement in assessing the tax treatment of instruments in the tax computations and that the Group has reasonable tax provision for any potential exposures.

# Notes to the financial information

## 10. Earnings per share

	Unaudited six months ended		Audited
	30 September	30 September	year ended 31 March
	2022	2021	2022
<b>Earnings per share (cents)</b>			
Basic earnings per share from continuing operations	272	211	408
Basic earnings per share	272	562	764
Diluted earnings per share from continuing operations	271	206	395
Diluted earnings per share	271	547	741
Headline earnings per share from continuing operations	268	176	343
Headline earnings per share	268	188	330
Diluted headline earnings per share from continuing operations	266	171	333
Diluted headline earnings per share	266	182	320
<b>Ordinary shares ('000)</b>			
In Issue	104,727	111,495	104,727
Weighted average	103,957	109,854	108,020
Diluted weighted average	104,441	112,965	111,425

### Weighted average number of ordinary shares ('000)

Issued shares (net of treasury shares) at the beginning of the period	104,727	109,953	109,953
Ordinary shares repurchased during the period	(770)	(99)	(1,933)
<b>Balance at the end of the period</b>	<b>103,957</b>	<b>109,854</b>	<b>108,020</b>

### Diluted weighted average number of ordinary shares ('000)

Weighted average number of ordinary shares for the period	103,957	109,854	108,020
Add: Dilutive effect of equity settled share-based payments	484	3,111	3,405
<b>Balance at the end of for the period</b>	<b>104,441</b>	<b>112,965</b>	<b>111,425</b>

The share-based payment option tranches 13, 14, 15 and 18 (September 2021 and March 2022: tranches 13, 14 and 15) are non-dilutive as the options are currently 'out of the money' and have not been included in the table above.

### Headline earnings (R'000)

<b>Earnings</b>			
Profit from continuing operations attributable to owners of the parent	282,879	232,292	440,278
Adjusted for profit for the year from discontinued operations	–	385,330	385,330
<b>Profit attributable to owners of the parent - ordinary shares</b>	<b>282,879</b>	<b>617,622</b>	<b>825,608</b>
<b>Headline earnings</b>			
Profit from continuing operations attributable to owners of the parent - ordinary shares	282,879	232,292	440,278
<b>Headline adjustments from continuing operations</b>			
Adjustments for:			
Profit on disposal of property, plant and equipment	(6,341)	(2,683)	(11,443)
Less: Taxation thereon	1,536	660	(6,861)
Less: Other shareholders interest thereon	2	–	47
Loss on disposal of property, plant and equipment	714	802	3,189
Less: Taxation thereon	(157)	(163)	(848)
Profit on disposal of a business/investment	–	(40,633)	(68,714)
Less: Taxation thereon	–	2,683	9,168
Loss on disposal of business/investment	–	21	5,660
Net (reversal)/impairment of property, plant and equipment	(345)	–	398
<b>Headline earnings from continuing operations</b>	<b>278,288</b>	<b>192,979</b>	<b>370,874</b>
Profit for the year from discontinued operations	–	385,330	385,330
<b>Headline adjustments from discontinued operations</b>			
Adjustments for:			
Fair value gain on remeasurement of joint ventures	–	(372,202)	(399,919)
<b>Headline earnings</b>	<b>278,288</b>	<b>206,107</b>	<b>356,285</b>

# Notes to the financial information

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

	Unaudited six months ended		Audited
	30 September	30 September	year ended
	2022	2021	2022
	R'000	R'000	R'000
Profit before taxation	425,990	758,598	1,078,544
From continuing operations	425,990	367,706	687,652
From discontinued operations	–	390,892	390,892
<i>Adjusted for:</i>			
Depreciation	97,380	91,174	178,853
Amortisation	15,118	11,419	24,030
(Reversal)/impairment of property, plant and equipment	(345)	–	409
Expected credit losses on loan receivables	299	(614)	(5,178)
Fair value adjustment on profit share liability	–	(2,235)	(9,266)
Profit on disposal of property, plant and equipment	(6,341)	(2,683)	(11,443)
Profit on disposal of investments and businesses	–	(40,633)	(68,714)
Profit on derecognition of right-of-use assets and right-of-use	(2,818)	(5,623)	(12,654)
Loss on disposal of property, plant and equipment	714	802	3,189
Loss on disposal of business/investments	–	21	5,660
Loss on derecognition of right-of-use assets and right-of-use lease	25	–	6,035
Lease smoothing	(35)	168	2,563
Distributable reserve recognised*	–	(43)	(46)
Remeasurement gain on fair value of investment in joint venture	–	(372,202)	(399,919)
Retirement obligation accrual	–	–	(81)
Revaluation of derivatives	(7,397)	16,627	12,432
Finance costs	52,978	57,822	108,585
Finance costs on financing transactions	4,558	3,896	7,721
Dividend received	–	(1,465)	–
Finance income	(17,969)	(16,541)	(27,309)
Finance income from financing transactions	(3,932)	(7,037)	(11,809)
Share-based payment expenses - equity settled	6,283	3,051	10,775
Share of profits of associates	(6,241)	(2,048)	(6,378)
Share of profits of joint ventures	(89,571)	(36,702)	(89,300)
Elimination of unrealised losses in joint ventures	–	602	602
<b>Cash generated before movements in working capital</b>	<b>468,696</b>	<b>456,354</b>	<b>797,301</b>
Working capital changes:	(178,398)	326,829	180,820
Increase in inventories	(194,438)	(9,283)	(240,512)
Decrease/(increase) in trade and other receivables	52,771	(47,716)	(23,546)
(Decrease)/increase in trade and other payables	(6,504)	349,721	346,157
(Decrease)/increase in provisions	(50,929)	(32,777)	70,607
Decrease/(increase) in net investment in finance leases**	20,702	66,884	28,114
<b>Cash generated from operations</b>	<b>290,298</b>	<b>783,183</b>	<b>978,121</b>

\*Statutory reserve raised in China where a portion of the profit or loss is taken to a reserve.

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

# Notes to the financial information

## 12. Capital risk management and financial instruments

### Capital risk management

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

	Unaudited six months ended		Audited
	30 September	30 September	year ended 31 March
	2022	2021	2022
	R'000	R'000	R'000
Total interest-bearing debt	1,644,939	1,579,061	1,475,003
Less: Cash and cash equivalents	(489,191)	(1,086,363)	(528,975)
Net interest-bearing debt	1,155,748	492,698	946,028
Total equity	5,044,472	4,665,444	4,692,685
<b>Net debt to equity ratio</b>	<b>23%</b>	<b>11%</b>	<b>20%</b>

### Categories for financial instruments

	Unaudited six months ended		Audited
	30 September	30 September	year ended 2022
	2022	2021	2022
	R'000	R'000	R'000
<b>Financial assets</b>			
Financial investments – amortised cost	–	994	–
Net investment in finance lease – amortised cost	62,923	98,924	83,923
Loan and other receivables – amortised cost	306,457	134,925	285,364
Derivatives – interest rate swaps – fair value through profit or loss	18,405	6,813	11,008
Trade and other receivables – amortised cost	1,118,945	1,089,149	1,225,150
Derivative forward exchange contracts – fair value through profit	3,502	11,454	–
Cash and cash equivalents – amortised cost	578,980	1,139,561	582,354
<b>Financial liabilities</b>			
Borrowings – amortised cost	1,322,444	1,183,435	1,142,603
Right-of-use lease liabilities – amortised cost	272,761	283,874	276,288
Finance lease liabilities – amortised cost	49,734	111,752	56,112
Trade and other payables – amortised cost	1,153,379	1,135,695	1,205,729
Derivative forward exchange contracts – fair value through profit or loss	–	–	24,320
Profit share liability – fair value through profit or loss	67,854	77,480	62,892
Bank overdrafts – amortised cost	89,789	53,198	53,379

# Notes to the financial information

## 12. Capital risk management and financial instruments (continued)

### Financial instruments measured at fair value

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

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

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

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

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

	Balance at reporting date	Valuation technique(s) and key	Unaudited six months ended 30 September		
			R'000	Level 1	Level 2
<b>2022</b>					
<b>Financial assets at fair value</b>					
Derivatives - forward exchange contracts	3,502	1	3,502	–	–
Derivatives - Interest rate swaps	18,405	2	–	18,405	–
<b>Financial liabilities at fair value</b>					
Profit share liability	67,854	3	–	–	67,854
<b>2021</b>					
<b>Financial assets at fair value</b>					
Derivatives - forward exchange contracts	11,454	1	11,454	–	–
Derivatives - Interest rate swaps	6,813	2	–	6,813	–
<b>Financial liabilities at fair value</b>					
Profit share liability	77,480	3	–	–	77,480

The disclosures at 30 September 2021 above have been restated to reflect the derivative forward exchange contract assets in level 1. The financial investments - unlisted securities have been removed from the above table in the prior financial period as these financial assets are measured at amortised cost.

	Balance at reporting date	Valuation technique(s) and key	Audited year ended 31 March		
			R'000	Level 1	Level 2
<b>2022</b>					
<b>Financial assets at fair value</b>					
Derivatives - Interest rate swaps	11,008	2	–	11,008	–
<b>Financial liabilities at fair value</b>					
Profit share liability	62,892	3	–	–	62,892
Derivatives - forward exchange contracts	24,320	1	24,320	–	–

Valuation technique(s) and key inputs:

1. Expected settlement value.
2. Monte Carlo Simulation Technique along with the Geometric Brownian Motion Model.
3. Earnings multiple valuation based on three times the average annual profit before taxation over the past 24 months multiplied by 20%.

# Notes to the financial information

## 12. Capital risk management and financial instruments (continued)

### Financial instruments measured at fair value (continued)

The derivative interest rate swaps are sensitive to the change in interest rates. A 0.5% increase/decrease in the interest rate will increase/decrease the valuation by R2.2 million (30 September 2021: R3.6 million).

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

Movements in Level 3 financial assets and liabilities are as follows:

	Unaudited six months ended September		
	Put option asset	Call option asset	Profit share liability
Financial assets/liability at fair value	R'000	R'000	R'000
<b>2022</b>			
Fair value at the beginning of the period	–	–	62,892
Other adjustment	–	–	4,701
Foreign currency translation	–	–	261
<b>Fair value at the end of the period</b>	<b>–</b>	<b>–</b>	<b>67,854</b>
<b>2021</b>			
Fair value at the beginning of the period	1,048	16,529	79,624
Fair value adjustment recognised in profit or loss	(1,028)	(16,207)	(2,235)
Foreign currency translation	(20)	(322)	91
Fair value at the end of the period	–	–	77,480

	Audited year ended 31 March		
	Put option asset	Call option asset	Profit share liability
Financial assets/liability at fair value	R'000	R'000	R'000
<b>2022</b>			
Fair value at the beginning of the year	1,048	16,529	79,624
Fair value adjustment recognised in profit or loss	(1,028)	(16,207)	(9,266)
Other adjustment	–	–	(1,161)
Foreign currency translation	(20)	(322)	45
Payments	–	–	(6,350)
<b>Fair value at the end of the year</b>	<b>–</b>	<b>–</b>	<b>62,892</b>



# Notes to the financial information

## 13. Disposal of businesses and subsidiaries

### Current year disposals

#### Keletso Imare Bindzue Procurement Services (Pty) Ltd (KIB)

This entity was consolidated at 31 March 2022 as an entity controlled in terms of IFRS 10 *Consolidated Financial Statements*. Due to a change in the nature of the relationship with the Group ending the outsourcing of procurement services to KIB, control and consolidation ceased effective 1 April 2022.

	Unaudited six months ended 30 September
<b>A summary of the financial impact of the disposals is disclosed below:</b>	<b>R'000</b>
<b>Net assets disposed of</b>	
Property, plant and equipment	13
Deferred taxation asset	29
Trade and other receivables	38,204
Bank and cash	391
Trade and other payables	(36,729)
Current taxation liability	(147)
Non-controlling interest	(1,761)
<b>Net assets disposed of</b>	-
Cash and cash equivalents disposed	(391)
<b>Total cash outflow on disposal</b>	<b>(391)</b>

## 14. Dividends paid

A cash dividend of 90 cents per ordinary share was paid on 8 August 2022 to shareholders registered on 2 August 2022 and a cash preference dividend of 470.10 cents per preference share was paid on 27 June 2022 to shareholders registered on 24 June 2022.

## 15. Contingent liabilities and commitments for property, plant and equipment

### Contingent liabilities

The banks have guaranteed R38.4 million (31 March 2022: R35.4 million) on behalf of the Group to creditors.

### Commitments for property, plant and equipment

The Group has committed R13 million for the purchase of plant and equipment, motor vehicles and computer equipment as at 30 September 2022.

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# Notes to the financial information

## 16. Events after the reporting date

### **Cancellation of ordinary and preference shares held as treasury shares**

The Group cancelled 4 882 811 ordinary shares (repurchased for R130.9 million during the period) on 6 October 2022 and cancelled 375 000 preference shares repurchased for R36 million during the period on 3 October 2022. Both sets of shares were reported as treasury shares at 30 September 2022 (note 5).

### **Liquidation of Invicta Finance**

In mid-November 2022, Invicta Holdings Limited entered into the necessary agreements to simplify its Group structure following which, among other things, Invicta Finance Proprietary Limited will be deregistered (after the assets it holds are transferred to other Group companies), all whilst maintaining the current B-BBEE status of Invicta Holdings Limited's 75% held subsidiary, Invicta South Africa Holdings Proprietary Limited and its subsidiaries, Bearing Man Group Proprietary Limited and Humulani Marketing Proprietary Limited.

## 17. Related parties

The Group entered into various related party transactions in the ordinary course of business. There have been no significant changes in related party transactions since 31 March 2022.

## 18. Seasonality

The Group's five-year average first-half revenues, excluding the 2021 financial period due to the impact of the Covid-19 pandemic, have ranged between approximately 49% and 53% of annual revenues.

# Preference share cash dividend

As announced on 3 November 2022, the directors of the Company have declared a gross cash dividend of 415.09110 cents per preference share for the period from Wednesday, 8 June 2022 to Wednesday, 9 November 2022. The preference share cash dividend will be paid out of distributable reserves.

- Dividends tax "DT" of 20% will be withheld in terms of the Income Tax Act for those shareholders who are not exempt from the DT;
- Accordingly, shareholders who are not exempt from DT will receive a net dividend of 332.07288 cents per preference share;
- Invicta Holdings Limited has 7 125 000 preference shares in issue; and
- Invicta Holdings Limited's income tax reference number is 9400/012/03/6.

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

Last day of trade to receive a dividend	Tuesday, 29 November 2022
Shares commence trading "ex" dividend	Wednesday, 30 November 2022
Record date	Friday, 2 December 2022
Payment date	Monday, 5 December 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 30 November 2022 and Friday, 2 December 2022, both days inclusive.

# Ordinary share cash dividend

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

By order of the board

**L Mpumlwana**  
*Group company secretary*

Johannesburg  
28 November 2022

Date of publication: 28 November 2022

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# Administrative and corporate information

Invicta Holdings Limited

Registration number 1966/002182/06

Ordinary Share code: IVT Ordinary Share ISIN ZAE000029773

Preference Share code: IVTP Preference Share ISIN: ZAE000173399

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

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

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

Tel: 011 370 5000 www.computershare.com

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

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

*\* Non-executive ^ Independent non-executive*

**Group company secretary:** Lebohang Mpumlwana

