

Insimbi Industrial Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2002/029821/06)
Share code: ISB ISIN: ZAE000116828
("Insimbi" or "the Group")



REVISED PRO FORMA INFORMATION

Shareholders are referred to the SENS announcement released on SENS on 9 February 2021 setting out the terms of the settlement agreement entered into by Insimbi ("Settlement") as well as the circular dated 6 May 2021.

Set out below is the pro forma financial information of the Settlement, which are the responsibility of the directors of Insimbi. The reviewed pro forma financial effects are presented in a manner consistent with the basis on which the historical financial information has been prepared and in terms of Insimbi's accounting policies. The reviewed pro forma financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of Insimbi's financial position, nor of the effect on future earnings after the Settlement.

PRO FORMA STATEMENT OF FINANCIAL POSITION

The pro forma consolidated Statement of Financial Position has been prepared to illustrate the impact of the Settlement on the provisional reviewed condensed consolidated Statement of Financial Position of the Group as at 28 February 2021 as if the Settlement occurred on that date.

	Reviewed as at 28 February 2021 ¹	Settlement ²	<i>Pro forma</i> after the Settlement
R'000			
Assets			
Non-current assets			
Property, plant and equipment	436 017	-	436 017
Goodwill	170 484	-	170 484
Intangible assets	7 611	-	7 611
Investments in joint ventures	1 609	-	1 609
Lease receivable	2 846	-	2 846
Deferred taxation asset	14 457	-	14 457
	633 024	-	633 024
Current assets			
Inventories	198 418	-	198 418
Lease receivable	191	-	191
Trade and other receivables	719 962	-	719 962
Current taxation receivable	4 104	-	4 104
Cash and cash equivalents ^{2.a, 2.b & 2.d}	68 451	(762)	67 689
	991 126	(762)	990 364
Total assets	1 624 150	(762)	1 623 388

Equity and liabilities			
Equity			
Share capital ^{2.b.}	208 502	(150)	208 352
Premium on Non-controlling interest ^{2.a.}	-	(350)	(350)
Reserves	50 737	-	50 737
Retained earnings ^{2.c. – 2.d.}	253 186	10 949	264 135
	512 425	10 449	522 874
Liabilities			
Non-current liabilities			
Financial liabilities at amortised cost ^{2.c.}	292 589	(11 211)	281 378
Lease liabilities	10 181	-	10 181
Deferred taxation	44 306	-	44 306
Contingent consideration	870	-	870
	347 946	(11 211)	336 735
Current liabilities			
Financial liabilities at amortised cost	419 677	-	419 677
Derivatives	723	-	723
Lease liabilities	848	-	848
Current taxation payable	11 691	-	11 691
Trade and other payables	330 840	-	330 840
	763 779	-	763 779
Total liabilities	1 111 725	(11 211)	1 100 514
Total equity and liabilities	1 624 150	(762)	1 623 388
Number of shares in issue	440 000 000	(18 461 538)	421 538 462
Number of treasury shares at the end of the period	26 601 012	-	26 601 012
Net asset value per share	123.95	8.44	132.39
Tangible Net asset value per share	80.87	6.43	87.30

Notes:

- The "Reviewed as at 28 February 2021" column is extracted without modification from Insimbi's provisional reviewed condensed consolidated financial statements for the year ended 28 February 2021.
- The "*Settlement*" adjustment column represents the impact of the Settlement, which comprises the following:
 - The financial effects of the GW Share Repurchase, being a cash outflow of R350 000 and the recognition of a premium on acquisition of a non-controlling interest;
 - The financial effects of the Specific Repurchase, being a cash outflow of R150 000 and a reduction to Stated Capital;
 - The financial effects of the Loan Reduction, being a reduction in financial liabilities in the amount of R11 210 960; and an increase to retained to earnings; and
 - transactional costs of R262 000 arising from the Settlement.
- There are no other post-balance sheet events which require adjustment to the pro forma financial information.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME

The pro forma consolidated Statement of Comprehensive Income has been prepared to illustrate the impact of the Settlement on the provisional reviewed condensed consolidated Statement of Comprehensive Income of the Group for the year ended 28 February 2021 as if the Settlement occurred on 1 March 2020.

	Reviewed as at 28 February 2021 ¹	Settlement ²	<i>Pro forma</i> after the Settlement
R'000			
Revenue	4 909 528	-	4 909 528
Cost of sales	(4 455 906)	-	(4 455 906)
Gross profit	453 622	-	453 622
Other operating income	11 267	-	11 267
Other operating gains/losses ^{2.c.}	(3 848)	11 211	7 363
Operating expenses ^{2.d.}	(347 523)	(262)	(347 785)
Operating profit	113 518	10 949	124 467
Investment revenue	2 227	-	2 227
Income from equity accounted investments	2 621	-	2 621
Finance cost	(53 736)	-	(53 736)
Profit before taxation	64 630	10 949	75 579
Taxation	(20 750)	-	(20 750)
Profit for the year	43 880	10 949	54 829
Total comprehensive income for the year	43 880	10 949	54 829

	Reviewed as at 28 February 2021 ¹	<i>Pro forma</i> adjustments	<i>Pro forma</i> information after adjustments
R'000			
Basic earnings (loss) per share			
From continuing operations (cents per share)	10.61	3.27	13.88
Number of weighted shares in issue at the end of the period/year ('000)	440 000	(18 462)	421 538
Less: treasury shares held in a subsidiary at the end of the year ('000)	(26 440)	-	(26 440)
	413 560	(18 462)	395 098
Headline earnings (loss) per share			
Profit attributable to owners of the parent (R'000)	43 880	10 949	54 829
Adjusted for (profit)/loss on sale of property, plant and equipment, net of tax (R'000)	(1 032)	-	(1 032)
Headline earnings for the group (R'000)	42 848	10 949	53 797
Headline earnings per share (cents)	10.36	3.26	13.62

Reconciliation of number of shares for diluted earnings (loss)

Weighted average number of ordinary shares in issue ('000)	413 560	(18 462)	395 098
Adjusted for: Share options ('000)	24 228	-	24 228
Weighted average number of ordinary shares for diluted earnings per share ('000)	437 788	(18 462)	419 326
Diluted earnings per share (cents)	10.02	3.05	13.08
Diluted headline earnings per share (cents)	9.79	3.04	12.83

Notes:

1. The "Reviewed as at 28 February 2021" column is extracted without modification from Insimbi's provisional reviewed condensed consolidated financial statements for the year ended 28 February 2021.
2. The "*Settlement*" adjustment column represents the impact of the Settlement, which comprises the following:
 - a. The GW Share Repurchase will not have any financial effect on the Statement of Comprehensive Income of the Group;
 - b. The Specific Repurchase will result in a decrease in the weighted average number of shares for the period of 18 461 538;
 - c. The financial effects of the Loan Reduction, being a reduction in financial liabilities in the amount of R11 210 960; and the recognition of other income in the same amount; and
 - d. transactional costs of R262 000 arising from the Settlement being expensed.
3. These adjustments will not have a continuing impact.

Johannesburg
1 June 2021

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