SHORT FORM ANNOUNCEMENT: UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

OMNIA

OMNIA HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Registration number 1967/003680/06
JSE code: OMN
LEI NUMBER: 529900T6L5CEOP1PNP91
ISIN: ZAE000005153
("Omnia" or "the Group")

Strategic delivery and financial highlights

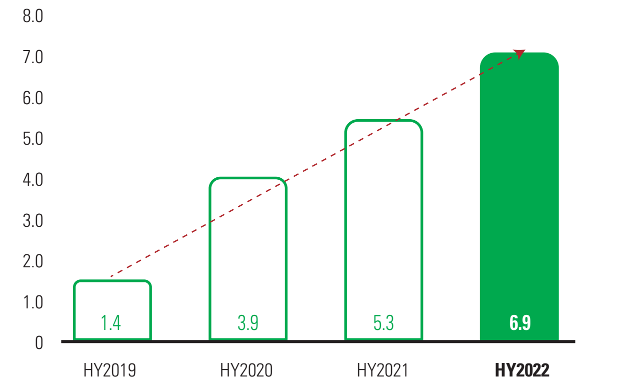
- **RESILIENT PERFORMANCE** IN AN INCREASINGLY COMPLEX LOCAL AND INTERNATIONAL OPERATING ENVIRONMENT
- **DISCIPLINED CAPITAL ALLOCATION** TO CREATE LONG-TERM STAKEHOLDER VALUE
- **OPTIMISED SUPPLY CHAIN** IMPROVED RELIABILITY AND AGILITY ACROSS THE VALUE CHAIN
- **REVENUE** FROM CONTINUING OPERATIONS **INCREASED** TO **R9.9 BILLION** (HY2021: R7.6 BILLION)
- **OPERATING PROFIT** FROM CONTINUING OPERATIONS **INCREASED** TO **R679 MILLION** (HY2021: R400 MILLION)
- **PROFIT AFTER TAX** FROM CONTINUING OPERATIONS **INCREASED** TO **R467 MILLION** (HY2021: R213 MILLION)
- **EBITDA,** EXCLUDING IMPAIRMENTS FROM CONTINUING OPERATIONS **INCREASED** TO **R1 042 MILLION** (HY2021: R773 MILLION)
- **EARNINGS PER SHARE** FROM CONTINUING OPERATIONS **INCREASED** TO **282 CENTS** (HY2021: 128 CENTS)
- **HEADLINE EARNINGS PER SHARE** FROM CONTINUING OPERATIONS **INCREASED** TO **286 CENTS** (HY2021: 125 CENTS)
- **NET ASSET VALUE DECREASED** TO **R9.3 BILLION** (HY2021: R9.6 BILLION)
- **NET CASH INCREASED** TO **R719 MILLION** (HY2021: R1.9 BILLION NET DEBT)
- **NET WORKING CAPITAL DECREASED** TO **R3 BILLION** (HY2021: R3.7 BILLION)

Salient features

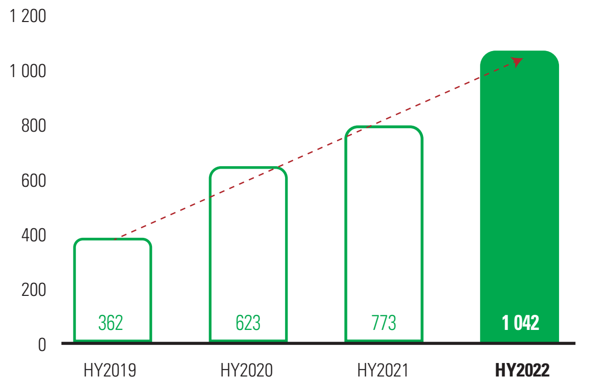
- **RECORDABLE CASE RATE (RCR) MAINTAINED** AT **0.35** (FY2021: 0.35)
- **GLOBAL CREDIT RATING IMPROVED** TO **LONG TERM: A, SHORT TERM: A1 WITH A STABLE OUTLOOK** FROM LONG TERM: BBB+, SHORT TERM: A2 WITH A STABLE OUTLOOK
- **B-BBEE RATING MAINTAINED** AT **LEVEL 2** (FY2021: LEVEL 2)
- **GROUP GHG EMISSIONS IMPROVED** TO **113 829 TONNES OF CO_2E** (HY2021: 150 000 TONNES)
- **BME WINS CAIA RESPONSIBLE CARE® AWARD** FOR USED OIL RECYCLING INITIATIVE **AND PRESTIGIOUS INDONESIAN "GOOD MINING PRACTICES" AWARD**
- **BROAD-BASED EMPLOYEE SHARE SCHEME** IMPLEMENTED

Continued execution against clear strategic objectives

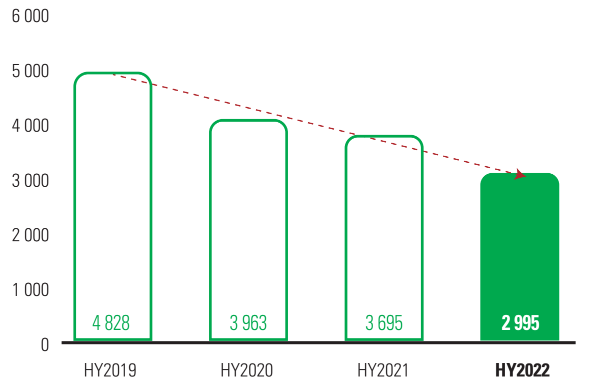
Increase in operating margins
(%)



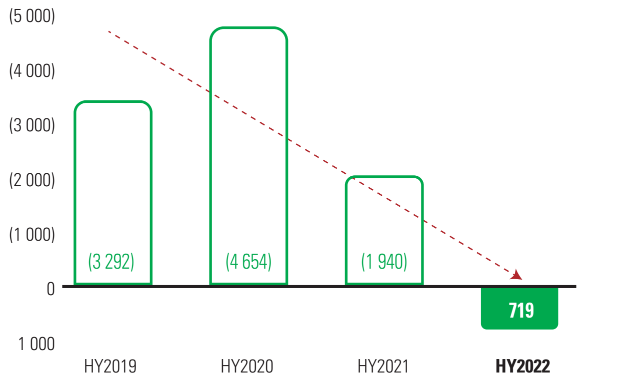
Increase in EBITDA
(R million)



Reduction in net working capital
(R million)



Move from net (debt) to net cash
(R million)



"In an increasingly complex and uncertain trading environment, we have continued to focus on disciplined execution of our strategy. This relentless focus has enabled us to deliver a strong performance. We captured growing demand, built an agile supply chain and demonstrated resilience in support of industries vital to many economies. We continue to allocate capital prudently to increase returns as we grow our business, live our purpose and leave a better world. " – Seelan Gobalsamy, CEO

Financial results

The COVID-19 pandemic worsened during the first quarter of the financial year as the Delta variant of the virus spread to more countries. Greater vaccine availability in some western countries has raised hopes that renewed restrictions can be avoided. However, health authorities and governments are struggling to increase fully vaccinated communities. In poorer countries, vaccines are scarce, and most populations are still not adequately protected.

The COVID-19 pandemic affected our business units and the countries in which we operate in various ways. Australia experienced hard lockdowns causing operational disruptions and difficulties in logistics. Travel disruptions impacted the speed at which various commercial arrangements were concluded. On a more positive note, given our diverse portfolio across primary agriculture and mining sectors, our offerings were generally classified as an essential service in all geographies, but border crossing and imports to certain countries are still slow.

We volunteered and registered our suitable facilities as potential vaccination sites, which were approved in September 2021. We are proud to report that we have to date administered 1 739 doses of COVID-19 vaccine to employees, their families and staff from neighbouring communities.

Supply chain constraints and disruptions are a global reality. The Omnia Supply Chain approach has improved transparency, reliability and agility across the various value chains of our business units. This was evident in our ability to respond swiftly to shortages in ammonia and other raw materials, whilst commodity prices were carefully monitored.

The recent unrest, in parts of South Africa, resulted in the closure of certain Omnia sites located in "hotspots" which were placed under South African National Defence Force protection, with others operating under heightened security with skeleton staff. Our focus remained on safeguarding employees, communities and our assets, and we suffered no injuries or damage to property. All risks and issues were appropriately escalated to industry bodies (Chemical and Allied Industries Association (CAIA), and Business Unity South Africa) to enable continued secure supply of critical chemicals required for food security and other key economic sectors. Some of our products were classified as critical products and were provided with security escorts.

The Group generated an operating profit from continuing operations for the period of R679 million (HY2021: R400 million). The net profit from continuing operations after tax achieved for the period was R467 million (HY2021: R213 million).

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

The **Agriculture division's** net revenue increased by 28% to R5 190 million (HY2021: R4 057 million). Operating profit for the period increased by 15% to R449 million (HY2021: R391 million).

Agriculture RSA's (including Manufacturing) net revenue increased by 66% to R3 504 million (HY2021: R2 114 million). This was supported by our efficient supply chain (where we secured raw materials timeously at competitive prices), a growth in sales volumes (due to earlier purchases by farmers seeking to lock in prices in anticipation of increases in raw material costs and potential supply disruptions), and an overall rise in commodity prices. These factors contributed to revenue and gross profit growth. In line with our new strategy, we have experienced an increase in trade sales in various industries and secured a new contract for Gypsum. The constraint on local ammonia supply in this half-year curtailed further trade sales opportunities. The benefits of Omnia's diversified portfolio were demonstrated by increased offtake from the Mining division which resulted in higher plant throughput and improved cost recoveries and contributed to higher margin and profitability. The Manufacturing division optimised the use of nitrophosphate products and available raw materials, thereby lowering the cost of sales. Controlled costs, enhanced production efficiencies and plant utilisation, supply chain optimisation and improved divisional integration have resulted in optimised operational performance and improved margins. This included a shorter stock-to-cash cycle to counter supply chain disruptions and higher raw material prices. Early deliveries to customers and the introduction of supply chain finance positively impacted our overall net working capital cycle. Operating profit for the period increased by more than 100% to R385 million (HY2021: R19 million).

Agriculture International's net revenue increased by 13% to R1 468 million (HY2021: R1 298 million). This was driven by increased revenues in Zambia and rising volumes globally in our Biostimulant product range manufactured in Australia.

Operating profit for the period decreased by 21% to R108 million (HY2021: R136 million) due to a fixed price contract in Zambia. The Zambian business continues to innovate and diversify its offering for commercial and emerging farmers. Political uncertainty due to the elections in mid-August resulted in farmers securing their inputs early. In Australia we experienced muted growth due to supply chain disruptions and shipping constraints, in addition profits were offset by the strengthening of the Rand against the Australian Dollar. Omnia Brazil's strategy remains focused on distributing high margin Biostimulant products into key crops and growing regions with expansion into surrounding South American countries. We recently established a USA office which builds our growth platform to enter a large market, that is accepting of new "green" technologies and innovations, like our coating technologies. We continued our registration work in numerous European countries.

The **Mining division's** net revenue increased by 31% to R3 280 million (HY2021: R2 496 million). Operating profit for the period increased by 28% to R250 million (HY2021: R196 million).

Mining RSA's net revenue increased by 56% to R1 653 million (HY2021: R1 057 million) due to volume growth as well as an increase in the ammonia price resulting in additional plant throughput, as mentioned under Agriculture RSA. All commodity segments contributed positively to business performance after several growth initiatives delivered to expectations. Sales volumes increased following the complete transitioning of a large contract. Operating profit for the period increased by 25% to R116 million (HY2021: R93 million) in line with higher sales, offset by volume rebates and pricing pressure in a highly competitive environment. Margins were negatively impacted by an increase in staff and maintenance costs, and costs incurred relating to the exploration of local and global investment opportunities.

Mining International's net revenue increased by 13% to R1 627 million (HY2021: R1 439 million) as a result of good sales volumes achieved in Zambia, Botswana and Namibia, and the higher ammonia price, partly offset by the strengthening of the Rand. Operating profit for the period increased by 30% to R134 million (HY2021: R103 million), despite competitive pricing pressures in the SADC region. Zambia increased copper production in line with a buoyant copper price and a supportive outlook for Zambian mining in general following the recent election outcome. Our Zambian operation is facing higher overheads due to a site closure provision and fleet maintenance costs. The West African market remains volatile through shipping constraints and political instability, and a wet season has resulted in a disappointing performance. The Namibian mining market could be lifted by recovering uranium prices, and Botswana has the intention to reopen some of its copper, nickel and gold mines and mobilise new coal mines.

New business ventures in Canada, Australia and Indonesia remain under pressure due to COVID-19 related disruptions which resulted in a the lack of scale, but additional business is expected to materialise over time. Whilst the Mining International business continues to effectively manage the volatile supply chain caused by the impact of COVID-19 the diligent efforts to control costs have been offset by the strengthening of the Rand against the US Dollar.

Protea Mining Chemicals (PMC) performed well based on increased sales of high-performance products and solutions. Sound management of a challenging supply chain minimised disruption to customers that continue to feel the negative effects of COVID-19. These challenges are expected to remain in the short and medium term. Through Omnia's unique and robust ammonia supply chain, the business successfully and reliably supplied ammonia and associated derivatives to customers throughout the region despite regular shortages. Supply to strategic partners through PMC made a positive contribution to the loading of Omnia's manufacturing facilities and is anticipated to continue to do so for the foreseeable future.

The **Chemicals division's** net revenue for the period increased by 12% to R2 278 million (HY2021: R2 034 million). Operating profit for the period remained stable at R109 million (HY2021: R109 million).

Protea Chemicals' net revenue increased by 1% to R1 432 million (HY2021: R1 418 million).

The reporting period was driven by tentative growth in the market resulting from the lifting of the COVID-19 lockdown in South Africa with volumes showing signs of recovery in certain sectors such as agriculture, life sciences and bulk trading. Significant multi-year contracts were recently secured in the watercare business in international markets. The general growth in the life sciences sector is indicative of changing lifestyles to healthier food choices, whilst COVID-19 cleaning and sanitising supported homecare. Overall, expenses were up from the comparative period driven by costs incurred due to inventory optimisation and operational expenses. Operating profit for the period, before the effects of hyperinflation in Zimbabwe, remained stable. After the effects of hyperinflation in Zimbabwe, operating profit for the period decreased by 9% to R50 million (HY2021: R55 million).

Umongo Petroleum's net revenue increased by 37% to R846 million (HY2021: R616 million). The impact of COVID-19 on world markets contributed to reduced base oil production which led to a supply-demand imbalance. As a result, Umongo experienced an increase in sales and stronger prices. Operating profit for the period increased by 9% to R59 million (HY2021: R54 million). Margins were lower due to a reduction in unrealised foreign exchange gains due to mark-to-market revaluations on hedging instruments.

Divestment from Umongo Petroleum Proprietary Limited (classified as discontinued operations)

Umongo Petroleum Proprietary Limited ("Umongo") has formed part of Omnia's Chemicals division since Omnia's wholly owned subsidiary, Omnia Group Proprietary Limited ("Omnia Group"), acquired a 90% shareholding therein during 2017 for a final purchase consideration of R637 million. The remaining shareholding is held by Autumn Storm Investments 294 Proprietary Limited ("Autumn Storm").

Umongo supplies lubricant additives, base oils, process oils and chemicals as well as technical solutions to lubricant blend manufacturers in sub-Saharan Africa. It is the sole distributor for Chevron Products (base oils) and Chevron Oronite (additives) in South Africa and several other countries in Africa.

On 29 April 2021 the board of directors approved a proposal to divest from Umongo and to proceed with negotiations regarding an unsolicited offer received. Whilst Omnia had not marketed its stake in Umongo actively, the business was identified as non-core to Omnia's stated strategy.

The consideration payable to Omnia Group in terms of the subscription and repurchase agreement (which excludes the proceeds of the option agreement) is anticipated to be approximately R1 billion in cash.

The associated assets and liabilities of Umongo are classified as held for sale effective from 29 April 2021 and performance is reported as a discontinued operation. The effective date of the transaction will be the closing date of the transaction, which will follow the fulfilment or waiver of the conditions precedent.

This announcement is a condensed version of the full announcement in respect of the unaudited fi nancial results for the six-month period ended 30 September 2021 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/2021/JSE/isse/OMN/OMNHY22.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**. It is also available for inspection at the registered offi ce, 2nd Floor, Omnia House, Epsom Downs Offi ce Park, 13 Sloane Street, Epsom Downs, Bryanston, and the offi ces of Omnia's sponsor Java Capital Trustees and Sponsors Proprietary Limited, Sandown, 6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196, from 09h00 to 16h00 weekdays at no charge. This condensed announcement is the responsibility of the board of directors of Omnia ("the board") and has been approved. **Omnia Holdings Limited** (Incorporated in the Republic of South Africa) **Executive directors:** T Gobalsamy (chief executive offi cer), S Serfontein (fi nance director) **Non-executive directors:** R Havenstein (chair), Prof N Binedell, R Bowen (British), G Cavaleros, T Eboka, S Mncwango, T Mokgosi-Mwantembe, W Plaizier (Dutch), Z Swanepoel **Company secretary:** M Nana **Sponsor:** Java Capital **Date:** 22 November 2021