Barloworld

Interim results

For the six months ended
31 March 2023

Well-positioned to deliver stakeholder value by consistently executing on our strategy

One Barloworld

Our purpose

Advancing **sustainable, inclusive, quality growth** by providing our customers with products that inspire a world of difference and enable growth and progress in society.

1

Our vision

To delight our customers and maximise shareholder value.

2

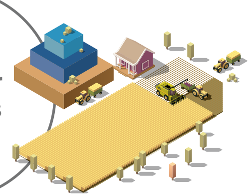
Our sustainabiliy commitment

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

3

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 large businesses with the ingredients essential to the manufacturing of, among others, food and beverages, paper, pharmaceuticals, building materials and adhesives.

Our corporate structure

**Other includes Digital Disposal Solutions (including Salvage Management and Disposals Proprietary Limited (SMD)), Khula Sizwe, Handling and Corporate Office.

Key features of our performance

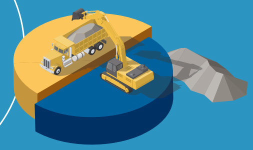
Executing against our strategy

Completed our exit from businesses that are not core to Barloworld's strategy to focus on our two core verticals: Industrial Equipment and Services and Consumer Industries

Strengthening the group's position in its core verticals:

- Equipment southern Africa delivers record returns
- Ingrain delivers a solid performance
- Strong recovery from Equipment Mongolia

Our environmental, social and governance (ESG) performance



Environmental

- As of March 2023, Barloworld retains an ISS Quality Score rating of 1 across Environmental, Social and Governance
- **Improved our MSCI rating from an 'A' to 'AA'**
- We are tracking against our five-year efficiency improvement targets against which all our operations are measured

Social

- Barloworld issued Africa's first gender-linked bond to consolidate our social and financial performance
- Siyakhula, our wealth-building enterprise and supplier development (ESD) programme, added eight small, medium and micro enterprises (SMMEs) to those already participating in the programme
- 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

- **Strengthened our board** through the appointment of two new independent directors with diverse skills, improving the balance of knowledge, skills, experience, diversity (55% of its members are women and 60% are black South Africans) and independence (80% of our directors are independent non-executive directors), and further equipped the board to discharge its governance role and responsibilities objectively, ethically and effectively

"Barloworld's performance continues to reflect our relentless focus on strategic delivery and capital allocation as value enablers. The performance cements the decisions we have made to focus on the core verticals of Industrial Equipment and Services and Consumer Industries and demonstrates operational excellence across our teams"

Dominic Sewela
Group Chief Executive Officer

Group Chief Executive Officer's review

AT A GLANCE

Revenue from continuing operations was 12.9% ahead of the prior period

Strong trading results across all our businesses

Interim dividend of 200 cents per share, up 21.2% from 1H22

Operating profit from core trading activities in continuing operations increased by 16.5% to R2.1 billion

Performance review

The results for the interim period are reflective of the group's continued focus on strategic delivery. Notwithstanding the somewhat constrained geopolitical environment, revenue from continuing operations was reported at R20.8 billon; 12.9% ahead of the previous interim period. This was driven by an improvement in trading activities across most of our business segments. Equipment southern Africa delivered 38.4% higher revenue compared to the prior period, underpinned by activity in the mining sector and fleet replacements. Ingrain produced a pleasing 15.3% revenue uplift supported by higher commodity prices and growth in export volumes, which offset the flat domestic sales volumes. Revenue for Equipment Mongolia increased by 52% to $76.6 million in the current period, mainly due to good prime product sales. Revenue, excluding Equipment Russia and discontinued operations, was up 34.5% at R18.2 billion.

Group HEPS from continuing operations of 578 cents showed an increase of 131 cents against the prior period, due to the robust performance from Equipment southern Africa, the resilience of the Equipment Eurasia businesses and strong results from Ingrain.

The operating profit from core trading activities increased by 16.5% to R2.1 billion, positively impacted by a growth in revenue.

These results prove that the current core verticals, being our equipment and starch businesses, are a solid base with which to grow both organically and inorganically should opportunities arise in future. It is also pleasing to see this quality of results despite the many challenges presented by the operating environment.

Our external operating environment

The macroeconomic environment remains challenging in the period under review. On the local front, the South African economy continues to experience inflationary pressure, with the Reserve Bank adhering to its inflation-targeting policy and matching the US Federal Reserve's interest rate hikes. Substantial increases in food, core goods inflation and the risks from other local negative economic factors, such as the energy supply issue, continue to weigh negatively on the overall inflationary outlook.

Compounding these challenges, ratings agency S&P Global downgraded South Africa's credit rating outlook from positive to stable, stating that economic growth in South Africa faces increased pressure around infrastructure constraints and electricity shortages.

The reopening of China's economy following its abandoned zero Covid policy, combined with OPEC+ tightening its stance, may underpin higher oil prices.

Capital allocation remains a key enabler of value creation

The group has invested cash in projects that yield returns higher than the cost of capital, distributing cash to shareholders and paying down debt as part of our ongoing efforts to maximise shareholder value.

We have executed on our planned distributions, and our focus going forward is on investing in our operations.

The group remains satisfied with the positive state of the headroom on our existing facilities, gearing and liquidity, having taken into consideration the prevailing environment and our current facilities.

Capital allocation remains a key enabler of value creation continues

Return on invested capital (ROIC), the group's key measure, improved to 14.3% compared to the 14.1% generated in the prior period. This remains higher than the 14% weighted average cost of capital.

The board has approved an interim dividend of 200cps. This is in line with the group's stated dividend cover of 2.5 to 3.0 times normalised headline earnings.

A value-creating workforce

The safety of our workforce and contractors remains a priority, in line with our continuous quest for zero harm. Improvements in safety awareness have been noted through the reporting of safety observations. Awareness of the wellness service has been reinforced to encourage employees to take ownership of their well-being. Plans are underway to introduce the employee wellness offering to Barloworld Mongolia as we continue to integrate the business.

The key performance indicator for the gender-linked bond we issued in FY2022 is gender diversity in leadership: by 2025 we are to equal or exceed 50% women representation in leadership and grow the proportion of black women-owned businesses in our South African operations' supply chain to either equal or exceed 15%.

Enrolled
198
young people in apprenticeships

Succession planning is a crucial area of focus for the group. Recent leadership appointments are testament to the emphasis on talent retention and succession planning while reiterating our commitment to transformation. In line with our intent to grow and strengthen the Consumer Industries vertical, a review of the recruitment process has identified opportunities to reduce the time of hire from 180 days to 60 days. Engineering skills remain a priority. However, formal learning and development programmes have been introduced to build current and future capabilities.

Providing young people with work opportunities is critical in South Africa. During the first six months of this financial year, we enrolled 198 young people in apprenticeships, internships and learnerships and 21 are beneficiaries of our Young Talent programme. We have thus far awarded 15 bursaries, which enable the bursars to study chemical, electrical and mechanical engineering, data science, finance, agriculture and mechatronics.

Enabling growth and progress in society

Through our active role in society, we enable growth and progress in the communities in which we operate.

Following the completion of our exit from non-core businesses, the group has reviewed its operating model and entrenched its stakeholder management processes that allow for the identification of key stakeholder groups and engagement on material stakeholder issues.

The group has several social impact programmes, including our corporate social investment (CSI); the social entrepreneurship fund, Mbewu; and our ESD vehicle, Siyakhula. These programmes facilitate training and skills development, funding and access to the market for several vulnerable groups, including women, youth and previously disadvantaged individuals (as defined in the Just Transition Framework). Targets to drive procurement spend to black women-owned enterprises are also included in the performance measures in Barloworld's gender-linked bond.

During the period, we had the opportunity to interact with our prior financial year Mbewu cohorts, who presented the impact they have made in their communities. One of the beneficiaries is Black Empire Farms, a cotton and crop farm based in Swartdam, a rural community in the North West province of South Africa. This farming business is committed to sustainable and ethical practices that empower and uplift the community. Black Empire Farms is dedicated to the asset-based community-driven development (ABCD) methodology, which focuses on utilising local resources and knowledge to create sustainable solutions. The team works closely with the community to identify needs and develop projects that benefit everyone. This includes hiring local workers, providing training and development opportunities, and supporting other local businesses.

50 beneficiaries providing approximately
1 400 jobs

Siyakhula, our ESD programme, disbursed over R53 million to 50 beneficiaries in the period under review, supporting 1 400 jobs in total. The beneficiaries include 48 SMMEs whose loans were brought forward from previous years.

We continue to create value by procuring goods and services from the previously disadvantaged, whenever possible, and driving economic sustainability, transformation and growth.

the first apartments at Barlow Park will be available in early
2024

Access to adequate, safe and affordable housing

The multipurpose development, Barlow Park, in which Barloworld has contributed the land and 50% of the equity, is progressing well. Work on the development began in June 2022, and the main retail structure and school building are already complete. The first and second residential blocks will offer 750 rental apartments and are at an advanced stage. Earthworks for the third and fourth residential blocks of 860 units, including a creche, will commence this June. The first apartments at Barlow Park will be available in early 2024, and the opening of the school and retail centre, planned for January 2024, will be simultaneous.

Environmental stewardship

Barloworld considers good environmental practices a prerequisite for value creation and trustworthiness.

To secure our legitimacy and the trust of our stakeholders, who include the communities in which we operate, our employees, customers, shareholders and regulators, we must employ sound and sustainable business practices that keep our people safe and healthy and protect the environment. We provide reliable reporting and ensure we comply with legislation and regulations.

We continue to focus on reducing our impact on climate change as a key enabler in reducing the environmental impact of our businesses. Various efficiency initiatives aimed at reducing carbon emissions, water withdrawals and energy consumption, including the introduction of renewable energy sources, all play a part in limiting our impact. For example, Barloworld's Industrial Equipment and Services division offers several energy-related solutions, including renewable energy solutions (Solar PV).

The division also significantly contributes to the circular economy through its component rebuild and remanufacture, which extends machine life. Such practices use less energy, water, and emissions versus the manufacturing process of a new product. Other benefits include local employment, training and development for the artisans working on such machines.

We continue to increase the efficiency of our use of electricity generated using fossil fuels and water. The group's established targets aim to improve efficiency by 15% for non-renewable energy consumption, greenhouse gas emissions (scope 1 and 2) and municipal water withdrawals by the 2027 financial year using a business-as-usual scenario. We have improved the group's intensity levels in our continuing operations, in all our focus areas. As of March 2023, non-renewable energy consumption, greenhouse gas emissions (scope 1 and 2) and municipal water withdrawals have improved by 12%, 10% and 2%, respectively, against a business-as-usual scenario. The group consumed 25% more renewable energy via solar PV in March 2022 (1H23: 988MWh).

Governance

Our board of directors is committed to maintaining the highest standards of corporate governance. It 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 Vuyisa Nkonyeni joined the board as an independent non-executive director and as a member of the audit, risk and strategy and investments committees. Also joining the board is Mrs Bashirat Odunewu as an independent non-executive director and as a member of the audit, remuneration, and social, ethics and transformation committees. Both appointments were effective 14 April 2023. As part of our succession planning, we also announced that Mr Peter Schmid is chair of the remuneration committee, following the retirement of Mr Michael Lynch-Bell.

Outlook

Our strategy, based on the Fix, Optimise and Grow principles, is now firmly poised on the growth agenda. The key exits out of non-core businesses have been completed, and our acquisitive growth strategy remains focused on programmatic mergers and acquisitions (M&A) within our core verticals of Industrial Equipment and Services and Consumer Industries.

The group will continue to focus on delivering against its strategy and solidifying core asset light and cash-generative businesses in the two key areas of Industrial Equipment and Services and Consumer Industries. We believe Equipment southern Africa is well-positioned to achieve sustainable value creation. Demand for mining is expected to be robust, with most commodities likely to remain stable in 2023.

The construction industry is expected to recover as infrastructure and energy projects gather momentum. Our focus remains on the health and safety of our employees, customer service, and sustaining a lower cost to serve while growing market share and services.

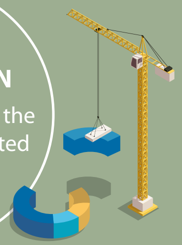
We demonstrated clear succession plans when we announced our recent management changes with the appointment of Andronicca Masemola as CEO of Equipment southern Africa and Emmy Leeka stepping into the role of CEO of Equipment Eurasia. Quinton McGeer who has been with Barloworld for over 31 years has taken early retirement, having served in various roles within the business. He has been instrumental in driving the strong performance of the Equipment Eurasia business. I wish to express the group's gratitude to Quinton McGeer for his invaluable service to Barloworld. Quinton has been a strong culture carrier throughout this period and has consistently upheld the One Barloworld culture and vision.

Our 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



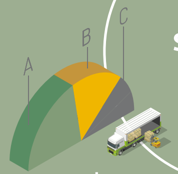
Deliver top quartile shareholder returns

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 organic and inorganic 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 how we approach our business. 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 exited our investments in Logistics at the end of March 2023. We also completed the unbundling of our car rental and leasing business, Zeda Limited, on 13 December 2022.

Going forward, our focus will remain on reviewing businesses with low operating performance and implementing the various disposal 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 focuses on:

- setting strategy and driving transactions through a centralised 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 responsibly allocating these 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 businesses we have acquired have added good inorganic growth to Barloworld, with both Equipment Mongolia and Ingrain making a significant contribution to revenue, operating performance, operating profit and earnings. Our short-term priorities are to further these integrations to extract additional value. We will also look at organic growth in all our existing core businesses going forward.

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

Group financial review

Accounting presentation

Disposal groups held for sale and distribution, discontinued operations

The car rental and leasing business, Zeda Limited (Zeda), and the Logistics business were classified as discontinued operations. Zeda was successfully unbundled and separately listed on the JSE on 13 December 2022, while the remaining supply chain business in Logistics business was successfully disposed of, effective 31 March 2023. The assets and liabilities of both businesses have been deconsolidated from the group financial statements as of their respective effective dates. Similarly, the results of their operations up to the relevant disposal dates have been consolidated into the group's half-year results to 31 March 2023. These results of operations, together with profit from the unbundling transaction and a loss on disposal of the Logistics business, have been disclosed under profit from discontinued operations in the income statement.

Total EBITDA and operating profit margins achieved were 12.9% AND 10.1%

Operating profit from core trading activities increased 16.5% to R2.1bn

Continuing operations

Headline earnings per share (HEPS) from continuing operations increased by 131 cents to 578 cents in the current period. Total HEPS (including discontinued operations) decreased by 42 cents to 713 cents in the current period due to the results for Zeda for 6 months in the prior period versus two months in the current period.

Revenue increased by 12.9% to R20.8 billion compared to the prior period due to better trading performance across all our businesses. This revenue increase, together with other measures, resulted in increases of 11.8% in EBITDA to R2.7 billion and of 16.5% in operating profit from core trading activities to R2.1 billion, compared to the prior period. Total EBITDA and operating profit margins achieved were 12.9% and 10.1%, respectively, in line with the preceding period.

- **EBITDA for Equipment southern Africa** of R1.5 billion grew by 22.7% compared to the prior period, representing an EBITDA margin of 11.4% compared to the prior period margin of 12.9%. Operating profit increased by 31.3% compared to the preceding period representing operating profit margin of 8.6%, which was below the prior period margin of 9.1%. The margin reduction resulted mainly from changes in sales mix, with machine revenue being significantly higher in the current period compared to the prior period.

EBITDA
R1.5bn
(22.7% UP)

- **EBITDA for Equipment Mongolia** of R268 million increased by 105.3% compared to the prior period, representing an EBITDA margin of 19.8% which was ahead of prior period margins of 16.7%. Operating profit of R219 million increased by 164.3% compared to the preceding period, representing an operating profit margin of 16.1% which is well above the prior period margin of 10.6%.

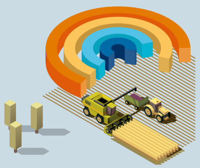
EBITDA
R268m
(105.3% UP)

- **Equipment Russia's** EBITDA of R497 million decreased by 24.6% compared to the prior period, representing an EBITDA margin of 19%, which is higher than the 13.4% achieved in the prior period. Operating profit of R465 million decreased by 20.6% compared to the prior period, representing a margin of 17.8% ahead of 11.9% achieved in the prior period due to increased aftermarket activity revenue mix. The demand for aftermarket products created higher operating profit margins in Russia.

EBITDA
R497m
(24.6% DOWN)

- **Ingrain's** EBITDA of R463 million and operating profit of R331 million were below the prior period by 7.5% and 10%, respectively. The EBITDA and operating profit margins of 14.1% and 10.1%, respectively were lower than the preceding period margins of 17.6% and 12.9%, respectively. Lower margins resulted mainly from unplanned plant breakdowns, adverse production efficiency variance and a change in volume mix.

EBITDA
R463m
(7.5% DOWN)



- **The net operating** costs of R36 million from other segments decreased by 58.8% compared to the prior period, mainly due to an increase in Khula Sizwe revenue (rental income from Zeda is no longer eliminated as Zeda is not part of the group anymore) and an overall reduction in corporate costs.

Net finance costs of R583 million increased by 49.4% compared to the prior period, driven by higher interest rates and higher average net working capital compared to the prior period. Average net debt increased in the current period mainly because of an increase in working capital. The increase in finance costs in Equipment southern Africa also related to the increase in interest-bearing trade payables compared to the prior period.

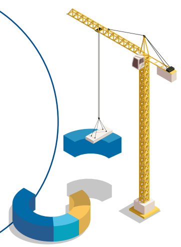
The effective tax rate (ETR) of 35.9% was mainly impacted by the IAS12.41 in Russia and Zambia, which resulted from the devaluation of local currency compared to September 2022. The adjusted effective tax rate is 25.7% compared to 42.4% in the comparable prior period and 25.5% in September 2022. The adjusted ETR is arrived at after adjusting for the IAS12.41 impact in Russia and Zambia.

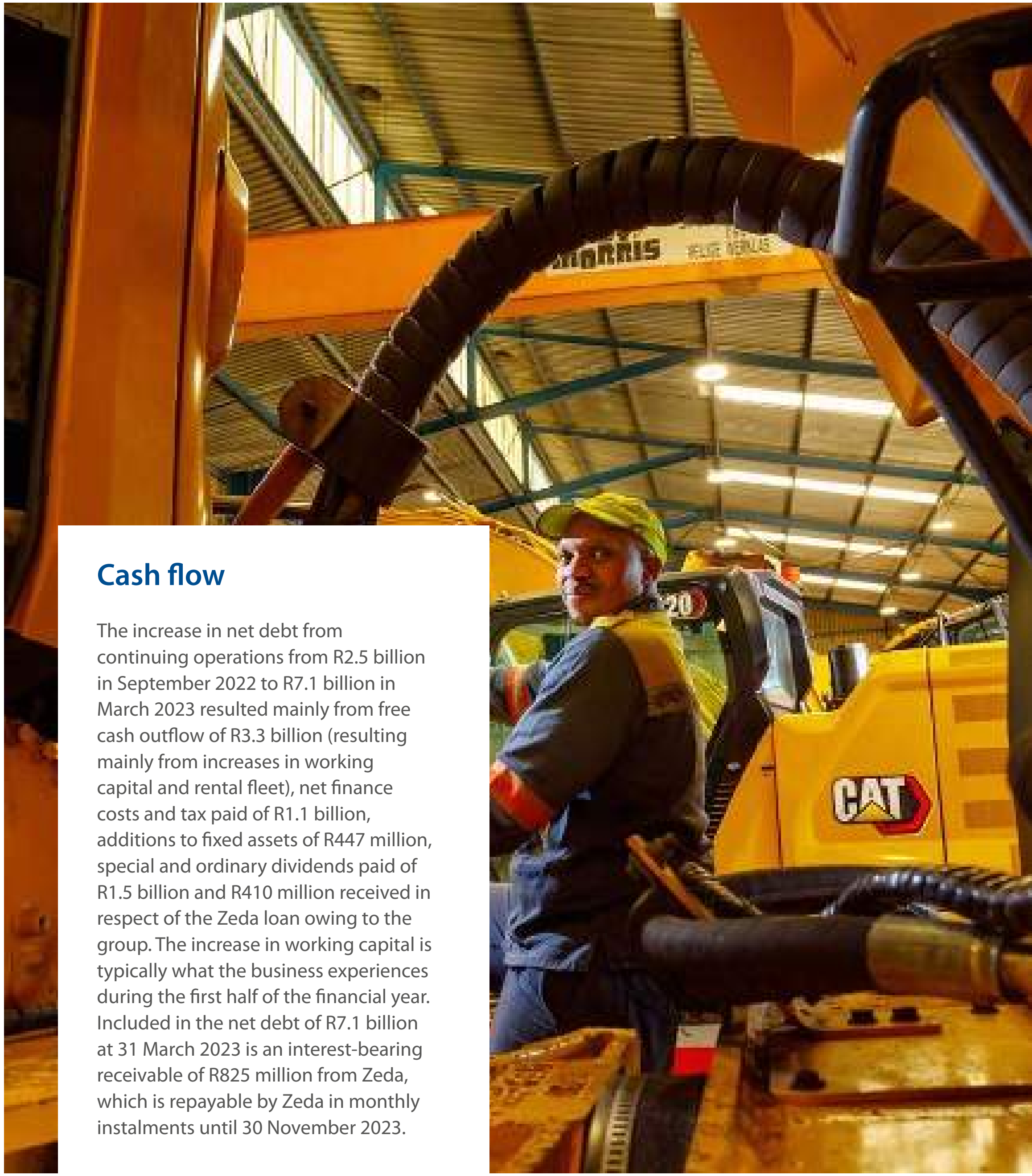
The share of profit from associates and joint ventures of R116 million is 3.4% higher than the prior period's share of profit of R112 million. Our share of profit in Bartrac of R77 million represents a 48.5% increase from the prior period, while our share of profit of R35 million in NMI-DSM is 31.8 % lower than the prior period.

Discontinued operations

The profit of R243 million from discontinued operations mainly comprises a gain on the unbundling of Zeda of R91 million (including tax paid on unbundling); profit after tax of approximately R254 million earned by Zeda for the period up to the date of unbundling and loss after tax of R5 million earned by the Logistics business; and a loss of R96 million on the disposal of the Logistics business.

THE CLOSING NET DEBT FROM CONTINUING OPERATIONS
R7.1bn





Cash flow

The increase in net debt from continuing operations from R2.5 billion in September 2022 to R7.1 billion in March 2023 resulted mainly from free cash outflow of R3.3 billion (resulting mainly from increases in working capital and rental fleet), net finance costs and tax paid of R1.1 billion, additions to fixed assets of R447 million, special and ordinary dividends paid of R1.5 billion and R410 million received in respect of the Zeda loan owing to the group. The increase in working capital is typically what the business experiences during the first half of the financial year. Included in the net debt of R7.1 billion at 31 March 2023 is an interest-bearing receivable of R825 million from Zeda, which is repayable by Zeda in monthly instalments until 30 November 2023.

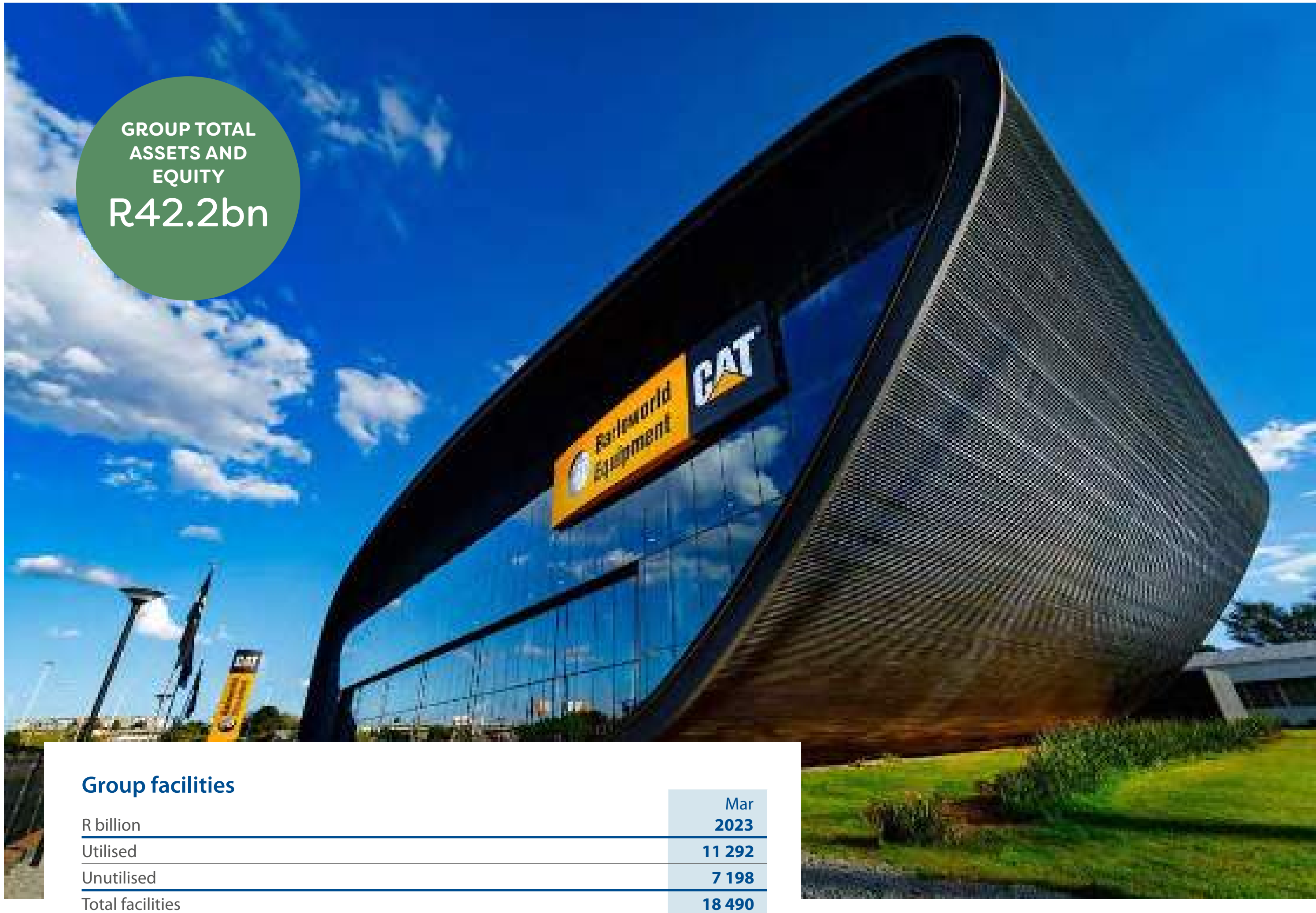
Financial position, gearing and liquidity

The group's total assets and equity amounted to R42.2 billion and R15.7 billion, respectively, on 31 March 2023 compared to R54.4 billion and R19.2 billion, respectively, on 30 September 2022. This decrease resulted mainly from the deconsolidation of the Zeda and Logistics businesses which were disposed of during the current period. Furthermore, a total dividend, which included ordinary and special dividends of R1.5 billion, was paid in January 2023.

The group has significant headroom on committed facilities for local and offshore operations, which remains adequate at R7.2 billion, excluding the listed bond headroom which adds up to an all-inclusive headroom of R18 billion. The group actively reviews and monitors all facilities continuously, and we remain confident of our strong liquidity position.

Our South African short-term debt of R2.6 billion includes bonds maturing in the next 12 months amounting to R1.5 billion and other debt and uncommitted facilities amounting to R500 million. We expect to maintain our participation in the bond market to the extent that we can achieve competitive funding rates. Our short-term facilities are competitively priced in comparison to our short-term overnight facilities in all banks, hence fully drawn.

Within our R15 billion domestic medium-term note (DMTN) programme, R4.9 billion is held in bonds. Barloworld repaid bonds to the value of R252 million in December 2022 and R400 million in February 2023 without refinancing in line with our capital allocation policy.



Group facilities

R billion	Mar 2023
Utilised	**11 292**
Unutilised	**7 198**
Total facilities	**18 490**
Unutilised — committed	**6 339**
Unutilised — uncommitted	**860**
Total unutilised facilities	**7 199**

Debt covenants

	Mar 2023
EBITDA: Interest cover > 3.0 times	**5.2 times**
Net debt: EBITDA cover < 3.0 times	**1.0 times**

Divisional performance

Industrial Equipment and Services

R million	Revenue		Operating profit from core trading activities		Invested capital	
	Six months ended		Six months ended		Six months ended	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
Southern Africa	**13 060**	9 437	**1 125**	857	**11 077**	7 983
– Russia	**2 619**	4 905	**465**	585	**2 298**	1 170
– Mongolia	**1 354**	782	**219**	83	**1 439**	1 555
Eurasia	**3 973**	5 687	**684**	669	**3 737**	2 725
	17 033	15 124	**1 809**	1 526	**14 814**	10 708
Share of associate profit			**81**	54		

Equipment southern Africa

Equipment southern Africa offers business-to-business sales, servicing, rebuilding and salvaging of earthmoving equipment, industrial services and power systems that enable a large variety of mining, construction and power solutions for our customers in the mining, construction, energy and transportation sectors.

Equipment southern Africa's revenue for the six months to March 2023 increased by 38.4% to end at R13.1 billion (1H22: R9.4 billion). This was headlined by machine sales which were up 60% at R6.0 billion on the back of fleet replacements in the mining sector. Services revenue was also stronger with parts revenue up 28.4% and rental revenue up 11.3%. South Africa recorded exceptional revenue growth of 48% while the other Greater Africa regions recorded a combined revenue growth of 23% compared to the prior period. The weaker ZAR/USD exchange rate had a favourable impact on southern Africa revenue by 10% compared to the preceding period.

Operating expenditure grew 13%, mainly driven by a higher inflationary environment, digital transformation costs and increased trade-related expenses. Operating profit before fair value adjustments was up 21% at R1.2 billion (1H22: R972 million) compared to the prior period, while EBITDA was up 22.7%. The stronger machine sales activity had a dilutive impact on trading margins due to the change in sales mix, softening the operating profit margin to 9.0% compared to 10.3% in the prior year.

Fair value adjustments on financial instruments ended lower than the prior period at R49.5 million (1H22: R114 million). This resulted in the operating profit from core trading activities being 31.5% up compared to the prior period at R1.1 billion (1H22: R857 million). The associated operating margin was 8.6% (1H22: 9.1%).

Higher interest rates combined with higher inventory holdings resulted in finance costs ending at R312 million (1H22: R125 million).

The effective tax rate for the period at 30% (1H22: 23%) was mainly affected by the devaluation of the Zambian kwacha against the dollar, which resulted in IAS12.41 charges.

The Bartrac joint venture delivered a positive performance and contributed a share of profit from associate income of R77 million (1H22: R52 million), representing a 48.5% increase compared to the prior period. The improved performance in Bartrac is primarily attributable to increased trading activity and a lower cost base following the restructuring.

Invested capital increased by 38.8% to end at R11.1 billion (1H22: R7.9 billion), mainly driven by higher inventory levels to manage longer lead times and the devaluation of the rand against the US dollar increasing the cost of inventory. The inventory holding is expected to unwind in the second half of the financial year. Returns held firm with a rolling 12-month return on invested capital (ROIC) at 19.7% (1H22:18.1%).

The total equipment firm back-order book remained strong at R5.7 billion compared to September 2022 at R4.8 billion.

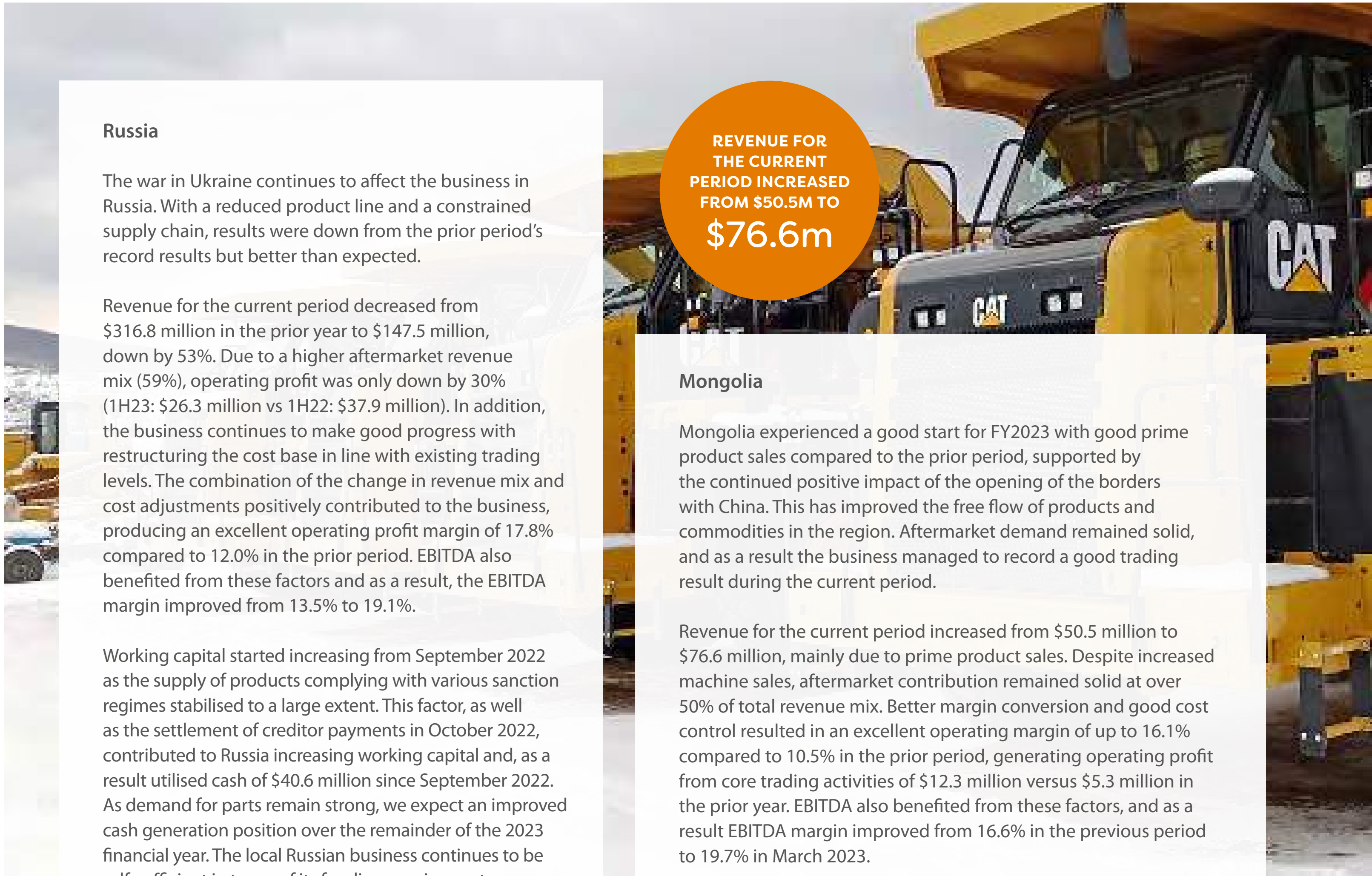
REVENUE FOR THE SIX MONTHS TO MARCH 2023 INCREASED 38.4% TO
R13.1bn

Equipment Eurasia

The Barloworld Equipment Eurasia 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.

Equipment Eurasia had a solid first half in FY2023 supported by a better-than-expected result in Russia and an excellent performance in Mongolia. The division generated $224 million revenue, down 39% compared to the prior period. Strong trading margins were generated, driven by good margin realisation, high after-market contribution and cost controls.
The division generated $38.6 million operating profit from core trading activities compared to $43.2 million the prior year, down 10.5% in dollar terms. In rand terms, the division generated R4.0 billion in revenue, which was 30% lower than t he previous year (1H22: R5.7 billion). However, operating profit from core activities of R683.4 million exceeded the prior period by 2.3%. The improvement in rand terms was driven by a 14% weakening of the rand to the dollar against the preceding year. Rolling 12 months of ROIC returns at a divisional level remain well above 20%, with the division achieving 30.4% (and if the impairment booked in 2022 was to be reversed, ROIC would be 22.6%).

OPERATING PROFIT AT
R683.4m
EXCEEDED THE PRIOR PERIOD BY
2.3%



Russia

The war in Ukraine continues to affect the business in Russia. With a reduced product line and a constrained supply chain, results were down from the prior period's record results but better than expected.

Revenue for the current period decreased from $316.8 million in the prior year to $147.5 million, down by 53%. Due to a higher aftermarket revenue mix (59%), operating profit was only down by 30% (1H23: $26.3 million vs 1H22: $37.9 million). In addition, the business continues to make good progress with restructuring the cost base in line with existing trading levels. The combination of the change in revenue mix and cost adjustments positively contributed to the business, producing an excellent operating profit margin of 17.8% compared to 12.0% in the prior period. EBITDA also benefited from these factors and as a result, the EBITDA margin improved from 13.5% to 19.1%.

Working capital started increasing from September 2022 as the supply of products complying with various sanction regimes stabilised to a large extent. This factor, as well as the settlement of creditor payments in October 2022, contributed to Russia increasing working capital and, as a result utilised cash of $40.6 million since September 2022. As demand for parts remain strong, we expect an improved cash generation position over the remainder of the 2023 financial year. The local Russian business continues to be self-sufficient in terms of its funding requirements.

With a reduced product line-up, the firm order book will remain at low levels with potential sales now linked to the smaller construction products.

The Russian business continues to generate strong ROIC returns, generating a 44.4% ROIC. If the impairment that was processed in March 2022 was to be reversed, the ROIC generated would have been 26.9%.

REVENUE FOR THE CURRENT PERIOD INCREASED FROM $50.5M TO
$76.6m

Mongolia

Mongolia experienced a good start for FY2023 with good prime product sales compared to the prior period, supported by the continued positive impact of the opening of the borders with China. This has improved the free flow of products and commodities in the region. Aftermarket demand remained solid, and as a result the business managed to record a good trading result during the current period.

Revenue for the current period increased from $50.5 million to $76.6 million, mainly due to prime product sales. Despite increased machine sales, aftermarket contribution remained solid at over 50% of total revenue mix. Better margin conversion and good cost control resulted in an excellent operating margin of up to 16.1% compared to 10.5% in the prior period, generating operating profit from core trading activities of $12.3 million versus $5.3 million in the prior year. EBITDA also benefited from these factors, and as a result EBITDA margin improved from 16.6% in the previous period to 19.7% in March 2023.

Higher levels of business activity following the opening of China's borders, coupled with focused working capital management, resulted in a marked reduction in working capital levels. This improved cash-to-cash cycle period resulted in the business achieving a 230% FCF/EBITDA conversion rate for the current period.

Business returns as a result of the improved performance resulted in a ROIC of 14.7% on a rolling 12-month basis (September 2022: 8.9%).

Consumer Industries

R million	Revenue		Operating profit from core trading activities		Invested capital	
	Six months ended		Six months ended		Six months ended	
	31 Mar **2023**	31 Mar **2022**	31 Mar **2023**	31 Mar **2022**	31 Mar **2023**	31 Mar **2022**
South Africa	**3 174**	2 747	**327**	357	**4 698**	5 000
Australia	**113**	104	**4**	10	**35**	38
	3 287	2 851	**331**	367	**4 733**	5 038

Ingrain positions Barloworld for growth in the food ingredients markets focused on business-to-business customers. The business has established a strong pillar for the development of the Consumer Industries vertical.

Ingrain

Ingrain has remained resilient amid various macro-economic challenges in South Africa. Revenue increased by 15.3% to R3.3 billion from R2.9 billion in the prior period, supported by higher commodity prices and growth in export volumes, which offset the flat domestic sales volumes. The business also saw overall domestic input costs escalating well above inflation, impacting pricing and margins.

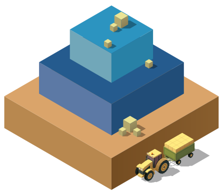
Operating profit for the period was R331 million (period to March 2022: R367 million), while operating margins decreased from 12.9% in the comparative prior period to 10.1%. The decline in the operating performance is attributable to lower contribution margins and increased overheads, on the back of investments in plant maintenance and critical skills in the business. Contribution margins were negatively impacted by reduced co-product realisations due to lower production and production efficiency losses. Cash generation improved to R127 million from R76 million in the prior period, as lower working capital absorption offset the impact of lower operating results and higher capital investments.

The business achieved a rolling 12-month ROIC of 9.8% (prior period: 9.1%) and remains resilient in the current economic climate.

Domestic sales volumes held up relative to the prior reporting period despite some softening in local demand, reflective of overall pressure on the South African consumer due to food inflation and rising interest rates, as well as the adverse impact of load-shedding across the value chain. Export sales volumes recorded good growth compared to the prior period, with a stronger focus on actively targeting export growth opportunities starting to bear fruit.

In the short term, Ingrain's efforts are focused on growing domestic sales volumes in response to changing market dynamics and improving operating efficiencies. Improving plant reliability through preventative maintenance, targeted deployment of capital and de-bottlenecking investments is another focus area for the business, as is stabilising new and critical roles to position the business to pursue and take advantage of growth opportunities.

While local maize prices have softened over the past few months, these have not returned to pre-Russia-Ukraine conflict levels. The Crop Estimates Committee's latest forecast suggests a maize crop for the current season of 15.9 million tonnes, which is above long-term harvest trends and would be sufficient to meet local demand. The current maize prices for July delivery remained at relatively low levels, with forward prices showing an increase in the short term which could impact maize harvest in the 2024/25 season. Ingrain is monitoring the situation closely and will continue with its disciplined approach to manage cash and commodity price exposure.



Other segments

Revenue of R451 million from other segments was 6% up compared to the prior period. The increase from R49 million to R123 million in revenue from Khula Sizwe rental income, which benefited from rental income from Zeda Limited, which is no longer part of the group, was offset by a 16.0% reduction in revenue in the salvage management and disposal business, SMD, as a result of a reduction in sales volumes.

The net operating loss of R36 million from other segments decreased by 58.6% compared to the prior period as a result of an increase in Khula Sizwe revenue and an overall reduction in corporate costs.

The share of profit from associates and joint ventures of R35 million is 40% lower than the prior period's share of profit of R58 million. Our share of profit in NMI-DSM of R35 million is 31.4 % lower than the previous period.

REVENUE FROM OTHER SEGMENTS

R451 million

SHARE OF ASSOCIATE PROFITS OF R35 MILLION

	Revenue		Operating profit from core trading activities		Invested capital	
	Six months ended		Six months ended		Six months ended	
R million	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
South Africa	**451**	426	**42**	(47)	**4 345**	2 530
United Kingdom			**(78)**	(40)	**(229)**	1 545
	451	426	**(36)**	(87)	**4 116**	4 075
Share of associate profit			**35**	58		

Ordinary dividend number 187

Notice is hereby given that interim dividend number 187 of 200 cents per ordinary share in respect of the six months ended 31 March 2023 has been declared subject to the applicable dividends tax levied in terms of the Income Tax Act, 58 of 1962, as amended, as follows:

In accordance with the JSE Listings Requirements, the following additional information is disclosed:

- The dividends have been declared out of income reserves
- The company's income tax number is IT 9000051715
- The local dividend tax rate is 20% (twenty percent)
- Barloworld has 189 485 937 ordinary shares in issue

In compliance with the requirements of Strate and the JSE Limited, the following dates apply to the dividends:

Dividend declared
Monday, 22 May 2023

Last day to trade cum dividend
Tuesday, 20 June 2023

Ordinary shares trade ex-dividend
Wednesday, 21 June 2023

Record date
Friday, 23 June 2023

Payment date
Monday, 26 June 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 21 June 2023 and Friday, 23 June 2023, both days inclusive.

On behalf of the board
Nomini Rapoo
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 2023, as set out on pages 18 to 50, which comprise the condensed consolidated statement of financial position as at 31 March 2023 and the related condensed consolidated income statement, statement of other 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 conclusion 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 2023 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)

22 May 2023

SizweNtsalubaGobodo Grant Thornton Inc.

SizweNtsalubaGobodo Grant Thornton Inc.
Director: Collins Mashishi
Registered Auditor
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Financial statements

Condensed consolidated income statement

for the six months ended 31 March 2023

R million	Notes	Six months ended Reviewed 31 March 2023	Six months ended Restated* Reviewed 31 March 2022	Year ended Audited 30 September 2022
CONTINUING OPERATIONS				
Revenue	3	**20 771**	18 401	39 383
Operating profit before items listed below		**2 626**	2 567	5 120
Impairment reversal/(losses) on financial assets and contract assets		**85**	(43)	35
Fair value adjustments on financial instruments		**(41)**	(123)	(284)
B-BBEE transaction charge			(13)	(82)
Operating profit before depreciation and amortisation, impairments and capital items, interest and taxation		**2 670**	2 388	4 789
Depreciation		**(480)**	(496)	(963)
Amortisation of intangible assets		**(86)**	(86)	(172)
Operating profit from core trading activities	4	**2 104**	1 806	3 654
Impairments and capital items comprising of:				
Reversal of impairment of property, plant and equipment				33
Impairment of goodwill			(217)	(217)
Impairment of indefinite life intangible assets			(193)	(194)
Impairment of property, plant and equipment, intangibles and other assets			(622)	(628)
Gains on disposal of property, plant and equipment and other assets		**8**		47
Other capital items		**(1)**	1	(59)
Profit before finance costs and income		**2 111**	775	2 636
Finance costs		**(723)**	(443)	(1 007)
Finance income		**140**	53	129
Profit before taxation		**1 528**	385	1 758
Taxation	5	**(548)**	(661)	(866)
Profit/(loss) after taxation		**980**	(276)	892
Profit from associates and joint ventures		**116**	112	309
Net profit/(loss) from continuing operations for the period		**1 096**	(164)	1 201
DISCONTINUED OPERATION				
Profit from discontinued operation	11/12	**243**	101	851
Net profit/(loss) for the period		**1 339**	(63)	2 052
Net profit/(loss) attributable to:				
Owners of Barloworld Limited		**1 320**	(62)	2 043
Non-controlling interests in subsidiaries		**19**	(1)	9
		1 339	(63)	2 052
Earnings/(loss) per share (cents)				
– basic		**711.3**	(31.6)	1 051.9
– diluted		**705.6**	(32.5)	1 040.7
Earnings/(loss) per share from continuing operations (cents)				
– basic		**580.6**	(82.8)	617.2
– diluted		**575.9**	(82.8)	610.6
Profit per share from discontinued operation (cents)				
– basic		**130.7**	51.2	434.7
– diluted		**129.7**	50.3	430.1

* Refer note 20.

Condensed consolidated statement of financial position

for the six months ended 31 March 2023

R million	Notes	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
ASSETS				
Non-current assets		**17 390**	17 073	16 840
Property, plant and equipment		**7 723**	7 294	7 555
Investment property		**1 150**	995	932
Right of use assets		**542**	437	359
Goodwill	6	**2 136**	2 074	2 138
Intangible assets	7	**2 011**	2 004	2 080
Investment in associates and joint ventures	8	**2 555**	1 958	2 424
Long-term trade and other receivables		**68**		16
Long-term financial assets	9	**280**	1 681	178
Deferred taxation assets		**925**	630	1 158
Current assets		**24 763**	20 281	25 849
Inventories		**11 449**	8 299	8 595
Trade and other receivables		**8 166**	6 075	7 027
Contract assets		**822**	644	786
Taxation		**154**	154	242
Cash and cash equivalents	10	**4 172**	5 109	9 199
Assets classified as held for sale	11	**57**	11 147	11 717
Total assets		**42 210**	**48 501**	**54 406**

R million	Notes	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and premium		**(2 261)**	(1 200)	(2 212)
Other reserves		**6 301**	4 391	6 517
Retained income		**11 471**	14 937	14 614
Interest of shareholders of Barloworld Limited		**15 511**	18 128	18 919
Non-controlling interest		**236**	251	262
Interest of all shareholders		**15 747**	18 379	19 181
Non-current liabilities		**8 758**	9 064	10 776
Interest-bearing loans		**6 398**	7 348	8 641
Deferred taxation liabilities		**1 041**	1 116	1 042
Lease liabilities		**591**	446	416
Provisions and other accruals		**217**	131	177
Other non-current liabilities		**511**	23	500
Current liabilities		**17 705**	15 646	16 475
Trade and other payables		**10 565**	8 053	10 949
Lease liabilities		**206**	112	111
Contract liabilities		**1 192**	2 190	1 574
Provisions and other accruals		**663**	439	719
Taxation		**186**	182	15
Amounts due to bankers and short-term loans		**4 893**	4 670	3 107
Liabilities directly associated with assets classified as held for sale	11		5 412	7 974
Total equity and liabilities		**42 210**	**48 501**	**54 406**

Condensed consolidated statement of other comprehensive income

for the six months ended 31 March 2023

R million	Six months ended Reviewed 31 March **2023**	Six months ended Reviewed 31 March **2022**	Year ended Audited 30 September **2022**
Profit/(loss) for the period	**1 339**	(63)	2 052
Items that may be reclassified subsequently to profit or loss:	**(74)**	(509)	1 544
Exchange loss on translation of foreign operations	**(19)**	(418)	1 465
Translation reserves realised on disposal/liquidation of subsidiaries	**22**		(1)
(Loss)/gain on cash flow hedges	**(102)**	(122)	97
Deferred taxation on cash flow hedges	**25**	31	(17)
Items that will not be reclassified to profit or loss:	**71**	252	(2 044)
Actuarial gain/(loss) on post-retirement benefit obligations	**109**	311	(2 244)
Taxation effect on net actuarial gains or losses	**(25)**	(59)	200
Fair value adjustment on listed investments	**(13)**		
Other comprehensive loss for the year, net of taxation	**(3)**	(257)	(500)
Total comprehensive income/(loss) for the period	**1 336**	(320)	1 552
Total comprehensive income/(loss) attributable to:			
Owners of Barloworld Limited	**1 317**	(319)	1 543
Non-controlling interests in subsidiaries	**19**	(1)	9
	1 336	**(320)**	**1 552**

Continuing operations

REVENUE UP
12.9%

OPERATING PROFIT UP
16.5%

Operating profit from core trading activities margin increased
9.8% to 10.1%

Condensed consolidated statement of changes in equity

for the six months ended 31 March 2023

R million	Share capital and premium	Other reserves	Retained income	Attributable to Barloworld Limited shareholders	Non-controlling interest	Interest of all shareholders
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)
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 subsidairies		49	(56)	(7)	(28)	(35)
Balance at 31 March 2022 (reviewed)	**(1 200)**	**4 391**	**14 937**	**18 128**	**251**	**18 379**
Total comprehensive income for the period		2 054	(192)	1 862	10	1 872
Share buy back	(1 012)			(1 012)		(1 012)
Khula Sizwe B-BBEE IFRS 2 charges		78		78		78
Equity settled IFRS 2 charges		50		50		50
Share scheme receipts		52		52		52
Disposal of subsidiaries			(1)	(1)		(1)
Transfer of reserves		(90)	90			
Other reserve movements		(18)	2	(16)	5	(11)
Dividends			(222)	(222)	(2)	(224)
Other changes in non-controlling interest					(2)	(2)
Balance at 1 October 2022 (audited)	**(2 212)**	**6 517**	**14 614**	**18 919**	**262**	**19 181**
Total comprehensive income for the period		(74)	1 390	1 316	19	1 335
Share buy back	(49)			(49)		(49)
Equity settled IFRS 2 charges		57		57		57
Share scheme receipts		(104)		(104)		(104)
Other reserve movements		(16)	(6)	(22)		(22)
Dividends (note 14)			(4 601)	(4 601)		(4 601)
Transfer of reserves		(12)	12			
Disposal of subsidairies		(67)	62	(5)	(45)	(50)
Balance at 31 March 2023 (reviewed)	**(2 261)**	**6 301**	**11 471**	**15 511**	**236**	**15 747**

Condensed consolidated statement of cash flows

for the six months ended 31 March 2023

R million	Notes	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
Cash flow from operating activities				
Cash (used in)/generated from operations before investment in rental fleets and leasing receivables		**(539)**	1 775	7 549
Inflow/(outflow) of investment in leasing receivables		**8**	(7)	26
Fleet leasing and equipment rental fleet		**(668)**	(665)	(1 288)
Additions		**(1 134)**	(1 300)	(2 842)
Proceeds on disposal		**466**	635	1 554
Vehicles rental fleet		**(1 472)**	(1 861)	(1 739)
Additions		**(1 709)**	(1 887)	(3 774)
Proceeds on disposal		**237**	26	2 035
Cash (utilised in)/generated from operations		**(2 671)**	(758)	4 548
Finance costs		**(796)**	(518)	(1 153)
Dividends received from investments, associates and joint ventures		**2**	2	5
Finance income		**149**	60	157
Settlement of financial instruments (derivatives)		**(248)**	(85)	(177)
Taxation paid		**(291)**	(598)	(1 487)
Cash (outflow)/inflow from operations		**(3 855)**	(1 897)	1 893
Dividends paid (including non-controlling interest)		**(1 502)**	(2 915)	(3 120)
Net cash applied to operating activities		**(5 357)**	(4 812)	(1 227)

R million	Notes	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
Net cash (outflow)/inflow from investing activities		**(724)**	31	(155)
Investments realised		**2**	96	96
(Cash released)/proceeds on disposal of subsidiaries	12	**(322)**	90	109
Proceeds on realisation of right of use of asset				62
Advances to joint venture		**(26)**		(25)
Acquisition of intangible assets		**(22)**	(9)	(47)
Acquisition of property, plant and equipment		**(425)**	(333)	(557)
Proceeds on disposal of property, plant and equipment		**69**	187	208
Net cash outflow before financing activities		**(6 081)**	(4 781)	(1381)
Net cash retained/(used) in financing activities		**643**	(624)	(505)
Shares repurchased for equity settled share-based payment		**(57)**	(132)	(80)
Share buy back		**(49)**		(1 012)
Repayments of lease liabilities		**(163)**	(182)	(354)
Proceeds from long-term borrowings		**36**	849	5 337
Repayment of long-term borrowings		**(1 350)**	(1 672)	(3 573)
Movement in short-term interest-bearing liabilities		**2 226**	513	(823)
Net decrease in cash and cash equivalents		**(5 438)**	(5 405)	(1 886)
Cash and cash equivalents at beginning of period		**9 200**	10 721	10 721
Cash and cash equivalents held for sale at beginning period		**310**	118	118
Effect of foreign exchange rate movement on cash balance		**100**	(137)	557
Effect of cash balances held for sale			(188)	(310)
Cash and cash equivalents at end of period		**4 172**	5 109	9 200

Notes to the condensed consolidated interim financial statements

for the six months ended 31 March 2023

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 (IFRS) and are consistent with those accounting policies applied in the preparation of the annual financial statements for the year ended 30 September 2022.

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 condensed consolidated interim financial statements have been reviewed by the company's external auditors.

This interim report was prepared by GE Hanekom (CA (SA)), the Group Financial Manager under the supervision of P Ndlovu (CA (SA)), the Executive Group Finance.

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 condensed consolidated 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 during the 2022 reporting period. No further impairments were identified for the six months ended 31 March 2023. 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 interim financial statements continued

for the six months ended 31 March 2023

2. Reconciliation of net profit to headline earnings

R million	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
RECONCILIATION OF NET PROFIT TO HEADLINE EARNINGS			
Net profit/(loss) attributable to Barloworld Limited shareholders	**1 320**	(62)	2 043
Adjusted for the following:			
(Profit)/loss on disposal of subsidiaries and investments on disposal of subsidiaries and investments	**(199)**	281	299
Tax impact of profit on disposal of subsidiaries and investments	**205**		
(Profit)/loss on disposal of subsidiaries and investments on disposal of plant, property, equipment and other assets excluding rental assets	**(16)**	9	(3)
Capital gains tax on profit on disposal of property			8
Tax charge on profit of disposal of property, plant and equipment and intangible assets	**2**	8	
Impairment of goodwill		217	217
Tax benefit of impairment of goodwill			(22)
Tax impact on disposal of business	**1**		
Impairment of plant and equipment and intangibles and other assets		880	804
Settlement of right of use assets	**(2)**		
Other capital items	**2**		
Impairment of indefinite life of intangible assets		193	193
Impairment/(reversal of impairment) of property and right of use asset	**8**	(39)	(85)
Tax impact of loss on capital items			(1)
Tax impact of reversal on impairment of investment			6
Impairment of property, plant and equipment – associate and joint venture share			4
Loss/(profit) on sale of property, plant and equipment – associate and joint venture share	**2**	3	(3)
Bargain purchase on acquisition of business – associate and joint venture share			(19)
Tax benefit on profit on sale of property, plant and equipment – associate and joint venture share		(2)	(1)
Headline earnings	**1 323**	**1 488**	**3 440**

R million	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
CONTINUING OPERATIONS			
Profit/(loss) from continuing operations	**1 096**	(164)	1 201
Non-controlling shareholders' interest in net profit from continuing operations	**(17)**	4	(2)
Profit/(loss) from continuing operations attributable to Barloworld Limited shareholders	**1 079**	(160)	1 199
Adjusted for the following:			
Profit on disposal of plant, property, equipment and other assets excluding rental assets	**(8)**	(1)	(45)
Capital gains tax on profit on disposal of property			8
Tax charge on profit of disposal of property, plant and equipment and intangible assets	**2**	8	
Impairment of goodwill		217	217
Tax benefit of impairment of goodwill			(22)
Impairment of indefinite life of intangible assets		193	193
Settlement of right of use assets	**(2)**		
Impairment of plant and equipment and intangibles and other assets		622	628
Tax impact of loss on capital items			(1)
Reversal on impairment of property and right of use assets			(33)
Tax impact of reversal on impairment of investment			6
Bargain purchase on acquisition of business – associate and joint venture share			(19)
Impairment of property, plant and equipment – associate and joint venture share			4
Loss/(profit) on sale of property, plant and equipment – associate and joint venture share	**2**	3	(3)
Tax benefit on profit on sale of property, plant and equipment – associate and joint venture share		(2)	(1)
Net remeasurements excluded from headline earnings from continuing operations	**(6)**	1 040	932
Headline earnings from continuing operations	**1 073**	**880**	**2 131**

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

2. Reconciliation of net profit to headline earnings continued

R million	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
DISCONTINUED OPERATION			
Profit from discontinued operations	**243**	101	851
Non-controlling shareholders interest in net profit from discontinued operations	**(2)**	(3)	(7)
Profit from discontinued operations attributable to Barloworld Limited shareholders	**241**	98	844
Adjusted for the following:			
(Profit)/loss on disposal of subsidiaries and investments	**(199)**	281	299
Tax impact of profit on disposal of subsidiaries and investments	**205**		
(Profit)/loss on disposal of plant, property, equipment and other assets excluding rental assets	**(8)**	10	42
Tax impact on disposal of business	**1**		
Impairment of plant and equipment and intangibles and other assets		258	176
Other capital items	**2**		
Impairment/(reversal of impairment) of property and right of use asset	**8**	(39)	(52)
Net remeasurements excluded from headline earnings from discontinued operations	**9**	510	465
Headline earnings from discontinued operation	**250**	**608**	**1 309**

R million	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
Weighted average number of ordinary shares in issue during the period (000)			
– basic	**185 562**	196 984	194 223
– diluted	**187 059**	200 330	196 311
Headline earnings per share (cents)			
– basic	**713.2**	755.6	1 770.8
– diluted	**707.4**	743.0	1 752.0
Headline earnings per share from continuing operations (cents)			
– basic	**578.1**	446.8	1 096.3
– diluted	**573.6**	439.4	1 084.7
Headline earnings per share from discontinued operation (cents)			
– basic	**135.1**	308.8	674.1
– diluted	**133.9**	303.6	667.0

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

3. Revenue disaggregation

R million	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
Revenue by nature			
Sale of goods	**16 940**	14 859	32 184
Equipment (new and used)	**7 379**	6 637	14 721
Vehicles (new and used)	**7**	40	66
Parts (new and used)	**6 279**	5 331	11 495
Starch and glucose – local markets	**2 196**	1 945	3 889
Starch and glucose – export markets	**428**	328	778
Starch and glucose – co-products	**651**	578	1 235
Rendering of services	**3 831**	3 542	7 199
Parts revenue earned over time as services	**847**	832	1 246
Service	**2 227**	2 047	4 399
– Workshop and in-field service	**1 707**	1 564	3 424
– Aftersales	**35**	16	
– Fitment and repairs	**485**	467	975
Rental (outside the scope of IFRS 16)	**647**	531	1 286
Commissions	**110**	132	260
Freight forwarding			8
Total continuing operations	**20 771**	**18 401**	**39 383**

R million	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
DISCONTINUED OPERATIONS (NOTE 11)			
Sale of goods	**28**	1 537	3 586
Vehicles (new and used)	**28**	1 537	3 586
Rendering of services	**1 677**	2 411	4 460
Service	**11**	30	78
– Workshop and in-field service	**11**	30	78
Rental (outside the scope of IFRS 16)	**1 240**	1 180	2 638
Commissions		19	39
Freight forwarding		30	43
Supply chain support solutions	**426**	482	960
Transportation		670	702
Discontinued operations	**1 705**	**3 948**	**8 046**
Revenue recognised in terms of leases			
Fixed leasing income	**368**	790	1 631
Variable leasing income**	**15**	99	124
Total leasing income	**383**	**889**	**1 755**
Total discontinued operations	**2 088**	**4 837**	**9 801**
Total group	**22 859**	**23 238**	**49 184**

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

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

4. Operating profit from core trading activities

R million	Six months ended Reviewed 31 March **2023**	Six months ended Reviewed 31 March **2022**	Year ended Audited 30 September **2022**
Included in operating profit from core trading activities are:			
Cost of sales (including allocation of depreciation)	**15 208**	13 499	28 803
Income includes the following:			
Income from sub-leasing right-of-use assets			(1)
Expenses includes the following:			
Staff costs	**2 297**	2 299	4 974
B-BBEE charge		13	82
Amortisation of intangible assets acquired in terms of business combinations	**58**	55	115
Expenses relating to short-term leases	**16**	14	29

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

5. Taxation

R million	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
Taxation per income statement	**(548)**	(661)	(866)
Current taxation	**(538)**	(608)	(775)
Prior year taxation	**(10)**	(53)	(91)
South Africa normal taxation rate	**27.0**	28.0	28.0
Foreign rate differential	**(1.0)**	3.0	(10.6)
Reduction in rate of taxation	**(1.4)**	(12.9)	(15.3)
Exempt income and special allowances@	**(0.5)**	(0.8)	(1.7)
Taxation losses of prior periods	**(0.9)**	(6.1)	(5.9)
IAS12.41 adjustment^			(6.5)
Rate change adjustment		(6.0)	(1.2)
Increase in rate of taxation	**11.3**	153.6	47.2
Disallowable charges**	**0.7**	12.6	11.5
Impairments and capital items taxation		77.3	16.4
Current year losses not utilised		0.1	1.1
Prior year taxation			5.8
IAS12.41 adjustment^	**9.1**	10.1	
Withholding tax	**0.4**	25.0	6.7
Impact of elimination of intergroup interest netting to discontinued operations	**0.4**	12.3	5.7
Under provision of tax in respect of prior year	**0.7**	16.2	
Taxation as a percentage of profit before taxation	**35.9**	171.7	49.3
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)***	**25.7%**	42.4%	25.5%

@ Exempt income and special allowances largely comprise learnerships, exempt Barloworld Empowerment Foundation income and accounting profit on disposal of assets.

^ This amount represents a recognition in deferred tax of the effect of the movement of the exchange rate on the US dollar 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.

** Disallowable charges relate largely to disallowable expenses in Mongolia and Russia (current year has been netted off against the reversal of provisions relating to obsolescence stock provision for bad debts that are non-deductible in Mongolia). The same applies to the intergroup lease liability interest and internal right-of-use depreciation related to Khula Sizwe leases that are expensed as part of discontinued operations while the rental received in Khula Sizwe is treated as part of continuing operations. 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 South African income Tax Act, section 9D, is also included in this line item.

*** The overall effective tax rate is significantly impacted by the non-monetary items in IAS 12.41 as well as the impairment of Russian assets in the previous year, which is accounted for as impairments and capital items.

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

6. Goodwill

R million	Six months ended Reviewed 31 March **2023**	Six months ended Reviewed 31 March **2022**	Year ended Audited 30 September **2022**
COST			
At 1 October	**3 651**	3 723	3 723
Additions	**2**		
Disposal			(170)
Business/subsidiary disposed*	**(1 076)**	(9)	(9)
Translation differences	**(4)**	(15)	107
At 31 March/30 September	**2 573**	3 699	3 651
ACCUMULATED IMPAIRMENT LOSSES			
At 1 October	**1 057**	967	967
Business/subsidiary disposed*	**(618)**	(9)	(9)
Disposal			(169)
Impairment**		217	217
Translation differences	**(2)**	(8)	51
At 31 March/30 September	**437**	1 167	1 057
CARRYING AMOUNT	**2 136**	2 532	2 594
Classified as held for sale (note 11)		(458)	(456)
BALANCE PER STATEMENT OF FINANCIAL POSITION	**2 136**	**2 074**	**2 138**

* This relates to the disposal of the Car Rental and Leasing business (Zeda Limited). Refer to notes 11 and 12.
** Prior period impairment relates to Equipment Russia. Refer to detail below.

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 **2023**	Carrying amount of goodwill 31 March **2022**	Carrying amount of goodwill 30 September **2022**
Avis Rent a Car southern Africa	South Africa	Car Rental		176	176
Avis Fleet Services southern Africa	South Africa	Avis Fleet		282	282
Equipment Mongolia	Mongolia	Equipment Mongolia	**344**	280	344
Ingrain	South Africa	Ingrain	**1 640**	1640	1 640
Other^	Various	Various	**152**	154	152
CARRYING AMOUNT			**2 136**	2 532	2 594
Classified as held for sale***				(458)	(456)
BALANCE PER STATEMENT OF FINANCIAL POSITION			**2 136**	**2 074**	**2 138**

*** In the prior year, Zeda Limited and Logistics divisions were classified as held for sale (refer note 11).
^ The aggregate of the remaining immaterial goodwill balances consists of Salvage Management and Disposals (SMD) and Crownmill Trading CGUs in 2023 and 2022.

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

6. 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.

No detailed impairment testing was conducted during the current interim period , as there were no significant changes to the factors considered in the impairment calculation at 30 September 2022.

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 CGU in the following table. 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:

Significant CGUs	Geographical location	Currency	31 March **2023**	31 March **2022**	30 September **2022**
Avis Rent a Car southern Africa	South Africa	ZAR		**Note a**	19.7%
Avis Fleet Services southern Africa	South Africa	ZAR		**Note a**	19.7%
Equipment Russia	Russia	USD	**Note a**	**29.2%**	17.5%
Equipment Mongolia	Mongolia	USD	**Note a**	**17.8%**	17.7%
Ingrain	South Africa	ZAR	**Note a**	**Note a**	15.9%
Other	Various	Various	**Note a**	**Note b**	15% to 20%

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

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

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

6. Goodwill continued

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

Significant CGUs	Geographical location	Currency	31 March 2023	31 March 2022	30 September 2022
Avis Rent a Car southern Africa	South Africa	ZAR		**Note a**	4.6%
Avis Fleet Services southern Africa*	South Africa	ZAR		**Note a**	4.6%
Equipment Russia	Russia	USD	**Note a**	**2.0%**	2.1%
Equipment Mongolia	Mongolia	USD	**Note a**	**2.0%**	2.1%
Ingrain	South Africa	ZAR	**Note a**	**Note a**	4.6%
Other^	Various	Various	**Note a**	**Note b**	4.6%

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

Note b: The terminal growth rate of the Logistics CGUs is 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 in the prior year

Equipment Russia

In 2022 the trade restrictions affected the ability of the business to trade due to customers being sanctioned or specific products not being allowed to be sold as well as destination controls implemented by various countries. There were significant supply chain disruptions making it difficult for unsanctioned products to enter Russia and be distributed to unsanctioned customers. This had resulted in Equipment Russia not being able to serve and deliver products to major customers in the ordinary course of business. Accordingly, the order book was reduced significantly, and revenue and profitability over the next five years was projected to be significantly lower than the prior years.

In the prior year, an impairment assessment was performed to assess the carrying value of the Equipment Russia CGU. Based on an interim five-year forecast, the value in use for the Equipment Russia CGU indicated an impairment of R1 030 million. This impairment was allocated to goodwill, intangible assets and property, plant and equipment.

7. Intangible assets

	Six months ended		Year ended
R million	Reviewed 31 March 2023	Reviewed 31 March 2022	Audited 30 September 2022
COST			
At 1 October	**4 559**	4 380	4 380
Additions	**20**	9	47
Business/subsidiary disposed	**(286)**	(16)	(16)
Disposal	**(13)**	(10)	(160)
Translation differences	**(11)**	(45)	308
At 31 March/30 September	**4 269**	4 318	4 559
ACCUMULATED AMORTISATION AND IMPAIRMENT			
At 1 October	**2 470**	1 979	1 979
Charge for the year	**86**	87	174
Business/subsidiary disposed	**(278)**	(14)	(14)
Disposal	**(13)**	(10)	(140)
Impairment		282	289
Translation differences	**(7)**	(28)	182
At 31 March/30 September	**2 258**	2 296	2 470
CARRYING AMOUNT			
At 31 March/30 September	**2 011**	2 022	2 089
LESS AMOUNTS CLASSIFIED AS HELD FOR SALE (NOTE 11)		(18)	(9)
TOTAL PER STATEMENT OF FINANCIAL POSITION	**2 011**	**2 004**	**2 080**

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

7. Intangible assets continued

SIGNIFICANT INTANGIBLE ASSETS

The group did not acquire intangible assets with indefinite useful lives during the current period (2022: Nil).

A detailed breakdown of the carrying value of intangible assets has been shown below.

				Carrying value			Accumulated impairments		
				Six months ended		Year ended	Six months ended		Year ended
Significant CGUs	Useful life	Geographical location	Reportable segment to which the CGUs belong	Reviewed 31 March **2023**	Reviewed 31 March **2022**	Audited 30 September **2022**	Reviewed 31 March **2023**	Reviewed 31 March **2022**	Audited 30 September **2022**
Equipment Russia	Indefinite	Russia	Equipment Eurasia				**193**	193	193
Equipment South Africa	Indefinite	South Africa	Equipment Southern Africa	**277**	277	277			
Equipment Mongolia	Finite	Mongolia	Equipment Eurasia	**715**	619	741			
Equipment BZAMM	Indefinite	Greater Africa	Equipment Southern Africa				**708**	708	708
Other	Indefinite	Various	Various						
Supplier relationship intangible assets				**992**	896	1 018	**901**	901	901
Ingrain	Finite	South Africa	Ingrain	**848**	916	882			
Other	Finite	Various	Various			5			
Customer relationships and order backlog intangible assets				**848**	**916**	**887**			

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

7. Intangible assets continued

The Equipment South Africa and Russia indefinite life intangible assets classified as supplier relationships are in relation to a dealer agreement which has no fixed termination date.
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, BZAMM and parts of Russia and Mongolia.

Customer relationships arose in Ingrain from non-contractual customer relationships, which represent loyal customers that will continue their relationship with the group. The write-off period is 15 years.

The key assumptions used in the value-in-use calculation for the CGUs shown above are detailed in note 6.

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

8. Investment in associates and joint ventures

	Profit from associates and joint ventures			Carrying value of the investment		
	Six months ended		Year ended	Six months ended		Year ended
R million	Reviewed 31 March **2023**	Reviewed 31 March **2022**	Audited 30 September **2022**	Reviewed 31 March **2023**	Reviewed 31 March **2022**	Audited 30 September **2022**
Joint ventures	**78**	55	142	**1 573**	1 119	1 479
Bartrac Equipment Limited	**77**	52	142	**1 444**	1 037	1 377
BHBW South Africa Proprietary Limited		3		**69**	73	69
Other	**1**			**60**	9	33
Associates	**38**	57	167	**982**	839	946
NMI Durban South Motors Proprietary Limited	**35**	51	159	**934**	797	899
Other	**3**	6	8	**48**	42	47
Total per income statement/statement of financial position	**116**	112	309	**2 555**	1 958	2 425
Discontinued operations	**2**	1	2		2	8
Total group	**118**	**113**	**311**	**2 555**	**1 960**	**2 433**

Location of associates and joint ventures:

	Geographical Location	Reportable segment
Bartrac Equipment Limited	Mauritius	Equipment
BHBW South Africa Proprietary Limited	South Africa	Other segments
BHBW Zambia Limited	Zambia	Other segments
NMI Durban Motors Proprietary Limited	South Africa	Other segments
Other	South Africa	Other segments

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 2023.

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 interim financial statements continued

for the six months ended 31 March 2023

9. Long-term financial assets

R million	Six months ended Reviewed 31 March 2023	Reviewed 31 March 2022	Year ended Audited 30 September 2022
Listed investments at fair value (level 1 fair value hierachy)	**88**	2	3
Unlisted investments at fair value (level 3 fair value hierachy)	**16**	19	20
Unlisted debt instruments (level 3 fair value hierachy)	**3**		5
Other receivables^	**173**	1 663	150
Total group	**280**	1 684	178
Amount classified as held for sale		(3)	
	280	1 681	178

^ Other receivables includes lease smoothing of R113 million (March 2022: R60 million, September 2022: R90 million). In prior periods other receivables included the final tranche payable by NMI on the disposal of the Motor Retail business at March 2022 of R69 million (September 2022: nil). The last payment due on 1 June 2023 is included in the current trade and other receivables. The prior period also included an amount of R1 443 million at March 2022 (September 2022: nil) related to the UK pension fund surplus.

10. Restricted cash included in cash and cash equivalents

R million	Six months ended Reviewed 31 March 2023	Reviewed 31 March 2022	Year ended Audited 30 September 2022
Cash balances not available for use due to reserving and foreign exchange restrictions	**150**	148	145

As at 31 March 2023, cash held in Russia was R378 million or $21.1 million (31 March 2022: R333 million or $22.8 million, for 30 September 2022: R419 million or $23 million). All the above cash is not included in restricted cash as it will be utilised for operational purposes to settle liabilities. The restricted cash as at 31 March 2023 relates to cash held in Barloworld Insurance and Malawi. Cash held in Barloworld Insurance amounts to R88 million or GBP4 million, (31 March 2022 at R80 million or GBP4.1 million, for September 2022 R81 million or GBP4 million), and in Malawi R62 million or $3.5 million (31 March 2022: R59 million ($1.1 million), 30 September 2022: R56 million ($3,1 million)).

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

11. Discontinued operations and assets classified as held for sale

In the 2022 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 business (Transport), effective 1 March 2022, which ran the hazardous fuel, chemicals and forestry industry out of the Logistics division (refer note 12). The Refrigerated transport disposal was approved by the competition commission in Botswana. The sale of the remaining Warehousing and Distribution business within the Supply Chain Solutions business was finalised, on 31 March 2023, therefore the trading results for the six months are included in discontinued operations.

On 9 February 2022, the board took a firm decision to sell or unbundle our interest in Leasing and Car Rental. As a result, the trading results were presented as part of discontinued operations from that date. The unbundling of Leasing and Car Rental (Zeda Limited) in the form of an in specie dividend was effective 13 December 2022, therefore the trading results for the two months and 13 days are included in discontinued operations.

	Six months ended		Year ended
R million	Reviewed 31 March **2023**	Reviewed 31 March **2022**	Audited 30 September **2022**
Results from discontinued operation are as follows:			
Revenue	**2 088**	4 837	9 801
Operating profit before items listed below	**648**	1 473	3 014
Impairment reversal/(losses) on financial assets and contract assets	**5**	2	(49)
Fair value adjustments on financial instruments	**(19)**	(15)	(39)
B-BBEE transaction charge		(2)	(12)
Operating profit before depreciation and amortisation, impairments and capital items, interest and taxation	**634**	1 458	2 914
Depreciation	**(184)**	(562)	(980)
Amortisation of intangible assets		(1)	(1)
Operating profit from core trading activities	**450**	895	1 933
Impairment of property, plant and equipment, intangibles and other assets		(258)	(176)
Profit/(loss) on disposal of property, plant and equipment and right of use asset	**8**		(42)
Reversal of impairment of right of use asset		39	52
Other capital items	**(10)**	(11)	
Profit before finance costs and income	**448**	665	1 767
Finance costs	**(88)**	(70)	(131)
Finance income	**9**	7	18
Profit before taxation	**369**	602	1 654
Taxation	**(122)**	(222)	(506)
Net profit after taxation	**247**	380	1 148
Profit from associates	**2**	1	2
Profit from discontinued operations	**249**	381	1 150
Profit/(loss) on disposal of business	**199**	(280)	(299)
Taxation on disposal of businesses	**(205)**		
Profit from discontinued operations per income statement	**243**	101	851
Profit on discontinued operations to the owners of Barloworld Limited after non-controlling interest	**241**	98	844

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

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

The profit on disposal of businesses in the current year relates to the unbundling of the car rental and leasing business, Zeda Limited (R295 million profit) and the disposal of Logistics (R96 million loss).

R million	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
Taxation on trading profit	**(122)**	(222)	(506)
Taxation on disposal of businesses	**(205)**		
Total discontinued taxation	**(327)**	(222)	(506)
The cash flows from the discontinued operations are as follows:			
Cash flows from operating activities	**(1 682)**	(939)	(1 099)
Cash flows from investing activities	**(280)**	60	117
Cash flows from financing activities	**1 621**	857	1 091
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	**57**	3 683	4 218
Right of use assets		283	179
Goodwill		458	456
Investments		2	
Long-term financial assets		3	132
Long-term finance lease receivables		157	8
Deferred tax asset		142	118
Intangible assets		18	9
Vehicle rental fleet		3 584	3 812
Inventories		435	471
Trade and other receivables		2 039	1 805
Taxation		155	199
Cash balances		188	310
Assets classified as held for sale	**57**	11 147	11 717

R million	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
Non-current loans		(171)	(2 116)
Lease liabilities		(553)	(396)
Bank overdraft and short-term loans		(368)	(294)
Trade and other payables		(2 964)	(3 560)
Current contract liabilities		(768)	(847)
Deferred tax liability		(180)	(316)
Provisions		(299)	(231)
Taxation provision		(110)	(214)
Total liabilities associated with assets classified as held for sale		(5 412)	(7 974)
Net assets classified as held for sale	**57**	5 735	3 743
Per business segment:			
Leasing and Car Rental (note a)		5 737	3 827
Logistics (note b)		(2)	(182)
Other segments (note c)	**57**		98
Total	**57**	**5 735**	**3 743**

Note a: The assets and liabilities of the car rental and leasing business (Zeda Limited) classified as held for sale and a discontinued operation. This was distributed as a dividend in specie on 13 December 2022.

Note b: The assets and liabilities of the Logistics business classified as held for sale and a discontinued operation. The effective date of disposal of last portion was 31 March 2023.

Note c: The assets held for sale within the other segments related to various properties that are in the process of being sold.

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

12. Proceeds on disposal of subsidiaries

R million	Six months ended Reviewed 31 March **2023**	 Reviewed 31 March **2022**	Year ended Audited 30 September **2022**
Proceeds on disposal of subsidiaries			
Inventories	**439**	21	21
Receivables	**2 191**	253	253
Payables, taxation and deferred taxation	**(4 462)**	(199)	(201)
Borrowings net of cash	**(5 314)**	(354)	(362)
Property, plant and equipment, non-current assets, goodwill and intangibles	**10 213**	801	828
Deferred tax	**(185)**	(88)	(88)
Net assets disposed	**2 882**	434	451
Minority share of assets disposed	**(45)**	(28)	(28)
Profit/(loss) on disposal of subsidiaries	**199**	(281)	(299)
Less internal lease reversals included above	**131**		
Payments to be received in future		(20)	
Net cash proceeds on disposal of subsidiaries	**3 167**	105	124
Bank balances and cash in subsidiaries disposed	**(322)**	(15)	(15)
Dividend in specie on unbundling of Zeda Limited	**(3 167)**		
Net cash proceeds on disposal	**(322)**	**90**	**109**

During the prior reporting period, the group disposed of two disposal groups out of the Logistics business, effective 1 December 2021 and 1 March 2022. During the current financial period, the group unbundled the car rental and leasing business Zeda Limited, and also disposed of the remaining portion of Logistics (refer note 11).

13. Commitments

R million	Six months ended Reviewed 31 March **2023**	 Reviewed 31 March **2022**	Year ended Audited 30 September **2022**
Capital expenditure commitments to be incurred			
Contracted – Property, plant and equipment	**372**	136	271
Contracted – Vehicle rental fleet		4 226	955
Contracted – Intangible assets	**357**		13
Approved but not yet contracted	**234**	114	247
Total group	**963**	4 476	1 486
Classified as held for sale		(4 231)	(972)
Total continuing operations	**963**	**245**	**514**
Share of joint ventures' capital commitments to be incurred:			
Contracted	**27**	23	139
Approved but not yet contracted	**21**	31	
	48	**54**	**139**

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 interim financial statements continued

for the six months ended 31 March 2023

14. Dividends declared

R million	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
Ordinary shares			
Final dividend No 186 paid on 9 January 2023: 295 cents per share (2022: No 184 – 300 cents per share)	**1 023**	601	582
Final special dividend No 186 paid on 9 January 2023: 550 cents per share (2022: No 184 – 1150 cents per share)	**523**	2 308	2 233
Interim dividend (2022: No 185 – 165 cents per share)			316
Dividend in specie – Shares in Zeda Limited	**3 055**		
Paid to Barloworld Limited shareholders	**4 601**	2 909	3 131
Paid to non-controlling interest			2
	4 601	**2 909**	**3 133**

On 13 December 2022 the group declared a dividend in specie in the form of shares in Zeda Limited. The value of dividend in specie declared is based on the closing share price on 13 December 2022. The net asset value of the division on date of distribution was R2.7 billion. The dividend in specie of R3 167 million per note 12 is partially offset by the internal Zeda shares remaining in the group after unbundling.

15. Contingent liabilities

R million	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
Performance guarantees given to customers, other guarantees and claims	**200**	241	178

16. Related party transactions

There have 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 interim financial statements continued

for the six months ended 31 March 2023

17. Financial instruments

R million	Six months ended Reviewed 31 March 2023	Six months ended Reviewed 31 March 2022	Year ended Audited 30 September 2022
ASSETS			
Long-term finance lease receivables	**68**	157	148
Long-term financial assets	**271**	221	69
Trade and other receivables	**7 655**	7 124	7 239
Cash and cash equivalents	**4 172**	5 297	9 509
Classified as held for sale		(2 106)	(2 248)
Total assets	**12 166**	**10 693**	**14 717**
LIABILITIES			
Interest-bearing non-current liabilities	**6 398**	7 400	10 757
Lease liabilities non-current	**591**	852	813
Other non-current liabilities	**23**	467	
Lease liabilities current	**206**	258	111
Trade and other payables	**11 750**	9 967	12 078
Amounts due to bankers and short-term loans	**4 893**	5 157	3 401
Classified as held for sale		(4 607)	(6 366)
Total liabilities	**23 861**	**19 494**	**20 794**

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 abovementioned financial asset categories the carrying value approximates the fair value.

For all of the abovementioned 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 2023 is lower than the carrying value by R32 million (31 March 2022: R39 million and 30 September 2022: R73 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 as other similar markets. The increase in current year relates to the Zeda Limited shares received on the unbundling of Zeda.
- 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 inputs 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 interim financial statements continued

for the six months ended 31 March 2023

17. Financial instruments continued

	31 March **2023**			
	Level 1	Level 2	Level 3	**Total**
Financial assets at fair value through profit or loss				
Long-term financial assets	**88**		**19**	**107**
Trade and other receivables		**4**		**4**
Total	**88**	**4**	**19**	**111**
Financial liabilities at fair value through profit or loss				
Other non-current liabilities	**31**			**31**
Trade and other payables				
Financial liabilities				
Amounts due to bankers and short-term loans		**13**		**13**
Total	**31**	**13**		**44**

	31 March **2022**			
	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		51		51
Total	**2**	**51**	**19**	**72**
Financial liabilities at fair value through profit or loss				
Other non-current liabilities			23	23
Trade and other payables		9		9
Financial liabilities				
Amounts due to bankers and short-term loans		**9**		**9**
Total		**18**	**23**	**41**

	30 September **2022**			
	Level 1	Level 2	Level 3	**Total**
Financial assets at fair value through profit or loss				
Long-term financial assets	3		25	28
Trade and other receivables		16		16
Financial assets				
Trade and other receivables		175		175
Total	3	191	25	219
Financial liabilities at fair value through profit or loss				
Trade and other payables		1		1
Total		1		1

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

17. Financial instruments continued

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS

	Fair value through profit and loss:			
	Unlisted shares Note a	Investment in cell captives Note b	Earn-out liability Note c	**Total**
Balance as at 1 October 2022	**16**	**9**		**25**
Total gains recognised in profit and loss		**(9)**		**(9)**
Balance 31 March 2023	**16**			**16**
Balance 30 September 2021	16	3	(41)	(22)
Total gains recognised in profit and loss			12	12
Translation movement			6	6
Balance 31 March 2022	16	3	(23)	(4)
Balance as at 1 October 2021	16	3	(41)	(22)
Total gains recognised in profit and loss		6	41	47
Balance 30 September 2022	16	9		25

Note a

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 b

The valuation techniques used in deriving fair value of investments in cell captives are based on the net asset value approach of the underlying cell captives. Sensitivity to inputs is considered immaterial for further disclosure. Cell captive formed part of the Logistics division that was sold in the current year. There are no material significant unobservable inputs for the valuation.

Note c

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 interim financial statements continued

for the six months ended 31 March 2023

17. 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:

	Six months ended		Year ended
R million	Reviewed 31 March **2023**	Reviewed 31 March **2022**	Audited 30 September **2022**
Foreign currency sensitivity analysis			
Impact of a 10% change in all foreign currency exchange rates	**117**	391	67
– impact on profit or loss	**125**	400	50
– impact on other comprehensive income	**(8)**	(9)	17

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.

	Six months ended		Year ended
R million	Reviewed 31 March **2023**	Reviewed 31 March **2022**	Audited 30 September **2022**
Interest rate sensitivity analysis			
Impact of a 1% increase in South African interest rates			
– charge to profit or loss	**85**	92	113
Impact of a 1% increase in foreign interest rates			
– charge to profit or loss	**8**	3	29

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

17. Financial instruments continued

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 on 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.

The following indicates the expected credit loss (ECL) on trade receivables:

Division	Gross carrying amount Rm	Lifetime ECL Rm	Average ECL/ Impairment ratio %
Equipment	**4 718**	**(434)**	**9.2**
Ingrain	**764**	**(3)**	**0.3**
Other segments	**61**	**(6)**	**10.2**
Balance 31 March 2023	**5 543**	**(443)**	**8.0**

Division	Gross carrying amount Rm	Lifetime ECL Rm	Average ECL/ Impairment ratio %
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	**6 855**	**(1 126)**	**16.4**
Portion above disclosed as held for sale	2 169	(610)	28.1

Division	Gross carrying amount Rm	Lifetime ECL Rm	Average ECL/ Impairment ratio %
Equipment	3 909	(380)	10
Car Rental and Leasing	1 452	(443)	31
Logistics	328	(50)	15
Ingrain	701		
Other segments	39	(2)	5
Balance 30 September 2022	**6 429**	**(875)**	**13.6**
Portion above disclosed as held for sale	328	(50)	15.2

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

17. Financial instruments continued

Liquidity risk

	Maturity profile of financial guarantee contracts as at 31 March 2023		
	Total owing	Within one year	Two to five years
Risk share debtors	437	152	285
Financial guarantees on behalf of joint ventures and associates	924	924	

	Maturity profile of financial guarantee 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 guarantee contracts as at 30 September 2022		
	Total owing	Within one year	Two to five years
Risk share debtors	442	141	301
Financial guarantees on behalf of joint ventures and associates	1 188	1 188	

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 2023 the maximum exposure of this guarantee was estimated to be R238 million (March 2022: R243 million, September 2022: R241million) 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 2023, the gross maximum exposure of this guarantee was estimated to be R141 million (30 March 2022: R131 milion, 30 September 2022: R142 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 2023, the maximum exposure of this guarantee was estimated to be R59 milion (March 2022: R48 million, September 2022: R59 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 cashflows to be made by Barloworld which has been included in abovementioned maturity analsysis.

18. Events after the reporting period

The group disposed of the 51% investment in Crownmill Trading Proprietary Limited effective 6 April 2023 for R15 million. Crownmill's results are included under other segments in the segmental summary in note 19.

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 interim financial statements continued

for the six months ended 31 March 2023

19. Segmental summary

R million	Continuing operations															Discontinued operations								
																Automotive								
	Consolidated			Eliminations			Equipment			Ingrain			Other segments			Car Rental Southern Africa			Leasing			Logistics		
	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022
Operating and geographical segments**																								
Revenue																								
Southern Africa	**16 685**	12 610	2 8476				**13 060**	9 437	21 851	**3 174**	2 747	5 677	**451**	426	949	**1 199**	2 620	5 978	**463**	1 035	2 100	**426**	1 182	1 722
Australia	**113**	104	226							**113**	104	226												
Russia ****	**2 619**	4 905	8 880				**2 619**	4 905	8 880															
Mongolia ****	**1 354**	782	1 801				**1 354**	782	1 801															
	20 771	18 401	39 383				**17 033**	15 124	32 532	**3 287**	2 851	5 903	**451**	426	949	**1 199**	2 620	5 978	**463**	1 035	2 100	**426**	1 182	1 722
Inter-segment revenue ***				**(1 166)**	(1 372)	(2 703)	**936**	1 066	2 389				**230**	306	314		2	4	**23**	49	99	**249**	200	423
	20 771	18 401	39 383	**(1 166)**	(1 372)	(2 703)	**17 969**	16 190	34 921	**3 287**	2 851	5 903	**681**	732	1 263	**1 199**	2 622	5 982	**486**	1 084	2 199	**675**	1 382	2 145
Operating profit before items listed below	**2 626**	2 567	5 120				**2 212**	2 166	4 428	**465**	496	968	**(51)**	(96)	(276)	**382**	733	1 636	**255**	686	1 264	**11**	57	113
Impairment reversal/ (losses) on financial assets and contract assets	**85**	(43)	35				**87**	(42)	34	**(2)**	(1)	1				**(10)**		(43)	**(5)**		10	**20**		(16)
Fair value adjustments on financial instruments	**(41)**	(123)	(284)				**(47)**	(118)	(254)		5	6	**6**	(10)	(36)			(1)	**(19)**	(14)	(38)			
B-BBEE transaction charge		(13)	(82)					(3)	(17)					(10)	(65)		(1)	(5)			(2)		(1)	(5)
EBITDA	**2 670**	2 388	4 789				**2 252**	2 003	4 191	**463**	500	975	**(45)**	(115)	(377)	**372**	732	1 587	**231**	672	1 234	**31**	56	92
Depreciation	**(480)**	(496)	(963)				**(402)**	(437)	(845)	**(96)**	(97)	(193)	**18**	38	75	**(184)**	(309)	(666)		(253)	(272)			(42)
Amortisation of intangibles	**(86)**	(86)	(172)				**(41)**	(40)	(80)	**(36)**	(36)	(73)	**(9)**	(9)	(19)		(1)	(1)						(1)
Operating profit	**2 104**	1 806	3 654				**1 809**	1 526	3 266	**331**	367	709	**(36)**	(87)	(321)	**188**	422	920	**231**	419	962	**31**	56	49
Southern Africa	**1 494**	1 167	2 585				**1 125**	857	2 096	**327**	357	681	**42**	(47)	(192)	**188**	422	920	**231**	419	962	**31**	56	49
Europe	**(78)**	(40)	(129)										**(78)**	(40)	(129)									
Australia	**4**	10	28							**4**	10	28												
Russia ****	**465**	585	955				**465**	585	955															
Mongolia ****	**219**	83	215				**219**	83	215															

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

19. Segmental summary continued

	Continuing operations															Discontinued operations								
																Automotive								
	Consolidated			Eliminations			Equipment			Ingrain			Other segments			Car Rental Southern Africa			Leasing			Logistics		
R million	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022
Operating profit from core trading activities	**2 104**	1 806	3 654				**1 809**	1 526	3 266	**331**	367	709	**(36)**	(87)	(321)	**188**	422	920	**231**	419	962	**31**	56	49
Income from associates and joint ventures	**116**	112	309				**81**	54	151				**35**	58	158				**2**	1	2			
Finance costs	**(723)**	(443)	(1 007)				**(431)**	(199)	(480)	**(86)**	(77)	(151)	**(206)**	(167)	(376)	**(37)**	(16)	(37)	**(40)**	(14)	(28)	**(11)**	(41)	(66)
Finance income	**140**	53	129				**118**	64	155	**1**	1	2	**21**	(12)	(28)				**5**			**4**	7	18
Impairments and capital items	**7**	(1 031)	(1 018)				**7**	(1 029)	(987)			(4)		(2)	(27)	**(1)**		(3)		(54)	(54)	**(1)**	(176)	(109)
Taxation	**(548)**	(661)	(866)				**(548)**	(465)	(609)	**(67)**	(54)	(138)	**67**	(142)	(119)	**(37)**	(99)	(230)	**(57)**	(91)	(225)	**(28)**	(32)	(51)
Loss on disposal of business																**6**			**84**			**(96)**	(280)	(299)
Profit from discontinued operation	**243**	101	851																					
Net profit	**1 339**	(63)	2 052				**1 036**	(48)	1 496	**179**	237	418	**(119)**	(353)	(713)	**119**	306	650	**225**	262	657	**(101)**	(467)	(458)
Assets																								
Property, plant and equipment	**7 723**	7 294	7 555				**4 052**	3 451	3 711	**2 497**	2 448	2 462	**1 174**	1 394	1 382									
Investment property	**1 150**	995	932										**1 150**	995	932									
Right of use assets	**542**	437	359				**980**	1 085	1 035	**7**	15	11	**(445)**	(663)	(687)									
Intangible assets	**2 011**	2 004	2 080				**1 093**	995	1 117	**886**	957	922	**32**	52	41									
Investment in associates and joint ventures	**2 555**	1 958	2 424				**1 484**	1 073	1 414				**1 071**	885	1 010									
Long-term finance lease receivables	**68**		16										**68**		16									
Long-term financial assets	**280**	1 681	178				**9**	6	11				**271**	1 675	167									
Inventories	**11 449**	8 299	8 595				**10 676**	7 673	7 454	**752**	604	1 118	**21**	23	23									
Trade and other receivables	**8 166**	6 075	7 027				**6 357**	5 324	6 170	**808**	847	758	**1 001**	(96)	99									
Contract assets	**822**	644	786				**822**	644	786															
Assets classified as held for sale	**57**	11 147	11 717										**57**	(310)	(181)		5 455	6 275		4 676	5 284		1 327	339
Segment assets	**34 823**	40 534	41 669				**25 473**	20 251	21 698	**4 950**	4 871	5 271	**4 400**	3 955	2 802		5 455	6 275		4 676	5 284		1 327	339

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

19. Segmental summary continued

	Continuing operations															Discontinued operations								
																Automotive								
	Consolidated			Eliminations			Equipment			Ingrain			Other segments			Car Rental Southern Africa			Leasing			Logistics		
R million	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022
By geographical region																								
Southern Africa	**28 527**	32 441	35 323				19 361	13 781	15 512	**4 822**	4 771	5 159	**4 344**	2 433	2 754		5 455	6 275		4 676	5 284		1 327	339
Europe	**56**	1 522	48										**56**	1 522	48									
Australia	**128**	100	112							**128**	100	112												
Russia****	**3 703**	4 267	3 470				**3 703**	4 267	3 470															
Mongolia****	**2 409**	2 203	2 716				**2 409**	2 203	2 716															
Total segment assets	**34 823**	40 534	41 669				**25 473**	20 251	21 698	**4 950**	4 871	5 271	**4 400**	3 955	2 802		5 455	6 275		4 676	5 284		1 327	339
Goodwill	**2 136**	2 074	2 138				**343**	280	345	**1 640**	1 640	1 640	**153**	153	153		176			282				
Taxation	**154**	154	242																					
Deferred taxation assets	**925**	630	1 158																					
Cash and cash equivalents	**4 172**	5 109	9 199																					
Consolidated total assets	**42 210**	48 501	54 406																					
Liabilities																								
Long-term non-interest-bearing liabilities including provisions	**728**	154	677				**131**	84	100				**597**	70	577									
Trade and other payables including provisions	**11 228**	8 493	11 668				**9 736**	7 613	9 742	**1 232**	846	1 613	**260**	34	313									
Lease liabilities	**797**	557	527				**1 212**	1 269	1 252	**8**	18	13	**(423)**	(729)	(738)									
Contract liabilities	**1 192**	2 190	1 574				**1 192**	2 190	1 574															
Liabilities directly associated with assets classified as held for sale		5 412	7 974											(4 668)	(1 400)		4 453	5 140		4 270	3 895		1 356	339
Segment liabilities	**13 945**	16 806	22 420				**12 271**	11 156	12 668	**1 240**	864	1 626	**434**	(5 293)	(1 248)		4 453	5 140		4 270	3 895		1 356	339

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

19. Segmental summary continued

	Continuing operations															Discontinued operations								
	Consolidated			Eliminations			Equipment			Ingrain			Other segments			Automotive						Logistics		
																Car Rental Southern Africa			Leasing					
R million	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022	Reviewed 31 Mar **2023**	Reviewed 31 Mar 2022	Audited 30 Sep 2022
By geographical region																								
Southern Africa	**10 723**	12 762	18 333				**9 810**	7 300	9 306	**1 153**	804	1 563	**(240)**	(5 421)	(1 911)		4 453	5 140		4 270	3 895		1 356	339
Europe	**674**	128	662										**674**	128	662									
Australia	**87**	60	63							**87**	60	63												
Russia****	**1 448**	3 111	2 498				**1 448**	3 111	2 498															
Mongolia****	**1 013**	745	864				**1 013**	745	864															
Segment liabilities	**13 945**	16 806	22 420				**12 271**	11 156	12 668	**1 240**	864	1626	**434**	(5 293)	(1 248)		4 453	5 140		4 270	3 895		1 356	339
Interest-bearing liabilities (excluding held for sale amounts)	**11 291**	12 018	11 748																					
Deferred taxation liabilities	**1 041**	1 116	1 042																					
Taxation	**186**	182	15																					
Consolidated total liabilities	**26 463**	30 122	35 225																					
Invested capital																								
Southern Africa	**20 120**	22 440	21 649				**11 077**	7 983	7 748	**4 698**	5 000	4 629	**4 345**	2 530	2 656		3 719	3 259		2 808	3 067		400	290
Europe	**(229)**	1 545	(251)										**(229)**	1 545	(251)									
Australia	**35**	38	42							**35**	38	42												
Russia****	**2 298**	1 170	1 383				**2 298**	1 170	1 383															
Mongolia****	**1 439**	1 555	1 931				**1 439**	1 555	1 931															
	23 663	26 749	24 754				**14 814**	10 709	11 062	**4 734**	5 038	4 671	**4 116**	4 075	2 405		3 719	3 259		2 808	3 067		400	290

* 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.
**** In the prior year, Russia and Mongolia were reported as one segment named Eurasia. Eurasia has been disaggregated between Russia and Mongolia and the prior periods updated accordingly.

Notes to the condensed consolidated interim financial statements continued

for the six months ended 31 March 2023

20. Re-presentations of prior year results

1. Income statement IFRS presentation

In the prior years, the group presented operating profit as a subtotal on the face of the income statement. The operating profit excluded all items which were previously defined as impairments and capital items. Impairments and capital items include, inter alia, impairments of property, plant and equipment; impairments of indefinite life intangible assets; and other intangible assets. As part of the proactive monitoring review of financial statements, the JSE's proactive monitoring panel reviewed the company's prior year annual financial statements and the condensed financial statements for the half year ended 31 March 2022. The JSE challenged the company on the appropriateness of excluding these items from operating profit, as these could be seen as operational in nature in the context of the requirements of IAS 1.BC56. The company elected to restate the presentation of the income statement as follows:

- Renamed the non-operating and capital items to impairments and capital items
- Moved the impairments and capital items to reflect after operating profit from core trading activities
- Replaced the subtotal of operating profit that excludes non-operating and capital items with a new subtotal of operating profit from core trading activities
- Introduced another subtotal of operating profit before finance costs, which includes impairments and capital items

Condensed consolidated income statement

R million	Six months ended Reported 31 March **2022**	Income statement IFRS presentation	Restated
CONTINUING OPERATIONS			
Revenue	**18 401**		18 401
Operating profit before items listed below	**2 567**		2 567
Impairment losses on financial assets and contract assets	**(43)**		(43)
Fair value adjustments on financial instruments		(123)	(123)
B-BBEE transaction charge		(13)	(13)
Operating profit before depreciation and amortisation, impairments and capital items, interest and taxation	**2 524**	(136)	2 388
Depreciation	**(496)**		(496)
Amortisation of intangible assets	**(86)**		(86)
Operating profit before B-BBEE transaction charge	**1 942**	(136)	1 806
B-BBEE transaction charge	**(13)**	13	
Operating profit from core trading activities	**1 929**	(123)	1 806
Impairment of goodwill		(217)	(217)
Impairment of indefinite life intangible assets		(193)	(193)
Impairment of property, plant and equipment, intangibles and other assets		(622)	(622)
Other non-operating and capital items		1	1
Operating profit before finance costs and income	**1 929**	(1 154)	775
Fair value adjustments on financial instruments	**(123)**	123	
Finance costs	**(443)**		(443)
Finance income	**53**		53
Profit before non-operating and capital items	**1 416**	(1 031)	385
Non-operating and capital items comprising of:			
Impairment of goodwill	**(217)**	217	
Impairment of indefinite life intangible assets	**(193)**	193	
Impairment of property, plant and equipment, intangibles and other assets	**(622)**	622	
Other non-operating and capital items	**1**	(1)	
Profit before taxation	**385**		385
Taxation	**(661)**		(661)
Loss after taxation	**(276)**		(276)
Profit from associates and joint ventures	**112**		112
Net loss from continuing operations for the period	**(164)**		(164)

Salient features

R million	Six months ended Reviewed 31 March **2023**	Reviewed 31 March **2022**	Year ended Audited 30 September **2022**
Financial			
Headline earnings per share from continuing operations (cents)	**578**	447	1 096
Group headline earnings per share (cents)	**713**	756	1 771
Group return on invested capital (ROIC) (%)**	**14.3%**	14.1%	16.9%
Group – Economic profit (Rm)	**704**	115	789
Dividends per share (cents)	**200**	165	460
Operating margin from continuing operations – including B-BBEE (%)	**10.1%**	10.5%	9.3%
Group rolling EBITDA/Interest paid (times) excl IFRS 16	**5.2**	9.2	7.5
Group net debt/equity (%)	**50.3%**	45.5%	29.1%
Group return on net operating assets (RONOA) (%)	**27.1%**	22.1%	28.6%
Group return on ordinary shareholders' funds (%)	**19.3%**	16.9%	17.1%
Net asset value per share (cents)	**8 359**	9 203	9 741
Number of ordinary shares in issue (000)	**189 486**	200 214	189 642

** ROIC is is calculated by a rolling 12-month net Group operating profit after tax excluding impairments and capital items net of tax over average equity, plus net debt and IFRS 16 lease liabilities.

	Six months ended 31 March **2023**	31 March **2022**	Year ended 30 September **2022**
Non-financial (continuing operations[α])			
Non-renewable energy consumption (GJ)[β]	**1 913 560**	2 186 909	4 183 413
Greenhouse gas emissions (tCO_2e)[Δ]	**240 006**	266 507	514 157
Water withdrawals (municipal sources) (ML)	**1 474**	1 499	2 861
Total number of employees	**6 397**	6 582	6 123
Lost-time injury frequency rate (LTIFR)[†]	**0.30**	0.27	0.30
Number of work-related fatalities	**0**	0	0
dti^ B-BBEE rating (level)	**3**	3	3

α Excludes Logistics and Car Rental and Leasing.
β Excludes energy from rental fleets.
Δ Scopes 1 and 2.
† Lost-time injuries multiplied by 200 000 divided by total hours worked.
^ Department of Trade and Industry (South Africa).

Exchange rates (rand)	Closing rate: Six months ended 31 March **2023**	Closing rate: 31 March **2022**	Closing rate: Year ended 30 September **2022**	Average rate: Six months ended 31 March **2023**	Average rate: 31 March **2022**	Average rate: Year ended 30 September **2022**
United States dollar	**17.86**	14.61	17.97	**17.68**	15.04	17.50
British pound sterling	**22.12**	19.24	20.06	**21.11**	19.99	19.95

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, Sandton 2196
PO Box 782248, Sandton 2146, South Africa
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E bawir@barloworld.com

Directors
Non-executive
NN Gwagwa (Chair), N Chiaranda**, HH Hickey, NP Mnxasana, NV Mokhesi, H Molotsi, P Schmid, V Nkonyeni, B Odunewu^

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

Group Company Secretary
Nomini Rapoo

Group Investor Relations
Nwabisa Piki

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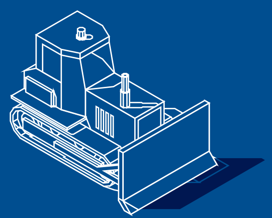
Sponsor
Nedbank Corporate and Investment Banking
(a division of Nedbank Limited)



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