

## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 29 FEBRUARY 2024, DISTRIBUTION OF THE INTEGRATED ANNUAL REPORT AND NOTICE OF AGM

### 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 audited financial results for the twelve months ended 29 February 2024.

### FINANCIAL INDICATORS

	2024	2023	% Change
Revenue (R'000)	5 590 294	5 731 423	(2)
Net Profit (R'000)	42 876	107 343	(60)
Operating profit (R'000)	123 259	199 791	(38)
Net cash from operating activities (R'000)	101 700	130 809	(22)
Earnings before interest, tax, depreciation, and amortisation (R'000)	158 573	240 447	(34)
Earnings per share (cents)	11.86	27.94	(58)
Headline earnings per share (cents)	12.54	27.56	(54)
Dividend per share (cents)	2.5	8	(69)

### OVERVIEW

Prices for most of our commodities declined during the year. The impact on Insimbi's export and local revenue was partially mitigated by the US\$ base pricing of these commodities and an exchange rate that worked in our favour. The global move to cleaner production and cleaner metals is steadily gaining traction. Cleaner metals are the cornerstone of our business, and we continue to find an appropriate balance between maintaining sales and rising raw material costs.

The South African government allowed the ban on exports of ferrous and non-ferrous waste and scrap metal to expire in December 2023. For Insimbi, the ban primarily impacted our ferrous division. Our ability to adapt quickly to manage the impact of this restriction underlined the resilient and diversified nature of our Group. In addition, operational adjustments made at the time have benefited long-term efficiencies across the Group.

Group revenue decreased by 3% from R5,8 billion to R 5,6 billion. Operating costs reduced by 6% from 2023, employee costs reduced by 8% or R14 million lower than in 2023. Other operating income for 2024 was R15 million lower than the previous financial year, due to a gain on extinguishment of loan recognised in 2023. As a result, operating profit has reduced by R77 million to R123 million in the current year.

Finance costs increased from R59 million to R73 million compared to previous year as a result of high interest rates throughout the financial year. The Group repaid interest bearing debt of R40 million, however increased its working capital facilities, resulting in an increase in net debt of R9 million. The increase in working capital facilities were

necessitated by the ban on exports.

Trade and other receivables at year end amounted to R637 million compared to R609 million at the previous financial year-end, and the average trade receivables days increased from 37 days to 39 days. Further to this, R22 million was released by our customers before year-end, however due to a “glitch” in the banking systems, only reflected in our bank accounts after year-end. A total of R65 million was received in the first 24 hours after financial year-end. Inventories at year-end amounted to R335 million (2023: R305 million). This increase is a result of importing product, as some products are no longer being produced locally, coupled with delays in shipping and the impact of the exchange rates on the value of products. Net working capital (Trade and other receivables + stock – trade and other payables) increased to R672 million from R634 million in 2023.

Cash generated from operations decreased from R158 million in 2023 to R122 million, due to the increased working capital cycle. The debt-to-equity ratio at year end increased to 66% from 61% in the 2023 financial year.

## **DIVIDEND**

No final dividend was declared for the 2024 financial year.

## **OUTLOOK**

Our focus remains on supplying recycled and beneficiated ferrous and non-ferrous metals for local and export clients. The global focus on decarbonisation and vehicle electrification continues to support higher copper and aluminium prices, in turn boosting our revenue and margins. In addition, working capital and cash flow throughout our operations have been very well managed, and we are steadily degearing our balance sheet. While the risk of external disruptions remains high, we believe we have demonstrated the Group’s ability to withstand these in recent years.

The local economy remains fragile, with gross domestic product (GDP) growth of just 0,9% in 2023 in the wake of higher interest rates and inflation as well as a volatile rand.

## **SHORT-FORM ANNOUNCEMENT**

This short form announcement is the responsibility of the Board and is only a summary of the audited consolidated annual financial statements (“**AFS**”) contained in the Group’s integrated annual report (“**Integrated Report**”) and does not contain full or complete details. The Integrated Report is available at the following JSE cloudlink:

<https://senspdf.jse.co.za/documents/2024/jse/isse/ISBE/FY2024.pdf>.

Copies of the Integrated Report, including the AFS and full auditor’s report are available on the Group’s website at [www.insimbi-group.co.za](http://www.insimbi-group.co.za). Any investment decisions in relation to the Company’s shares should be based on the AFS.

The AFS have been audited by the Group’s auditors, Moore Cape Town Inc, who expressed an unmodified audit opinion thereon.

## **DISTRIBUTION OF THE INTEGRATED ANNUAL REPORT**

Shareholders of the Group (“**Shareholders**”) are hereby advised that the Group’s Integrated Report, incorporating the AFS for the year ended 29 February 2024 and the notice of the annual general meeting of the Group (“**Notice of AGM**”) was dispatched to Shareholders today, 31 May 2024.

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting (“**AGM**”) will be held at 10:00 on Monday, 8 July 2024 at Insimbi Offices at 359 Crocker Road, Wadeville, Germiston to transact the business as set out in the abovementioned Notice of AGM.

Kindly note the following salient details:

Issuer name	Insimbi Industrial Holdings Limited
Type of instrument	Ordinary shares
ISIN number	ZAE000116828
JSE code	ISB
Meeting type	Annual General Meeting
Meeting venue	Insimbi Offices at 359 Crocker Road, Wadeville, Germiston
Record date – to determine which shareholders are entitled to receive the notice of meeting	Friday, 24 May 2024
Publication/posting date	Friday, 31 May 2024
Last day to trade – Last day to trade to determine eligible shareholders that may attend, speak and vote at the meeting	Tuesday, 25 June 2024
Record date – to determine eligible shareholders that may attend, speak and vote at the meeting	Friday, 28 June 2024
Meeting deadline date (For administrative purposes, forms of proxy for the meeting to be lodged)	Thursday, 4 July 2024
Meeting date	10:00 on Monday, 8 July 2024
Publication of results	Monday, 8 July 2024
Website link	<a href="http://www.insimbi-group.co.za">www.insimbi-group.co.za</a>

## COMPANY INFORMATION

Directors: F Botha (Chief Executive Officer) CA (SA)  
N Winde (Chief Financial Officer) CA (SA)  
RI Dickerson\* (Chairperson)  
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](http://www.insimbi-group.co.za)  
Sponsor: PSG Capital Proprietary Limited  
Transfer Secretaries: Computershare Investor Services Proprietary Limited  
Auditors: Moore Cape Town Inc.

Johannesburg  
31 May 2024

Sponsor  
PSG Capital



PSG CAPITAL