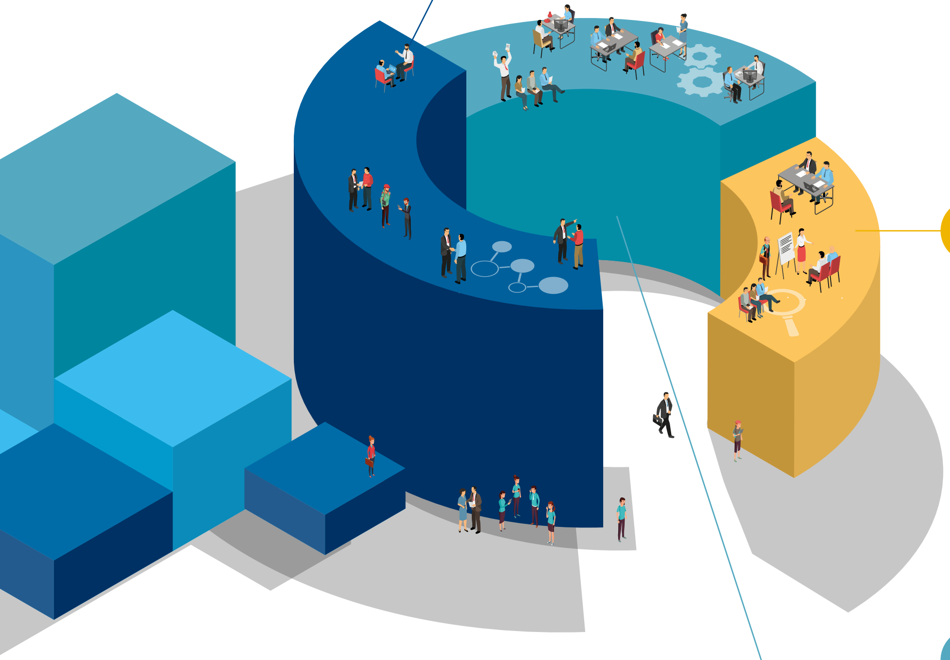
Barloworld

Interim results

For the six months ended
31 March 2022

Built on enduring partnerships and transformative growth

One Barloworld



Our purpose

To inspire a world of difference, enabling growth and progress in society.

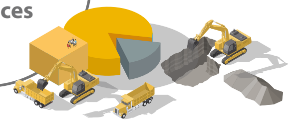
Our vision

We create enduring economic and social value for our stakeholders by building businesses that serve industrial customers.

Our sustainability commitment

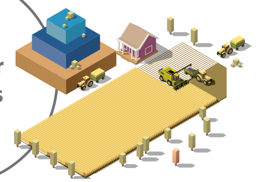
To be a responsible corporate delivering products, services and solutions that generate sustainable outcomes.

Industrial Equipment and Services



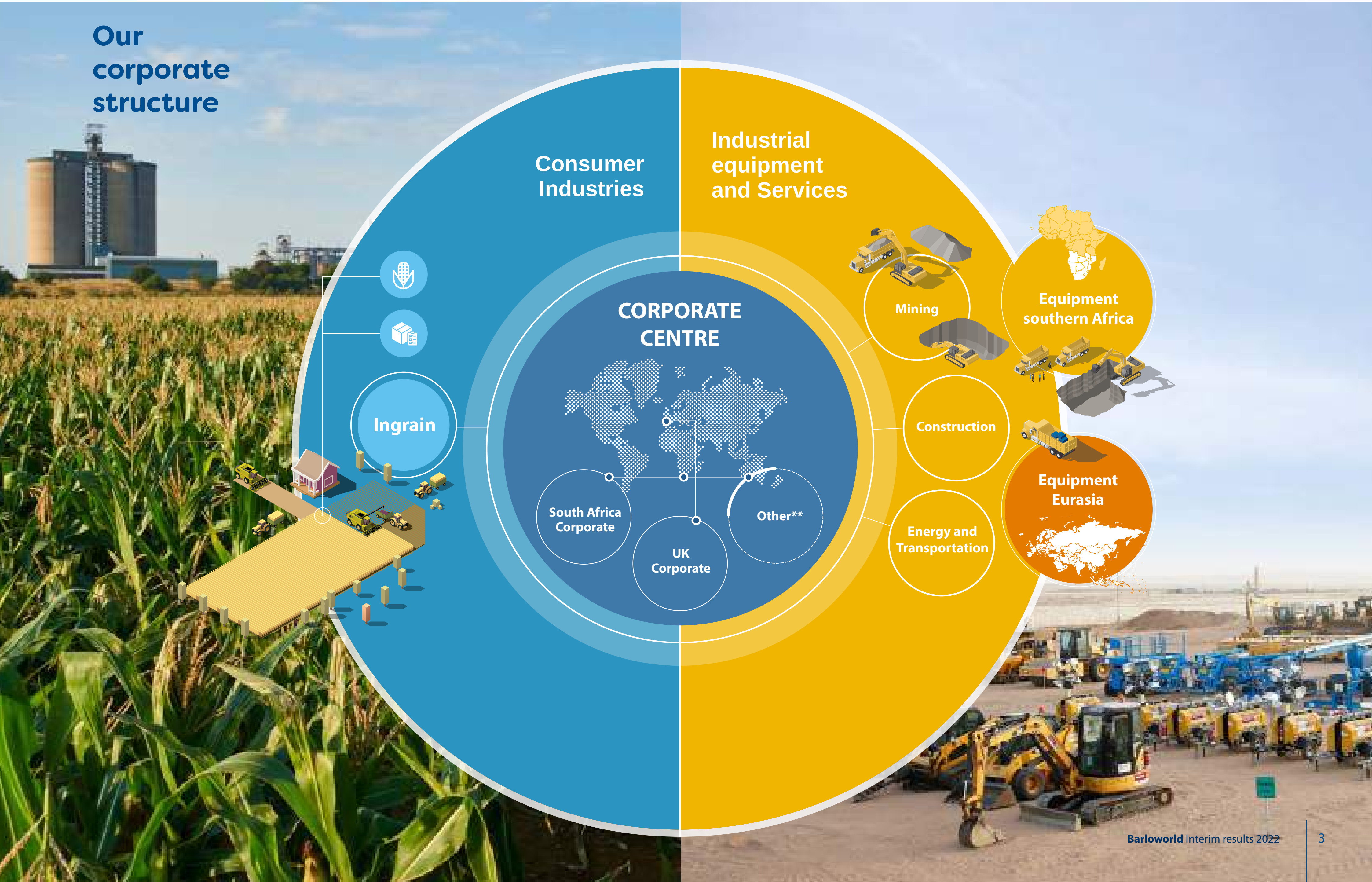
Our Industrial Equipment and Services business offers earthmoving equipment, industrial services and power systems that enable a large array of mining, construction and power solutions for our customers through deep relationships built on trust.

Consumer Industries



Through our Consumer Industries business we provide businesses with the ingredients essential to the manufacturing of, among others, food and beverages, paper, pharmaceuticals, building materials and adhesives.

Our corporate structure



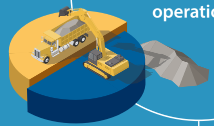
Key features of our performance in 1H22

Progress against our strategy

Pivoting our portfolio into relatively asset-light and defensive assets with the:

- Sale or unbundling of Avis Car Rental and Leasing
- Logistics disposal largely complete

Continue to strengthen our position in our chosen verticals



Our financial performance
(Continuing operations)

Revenue grew
13.6%

EBITDA
up 20.6%

Operating profit
up 25.7%

Normalised HEPS of
465cps
BEPS of (31.6) as the group records impairment for Russia

Our environmental, social and governance (ESG) performance

Our environmental performance

- Barloworld is a constituent of the FTSE4Good Index; we achieved an ISS rating of 1 for our Environmental Quality Score and our Social Quality Score and an MSCI A rating
- We have established five-year efficiency improvement targets against which all our operations will be measured

Achieved an ISS rating of 1

Barloworld closed its first Green loan of R1bn

Our social performance

- 62.8% of our employees are fully vaccinated and 5.3% are partially vaccinated
- We reduced our lost time injury frequency rate to 0.27 (1H21: 0.37)
- Our wellness programme provides support for employees impacted by the Covid-19 virus
- In 1H22 an additional 15 SMMEs joined the 50 SMMEs who have been supported by Siyakhula, our wealth-building enterprise and supplier development (ESD) programme since FY2021
- Mbewu, a fully-fledged non-profit company formed by Barloworld, drives economic sustainability, transformation and growth through its financial and non-financial support of social enterprises over a period of three to five years
- We achieved an ISS rating of 1 for our Social Quality Score

Governance performance

The composition of our board, its appropriate balance of knowledge, skills, experience, diversity (60% of its members are women and 60% are black South Africans) and independence (80% of our directors are independent non-executive directors) equips it to discharge its governance role and responsibilities, objectively and effectively

60%
Female board composition

> The business continues to do well as we execute on our strategy. Management continues to do the best with what it can control and proactively manages and overcomes those factors which the business cannot control.

Group Chief Executive Officer
Dominic Sewela

Group Chief Executive Officer's review

AT A GLANCE

Solid results in the prevailing environment demonstrate a relentless execution of our strategy

Ordinary dividend of 165 cents per share declared

Group HEPS was 756 cents, compared to 362 cents in the prior period

Revenue from continuing operations was 13.6% ahead of the prior period

Operating profit from continuing operations increased by

25.7%

Performance review

The group has delivered a strong set of results in all its businesses during 1H22, despite the challenges we needed to overcome during the period under review. Our operating environment has been hampered by continued supply chain constraints, the global semiconductor shortage and the impact of Russia's invasion of Ukraine on 24 February which triggered higher fuel prices, global inflationary pressures and the resultant slower economic growth. The solid results in the prevailing environment demonstrate a relentless execution of our strategy.

Group HEPS was 756 cents, compared to 362 cents in the prior period, driven by a robust performance from Equipment southern Africa, resilient Equipment Eurasia and Ingrain, as well as strong results from the Car Rental and Leasing business. Group normalised HEPS increased by 382 cents to 784 cents.

Revenue from continuing operations of R18.4 billion at 31 March 2022 was 13.6% ahead of the prior period's R16.2 billion. This was driven by improvement in trading activities across most of our business segments. However, group revenue increased by 5.9% compared to the prior period when an adjustment was made for the revenue relating to Motor Retail.

The operating profit from continuing operations increased by 25.7% to R1.9 billion, with Ingrain and Equipment Mongolia. Group operating profit which includes the Car Rental and Leasing business as held for sale increased by 34.7% to R2.8 billion.

Capital allocation remains key

The group has been intentional in allocating capital, investing and distributing cash resources to increase its efficiency and maximise shareholder value. Barloworld paid GBP68 million towards the UK pension fund deficit, paid a special dividend in January 2022, repaid debt of R1.6 billion and increased working capital as businesses re-fleeted. As a result, the group free cash outflow was R1.9 billion for the period.

Following a review of current facilities, including committed and non-committed facilities, as well as headroom on the existing medium-term note programme, we remain satisfied with the positive state of our headroom, gearing and liquidity.

An improved return on the group invested capital (ROIC) of 14.1% (1H21: 3.8%) was recorded, benefiting from the strong returns generated across our operations. The calculation of ROIC at interims necessitates the inclusion of annualised performance, which includes the strong second half of the 2021 financial year. This will be normalised in September 2022.

The group continues to focus on achieving a balance between delivering attractive returns to shareholders, investing in the business, and maintaining a strong capital position. Despite the prevailing uncertainties in our operating environment, the board remains confident with the resilient performance of the group and has approved an interim dividend of 165cps.

Progress against strategy

Barloworld is an industrial processing, distribution and services company with two primary areas of focus: Industrial Equipment and Services and Consumer Industries (food and ingredient solutions).

OUR AMBITION
Sustainably double the intrinsic value created every four years

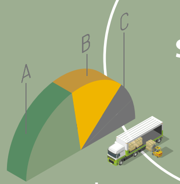
Deliver top quartile shareholder returns

Drive profitable growth

Instil a high-performance culture

Sustainable development

STRATEGIC LEVERS



A **Fix and optimise** existing business portfolio to get to full potential or exit

B **Active shareholder operating model** A key strategic enabler

C **Acquisitive growth and portfolio changes** in identified growth verticals – programmatic or bolt-on M&A

Our strategy, based on a clear ambition and outcome, is to sustainably double the group's intrinsic value every four years, which means that we need to be forward-looking in our approach. The group is actively pivoting its portfolio towards defensive, relatively asset-light and cash generative industrial sectors, based on a business-to-business operating model.

As we strengthen our position in our chosen verticals, our strategic focus will remain on:

A Fix and optimise

We continued to deliver on our strategic lever of fixing and optimising our existing business portfolio to ensure we extract its full potential. In line with our focus on optimally deploying capital within the group, we have successfully exited our investments in Aspen Logistics, Manline Energy, Manline Freight and Timber 24, during the period under review, and are in the process of exiting the remaining components of the Logistics business, comprising dedicated customer contracts and the Supply Chain Solutions (SCS) business, in an orderly manner. We have also indicated we will exit our Car Rental and Leasing business through a sale or an unbundling and separate listing of the business. Going forward, our focus will remain on reviewing businesses with low operating performance and on implementing the various disposals and corporate actions intended to simplify the group's portfolio.

B Active shareholder operating model

The role of our Corporate Centre remains one of an active shareholder operating model. This is a key component of our **managing for value** model and centres on:

- setting strategy and driving transactions through a centralised mergers and acquisitions (M&A) function
- a centralised management team and the deployment of leadership and talent to the best suited opportunities within the group
- monitoring, measuring and rewarding performance that contributes to the achievement of the group's strategic priorities
- allocating organisational resources to support performance and deliver on strategy, including their responsible allocation in terms of our overall strategic objectives
- responsible corporate citizenship and ethical and effective leadership that ensure socio-economic and environmental outcomes that meet stakeholder expectations by creating future sustainable enterprise value.

C Acquisitive growth and portfolio changes

The integration of Ingrain and Equipment Mongolia into the group is progressing well. They have already made a significant contribution to revenue and operating performance, operating profit and earnings.

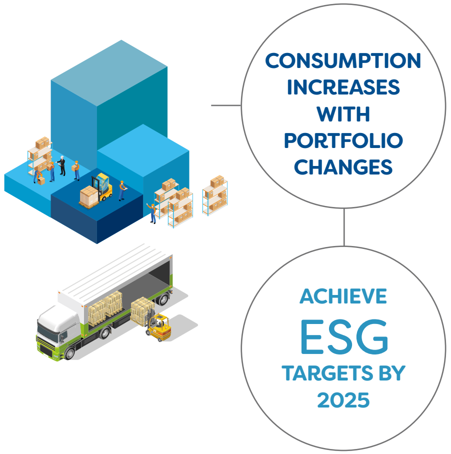
Our short-term priorities are to complete their integration and extract further value.

As we near the completion of our identified portfolio changes, future acquisitive growth, in line with our identified strategic growth segments and investment guardrails, is being actively considered.

Our ESG performance

We apply the principle of materiality in assessing what information to include in our reporting. This is a group-wide process which includes input from all our stakeholders. The process ensures we provide current and prospective investors and other stakeholders with the information they need to make an informed assessment of Barloworld's ability to be resilient, adapt to unanticipated challenges and create future enterprise value. To ensure we achieve this, the matters we identify as being most material to our ability to create enterprise value form the basis of our reporting.

The Barloworld board, through its social, ethics and transformation committee, exercises oversight and provides guidance on our sustainability strategy and performance. Sustainability-related risks are incorporated into the group's entrenched risk management processes and are overseen by the group risk committee.



Our natural environment

The group's focus in terms of our natural environment is on:

- the efficient use of non-renewable energy and switching to renewable energy sources where practical with the aim of reducing our impact on climate change by reducing our greenhouse gas emissions (GHGs)
- achieving water use efficiencies through a measurable reduction in our consumption of potable water and, wherever possible, the recycling of water
- implementing responsible waste management practices, including identifying opportunities for additional recycling initiatives and substantially reducing our waste to landfill. An exercise to identify ways to reduce our impact on the environment and set targets aimed at achieving these reductions is currently under way. Our intention is to achieve the targets we set by FY2025.

Year-on-year increases in activity in our various businesses since Covid-19-related restrictions were reduced, have resulted in a substantial increase (129%) in the group's non-renewable energy consumption to 2 186 788GJ (1H21: 955 703GJ), while our Scope 1 and 2 emissions increased 94% to 266 591tCO_2e (1H21: 137 152tCO_2e. Our water consumption also increased by 43% to 1 499Ml (1H21: 1 050Ml).

Our social performance

The impact of climate change did not spare our businesses, our employees and communities. Floods affected parts of Mozambique and the KwaZulu-Natal province of South Africa with KwaZulu-Natal being very hard hit by recent flooding, resulting in the deaths of over 400 people. We partnered with key non-governmental organisations to provide much needed support to 113 of our employees and local communities who were affected in both countries. This support is ongoing.

The additional 15 SMMEs supported by the Siyakhula programme since the beginning of the 2022 financial year (50 SMMEs in FY2021) are providing employment to 143 people.

The programme will be engaging in strategic partnerships with its key stakeholders to enable the growth of the SMME pool where we operate. The Mbewu initiative is in the process of finalising its second cohort of social enterprises.

The Siyakhula programme

employed 143 people since 2021

Our people

Health and safety

Although the South African government has lifted the national state of disaster and relaxed most of the country's lockdown rules, we continue encouraging our people to follow the Covid-19 safety protocols and provide them with an optimised wellness programme, which is a key part of our employee value proposition.

We are also pleased to report that the Covid-19 support programmes, implemented to encourage Covid-19 vaccination, have resulted in a significant reduction in the number of active Covid-19 cases and a significant increase in the number of vaccinated employees to 6 248.

The group has also adopted a Covid-19 vaccination policy on which we are currently consulting our employee and organised labour partners to enable its effective implementation during the third quarter of the financial year. The adoption of the policy followed a risk assessment conducted as directed by the Consolidated Coronavirus Covid-19 Direction on Occupational Health and Safety. The outcome of the risk assessment validated the need for such a policy and therefore its implementation is an important step that further mitigates the risk of the pandemic on the long term sustainability of the business.

Our zero harm culture remains core to our efforts of creating a safe working environment for all our employees. In line with this, the group's (continuing operations) lost-time injury frequency rate (LTIFR) for the period ended 31 March 2022 was 0.27 (1H21: 0.41) with work-related fatalities at 0 (1H21: 0).

Talent and performance management

During 1H22 our talent and performance management included the implementation of leadership and talent initiatives intended to achieve sustainable breakthrough performance.

The performance contracting process for all executives, intended to drive accountability for the achievement of the group's strategic objectives, were completed and all other employees concluded performance contracts with their line managers, with the intention to drive focused contributions to the achievement of the group's strategic objectives.

Talent reviews were conducted with the aim of effectively deploying our top talent, identifying gaps and building a strong succession bench for strategic, critical and scarce roles required to deliver the business objectives.

To drive operational excellence and continuous improvement at all levels, we rolled out our Leader Standard Work tools to middle management and supervisory level employees. This follows the successful roll-out of the group's operational excellence programme to all executive and senior management employees in line with our strategy and culture deployment tool, Barloworld Business System (BBS).

Governance

Our board of directors is committed to maintaining the highest standards of corporate governance and considers all the elements of the value creation process when steering and setting Barloworld's strategic direction.

Changes to our board and succession planning

Mr. Nicola Chiaranda was appointed as an independent non-executive director of the Barloworld board with effect from 11 February 2022.

At a meeting held on 10 February 2022, the board resolved to separate the combined audit and risk committee into two committees to take into consideration the operating environment, business needs and feedback from shareholders during governance roadshows held earlier in the year.

Outlook

Our strong performance demonstrates Barloworld's ability to deliver solid results across all its core businesses through executing on its strategy. We are cautiously positive regarding the outlook for FY2022.

We are encouraged by the performance of our Industrial Equipment and Services businesses and their opportunities in the year ahead, with the order book for Equipment southern Africa set to maintain the division's momentum. While we are cautious regarding the outlook for our Russia business, we believe that we have taken a prudent approach in impairing the carrying value of certain asset categories for the business and goodwill. We will continue to proactively monitor the situation. We are hopeful for a recovery in Mongolia once Covid-19 constraints begin to improve for the business.

We also remain confident that Ingrain's diverse offering will continue to support a robust full-year performance from the business.

The group previously announced its intent to exit from its Car Rental and Leasing business by the end of 2022, and that both a sale and separate listing via an unbundling were being investigated as potential options to separate the business. Significant progress in preparing the business to operate on a stand-alone basis has been made and the separation remains on track to be completed this calendar year. To date, the board has not deemed any of the approaches made to acquire the business as having sufficient merit to be progressed. Accordingly, the board continues to evaluate the possibility of a separate listing via an unbundling. The market will be updated on this process when a decision on the separation pathway has been finalised.

Dominic Sewela
Group Chief Executive Officer

Group financial review

Accounting presentation changes

Following the board's approval to sell or unbundle and separately list Avis Car Rental and Leasing, the business is now classified as held for sale in terms of IFRS 5. Accordingly, Car Rental and Leasing is classified as part of discontinued operations in the income statement, and comparatives have been re-stated in this regard.

Total group normalised HEPS increased by 382 cents to 784 cents in the current period. The prior period revenue included R6.7 billion relating to Motor Retail which is now equity accounted and included the results of investments in joint ventures. Group revenue increased by 5.9% compared to prior period when the revenue relating to Motor Retail is adjusted.

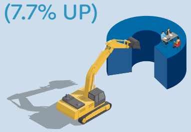
Total group EBITDA increased by 12.0% (20.5% after adjusting for Motor Retail) to R4.0 billion in the current period, while operating profit increased by 34.7% (44.7% after adjusting for Motor Retail) to R2.8 billion in the current period. This represents group EBITDA and group operating margins of 17.2% and 12.2%, respectively compared to prior period margins of 12.5% and 7.3%, respectively.

Continuing operations

Normalised HEPS increased by 177 cents to 465 cents in the current period. Revenue of R18.4 billion at 31 March 2022 was 13.6% ahead of the prior period's revenue of R16.2 billion. This was driven by improvement in trading conditions impacting the majority of our business segments.

- **Equipment southern Africa** revenue grew by 7.7% to R9.4 billion during the period under review driven largely by machine sales and rentals.

R9.4bn
(7.7% UP)

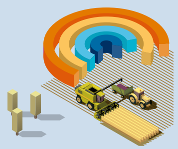


- **Equipment Eurasia** grew revenue by 11.8% to R5.7 billion compared to the prior period as buoyant mining activity continued and excellent growth was achieved in aftermarket revenue in Russia. This was offset by lower revenue generated from Mongolia due to supply chain challenges on the border of Mongolia and China, which resulted from measures China introduced to reduce the spread of Covid-19. This resulted in machine inventory being stuck at the border, unable to be shipped and sold to customers.

REVENUE GREW
11.8%

- **Ingrain's** revenue grew by 45.7% to R2.9 billion when compared to the prior period's five months' revenue, during which Ingrain was part of Barloworld. When compared to the prior period's six months, revenue increased by 17.0%, boosted by an increase in demand from the confectionery and paper making sectors, while alcoholic beverage sales remained strong.

REVENUE GREW 45.7% TO
R2.9bn



- **Revenue** from other segments increased by 8.7% to R426 million compared to the prior period, mainly due to an increase in external rentals received by Khula Sizwe.

REVENUE FROM OTHER SEGMENTS GREW
8.7%

EBITDA of R2.5 billion was 20.6% up from R2.1 billion when compared to the prior period, while operating profit of R1.94 billion was up 25.8% compared to the prior period, positively impacted by the increase in revenue, improved gross margins and cost containment measures put in place. This represents an EBITDA margin of 13.7% compared to 12.9% in the prior year, contributed by the following:

- Equipment southern Africa EBITDA grew by 12% to R1.3 billion, representing EBITDA margin growth of 0.6% to 14.1%.
- Equipment Eurasia EBITDA grew by 13.8% to R0.8 billion, representing EBITDA margin growth of 0.3% to 14%.
- Ingrain's EBITDA grew by 24.6% to R0.4 billion, representing an EBITDA margin decline of 3% to 17.4%.

Losses from the fair value adjustments of financial instruments at R123 million resulted from adverse fair value movements in foreign exchange currencies.

Net finance costs decreased to R390 million by 4.1% compared to the prior period, driven by the decrease in the average net debt of R7.0 billion in the current period compared to R9.3 billion in the prior period.

Non-operating and capital items of R1.0 billion resulted mainly from impairment of non-current assets in Equipment Russia on the back of the expected financial impact resulting from sanctions instituted against Russia.

The effective tax rate (ETR) of 171.7% was impacted by non-operating and capital items. The ETR is 42.4% (49.8% in the prior period) when these items are adjusted for. This rate was further impacted by IAS 12.41 adjustments, in jurisdictions where taxable income is based on local currencies, which differs from functional currency. Other factors increasing the rate include the accounting for intra-group income and expenses involving held for sale entities not eliminating, significant withholding tax on dividends declared from Russia, and and a prior year deferred tax correction.

Income from associates and joint ventures of R113 million is significantly higher than the prior period. In the prior period we experienced a loss of R56 million. This improvement is largely driven by the improvement in trading conditions of Bartrac, our joint venture in the Katanga province of the Democratic Republic of Congo (DRC). The improvement is due to the restructuring executed in the prior financial year as well as an increase in revenue derived from new customers.

Cash flow

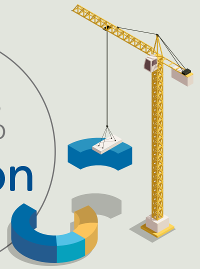
Free cash outflow of R1.9 billion (R5.0 billion inflow in the prior period) was mainly impacted by the net cash outflow from operations, payment of a special dividend, pension fund contribution and the repayment of debt. Net cash used from operating activities before dividends in the current period was R1.9 billion compared to cash generated of R3.7 billion in the prior period, as a result of a GBP68 million contribution towards the UK pension scheme deficit, and the increases in working capital for Equipment, leasing and rental fleets.

Investment in working capital, leasing and rental fleets was necessary to support current business activity levels and those anticipated for the second half of the year.

The net cash from investing activities of R32 million included net proceeds of R143 million from the disposal of the Logistics businesses. Deferred payments are expected to be received in the second half of the year.

GROUP TOTAL ASSETS AMOUNTED TO

R48.5bn



Financial position, gearing and liquidity

Group total assets amounted to R48.5 billion compared to R52.8 billion at 30 September 2021 and were mainly impacted by the impairment of assets in Equipment Russia, disposals of the businesses in Logistics and normal and significant special dividend payments paid post year-end and in the first half of 2022.

During the current period, a contribution of GBP68 million was made towards the UK pension scheme deficit which together with actuarial gains of GBP16 million contributed to a surplus of R1.4 billion at 31 March 2022.

The board has approved a sale or an unbundling and separate listing of the Car Rental and Leasing businesses. Accordingly, the non-current assets held for sale increased from R2.4 billion at 30 September 2021 to R11.1 billion. Liabilities associated with assets held for sale increased from R1.8 billion at 30 September 2021 to R5.4 billion. During the prior period, both Motor Retail and Logistics were included as held for disposal, while 1H22 consists of Car Rental and Leasing businesses as well as the small remainder of the Logistics business.

The group's balance sheet at 31 March 2022 remained strong with total assets exceeding total liabilities by R18.4 billion (R21.7 billion at 30 September 2021).

The group retains significant headroom on committed facilities for both the local and offshore operations, which remained substantial at R20.1 billion and non-committed facilities amounted to R0.7 billion.

The group actively reviews and monitors all facilities on an ongoing basis and we remain confident of our good liquidity position.

Our South African short-term debt includes committed overnight short-term facilities, bonds maturing in the next 12 months amounting to R1.902 billion and uncommitted banking facilities amounting to R715 million. We expect to maintain our participation in this market to the extent that we are able to achieve funding rates that are competitive with existing short-term and long-term funding lines and requirements, as well as available liquidity within this market.

Within our R15 billion DMTN programme, a total of R4.1 billion is held in bonds. Barloworld successfully repaid bonds in March 2022, February 2022 and December 2021 to the value of R1.6 billion in line with our capital allocation policy.

FIRST ESG-LINKED LOAN OF

R1bn

GROUP RETAINS SIGNIFICANT HEADROOM ON COMMITTED FACILITIES

We have issued an ESG-linked loan for the first time, amounting to R1 billion held with Standard Bank. The loan will receive interest savings when, and should, we achieve the agreed ESG goals.

Group facilities (R billion)	Mar 2022
Utilised	12 557
Unutilised	7 579
Total facilities	20 136
Unutilised – committed	6 831
Unutilised – uncommitted	748
Total unutilised facilities	**7 579**

Net debt at 31 March 2022 is up from 30 September 2021, mainly as a result of the increase in working capital in most operations and a special dividend of 2.3 billion paid in January 2022.

Debt covenants	Mar 2022
EBITDA: Interest cover > 3.0 times	9.2 times
Net Debt: EBITDA < 3.0 times	1.0 times

Divisional performance

Industrial Equipment and Services

R million	Revenue		Operating profit/(loss)		Invested capital	
	Six months ended		Six months ended		Six months ended	
	Audited		Audited		Audited	
	31 Mar **2022**	31 Mar **2021**	31 Mar **2022**	31 Mar **2021**	31 Mar **2022**	31 Mar **2021**
Southern Africa	**9 437**	8 759	**972**	893	**7 983**	8 193
Eurasia	**5 687**	5 087	**672**	559	**2 726**	4 041
	15 124	13 846	**1 644**	1 452	**10 709**	12 234
Share of joint venture and associate loss			**54**	(99)		

Equipment southern Africa

Equipment southern Africa delivered a strong performance in an environment still impacted by global supply chain disruptions. Revenue for the six-month period to March 2022 was up 7.7% at R9.4 billion (1H21: R8.8 billion). Overall machine sales were up 15.9%, rental revenue was up 12.5% and parts sales were up 5.6%. Other greater Africa territories delivered exceptional growth, and revenue for those territories was up by 35% on the back of strong commodity prices. Activity in South Africa was subdued with revenue down 4%, due to timing of deliveries. Overall, the stronger ZAR/US$ exchange rate compared to the prior period had a negative impact of 4.6% on revenue for southern Africa.

Operating profit was up 8.7% at R971.6 million (1H21: R893.4 million) compared to the prior period. Efforts to lower the cost to serve are bearing fruit, despite aftersales contribution dropping 300bps due to the strong machine sales growth. An operating margin of 10.3% (1H21: 10.2%) was realised, whilst EBITDA was up 12.0% compared to the prior year. Losses on financial instruments of R113.7 million (1H21: R47.3 million) were mainly driven by the cost of the forward exchange contracts totalling R74.5 million for the period.

The effective tax rate for the period was 23% (1H21: 28%), and was favourably impacted by the release of IAS 12.41 deferred tax charge on the back of a strengthening Angola kwanza against the US$.

Bartrac, the joint venture in the DRC, delivered a positive share of associate income of R51.8 million for the period (1H21: loss of R104.0 million).

Invested capital was R210 million lower than the comparative period at R8.0 billion (1H21: R8.2 billion). However, the stock levels since September 2021 increased in preparation to fulfil firm back orders in the second half of 2022. This resulted in a cash outflow of -R263 million (2021: R1.0 billion). Return on invested capital based on a rolling 12 months remained strong at 18.1% (1H21: 6.5%).

The total equipment firm back-order book at R4.5 billion was up 41% compared to September 2021 at R3.2 billion, and this will support trading activity in the second half.

EBITDA UP
12.0%
compared to the prior year

OPERATING PROFIT WAS UP 8.7% AT
R971.6m
(1H21: R893.4 million)

Equipment Eurasia

The Eurasian division sells, services, and rents mainly Caterpillar equipment and engines in Russia and Mongolia. Our markets include mining, construction, forestry, rental, and power systems, with mining dominating the revenue portfolio in both countries.

Despite the disruptions caused by the Russia/Ukraine conflict that started in late February 2022, and the continued impact of Covid-19 on Mongolia, the Eurasian division delivered exceptional results. This performance was driven mainly by strong mining sales, a diversified commodity mix, good aftermarket growth and good margin realisation.

Total revenue at R5.6 billion (US$367 million), was up 11% on the prior period in dollar terms, with Russia remaining the major contributor. In rand terms, total Eurasia revenue was up by 12% from the prior period.

Although gold made the biggest contribution to revenue in 1H22 of 29%, a diversified commodity mix in both countries supports the figures. In addition to gold, coal and copper were most notable.

The aftermarket revenue contribution as a percentage of total revenue for the first half of the financial year remained healthy at 46% for the Eurasia division (1H21 44%). In Russia, aftermarket revenue in dollar terms increased by 33% compared to the same period in 2021, supported by good growth across all the major segments. However, overall the division's aftermarket revenue grew by 16% as Mongolia experienced negative growth due to the suspension of key mining customers' operations impacted by Covid-19 restrictions In China.

Divisional operating profit was up 19% in dollar terms compared to 2021, supported by improved prime and aftermarket volumes combined with good margin realisation and tight expense control. Operating expenses were maintained below prior year levels, despite increased volumes, resulting in a very good operating margin for the division at 11.8%, compared to 11% in 1H21. The depreciation of the rouble made a minor contribution to this improvement.

EBITDA was US$51.3 million, 14.0% of net revenue, in 1H22, compared to US$45.6 million and 13.8%, respectively, in the prior period.

The Eurasian operations generated positive cash flow through profitable results and sound working capital management. Strong EBITDA to free cash flow conversion resulted in free cash flow of US$54 million in the six-month period, which significantly strengthened our financial position.

The ROIC of 23.9% for the Eurasia division continues to be well above the group threshold of 13%, showing a good improvement on the prior year.

The total firm order book at the end of March 2022 was at a record US$269 million (1H21: US$177 million), without factoring in sanctions imposed due to the war in Ukraine. The estimated impact of sanction regimes implemented by countries across the world is likely to reduce the firm order book, driven by coal at 45%, gold at 22% and copper/nickel/aluminium at 17%.

Our trading in Russia is becoming severely restricted as the full effect of sanctions begins to be felt, with supply chain disruptions further exacerbating the impact. We expect this trend to continue, limiting opportunities to grow our business. As we manage the risks and exposures emanating from the difficult operating conditions in the Eurasia region, our focus is on addressing the needs of our employees through very uncertain and challenging times.

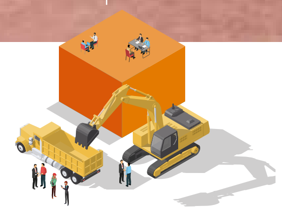
The situation in both Russia and Mongolia is fluid, and we will remain agile and adaptable to ensure compliance with emerging regulatory changes impacting us both internally and externally. Our focus in the foreseeable future will be on managing costs and working capital requirements, as well as supporting our employees and customers.

The constrained outlook has resulted in some impairments at the half year. The events in Russia have also impacted trading in Mongolia, intensifying the existing supply chain disruptions linked to the continuous closure of borders between China and Mongolia due to Covid-19. These barriers to business will impact top line growth in Mongolia in the medium term. We remain in close contact with our customers, keeping them up to date as processes unfold in both territories.

Management has reassessed the carrying value of certain asset categories resulting from the expected impact of the conflict in Ukraine and the resultant ripple effect on the Equipment Eurasia business. An impairment of $68.5 million (R1.0 billion) was recorded at 31 March 2022, based on lower estimated cash flows together with higher discount rates, in line with various macroeconomic factors. The impairments include the full write down of goodwill and indefinite life intangible assets, as well as a partial impairment of fixed assets.

EBITDA WAS
US$51.3m
NET REVENUE IN 1H22
14%

EURASIA REVENUE UP
12%



Consumer Industries

	Revenue		Operating profit/(loss)		Invested capital	
	Six months ended	Five months	Six months ended	Five months	Six months ended	Five months
R million	31 Mar **2022**	31 Mar **2021**	31 Mar **2022**	31 Mar **2021**	31 Mar **2022**	31 Mar **2021**
Southern Africa	**2 747**	1 879	**352**	284	**5 000**	5 084
Australia	**104**	77	**10**	7	**38**	25
Total	**2 851**	1 956	**362**	291	**5 038**	5 109

Ingrain

The Ingrain business was acquired effective 1 November 2020, positioning Barloworld for growth in the food and industrial ingredient market which is focused on business-to-business customers. This business is a growth platform for the Consumer Industries vertical.

As the accounting entries relating to the acquisition Purchase Price Allocation (PPA) were processed during September 2021, the results previously reported for the five-month period to March 2021 have been re-presented to reflect the financial impact had the PPA entries been processed as at 31 March 2021.

Ingrain's revenue increased by 45.7% to R2.9 billion from R2.0 billion in the prior period. In turn, the operating profit for the period ended March 2022 increased to R362 million (five months to March 2021: R291 million), benefiting from higher sales volumes and improved agri-product recoveries. Sales volumes in the domestic market increased by 25% over the prior reporting period, while export sales volumes were 40% ahead of the period to March 2021, on the back of increased production supply from the division's operations. The growth in domestic sales was primarily driven by a return to normal volume offtake from the alcoholic beverages sector. The change in sales mix had an impact on overall margins.

The ongoing focus on increasing sales of powdered glucose is yielding some positive results, with 34% higher sales volumes during the period under review. Modified starch volumes were negatively impacted by plant reliability issues, which should be addressed through the broader BBS improvement initiatives. Margins continued to be supported by the large maize crop harvested in South Africa in June 2021 (2021: 16.3 million tonnes; 2020: 15.3 million tonnes), the second largest on record, which resulted in improved agri-product realisations and higher international agricultural commodity prices, all of which partially offset the impact of a change in sales mix compared to the prior reporting period. The prospect of a long drawn-out Russia/Ukraine crisis is cause for an uncertain macroeconomic outlook and consequences including potential increases in international maize and fertiliser prices. This is in addition to the possibility of a fifth wave of Covid-19 infections in South Africa following the recent relaxation of pandemic-related restrictions. Ingrain's diverse customer base is expected to continue to provide support to sales in the domestic market. Investments in BBS efficiency improvement projects are expected to deliver further results during the second half of the financial year, supported by investments in people and technology.

Despite reports of crop damage due to flooding, the latest estimates suggest a moderate drop of 9.9% in the maize crop for the current season to 14.7 million tonnes. Although this should be sufficient to support domestic demand, the estimated lower harvest combined with higher international maize prices, which are sustained by the ongoing conflict between Russia and Ukraine and the fluctuating local currency, are expected to support higher local maize prices going forward.

SALES VOLUMES IN THE DOMESTIC MARKET INCREASED
25%

EXPORT VOLUME SALES GREW
40%

Other segments

Revenue from other segments was up 8.7% compared to the prior period, mainly due to increased rental income received by Khula Sizwe. This was offset by a reduction in revenue from the Digital Disposal Solutions business which saw significant reduction in trading volumes.

The operating losses from other segments were R77 million compared to R210 million in the prior period. The losses are a mix of improvement of operating profit by R25 million in Khula Sizwe, reduction of corporate offices costs by R144 million and reduction in profit by R34 million in the SMD business.

	Revenue		Operating (loss)/profit		Invested capital	
	Six months ended		Six months ended		Six months ended	
	Reviewed		Reviewed		Reviewed	
R million	31 Mar **2022**	31 Mar **2021**	31 Mar **2022**	31 Mar **2021**	31 Mar **2022**	31 Mar **2021**
Southern Africa	**426**	392	**(37)**	(148)	**2 530**	1 202
Europe			**(40)**	(62)	**1 545**	(587)
	426	392	**(77)**	(210)	**4 075**	615
Share of associate profit/(loss)			**58**	43		

Discontinued operations

During the period under review the group concluded the sale of most of the businesses within the Transport division and dealt with various end of term transport contracts. The Transport division now consists of a single dedicated contract and the group is progressing discussions with multiple parties who have expressed an interest in acquiring this contract.

The group is currently progressing the sale of the Supply Chain Solutions (SCS) business with an interested party who is conducting a detailed due diligence of the business and simultaneously negotiating transaction agreements. The SCS business continues to perform profitably and ahead of expectations in the current financial year.

Logistics

The Logistics division recorded a decrease in revenue to R1.2 billion (1H21: R1.7 billion) impacted by the disposal of the Aspen Logistics business on 1 November 2021 and Specialised Transport on 1 March 2022. The Logistics division recorded an operating profit of R56 million (1H21: R30 million loss) for the period.

The Logistics division recorded

operating profit of R56 million

Car Rental and Leasing

R million	Revenue		Operating (loss)/profit		Invested capital (incl. IFRS 16)	
	Six months ended		Six months ended		Six months ended	
	Reviewed		Reviewed		Reviewed	
	31 Mar **2022**	31 Mar **2021**	31 Mar **2022**	31 Mar **2021**	31 Mar **2022**	31 Mar **2021**
Car Rental	**2 620**	2 612	**405**	114	**3 710**	2 370
Avis Fleet	**1 307***	1 560	**304**	264	**2 715**	3 041
Car Rental and Leasing	**3 927**	4 172	**709**	378	**6 425**	5 411

*Includes intergroup revenue of R272 million (1H21: R158 million).

The board has also approved the exit of our Car Rental and Leasing business through a sale or unbundling and separate listing. The business is therefore classified as a discontinued operations during the period under review.

The Avis Budget Southern Africa integrated mobility solutions offer short-term rentals, comprehensive long-term fleet management services and used vehicle trade and retail channels across southern Africa and Ghana. The operating model is centred on proactively catering to the ever-evolving needs of customers and has presented an opportunity to offer end-to-end mobility solutions to customers, while creating efficiencies through the consolidation of common processes.

Car/short-term rental

The short-term rental operation has delivered an exceptional set of results for the six months ended 31 March 2022. At a top line, revenue was marginally up by 30 basis points compared to the prior year at R2.6 billion. This performance was largely muted by new vehicle supply chain constraints although a marked improvement in rental demand is expected. The diverse sectors from which rental revenue is derived have provided a natural hedge against industry-specific economic cycles, which is further fortified by the mix in contracted versus discretionary revenue streams. The repositioning strategy towards a more balanced mix of off-airport business continues to yield great results, particularly with the subscription offering. This segment has delivered a pleasing 46% increase in revenue compared to pre-Covid-19 levels (or 1H20).

Car Rental delivered a 255% surge in operating profit at R405 million compared to the prior period. This is 109% up from the R194 million reported during the pre-Covid-19 period ended 31 March 2020. The unprecedented quality of earnings can be attributed to the nimble execution of the strategy which includes the back-to-basics approach that is focused on improved vehicle availability. The result of this was a remarkable fleet utilisation of 81%, up 300 basis points compared to the prior period. The sale of used cars has remained bullish and maximised profit margins in the current trading conditions.

Leasing/long-term fleet management

The Leasing or long-term fleet management operation has faced a convergence of the natural attrition of major public sector contracts and the financial pressures on the corporate customer base. These have resulted in fleet reductions in line with the constrained economic landscape and vehicle supply chain disruptions. As a result, top line revenue (internal and external) decreased by 6.7% compared to the prior period.

Despite these headwinds, some corporate activity can be seen in credit facility reviews and approvals for replacement and growth units, which resulted in a firm order book. Similar to the rental operations, the long lead times on vehicle deliveries have impacted revenue.

The diversification into heavy commercial vehicles continues to gain momentum, particularly with the growth in the e-commerce and online shopping sectors, tapping into the value chain of last mile deliveries. The increased focus on the sale of maintenance and service plans is also gaining velocity with new unit installations up 24% year on year.

The long-term fleet management operation has delivered a 15% increase in operating profit. This is 12.8% higher than the R269 million operating profit reported pre-Covid-19 for the period ended 31 March 2020. The solid results are attributable to strong contract management and a focus on the health of the fleet, coupled with exceptional risk management.

Cost containment, adaptable resource allocation, agility and cash generation remain fundamental in our operating model.

Ordinary dividend number 185

Notice is hereby given that interim dividend number 185 of 165 cents per ordinary share in respect of the six months ended 31 March 2022 has been declared subject to the applicable dividends tax levied in terms of the Income Tax Act, 58 of 1962 (as amended) (the Income Tax Act) as follows:

DIVIDEND	ORDINARY
GROSS AMOUNT	165 cps
WITH-HOLDING TAX	20.0%
NET AMOUNT	132 cps

In accordance with paragraphs 11.17(a)(i) to (ix) and 11.17(c) of the JSE Listings Requirements, the following additional information is disclosed:

- The dividend has been declared out of income reserves
- The company's income tax number is IT 9000051715
- Local dividends tax rate is 20% (twenty per cent)
- Barloworld has 200 214 227 ordinary shares in issue.

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

DIVIDEND DECLARED
Monday, 23 May 2022

LAST DAY TO TRADE CUM DIVIDEND
Tuesday, 21 June 2022

ORDINARY SHARES TRADE EX-DIVIDEND
Wednesday, 22 June 2022

RECORD DATE
Friday, 24 June 2022

PAYMENT DATE
Monday, 27 June 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 22 June 2022 and Friday, 24 June 2022, both days inclusive.

On behalf of the board
Vasta Mhlongo
Group Company Secretary

Independent auditors' review report on the condensed consolidated interim financial statements

To the Shareholders of Barloworld Limited

We have reviewed the accompanying condensed consolidated interim financial statements of Barloworld Limited as at 31 March 2022, as set out on pages 19 to 56, which comprise the condensed consolidated statement of financial position as at 31 March 2022 and the related condensed consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Interim Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council 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 interim 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 interim financial statements. We conducted our review in accordance with International Standard on Review Engagements ("ISRE") 2410, Review of Interim 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 interim 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 interim 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 and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Barloworld Limited for the six months ended 31 March 2022 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

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Ernst & Young Inc.

Ernst & Young Inc.
Director: Sifiso Sithebe
Registered Auditor
Chartered Accountant (SA)

23 May 2022

SizweNtsalubaGobodo Grant Thornton Inc.

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Financial statements

Condensed consolidated income statement

for the six months ended 31 March 2022

R million	Notes	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Restated* Audited 30 September 2021
CONTINUING OPERATIONS				
Revenue	3	**18 401**	16 194	34 123
Operating profit before items listed below		**2 567**	2 099	4 642
Impairment losses on financial assets and contract assets		**(43)**	(6)	6
Depreciation		**(496)**	(425)	(964)
Amortisation of intangible assets		**(86)**	(94)	(180)
Operating profit before B-BBEE transaction charge		**1 942**	1 574	3 504
B-BBEE transaction charge		**(13)**	(40)	(81)
Operating profit	4	**1 929**	1 534	3 423
Fair value adjustments on financial instruments		**(123)**	(111)	(182)
Finance costs		**(443)**	(462)	(885)
Income from investments		**53**	54	119
Profit before non-operating and capital items		**1 416**	1 015	2 475
Non-operating and capital items comprising of:				
Reversal of impairment			8	52
Impairment of goodwill		**(217)**		
Impairment of indefinite life intangible assets		**(193)**		
Impairment of property, plant and equipment, intangibles and other assets		**(622)**		(49)
Other non-operating and capital items	5	**1**	31	188
Profit before taxation		**385**	1 054	2 666
Taxation	6	**(661)**	(476)	(462)
(Loss)/profit after taxation		**(276)**	578	2 204
Profit/(loss) from associates and joint ventures		**122**	(56)	(16)
Net (loss)/profit from continuing operations for the period		**(164)**	522	2 188

R million	Notes	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Restated* Audited 30 September 2021
DISCONTINUED OPERATIONS				
Profit from discontinued operations	12/19	**101**	202	612
Net (loss)/profit for the period		**(63)**	724	2 800
Net (loss)/profit attributable to:				
Owners of Barloworld Limited		**(62)**	726	2 756
Non-controlling interests in subsidiaries		**(1)**	(2)	44
		(63)	724	2 800
(Loss)/earnings per share (cents)				
– basic		**(31.6)**	366.2	1 390.9
– diluted		**(32.5)**	365.3	1 375.8
(Loss)/earnings per share from continuing operations (cents)				
– basic		**(82.8)**	264.2	1 081.9
– diluted		**(82.8)**	263.5	1 070.1
Profit per share from discontinued operations (cents)				
– basic		**51.2**	102.0	309.0
– diluted		**50.3**	101.7	305.7

* Refer note 19.

Condensed consolidated statement of financial position

for the six months ended 31 March 2022

R million	Notes	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Audited 30 September 2021
ASSETS				
Non-current assets		**17 073**	21 689	21 237
Property, plant and equipment		**7 294**	13 110	11 417
Investment property		**995**		1 000
Right of use assets		**437**	661	634
Goodwill	7	**2 074**	2 749	2 756
Intangible assets	8	**2 004**	2 473	2 370
Investment in associates and joint ventures	9	**1 958**	1 791	1 880
Long-term trade and other receivables**			130	134
Long-term financial assets	10	**1 681**	181	198
Deferred taxation assets		**630**	594	848
Current assets		**20 281**	25 242	29 220
Vehicle rental fleet			2 627	2 819
Inventories		**8 299**	7 223	8 111
Trade and other receivables		**6 075**	6 583	6 949
Contract assets		**644**	564	424
Taxation		**154**	131	196
Cash and cash equivalents	11	**5 109**	8 114	10 721
Assets classified as held for sale	12	**11 147**	5 826	2 387
Total assets		**48 501**	52 757	52 844

R million	Notes	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Audited 30 September 2021
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and premium		**(1 200)**	(1 121)	(1 200)
Other reserves		**4 391**	4 691	4 911
Retained income		**14 937**	16 297	17 711
Interest of shareholders of Barloworld Limited		**18 128**	19 867	21 422
Non-controlling interest		**251**	243	283
Interest of all shareholders		**18 379**	20 110	21 705
Non-current liabilities		**9 064**	10 271	10 139
Interest-bearing loans		**7 348**	6 677	7 401
Deferred taxation liabilities		**1 116**	1 512	1 186
Lease liabilities		**446**	853	770
Provisions and other accruals		**131**	110	140
Contract liabilities			432	445
Other non-current liabilities		**23**	687	197
Current liabilities		**15 646**	17 919	19 214
Trade and other payables		**8 053**	9 172	10 441
Lease liabilities		**112**	97	133
Contract liabilities		**2 190**	1 650	2 131
Provisions and other accruals		**439**	670	859
Taxation		**182**	135	155
Amounts due to bankers and short-term loans		**4 670**	6 195	5 495
Liabilities directly associated with assets classified as held for sale	12	**5 412**	4 457	1 786
Total equity and liabilities		**48 501**	52 757	52 844

* Refer note 19.
** Long-term trade and other receivables was previously referred to as Long-term finance lease receivables.

Condensed consolidated statement of other comprehensive income

for the six months ended 31 March 2022

R million	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Audited 30 September 2021
(Loss)/profit for the period	**(63)**	724	2 800
Items that may be reclassified subsequently to profit or loss:	**(509)**	(1 146)	(1 069)
Exchange loss on translation of foreign operations	**(418)**	(1 126)	(1 252)
Translation reserves realised on the liquidation and disposal of foreign joint ventures and subsidiaries			135
(Loss)/gain on cash flow hedges	**(122)**	(22)	62
Deferred taxation on cash flow hedges	**31**	2	(14)
Items that will not be reclassified to profit or loss:	**252**	790	826
Actuarial profit on post-retirement benefit obligations	**311**	976	1 020
Taxation effect on net actuarial gains or losses	**(59)**	(186)	(194)
Other comprehensive loss for the year, net of taxation	**(257)**	(356)	(243)
Total comprehensive (loss)/income for the period	**(320)**	368	2 557
Total comprehensive (loss)/income attributable to:			
Owners of Barloworld Limited	**(319)**	370	2 513
Non-controlling interests in subsidiaries	**(1)**	(2)	44
	(320)	368	2 557

* Refer note 19.

Continuing operations

REVENUE UP
14%

OPERATING PROFIT UP
26%

Ingrain and Mongolia acquisitions contributing
R3.6 billion
to revenue

Operating margin increased
9.5% to 10.5%

Condensed consolidated statement of changes in equity

for the six months ended 31 March 2022

R million	Share capital and premium	Other reserves	Restated* Retained income	Attributable to Barloworld Limited shareholders	Non-controlling interest	Interest of all shareholders
Balance at 1 October 2020 (audited)	(1 121)	5 856	14 769	19 504	246	19 750
Total comprehensive income for the period		(1 146)	1 516	370	(2)	368
Khula Sizwe B-BBEE IFRS 2 charges		44		44		44
Equity settled IFRS 2 charges		60		60		60
Share scheme receipts		(135)		(135)		(135)
Other reserve movements		12		12	(1)	11
Acquisition of subsidiary			12	12		12
Balance at 31 March 2021 (reviewed)	**(1 121)**	**4 691**	**16 297**	**19 867**	**243**	**20 110**
Share buy back	(79)			(79)		(79)
Total comprehensive income for the period		77	2 066	2 143	46	2 189
Other reserve movements			1	1		1
Khula Sizwe B-BBEE IFRS 2 charges		93		93		93
Equity settled IFRS 2 charges		29		29		29
Share scheme payments		36		36		36
Acquisition of subsidiary			(12)	(12)		(12)
Transfer of reserves		(15)	15			
Dividends			(656)	(656)	(6)	(662)
Balance at 1 October 2021 (audited)	**(1 200)**	**4 911**	**17 711**	**21 422**	**283**	**21 705**
Total comprehensive income for the period		**(510)**	**191**	**(319)**	**(1)**	**(320)**
Share buy back						
Khula Sizwe B-BBEE IFRS 2 charges		**15**		**15**		**15**
Equity settled IFRS 2 charges		**58**		**58**		**58**
Share scheme receipts		**(132)**		**(132)**		**(132)**
Other reserve movements					**(3)**	**(3)**
Dividends			**(2 909)**	**(2 909)**		**(2 909)**
Disposal of subsidiaries		**49**	**(56)**	**(7)**	**(28)**	**(35)**
Balance at 31 March 2022 (reviewed)	**(1 200)**	**4 391**	**14 937**	**18 128**	**251**	**18 379**

* Refer to note 19.

Condensed consolidated statement of cash flows

for the six months ended 31 March 2022

R million	Notes	Six months ended Reviewed 31 March 2022	Six months ended Reviewed 31 March 2021	Year ended Audited 30 September 2021
Cash flow from operating activities				
Cash generated from operations before investment in rental fleets and leasing receivables excluding settlement of financial instruments (derivatives)		**1 775**	6 049	10 665
Inflow of investment in leasing receivables		**(7)**	35	60
Fleet leasing and equipment rental fleet		**(665)**	(285)	(445)
Additions		**(1 300)**	(1 336)	(2 484)
Proceeds on disposal		**635**	1 051	2 039
Vehicles rental fleet		**(1 861)**	(1 032)	(1 745)
Additions		**(1 887)**	(2 061)	(3 785)
Proceeds on disposal		**26**	1 029	2 040
Cash (utilised in)/generated from operations		**(758)**	4 767	8 535
Finance costs		**(518)**	(581)	(1 092)
Dividends received from investments, associates and joint ventures		**2**	155	173
Interest received		**60**	66	140
Settlement of financial instruments (derivatives)		**(85)**	(263)	(114)
Taxation paid		**(598)**	(414)	(1 196)
Cash (outflow)/inflow from operations		**(1 897)**	3 730	6 446
Dividends paid (including non-controlling interest)		**(2 915)**		(657)
Net cash (applied to)/retained from operating activities		**(4 812)**	3 730	5 789

R million	Notes	Six months ended Reviewed 31 March 2022	Six months ended Reviewed 31 March 2021	Year ended Audited 30 September 2021
Net cash inflow/(outflow) from investing activities		**31**	(5 040)	(4 296)
Acquisition of subsidiaries and intangibles			(5 282)	(5 329)
Investments realised		**96**	388	389
Proceeds on disposal of subsidiaries	13	**90**		878
Acquisition of intangible assets		**(9)**	(71)	(51)
Acquisition of property, plant and equipment		**(333)**	(213)	(521)
Proceeds on disposal of property, plant and equipment		**187**	138	338
Net cash (outflow)/inflow before financing activities		**(4 781)**	(1 310)	1 493
Net cash (used)/retained in financing activities		**(624)**	3 246	2 853
Shares repurchased for equity settled share-based payment		**(132)**	(134)	(98)
Share buy back				(79)
Repayments of lease liabilities		**(182)**	(231)	(399)
Proceeds from long-term borrowings		**849**	2 475	4 552
Repayment of long-term borrowings		**(1 672)**	(947)	(1 439)
Proceeds on short-term borrowings^			4 986	4 986
Repayment on short-term borrowings^			(2 000)	(4 986)
Movement in short-term interest-bearing liabilities		**513**	(903)	316
Net (decrease)/increase in cash and cash equivalents		**(5 405)**	1 936	4 346
Cash and cash equivalents at beginning of period		**10 721**	6 743	6 743
Cash and cash equivalents held for sale at beginning period		**118**		
Effect of foreign exchange rate movement on cash balance		**(137)**	(341)	(250)
Effect of foreign exchange rate movement on US$ denominated cash			(1)	
Effect of cash balances held for sale		**(188)**	(223)	(118)
Cash and cash equivalents at end of period		**5 109**	8 114	10 721

^ The proceeds on the short-term borrowings at March 2021 related specifically to the funding of the acquisition of Ingrain of which R2 000 million was repaid by 31 March 2021.

Notes to the condensed consolidated financial statements

for the six months ended 31 March 2022

1. Basis of preparation

The condensed consolidated interim financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports, and the requirements of the Companies Act applicable to interim financial statements.

The JSE Listings Requirements require interim reports to be prepared in accordance with IAS 34 Interim Financial Reporting and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council. The accounting policies applied in the preparation of the condensed consolidated interim financial statements are derived in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the annual financial statements for the year ended 30 September 2021.

The condensed consolidated interim financial statements are presented in South African Rand, which is Barloworld Limited's functional and presentation currency. The condensed consolidated interim financial statements do not include all the disclosures required for complete annual financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements appearing in this announcement are the responsibility of the directors. The directors take full responsibility for the preparation of the condensed consolidated interim financial statements. The 2022 and 2021 condensed consolidated interim financial statements have been reviewed by the company's external auditors.

This interim report was prepared under the supervision of NV Lila CA(SA) (Group Finance Director).

GOING CONCERN

The directors consider that the group entities and company have adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to continue preparing the consolidated and separate financial statements on a going concern basis. The directors have satisfied themselves that the group entities and company are in a sound financial position and that they have access to sufficient borrowing facilities to meet foreseeable cash requirements.

As a result of the ongoing war between Russia and Ukraine, the group had to impair assets related to the Russia business (refer to note 7 for more detail). This situation is being closely monitored on an ongoing basis to assess the impact on the business and the group.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

2. Reconciliation of net profit to headline earnings

R million	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Restated* Audited 30 September 2021
Net (loss)/profit attributable to Barloworld Limited shareholders	**(62)**	726	2 756
Adjusted for the following:			
Loss/(profit) on disposal of subsidiaries and investments	**281**		(515)
Tax impact of profit on disposal of subsidiaries and investments			127
Loss/(profit) on disposal of plant, property, equipment and other assets excluding rental assets	**9**	(32)	(55)
Capital gains tax on profit on disposal of property		6	6
Tax charge on profit of disposal of property, plant and equipment and intangible assets	**8**		
Impairment of goodwill	**217**	16	115
Tax benefit of impairment of goodwill			(4)
Foreign currency translation on liquidation of subsidiaries			(147)
Impairment of plant and equipment and intangibles and other assets	**880**		226
Tax benefit of impairment on plant and equipment, right of use assets, intangibles and other assets			(6)
Non-controlling interest in remeasurements related to impairment of property, plant and equipment		9	
Impairment of indefinite life of intangible assets	**193**		
Reversal on impairment of right of use asset	**(39)**		
Tax benefit of impairment of indefinite life of intangible assets			(76)
Tax impact of reversal on impairment of investment			(5)
Impairment of property, plant and equipment - associate and joint venture share			20
Loss/(profit) on sale of property, plant and equipment - associate and joint venture share	**3**		(2)
Reversal of impairment of investments in associates and joint ventures		(8)	(52)
Deferred tax on acquisition of business related to associate and joint venture share			(14)
Non-controlling shareholders interest on share of non-operating and capital items			(6)
Tax benefit on profit on sale of property, plant and equipment - associate and joint venture share	**(2)**		
Headline earnings	**1 488**	717	2 368

R million	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Restated* Audited 30 September 2021
CONTINUING OPERATIONS			
(Loss)/profit from continuing operations	**(164)**	524	2 189
Non-controlling shareholders' interest in net profit from continuing operations	**4**	(5)	(54)
(Loss)/profit from continuing operations attributable to Barloworld Limited shareholders	**(160)**	519	2 135
Adjusted for the following:			
Profit on disposal of plant, property, equipment and other assets excluding rental assets	**(1)**	(31)	(41)
Capital gains tax on profit on disposal of property		6	6
Tax charge on profit of disposal of property, plant and equipment and intangible assets	**8**		
Impairment of goodwill	**217**		
Impairment of indefinite life of intangible assets	**193**		
Tax benefit of impairment of indefinite life of intangible assets			(76)
Foreign currency translation on liquidation of subsidiaries			(147)
Impairment of plant and equipment and intangibles and other assets	**622**		49
Tax impact of reversal on impairment of investment			(5)
Non-controlling interest in remeasurements related to impairment of property, plant and equipment		9	
Reversal of impairment of investments in associates and joint ventures		(8)	(52)
Impairment of property, plant and equipment - associate and joint venture share			20
Loss/(profit) on sale of property, plant and equipment - associate and joint venture share	**3**		(2)
Deferred tax on acquisition of business related to associate and joint venture share			(14)
Tax benefit on profit on sale of property, plant and equipment associate and joint venture share	**(2)**		
Net remeasurements excluded from headline earnings from continuing operations	**1 040**	(24)	(263)
Headline earnings from continuing operations	**880**	495	1 872

* Refer note 19.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

2. Reconciliation of net profit to headline earnings continued

R million	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Restated* Audited 30 September 2021
DISCONTINUED OPERATIONS			
Profit from discontinued operations	**101**	200	612
Non-controlling shareholders interest in net profit from discontinued operations	**(3)**	7	10
Profit from discontinued operations attributable to Barloworld Limited shareholders	**98**	207	621
Adjusted for the following:			
Loss/(profit) on disposal of subsidiaries and investments	**281**		(515)
Tax impact of profit on disposal of subsidiaries and investments			127
Loss/(profit) on disposal of plant, property, equipment and other assets excluding rental assets	**10**	(1)	(14)
Tax impact on profit on disposal of plant, property, equipment and other assets excluding rental assets			
Impairment of goodwill		16	115
Tax impact on impairment of goodwill			(4)
Impairment of plant and equipment and intangibles and other assets	**258**		177
Tax impact of impairment of plant and equipment and intangibles and other assets			(6)
Reversal of impairment of right of use asset	**(39)**		
Tax impact on reversal on impairment of investment			
Non-controlling shareholders interest on share of non-operating and capital items			(6)
Net remeasurements excluded from headline earnings from discontinued operations	**510**	15	(126)
Headline earnings from discontinued operations	**608**	222	495

R million	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Restated* Audited 30 September 2021
Weighted average number of ordinary shares in issue during the period (000)			
– basic	**196 984**	198 277	198 158
– diluted	**200 330**	198 771	200 330
Headline earnings per share (cents)			
– basic	**755.6**	361.5	1 194.8
– diluted	**743.0**	360.6	1 181.8
Headline earnings per share from continuing operations (cents)			
– basic	**446.8**	249.9	944.9
– diluted	**439.4**	249.3	934.7
Headline earnings per share from discontinued operations (cents)			
– basic	**308.8**	112.1	249.9
– diluted	**303.6**	111.8	247.2

* Refer note 19.
Leasing and Car Rental restated to be disclosed as discontinued operations.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

3. Revenue disaggregation

R million	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Restated* Audited 30 September 2021
Revenue by nature			
Sale of goods	**14 859**	**13 009**	**27 697**
Equipment (new and used)	**6 637**	5 951	12 801
Vehicles (new and used)	**40**		77
Parts (new and used)	**5 331**	5 101	10 434
Starch and glucose - local markets	**1 945**	1 360	3 020
Starch and glucose - export markets	**328**	211	460
Starch and glucose - Co-products	**578**	386	905
Rendering of services	**3 542**	**3 185**	**6 426**
Parts revenue earned over time as services	**832**	715	1 381
Service	**2 047**	1 938	3 768
– Workshop and in-field service	**1 564**	1 371	2 672
– Aftersales	**16**	14	
– Fitment and repairs	**467**	553	1 096
Rental (outside the scope of IFRS 16)	**531**	442	998
Commissions	**132**	90	279
Total continuing operations	**18 401**	**16 194**	**34 123**

R million	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Restated* Audited 30 September 2021
DISCONTINUED OPERATIONS (NOTE 13)			
Sale of goods	**1 537**	8 242	11 869
Vehicles (new and used)	**1 537**	7 687	10 768
Parts (new and used)		555	1 101
Rendering of services	**2 411**	3 321	6 119
Parts revenue earned over time as services, maintenance and repairs under contracts are performed		27	36
Service	**30**	553	745
– Workshop and in-field service	**30**	495	663
– Aftersales		58	82
Rental (outside the scope of IFRS 16)	**1 180**	802	1 681
Commissions	**19**	211	289
Freight forwarding	**30**	37	53
Supply chain support solutions	**482**	530	1 120
Transportation	**670**	1 161	2 195
Discontinued operations	**3 948**	**11 563**	**17 988**
REVENUE RECOGNISED IN TERMS OF IFRS 16: LEASES			
Fixed leasing income	**790**	788	1 585
Variable leasing income**	**99**	94	142
Total leasing income	**889**	**882**	**1 727**
Total discontinued operations	**4 837**	**12 445**	**19 715**
Total group	**23 238**	**28 639**	**53 838**

* Refer note 19.
** Variable leasing income earned mainly relates to excess kilometres and additional maintenance costs invoiced.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

4. Operating profit

R million	Six months ended Reviewed 31 March 2022	Six months ended Restated* 31 March 2021	Year ended Restated* 30 September 2021
Included in operating profit are:			
Cost of sales (including allocation of depreciation)	**13 499**	12 015	25 282
Income includes the following:			
Income from sub-leasing right-of-use assets		(1)	(1)
Expenses includes the following:			
Staff costs	**2 299**	2 336	4 647
B-BBEE charge	**13**	40	81
Amortisation of intangible assets acquired in terms of IFRS 3 business combinations	**55**	67	104
Expenses relating to short-term leases	**14**	14	24

* Refer note 19.

5. Other non-operating and capital items

R million	Six months ended Reviewed 31 March 2022	Six months ended Restated* 31 March 2021	Year ended Restated* 30 September 2021
Profit on disposal of subsidiary			147
Profit on disposal of property, plant, equipment, intangibles and other assets	**1**	31	41
Gross non-operating and capital items from continuing operations	**1**	31	188

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

6. Taxation

R million	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Restated* Audited 30 September 2021
Taxation per income statement	**(661)**	(476)	(462)
Prior year taxation	**(53)**	34	44
Taxation on impairment of indefinite life intangible assets, impairment of property, plant and equipment and other non-operating and capital items	**(8)**	(5)	75
Attributable to a change in the rate of income tax	**23**		65
Taxation on profit before prior year taxation, non-operating and capital items and rate change	**(623)**	(505)	(646)
South Africa normal taxation rate	**28.0**	28.0	28.0
Foreign rate differential	**3.0**	1.9	(2.6)
Reduction in rate of taxation	**(12.9)**	(11.7)	(19.6)
Exempt income and special allowances@	**(0.8)**	(2.0)	
Taxation losses of prior periods	**(6.1)**	(4.0)	(7.4)
Non-operating and capital items taxation		(0.8)	(4.0)
IAS 12.41 adjustment^		(2.8)	(4.1)
Tax losses of prior periods not recognised in deferred tax now utilised			
Rate change adjustment ∆	**(6.0)**		(2.4)
Under/overprovision of tax in respect of prior year		(2.1)	(1.7)
Increase in rate of taxation	**153.6**	27.0	11.5
Disallowable charges**	**24.9**	15.7	4.8
Non-operating and capital items taxation	**77.3**		
Tax losses not recognised in deferred tax	**0.1**	5.8	0.5
IAS 12.41 adjustment^	**10.1**		
Withholding tax^^	**25.0**	5.5	6.2
Under/overprovision of tax in respect of prior year	**16.2**		
Taxation as a percentage of profit before taxation	**171.7**	45.2	17.3
Taxation (excluding prior year taxation and non-operating and capital items taxation), including impact of income tax rate change as a percentage of profit before taxation (excluding non-operating and capital items)***	**42.4%**	49.8%	23.5%

@ Exempt income and special allowances largely comprise learnerships.

^ This amount represents a recognition in deferred tax of the effect of the movement of the exchange rate on the US$ equivalent of the local currency tax base of non-monetary assets (i.e. inventories and fixed assets) and the reversals of deferred tax previously raised when the related items of inventory of fixed assets are sold. It applies to the group's companies in Zambia, Angola, Mozambique, Malawi, Mongolia and Russia where the functional currency differs from the tax reporting currency.

∆ The rate change impact is mainly attributable to the impact on deferred tax balances of the change in the South Africa corporate tax rate from 28% to 27% which despite only applying to the group with effect from 1 October 2022, has been substantively enacted.

^^ Withholding tax increased due to significant dividends declared from Russia and a provision for future potential dividends from unremitted earnings raised through deferred tax in Angola, Botswana and Mongolia.

* Refer note 19.

** Disallowable charges relate largely to the impact of adjusting for expenses for intergroup interest and intergroup right of use depreciation not eliminating at group level as a result of the interest received by the related party being accounted for in continuing operations and the interest paid accounted for in discontinued operations. The same applies to the intergroup lease liability interest and internal right of use depreciation related to Khula Sizwe leases that is expensed as part of discontinued operations while the rental received in Khula Sizwe is a continuing operation. Other disallowable expenses consist of professional fees of a capital nature, expenses not incurred in the production of income, provisions and other IFRS adjustments not allowed for tax purposes. Imputation in terms of section 9D is also included in this line item.

*** The overall effective tax rate is significantly impacted by the impairment of Russian assets which is accounted for as Non-operating and capital items.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

7. Goodwill

R million	Six months ended Reviewed 31 March **2022**	Six months ended Restated* Reviewed 31 March **2021**	Year ended Audited 30 September **2021**
COST			
At 1 October	**3 723**	2 241	2 241
Subsidiaries acquired		1 640	1 640
Business/Subsidiary disposed	**(9)**		(95)
Other			(3)
Translation differences	**(15)**	(71)	(60)
At 31 March/30 September	**3 699**	3 810	3 723
ACCUMULATED IMPAIRMENT LOSSES			
At 1 October	**967**	889	889
Business/Subsidiary disposed*	**(9)**		(33)
Impairment**	**217**	16	115
Translation differences	**(8)**	(5)	(4)
At 31 March/30 September	**1 167**	900	967
CARRYING AMOUNT	**2 532**	2 910	2 756
Classified as held for sale	**(458)**	(161)	
BALANCE PER STATEMENT OF FINANCIAL POSITION	**2 074**	2 749	2 756

* Refer note 19 and 20.
** Current period impairment relates to Equipment Russia. Refer to detail below. Prior period impairments related to Logistics.

Goodwill is allocated for impairment testing purposes to the following cash generating units:

Significant cash-generating units (CGUs)	Geographical location	Reportable segment to which the CGUs belong	Carrying amount of Goodwill 31 March **2022** Rm	Carrying amount of Goodwill Restated* 31 March **2021** Rm	Carrying amount of Goodwill 30 September **2021** Rm
Avis Rent a Car southern Africa	South Africa	Car Rental	**176**	176	176
Avis Fleet Services southern Africa	South Africa	Avis Fleet	**282**	282	282
Equipment Russia	Russia	Equipment Russia		213	217
Equipment Mongolia	Mongolia	Equipment Mongolia	**280**	286	289
Ingrain	South Africa	Ingrain	**1 640**	1640	1 640
Other^	Various	Various	**154**	313	152
CARRYING AMOUNT			**2 532**	2 910	2 756
Classified as held for sale***			**(458)**	(161)	
BALANCE PER STATEMENT OF FINANCIAL POSITION			**2 074**	2 749	2 756

* Refer note 19.
*** March 2022 Rent a Car, Leasing and Logistics divisions has been classified as held for sale (refer note 12).
^ The aggregate of the remaining immaterial goodwill balances consists of two cash generating units in 2021 which includes CGUs that have been classified as held for sale, (March 2021: 11 Sep 2021: 2).

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

7. Goodwill continued

Goodwill is allocated to the appropriate CGUs based on which CGU is expected to benefit from the synergies arising in a business combination. In assessing whether there is any indication that goodwill may be impaired, external and internal sources of information are considered at each reporting period. In addition, the carrying amount of goodwill is subject to an annual impairment test.

Impairment of goodwill arises when the recoverable amount of the CGU, including goodwill, is less than the carrying value. The recoverable amount is determined as the greater of the fair value less costs to sell or the value in use.

Estimation of recoverable amounts were conducted for those CGU's with indications of impairment as at 31 March 2022 which resulted in the below mentioned impairment of goodwill:

Impairments recognised in the period	Geographical Location	Reportable segment to which the CGUs belong	Rm 31 March 2022
Russia	Russia	Equipment	217

Due to the war between Russia and Ukraine and the sanctions imposed, the assets related to Russia were tested for impairment. As a result, the group impaired R1 030 million which consists of the goodwill related to Russia of R217 million, indefinite intangible assets of R193 million (refer note 8,) finite intangible assets of R16 million (refer note 8) and property plant and equipment of R604 million (refer to Income Statement). The Russian assets less liabilities equals the recoverable amount for the Russia CGU.

Due to the reduction of revenue and profitability associated with supply chain challenges experienced in Asia as a result of Covid-19 related restrictions instituted, the Equipment Mongolia cash generating unit was considered to have indicators of impairment. Therefore tested for impairment, however the impairment test did not result in an impairment.

The key assumptions used in the recoverable amount calculations for the CGUs that displayed indicators of impairment are as follows:

At each impairment testing interval a discounted cash flow valuation model is applied using a five-year strategic plan as approved by the board. The financial plans are the quantification of strategies derived from the use of a common strategic planning process followed across the group.
The process ensures that significant risks and sensitivities are appropriately considered and factored into strategic plans.

The discount rate applied to the five year forecast period has been outlined for each cash generating unit in the table below. Discount rates applied to cash flow projections are based on a country or region-specific discount rate, dependent upon the location of cash-generating operations.

The pre-tax nominal discount rates applied are as follows:

	Geographical location	Currency	31 March 2022	31 March 2021	30 September 2021
Significant cash-generating units (CGUs)					
Avis Rent a Car southern Africa	South Africa	ZAR	**Note 1**	Note 1	26.9%
Avis Fleet Services southern Africa	South Africa	ZAR	**Note 1**	Note 1	26.1%
Equipment Russia	Russia	US$	**29.2%**	Note 1	13.2%
Mongolia	Mongolia	US$	**17.8%**	Note 1	14.7%
Ingrain	South Africa	ZAR	**Note 1**	Note 1	16.5%
Other	Various	Various	**Note 2**	Note 2	14.5% to 14.6%

Note 1: Not applicable. Recoverable amount not calculated as CGU did not display any indication of impairment.

Note 2: Pre-tax nominal discount rate for Logistics CGUs = 18%

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

7. Goodwill continued

Long-term growth rates applied to extrapolate cash flows are as follows:

	Geographical location	Currency	31 March 2022	31 March 2021	30 September 2021
Significant cash-generating units (CGUs)					
Avis Rent a Car southern Africa	South Africa	ZAR	**Note 1**	Note 1	4.6%
Avis Fleet Services southern Africa	South Africa	ZAR	**Note 1**	Note 1	4.6%
Equipment Russia	Russia	US$	**2.0%**	Note 1	2.0%
Mongolia	Mongolia	US$	**2.0%**	Note 1	2.0%
Ingrain	South Africa	ZAR	**Note 1**	Note 1	4.6%
Other	Various	Various	**Note 2**	Note 2	4.6%

Note 1: Not applicable. Recoverable amount not calculated as CGU did not display any indication of impairment.

Note 2: Pre-tax nominal discount rate used for Logistics CGUs = 18% and terminal growth rate = 4.7%. All other immaterial goodwill not tested for impairment due to the fact that the CGUs did not display any indications of impairment.

Other key assumptions

Equipment Russia

The trade restrictions affect the ability of the business to trade due to customers being either sanctioned or specific products not being allowed to be sold as well as destination controls implemented by various countries. Furthermore, there are significant supply chain disruptions making it difficult for unsanctioned products to enter Russia and be distributed to unsanctioned customers. This has resulted in Equipment Russia from now not being able to serve and deliver certain products to major customers in the ordinary course of business. Accordingly the order book has reduced significantly, and revenue and profitability over the next five years is projected to be significantly lower than the prior years.

At the appropriate WACC rate of 29.2% (13.2% at 30 September 2021) and terminal growth rate of 2% (2% at 30 September 2021) the impairment amounted to R1 030 million. At various sensitivity levels for both the WACC rate and terminal growth rate there would still be impairment. The impairment was allocated to goodwill, intangible assets and property, plant and equipment with carrying amount of R1 030 million. The remainder of properties as well as other fixed assets were not fully impaired but retained at their fair values.

Equipment Mongolia

The supply chain disruptions mainly experienced in the region because of efforts to reduce the spread of Covid-19 are expected to impact the business in the short to medium term and sales volumes are expected to return to normality in the 2024 financial year. Operating profit is assumed to reduce correspondingly with the estimated lower sales volumes taking into account the anticipated sales mix during the recovery period.

The headroom has been determined to be R133 million (R1 353 million at 31 September 2021) at the appropriate WACC rate of 17.8% (11.6% at 30 September 2021). The sensitivity analysis performed on the WACC rate indicate that there would be no headroom should the WACC rate increase by 0.77%. The sensitivity performed on terminal growth rate indicate that there be no headroom should the rate reduce by 1.88%.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

8. Intangible assets

R million	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Audited 30 September 2021
COST			
At 1 October	**4 380**	3 723	3 723
Subsidiaries acquired		1 064	1 063
Other additions	**9**	69	52
Subsidiaries disposed	**(16)**		(59)
Other disposals	**(10)**	(124)	(228)
Translation differences	**(45)**	(201)	(171)
At 31 March/30 September	**4 318**	4 531	4 380
ACCUMULATED AMORTISATION AND IMPAIRMENT			
At 1 October	**1 979**	2 091	2 091
Charge for the year	**87**	101	189
Other additions		3	
Subsidiaries disposed	**(14)**		(37)
Other disposals	**(10)**	(114)	(197)
Impairment	**282**		5
Translation differences	**(28)**	(86)	(72)
At 31 March/30 September	**2 296**	1 995	1 979
CARRYING AMOUNT			
At 31 March/30 September	**2 022**	2 536	2 401
LESS AMOUNTS CLASSIFIED AS HELD FOR SALE	**(18)**	(63)	(31)
TOTAL PER STATEMENT OF FINANCIAL POSITION	**2 004**	2 473	2 370

* Refer note 19.

SIGNIFICANT INTANGIBLE ASSETS

The group did not acquire intangible assets with indefinite useful lives during the current period (2021: Nil).

A detailed breakdown of the carrying value of intangible assets with an indefinite life has been shown below.

Significant cash-generating units (CGUs)	Category/ Class of Intangible assets	Geo-graphical location	Reportable segment to which the CGUs belong	Six months ended Reviewed 31 March 2022 Rm	Six months ended Reviewed 31 March 2021 Rm	Year ended Audited 30 September 2021 Rm
Equipment Russia	Supplier Relationship	Russia	Equipment		190	193
Equipment South Africa	Supplier Relationship	South Africa	Equipment	**277**	277	277
Other	Supplier Relationship	Various	Various		20	
Total indefinite life intangible assets				**277**	487	470

The Equipment South Africa and Russia indefinite life intangible assets classified as Supplier Relationship are in relation to a dealer agreement. The indefinite useful life is supported by Barloworld's long-standing relationship with Caterpillar Incorporated (CAT) as the exclusive CAT mining equipment dealer in South Africa and parts of Russia. There were indications of impairment for Equipment Russia business unit due to the sanctions imposed on the country as a result of the ongoing war that started in February 2022. As a result of this the indefinite life intangible asset for Russia of R193 million as well as other intangible assets of R16 million were impaired at 31 March 2022. There was no impairment indicator for Equipment southern Africa.

The key assumptions used in the value in use calculation for the CGUs shown above are detailed in note 7.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

9. Investment in associates and joint ventures

R million	(Loss)/income from associates and joint venture			Carrying value of the investment		
	Six months ended		Year ended	Six months ended		Year ended
	Reviewed 31 March **2022**	Restated* Reviewed 31 March **2021**	Restated* Audited 30 September **2021**	Reviewed 31 March **2022**	Reviewed 31 March **2021**	Audited 30 September **2021**
Joint ventures	**55**	(118)	(124)	**1 119**	1 047	1 102
Bartrac Equipment Limited	**52**	(104)	(112)	**1 037**	1 007	1 018
BHBW South Africa Proprietary Limited	**3**	(17)	(15)	**73**	28	70
Other		3	3	**9**	12	14
Associates	**57**	62	108	**839**	744	778
NMI Durban South Motors Proprietary Limited	**51**	59	101	**797**	703	741
Other	**6**	3	7	**42**	41	37
Total per income statement/statement of financial position	**112**	(56)	(16)	**1 958**	1 791	1 880
Discontinued operations/amount classified as held for sale	**1**	(3)	1	**2**	40	
Total group	**113**	(59)	(15)	**1 960**	1 831	1 880

* Refer to note 19.

Location of associates and joint ventures:

	Geographical Location	Reportable segment
BHBW South Africa Proprietary Limited	South Africa	Other Segments
BHBW Zambia Limited	Zambia	Other Segments
NMI Durban South Motors Proprietary Limited	South Africa	Other Segments
Other	South Africa	Equipment

In assessing whether there is any indication that any investment may be impaired, objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the net investment is considered at each reporting period. In addition, the carrying amount of investment is subject to an annual impairment testing. No indicators of impairment existed as at 31 March 2022.

Impairment of investments arises when the recoverable amount of the investment is less than the carrying value. The recoverable amount is determined as the greater of the fair value less costs to sell or the value in use. For the purposes of assessing the above investments for impairment, the recoverable amount was based on the fair value less costs to sell method.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

10. Long-term financial assets

R million	Six months ended Reviewed 31 March 2022	Six months ended Reviewed 31 March 2021	Year ended Audited 30 September 2021
Listed investments at fair value	**2**	2	2
Unlisted investments at fair value	**19**	61	19
Other receivables*	**1 663**	121	181
Total group	**1 684**	184	202
Amount classified as held for sale	**(3)**	(3)	(4)
	1 681	181	198

* Other receivables includes an amount of R69 million (March 2021: Nil, September 2021: R67 million) which relates to the long-term portion of the tranche payable by NMI-DSM on the second anniversary of the closing date of the disposal on 1 June each year.
Other receivables include R1 443 million (March 2021: Nil, September 2021: Nil) related to the UK pension fund surplus.

11. Restricted cash included in cash and cash equivalents

R million	Six months ended Reviewed 31 March 2022	Six months ended Reviewed 31 March 2021	Year ended Audited 30 September 2021
Cash balances not available for use due to reserving and foreign exchange restrictions	**148**	46	79
At 31 March 2022 cash held in Russia was R333 million ($22.8 million), not included in restricted cash above. This cash will be utilised for operational purposes to settle liabilities. Other restricted cash at 31 March 2022 related to cash held in Barloworld Insurance R80 million (GBP4.1 million) and Malawi R59 million ($1.1 million). September 2021 restricted cash related mainly to cash held in Malawi R33 million ($2.1 million) which is not easily accessible, as well as R37 million (GBP1.8 million) held in Barloworld Insurance.			

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

12. Discontinued operations and assets classified as held for sale

In January 2021 Barloworld announced that the Motor Retail business would be sold to NMI-DSM effective 1 June 2021, and in February 2021 the board took a firm decision to dispose of the Logistics business. Motor Retail and Logistics represent significant lines of business and have therefore been disclosed as discontinued operations. The disposal of 50% of Motor Retail to NMI-DSM was concluded on 1 June 2021 and therefore no trading (Mar 2021: 6 months, Sep 2021: 8 months) was reported in the discontinued operations for Motor Retail at 31 March 2022.

During the current reporting period the group disposed of its 51% share in the Refrigerated transport business (Aspen), effective 1 December 2021, as well as the Manline and Timber transport (Transport) business that ran the hazardous fuel, chemicals and forestry industry, effective 1 March 2022, out of the Logistics division. (Refer note 13.) The Refrigerated transport disposal was approved by the competition commission in Botswana. The sale of the remaining conglomerate of the warehouse and distribution, managed solutions, industrial projects and global solutions businesses has progressed well and is expected to be concluded in the next six months.

On 9 February 2022 the board took a firm decision to divest its interest in Leasing and Car Rental; as a result the trading results are presented as part of discontinued operations. Refer to note 19.

	Six months ended		Year ended
R million	Reviewed 31 March **2022**	Restated* Reviewed 31 March **2021**	Restated* Audited 30 September **2021**
Results from discontinued operations are as follows:			
Revenue	**4 837**	12 446	19 715
Operating profit before items listed below	**1 473**	1 436	2 599
Impairment gains/(losses) on financial assets and contract assets	**2**	(37)	(63)
Depreciation	**(562)**	(794)	(1 472)
Amortisation of intangible assets	**(1)**	(8)	(9)
Operating profit before B-BBEE transaction charge	**912**	597	1 055
B-BBEE transaction charge	**(2)**	(24)	(55)
Operating profit	**910**	573	1 000
Fair value adjustments on financial instruments	**(15)**	(16)	(9)
Finance costs excluding finance charges on group debt	**(70)**	(144)	(235)
Income from investments	**7**	12	24
Profit before non-operating and capital items	**832**	425	780
Non-operating and capital items comprising of:			
Impairment of goodwill		(16)	(115)
Impairment of property, plant and equipment, intangibles and other assets	**(258)**		(177)
Reversal of impairment of right of use asset	**39**		
Non-operating and capital items	**(11)**	1	13
Profit before taxation	**602**	410	501
Taxation	**(222)**	(207)	(278)
Net profit after taxation	**380**	203	223
Profit/(loss) from associates	**1**	(3)	1
Profit from discontinued operations	**381**	200	224
(Loss)/profit on disposal of businesses	**(280)**		515
Taxation on disposal of businesses			(127)
Profit from discontinued operations per income statement	**101**	200	612
Profit on discontinued operations to the owners of Barloworld Limited after non-controlling interest	**98**	207	621
Taxation on trading profit	**(222)**	(207)	(278)
Tax on disposal of businesses			(127)
Total discontinued taxation	**(222)**	(207)	(405)

* Refer note 19.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

12. Discontinued operations and assets classified as held for sale continued

R million	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Restated* Audited 30 September 2021
The cash flows from the discontinued operations are as follows:			
Cash flows from operating activities	**(939)**	834	730
Cash flows from investing activities	**60**	(37)	852
Cash flows from financing activities	**857**	(912)	(1 812)
The major classes of assets and liabilities comprising the disposal group and other assets classified as held for sale were as follows:			
Property, plant and equipment	**3 683**	1 059	751
Right of use assets	**283**	846	318
Goodwill	**458**	161	
Investments	**2**	40	
Long-term financial assets	**3**	6	4
Long-term finance lease receivables	**157**	50	37
Deferred tax asset	**142**	81	141
Intangible assets	**18**	63	31
Vehicle rental fleet	**3 584**		
Inventories	**435**	1 658	29
Trade and other receivables	**2 039**	1 638	804
Taxation	**155**		126
Contract assets			28
Cash balances	**188**	224	118
Assets classified as held for sale	**11 147**	5 826	2 387

R million	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Restated* Audited 30 September 2021
The major classes of assets and liabilities comprising the disposal group and other assets classified as held for sale were as follows (continued):			
Non current loans	**(171)**	(400)	(155)
Lease liabilities	**(553)**	(1 290)	(423)
Bank overdraft and short-term loans	**(368)**		(94)
Trade and other payables	**(2 964)**	(2 725)	(681)
Current contract liabilities	**(324)**		
Deferred tax liability	**(180)**	54	(128)
Provisions	**(299)**	(67)	(179)
Non current contract liabilities	**(443)**		
Tax provision	**(110)**	(29)	(126)
Total liabilities associated with assets classified as held for sale	**(5 412)**	(4 457)	(1 786)
Net assets classified as held for sale	**5 735**	1 369	601
Per business segment:			
Leasing and Car Rental (note 1)	**5 737**		
Automotive (note 2)		480	
Logistics (note 3)	**(2)**	889	448
Other Segments			153
Total	**5 735**	1 368	601

* Refer note 19.

Note 1: This represents the assets and liabilities of the Leasing and Car Rental business classified as held for sale and a discontinued operations.

Note 2: This represents the assets and liabilities of the Motor Retail business classified as held for sale and a discontinued operations.

Note 3: This represents the assets and liabilities of the Logistics business classified as held for sale and a discontinued operations.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

13. Proceeds on disposal of subsidiaries

R million	Six months ended Reviewed 31 March 2022	Six months ended Reviewed 31 March 2021	Year ended Audited 30 September 2021
Inventories disposed	**21**		1 617
Receivables disposed	**253**		446
Payables, taxation and deferred taxation balances disposed	**(199)**		(1 718)
Borrowings net of cash	**(354)**		(744)
Property, plant and equipment, non-current assets, goodwill and intangibles	**801**		911
Investment in cell captives			32
Deferred tax	**(88)**		4
Net assets disposed	**434**		548
Minority share of assets disposed	**(28)**		
(Loss)/profit on disposal	**(281)**		515
Payments to be received in future	**(20)**		(150)
Net cash proceeds on disposal of subsidiaries	**105**		913
Bank balances and cash in subsidiaries disposed	**(15)**		(35)
Cash proceeds on disposal of subsidiaries	**90**		878

Effective 1 June 2021 the group divested in the Motor Retail businesses to NMI Durban South Motors Proprietary Limited. During the current reporting period the group disposed of two disposal groups out of the Logistics business effective 1 December 2021 and 1 March 2022. Refer note 12.

14. Commitments

R million	Six months ended Reviewed 31 March 2022	Six months ended Reviewed 31 March 2021	Year ended Audited 30 September 2021
Capital expenditure commitments to be incurred			
Contracted - Property, plant and equipment	**136**	156	87
Contracted - Vehicle Rental Fleet	**4 226**	383	3 094
Contracted - Intangible assets		10	9
Approved but not yet contracted	**114**	111	618
Total group	**4 476**	660	3 808
Classified as held for sale	**(4 231)**	(4)	
Total continuing operations	**245**	656	3 808
Share of joint ventures' capital expenditure commitments to be incurred:			
Contracted	**23**		
Approved but not yet contracted	**31**		
Total	**54**		

Capital expenditure will be financed by funds generated by the business, existing cash resources and borrowing facilities available to the group.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

15. Dividends declared

R million	Six months ended Reviewed 31 March 2022	Six months ended Reviewed 31 March 2021	Year ended Audited 30 September 2021
Ordinary shares			
Final dividend No 184 paid on 10 January 2022: 300 cents per share	**601**		
Final special dividend No 184 paid on 10 January 2022: 1150 cents per share	**2 308**		
Special interim dividend No 183 paid on 28 June 2021: 200 cents per share (2021: No 183 - 200 cents per share)			389
Interim dividend No 183 paid on 28 June 2021:137 cents per share (2021: No 183 - 137 cents per share)			267
Paid to Barloworld Limited shareholders	**2 909**		656
Paid to non-controlling interest			6
	2 909		662

16. Contingent liabilities

R million	Six months ended Reviewed 31 March 2022	Six months ended Reviewed 31 March 2021	Year ended Audited 30 September 2021
Performance guarantees given to customers, other guarantees and claims	**241**	160	193
Buy-back and repurchase commitments not reflected on the statement of financial position		55	18

17. Related party transactions

There has been no significant changes in related party relationships and the nature of related party transactions since the previous year.

Other than in the normal course of business, there have been no other significant transactions during the year with associate companies, joint ventures and other related parties.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

18. Financial instruments

R million	Six months ended Reviewed 31 March 2022	Six months ended Reviewed 31 March 2021	Year ended Audited 30 September 2021
ASSETS			
Long-term finance lease receivables	**157**	181	162
Long-term financial assets	**221**	162	185
Trade and other receivables	**7 124**	7 684	6 208
Cash and cash equivalents	**5 297**	8 337	10 839
Classified as Held for Sale	**(2 106)**	(1 915)	(963)
Total assets	**10 693**	14 449	16 431
LIABILITIES			
Interest-bearing non-current liabilities	**7 400**	6 797	7 493
Lease liabilities non-current	**852**	1 919	1 193
Other non-current liabilities	**467**	510	23
Lease liabilities current	**258**	282	133
Trade and other payables	**9 967**	10 936	9 441
Amounts due to bankers and short-term loans	**5 157**	6 475	5 589
Classified as Held for Sale	**(4 607)**	(4 416)	(1 353)
Total liabilities	**19 494**	22 503	22 519

All financial instruments are carried at fair value or amounts that approximate fair value, except for the non-current portion of fixed rate receivables, payables and interest-bearing borrowings, which are carried at amortised cost. The carrying amounts for investments, cash, cash equivalents as well as the current portion of receivables, payables and interest-bearing borrowings approximate fair value due to the short-term nature of these instruments. The fair values have been determined using available market information and discounted cash flows.

For all of the above mentioned financial asset categories the carrying value approximates the fair value. In prior years the value of the Angolan Bonds were the exception as they were included Trade and Other Receivables where the fair value differed from the carrying value (31 Mar 2021: R10 milion, 30 Sep 2021: R9 million). Note: that the Angolan Bonds are measured at amortised cost however had they been measured at fair value they would represent a level 2 financial instrument valued in line with comparable hedging instruments. Angolan Bonds were settled during the current reporting period.

For all of the above mentioned financial liability categories the carrying value approximates the fair value with the exception of non-current interest bearing liabilities where the fair value as at 31 March 2021 is lower than the carrying value by R39 million (31 Mar 2021: R58 million and 30 Sep 2021: R40 million both higher than the carrying value).

FAIR VALUE MEASUREMENTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets. The markets from which these quoted prices are obtained are the bonds market, the stock exchange as well other similar markets.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The valuation techniques used in deriving level 2 fair values are consistent with valuing comparable hedging instruments (foreign exchange contracts and interest rate swaps). The primary input into these valuations are foreign exchange rates and prevailing interest rates which are derived from external sources of information.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The valuation techniques used in deriving level 3 fair values are based on recent comparable transactions as well as the net asset value approach of the investment that is being valued. This information is based on unobservable market data, and adjusted for based on management's experience and knowledge of the investment.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

18. Financial instruments continued

	31 March 2022				31 March 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss								
Long-term financial assets	2		19	21			61	61
Trade and other receivables		51		51		8		8
Total	2	51	19	72		8	61	69
Financial liabilities at fair value through profit or loss								
Other non-current liabilities			23	23			79	79
Trade and other payables		9		9		1		1
Financial liabilities at FVOCI								
Amounts due to bankers and short-term loans		9		9		64		64
Total		18	23	41		65	79	144

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

18. Financial instruments continued

	30 September 2021			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Long-term financial assets	2		19	21
Trade and other receivables		7		7
Financial assets at FVOCI				
Trade and other receivables		82		82
Total	2	89	19	110
Financial liabilities at fair value through profit or loss				
Other non-current liabilities		23		23
Trade and other payables		9	41	50
Total		32	41	73

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS

	Fair Value through profit and loss:			
	Unlisted shares Note 1	Investment in cell captives Note 2	Earn-out liability Note 3	Total
Balance as at 1 October 2021	**16**	**3**	**(41)**	**(22)**
Repayment			**6**	6
Translation movement			**12**	**12**
Balance 31 March 2022	**16**	**3**	**(23)**	**(4)**
Balance 30 September 2020	16	62	(84)	(6)
Total gains recognised in profit and loss		(17)		(17)
Translation movement			5	5
Balance 31 March 2021	16	45	(79)	(18)
Balance as at 1 October 2020	16	62	(84)	(6)
Disposals		(32)		(32)
Total gains recognised in profit and loss		(27)	43	16
Balance 30 September 2021	16	3	(41)	(22)

Note 1
Unlisted shares are measured at fair value based on the latest net asset value of the company. Sensitivity to inputs is considered immaterial for further disclosure. There are no material significant unobservable inputs for the valuation.

Note 2
The valuation techniques used in deriving fair value of investments in cell captures are based on net asset value approach of the underlying cell captives. Sensitivity to inputs is considered immaterial for further disclosure. There are no material significant unobservable inputs for the valuation.

Note 3
This relates to the earn-out liability as a result of the Mongolia acquisition. This is a liability for an amount to potentially be paid to the sellers in the future (four years from acquisition) should revenues and profits of Mongolia exceed certain thresholds as per the sales agreement. Sensitivity to inputs is considered immaterial for further disclosure. There are no material significant unobservable inputs for the valuation.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

18. Financial instruments continued

Market risk management

i) Currency risk

Trade commitments

Currency risk arises because the group enters into financial transactions denominated in the functional currency of the transacting entities. The group's currency exposure management policy for the southern African operations is to hedge substantially all material foreign currency trade commitments in which customers have or will not be accepting the currency risk. In respect of offshore operations, where there is a traditionally stable relationship between the functional and transacting currencies, the need to take foreign exchange cover is at the discretion of the divisional board. Each division manages its own trade exposure within the overall framework of the group policy. In this regard the group has entered into certain forward exchange contracts which do not relate to specific items appearing in the statement of financial position, but were entered into to cover foreign commitments not yet due or proceeds not yet received. The risk of having to close out these contracts is considered to be low.

Net currency exposure and sensitivity analysis

The following table represents the extent to which the group has monetary assets and liabilities in currencies other than the group companies' functional currency. The information is shown inclusive of the impact of forward contracts and options in place to hedge the foreign currency exposures. There has been no change to the group's exposure to market risks or the manner in which these risks are managed and measured. Based on the net exposure below it is estimated that a simultaneous 10% change in all foreign currency exchange rates against divisional functional currency will impact the fair value of the net monetary assets/liabilities of the group to the following extent:

	March		September
R million	Reviewed 2022	2021	Audited 2021
Foreign currency sensitivity analysis			
Impact of a 10% change in all foreign currency exchange rates	**391**	313	102
- impact on profit or loss	**400**	293	92
- impact other comprehensive income	**(9)**	20	10

ii) Interest rate risk

Interest rate risk arises when the absolute level of interest rates the group is exposed to fluctuates. The group manages the exposure to interest rate risk by maintaining a balance between fixed and floating rate borrowings. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are structured according to expected movements in interest rates. There has been no change in the current year to this approach.

	March		September
R million	Reviewed 2022	2021	Audited 2021
Interest rate sensitivity analysis			
Impact of a 1% increase in South African interest rates			
- charge to profit or loss	**92**	98	118
Impact of a 1% increase in foreign interest rates			
- charge to profit or loss	**3**	4	13

iii) Credit risk management

Credit risk arises from the risk that a counterparty may default or not meet its obligations timeously as contracted. Credit risk is managed on a group-wide basis. Potential areas of credit risk relate primarily to trade receivables and cash on deposit. Trade receivables consist mainly of a large and widespread customer base. Where considered appropriate, use is made of credit guarantee insurance. The granting of credit is controlled by a thorough application process based factors specific and unique to each operating division which includes creditworthiness checks using the reputable ITC institutions, the credit quality of the customer, its financial position, upfront deposits received etc. Group companies monitor the financial position of their customers on an ongoing basis. It is group policy to deposit cash with major banks and financial institutions with strong credit ratings.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

18. Financial instruments continued

The following indicates the expected credit loss on trade receivables:

	Gross carrying amount Rm	Lifetime ECL Rm	Average ECL/ Impairment ratio (%)
Division			
Equipment	**3 959**	**(513)**	**12.9%**
Car Rental and Leasing	**1 534**	**(511)**	**33.3%**
Logistics	**635**	**(99)**	**15.6%**
Ingrain	**693**	**(2)**	**0.3%**
Other Segments	**33**	**(2)**	**4.6%**
Balance 31 March 2022	**6 854**	**(1 127)**	**16.4%**
Portion above disclosed as held for sale	**2 169**	**(610)**	**28.1%**

	Gross carrying amount Rm	Lifetime ECL Rm	Average ECL/ Impairment ratio (%)
Division			
Equipment	4 021	(556)	13.8%
Car Rental and Leasing	1 988	(611)	30.7%
Logistics	919	(50)	5.4%
Ingrain	604	(6)	1.0%
Other Segments	2	(1)	66.7%
Balance 31 March 2021	**7 534**	**(1 224)**	**16.2%**
Portion above disclosed as held for sale	1 312	(64)	4.9%

	Gross carrying amount Rm	Lifetime ECL Rm	Average ECL/ Impairment ratio (%)
Division			
Equipment	4 137	(340)	8.2%
Car Rental and Leasing	1 311	(542)	41.4%
Logistics	777	(61)	7.8%
Ingrain	602	(1)	0.2%
Other Segments	65	(3)	4.0%
Balance 30 September 2021	**6 892**	**(947)**	**13.7%**
Portion above disclosed as held for sale	777	(61)	7.8%

Liquidity risk

	Maturity profile of financial guarantees contracts as at 31 March 2022		
	Total owing	Within one year	Two to five years
Risk share debtors	**422**	**113**	**309**
Financial guarantees on behalf of joint ventures and associates	**1 453**	**1 453**	

	Maturity profile of financial guarantees contracts as at 31 March 2021		
	Total owing	Within one year	Two to five years
Risk share debtors	360	77	283
Financial guarantees on behalf of joint ventures and associates	296	296	

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

18. Financial instruments continued

Liquidity risk continued

	Maturity profile of financial guarantees contracts as at 30 September 2021		
	Total owing	Within one year	Two to five years
Risk share debtors	378	93	285
Financial guarantees on behalf of joint ventures and associates	1 234	1 234	

During 2018 the Barloworld Equipment division entered into a Risk Share Agreement with Caterpillar Financial Corporation Financeira, S.A. , E.F.C. - Sucursal em Portugal and Barloworld Equipment UK Limited. The Risk Share Agreement only relates to certain agreed upon customer risk profiles and relates to exposure at default less any recoveries. As at 31 March 2022 the maximum exposure of this guarantee was estimated to be R243 million (Mar 2021: R161 million, Sep 2021: R189 million) representing 25% of the capital balance outstanding.

During 2018 the Barloworld Equipment division entered into a Risk Share Agreement with Caterpillar Financial Services South Africa Proprietary Limited. The Risk Share Agreement only relates to certain agreed upon customer risk profiles and relates to exposure at default less any recoveries. As at 31 March 2022 the gross maximum exposure of this guarantee was estimated to be R131 million (30 March 2021: R150 milion, 30 Sep 2021: R139 million) representing 25% of the capital balance outstanding.

During 2018 the Vostochnaya Technica Equipment division entered into a Risk Share Agreement with Caterpillar Financial LLC. The Risk Share Agreement only relates to certain agreed upon customer risk profiles and relates to exposure at default less any recoveries. As at 31 March 2021 the maximum exposure of this guarantee was estimated to be R48 milion (Mar 2021: R48 million, Sep 2021: R49 million) representing 40% - 60% of the capital balance outstanding.

As these risk share agreements relate to a contractual payment in the event of default they are accounted for as financial instruments (Financial Guarantee contracts).

Barloworld also provides certain guarantees on behalf of NMI, Bartrac and BHBW of which non-performance by these associates and joint ventures will result in contractual cash flows to be made by Barloworld which has been included in above mentioned maturity analysis.

19. Re-presentations of prior year results

1. Leasing and Car Rental re-presented to discontinuing operations

As at 1 February 2022 Leasing and Car Rental is disclosed as held for sale and a discontinued operations on the basis of management's firm intention to divest Barloworld's interest in Leasing and Car Rental. Refer to note 12 discontinued operations and assets classified as held for sale. The impact of the decision has resulted in the statement of profit or loss and other comprehensive income and statement of financial Position being restated to include Leasing and Car Rental as part of discontinued operations per below:

2. Ingrain acquisition

The purchase price allocation relating to the acquisition of Tongaat Hullet Starch (Ingrain) in terms of IFRS 3 was finalised in September 2021. Due to the materiality of the changes between the 31 March 2021 allocation and the final allocation as per the 30 September 2021 results the 31 March 2021 results are re-presented as per the below:

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

19. Re-presentations of prior year results continued

CONDENSED CONSOLIDATED INCOME STATEMENT

R million	Six months ended-Reported	1. Leasing and Car Rental reclassification	2. Ingrain acquisition	Restated
	31 March **2021**			
CONTINUING OPERATIONS				
Revenue	**20 209**	(4 015)		**16 194**
Operating profit before items listed below	**3 190**	(1 091)		**2 099**
Impairment losses on financial assets and contract assets	**(45)**	39		**(6)**
Depreciation	**(1 051)**	658	(32)	**(425)**
Amortisation of intangible assets	**(113)**	1	18	**(94)**
Operating profit before B-BBEE transaction charge	**1 981**	(393)	(14)	**1 574**
B-BBEE transaction charge	**(46)**	6		**(40)**
Operating profit	**1 935**	(387)	(14)	**1 534**
Fair value adjustments on financial instruments	**(113)**	2		**(111)**
Finance costs	**(491)**	29		**(462)**
Income from investments	**57**	(3)		**54**
Profit before non-operating and capital items	**1 388**	(359)	(14)	**1 015**
Non-operating and capital items comprising of:				
Impairment of investments	**8**			**8**
Impairment of property, plant and equipment, intangibles and other assets*				
Other non-operating and capital items	**31**			**31**
Loss before taxation	**1 427**	(359)	(14)	**1 054**
Taxation	**(540)**	60	4	**(476)**
Loss profit after taxation	**887**	(299)	(10)	**578**
Loss from associates and joint ventures	**(55)**	(1)		**(56)**

R million	Six months ended-Reported	1. Leasing and Car Rental reclassification	2. Ingrain acquisition	Restated
	31 March **2021**			
Net loss from continuing operations for the period	**832**	(300)	(10)	**522**
DISCONTINUED OPERATIONS				
Profit/(loss) from discontinued operations	**(98)**	300		**202**
Net loss for the period	**734**		(10)	**724**
Net loss attributable to:				
Owners of Barloworld Limited	**736**		(10)	**726**
Non-controlling interests in subsidiaries	**(2)**			**(2)**
	734		(10)	**724**

* The impairment of property, plant and equipment will be reclassified and included as part of depreciation for the six months.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

19. Re-presentations of prior year results continued

R million	Six months ended- Reported	1. Leasing and Car Rental reclassi-fication	2. Ingrain acquisition	Restated
	30 September **2021**			
CONTINUING OPERATIONS				
Revenue	**41 553**	(7 430)		**34 123**
Operating profit before items listed below	**6 942**	(2 300)		**4 642**
Impairment losses on financial assets and contract assets	**(59)**	65		**6**
Depreciation	**(2 312)**	1 348		**(964)**
Amortisation of intangible assets	**(181)**	1		**(180)**
Operating profit before B-BBEE transaction charge	**4 390**	(886)		**3 504**
B-BBEE transaction charge	**(95)**	14		**(81)**
Operating profit	**4 295**	(872)		**3 423**
Fair value adjustments on financial instruments	**(190)**	8		**(182)**
Finance costs	**(944)**	59		**(885)**
Income from investments	**124**	(5)		**119**
Profit before non-operating and capital items	**3 285**	(810)		**2 475**
Non-operating and capital items comprising of:				
Impairment of investments	**52**			**52**
Impairment of property, plant and equipment, intangibles and other assets	**(49)**			**(49)**
Fair value gain on deconsolidation of subsidiary				
Other non-operating and capital items	**192**	(4)		**188**
Loss before taxation	**3 480**	(814)		**2 666**
Taxation	**(644)**	182		**(462)**
Loss after taxation	**2 836**	(632)		**2 204**
Loss from associates and joint ventures	**(13)**	(3)		**(16)**

R million	Six months ended- Reported	1. Leasing and Car Rental reclassi-fication	2. Ingrain acquisition	Restated
	30 September **2021**			
Net loss from continuing operations for the period	**2 823**	(635)		**2 188**
DISCONTINUED OPERATIONS				
Loss from discontinued operations	**(23)**	635		**612**
Net loss for the period	**2 800**			**2 800**
Net loss attributable to:				
Owners of Barloworld Limited	**2 756**			**2 756**
Non-controlling interests in subsidiaries	**44**			**44**
	2 800			**2 800**

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

19. Re-presentations of prior year results continued

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R million	Six months ended-Reported	1. Leasing and Car Rental reclassification	2. Ingrain acquisition	Restated
	31 March 2021			
ASSETS				
Non-current assets	**21 294**		395	**21 689**
Property, plant and equipment	**11 639**		1 471	**13 110**
Investment property				
Right of use assets	**656**		5	**661**
Goodwill	**3 801**		(1 052)	**2 749**
Intangible assets	**2 502**		(29)	**2 473**
Investment in associates and joint ventures	**1 791**			**1 791**
Long-term trade and other receivables	**130**			**130**
Long-term financial assets	**181**			**181**
Deferred taxation assets	**594**			**594**
Current assets	**25 238**		4	**25 242**
Vehicle rental fleet	**2 627**			**2 627**
Inventories	**7 223**			**7 223**
Trade and other receivables	**6 583**			**6 583**
Contract assets	**564**			**564**
Taxation	**127**		4	**131**
Cash and cash equivalents	**8 114**			**8 114**
Assets classified as held for sale	**5 826**			**5 826**
Total assets	**52 358**		399	**52 757**

R million	Six months ended-Reported	1. Leasing and Car Rental reclassification	2. Ingrain acquisition	Restated
	31 March 2021			
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and premium	**(1 121)**			**(1 121)**
Other reserves	**4 691**			**4 691**
Retained income	**16 307**		(10)	**16 297**
Interest of shareholders of Barloworld Limited	**19 877**		(10)	**19 867**
Non-controlling interest	**243**			**243**
Interest of all shareholders	**20 120**		(10)	**20 110**
Non-current liabilities	**9 862**		409	**10 271**
Interest-bearing loans	**6 677**			**6 677**
Deferred taxation liabilities	**1 109**		403	**1 512**
Lease liabilities	**847**		6	**853**
Provisions	**110**			**110**
Contract liabilities	**432**			**432**
Other non-current liabilities	**687**			**687**
Current liabilities	**17 919**			**17 919**
Trade and other payables	**9 172**			**9 172**
Lease liabilities	**97**			**97**
Contract liabilities	**1 650**			**1 650**
Provisions	**670**			**670**
Taxation	**135**			**135**
Amounts due to bankers and short-term loans	**6 195**			**6 195**
Liabilities directly associated with assets classified as held for sale	**4 457**			**4 457**
Total equity and liabilities	**52 358**		399	**52 757**

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

20. Acquisition of business

20.1 Ingrain

Barloworld Limited (Barloworld) entered into a Sale and Purchase Agreement (SPA) with Tongaat Hulett Limited on 28 February 2020 to acquire 100% ownership interest in Tongaat Hullet Starch (Ingrain). The transaction was completed on 31 October 2020, being the transaction effective date. This purchase was done through Barloworld's wholly owned subsidiary, KLL Group (Proprietary) Limited, which houses the assets and liabilities of Ingrain. Ingrain is Africa's largest producer of starch, glucose and related products, and produces a wide range of high quality products for customers across Africa and around the world using maize as raw material. Barloworld acquired Ingrain, being a different business to its existing business portfolio, to balance out the seasonality of its existing business to deliver a consistent return to shareholder.

Assets acquired and liabilities assumed on 31 October 2020:

R million	Reported 31 March 2021	Restatement* 31 March 2021	Restated 31 March 2021
Non-current assets	2 214	1 462	3 676
Property, plant and equipment (note 1)	717	1 265	1 982
Land and buildings (note 2)	366	238	604
Right-of-use assets	20	6	26
Other intangible assets	40	13	53
Intangible assets (note 3)	1 071	(60)	1 011
Current assets	1 608	(48)	1 560
Fair value Trade and other receivables	780	(47)	733
Derivative financial instruments	16		16
Inventory	788	(1)	787
Cash	24		24
Total assets	**3 822**	**1 414**	**5 236**

* Refer note 19.

R million	Reported 31 March 2021	Restatement* 31 March 2021	Restated 31 March 2021
Non-current liabilities	328	397	725
Carrying amount of provisions	12	(12)	
Lease liability	17	4	21
Deferred tax	299	405	704
Current liabilities	880	(35)	845
Trade and other payables	874	(37)	837
Lease liability	6	2	8
Total liabilities	1 208	362	1 570
Net asset	**2 614**	**1 052**	**3 666**

Note 1

Property, plant and equipment is made up as follows:

R million	Reported 31 March 2021	Restatement* 31 March 2021	Restated 31 March 2021
Transport and vehicles	1	6	7
Plant and machinery	627	1 204	1 831
Office equipment	1	1	2
Other fixed assets	36	52	88
Capital work in progress	52	2	54
	717	**1 265**	**1 982**

Note 2

Land and buildings comprises the following properties hosting the Mills:

R million	Reported 31 March 2021	Restatement* 31 March 2021	Restated 31 March 2021
Bellville Mill	88	57	145
Germiston Mill	72	81	153
Kliprivier Mill	64	50	114
Meyerton Mill	142	50	192
	366	**238**	**604**

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

20. Acquisition of Business continued

Note 3

Intangible assets comprises of Customer relationships that arise from non contractual customer relationships, which represent loyal customers that are expected to continue their relationship after the acquisition by a market participant. This is the only intangible asset, which meets the IFRS recognition criteria.

Excess of consideration transferred over net asset acquired:

R million	Reported 31 March 2021	Restatement* 31 March 2021	Restated 31 March 2021
Consideration transferred	5 306		5 306
Less: Fair value of identifiable assets and liabilities	(2 614)	(1 052)	(3 666)
Goodwill (note 4)	**2 692**	**(1 052)**	**1 640**

R million	Reported 31 March 2021	Restatement* 31 March 2021	Restated 31 March 2021
Net cash flows on acquisition	4 986		4 986
Initial cash consideration	274		274
Top-up payment	5 260		5 260
Final purchase consideration	46		46
Derivative and bank accounts reimbursement	5 306		5 306
Consideration paid in cash (note 5)	(24)		(24)
Less: Cash and cash equivalents acquired	**5 282**		**5 282**

* Refer note 19.

Note 4

Goodwill represents synergies/improvements whereby Barloworld expects that through product development and specialisation (into modified starches) it will be able to create immediate margin uplift and optimise the product mix, whilst the ability to leverage Barloworld's core competencies in distribution within its existing businesses will create additional value. Goodwill will be accounted for in terms of the group policy where it will be tested for impairment annually with impairment losses recognised in profit or loss but excluded from headline earnings. Goodwill is not tax deductible.

Note 5

The acquisition was funded by external debt. The purchase consideration of R5 306 million includes the contingent payment of R450 million together with a top-up and reimbursement payment of R320 million adjusted for the stock valuation movements and cash refunds. The R450 million contingent payment relates to cash held in escrow for 12 months for any claims not covered by warranty and indemnity insurance cover. The funds in escrow were released to the sellers on 31 October 2021.

Purchase price allocation progress

The group completed the purchase price allocation of all assets at 30 September 2021.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

20. Acquisition of business continued

20.2 Barloworld Mongolia Limited acquisition update

No further true-up items have been identified since 30 September 2021. There was no change to the earn-out estimate during the current reporting period. The outstanding payment at 31 March 2022 is R 34 million (September 2021 R41 million, March 2021 R84 million).

Refer note 19.

21. Events after the reporting period

To the knowledge of the directors no material events have occurred between the reporting date and the date of approval of these financial statements that would affect the ability of the users of the financial statements to make proper evaluations and decisions.

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

22. Segmental summary

	Continuing operations															Discontinued operations											
	Consolidated			Eliminations			Ingrain ###			Equipment			Other segments			Automotive						Motor Retail			Logistics		
																Car Rental Southern Africa			Leasing								
R million	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021
Operating and geographical segments**																											
Revenue																											
Southern Africa	**12 610**	11 030	23 278				**2 747**	1 879	4 217	**9 437**	8 759	18 230	**426**	392	831	**2 620**	2 612	5 302	**1 035**	1 402	2 128		6 700	8 915	**1 182**	1 731	3 371
Europe																											
Australia	**104**	77	168				**104**	77	168																		
Eurasia	**5 687**	5 087	10 677							**5 687**	5 087	10 677															
	18 401	16 194	34 123				**2 851**	1 956	4 385	**15 124**	13 846	28 906	**426**	392	831	**2 620**	2 612	5 302	**1 035**	1 402	2 128		6 700	8 915	**1 182**	1 731	3 371
Inter-segment revenue ***				**(1 372)**	(1 257)	(3 140)				**1 066**	920	2 332	**306**	337	808	**2**	1	3	**49**	47	91				**200**	165	376
	18 401	16 194	34 123	**(1 372)**	(1 257)	(3 140)	**2 851**	1 956	4 385	**16 190**	14 766	31 238	**732**	729	1 639	**2 622**	2 613	5 305	**1 084**	1 449	2 219		6 700	8 915	**1 382**	1 896	3 747
EBITDA	**2 524**	2 092	4 648				**495**	399	772	**2 124**	1 893	4 066	**(96)**	(200)	(189)	**732**	406	975	**686**	647	1 260		254	254	**56**	92	47
Depreciation	**(496)**	(425)	(964)				**(97)**	(78)	(171)	**(437)**	(379)	(834)	**38**	33	41	**(309)**	(277)	(595)	**(253)**	(382)	(754)		(32)	(20)		(103)	(103)
Amortisation of intangibles	**(86)**	(94)	(180)				**(36)**	(30)	(67)	**(40)**	(50)	(89)	**(9)**	(14)	(24)	**(1)**	(1)	(1)					(1)			(5)	(8)
Operating profit/(loss)	**1 942**	1 573	3 504				**362**	291	534	**1 647**	1 464	3 144	**(67)**	(181)	(172)	**422**	127	379	**433**	265	506		221	234	**56**	(16)	(64)
Southern Africa	**1 300**	1 070	2 401				**352**	283	522	**975**	905	1 973	**(27)**	(119)	(92)	**422**	127	379	**433**	265	506		221	234	**56**	(16)	(64)
Europe	**(40)**	(62)	(80)										**(40)**	(62)	(80)												
Australia	**10**	7	12				**10**	7	12																		
Eurasia	**672**	559	1 171							**672**	559	1 171															
Operating profit/(loss) before B-BBEE transaction charge	**1 942**	1 573	3 504				**362**	291	534	**1 647**	1 464	3 144	**(67)**	(181)	(172)	**422**	127	379	**433**	265	506		221	234	**56**	(16)	(64)
B-BBEE transaction charge	**(13)**	(40)	(81)							**(3)**	(11)	(26)	**(10)**	(29)	(55)	**(1)**	(5)	(11)		(1)	(3)		(8)	(21)	**(1)**	(10)	(21)
Fair value adjustments on financial instruments	**(123)**	(111)	(182)				**5**	1	(8)	**(118)**	(44)	(86)	**(10)**	(68)	(88)			(1)	**(14)**	(2)	(7)		(2)	(2)		(11)	1
Total segment result	**1 806**	1 423	3 241				**367**	292	526	**1 526**	1 409	3 031	**(87)**	(279)	(316)	**421**	122	367	**419**	262	496		211	211	**55**	(38)	(84)

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

22. Segmental summary continued

	Continuing operations															Discontinued operations											
																Automotive											
	Consolidated			Eliminations			Ingrain ###			Equipment			Other segments			Car Rental Southern Africa			Leasing			Motor Retail			Logistics		
R million	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021
By geographical region																											
Southern Africa	**1 168**	960	2 184				**357**	285	515	**858**	846	1 862	**(47)**	(172)	(193)	**421**	122	367	**419**	262	496		211	211	**55**	(38)	(84)
Europe	**(40)**	(107)	(123)										**(40)**	(107)	(123)												
Australia	**10**	7	11				**10**	7	11																		
Eurasia	**668**	563	1 169							**668**	563	1 169															
Total segment result	**1 806**	1 423	3 241				**367**	292	526	**1 526**	1 409	3 031	**(87)**	(279)	(316)	**421**	122	367	**419**	262	496		211	211	**55**	(38)	(84)
Income from associates and joint ventures	**112**	(56)	(16)							**54**	(99)	(105)	**58**	43	89				**1**	1	3		(2)	(2)			
Finance costs	**(443)**	(462)	(885)				**(77)**	(67)	(151)	**(199)**	(189)	(370)	**(167)**	(205)	(364)	**(16)**	(15)	(31)	**(14)**	(14)	(28)		(63)	(81)	**(41)**	(52)	(95)
Income from investments	**53**	54	119				**1**	1	2	**64**	66	137	**(12)**	(12)	(20)					3	5			2	**7**	8	16
Non-operating and capital items	**(1 031)**	39	191						(2)	**(1 029)**	31	16	**(2)**	8	177			6	**(54)**		(2)			(5)	**(456)**	(15)	(278)
Taxation	**(661)**	(476)	(462)				**(54)**	(23)	(63)	**(465)**	(382)	(684)	**(142)**	(71)	285	**(99)**	(16)	(87)	**(91)**	(44)	(95)		(21)	(1)	**(32)**	(126)	(94)
Profit from discontinued operations	**101**	202	612																					388			
Net (loss)/profit	**(63)**	724	2 800				**238**	202	312	**(48)**	835	2 025	**(354)**	(516)	(149)	**306**	92	256	**262**	208	379		125	512	**(467)**	(223)	(535)

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

22. Segmental summary continued

	Continuing operations															Discontinued operations									
	Consolidated			Eliminations			Ingrain ###			Equipment			Other segments			Automotive						Motor Retail			Logistics		
																Car Rental Southern Africa			Leasing								
R million	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021
Assets																											
Property, plant and equipment	7 294	13 110	11 417				2 448	2 525	2 475	3 451	4 419	4 010	1 394	2 573	1 349		139	119		3 453	3 464						
Investment property	995		1 000										995		1 000												
Right of use assets	437	661	634				15	23	19	1 085	1 162	1 089	(663)	(861)	(805)		330	322		9	9						
Intangible assets	2 004	2 473	2 370				957	1 034	999	995	1 279	1 249	52	97	60		9	8		54	54						
Investment in associates and joint ventures	1 958	1 791	1 880							1 073	1 046	1 054	885	741	826					4							
Long-term finance lease receivables		130	134									9								130	125						
Long-term financial assets	1 681	181	198							6	24	11	1 675	156	187												
Vehicle rental fleet		2 627	2 819														2 627	2 819									
Inventories	8 299	7 223	8 111				604	555	1 098	7 673	6 184	6 681	23	17	25		402	288		66	19						
Trade and other receivables	6 075	6 583	6 949				847	642	676	5 324	4 990	5 372	(96)	(173)	(44)		429	485		695	460						
Contract assets	644	564	424							644	564	424															
Assets classified as held for sale	11 147	5 826	2 387										(310)	(1 170)	(29)	5 455		13	4 676				4 236		1 327	2 760	2 403
Segment assets	40 534	41 169	38 323				4 871	4 779	5 267	20 251	19 668	19 899	3 955	1 380	2 569	5 455	3 936	4 052	4 676	4 410	4 132		4 236		1 327	2 760	2 403
By geographical region																											
Southern Africa	32 441	34 671	30 819				4 771	4 692	5 190	13 781	13 375	12 556	2 433	1 262	2 485	5 455	3 936	4 052	4 676	4 410	4 132		4 236		1 327	2 760	2 403
Europe	1 522	118	84										1 522	118	84												
Australia	100	87	77				100	87	77																		
Eurasia	6 470	6 293	7 343							6 470	6 293	7 343															
Total segment assets	40 534	41 169	38 323				4 871	4 779	5 267	20 251	19 668	19 899	3 955	1 380	2 569	5 455	3 936	4 052	4 676	4 410	4 132		4 236		1 327	2 760	2 403
Goodwill	2 074	2 749	2 756				1 640	1 640	1 640	280	499	506	153	153	152	176	175	176	282	282	282		153				
Taxation	154	131	196																								
Deferred taxation assets	630	594	848																								
Cash and cash equivalents	5 109	8 114	10 721																								
Consolidated total assets	48 501	52 757	52 844																								

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

22. Segmental summary continued

	Continuing operations														
	Consolidated			Eliminations			Ingrain ###			Equipment			Other segments		
R million	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021
Liabilities															
Long-term non-interest bearing including provisions	**154**	797	782							**84**	96	63	**70**	676	250
Trade and other payables including provisions	**8 493**	9 842	11 300				**846**	638	1 397	**7 613**	6 238	7 108	**34**	366	355
Lease liabilities	**557**	950	903				**18**	27	22	**1 269**	1 307	1 264	**(729)**	(947)	(946)
Contract liabilities	**2 190**	2 082	2 131							**2 190**	1 342	1 801			
Liabilities directly associated with assets classified as held for sale	**5 412**	4 457	1 786										**(4 668)**	(2 105)	(928)
Segment liabilities	**16 806**	18 128	16 902				**864**	665	1 419	**11 156**	8 983	10 236	**(5 293)**	(2 010)	(1 272)
By geographical region															
Southern Africa	**12 762**	14 679	13 069				**804**	604	1 372	**7 300**	6 432	6 785	**(5 421)**	(2 847)	(1 607)
Europe	**128**	837	335										**128**	837	335
Australia	**60**	61	47				**60**	61	47						
Eurasia	**3 856**	2 551	3 451							**3 856**	2 551	3 451			
Segment liabilities	**16 806**	18 128	16 902				**864**	665	1 419	**11 156**	8 983	10 236	**(5 293)**	(2 010)	(1 272)
Interest-bearing liabilities (excluding held for sale amounts)	**12 018**	12 872	12 896												
Deferred taxation liabilities	**1 116**	1 512	1 186												
Taxation	**182**	135	155												
Consolidated total liabilities	**30 122**	32 647	31 139												

	Discontinued operations											
	Automotive						**Motor Retail**			**Logistics**		
	Car Rental Southern Africa			Leasing								
R million	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021
Liabilities												
Long-term non-interest bearing including provisions					24	469						
Trade and other payables including provisions		1 916	1 623		684	817						
Lease liabilities		535	533		28	30						
Contract liabilities					740	330						
Liabilities directly associated with assets classified as held for sale	**4 453**			**4 270**				3 895		**1 356**	2 667	2 714
Segment liabilities	**4 453**	2 451	2 156	**4 270**	1 475	1 647		3 895		**1 356**	2 667	2 714
By geographical region												
Southern Africa	**4 453**	2 451	2 156	**4 270**	1 475	1 647		3 895		**1 356**	2 667	2 714
Europe												
Australia												
Eurasia												
Segment liabilities	**4 453**	2 451	2 156	**4 270**	1 475	1 647		3 895		**1 356**	2 667	2 714
Interest-bearing liabilities (excluding held for sale amounts)												
Deferred taxation liabilities												
Taxation												
Consolidated total liabilities												

Notes to the condensed consolidated financial statements continued

for the six months ended 31 March 2022

22. Segmental summary continued

	Continuing operations														
	Consolidated			Eliminations			Ingrain###			Equipment			Other segments		
R million	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021
Invested capital															
Southern Africa	**22 440**	23 806	20 960				**5 000**	5 084	4 846	**7 983**	8 193	7 186	**2 530**	1 202	2 410
Europe	**1 545**	(587)	75										**1 545**	(587)	75
Australia	**38**	25	29				**38**	25	29						
Eurasia	**2 726**	4 041	4 272							**2 726**	4 041	4 272			
	26 749	27 285	25 336				**5 038**	5 109	4 875	**10 709**	12 234	11 458	**4 075**	615	2 485

	Discontinued operations											
	Automotive						Motor Retail			Logistics		
	Car rental Southern Africa			Leasing								
R million	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021	Reviewed 31 Mar 2022	Restated* Reviewed 31 Mar 2021	Restated* Audited 30 Sep 2021
Invested capital												
Southern Africa	**3 719**	2 370	2 753	**2 808**	3 041	2 643		2 181		**400**	1 736	1 123
Europe												
Australia												
Eurasia												
	3 719	2 370	2 753	**2 808**	3 041	2 643		2 181		**400**	1 736	1 123

* The consolidated total excludes discontinued operations for income statement items but includes it for the statement of financial position.
** The geographical segments are determined by the location of assets.
*** Inter-segment revenue is priced at an arm's length basis.
Effective 31 October 2020 the group acquired Tongaat Hullet Starch (Ingrain) which is separately disclosed as a segment for the group.

23. Auditor's review

These condensed consolidated interim financial statements for the period ended 31 March 2022 have been reviewed by our joint auditors Ernst & Young Inc and SNG Grant Thornton Inc, who expressed an unmodified review conclusion. A copy of the auditor's review report is available for inspection at the company's registered office. The auditors' report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditors' engagement they should obtain a copy of that report together with the accompanying financial information from the issuer's registered office. Any forward-looking statements included in this announcement have not been reviewed or reported on by the auditors. Certain information presented is regarded as pro forma financial information. This information has been prepared for illustrative purposes only, is the responsiblity of the board of directors of Barloworld and has not been reviewed or reported on by the company's auditors.

Salient features

for the six months ended 31 March 2022

R million	Six months ended Reviewed 31 March 2022	Six months ended Restated* Reviewed 31 March 2021	Year ended Restated* Audited 30 September 2021
Financial			
Normalised headline earnings per share from continuing operations - (cents)^	**465**	288	994
Headline earnings per share from continued operations - (cents)	**447**	250	945
Group headline earnings per share - (cents)	**756**	361	1 195
Group return on invested capital (ROIC) (%)**	**14.1%**	3.8%	11.3%
Group - Economic profit	**115**	(3 167)	(673)
Dividends per share (cents)	**165**	137	437
Operating margin from continued operations - including B-BBEE (%)*	**10.5**	9.5	10.0
Group rolling EBITDA/Interest paid (times) excl IFRS16	**9.2**	6.8	8.9
Group net debt/equity (%)	**45.5%**	35.7%	16.7%
Group return on net operating assets (RONOA) (%)	**22.1%**	10.5%	20.3%
Group return on ordinary shareholders' funds (%)	**16.9%**	0.8%	12.1%
Net asset value per share (cents)	**9 203**	10 020	10 811
Number of ordinary shares in issue (000)	**200 214**	201 025	200 250

^ Normalised headline earnings is adjusted for the B-BBEE charges and impact of IFRS 16.
** Return on invested capital (ROIC) is calculated by a rolling 12-month net group operating profit after tax excluding non operating capital items net of tax over total equity, plus net debt and IFRS 16 liabilities.
* The restatement is due to classification of Leasing and Car Rental as discontinued operations.
∞ For group dislcosures including discontinued operations, please see www.barloworld.com
β Excludes energy from rental fleets
α The restatement is due to classification Leasing and Car Rental as discontinued operations.
Δ Scope 1 and 2.
† Lost-time injuries multiplied by 200 000 divided by total hours worked.
^ Department of Trade and Industry (South Africa).

R million	Six months ended 31 March 2022	Six months ended Restated* 31 March 2021	Year ended Restated* 30 September 2021
Non-financial (Continuing operations∞)			
Non-renewable energy consumption (GJ)βα	**2 186 788**	955 703	3 794 804
Greenhouse gas emissions (tCO_2e)Δα	**266 501**	137 152	457 391
Water withdrawals (municipal sources) (ML)α	**1 499**	1 050	2 658
Total number of employeesα	**8 640**	7 997	7 998
Lost-time injury frequency rate (LTIFR)†α	**0.27**	0.41	0.37
Number of work-related fatalitiesα			1
dti^ B-BBEE rating (level)	**3**	3	3

Exchange rates (Rand)	Closing rate: Six months ended 31 March 2022	Closing rate: Six months ended 31 March 2021	Closing rate: Year ended 30 September 2021	Average rate: Six months ended 31 March 2022	Average rate: Six months ended 31 March 2021	Average rate: Year ended 30 September 2021
United States dollar	**14.61**	14.77	15.05	**15.04**	15.36	14.89
British sterling	**19.24**	20.37	20.29	**19.99**	20.71	20.35

Corporate information

Barloworld Limited
(Incorporated in the Republic of South Africa)
(Registration number 1918/000095/06) (Income Tax Registration number 9000/051/71/5)
(JSE Share code: BAW) (JSE ISIN: ZAE000026639)
(Share code: BAWP)
(JSE ISIN: ZAE000026647)
(Bond issuer code: BIBAW)
(Barloworld or the company or the group)

Registered office and business address
Barloworld Limited
61 Katherine Street
PO Box 782248
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T +27 11 445 1000
E bawir@barloworld.com

Directors
Non-executive
NN Gwagwa (Chairman), N Chiaranda**, FNO Edozien^, HH Hickey, MD Lynch-Bell*,
NP Mnxasana, NV Mokhesi, H Molotsi, P Schmid

Executive directors
DM Sewela (Group Chief Executive Officer), N Lila (Group Finance Director)
^ Nigeria, * UK, ** Italy

Group Company Secretary
Vasta Mhlongo

Group Investor Relations
Nwabisa Piki

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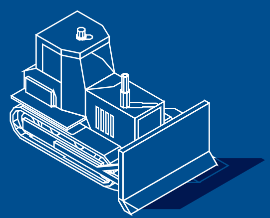
Sponsor
Nedbank Corporate and Investment Banking
a division of Nedbank Limited



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