

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")



UNREVIEWED CONDENSED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2024

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 condensed consolidated financial results for the six months ended 31 August 2024.

FINANCIAL INDICATORS

	2024	2023	% Change
Revenue (R'000)	2 706 581	3 028 875	(11)
Net profit (R'000)	(9 434)	56 732	(117)
Operating profit (R'000)	15 223	103 163	(85)
Cash generated from operations (R'000)	36 607	4 662	685
Earnings per share (cents)	(2.61)	15.38	(117)
Headline earnings per share (cents)	(1.22)	15.46	(108)
Dividend per share (cents)	-	2.5	(100)

OVERVIEW

Operating conditions in the first half of Insimbi's financial year to 28 February 2025 were again challenging, partly due to volatile prices for our key commodities (copper, aluminium, nickel and steel). These commodities follow the platinum group metals (PGM) cycle, which is working through a significant downturn. On the positive side, the resumption of scrap metal exports (after the ban fell away in March 2024) mitigated the impact of commodity prices to some extent.

Globally, economies are strengthening as major central banks begin to lower interest rates. However, the pace of these upturns is mixed and highly dependent on external factors, such as geopolitical tensions. New fiscal stimulus packages in China have yet to make an impact on that crucial economy. In South Africa, the Reserve Bank lowered interest rates (by 0.25%) for the first time in four years as inflation receded into the bank's target range. While the advent of a rate-cutting cycle is welcome news, weak growth in the national economy still reflects the severity of systemic issues at key parastatals

for logistics and power, respectively Transnet and Eskom. The absence of loadshedding in the second quarter did much to improve confidence, both consumer and corporate, as did early signs of an effective government of national unity post the May elections.

Against this background, Insimbi produced satisfactory results for the six months to August 2024, reinforcing the benefit of our diversified portfolio. In addition, we reduced fixed costs by streamlining our workforce while retaining the skills needed to operate our businesses sustainably and disposing of certain small loss-making operations. In combination, timely management action and the steady performance of our operations enabled the group to:

- Generate revenue of R2.7 billion (-11% vs interim period in 2023) with operating profit of 0.6%
- Maintain excellent control of operating expenditure. The significant cost reductions over recent years are sustainable as we operate a leaner and more resilient business
- Reduce our debt-to-equity ratio from 99% in FY21 to 76% in FY24 and maintain this level despite the high-interest rate environment.

Overall, our target industries and markets continue to develop, our core operations have performed well and demand for our products remains strong, both locally and for export.

SHORT FORM ANNOUNCEMENT

This short form announcement is the responsibility of the Board and is only a summary of the information contained in the full announcement (“**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/2024/jse/isse/ISBE/HY2025.pdf>.

Any investment decisions in relation to the Company’s shares should be based on the Full Announcement. Copies of the Full Announcement are available on the Group’s website at www.insimbi-group.co.za

The information in this announcement has not been audited or reviewed by the Group’s auditors.

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

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Sponsor: PSG Capital Proprietary Limited
Transfer Secretaries: Computershare Investor Services Proprietary Limited
Auditors: Moore Cape Town Inc.

Johannesburg
17 October 2024

Sponsor
PSG Capital

