

Summarised unaudited consolidated interim financial results for the half-year ended 30 June 2021, cash dividend declaration and Board responsibility changes.



REVENUE

+5% to R11 802m

Foreign & export revenue: 43% of total revenue



GEARING

27% (1H20: 32%)



EBITDA

+23% to R1 453m



INTERIM CASH DIVIDEND

180c DECLARED



PROFIT FROM OPERATIONS

+70% to R948m



HEPS

+120% to 529c



IMPROVED SAFETY PERFORMANCE

TRIR of 0,36

(0,42 in Dec '20)

AECI delivered a strong performance for the first half of 2021 (the period). Our results demonstrated the benefits of our diversity, agility and our strategic pillar structure. This bolstered our resilience as we recovered very well from the COVID-19 effects that severely impacted results to 30 June 2020 (the prior corresponding period).

RECOVERY FROM THE EFFECTS OF COVID-19

As the world recovered from the initial wave of infection, the trading environment began to normalise in the second six months of last year. This improvement trend continued into 2021, albeit that the recovery has not occurred at the same rate internationally and across all sectors of activity. Whereas the US and Chinese economies are on rapid growth trajectories, others are lagging. South Africa and Europe are among these.

The net asset value per share attributable to ordinary shareholders decreased by 9% (from 10 537 cents at June 2020 to 9 556 cents in 2021) and basic earnings per share increased by 117% (from 245 cents in 2020 to 531 cents in 2021). Headline earnings per share (HEPS) was 529 cents or 120% higher than the 240 cents reported last year.

SAFETY

The Total Recordable Incident Rate (TRIR), which measures the number of recordable incidents per 200 000 hours worked, improved to 0,36 from 0,42 at the end of last year. A Group-wide programme to reinforce the focus on holistic wellness and safety was launched early in 2021. Some key elements of the programme cover people engagement, behaviour-based safety, risk management and process safety. Although the benefits of the programme are beginning to emerge, much work remains to be done.

FINANCIAL PERFORMANCE

All Group businesses were operational in the half-year, unlike in 2020 when restrictions associated with mitigating the spread and effects of the coronavirus required some of our businesses and those of our customers to scale back or suspend their activities.

In the prior corresponding period, management estimated that the impact of the COVID-19 pandemic on revenue and profit from operations was R1 015 million and R454 million, respectively. The negative effect on headline earnings per share (HEPS) was estimated at 294 cents.

While there was a strong year-on-year recovery, some markets have yet to return to pre-pandemic levels.

Revenue increased by 5% to R11 802 million (2020: R11 265 million). Growth was restricted by the key considerations outlined below and this also affected the improvement in EBITDA and profit from operations:

- not all mining customers on the African continent have resumed their operations; some remain on care and maintenance
- four large customers in the oil refining and industrial sectors did not resume their operations in the period
- last year's sanitiser order at AECI Schirm did not recur
- the stronger average rand foreign exchange rate against the US dollar and the Euro

EBITDA of R1 453 million was 23% higher than 2020's R1 180 million. Profit from operations increased by 70% to R948 million (2020: R558 million).

Headline earnings increased to R559 million from R254 million in the prior corresponding period.

Given the progress made by the Company in its recovery from the effects of COVID-19, the Board has declared an interim ordinary cash dividend of 180 cents (80% higher than the 100 cents for the half-year ended 30 June 2020).

CHANGES IN SIGNIFICANT BOARD RESPONSIBILITIES

Patricia (Patty) Mishic O'Brien joined the Board as an Independent Non-executive Director with effect from 1 July 2021. She was appointed in accordance with AECI's Board Nomination, Composition and Diversity Policy. She will also join the Social and Ethics and the Integrated Chemicals Financial Review Committees from 1 August 2021.

DIVIDEND

Declaration of interim ordinary cash dividend no. 175

NOTICE IS HEREBY GIVEN that on Tuesday, 27 July 2021, the Directors of AECI declared a gross interim cash dividend of 180 cents per share, in respect of the six-month period ended 30 June 2021. The dividend is payable on Monday, 6 September 2021 to holders of ordinary shares recorded in the register of the Company at the close of business on the record date, being Friday, 3 September 2021.

A South African dividend withholding tax of 20% will be applicable to all shareholders who are not either exempt or entitled to a reduction of the withholding tax rate in terms of a relevant Double Taxation Agreement, resulting in a net dividend of 144 cents per share to those shareholders who are not eligible for exemption or reduction. Application forms for exemption or reduction may be obtained from the Transfer Secretaries and must be returned to them on or before Tuesday, 31 August 2021.

The issued share capital at the declaration date is 109 944 384 listed ordinary shares, 10 117 951 unlisted redeemable convertible B ordinary shares and 3 000 000 listed cumulative preference shares. The dividend has been declared from the income reserves of the Company.

Any change of address or dividend instruction must be received on or before Tuesday, 31 August 2021.

The salient dates for the dividend will be as follows:

Last day to trade cum dividend	Tuesday, 31 August 2021
Ex dividend trade	Wednesday, 1 September 2021
Record date	Friday, 3 September 2021
Payment date	Monday, 6 September 2021

Share certificates may not be dematerialised or rematerialised from Wednesday, 1 September 2021 to Friday, 3 September 2021, both days inclusive.

By order of the Board

WJ Strydom
Acting Group Company Secretary
Woodmead, Sandton
28 July 2021

The full long-form announcement is available at:

<https://senspdf.jse.co.za/documents/2021/JSE/ISSE/AFE/hy21.pdf>
<https://investor.aeciworld.com/s/2021-results-announcement.pdf>

The contents of this short-form announcement are the responsibility of the Board of Directors of AECI. This short-form announcement is only a summary of the information in the full announcement and does not contain full or complete details. Any investment decisions made by investors and/or shareholders and/or noteholders should be based on consideration of the full announcement as a whole. Investors, shareholders and noteholders are encouraged to review the full announcement which is available on SENS and on AECI's website. The full announcement is available for inspection at the registered office of AECI, at no charge, during normal business hours from 28 July 2021. Copies of the full announcement, at no charge, can also be requested by contacting the Group Company Secretary: WJ Strydom, Private Bag X21, Gallo Manor, 2052, wynand.strydom@aeciworld.com or groupcommunications@aeciworld.com.

	1H21				1H20				% change			
	Revenue (Rm)	EBITDA (Rm)	Profit from ops (Rm)	HEPS (cps)	Revenue (Rm)	EBITDA (Rm)	Profit from ops (Rm)	HEPS (cps)	Revenue (%)	EBITDA (%)	Profit from ops (%)	HEPS (%)
REPORTED	11 802	1 453	948	529	11 265	1 180	558	240	4,8	23,1	69,9	120,4
Restructuring						92	92	59				
Impairment							69					
Net profit from sale of business						(108)	(108)					
UNDERLYING EXCL. COVID-19	11 802	1 453	948	529	11 265	1 164	611	299	4,8	24,8	55,2	76,9
Estimated net impact of COVID-19					1 015	454	454	294				
UNDERLYING	11 802	1 453	948	529	12 280	1 618	1 065	593	(3,9)	(10,2)	(11,0)	(10,8)

AECI LIMITED

(Incorporated in the Republic of South Africa) | (Registration No. 1924/002590/06)
Tax reference No. 9000008608 | Share code: AFE | ISIN: ZAE00000220
Hybrid code: AFEP | ISIN: ZAE00000238 | Bond company code: AECI
LEI: 3789008641F1D3D90E85 | (AECI or the Company or the Group)

REGISTERED OFFICE

First floor, AECI Place, 24 The Woodlands, Woodlands Drive, Woodmead, Sandton

SHARE TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196
Computershare Investor Services plc, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH, England

EQUITY AND DEBT SPONSOR

Rand Merchant Bank (a division of FirstRand Bank Limited), 1 Merchant Place, cnr Fredman Drive and Rivonia Road, Sandton, 2196

DIRECTORS

DKK Mokhele (Chairman), SA Dawson*, FFT De Buck, WH Dissinger**, MA Dytor (Chief Executive), G Gomwe†, KM Kathan (Executive), PM Mishic O'Brien‡, R Ramashia, AM Roets, PG Sibuya

* Australian ** German † Zimbabwean ‡ American

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