

INSIMBI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration No: 2002/029821/06)
Share code: ISB
ISIN code: ZAE000116828
("Insimbi" or "the Group" or "the Company")



SHORT-FORM ANNOUNCEMENT: SUMMARY OF THE UNREVIEWED CONDENSED CONSOLIDATED RESULTS AND DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 31 AUGUST 2022

PROFILE

Insimbi is a group of companies that sustainably source, process, beneficiate and recycle metals. The core business expertise is the ability to source and provide local, regional, and global industrial consumers with the required commodity over its four distinct business segments. The Group herewith announces its unreviewed consolidated financial results for the six months ended 31 August 2022.

FINANCIAL INDICATORS

	2022	2021	% Change
Revenue (R'000)	3 154 723	3 132 320	1%
Net profit (R'000)	67 359	45 946	47%
Operating profit (R'000)	113 330	95 173	19%
Cash generated from operations (R'000)	100 978	120 995	(17%)
Earnings per share (cents)	17.06	11.22	52%
Headline earnings per share (cents)	16.41	11.17	47%
Dividend per share (cents)	3.00	–	100%

OVERVIEW

The first quarter of the new financial year was most promising, as prices for Insimbi's key commodities continued to rise from the highs of late-2021. Trading conditions changed sharply in the second quarter as the Russian invasion of Ukraine affected economies worldwide, resulting in rising inflation and widespread concerns about a global recession. Along with a 20% to 25% decline in prices for copper, aluminium and steel, this operating environment has had a significant impact on our customers and suppliers alike.

The local economy remains fragile, with the Reserve Bank revising the forecast GDP growth to 1.9% for 2022, in the wake of higher interest rates and inflation, as well as a depreciating Rand.

Despite these global and local obstacles, Insimbi's target industries and markets continue to develop, its core operations have performed well, and demand for its products remains strong, both locally and for export.

Insimbi believes that the conditions affecting its business may be less volatile in the second half of the financial year. The global focus on decarbonisation and vehicle electrification should support a recovery in copper and aluminium prices, in turn boosting Insimbi's revenue and margins. In addition, working capital and cash flow throughout the Group's operations have been very well managed, and Insimbi is steadily degearing its balance sheet. The risk of external disruptions obviously remains high, but we believe we have demonstrated the Group's resilience over the past two years.

Our strategic focus remains on recycling and beneficiating ferrous and non-ferrous metals to meet demand for our products from local and export clients. This clarity of purpose is reinforced by excellent teams across the Group working to deliver more with less, and we deeply appreciate their commitment.

In conclusion, Insimbi is confident that its interim results and rolling 12-month earnings are tangible evidence of Insimbi's resilience and potential, even under adverse conditions.

DIVIDEND

The board of directors ("**Board**") has declared an interim dividend of 3 cents per share.

The Board has confirmed by resolution that the solvency and liquidity test as contemplated by the Companies Act, No. 71 of 2008, as amended, has been duly considered, applied, and satisfied. This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves. The South African dividend tax rate is 20,0%. The dividend payable to shareholders who are subject to dividend tax and shareholders who are exempt from dividend tax is 2.4 cents and 3 cents per share, respectively. The Income tax number of the company is: 9078488153.

There are 421 538 462 ordinary shares in issue at announcement date. The salient dates applicable to the dividend referred to above are as follows:

Declaration of dividend	Tuesday, 18 October 2022
Last day to trade cum dividend	Tuesday, 1 November 2022
First day to trade ex-dividend	Wednesday, 2 November 2022
Record date	Friday, 4 November 2022
Payment date	Monday, 7 November 2022

Share certificates may not be dematerialised and rematerialised between Wednesday, 2 November 2022, and Friday, 4 November 2022 both days inclusive.

This short form announcement is the responsibility of the Board and is only a summary of the information contained in the full announcement and does not contain full or complete details. The full announcement published on SENS is available at <https://senspdf.jse.co.za/documents/2022/jse/isse/ISBE/HY2023.pdf>.

Copies of the full announcement is available on the Group's website at www.insimbi-group.co.za or may be requested at the Companies' registered office (359 Crocker Road, Wadeville, Germiston) or at the Sponsor's office, at no charge, during office hours. Any investment decisions in relation to the Company's shares should be based on the full announcement.

The information in this announcement has not been audited.

Directors: F Botha (Chief Executive Officer)
N Winde (Chief Financial Officer)
C Coombs
RI Dickerson* (Chairperson)
IP Mogotlane*
N Mwale*
CS Ntshingila*
(*non-executive)

Company Secretary: M Madhlophe
Registered office: Stand 359 Crocker Road, Wadeville, Germiston, 1422
Website: www.insimbi-group.co.za
Sponsor: PSG Capital Proprietary Limited
Transfer Secretaries: Computershare Investor Services Proprietary Limited
Auditors: Moore Cape Town Inc.

Johannesburg
18 October 2022

Sponsor
PSG Capital

