

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 “**Company**” or the “**Group**”)



VOLUNTARY MARKET UPDATE

Omnia is in the process of finalising its financial results for the six months ended 30 September 2022 (“**HY2023**”). The results are anticipated to be released on or about Tuesday, 22 November 2022.

The relentless focus on the disciplined execution of its strategy has enabled Omnia to continue to drive growth and efficiencies across its businesses. The Group has demonstrated agility to perform in a volatile macro environment marked by fluctuations in commodity prices and exchange rates as well as disruptions from utility and logistics providers. The Group’s supply chain and integrated manufacturing capabilities enabled Omnia to provide certainty of supply to customers whilst continuing to drive efficiencies and expand operating margins, as the business improved its competitive position.

Notwithstanding this challenging operating environment, an improvement in the Group’s overall volume-margin mix and supportive commodity prices have been key positive contributing factors to the strong financial results for HY2023.

In addition to the customary disclosures, the Group’s earnings will be presented on an adjusted basis (“**adjusted EPS**” and “**adjusted HEPS**”) by excluding the Zimbabwean operations from the current and prior year periods. Zimbabwe remains a key Ammonium Nitrate and fertilizer market for the Group and Omnia Zimbabwe’s operating model and risk management strategy continues to yield positive results with the business unit continuing to generate cash.

Introduction of additional earnings measure

The impact of operations in Zimbabwe has necessitated the introduction of an adjusted earnings metric in order to measure operational performance and provide stakeholders with better clarity on the Group’s underlying performance:

- Omnia Zimbabwe is subject to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies - which results in earnings volatility;
- In addition, as disclosed as a subsequent event in the FY2022 audited results published on 20 June 2022, the government of Zimbabwe introduced a change in monetary policy, with the implementation of an interbank mechanism. This caused a further notable devaluation of the Zimbabwean dollar, resulting in disproportionate foreign exchange movements (most of which are unrealised) in this period’s results.

Omnia Zimbabwe is anticipated to report a loss after tax of approximately R172 million for HY2023, compared to a loss after tax of R29 million for the period ended 30 September 2021 (“**HY2022**”).

The impact of the exclusion of Omnia Zimbabwe’s results on headline earnings, headline earnings per share (“**HEPS**”), earnings and earnings per share (“**EPS**”) for the period/year ended 30 September 2021 and 31 March 2022 respectively is illustrated below:

Continuing Operations	30 Sep 2021		31 Mar 2022	
	Rm	Cents	Rm	Cents
Headline earnings/Headline earnings per share attributable to the owners of Omnia Holdings Limited	473	286	1 103	672
Zimbabwe operations (loss)	29	18	96	58
Adjusted headline earnings/headline earnings per share	502	304	1 199	730
Basic earnings/ Basic earnings per share attributable to the owners of Omnia Holdings Limited	467	282	1 072	653
Zimbabwe operations (loss)	29	18	96	58
Adjusted basic earnings/basic earnings per share	496	300	1 168	711

Market update

Adjusted HEPS, adjusted EPS, HEPS and EPS from continuing operations* for HY2023 are expected to vary from HY2022 as set out below:

- adjusted HEPS from continuing operations is expected to increase by between 26% and 36%, from adjusted HEPS of 304 cents for HY2022, to adjusted HEPS of between 382 cents and 412 cents for HY2023; and
- adjusted EPS from continuing operations is expected to increase by between 31% and 41%, from adjusted EPS of 300 cents for HY2022, to adjusted EPS of between 392 cents and 422 cents for HY2023.
- HEPS from continuing operations is expected to increase by between 1% and 11% from HEPS of 286 cents for HY2022, to HEPS of between 289 cents and 318 cents for HY2023; and
- EPS from continuing operations is expected to increase by between 2% and 12%, from EPS of 282 cents for HY2022, to EPS of between 287 cents and 315 cents for HY2023.

**Effective 31 January 2022 Omnia disposed of 81% of its 90% shareholding in Umongo Petroleum.*

Omnia expects to deliver another robust set of financial results reflecting the underlying strength of its business model, the ongoing successful execution of its strategy in a complex and challenging macro environment, as well as a commitment to disciplined capital allocation to maintain balance sheet strength. Overall, the Group's strong financial position allows Omnia to remain resilient and retain optionality for further growth.

The information provided in this voluntary market update has not been reviewed or reported on by Omnia's external auditors.

14 November 2022

Sponsor

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