

# UNAUDITED FINANCIAL RESULTS for the six-month period ended 30 September 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)

PROTECTING LIVES.  
CREATING LIVELIHOODS.  
SECURING A BETTER  
WORLD.

## FINANCIAL HIGHLIGHTS



**Revenue stable**  
Continuing operations:  
**R8.2bn** (HY2020: R8.3bn)

**Operating profit increased**  
Continuing operations:  
**R341m** (HY2020: R273m)

**Net interest decreased**  
Continuing operations:  
**R136m** (HY2020: R280m)

**Profit after tax increased**  
Continuing operations:  
**R239m** (HY2020: R26m)

**Earnings per share increased**  
Continuing operations:  
**143 cents** (HY2020: 33 cents)

**Headline earnings per share increased**  
Continuing operations:  
**141 cents** (HY2020: 43 cents)

**EBITDA increased**  
Continuing operations:  
**R742m** (HY2020: R669m)  
(excluding impairment)

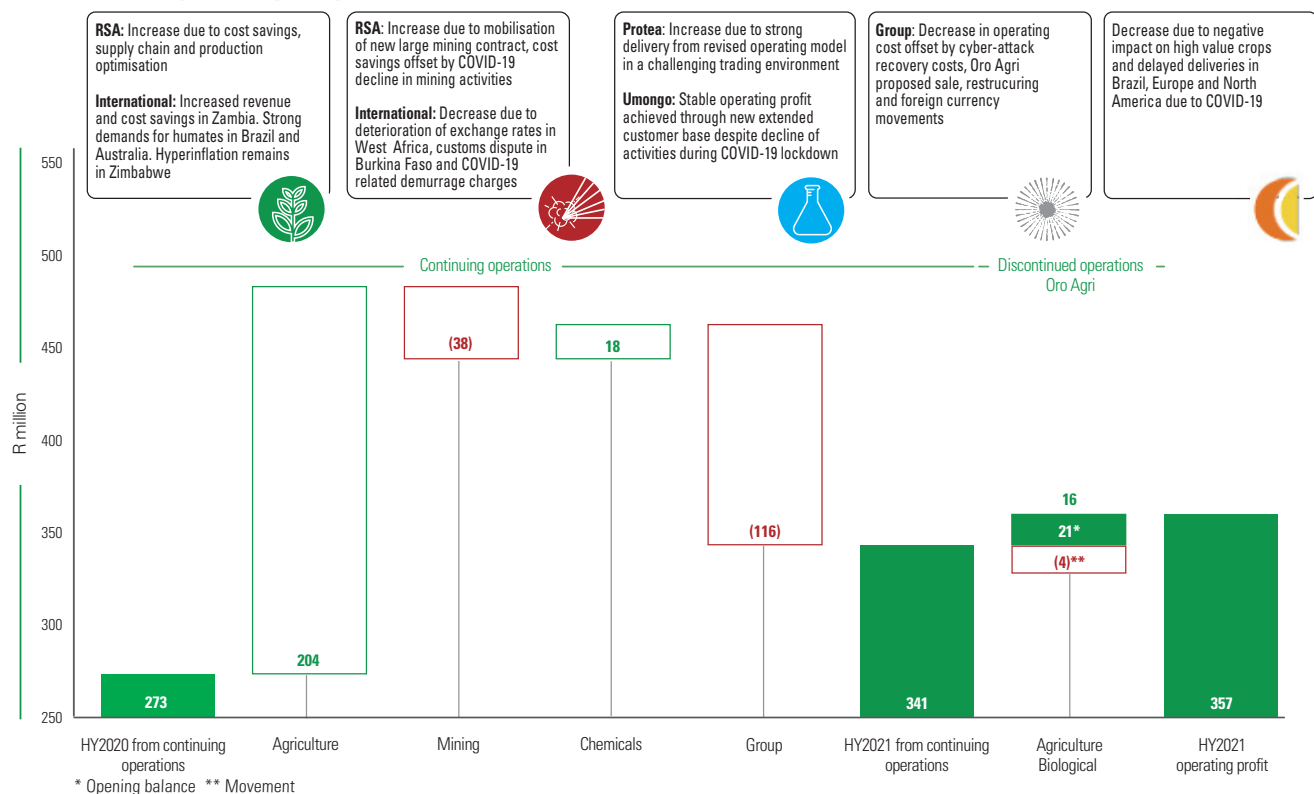
**Net working capital decreased**  
to **R3.7bn** (HY2020: R4.6bn)

**Net debt decreased**  
to **R1.9bn** (HY2020: R3.3bn)

**Net debt to EBITDA ratio down**  
(EBITDA 12-month rolling)  
Continuing operations:  
**1.2** (HY2020: 2.9)

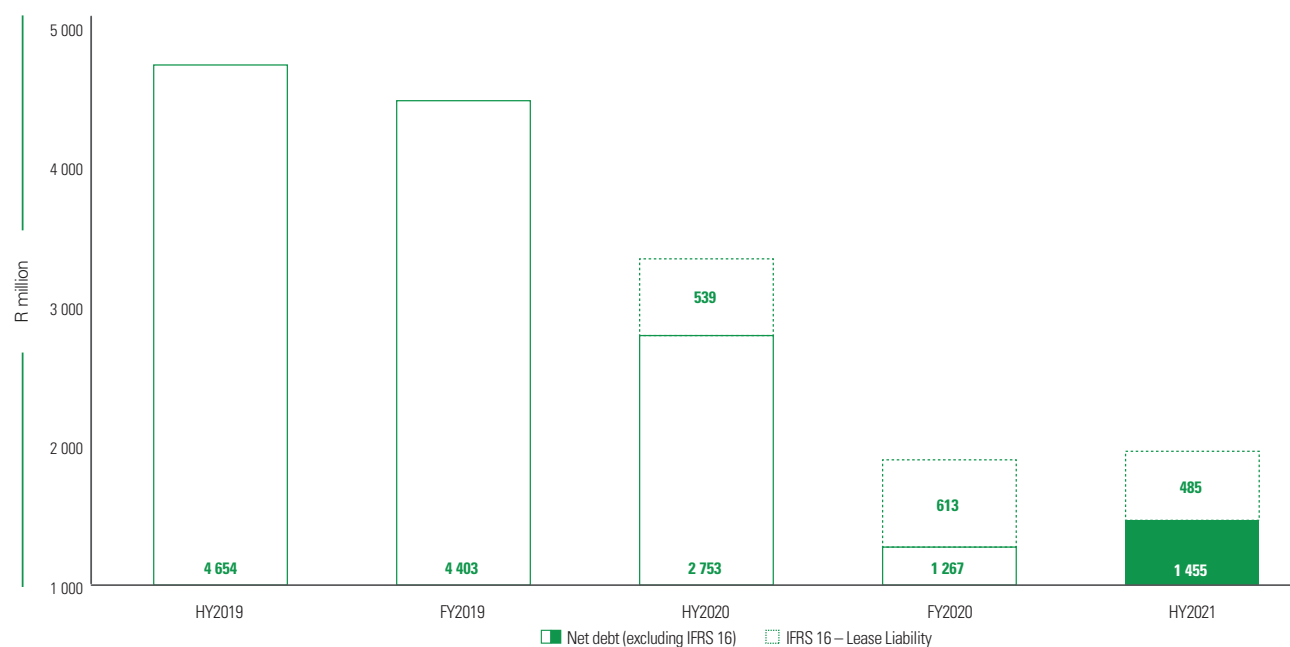
**Net asset value increased**  
to **R9.6bn** (HY2020: R9.1bn)

### Movement in operating profit per segment



### Net debt

- De-gearing of the balance sheet to R1.9bn (HY2020: R3.3bn)
- Inventory increased by R552m in preparation of planting season to R4.2bn (FY2020: R3.6bn)
- Prudent cash and capital management
- Earnings growth as a result of improved margins and reduced interest charges



## SALIENT FEATURES

**B-BBEE rating improved to level 2** (HY2020: level 3)

**Group recordable case rate improved to 0.30** (HY2020: 0.52)

**Global Credit Rating improved to BBB+** with a **stable outlook** (HY2020: BBB with a negative outlook)

**Group GHG emissions reduced to 150 000 tonnes** of CO<sub>2</sub>e (HY2020: 580 000 tonnes)

*"In line with our turnaround plan, we delivered a resilient performance in a challenging operating environment, both locally and internationally. These results demonstrate the ability of our leadership and management teams to act swiftly and decisively in order to continue delivering on commitments made to our customers, shareholders and other stakeholders."* CEO, Seelan Gobalsamy

Over the past 18 months, Omnia set out to execute on a deliberate strategy to firstly, stabilise the statement of financial position and secondly, to fix and renew the Group's operations, while exploring new growth opportunities. This strategy has yielded, and continues to yield, good results that have put Omnia in a much healthier financial position. Notable achievements include an improved safety performance, reviewing and refocusing key operating businesses, improving margins, increased cash generation, as well as lowering capital expenditure and debt levels. Part of this continuing strategic journey includes the recent announcement of the proposed disposal of the Oro Agri business, which is represented in our Agriculture Biological reporting segment. Should all the conditions be met, and shareholders approve the disposal, the proceeds will be used to repay existing core term debt, which will further reduce the Group's interest expenses as well as its weighted average cost of debt and capital. When repaying debt, Omnia will also consider settling existing interest rate hedges where appropriate. From this strong financial base, Omnia will continue to ensure that it maintains an efficient capital structure and fund selective organic expansionary expenditure while remaining extremely conservative regarding inorganic opportunities, all based on an appropriate return on invested capital. Any surplus cash may be returned to shareholders, either as a special dividend or a share buyback.

The implementation of the new operating model, which aims to consolidate key businesses in southern Africa and separate those which require additional investment, is nearing completion. The business separation of the manufacturing and supply chain units has delivered the expected uplifts in production reliability. The nitrophosphate plant reached an instantaneous capacity of above 82% and the crystalliser modifications implemented proved to be successful. The production for offtake from the Mining division has increased and product deliveries are mounting as the start of the planting season approaches. Omnia will continue to drive excellence in manufacturing and supply chain operations to further reduce product cost, meet customers' quality expectations and enhance safety while promoting employee wellbeing across all operations.

Despite the impact of COVID-19 and general economic and sector challenges, Group operating profit (from continuing operations) for the period amounted to R341 million (HY2020: R273 million). The Group generated a net profit after tax of R252 million for the period ended 30 September 2020 (HY2020: R35 million).

**SHORT FORM ANNOUNCEMENT** – This announcement is a condensed version of the full announcement in respect of the unaudited financial results for the six-month period ended 30 September 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. 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/Int2020.pdf> and can also be found on the Group's website ([www.omnia.co.za](http://www.omnia.co.za)) or requested from investor relations at [ornia@omnia.co.za](mailto:ornia@omnia.co.za). It is also available for inspection at the 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, 6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196, from 09:00 to 16:00 weekdays at no charge. This condensed announcement is the responsibility of the board of directors of Omnia (the board) and has been approved.

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



**The Agriculture division** experienced COVID-19 restrictions which varied from country to country, but generally those had minimal impact as the agriculture sector was classified an essential service in most countries. The first half of the financial year is traditionally a quiet period for the SADC businesses; however, agronomic conditions are favourable compared to previous years. In the SADC region, supply disruptions were initially experienced for cross-border loads during the early lockdown stages but eased shortly thereafter. Performance in Australia and Brazil exceeded expectations due to an increased demand in humates. Concerns around hyperinflation and liquidity constraints remain in Zimbabwe, while sovereign risk appears to have increased in Zambia coupled with concerns around liquidity. Demand for high-value AgriBio products reduced slightly in the first quarter with some regions focusing more on staple foods and crops. Operating profit for the segment increased to R301 million (HY2020: R98 million).



**The Mining division** delivered mixed results. In particular, the stringent COVID-19 lockdown restrictions imposed in South Africa at the end of March 2020 resulted in most mines going into care and maintenance, affecting the division's local performance. Coal mines were particularly impacted by lower electricity demand. A slow start-up after the lockdown limited sales volumes, with many sites only reaching full capacity during July 2020. Despite the market challenges, a new large mining contract concluded earlier in the financial year was successfully mobilised. In West Africa, inventory levels were reasonably maintained, but demurrage costs were incurred due to port and border closures. COVID-19 had a significant impact through the cancellation of international freight services and quarry customers having ceased operations, reducing sales of bulk emulsions, packaged explosives and detonators. Management was able to maintain supply to mining sites from safety stocks. Operating profit for the segment decreased to R196 million (HY2020: R234 million).



**The Chemicals division** net revenue was hard hit by the lockdowns. The division maintained regular customer engagement and support during the entire period. Sales and support teams ensured that customers' demands were met, and despite the impact of the pandemic on demand for lubricants and petroleum additives and base oils, the agility of the management team enabled the division to meet the escalating demand for ethanol to blend hand sanitisers. This highlighted the importance of business diversification across multiple essential markets. Operating profit for the segment increased to R109 million (HY2020: R91 million).

### PROPOSED SALE OF ORO AGRI

Oro Agri is reported in these interim results as 'Agriculture Biological' and accounted for as a discontinued operation. In the statement of comprehensive income, Oro Agri is excluded from the operating results presented, and is incorporated as a single line item under 'discontinued operations'. This treatment has also been applied to the comparatives to inform the readers of the interim results of the entity's discontinued operations, and those operations the entity is continuing in order to generate future profits and cash flows.

In Omnia's September 2020 statement of financial position, Oro Agri, being a disposal group, is disclosed as follows: Assets are classified as held for sale as their carrying amount will be recovered through sale and not from use. Oro Agri's liabilities are separately reflected as 'Liabilities directly associated with assets held for sale'. Comparative amounts have not been adjusted.

### Changes to the board of directors

Ms Linda de Beer has tendered her resignation from the board of Omnia with effect from 1 February 2021. The board thanks Ms de Beer for her valued contribution to the Group both as an independent non-executive director and as chair of the Audit Committee, and wishes her well in her future endeavours. Mr George Cavaleros will assume the chair of the Audit Committee with effect from 1 February 2021.

24 November 2020

**Sponsor** Java Capital

**Executive directors:** T Gobalsamy (chief executive officer), SSerf ontein (financedirector)

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

**Company secretary:** M Nana