



Reviewed condensed consolidated financial results
for the year ended 31 March 2024

Financial highlights

for the year ended 31 March 2024

		Reviewed 2024	Audited 2023	% change
Revenue from continuing operations	(R'000)	3 527 707	3 289 787	7,2%
Profit	(R'000)	100 658	135 101	(25,5%)
Adjusted profit*	(R'000)	100 658	83 273	20,9%
Earnings per share	(cents)	23,06	31,01	(25,6%)
Adjusted earnings per share*	(cents)	23,06	19,15	20,4%
Headline earnings per share	(cents)	22,54	28,02	(19,6%)
Adjusted headline earnings per share*	(cents)	22,54	18,02	25,1%
Net asset value per share	(cents)	424	406	4,4%

* In the prior year basic and headline earnings on the adjusted basis excludes the net proceeds received from insurance claims. As these proceeds relate to profits foregone in prior periods and non-recurring, we are of the opinion that providing earnings on an adjusted basis is meaningful disclosure to shareholders.

Condensed consolidated statement of financial position

as at 31 March

	Notes	Reviewed 2024 R000's	Audited 2023 R000's
ASSETS			
Non-current assets		2 158 310	2 164 232
Property, plant and equipment		952 250	931 346
Plant and equipment	5.1	586 746	563 246
Right-of-use assets		70 851	87 754
Owner-occupied properties	5.2	294 653	280 346
Investment properties	5.2	1 024 362	1 063 513
Intangible assets and goodwill		42 033	42 447
Intangible assets		20 122	20 536
Goodwill		21 911	21 911
Financial asset at fair value through other comprehensive income		22 675	6 236
Long-term receivables		3 065	5 072
Deferred tax assets		113 925	115 618
Current assets		1 283 154	1 318 570
Inventories		581 882	644 970
Trade and other receivables		543 698	564 400
Current tax assets		4 379	11 402
Cash and cash equivalents		153 195	97 798
Non-current assets held for sale	4.2	115 000	132 500
Total current assets		1 398 154	1 451 070
Total assets		3 556 464	3 615 302
EQUITY AND LIABILITIES			
Total equity		1 854 900	1 781 152
Stated capital		1 420 216	1 465 203
Reserves		435 572	316 354
Equity attributable to owners of the company		1 855 788	1 781 557
Non-controlling interest		(888)	(405)
Non-current liabilities		1 052 157	1 105 541
Deferred tax liabilities		26 066	17 415
Post-employment medical aid benefits		67 831	69 437
Deferred income		91 054	94 949
Interest-bearing liabilities	6.2	787 339	818 999
Lease liabilities	6.2	79 867	104 741
Current liabilities		649 407	728 609
Current tax liabilities		4 539	2 093
Post-employment medical aid benefits		7 878	7 670
Deferred income		10 900	10 103
Interest-bearing liabilities	6.2	49 669	66 766
Lease liabilities	6.2	29 141	18 784
Trade and other payables		484 096	555 843
Bank overdraft	6.1	63 184	67 350
Total liabilities		1 701 564	1 834 150
Total equity and liabilities		3 556 464	3 615 302
Net asset value		1 855 788	1 781 557
Net asset value per share	(cents)	424	406

Condensed consolidated statement of profit or loss and other comprehensive income

for the year ended 31 March

	Notes	Reviewed 2024 R000's	Audited 2023 R000's
Continuing operations			
Revenue		3 527 707	3 289 787
Cost of sales		(2 695 686)	(2 502 994)
Gross profit		832 021	786 793
Other income	4.4	43 513	112 187
Selling and distribution expenses		(309 547)	(303 998)
Administrative and other expenses		(313 795)	(315 897)
Operating profit before finance costs, impairments and revaluation of properties		252 192	279 085
Revaluation of properties	4.2, 5.2.2	570	8 395
Impairments		(1 587)	(6 143)
Profit before finance costs		251 175	281 337
Finance income		1 370	1 624
Lease finance expenses		(14 116)	(12 894)
Finance expenses		(110 570)	(77 146)
Profit before taxation		127 859	192 921
Income tax expense	4.3	(27 201)	(52 112)
Profit after tax		100 658	140 809
Discontinued operations			
Loss from discontinued operations, net of tax	4.1	–	(5 708)
Profit		100 658	135 101
Other comprehensive income, net of related tax			
Items that will not be reclassified to profit or loss			
Revaluation of land and buildings		12 876	(1 138)
Revaluation		16 424	(1 451)
Related tax		(3 548)	313
Post-employment medical benefit – actuarial gain		997	3 848
Actuarial gain		1 365	5 271
Related tax		(368)	(1 423)
Fair value gain on financial asset at fair value through other comprehensive income		869	–
Items that may be reclassified to profit or loss			
Fair value loss on financial asset at fair value through other comprehensive income		–	(280)
Foreign operations – foreign currency translation differences		2 329	4 877
Other comprehensive income, net of tax		17 071	7 307
Total comprehensive income for the year		117 729	142 408
Profit attributable to:			
Owners of the company		101 141	135 506
Non-controlling interest		(483)	(405)
		100 658	135 101
Total comprehensive income attributable to:			
Owners of the company		118 212	142 813
Non-controlling interest		(483)	(405)
		117 729	142 408
Basic earnings per share			
	(cents)	23,06	31,01
Basic earnings per share from continuing operations		23,06	32,32
Basic loss per share from discontinued operations		–	(1,31)
Diluted earnings per share			
	(cents)	22,45	30,26
Diluted earnings per share from continuing operations		22,45	31,53
Diluted loss per share from discontinued operations		–	(1,27)

Condensed consolidated statement of changes in equity

for the year ended 31 March

	Stated capital total R000's	Other reserves R000's	Retained income R000's	Total reserves R000's	Non-controlling interest R000's	Total R000's
Balance at 31 March 2022	1 462 143	288 668	(71 909)	216 759	–	1 678 902
Total comprehensive income	–	3 459	139 354	142 813	(405)	142 408
Profit	–	–	135 506	135 506	(405)	135 101
Other comprehensive income, net of tax	–	3 459	3 848	7 307	–	7 307
Fair value loss on financial asset at fair value through other comprehensive income	–	(280)	–	(280)	–	(280)
Foreign operations – foreign currency translation differences	–	4 877	–	4 877	–	4 877
Revaluation of land and buildings, net of tax	–	(1 138)	–	(1 138)	–	(1 138)
Post-employment medical benefit – actuarial gain, net of tax	–	–	3 848	3 848	–	3 848
Transactions with owners of the company	3 060	–	(43 218)	(43 218)	–	(40 158)
Share buy-back	(9 090)	–	–	–	–	(9 090)
Share scheme – expense	–	–	8 142	8 142	–	8 142
– options exercised	12 150	–	(12 150)	(12 150)	–	–
Distribution to shareholders	–	–	(39 210)	(39 210)	–	(39 210)
Balance 31 March 2023	1 465 203	292 127	24 227	316 354	(405)	1 781 152
Total comprehensive income	–	16 074	102 138	118 212	(483)	117 729
Profit	–	–	101 141	101 141	(483)	100 658
Other comprehensive income, net of tax	–	16 074	997	17 071	–	17 071
Fair value gain on financial asset at fair value through other comprehensive income	–	869	–	869	–	869
Foreign operations – foreign currency translation differences	–	2 329	–	2 329	–	2 329
Revaluation of land and buildings, net of tax	–	12 876	–	12 876	–	12 876
Post-employment medical benefit – actuarial gain, net of tax	–	–	997	997	–	997
Transactions with owners of the company	(44 987)	–	1 006	1 006	–	(43 981)
Share buy-back	(4 767)	–	–	–	–	(4 767)
Share scheme – expense	–	–	4 618	4 618	–	4 618
– options exercised	3 612	–	(3 612)	(3 612)	–	–
Distribution to shareholders*	(43 832)	–	–	–	–	(43 832)
Balance 31 March 2024	1 420 216	308 201	127 371	435 572	(888)	1 854 900

* During the year a distribution of 10 cents (2023: 9 cents) (gross) per share was declared on 25 May 2023 out of capital reserves.

Condensed consolidated statement of cash flows

for the year ended 31 March

	Notes	Reviewed 2024 R000's	Audited 2023 R000's
Net cash flows from operating activities		194 671	132 478
Cash generated from operating activities before working capital changes		339 534	344 625
Cash outflow from working capital changes		(13 030)	(98 164)
Inventories		40 980	(70 853)
Trade and other receivables		25 818	11 393
Trade and other payables		(79 828)	(38 704)
Finance costs		(123 316)	(88 416)
Taxes paid		(10 880)	(35 567)
Government grants		2 363	10 000
Net cash flow from investing activities		(17 128)	(232 359)
Acquisition of property, plant and equipment	5.1	(84 305)	(229 695)
Proceeds from sale of assets held for sale		64 227	709
Proceeds from sale of intangible assets		-	368
Proceeds from sale of property, plant and equipment		9 770	4 245
Development cost of investment property	5.2.2	(2 964)	(17 325)
Acquisition of investments		(15 570)	(2 279)
Acquisition of intangible assets	5.1	(1 900)	(1 866)
Investment income		136	145
Disposal of interest in subsidiary companies		-	1 229
Government grants		13 478	12 110
Net cash flow from financing activities		(117 980)	71 334
Proceeds from borrowings	6.2	18 282	217 966
Repayment of borrowings	6.2	(68 923)	(79 570)
Principal elements of lease payments	6.2	(18 740)	(18 762)
Share buy-back		(4 767)	(9 090)
Distribution to shareholders		(43 832)	(39 210)
Net increase/(decrease) in cash and cash equivalents		59 563	(28 546)
Cash and cash equivalents at the beginning of the year		30 448	58 994
Cash and cash equivalents at the end of the year		90 011	30 448

Condensed consolidated segmental report

for the year ended 31 March

	Properties R000's	Branded product distribution R000's	Automotive parts manu- facturing R000's	Industrial product manu- facturing R000's	Head office and centralised services R000's	Total R000's
2024						
Segment revenue						
Gross revenue	197 717	1 357 789	836 872	1 268 768	–	3 661 146
Less: Inter-segment sales	(43 031)	(28 422)	(13 442)	(48 544)	–	(133 439)
Revenue as per statement of comprehensive income	154 686	1 329 367	823 430	1 220 224	–	3 527 707
Primary geographical market						
South Africa	197 717*	1 294 860**	833 812	1 229 513	–	3 555 902
Other African countries	–	27 054	–	39 255	–	66 309
Asia	–	4 761	–	–	–	4 761
Europe	–	23 713	1 921	–	–	25 634
South America	–	–	1 139	–	–	1 139
North America	–	7 401	–	–	–	7 401
	197 717	1 357 789	836 872	1 268 768	–	3 661 146
Major products/service lines						
Woven, knitted and non-woven products	–	–	–	959 549	–	959 549
Pressed, roll-formed steel products	–	–	836 872	150 404	–	987 276
Speciality chemicals	–	–	–	158 815	–	158 815
Rentals	197 717*	–	–	–	–	197 717
Toys, electronic games and sports goods	–	972 143	–	–	–	972 143
Stationery, publishing and office supplies	–	385 646**	–	–	–	385 646
	197 717	1 357 789	836 872	1 268 768	–	3 661 146
IFRS 15 timing of revenue recognition						
At a point in time	–	1 318 353	792 120	1 268 768	–	3 379 241
Over time	–	–	44 752	–	–	44 752
	–	1 318 353	836 872	1 268 768	–	3 423 993
IFRS 16 revenue						
Lease contract income	197 717	39 436	–	–	–	237 153
	197 717	39 436	–	–	–	237 153
Total	197 717	1 357 789	836 872	1 268 768	–	3 661 146
Segment results						
Operating profit before finance costs, impairments and revaluation of properties	125 945	63 301	53 781	52 847	(43 682)	252 192
Revaluation of properties	570	–	–	–	–	570
Impairments	–	–	(1 587)	–	–	(1 587)
Profit from continuing operations before finance cost	126 515	63 301	52 194	52 847	(43 682)	251 175
Finance expenses	–	–	–	–	–	(123 316)
Profit before taxation	–	–	–	–	–	127 859
Total segment assets	1 494 205	565 798	593 641	815 226	87 594	3 556 464
Total segment liabilities	26 003	167 674	385 530	344 368	777 989	1 701 564

* Properties revenue relate to rental income received from tenants.

** Included in the above is R39,4 million (2023: R33,7 million) in rental income from the leasing of office supplies to customers.

Condensed consolidated segmental report

for the year ended 31 March (continued)

	Properties R000's	Branded product distribution R000's	Automotive parts manu- facturing R000's	Industrial product manu- facturing R000's	Head office and centralised services R000's	Total R000's
2023						
Segment revenue						
Gross revenue	175 015	1 363 965	653 823	1 222 370	–	3 415 173
Less: Inter-segment sales	(34 191)	(15 026)	–	(54 621)	–	(103 838)
	140 824	1 348 939	653 823	1 167 749	–	3 311 335
Less: Revenue attributable to discontinued operations	–	(21 548)	–	–	–	(21 548)
Revenue as per statement of comprehensive income	140 824	1 327 391	653 823	1 167 749	–	3 289 787
Primary geographical market						
South Africa	175 015	1 311 958	648 457	1 183 791	–	3 319 221
Other African countries	–	23 371	–	38 579	–	61 950
Asia	–	7 215	–	–	–	7 215
Europe	–	12 776	1 281	–	–	14 057
South America	–	786	4 085	–	–	4 871
North America	–	7 859	–	–	–	7 859
	175 015	1 363 965	653 823	1 222 370	–	3 415 173
Major products/service lines						
Woven, knitted and non-woven products	–	–	–	903 588	–	903 588
Pressed, roll-formed steel products	–	–	653 823	153 324	–	807 147
Speciality chemicals	–	–	–	165 458	–	165 458
Rentals	175 015	–	–	–	–	175 015
Toys, electronic games and sports goods	–	985 065	–	–	–	985 065
Stationery, publishing and office supplies	–	378 900	–	–	–	378 900
	175 015	1 363 965	653 823	1 222 370	–	3 415 173
IFRS 15 timing of revenue recognition						
At a point in time*	–	1 330 232	573 897	1 222 370	–	3 126 499
Over time	–	–	79 926	–	–	79 926
	–	1 330 232	653 823	1 222 370	–	3 206 425
IFRS 16 revenue						
Lease contract income*	175 015	33 733	–	–	–	208 748
	175 015	33 733	–	–	–	208 748
Total	175 015	1 363 965	653 823	1 222 370	–	3 415 173
Segment results						
Operating profit before finance costs, impairments and revaluation of properties	107 910	73 545	44 798	90 844	(38 012)	279 085
Revaluation of properties	8 395	–	–	–	–	8 395
Impairments	–	(2 743)	–	(3 400)	–	(6 143)
Profit from continuing operations before finance cost	116 305	70 802	44 798	87 444	(38 012)	281 337
Finance expenses	–	–	–	–	–	(88 416)
Profit before taxation	–	–	–	–	–	192 921
Total segment assets	1 509 276	625 088	575 689	749 499	155 750	3 615 302
Total segment liabilities	32 477	228 096	425 387	305 742	842 448	1 834 150

* The prior period figures relating to the Properties and Branded product distribution segments have been restated to show IFRS 16 lease contract revenue separately from IFRS 15 revenue from contracts with customers. The restatement had no impact on the profits of the Group or the respective segments.

Statistics per share

for the year ended 31 March

		Reviewed 2024	Audited 2023
Number of shares in issue (refer to note 7)	('000)	438 201	438 324
Weighted average number of shares in issue	('000)	438 536	436 994
Diluted weighted average number of shares in issue	('000)	450 559	447 848
Basic earnings	(cents)	23,06	31,01
Continuing operations		23,06	32,32
Discontinued operations		–	(1,31)
Headline earnings	(cents)	22,54	28,02
Continuing operations		22,54	29,33
Discontinued operations		–	(1,31)
Diluted earnings	(cents)	22,45	30,26
Continuing operations		22,45	31,53
Discontinued operations		–	(1,27)
Diluted headline earnings	(cents)	21,94	27,34
Continuing operations		21,94	28,61
Discontinued operations		–	(1,27)
Reconciliation between profit and headline earnings (net of tax)			
Profit attributable to equity holders of the parent	(R'000)	101 141	135 506
Impairment of assets	(R'000)	1 159	5 225
Remeasurement of properties	(R'000)	(447)	(6 582)
Surplus on disposal of property, plant and equipment	(R'000)	(284)	(1 027)
Loss on disposal of property, plant and equipment	(R'000)	245	77
Surplus on disposal of non-current assets held for sale	(R'000)	(2 951)	(145)
Insurance claim for capital asset	(R'000)	–	(10 601)
Headline earnings	(R'000)	98 863	122 453
Continuing operations		98 863	128 161
Discontinued operations		–	(5 708)
Adjusted basic earnings*	(cents)	23,06	19,15
Continuing operations		23,06	20,46
Discontinued operations		–	(1,31)
Adjusted headline earnings*	(cents)	22,54	18,02
Continuing operations		22,54	19,33
Discontinued operations		–	(1,31)

* In the prior year basic and headline earnings on the adjusted basis excludes the net proceeds received from insurance claims. As these proceeds are non-recurring, we are of the opinion that providing earnings on an adjusted basis is meaningful disclosure to shareholders.

Diluted weighted average number of shares

The dilutive effect is due to the impact of the Group's incentive scheme on the weighted average number of shares in the period under review.

Notes to the condensed consolidated financial results

for the year ended 31 March

1. Basis of preparation

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements and the requirements of the Companies Act of South Africa. The Listings Requirements require condensed financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS[®] Accounting Standards ("IFRS[®]") and Financial Pronouncements as issued by the Financial Reporting Standards Council and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting. The accounting policies applied in the preparation of the condensed consolidated financial statements are consistent with those accounting policies applied in the previous consolidated annual financial statements.

These results have been prepared under the supervision of the Financial Director, Gys Wege CA(SA). The directors take responsibility for the preparation of this report.

2. Review report of the independent auditor

The condensed consolidated financial statements for the year ended 31 March 2024 have been reviewed by PricewaterhouseCoopers Inc., who expressed an unmodified review conclusion. The auditor's review report is included under appendix A.

3. Material accounting policies and estimates

The reviewed condensed consolidated results have been prepared under the historical cost convention, except for the revaluation of properties and financial instruments. The accounting policies adopted are in terms of IFRS[®] and consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2024.

A number of new or amended standards became applicable for the current reporting period, which did not have a material impact on the Group. Therefore, the Group did not have to change its accounting policies or make retrospective adjustments as a result of these standards.

Notes to the condensed consolidated financial results

for the year ended 31 March (continued)

4. Significant operating activities

4.1 Discontinued operations

Discontinued operations in the prior year comprise our online furniture business which was sold on 1 March 2023 and operated under the Branded Product Distribution reportable segment. Their results have been disclosed separately on the face of the statement of profit or loss and other comprehensive income.

4.1.1 Results of discontinued operations

	2024 R000's	2023 R000's
Revenue	-	21 548
Cost of sales	-	(14 531)
Gross loss	-	7 017
Other income	-	(15)
Distribution costs	-	(11 109)
Administrative and other expenses	-	(1 601)
Operating loss before finance costs and impairments	-	(5 708)
Impairment of assets	-	-
Loss on sale of subsidiary	-	-
Operating loss before finance costs	-	(5 708)
Finance income	-	-
Loss before taxation	-	(5 708)
Income tax expense	-	-
Loss for the period from discontinued operations	-	(5 708)

4.1.2 Cash flows from discontinued operations

Net cash from operating activities	-	15 464
Net cash from investing activities	-	815
Net cash from in financing activities	-	-
Net cash from discontinued operations	-	16 279

The loss from discontinued operations is attributable entirely to equity holders of the parent.

4.2 Assets and liabilities of disposal group classified as held for sale

Assets classified as held for sale

Carrying value at 31 March 2023	132 500	43 010
Transfer from investment property (note 5.2.2)*	126 771	90 500
Transfer to investment property (note 5.2.2)**	(81 500)	-
Additions	-	120
Disposals***	(60 185)	(510)
Fair value adjustments	(2 586)	(620)
Carrying value at 31 March 2024	115 000	132 500

* The directors of Vega Properties, a division of Sargas Proprietary Limited have decided to dispose of two Durban properties. These sales are expected to be completed within the next 12 months.

** Two properties that were placed on the market in the prior year have been transferred back to Investment Property as the sale is no longer considered to be highly probable. The directors were unable to achieve their target selling price.

*** A property situated in Epping, Cape Town, was disposed of on 14 November 2023 for a consideration of R64 million. The details of the disposal were published on SENS on 15 November 2023.

Non-current assets held for sale is disclosed in the Property segment.

Notes to the condensed consolidated financial results

for the year ended 31 March (continued)

4. Significant operating activities (continued)

4.3 Taxation and deferred taxation

	2024 R000's	2023 R000's
Income tax		
South African normal taxation		
– current	(20 349)	(19 366)
Deferred taxation		
– normal tax	(6 852)	(32 746)
	(27 201)	(52 112)
Reconciliation between actual and normal taxation rates	%	%
Taxation as a percentage of profit before taxation	21,3	27,0
Non-deductible items expenses*	(1,4)	(2,9)
Specific tax deductible expenses**	0,7	1,4
Exempt income	0,1	–
Capital gains tax on revaluation of Investment property	–	0,2
Deferred tax asset not recognised on tax losses	(0,9)	(3,5)
Previously unrecognised tax losses***	11,5	–
Capital losses	(4,5)	3,5
Government grants	0,2	1,3
Normal taxation rate	27,0	27,0

* In calculating the tax expense for the current period, the Group has treated R3,6 million (2023: R12,1 million) as being non-deductible expenses for tax purposes. Non-deductible expenses are primarily related to options exercised under the Group's share incentive scheme.

** In calculating the tax expense for the current period, the Group has treated R3,8 million (2023: R16,7 million) as being specific tax-deductible expenses for tax purposes. Specific tax-deductible expenses are primarily related to options exercised under the Group's share incentive scheme.

*** Previously unrecognised tax losses to the value of R14,7 million were recognised in Sargas Proprietary Limited.

4.4 Other income

In the prior year other income includes an amount of R74,1 million which relates to the insurance claim for business interruption. After deducting associated costs, the net benefit of the insurance claim included in other income, totals R59,9 million.

Notes to the condensed consolidated financial results

for the year ended 31 March (continued)

5. Significant investing activities

5.1 Capital expenditure and commitments

	Capital expenditure		Contractual commitments	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Investment property	2 964	17 325	–	–
Land and buildings	–	38 546	3 633	–
Plant and equipment	84 305	191 149	7 462	46 962
Intangible assets	1 900	1 866	–	–
	86 169	248 886	11 095	46 962

The capital commitments are expected to be incurred during the next 12 months.

5.2 Properties

The Group fair values its investment properties and revalues owner-occupied property, categorised as level 3.

The fair value of properties was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers review the fair value of the Group's investment property portfolio on a bi-annual basis.

The directors confirm that there have been no material changes to the information used and assumptions applied by the registered valuer in the prior year.

5.2.1 Owner-occupied property

The movement in owner-occupied property for the year is as follows:

	2024 R'000	2023 R'000
Opening carrying value	280 346	247 545
Additions	–	38 546
Depreciation	(2 096)	(2 007)
Revaluations	16 424	(3 738)
Disposals	(21)	–
Closing carrying value	294 653	280 346

5.2.2 Investment property

The movement in investment property for the year is as follows:

	2024	2023
Opening carrying value	1 063 513	1 125 386
Development cost	2 964	17 325
Transfer from held for sale (note 4.2)	81 500	–
Transfer to held for sale (note 4.2)	(126 771)	(90 500)
Fair value adjustments	3 156	11 302
Closing carrying value	1 024 362	1 063 513

Property type (% of value)	%	%
Retail/commercial	10,2	9,7
Industrial	89,8	90,3

Notes to the condensed consolidated financial results

for the year ended 31 March (continued)

6. Significant financing activities

6.1 Working capital facilities

	2024 R'000	2023 R'000
Maximum available facilities	573 000	573 000
Net utilised	(75 332)	(78 220)
Bank overdraft	(63 184)	(67 350)
Letter of credits	(12 148)	(10 870)
Unutilised balance	497 668	494 780

6.2 Interest-bearing liabilities

	Opening carrying value R'000	Proceeds R'000	Repay- ments R'000	New instalment sales agreements R'000	Other*	Closing carrying value R'000
Secured loans – leases	123 525	–	(18 740)	–	4 223	109 008
– other	885 765	18 282	(68 923)	2 877	(993)	837 008
	1 009 290	18 282	(87 663)	2 877	3 230	946 016

* The movement in lease liabilities relates predominantly to new leases entered into during the year. For other loans, the movement relates to deemed government grants on interest-free loans received from the IDC.

6.3 Compliance with loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants, for the property-backed facilities:

- loan-to-property-value ratio to not exceed 60%;
- interest cover ratio on property division to not be less than 1,65; and
- if rentals from owner-occupied properties exceed 30% of total rentals received, the excess will be disregarded in calculating the interest cover ratio.

The Group has complied with the financial covenants of its borrowing facilities during the year ending 31 March 2024 and is not close to breach.

7. Shares in issue

	2024 (‘000)	2023 (‘000)
Balance at the beginning of the year	438 324	435 643
Share buy-back during the year*	(1 859)	(4 288)
Issued during the year	1 736	6 969
	438 201	438 324

* During the year, the Group repurchased 2 119 135 shares from the open market on the JSE. Of the shares repurchased, 1 859 107 were cancelled in the current year and 260 028 were cancelled in the subsequent reporting period.

Notes to the condensed consolidated financial results for the year ended 31 March (continued)

8. Events after the reporting period

A distribution of 10 cents per share was declared subsequent to the financial year. Refer to note 9.

The directors are not aware of any other material fact or circumstances arising between the end of the financial year and the date of this report.

9. Distribution

Notice is hereby given that a final distribution of 10 cents (gross) per ordinary share in respect of the 12 months ended 31 March 2024 has been declared and approved by the board of directors out of capital reserves through the reduction of contributed tax capital ("distribution").

In compliance with the requirements of Strate and the JSE Limited, the following dates are applicable:

Distribution declared	Friday, 24 May 2024
Last day to trade cum distribution	Tuesday, 11 June 2024
Shares trade ex distribution	Wednesday, 12 June 2024
Record date	Friday, 14 June 2024
Payment date	Tuesday, 18 June 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 12 June 2024 and Friday, 14 June 2024, both days inclusive.

Additional information

The directors have determined that this capital reduction distribution will be paid out of qualifying contributed tax capital as contemplated in the definition of "contributed tax capital" in section 1 of the Income Tax Act, 1962.

As the distribution will be regarded as a return of capital and may have potential capital gains tax consequences, Deneb shareholders are advised to consult their tax advisors regarding the impact of the distribution.

The directors have reasonably concluded that the company will satisfy the solvency and liquidity requirements of sections 4 and 46 of the Companies Act, 2008, immediately after the capital distribution.

The number of issued ordinary shares is 437 940 917 as at the date of this declaration. The company's income tax registration number is 9844426156.

Commentary

The results for the comparative period were significantly influenced by the finalisation of a Covid-19 business interruption insurance claim and an asset claim arising from KwaZulu-Natal floods. The net after-tax benefit of these claims was R52 million. As the insurance claims are non-recurring in nature and mostly relate to loss of profits which occurred in prior periods, we believe that it is appropriate to exclude the claims for comparison purposes. This will give shareholders a better sense of the underlying performance of the Group in the current period.

On that basis, revenue is up 7% largely due to good turnover growth in our automotive parts manufacturing businesses (up 26%) due to new contracts coming on-line on the back of capital investments. Revenue growth was hard to come by in the rest of the Group and volumes were slightly down with whatever revenue growth that did occur, largely due to price increases. The industrial manufacturing businesses recorded revenue growth of 4% and revenue within the branded product distribution segment was flat.

Despite the lower volumes, margins were largely maintained, and the Group's gross margin was down by 30 basis points. The slight decline in margins is mostly due to turnover mix. Manufacturing businesses typically have lower gross margins than the branded product businesses so as the manufacturing segment accounts for a greater portion of turnover, overall margins decline. This effect was dampened because gross margins at an individual business unit level improved in the main.

Costs were well controlled, increasing by under 1% well below inflation. If variable selling costs are excluded, as these naturally rise with turnover, fixed costs declined by 1% year on year.

The result of the above is that operating profit, excluding the insurance claims, grew by 21% to R252 million.

For most of the year the Group had higher debt levels due to investments in expansion capex, mostly in the prior year and higher average working capital levels as a consequence of shipping delays and weaker exchange rates. The higher debt and higher average interest rates resulted in the net finance expenses being up 45% to R109 million. Increased rates account for just over half of the increase and increased debt the balance. What is pleasing is that the Group has been quite strongly cash generative in the final quarter and for the full year generated R195 million from operations, up 47% from the R132 million generated in the comparative period. At year end, total interest-bearing debt is down R108 million compared to the prior year end.

Property

The property portfolio has performed quite strongly. Revenue grew by 13% with revenue from external tenants growing by 10%. Revenue growth is largely due to lower vacancies and rental from two owner occupied properties bought in the prior year. Operating profit grew by 17% to R126 million. At half-year end we informed you about the sale of two externally let properties for R129 million. We can now report that one of these properties was transferred by year-end resulting in a net cash inflow of R64 million. The other property sale has been delayed due to inability to get the necessary rates clearance certificate from the relevant municipal offices. We expect the certificate to be received shortly and the property should be transferred resulting in a further R65 million inflow. These disposals are part of a strategy to dispose of properties that are no longer considered core.

Branded Product Distribution

The Branded Product segment had a subdued year with revenue flat. This reflects economic pressure on consumers and overstocked situations at retail. In the main we have maintained market share in the categories we operate in. Higher gross margins saw gross profit improve by 2% despite the revenue being flat. Operating costs were well controlled rising by just 1%. Excluding the once-off insurance settlement in the prior year, the improved margins and good cost control, saw operating profit improve by 21% to R63 million. This is quite a pleasing result when one considers that revenue was flat. There are still improvements to be made in this segment to get operating margins above the current 5% levels.

Manufacturing

The manufacturing businesses delivered good revenue growth of 12%, although most of this growth came through the automotive segment. Gross margins were slightly down and as a result gross profit was only up 12%. Costs were up in line with inflation at 6%. Slightly lower production incentives received in the year saw operating profit, excluding the insurance settlement, improve by 5% to R105 million.

Overall, given the general economic environment, we are satisfied with the results but recognise that there are still further improvements to be made. We will continue to drive a process of iterative improvements to move the Group forward.

On behalf of the board

Stuart Queen

Chief Executive Officer

Cape Town

22 May 2024

Gys Wege

Financial Director



INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Deneb Investments Limited

We have reviewed the condensed consolidated financial statements of Deneb Investments Limited, set out on pages 2 to 14, which comprise the condensed consolidated statement of financial position as at 31 March 2024 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these condensed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Deneb Investments Limited for the year ended 31 March 2024 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: R Jacobs
Registered Auditor
Cape Town, South Africa
22 May 2024

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Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682

Corporate information



DENE B INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

("Deneb" or "the Group" or "the company")

The company's shares are listed under the **Financial Services – Diversified Financial Services**.

Registration number: 2013/091290/06

JSE share code: DNB

ISIN: ZAE000197398

Income tax

registration number: 9844426156

Registered office: 5th Floor, Deneb House, Cnr Main and Browning Roads, Observatory 7925, Cape Town
PO Box 1585, Cape Town 8000

Contact details: info@deneb.co.za
www.deneb.co.za

Directors: J A Copelyn* (Non-executive Chairperson), M H Ahmed*^ (Lead Independent Director),
D Duncan*, T G Govender*, N Jappie*^, K F Mahloma*^, S A Queen (Chief Executive Officer),
Y Shaik*, G D T Wege (Financial Director)
(* Non-executive ^ Independent)

Company Secretary: C Philip

Transfer Secretaries: Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196
Private Bag X9000, Saxonwold 2132

Auditors: PricewaterhouseCoopers Inc.

Sponsors: PSG Capital Proprietary Limited

Announcement date: 22 May 2024

www.deneb.co.za