

INVICTA HOLDINGS LIMITED
**UNAUDITED
CONSOLIDATED
INTERIM RESULTS**
FOR THE SIX MONTHS ENDED 30 SEPTEMBER

2024

Innovative solutions that empower industries, for a **sustainable future**



Executive review of our performance

Financial overview of the period

Revenue from continued operations increased by R74 million (2%) from R3,929 million to R4,003 million, of which the South African operations contributed R3,200 million, the rest of Africa contributed R471 million, and Europe contributed the balance of R332 million. The gross profit margin decreased slightly to 32.0% from 32.2% in the comparative period, with gross profit increasing by 1%, from R1,263 million to R1,281 million. Selling, administration and distribution costs were well controlled during the period, increasing by 1% from R912 million to R921 million, resulting in operating profit before net finance income on financing transactions and foreign exchange movements, increasing by 11% from R332 million to R369 million. Net foreign exchange losses and costs of R18 million were incurred compared to net foreign exchange gains of R33 million in the comparative period. Equity accounted earnings from investments in joint ventures decreased by R29 million, or 27%, from R108 million to R79 million, impacted by a once-off gain of R33 million recognised in the comparative period relating to the disposal of a property-owning subsidiary in Shanghai. Net financing costs increased by R9 million from R54 million to R63 million, due to increased borrowings which were utilised to partly fund the redemption of the 6 857 757 preference shares in issue. Net profit from continuing operations for the period decreased by 19% from R336 million to R274 million.

Earnings per share from continuing operations decreased by 33 cents from 284 cents to 251 cents per share. Likewise, diluted earnings per share from continuing operations decreased from 283 cents to 250 cents. Headline earnings per share from continuing operations decreased from 249 cents to 231 cents per share and diluted headline earnings per share from continuing operations decreased from 248 cents to 230 cents per share.

The Group redeemed all of its preference shares, being 6 857 757 shares in issue to the value of R703 million during the period. The redemption was funded by cash reserves and increased borrowing facilities.

Effective 1 April 2024, the Group acquired a 100% shareholding interest in Nationwide Bearing Company Limited, for a purchase consideration of GBP12.4 million (R294 million). Nationwide Bearing Company Limited is a company based in the United Kingdom and supplies consumable parts to the earth moving and agricultural machinery aftermarkets and forms part of the RPE: Earthmoving operating segment.

During April 2024, the Group disposed of its 100% shareholding in KMP Holdings Limited (KMP) which, formed part of the RPE: Earthmoving operating segment, to Kian Ann Engineering Pte. Ltd (KAG) in which, the Group holds a 48.81% interest, for a consideration of GBP12.6 million (R293 million). KMP Holdings Limited was a separate major geographical area of operation in the United Kingdom and has been presented as a discontinued operation in the consolidated statement of profit or loss and other comprehensive income. In addition, the Group disposed of its 51% shareholding in Abrasive Flow Solutions (Pty) Ltd for a consideration of R7 million effective 1 August 2024 which, has been deconsolidated from the effective date of disposal.

During the period, the Group disposed of the Kosmosdal property which was classified as an asset held for sale at 31 March 2024 for a purchase consideration equivalent to the carrying value of R9 million.

Cash generated from operations before working capital changes decreased by 15% from R513 million to R437 million with working capital absorbing R105 million compared to R190 million in the comparative period, resulting in cash generated from operations increasing from R322 million to R332 million.

Group performance

Operational overview

Operations comprise:

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

Executive review of our performance (continued)

RPI

Revenue decreased by 1% from R2,485 million to R2,456 million, while operating profit before interest on financing transactions and foreign exchange movements increased by 12% from R175 million to R196 million due to cost saving initiatives in the period to respond to the decrease in revenue. Profit before tax decreased 3% from R119 million to R115 million impacted by higher net foreign exchange losses.

RPA

Revenue in RPA increased by 19% from R356 million to R424 million supported by an additional three months revenue from Imex which was acquired on 3 July 2023. RPA's operating profit before interest on financing transactions and foreign exchange movements decreased by 2% from R47 million to R46 million due to a higher level of operational costs, with the inclusion of Imex for the full period. Imex contributed approximately 33% of RPA revenue (September 2023: 18 %) and 12% of operating profit before interest on financing transactions and foreign exchange (September 2023: 5 %).

CE

Revenue in CE decreased by 3% from R633 million to R612 million, with operating profit before interest on financing transactions and foreign exchange movements decreasing by 36% from R66 million to R42 million, largely due to a decrease in gross profit of R32 million as margins came under pressure during the period, offset by cost containment initiatives which improved operational costs by R8 million.

RPE

Revenue in RPE increased by 27% from R231 million to R293 million (excluding KMP which is presented as a discontinued operation), bolstered by the acquisition of Nationwide Bearing Company Limited on 1 April 2024 which contributed 20% of revenue. The operating profit before interest on financing transactions and foreign exchange movements followed suit with an increase of 42%, from R50 million to R71 million with Nationwide Bearing Company Limited contributing 35% thereof.

KAG

KAG contributed R79 million to Group earnings for the current period, compared to R108 million in the prior period, including a R33 million once-off gain on the disposal of a property-owning subsidiary in Shanghai, in the prior period. KAG has entered into agreements to dispose of its Singapore property for SGD63 million. The property is held for sale at 30 September 2024 by KAG. Regulatory approval has been granted and a few administrative conditions remain.

Strategic focus and prospects

The Group strategy to build both a geographically diverse (with 50% of the Group income outside South Africa) and sectorally diverse business by 2026, will be tempered by the careful evaluation of growth and acquisition opportunities. The prevailing conditions, notably the market uncertainty due to elections in many of our jurisdictions, tough trading conditions experienced worldwide, as well as Rand volatility, remain challenges. We are confident that Invicta is well positioned with experienced teams, strong customer relationships and a solid footprint both nationally and globally, to continue to provide sustainable returns to shareholders. Our current initiatives include conversion to solar power at selected installations in South Africa, and concerted efforts to reduce our debt to levels preceding the preference share redemption.

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

Changes to the board and board committees

There have been no Board changes during the period under review.

Ordinary dividend policy

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

Appreciation

The board extends its gratitude to management and staff who have demonstrated operational excellence and incredible adaptability to changing conditions in the performance of their duties. The board is confident management will continue to explore and focus on those strategic areas which have been identified as being able to deliver sustainable value to all stakeholders.

Consolidated statement of financial position

	Notes	Unaudited six months ended		Audited year ended
		30 September	30 September	31 March
		2024 R'000	2023 R'000	2024 R'000
Assets				
Non-current assets				
Property, plant and equipment		1,085,170	1,115,992	1,139,236
Investment property		118,159	123,159	121,859
Right-of-use assets		209,227	225,381	225,288
Goodwill		58,681	57,703	71,745
Other intangible assets		65,307	76,795	49,528
Net investment in finance leases		129,806	55,217	102,181
Loan and other receivables		81,883	100,952	72,176
Investment in associates		20,604	77,827	22,051
Investment in joint ventures		1,797,097	1,784,941	1,879,525
Deferred taxation		166,487	165,328	198,298
Total non-current assets		3,732,421	3,783,295	3,881,887
Current assets				
Inventories		2,856,701	2,931,098	3,015,869
Trade and other receivables		1,304,575	1,229,776	1,254,792
Net investment in finance leases		116,868	118,735	111,494
Loan and other receivables		26,458	70,585	25,395
Derivatives		93	170	329
Current taxation		24,508	57,924	16,110
Cash and cash equivalents		733,724	746,846	998,684
Total current assets		5,062,927	5,155,134	5,422,673
Assets classified as held for sale		–	25,181	9,000
Total assets		8,795,348	8,963,610	9,313,560
Equity and liabilities				
Equity				
Stated capital - ordinary shares	5	2,331,578	2,403,858	2,331,578
Treasury shares	5	–	(77,163)	–
Preference shares	5	–	712,500	685,776
Other reserves		72,769	(19,128)	63,678
Foreign currency translation reserve	4	186,086	303,178	356,553
Retained earnings		2,369,653	2,174,125	2,249,733
Equity attributable to owners of the parent		4,960,086	5,497,370	5,687,318
Non-controlling interests		78,883	91,615	82,742
Shareholders' equity		5,038,969	5,588,985	5,770,060
Liabilities				
Non-current liabilities				
Borrowings	6	1,217,771	1,153,792	1,105,486
Right-of-use lease liabilities		188,756	189,229	190,427
Finance lease liabilities		98,434	70,900	93,952
Deferred taxation		41,509	35,715	39,044
Employee benefit bonus incentive		38,378	31,908	24,168
Total non-current liabilities		1,584,848	1,481,544	1,453,077
Current liabilities				
Trade and other payables		1,457,949	1,319,763	1,428,201
Derivatives		14,332	1,539	523
Employee benefit bonus incentive and provision		80,498	131,777	192,672
Current taxation		22,970	10,236	27,034
Borrowings	6	318,847	204,490	106,821
Right-of-use lease liabilities		64,952	85,704	80,905
Finance lease liabilities		103,037	44,903	81,738
Profit share liability		89,246	71,033	78,497
Bank overdrafts		19,700	23,636	94,032
Total current liabilities		2,171,531	1,893,081	2,090,423
Total liabilities		3,756,379	3,374,625	3,543,500
Total equity and liabilities		8,795,348	8,963,610	9,313,560

Consolidated statement of profit or loss and other comprehensive income

	Notes	Change %*	Unaudited six months ended		Audited year ended
			30 September 2024 R'000	30 September 2023** R'000	31 March 2024** R'000
Revenue	7	2	4,002,997	3,928,557	7,648,557
Cost of sales			(2,721,626)	(2,665,078)	(5,179,562)
Gross profit		1	1,281,371	1,263,479	2,468,995
Expected credit losses reversed/(impaired) on trade receivables			8,193	(19,311)	(5,627)
Selling, administration and distribution costs		1	(920,714)	(912,148)	(1,832,406)
Operating profit before net finance income on financing transactions and foreign exchange movements		11	368,850	332,020	630,962
Finance income from financing transactions			15,706	6,551	20,911
Finance costs on financing transactions			(10,872)	(4,281)	(12,025)
Foreign exchange gains			57,854	131,385	163,025
Foreign exchange losses and costs			(75,846)	(98,151)	(129,980)
Operating profit	8	(3)	355,692	367,524	672,893
Equity-accounted (losses)/earnings from investment in associates			(130)	7,310	5,702
Equity-accounted earnings from investment in joint ventures		(27)	78,830	108,074	166,707
Finance income			23,919	25,288	48,007
Finance costs			(87,524)	(79,749)	(165,018)
Profit before taxation		(13)	370,787	428,447	728,291
Taxation expense	9		(96,995)	(92,121)	(176,156)
Profit for the period from continuing operations		(19)	273,792	336,326	552,135
Discontinued operations:					
Profit for the period from discontinued operations	15		–	19,687	31,982
Profit for the period		(23)	273,792	356,013	584,117
Other comprehensive income					
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of taxation):</i>					
Exchange differences on translation of foreign operations			(145,244)	85,169	142,118
Other comprehensive (loss)/income			(145,244)	85,169	142,118
Total comprehensive income for the period			128,548	441,182	726,235
Profit attributable to:					
Owners of the parent - ordinary shares (continuing operations)			242,615	280,216	448,551
Owners of the parent - ordinary shares (discontinued operations)			–	19,687	31,982
Non-controlling interests			7,491	12,551	17,069
Owners of the parent - preference shares			23,686	43,559	86,515
Profit for the period		(23)	273,792	356,013	584,117
Total comprehensive income attributable to:					
Owners of the parent - ordinary shares (continuing operations)			96,143	355,344	559,566
Owners of the parent - ordinary shares (discontinued operations)			–	29,728	59,511
Non-controlling interests			8,719	12,551	20,643
Owners of the parent - preference shares			23,686	43,559	86,515
Total comprehensive income for the period		(71)	128,548	441,182	726,235
Basic earnings per share from continuing operations (cents)	10	(12)	251	284	459
Basic earnings per share (cents)	10	(17)	251	304	492
Diluted earnings per share from continuing operations (cents)	10	(12)	250	283	459
Diluted earnings per share (cents)	10	(17)	250	303	492

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

**Represented, refer to note 4 - Discontinued operations.

Consolidated statement of changes in equity

	30 September 2023								
	Stated capital - ordinary shares	Treasury shares	Preference shares	Other reserves*	Foreign currency translation reserve	Retained earnings	Attributable to equity shareholders	Non- controlling interests	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 31 March 2023	2,403,858	(30,874)	712,500	(27,002)	218,009	1,977,802	5,254,293	84,842	5,339,135
Total comprehensive income for the period	-	-	-	-	85,169	343,462	428,631	12,551	441,182
Profit for the period	-	-	-	-	-	343,462	343,462	12,551	356,013
Other comprehensive income for the period	-	-	-	-	85,169	-	85,169	-	85,169
Transactions with owners of the Company									
<i>Contributions and distributions</i>									
Ordinary shares purchased	-	(24,725)	-	-	-	(2,091)	(26,816)	-	(26,816)
Preference shares purchased	-	(21,564)	-	-	-	(674)	(22,238)	-	(22,238)
Ordinary dividends declared	-	-	-	-	-	(98,713)	(98,713)	(510)	(99,223)
Preference dividends declared	-	-	-	-	-	(43,559)	(43,559)	-	(43,559)
Equity-settled share-based payments issued	-	-	-	9,003	-	-	9,003	-	9,003
Equity-settled share-based payments cancelled	-	-	-	(1,129)	-	1,129	-	-	-
<i>Changes in ownership interests</i>									
Liquidation of subsidiary	-	-	-	-	-	(3,231)	(3,231)	(5,268)	(8,499)
Balance at 30 September 2023	2,403,858	(77,163)	712,500	(19,128)	303,178	2,174,125	5,497,370	91,615	5,588,985

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

Consolidated statement of changes in equity

	30 September 2024								
	Stated capital - ordinary shares	Treasury shares	Preference shares	Other reserves*	Foreign currency translation reserve	Retained earnings	Attributable to equity shareholders	Non- controlling interests	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 31 March 2024	2,331,578	–	685,776	63,678	356,553	2,249,733	5,687,318	82,742	5,770,060
Total comprehensive income for the year	–	–	–	–	(146,472)	266,301	119,829	8,719	128,548
Profit for the period	–	–	–	–	–	266,301	266,301	7,491	273,792
Other comprehensive (loss)/income for the period	–	–	–	–	(146,472)	–	(146,472)	1,228	(145,244)
Transactions with owners of the Company									
<i>Contributions and distributions</i>									
Preference shares redeemed	–	–	(685,776)	–	–	(17,144)	(702,920)	–	(702,920)
Ordinary dividends declared	–	–	–	–	–	(102,157)	(102,157)	(638)	(102,795)
Preference dividends declared	–	–	–	–	–	(23,686)	(23,686)	–	(23,686)
Equity-settled share-based payments issued	–	–	–	9,091	–	–	9,091	–	9,091
Transfer between reserves	–	–	–	–	15,730	(3,394)	12,336	(12,336)	–
<i>Changes in ownership interests</i>									
Disposal of subsidiaries	–	–	–	–	(39,725)	–	(39,725)	396	(39,329)
Balance at 30 September 2024	2,331,578	–	–	72,769	186,086	2,369,653	4,960,086	78,883	5,038,969
Notes	5	5	5						

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

Consolidated statement of cash flows

	Notes	Unaudited six months ended		Audited
		30 September	30 September	year ended
		2024	2023	31 March
		R'000	R'000	R'000
Cash flows from operating activities				
Cash generated from operations	11	332,104	322,388	817,862
Finance costs paid		(84,286)	(83,370)	(172,105)
Finance costs on financing transactions paid		(10,872)	(4,281)	(12,025)
Dividends paid to Group shareholders		(160,689)	(144,842)	(182,150)
Dividends paid to non-controlling interests		(639)	(510)	(22,610)
Taxation paid		(76,023)	(92,043)	(153,661)
Finance income received		19,413	23,219	46,864
Finance income from financing transactions received		15,706	6,551	20,910
Net cash inflow from operating activities		34,714	27,112	343,085
Cash flows from investing activities				
Proceeds on disposal of property, plant and equipment		18,998	38,302	69,319
Proceeds on disposal of investment property		3,280	-	-
Additions to property, plant and equipment		(64,159)	(25,681)	(93,612)
Additions to other intangible assets		(662)	(3,392)	(3,988)
Acquisition of subsidiaries	13	(157,947)	(104,698)	(64,041)
Acquisition of joint venture		-	(28,750)	(28,750)
Proceeds on disposal of subsidiaries (net of cash and cash equivalents disposed)	14	351,120	6,824	6,824
Proceeds on disposal of associate		-	-	38
Proceeds on disposal of other intangible assets		-	-	34
Dividends received from associates		1,379	-	7,234
Dividends received from joint ventures		23,202	101,877	102,910
Funds lent in relation to loan and other receivables		(3,000)	-	(2,834)
Payments received from loan and other receivables		3,541	6,010	71,112
Net cash inflow/(outflow) from investing activities		175,752	(9,508)	64,246
Cash flows from financing activities				
Funding received in respect of borrowings	6	557,510	504,847	549,084
Principal repayment of borrowings	6	(213,813)	(522,290)	(754,586)
Funding received in respect of finance lease liabilities		91,169	107,569	215,481
Principal repayment of finance lease liabilities		(65,388)	(40,670)	(88,121)
Principal repayment of right-of-use lease liabilities		(36,739)	(45,885)	(94,157)
Payment of profit share liability		(473)	(7,165)	(6,784)
Ordinary shares repurchased		-	(26,816)	(60,641)
Preference shares repurchased		(702,920)	(22,238)	(27,293)
Derivative financial assets proceeds		-	8,656	8,655
Net cash outflow from financing activities		(370,654)	(43,992)	(258,362)
Net (decrease)/increase in cash and cash equivalents		(160,188)	(26,388)	148,969
Cash and cash equivalents at the beginning of the period		904,652	730,324	730,324
Effect of foreign exchange rate movement on cash balances		(30,440)	19,274	25,359
Cash and cash equivalents at the end of the period		714,024	723,210	904,652
Cash and cash equivalents				
Bank and cash balances		733,724	746,846	998,684
Bank overdrafts		(19,700)	(23,636)	(94,032)
Total		714,024	723,210	904,652

Segment reporting

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

Segment revenue

	Unaudited six months ended 30 September			
	Sale of goods	Services	Rental	Total
2024	R'000	R'000	R'000	R'000
RPI: Industrial	2,446,369	9,395	–	2,455,764
RPA: Auto-agri	423,833	–	–	423,833
CE: Capital equipment	534,975	37,283	39,370	611,628
RPE: Earthmoving	292,994	–	–	292,994
Corporate Group	225,587	–	9,833	235,420
Inter-segment elimination	(16,642)	–	–	(16,642)
Total continuing operations	3,907,116	46,678	49,203	4,002,997
2023				
RPI: Industrial	2,480,039	5,061	–	2,485,100
RPA: Auto-agri	356,117	–	–	356,117
CE: Capital equipment	551,716	47,991	33,007	632,714
RPE: Earthmoving*	230,672	–	–	230,672
Corporate Group	215,622	–	11,323	226,945
Inter-segment elimination	(2,991)	–	–	(2,991)
Total continuing operations	3,831,175	53,052	44,330	3,928,557
Discontinued operations	363,088	–	–	363,088
Total	4,194,263	53,052	44,330	4,291,645

	Audited year ended 31 March			
	Sale of goods	Services	Rental	Total
2024	R'000	R'000	R'000	R'000
RPI: Industrial	4,855,369	9,956	–	4,865,325
RPA: Auto-agri	737,853	578	–	738,431
CE: Capital equipment	1,053,859	74,564	63,677	1,192,100
RPE: Earthmoving*	459,542	–	–	459,542
Corporate Group	378,582	–	21,573	400,155
Inter-segment elimination	(6,996)	–	–	(6,996)
Total continuing operations	7,478,209	85,098	85,250	7,648,557
Discontinued operations	630,420	–	–	630,420
Total	8,108,629	85,098	85,250	8,278,977

*30 September 2023 and 31 March 2024 have been represented to exclude KMP Holdings Limited presented as a discontinued operation (note 4 and 15).

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
	2024	2023	2024	2023	2024	2024
	R'000	R'000	R'000	R'000	R'000	R'000
RPI: Industrial	195,628	175,220	114,803	118,738	352,272	224,448
RPA: Auto-agri	45,606	47,420	40,963	44,972	93,635	84,693
CE: Capital equipment	42,437	66,477	39,398	71,719	109,601	121,836
RPE: Earthmoving**	70,585	49,581	70,935	48,660	94,838	96,475
KAG: Kian Ann Group	–	–	78,830	108,074	–	166,707
Corporate Group****	14,594	(6,678)	25,858	36,284	(19,384)	34,132
Total continuing operations	368,850	332,020	370,787	428,447	630,962	728,291
Discontinued operations****	–	27,355	–	24,122	49,545	40,649
Total	368,850	359,375	370,787	452,569	680,507	768,940

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

**30 September 2023 and 31 March 2024 have been represented to exclude KMP Holdings Limited presented as a discontinued operation (note 4 and 15).

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

****The profit before taxation as at 30 September 2024 includes R0.1 million equity accounted losses of AME associates (2023: R7.3 million of equity accounted profits).

Segment reporting

Segment assets and liabilities

	Unaudited six months ended 30 September				Audited year ended 31 March	
	Segment assets		Segment liabilities		Segment assets	Segment liabilities
	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2024 R'000
RPI: Industrial*	3,670,314	3,850,166	1,396,328	1,521,099	3,682,832	1,400,447
RPA: Auto-agri	716,393	634,256	191,890	165,216	689,089	175,505
CE: Capital equipment	1,251,307	976,438	713,078	488,976	1,137,244	668,356
RPE: Earthmoving**	489,864	887,764	112,451	249,620	838,673	310,160
KAG: Kian Ann Group	1,797,097	1,754,756	–	–	1,843,863	–
Corporate Group***	870,373	835,049	1,342,632	949,714	1,112,859	989,032
Total continuing operations	8,795,348	8,938,429	3,756,379	3,374,625	9,304,560	3,543,500
Classified as held for sale****	–	25,181	–	–	9,000	–
Total	8,795,348	8,963,610	3,756,379	3,374,625	9,313,560	3,543,500

*The segment assets include an investment in associate of Rnil million (September 2023: R48.1 million and March 2024: Rnil million).

**The segment assets include an investment in joint venture (KMP Far East Pte. Ltd) of Rnil million (September 2023: R30.2 million).

***The segment assets include investments in AME associates of R20.6 million (September 2023: R29.7 million and March 2024: R22.1 million).

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

Other segment information

	Unaudited six months ended 30 September				Audited year ended 31 March	
	Depreciation and amortisation		Non-current asset additions*		Depreciation and amortisation	Non-current asset additions*
	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2024 R'000
RPI: Industrial	65,168	67,945	36,614	75,604	136,517	118,243
RPA: Auto-agri	8,227	6,512	5,176	6,980	14,662	11,902
CE: Capital equipment	23,378	21,793	35,848	9,334	42,076	29,461
RPE: Earthmoving**	7,850	3,741	1,344	3,930	7,377	7,152
Corporate Group	(5,401)	(6,038)	7,010	3,772	(10,342)	7,815
Total continuing operations	99,222	93,953	85,992	99,620	190,290	174,573
Discontinued operations**	–	13,944	–	–	27,042	–
Total	99,222	107,897	85,992	99,620	217,332	174,573

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

**30 September 2023 and 31 March 2024 have been represented to exclude KMP Holdings Limited presented as a discontinued operation (note 4 and 15).

Notes to the financial information

1. Basis of preparation

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

These consolidated interim financial results do not include all the notes typically included in the annual financial statements and should therefore be read in conjunction with the Group audited annual consolidated financial statements for the year ended 31 March 2024.

The consolidated interim financial results comprise the consolidated statement of financial position at 30 September 2024, 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 2024 and selected explanatory notes.

Pro-forma financial information

These consolidated interim financial results include pro-forma financial information in terms of the JSE Listings Requirements and related reconciliations included in note 10 on pages 18 and 19 relating to the presentation of sustainable headline earnings per share and sustainable headline earnings measures.

The non-trading items adjusted in the calculation of sustainable headline earnings include:

- Amortisation of other intangible assets reported in the equity accounted earnings from the investment in joint ventures of the acquisition of Modesty Investment Group Pte Ltd (MIH) and Junshan Kensetsu Buhin Co. Ltd (KKB) acquired by the KAG on 1 August 2021 after adjusting for deferred taxation;
- Amortisation of other intangible assets recognised in profit from the acquisition of Nationwide Bearing Company Limited and KMP Holdings Limited by the Group on 1 April 2024 and 1 January 2022, respectively; and
- A loss recognised in the 31 March 2024 financial year on early termination of interest rate swaps.

Sustainable headline earnings are used by management to assess the underlying sustainable performance of the Group and have been prepared for illustrative purposes only. It does not replace the measures determined in accordance with IFRS Accounting Standards as an indicator of the Group’s performance, but rather, should be used in conjunction with the most directly comparable IFRS Accounting Standards measures. Due to its illustrative nature, pro-forma financial information may not fairly present the financial position, changes in equity, results of operations or cash flows.

The accounting policies and method of computation applied in the preparation of these consolidated interim financial results are in terms of International Financial Reporting Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the policy for calculating sustainable headline earnings being the pro-forma financial information, are in terms of the JSE Listings Requirements and the SAICA Guide on pro-forma Financial Information. The accounting policies and methods of computation are consistent with those applied in the preparation of the Group’s 2024 audited annual consolidated financial statements.

These unaudited and unreviewed consolidated interim financial results for the six months ended 30 September 2024 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 including pro-forma financial information presented and for ensuring that the financial information has been correctly prepared.

2. Auditors responsibility

These unaudited interim financial results, including the pro-forma financial information presented, have neither been audited nor reviewed by the Group’s auditor.

Notes to the financial information

3. Going concern

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

Financial performance

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

Liquidity and solvency

The Group is liquid and solvent.

Debt covenants

The Group has met its bank covenants applicable at 30 September 2024.

The relevant contractual definitions which are applied to the Invicta South Africa measurement group 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. Preference shares, acquisitions and disposals, discontinued operation and foreign exchange

Preference shares redeemed and borrowings

On 8 July 2024, the Group redeemed all of its issued preference shares, totaling 6 857 757 shares for R102.50 per share i.e. R703 million (note 5). The redemption was funded by cash reserves and borrowing facilities (note 6).

Disposal of assets classified as held for sale

Effective 29 April 2024, the Group disposed of the Kosmosdal property classified as held for sale at 31 March 2024 for a purchase consideration equivalent to the carrying value at 31 March 2024 of R9 million.

Acquisition of subsidiary

The Group acquired a 100% shareholding in Nationwide Bearing Company Limited effective 1 April 2024 for a purchase consideration of R294 million (note 13).

Disposal of subsidiaries

The Group disposed of its 100% shareholding in KMP Holdings Limited for a purchase consideration of R293 million effective 1 April 2024, and its 51% shareholding in Abrasive Flow Solutions (Pty) Ltd for a purchase consideration of R7 million effective 1 August 2024 (note 14).

Notes to the financial information

4. Preference shares, acquisitions and disposals, discontinued operation and foreign exchange (continued)

Discontinued operations

The unaudited six months ended 30 September 2023 and the audited year ending 31 March 2024, consolidated statement of profit or loss and other comprehensive income and related notes has been represented to present KMP Holdings Limited as a discontinued operation as it was a separate major geographical area of operations in the United Kingdom. KMP Holdings Limited was previously reported in the RPE: Earthmoving segment. The segment reporting on page 8 and 9 for the RPE: Earthmoving segment has accordingly been represented and presents segment revenue, profit or loss and other segment information from continuing and discontinued operations. An analysis of the profit for the periods for the discontinued operation presented on the consolidated statement of profit or loss and other comprehensive income and the net cash flows attributable to the operating, investing and financing activities is disclosed in note 15.

Foreign exchange translations

The foreign currency translation reserve reported at 30 September 2024 of R186 million decreased by R171 million compared to R357 million as at 31 March 2024 of which, R147 million is due to a stronger Rand against significant translated currencies, in particular:

Currency	30 September 2024	31 March 2024
US dollar	US\$1: R17.22	US\$1: R18.96
Singapore dollar	SGD1: R13.43	SGD1: R14.06
Chinese yuan renminbi	CNY1: R2.46	CNY1: R2.61
British pound	GBP1: R23.05	GBP1: R23.99

The decrease also includes R40 million reclassified to profit for the period, on the disposal of KMP Holdings Limited, offset by, R16 million transferred from non-controlling interests and retained earnings.

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

Notes to the financial information

5. Stated capital - ordinary shares, treasury shares and preference shares

Preference shares redeemed

During the current period, the Group redeemed all its issued R100 preference shares in issue, totaling 6 857 757 shares, for a redemption amount of R102.50 per share (R703 million).

	Unaudited six months ended		Audited year ended
	30 September	30 September	31 March
	2024	2023	2024
	R'000	R'000	R'000
Reconciliation of movements			
Stated capital - ordinary no par value shares			
Balance at the beginning of the period	2,331,578	2,403,858	2,403,858
Shares cancelled	–	–	(72,280)
Balance at the end of the period	2,331,578	2,403,858	2,331,578
Treasury shares			
Balance at the beginning of the period - ordinary shares	–	(30,874)	(30,874)
Ordinary shares purchased	–	(24,725)	(55,404)
Disposed to directors - share based payments exercised/settled	–	–	11,831
Ordinary shares cancelled	–	–	74,447
Ordinary treasury shares at the end of the period	–	(55,599)	–
Preference shares purchased	–	(21,564)	(26,724)
Preference shares cancelled	–	–	26,724
Total ordinary and preference shares at the end of the	–	(77,163)	–
Preference shares			
Balance at the beginning of the period	685,776	712,500	712,500
Shares redeemed	(685,776)	–	–
Shares repurchased and cancelled	–	–	(26,724)
Balance at the end of the period	–	712,500	685,776
Reconciliation of movements in issued shares (number of issued shares)			
Stated capital - ordinary no par value shares			
Balance at the beginning of the period	96,842,425	98,844,589	99,844,589
Shares cancelled	–	–	(3,002,164)
Balance at the end of the period	96,842,425	98,844,589	96,842,425
Ordinary no par value treasury shares held			
Balance at the beginning of the period	–	1,131,968	1,131,968
Shares purchased	–	1,026,957	2,294,672
Disposed to directors - share based payments exercised/settled	–	–	(424,476)
Shares cancelled	–	–	(3,002,164)
Balance at the end of the period	–	2,158,925	–
Preference treasury shares held			
Balance at the beginning of the period	–	–	–
Shares purchased	–	215,639	267,243
Shares cancelled	–	–	(267,243)
Balance at the end of the period	–	215,639	–
Total preference shares issued			
Balance at the beginning of the period	6,857,757	7,125,000	7,125,000
Shares redeemed	(6,857,757)	–	–
Preference shares repurchased and cancelled	–	–	(267,243)
Balance at the end of the period	–	7,125,000	6,857,757

Notes to the financial information

6. Borrowings

Description	Interest rate	Maturity	Unaudited six months ended		Audited year ended
			30 September	30 September	31 March
			2024	2023	2024
			R'000	R'000	R'000
Secured borrowings					
Mortgage bonds*	Prime	120 months tenor	156,918	146,192	172,354
Standard Bank GBP revolving credit facility**	SONIA	December 2024	–	81,742	181,392
Nedbank revolving credit facility**,***	JIBAR overnight deposit	February 2025	–	582,432	–
Nedbank revolving credit facility**,****	JIBAR plus 1.8%	March 2029	639,050	–	375,363
RMB revolving credit facility**,****	JIBAR overnight deposit	February 2025	–	100,000	–
RMB revolving credit facility**,****	JIBAR plus 1.9%	March 2029	567,382	–	307,641
ABSA USD term loan**	3.80% fixed		–	138,344	–
Asset financing loan**	Prime	48 to 60 months tenor	126,105	125,704	130,501
Unsecured borrowings					
Bank overdraft	Bank of England rate plus 1,95%		–	–	15,837
Overnight credit facilities	Prime less 1% to 2.25%			145,000	–
Other borrowings	0% to 9.23%	On demand to April 2026	47,163	38,868	29,219
Total borrowings			1,536,618	1,358,282	1,212,307
Less: Current borrowings			(318,847)	(204,490)	(106,821)
Non-current borrowings			1,217,771	1,153,792	1,105,486

*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.

*** During the 2024 financial year these loans were modified to extend the maturity of the loans from February 2025 to March 2029. The terms of the loans were substantially modified and as a result the existing revolving credit facilities were derecognised on modification and the modified revolving credit facilities were recognised as new loans. The modification had no impact on the consolidated statement of profit or loss and other comprehensive income.

**** During the current financial period, the Nedbank revolving credit facility was increased from R500 million to R640 million and the RMB revolving credit facility was increased from R500 million to R640 million.

Notes to the financial information

6. Borrowings (continued)

	Unaudited six months ended		Audited
	30 September	30 September	year ended
	2024	2023	2024
	R'000	R'000	R'000
Reconciliation of borrowings movement			
Balance at the beginning of the period	1,212,307	1,315,310	1,315,310
Funds raised	557,510	504,847	549,084
Interest accrued	63,245	59,622	124,594
Payments of capital	(213,813)	(522,290)	(754,586)
Payments of interest	(63,794)	(56,789)	(123,836)
Acquisition of subsidiaries	–	3,794	14,774
Vehicle asset financing non-cash item	16,210	33,222	56,632
Derecognition of long-term borrowings	–	–	(682,432)
Recognition of long-term borrowings	–	–	682,432
Other non-cash items	3,742	(294)	4,165
Foreign currency translation	(6,014)	20,860	26,170
Balance at the end of the period	1,536,618	1,358,282	1,212,307

7. Revenue

	Unaudited six months ended		Audited
	30 September	30 September*	Year ended
	2024	2023	2024
	R'000	R'000	R'000
<i>Revenue from contracts with customers</i>			
Sale of goods	3,907,116	3,831,175	7,478,209
-Equipment and parts*	963,438	962,498	1,852,208
-Engineering consumables and tools	2,718,091	2,653,055	5,247,418
-Plastic pipe ware and hardware	225,587	215,622	378,583
Rendering of services	46,678	53,052	85,098
Rental income	49,203	44,330	85,250
Total revenue*	4,002,997	3,928,557	7,648,557

Geographical sales*

South Africa operations and other African operations comprise 80% (September 2023: 82%) and 12% (September 2023: 13%) of the Group revenue respectively, with the remaining 8% (September 2023: 5%) being operations in Europe.

*30 September 2023 and 31 March 2024 have been represented to exclude KMP Holdings Limited presented as a discontinued operation (note 4 and note 15).

Notes to the financial information

8. Operating profit

	Unaudited six months ended		Year ended
			Audited
	30 September 2024 R'000	30 September 2023 R'000	31 March 2024 R'000
Operating profit includes the following:			
Income			
Profit on disposal of property, plant and equipment	3,298	3,505	11,442
Profit on disposal of subsidiaries	20,486	605	605
Profit on derecognition of right-of-use assets and right-of-use lease liabilities	1,719	29	1,606
Expenses			
Depreciation**	53,423	49,862	101,737
Amortisation of other intangible assets**	7,837	8,969	15,222
Depreciation of right-of-use assets**	37,962	35,123	73,331
Operating lease expenses***	5,682	3,413	9,525
Impairment of property, plant and equipment	–	–	8
Impairment of property classified to held for sale	–	–	200
Impairment of investment property	–	–	1,300
Impairment of other intangible assets	–	–	20,476
Fair value adjustment on profit share liability	–	–	3,557
Fair value adjustment - interest rate swaps	–	3,311	3,311
Fair value adjustment - change in control of equity investment in BMG China	–	–	678
Loss on disposal of subsidiary	3,173	–	–
Loss on disposal of property, plant and equipment	230	1,804	3,259
Loss on disposal of investment property	420	–	–
Loss on termination of interest rate swaps	–	1,207	1,207
Auditors' remuneration**	12,532	9,490	23,666
Employment benefit expense	599,102	591,162	1,175,779
- Short-term employee benefit expense**	553,122	548,391	1,087,091
- Defined contribution plan expense**	36,889	33,768	68,241
- Equity settled share-based payment expenses - equity settled	9,091	9,003	17,666
- Equity settled share-based payment expenses - options exercised	–	–	2,781

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

**30 September 2023 and 31 March 2024 have been represented to exclude KMP Holdings Limited presented as a discontinued operation (note 4 and note 15).

Notes to the financial information

9. Income taxation

	Unaudited six months ended		Audited
	30 September	30 September	year ended
	2024	2023*	31 March
	R'000	R'000	R'000
Current taxation			
– current year	28,874	24,738	95,864
Deferred taxation			
– current year	29,581	37,345	5,810
Withholding tax	1,567	1,496	10,157
Share transfer tax	1,757	123	271
Current taxation in foreign jurisdictions	35,216	28,419	64,054
Taxation expense	96,995	92,121	176,156
Reconciliation of effective tax rate	%	%	%
Tax rate using the Group's domestic tax rate	27.0	27.0	27.0
Profit on disposal of subsidiary	(1.2)	–	–
Share in profit of associates and joint ventures	(5.8)	(7.3)	(6.4)
<i>Tax effect of exempt/non-taxable income:</i>			
Employee tax incentive	–	–	(0.1)
Profit share liability revaluation	–	–	(0.1)
Other permanent differences and exempt income**	(0.2)	0.7	(0.4)
<i>Taxation effect of non-deductible expenses:</i>			
Consulting, legal, and secretarial fees	0.1	–	0.3
Amortisation of agency rights	–	–	0.1
Leasehold depreciation	–	0.2	–
Penalties and interest	1.0	–	0.1
Expenditure apportioned due to exempt income	0.3	–	0.8
Other non-deductible expenses	0.8	–	–
<i>Foreign taxation:</i>			
Effect of tax rates in foreign jurisdictions	0.4	(0.4)	0.4
Capital gains tax differential	–	0.1	0.3
Learnership allowances	(0.2)	(0.3)	(0.5)
Taxation adjustments	1.5	–	0.3
Share transfer tax	0.5	–	–
Dividend withholding tax	0.5	0.2	0.9
Tax losses where no deferred taxation asset has been recognised	1.7	1.6	1.7
Tax losses utilised where no deferred taxation asset previously recognised	(0.2)	(0.4)	(0.2)
Effective tax rate	26.2	21.4	24.2

*30 September 2023 and 31 March 2024 have been represented to exclude KMP Holdings Limited presented as a discontinued operation (note 4 and note 15).

**Other permanent differences and exempt income comprise foreign statutory exempt income and disallowable expenditure and, value added taxation disallowed.

Notes to the financial information

10. Earnings per share

	Unaudited six months ended		Audited
	30 September	30 September	year ended
	2024	2023	31 March
Earnings per share (cents)			2024
Basic earnings per share from continuing operations*	251	284	459
Basic earnings per share from discontinued operations*	–	20	33
Basic earnings per share	251	304	492
Diluted earnings per share from continuing operations*	250	283	459
Diluted earnings per share from discontinued operations*	–	20	33
Diluted earnings per share	250	303	492
Headline earnings per share from continuing operations*	231	249	437
Headline earnings per share from discontinued operations*	–	20	33
Headline earnings per share	231	269	470
Diluted headline earnings per share from continuing operations*	230	248	437
Diluted headline earnings per share from discontinued operations*	–	20	33
Diluted headline earnings per share	230	268	470
Sustainable headline earnings per share from continuing operations**	240	257	453
Sustainable headline earnings per share from discontinued operations**	–	21	35
Sustainable headline earnings per share**	240	278	488
Diluted sustainable headline earnings per share from continuing operations**	240	256	453
Diluted sustainable headline earnings per share from discontinued operations**	–	21	35
Diluted sustainable headline earnings per share**	240	277	488

Ordinary shares ('000)

In Issue	96,842	99,845	96,842
Weighted average	96,842	98,664	97,698
Diluted weighted average	97,098	99,007	97,698

Weighted average number of ordinary shares ('000)

Issued shares (net of treasury shares) at the beginning of the period	96,842	98,713	98,713
Ordinary shares repurchased during the period	–	(49)	(1,015)
Balance at the end of the period	96,842	98,664	97,698

Diluted weighted average number of ordinary shares ('000)

Weighted average number of ordinary shares for the period	96,842	98,664	97,698
Add: Dilutive effect of equity settled share-based payments	256	343	–
Balance at the end of for the period	97,098	99,007	97,698

The share-based payment option tranches 14, 15, 18 and 19 at 30 September 2023 and tranches 18, 19 and 20 at 31 March 2024 were non-dilutive as the options were 'out of the money' and have not been included in the table above.

Headline earnings*

	R'000	R'000	R'000
Profit from continuing operations attributable to owners of the parent	242,615	280,216	448,551
Adjusted for: Profit for the year from discontinued operations	–	19,687	31,982
Profit attributable to owners of the parent - ordinary shares	242,615	299,903	480,533

*30 September 2023 and 31 March 2024 have been represented to present KMP Holdings Limited as a discontinued operation (note 4 and note 15).

**Pro-forma financial information presented (note 1).

Notes to the financial information

10. Earnings per share (continued)

	Unaudited six months ended 30 September	30 September	Audited year 31 March
	2024	2023	2024
Continued operations:			
Profit from continuing operations attributable to owners of the parent	242,615	280,216	448,551
<i>Adjustments for:</i>			
Profit on disposal of property, plant and equipment	(3,298)	(3,505)	(11,442)
Less: Taxation thereon	889	924	2,666
Less: Other shareholders interest thereon	–	–	2
Loss on disposal of property, plant and equipment	230	1,804	3,259
Less: Taxation thereon	(63)	(169)	(701)
Less: Other shareholders interest thereon	(5)	–	(59)
Loss on disposal of investment property	420	–	–
Profit on disposal of subsidiaries	(20,486)	(605)	(605)
Less: Taxation thereon	–	–	19
Loss on disposal of subsidiary	3,173	–	–
Impairment of other intangible assets	–	–	20,476
Less: Taxation thereon	–	–	(5,529)
Impairment of investment property	–	–	1,300
Less: Taxation thereon	–	–	(281)
Impairment of property, plant and equipment	–	–	8
Less: Taxation thereon	–	–	(2)
Impairment of property classified to held for sale	–	–	200
Less: Taxation thereon	–	–	(43)
Fair value loss - change in control of equity investment BMG China	–	–	678
Profit on disposal of investment included in equity accounted earnings, post taxation	–	(33,218)	(31,458)
Profit on disposal of property, plant and equipment included in equity-accounted earnings post taxation	–	(203)	–
Headline earnings from continuing operations*	223,475	245,244	427,039
Discontinued operations:			
Profit for the period from discontinued operations	–	19,687	31,982
Headline earnings from discontinued operations*	–	19,687	31,982
Headline earnings	223,475	264,931	459,021
Sustainable headline earnings**			
Continued operations:			
Headline earnings from continuing operations	223,475	245,244	427,039
<i>Adjustments for:</i>			
Amortisation of intangible assets in equity accounted earnings - acquisition of MIH and KKB by KAG	7,077	7,184	14,425
Amortisation of intangible assets - acquisition of Nationwide Bearing Company Limited	2,885	–	–
Less: Taxation thereon	(721)	–	–
Early termination of interest rate swaps	–	1,207	1,207
Less: Taxation thereon	–	(326)	(326)
Sustainable headline earnings from continuing operations	232,716	253,309	442,345
Discontinued operations:			
Profit for the period from discontinued operations	–	19,687	31,982
<i>Adjustments for:</i>			
Amortisation of intangible assets - acquisition of KMP Holdings Limited	–	1,657	3,316
Less: Taxation thereon	–	(414)	(829)
Sustainable headline earnings adjustments from discontinued operations	–	20,930	34,469
Sustainable headline earnings	232,716	274,239	476,814

*30 September 2023 and 31 March 2024 have been represented to present KMP Holdings Limited as a discontinued operation (note 4 and note 15).

**Pro-forma financial information presented (note 1).

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
	2024	2023	2024
	R'000	R'000	R'000
Profit before taxation	370,787	452,569	768,940
From continuing operations	370,787	428,447	728,291
From discontinued operations	–	24,122	40,649
<i>Adjusted for:</i>			
Finance income from financing transactions	(15,706)	(6,551)	(20,911)
Finance costs on financing transactions	10,872	4,281	12,025
Finance income	(23,919)	(25,288)	(48,007)
Finance costs	87,524	85,896	177,112
Share of profits of associates	130	(7,310)	(5,702)
Share of profits of joint ventures	(78,830)	(110,135)	(172,094)
Fair value adjustment on profit share liability	–	–	3,557
Profit on disposal of property, plant and equipment	(3,298)	(3,505)	(11,442)
Profit on disposal of subsidiaries	(20,486)	(605)	(605)
Profit on derecognition of right-of-use assets and right-of-use lease liabilities	(2,499)	(29)	(2,179)
Loss on derecognition of right-of-use assets and right-of-use lease liabilities	780	–	573
Depreciation	91,385	97,271	198,794
Amortisation	7,837	10,626	18,538
Lease smoothing	(390)	(2)	(870)
Impairment of property classified as held for sale	–	–	200
Impairment of property, plant and equipment	–	–	8
Impairment of other intangible assets	–	–	20,476
Impairment of investment property	–	–	1,300
Loss on disposal of property, plant and equipment	230	1,804	3,259
Loss on disposal of investment property	420	–	–
Share-based payment expenses - equity settled	9,091	9,003	17,666
Share-based payment expenses - options exercised	–	–	2,781
Loss on termination of interest rate swaps	–	1,207	1,207
Fair value loss - change in control of equity investment in BMG China	–	–	678
Revaluation of derivatives	–	3,311	3,311
Retirement obligation accrual	–	(15)	48
Other non-cash adjustments	–	–	(899)
Loss on disposal of subsidiary	3,173	–	–
Cash generated before movements in working capital	437,101	512,528	967,764
Working capital changes:	(104,997)	(190,140)	(149,902)
Increase in inventories	(4,225)	(13,115)	(98,864)
(Increase)/decrease in trade and other receivables	(63,159)	111,071	86,747
Increase/(decrease) in trade and other payables	90,547	(100,003)	37,778
Decrease in employee benefit bonus incentives	(95,161)	(87,966)	(36,229)
Increase in net investment in finance leases*	(32,999)	(100,127)	(139,334)
Cash generated from operations	332,104	322,388	817,862

*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 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, considering cash flow projections and expected movements in interest rates.

	Unaudited six months ended		Audited
	30 September	30 September	year ended
	2024	2023	2024
	R'000	R'000	31 March
			R'000
Total interest-bearing debt	1,991,797	1,749,018	1,659,329
Less: Cash and cash equivalents	(714,024)	(723,210)	(904,652)
Net interest-bearing debt	1,277,773	1,025,808	754,677
Total equity	5,038,969	5,588,985	5,770,060
Net debt to equity ratio	25%	18%	13%

Categories for financial instruments

	Unaudited six months ended		Audited
	30 September	30 September	year ended
	2024	2023	2024
	R'000	R'000	31 March
			R'000
Financial assets			
Net investment in finance lease – in scope of IFRS 16 <i>Leases</i>	246,674	173,952	213,675
Loan and other receivables – amortised cost	108,341	171,537	97,571
Derivatives - forward exchange contracts – mandatory fair value through profit or loss	93	170	329
Trade and other receivables – amortised cost	1,199,498	1,130,558	1,143,936
Cash and cash equivalents – amortised cost	733,724	746,846	998,684
Financial liabilities			
Borrowings – amortised cost	1,536,618	1,358,282	1,212,307
Right-of-use lease liabilities – in scope of IFRS 16 <i>Leases</i>	253,708	274,933	271,332
Finance lease liabilities – amortised cost	201,471	115,803	175,690
Trade and other payables – amortised cost	1,340,200	1,242,399	1,334,989
Trade and other payables – mandatory fair value through profit or loss	28,481	–	–
Derivatives - forward exchange contracts – mandatory fair value through profit or loss	14,332	1,539	523
Profit share liability – mandatory fair value through profit or loss	89,246	71,033	78,497
Bank overdrafts – amortised cost	19,700	23,636	94,032

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.

Notes to the financial information

12. Capital risk management and financial instruments (continued)

Financial instruments measured at fair value (continued)

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.

2024	Unaudited six months ended 30 September				
	Balance at reporting date	Valuation technique(s) and key	Level 1	Level 2	Level 3
	R'000				
Financial assets at fair value					
Derivatives - forward exchange contracts	93	1	93	–	–
Financial liabilities at fair value					
Profit share liability	89,246	2	–	–	89,246
Derivatives - forward exchange contracts	14,332	1	14,332	–	–
2023					
Financial assets at fair value					
Derivatives - forward exchange contracts	170	1	170	–	–
Financial liabilities at fair value					
Profit share liability	71,033	2	–	–	71,033
Derivatives - forward exchange contracts	1,539	1	1,539	–	–

2024	Audited year ended 31 March				
	Balance at reporting date	Valuation technique(s) and key	Level 1	Level 2	Level 3
	R'000				
Financial assets at fair value					
Derivatives - forward exchange contracts	329	1	329	–	–
Financial liabilities at fair value					
Profit share liability	78,497	2	–	–	78,497
Derivatives - forward exchange contracts	523	1	523	–	–

Valuation technique(s) and key inputs:

1.Expected settlement value.

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

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

Movements in Level 3 financial liabilities are as follows:

	Unaudited six months ended		Audited year
	30 September	30 September	31 March
	2024	2023	2024
	R'000	R'000	R'000
Profit share liability at fair value			
Fair value at the beginning of the period	78,497	77,779	77,779
Fair value adjustment recognised in profit or loss	–	–	3,557
Other adjustment*	11,343	337	3,861
Foreign currency translation	(121)	83	84
Payments	(473)	(7,166)	(6,784)
Fair value at the end of the period	89,246	71,033	78,497

*The R11 million in the current period relates to new participants eligible for the profit share.

Notes to the financial information

13. Acquisition of subsidiaries

Acquisition of Nationwide Bearing Company Limited

Effective 1 April 2024, the Group acquired a 100% shareholding interest in Nationwide Bearing Company Limited for a purchase consideration of GBP12.4 million (R294 million). Nationwide Bearing Company Limited is a company based in the United Kingdom and supplies consumable parts to the earth moving and agricultural machinery aftermarkets. The product offering includes such items as bearings, belts, bushes and seals with its own proprietary, in-house developed brand, NWB. The NWB branded products are developed internally and manufactured via a network of outsourced partners across the world. The Group acquired control in Nationwide Bearing Company Limited which is consolidated from 1 April 2024 and reported in the RPE: Earthmoving operating segment.

The Group's strategic focus is to diversify into geographical areas in the industries and markets in which the Group has significant experience and strong management capabilities. Nationwide Bearing Company Limited is operating successfully in the British and European aftermarket parts distribution industry and its acquisition provides a platform for the Group to grow its global RPE business. The Group aims to realise synergies through existing procurement capabilities by sourcing inventory for Nationwide Bearing Company Limited's clients on a more cost-effective basis and providing access to a broader range of products. In addition, Nationwide Bearing Company Limited has product ranges which can be cross sold into the Group's existing operations.

The Group has performed a preliminary purchase price allocation based on balances reported by Nationwide Bearing Company Limited at 31 March 2024. The purchase price allocation is subject to final settlement of a contingent consideration of GBP1.2 million payable 12 months from the acquisition date, subject to any claims against the seller.

The fair value of the assets and liabilities acquired is as follows:

	Unaudited six months ended 30 September 2024
	Total
	R'000
Property, plant and equipment	283
Other intangible assets	35,526
Inventories	102,842
Trade and other receivables*	22,706
Cash and cash equivalents	107,116
Assets classified as held for sale	4,557
Deferred taxation	(4,341)
Trade and other payables	(2,418)
Current taxation	(7,141)
Fair value of net assets acquired	259,130
Cash purchase consideration	265,063
Amounts due to seller**	28,481
Total purchase consideration	293,544
Goodwill recognised at acquisition	34,414
Cash paid	265,063
Cash and cash equivalents acquired	(107,116)
Cash outflow on acquisition of subsidiary	157,947
Profit after taxation since acquisition date included in the consolidated results for the period	18,330
Revenue since acquisition date included in the consolidated results for the period	60,400

*The gross contractual amounts of trade and other receivables at the acquisition date are R23 million. The estimate of contractual cash flows expected not to be collected is R1 million.

**Contractually agreed contingent consideration of £1.2 million payable 12 months from the acquisition date, subject to any claims against the seller. As at 30 September 2024, the £1.2 million is included in trade and other payables.

Goodwill

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

Acquisition costs

Acquisition costs of £100 thousand have been incurred and recognised in selling, administrative and distribution costs.

Notes to the financial information

14. Disposal of subsidiaries

Disposal of KMP Holdings Limited

Effective 1 April 2024, the Group disposed of its 100% shareholding in KMP Holdings Limited to Kian Ann Engineering Pte. Ltd (KAG) in which, the Group holds a 48.81% interest, for a consideration of GBP12.6 million (R293 million). KMP Holdings Limited formed part of RPE: Earthmoving operating segment and has been deconsolidated from the effective date of disposal.

Disposal of Abrasive Flow Solutions (Pty) Ltd

Effective 1 August 2024, the Group disposed of its 51% shareholdings in Abrasive Flow Solutions (Pty) Ltd for a consideration of R7 million. Abrasive Flow Solutions (Pty) Ltd formed part of the RPI: Industrial operating segment and has been deconsolidated from the effective date of disposal.

The net assets disposed of and the gain or loss recognised on the disposals is as follows:

	Unaudited six months ended 30 September 2024		
	Abrasive Flow Solutions (Pty) Ltd R'000	KMP Holdings Ltd R'000	Total R'000
Net assets disposed of:			
Property, plant and equipment	123	66,885	67,008
Right of use assets	30	48,089	48,119
Goodwill	–	49,071	49,071
Other intangible assets	–	16,081	16,081
Investment in joint venture	–	35,662	35,662
Deferred taxation asset	701	1,099	1,800
Inventories	5,504	260,627	266,131
Trade and other receivables	2,176	66,122	68,298
Current taxation asset	–	1,658	1,658
Cash and cash equivalents	804	22,383	23,187
Borrowings	–	(32,775)	(32,775)
Right of use lease liabilities	–	(50,146)	(50,146)
Deferred taxation liability	–	(6,762)	(6,762)
Trade and other payables	(1,114)	(54,606)	(55,720)
Employee benefit bonus incentive	(46)	(4,136)	(4,182)
Current right of use lease liabilities	(34)	–	(34)
Current taxation	(201)	(7,305)	(7,506)
Bank overdraft	–	(74,332)	(74,332)
Net assets disposed of	7,943	337,615	345,558
Proceeds received	7,000	292,975	299,975
Foreign currency translation reserve reclassified to profit or loss	–	39,725	39,725
Non-controlling interest derecognised	(396)	–	(396)
Net assets disposed	(7,943)	(337,615)	(345,558)
Loss on disposal of subsidiaries	(1,339)	(4,915)	(6,254)
Loan receivable recognised on disposal	–	33,091	33,091
Trade and other payables and loan liability recognised on disposal	(1,834)	(7,690)	(9,524)
Net (loss)/gain on disposal of subsidiaries	(3,173)	20,486	17,313
Proceeds received	7,000	332,700	339,700
Cash and cash equivalents disposed	(804)	51,949	51,145
Total cash inflow on disposal of subsidiaries	6,196	384,649	390,845

Notes to the financial information

15. Discontinued operations

KMP Holdings Limited

The table below presents the analysis of the profit for the period from discontinued operations as a result of the disposal of KMP Holdings Limited (note 14) and the net cash flows attributable to the operating, investing and financing activities:

	Unaudited six months ended 30 September	Audited year ended 31 March
	2023 R'000	2024 R'000
KMP Holdings Limited		
Profit for the period from discontinued operations		
Revenue	363,088	630,420
Cost of sales	(226,410)	(363,878)
Gross profit	136,678	266,542
Expected credit losses recognised on trade receivables	(325)	(252)
Selling, administration and distribution costs	(108,998)	(216,745)
Operating profit before net finance income on financing transactions and foreign exchange movements	27,355	49,545
Foreign exchange gains	5,498	7,503
Foreign exchange losses and costs	(4,645)	(9,692)
Operating profit	28,208	47,356
Equity accounted earnings from investment in joint ventures	2,061	5,387
Finance costs	(6,147)	(12,094)
Profit before taxation	24,122	40,649
Taxation expense	(4,435)	(8,667)
Profit for the period from discontinued operations	19,687	31,982
Cash flows from discontinued operations		
Net cash inflow from operating activities	30,023	6,862
Net cash outflow from investing activities	(30,183)	(26,122)
Net cash outflow from financing activities	(8,770)	(20,146)
Effect of foreign exchange rate movement on cash balance	(722)	(1,848)
Net cash outflow attributable to discontinued operations	(9,652)	(41,254)

16. Dividends paid

A cash dividend of 105 cents per ordinary share was paid on 5 August 2024 to the shareholders registered on 2 August 2024 and a cash preference dividend of 771.02 cents per preference share was paid on 8 July 2024 to shareholders registered on 5 June 2024.

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

Contingent liabilities

The banks have guaranteed R25.7 million (31 March 2024: R28.2 million) on behalf of the Group to creditors.

Commitments for property, plant and equipment

The Group has committed R9 million (September 2023: R7 million) for the purchase of plant and equipment as at 30 September 2024.

18. Events after the reporting date

There have been no material events after the reporting date.

Notes to the financial information

19. 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 2024 other than the disposal of KMP Holdings Limited to the KAG which is detailed in note 14.

20. Seasonality

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

Administrative and corporate information

Invicta Holdings Limited

Registration number 1966/002182/06

Ordinary Share code: IVT Ordinary Share ISIN ZAE000029773

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

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Tel: 011 370 5000 www.computershare.com

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

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

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

Group company secretary: Sade Lekena

