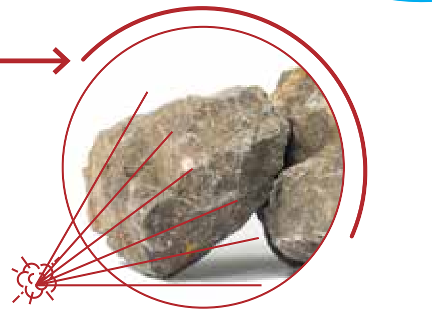
SHORT FORM ANNOUNCEMENT

Audited results for the year ended 31 March 2020

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



FINANCIAL HIGHLIGHTS AND SALIENT FEATURES

Continued robust execution of **turnaround plan**

Oversubscribed rights issue of **R2 billion** successfully concluded

Sustainable **debt package finalised**

Revenue stable at **R18.7 billion** (2019: R18.6 billion)

Operating profit increased to **R789 million** (2019: R24 million)

Profit after tax increased to **R129 million** (2019: R407 million loss)

Earnings per share of **99 cents** (2019: 530 cents loss)

Headline earnings per share of **189 cents** (2019: 97 cents loss)

EBITDA, excluding impairments, **increased** to **R1.8 billion** (2019: R979 million)

Net debt reduced to **R1.88 billion** (2019: R4.40 billion)

Net debt to EBITDA ratio, excluding impairments **down** to **1.0** (2019: 4.5)

Net working capital decreased to **R3.9 billion** (2019: R4.2 billion)

Net asset value increased to **R9.7 billion** (2019: R7.2 billion)

No final dividend declared (2019: nil cents)

The **Recordable Case Rate increased** to **0.49** (2019: 0.36)

Level 3 B-BBEE rating

The robust execution of our turnaround plan has placed Omnia in a strong position. The excellent results achieved thus far in a challenging environment provide the foundation to continue driving long-term sustainable value, enhancing efficiencies and optimising returns. This approach remains especially critical given the significant structural changes in our sectors and the uncertainty created by the COVID-19 pandemic. – Seelan Gobalsamy (CEO)

COVID-19 pandemic

The Group operates across a number of countries. Omnia's response to COVID-19 has been guided firstly by relevant national authorities, and secondly by international guidelines such as those issued by the World Health Organization. As a responsible corporate citizen, Omnia continues to take extensive measures to ensure the welfare of its people and partners around the world, while delivering essential services to its customers during this difficult period. Omnia's internal policies and risk management practices are constantly reviewed and updated to ensure that they continue to align with the rapidly evolving health and economic situations.

Since the start of the pandemic, Omnia has continued to deliver essential services, including primary chemicals and solutions for the agriculture, mining, manufacturing and fuel sectors which play an essential role in food security, economic stability and the livelihoods of people globally. The beginning of the financial year is traditionally a quieter time and a number of Omnia's manufacturing plants in South Africa have undergone planned maintenance shutdowns over the past few weeks. These plants are back in operation at the capacities required for the upcoming planting season and demand by the mining sector. All operations are working in line with lockdown regulations and under strict conditions to minimise the potential for COVID-19 transmission.

Financial results

Omnia continues to implement its turnaround plan and restructuring processes. During the 2020 financial year, this plan focused on creating a sustainable platform for growth while addressing cost reduction, effectively managing working capital and ensuring a return on capital previously invested. Omnia's prudent cash management strategy and disciplined execution has strengthened its balance sheet and resulted in strong earnings growth.

The Group's operating profit amounted to R789 million for FY2020 compared to R24 million for the comparative period and profit after tax of R129 million for FY2020 compared to a loss after tax of R407 million for the comparative period.

The key factors driving operating profit in the three main divisions were as follows:

The **Agriculture** division experienced a difficult year in the Southern African Development Community but showed strong growth in the international AgriBio sector. Improved agronomic conditions and timely rain across southern Africa supported reasonable fertilizer sales volumes, while the weakening Rand/US Dollar exchange rate and an improved ammonia-to-urea ratio supported margins. These factors were unfortunately offset by increased margin pressure due to sustained low international commodity prices (both fertilizers and grain commodities) and above inflationary cost increases. Reduced sales to the Mining division, following the extended electricity shortage in December 2019, also negatively impacted production recoveries. Decisive management action to improve efficiencies across the business has been taken and this will continue into FY2021. Growth in the AgriBio sector was supported by increased humate export sales from Australia and a strong performance from Oro Agri. Agriculture was classified an essential service across all territories in which Omnia operates, and other than occasional supply chain delays, the COVID-19 impact on the division has not been significant. Hyperinflation in Zimbabwe continues to impact earnings; hence, operations have been rationalised to cope with the negative impact of liquidity constraints and hyperinflation. Operating profit for the division increased to R593 million for the year (2019: R370 million).

The **Mining** division delivered a mixed performance in the year. In South Africa, the mining sector had a difficult year, as it was significantly affected by load shedding, which caused several mines to close or significantly reduce production for the majority of December 2019 and January 2020. Lower sales volumes and the lower ammonia price, partly offset by a weakening Rand/US Dollar exchange rate, has contributed to the margin pressure. Outside South Africa, the division performed very well due to an increase in volumes sold in Zambia and Mali, as well as the weaker Rand increasing international revenue. Protea Mining Chemicals reflected improved profitability mainly from new sales of products and services into the copper and precious metals markets. Overall operating profit for the division increased to R356 million (2019: R169 million).

The **Chemicals** division returned to profitability, mainly due to the benefits of the restructuring process concluded in FY2019 and improved margins relating to optimised product mixes sold, despite lower sales volumes. Operating profit for Umongo Petroleum was down due to unrealised market-to-market forex losses. Operating profit for the division increased to R173 million (2019: R10 million).

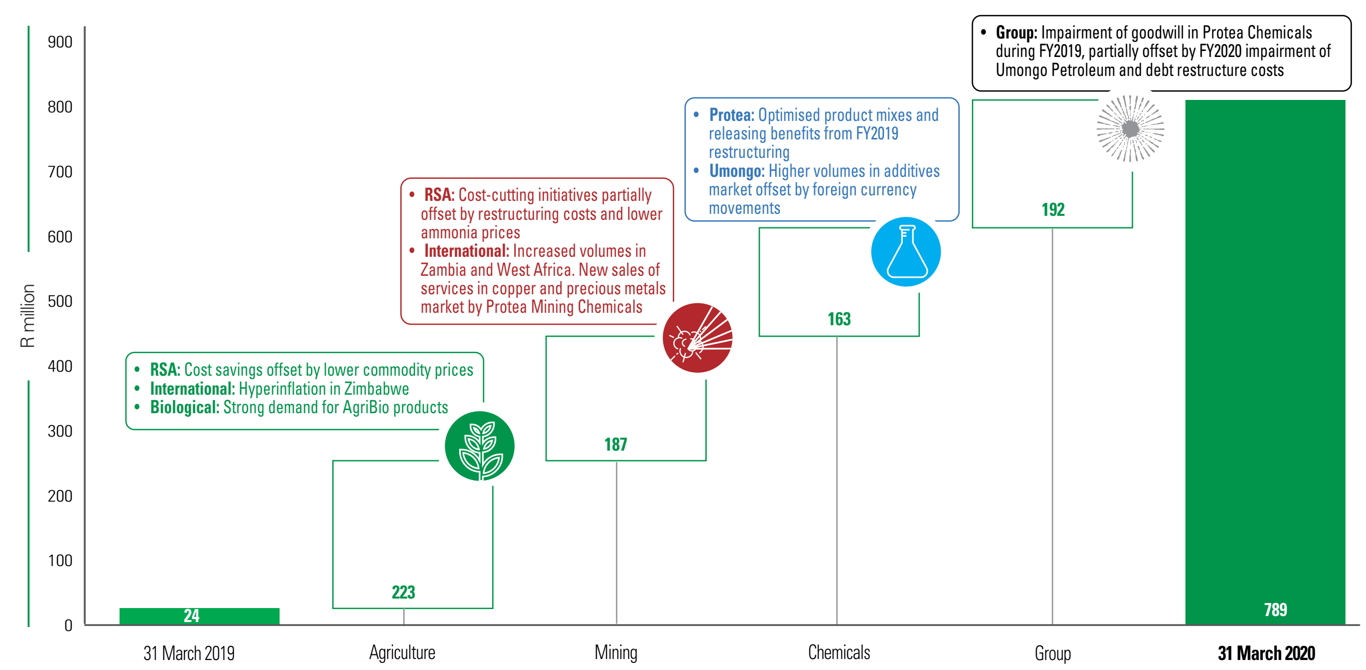
The Group's results include the following items:

- Impairment of Umongo Petroleum goodwill amounting to R105 million
- Debt restructure costs of R24 million
- Retrenchment costs across the Group amounting to R22 million
- EcoGypsum™ closure costs of R6 million
- Net gain on legal settlement of R14 million
- Monetary gain on hyperinflation amounting to R22 million

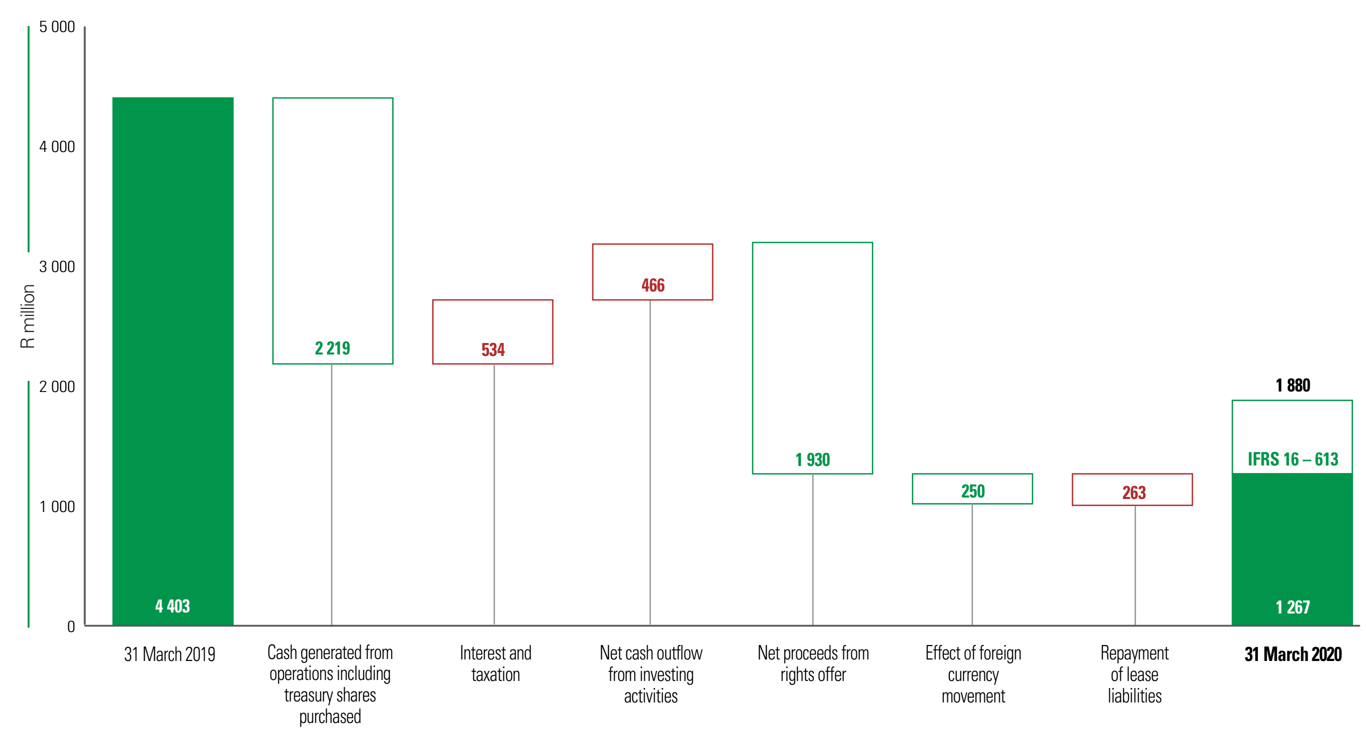
The Group's financial position strengthened significantly during the year. The execution and delivery against the turnaround plan, the successful oversubscribed R2 billion rights issue and the subsequent restructure of the Group's debt profile concluded in December 2019, contributed to the sustainable capital restructure. As at 31 March 2020, total assets increased by 9% to R18 088 million (2019: R16 647 million) and net debt reduced to R1 880 million, this includes the effects of IFRS 16 *Leases*, adopted for the first time from 1 April 2019 and R1 267 million, this excludes the impact of IFRS 16 *Leases* (2019: R4 403 million). As at 31 March 2020, covenant requirements were comfortably met and the Group had access to R3.7 billion undrawn facilities.

Net working capital reduced to R3 907 million (2019: R4 264 million). The improvement in working capital relates to a change in the inventory purchasing profile in Agriculture RSA, lower average inventory holding across the Group and better management of payables. Foreign debtor balances across all divisions reflected an increase due to the sharp deterioration in the Rand/US Dollar exchange rate at year-end. In addition to this, March is typically peak season in Agriculture Biological and as a result, debtor balances will increase in line with the increase in revenue.

Movement in operating profit per segment



Movement in net debt



SHORT FORM ANNOUNCEMENT – This announcement is a condensed version of the full announcement in respect of the audited financial results for the year ended 31 March 2020 of Omnia Holdings Limited and its subsidiaries and, as such, it does not contain full or complete details pertaining to the Group's results. The results have been audited by the company's external auditor, PricewaterhouseCoopers Inc., who expressed an unmodified opinion. Shareholders are advised that, in order to obtain a full understanding of the nature of the auditor's engagement and more specifically, the nature of the information that has been audited, they should obtain a copy of the auditor's report (available through the following link: **https://www.omnia.co.za/downloads/send/79-2020/257-group-financial-statements-2020**), which sets out key audit matters and the basis for the unmodified opinion together with the accompanying audited Group consolidated annual financial statements, both of which are available for inspection at the company's registered office, 2nd Floor, Omnia House, Epsom Downs Office Park, 13 Sloane Street, Epsom Downs, Bryanston, and the offices of Omnia's sponsor Java Capital Trustees and Sponsors Proprietary Limited, 2nd Floor, 6A Sandown Valley Crescent, Sandown, 2196, from 09:00 to 16:00 weekdays at no charge. Any investment decisions should be made based on the full announcement. The full announcement is available through the following link: **https://senspdf.jse.co.za/documents/2020/JSE/ISSE/OMN/FY20.pdf** and can also be found on the Group's website (**www.omnia.co.za**) or requested from Investor Relations at **omniaIR@omnia.co.za**. This condensed announcement is the responsibility of the board of directors of Omnia (the board) and has been approved.

Executive directors: T Gobalsamy (chief executive officer), S Serfontein (finance director) **Non-executive directors:** R Havenstein (chair), Prof N Binedell, R Bowen (British), F Butler, G Cavaleros, L de Beer, T Eboka, S Mncwango, T Mokgosi-Mwantembe, W Plaizier (Dutch), Z Swanepoel **Company secretary:** M Nana

7 July 2020