



Press release

Senwes rewrites history with record results

An exceptionally good agricultural production and commodity price cycle, together with the unlocking of synergies from recent merger transactions and the reorganisation of the business model of the group, resulted in record results for the financial year.

The financial results of the Senwes Group reflect a 45,8% increase in turnover amounting to R10,88 billion (2021: R7,46 billion), while the operational profit amounted to R1,06 billion, representing an increase of 30,9%, from R810 million in the previous year.

A profit attributable to normal equity holders of R601 million was delivered, representing an increase of 19,2% from the R504 million of the previous year.

“The volatility following the Covid-19 pandemic has changed the way in which all businesses consider their existence and business models. Add to this the Russian invasion of Ukraine and its worldwide effect on commodity price movement, and it becomes clear that we must be nimble and more innovative to adapt to a fast and ever-changing world of business”, said Francois Strydom, Group Chief Executive Officer.

He adds that the group’s stable financial performance is dependent on Senwes’ agility and its ability to reinvent itself in order to meet the future needs of its diverse client base. “By reimagining our future as an agri-business, we not only reaffirm our commitment to relevance, innovation and value creation, but also enable our stakeholders to re-envision and ultimately re-engineer their own business potential”.

Other financial highlights include a final dividend declaration of 34 cents per share (2021: 32 cents per share) and a special dividend of 56 cents per share (2021: 26 cents per share). The net asset value of the group increased to R19,48 per share (2021: R17,07 per share). Normalised headline earnings per share of 398,2 cents was delivered, which is 62,9% higher than the 244,4 cents per share of the previous year.

The group's Financial Services segment reflected a profit before tax of R153 million – a 4,8% improvement on the previous year’s performance. The Input Supply segment grew by 51,3% with a profit before tax of R481 million being recorded. In terms of the Market Access segment, growth of 52,6% was recorded, which translates into a profit before tax of R325 million. A decrease in profit before tax of 24,1% to R101 million was recorded in the Processing, Conditioning and Markets segment.

Prospects

“Above-average carry-over soil moisture, higher winter crop plantings and a bigger movement towards soybean production are expected, which should result in a better balance of the commodity

book than before. Even with excessive increases in production costs, the agricultural business confidence index and hectares under cultivation are expected to remain high for the coming season”, said Senwes Group Chief Financial Officer, Corné Kruger.

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Enquiries: Francois Strydom

Group Chief Executive Officer

Tel: +27 18 464 7115

francois.strydom@senwes.co.za

www.senwes.co.za