Imperial™

beyond possibility

We are strong and resilient.
We are 'One Imperial'.
We are beyond possibility.

Unaudited interim results

for the six months ended
31 December 2020

Imperial™

beyond possibility

Imperial is an African focused provider of integrated market access and logistics solutions, with a focus on the following key industries – healthcare, consumer, automotive, chemicals, industrial and commodities. We take our clients and principals' products to some of the fastest growing and most challenging markets in the world. Ranked among the top 30 global logistics providers and listed on the JSE in South Africa, we seek out and leverage new technology to deliver innovative, end-to-end solutions. Through our significant African footprint and international expertise, and with the support of our 25 000 people, Imperial's purpose is connecting Africa and the world – and improving people's lives with access to quality products and services.

Contents

www.imperiallogistics.com

IMPERIAL LOGISTICS LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1946/021048/06
ISIN: ZAE000067211
Share code: IPL
(Imperial or company or group)

“We take our clients and principals’ products to some of the fastest growing and most challenging markets in the world.”

Group key features

Revenue*
▲15%
to R26 360 million
(H1 F2020: R22 955 million)

EBITDA*
▼2%
to R2 551 million
(H1 F2020: R2 594 million)

Operating profit*
▼18%
to R1 201 million
(H1 F2020: R1 463 million)

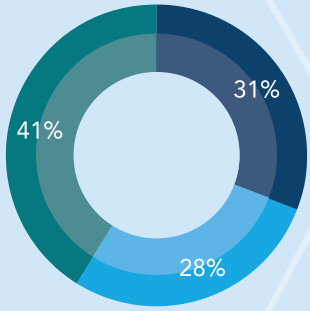
Total HEPS
▼3%
to 185 cents per share

Total EPS
▲96%
to 437 cents per share

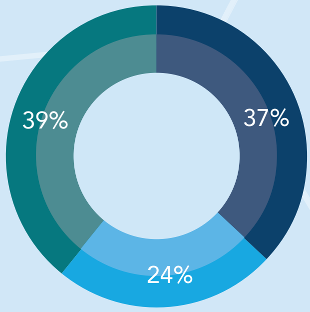
Continuing core EPS**
▼39%
to 235 cents per share

Divisional revenue

December 2020



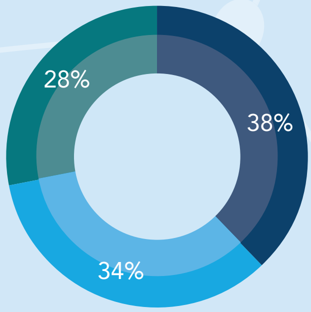
December 2019



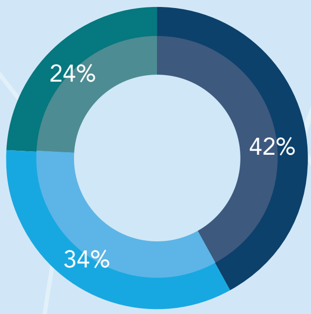
Logistics Africa | Market Access | Logistics International

Divisional operating profit

December 2020



December 2019

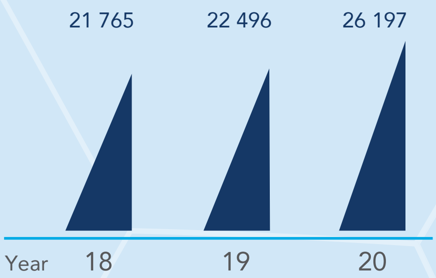


Logistics Africa | Market Access | Logistics International

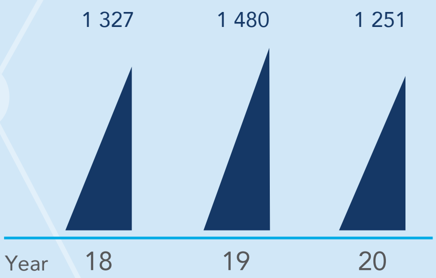
* *Excludes the discontinued European shipping business in the current and prior period, and CPG in the prior period.*
** *Headline earnings are adjusted by items that are not considered to be of a trading nature to arrive at core EPS. Core EPS is not an IFRS requirement and a reconciliation with EPS and HEPS is included on page 13.*

Total group – continuing operations

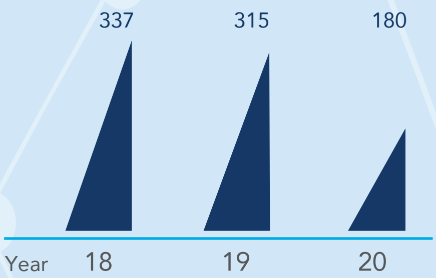
Revenue*
Rm



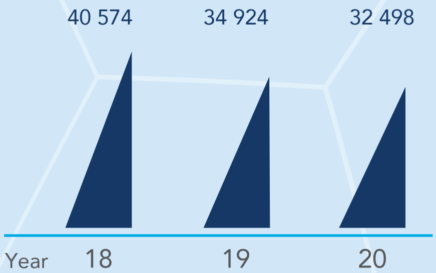
Operating profit*
Rm



Headline earnings per share
Cents



Total assets
Rm



Excluding businesses held for sale, head office and eliminations.

Strong free cash inflow from continuing operations excluding CPG of

R671 million

(H1 F2020: R54 million outflow)

Continuing free cash conversion of

90%

(H1 F2020: 76%)

Net debt:EBITDA of

1,8x

(H1 F2020: 2,0) – well within banking covenants of 3,25x

Interim cash dividend of

83 cents per share declared

Concluded disposal of the European shipping business for proceeds of

R3 440 million

Results overview

1. In extraordinary and challenging trading conditions, exacerbated by the COVID-19 pandemic, Imperial increased revenue from continuing operations, generated strong free cash flow, maintained a strong balance sheet, stringently managed costs and recorded significant progress against its strategy.
2. Excluding businesses held for sale, revenue grew by 16% from R22 471 million to R26 005 million, supported by new business gains and acquisitions, despite the decline in trading volumes resulting from the impact of COVID-19 on operations.
3. Continuing EBITDA, excluding businesses held for sale, decreased marginally by 1% from R2 581 million to R2 562 million.
4. Continuing operating profit, excluding businesses held for sale, declined 16% from R1 481 million to R1 249 million. This was largely due to the impact of COVID-19 lockdown restrictions; subsequent impact on trading volumes in certain sectors across the business; associated once-off costs; and investment in people, structure, processes and systems to support strategic growth and future efficiency in line with our 'One Imperial' and 'Gateway to Africa' strategy.
5. Continuing HEPS declined by 43% to 180 cents per share versus a decline of 39% in core EPS of 235 cents per share – which adjusts headline earnings for items that are once-off and not of a trading nature. We have re-introduced core EPS as management believes it is a more accurate reflection of Imperial's trading performance. Please see full reconciliation of headline earnings to core headlines earnings on page 13.
6. A strong recovery in volumes and profitability was recorded in the first half of 2021 compared to H2 F2020.
7. Continuing operating margin declined from 6,4% in the comparable period to 4,6% in H1 F2021. This is mainly due to the negative impact of COVID-19 on volumes, margin pressure in the Healthcare business in Nigeria and in the Healthcare medical supplies and kitting business (Imres), and the impact of a competitive market on contract renewals and rates.
8. Annualised costs of c.R200 million were removed from Logistics Africa, the full benefit of which will be realised from F2022, and will assist in maintaining our competitive market positioning.
9. Imperial's contract renewal rate across its operations on existing contracts is strong at c.80%, with a strong pipeline of new opportunities.
10. New business revenue of approximately R6,2 billion per annum was secured on a rolling 12-month basis to the end of December 2020. A material Procter and Gamble (P&G) contract awarded to Imperial's joint venture (JV) with the Chanrai Summit Group for P&G's end-to-end distribution and logistics of consumer goods in Nigeria became effective on 1 January 2021.
11. Strategic acquisitions of R120 million were concluded during the period.
12. The disposal of the loss-making business, Pharmed, was successfully concluded during the period.
13. Net working capital of R1 006 million improved by 53% compared to R2 123 million at December 2019 and is in line with guidance of 4% to 5% of revenue.
14. Net capital expenditure (capex) of R269 million from continuing operations decreased from R623 million and was significantly lower than depreciation (excluding right-of-use assets). The results from implementing more effective and efficient fleet management technology and disciplines across Logistics Africa contributed to this decline.
15. Net debt (excluding lease obligations) of R5,5 billion decreased by 25% compared to December 2019 due to effective working capital and capex management, strong cash flow generation and the receipt of proceeds from the disposal of the European shipping business. A summary of the movements is provided in the group financial performance section.
16. Free cash flow (post maintenance capex, repayment of lease obligations and excluding discontinued operations and CPG) increased to an inflow of R671 million from a free cash outflow of R54 million for the six months ended 31 December 2019.
17. Our cash and liquidity position remains strong with R13,7 billion of available facilities and cash, of which c.R11,9 billion is committed banking facilities.
18. ROIC of 4,1% (H1 F2020: 8,2%) versus WACC of 7,5% (H1 F2020: 8,0%). The depressed ROIC was due to lower returns in H2 F2020 over a rolling 12-month basis, impacted by COVID-19.
19. Discontinued operations: the European shipping business was sold on 31 July 2020 and is classified as a discontinued operation in these results. The South American shipping operation remains part of continuing operations and is classified as 'held for sale'.
20. Imperial has been reorganised based on the solutions we offer to our clients (our capabilities) and less so on regions. As from 1 July 2020, Imperial has operated within two overarching solutions – market access and logistics, and is categorised into three businesses: Market Access, Logistics Africa and Logistics International. The logistics businesses encompass contract logistics and freight (road, air and ocean, and lead logistics provider (LLP)). Therefore, primary segmentation for the period and the narrative thereof in this report is compiled accordingly, and in line with IFRS reporting.

Investment case

> Imperial is focused on generating growth, higher returns and strong free cash flow – supported by a strong balance sheet and sound capital management
> Imperial is a purpose-driven organisation focusing on people, profit and planet
> We are led by a management team with vast experience, skills and track records
> Imperial offers a unique value proposition as the 'Gateway to Africa' for clients and principals through integrated market access and logistics solutions in five key industries: healthcare, consumer, chemicals, automotive, industrial and commodities
> We have a strong track record and experience in operating and growing in Africa – taking our clients and principals to customers in some of the fastest growing and most challenging markets in the world
> We have strong expertise in delivering end-to-end innovative solutions
> Operating as 'One Imperial', through one brand, one culture, one positioning and selling as one business to leverage cross-selling and upselling opportunities, efficiencies and cost savings
> Our unique Market Access business, strong logistics expertise and heightened focus on digital and data are key differentiators
> Imperial is a resilient and sustainable business, supported by ongoing delivery against our strategic imperatives
> We have solid and longstanding relationships with our multi-national client and principal base
> Imperial is committed to paying dividends

Impact and response to COVID-19

Imperial plays a critical role in the supply of essential services and products in the many countries in which it operates and we continue to keep the wheels turning so that people can receive medication, food and other essentials. As vaccines become available, Imperial has set up a task force across our Market Access and Logistics Africa businesses to ensure that we can assist with and facilitate the distribution of these vaccines where opportunities arise.

Our focus during the pandemic remains first and foremost to protect our people and operations from infection. Stringent safety and strict access control procedures remain in place and rigorous hygiene, cleaning and disinfecting procedures continue, with dedicated resources in place to support and monitor COVID-19 related risks at each operation. Customised staff training and communications aim to heighten awareness of risks and preventative measures. While many staff who are not required to be at the operations continue to work from home, different shift systems have been introduced to increase social distancing and a two-team model was implemented to ensure continuity if a member of the team tests positive for the virus. We have continued to support staff and minimised the financial burden on our people during this period.

Up to the end of December 2020, 844 staff across Imperial's operations tested positive for the virus, most of whom have made a full recovery. Sadly, 13 of our colleagues succumbed to the virus and we extend our deepest condolences to their families. The latest wave of infections had a more direct impact on our employees during the period as reflected in an increase in sick leave, negatively impacting our operational effectiveness for the first time and with associated costs.

As reflected in these results, businesses exposed to liquor and tobacco sales in Africa, as well as many of our European operations have seen significant impacts on volumes due to continued lockdown restrictions in H1 F2021. The cost impact of COVID-19 has increased compared to the second half of FY2020 due to ill employees needing to be replaced by temporary workers and the cost of having a remote workforce. Training and development programmes have also been negatively impacted due to the lockdowns.

Throughout the COVID-19 pandemic we have maintained a sound financial position, generating cash, tightly managing costs and executing our strategic imperatives to make us resilient for the future. The benefits are reflected in these results.

We also continue to support all our key stakeholders in our countries of operation, strongly demonstrating our purpose as a business, which is connecting Africa and the world and improving people's lives with access to quality products and services. Some of these initiatives include:

> Providing support and communications to staff and prioritising their safety.
> Minimising the financial impact on our people during the pandemic.
> Continuing to achieve high service levels with key customers and clients – and, in certain cases, we have put additional capacity in place to assist our clients in meeting increased demand.
> Continuing to gain significant material contracts with existing and new clients across operations.
> Continuing to service our market access channels where possible.
> Well-positioned to provide logistics and distribution capabilities for COVID-19 vaccines to governments in South Africa and other African countries.
> Partnering with charity organisations, providing vehicles and resources to deliver food parcels and other basic needs to communities most impacted by the crisis.
> Over 260 000 patients were screened for COVID-19 through Unjani clinics (CSI project).

Market Access

Our market access business – in which close to 100% of revenue is generated in Africa – is integral to our 'Gateway to Africa' and 'One Imperial' strategy. Our market access solutions see us taking ownership of inventory and responsibility for the full order-to-cash function. We build complex route-to-market solutions that provide our principals with access to patients and consumers through comprehensive channel strategies that integrate sourcing, sales, distribution and marketing. Our solutions also create opportunities to leverage our freight and contract logistics capabilities.

Through our operations in mainly East, West and Southern Africa, we are able to provide market access and logistics services in more than 20 countries on the African continent. Our activities currently focus on two key, defensive industries – healthcare and consumer.

Operating context

The operating environment in most of our markets is experiencing continued levels of volatility. The impact of COVID-19 on the economies of African countries in which we operate is severe and it is evident that this will continue until vaccines are available and herd immunity is achieved, the timing of which is uncertain.

Most countries in which we operate reintroduced COVID-19 restrictions towards the end of the period under review. All businesses in Market Access are currently in operation and our strong position as a leading healthcare and consumer market access player in sub-Saharan Africa continues to stand us in good stead. This is evident as Market Access recorded revenue growth during the period, supported by good contract gains, but at lower margins.

Despite the challenging macro environment, we remain optimistic about the future of our Market Access business. We have invested in appropriate structures and resources to create focused consumer and healthcare teams, which was necessary to achieve future strategic ambitions and growth in these key industries. Recent acquisitions are being successfully integrated and provide cross-selling opportunities. On the African continent, positive trajectories are expected to continue with regard to consumerism, urbanisation, population growth and the strengthening of healthcare systems by governments, which all bode favourably for our Market Access business.

Operating performance (continuing operations)

Market Access results

	HY1 F2021	HY1 F2020	% change on HY1	HY2 F2020	% change on HY2
Revenue (Rm)	**7 415**	5 480	35	6 181	20
EBITDA (Rm)	**500**	566	(12)	286	75
Operating profit (Rm)	**422**	506	(17)	205	>100
Operating margin (%)	**5,7**	9,2		3,3	
Return on invested capital (%)	**11,3**	19,2			
Weighted average cost of capital (%)	**11,9**	14,1			
Net debt (Rm)	**1 830**	1 220	50		
IFRS 16 lease obligations included above	**333**	262	27		
Net debt excluding IFRS16 lease obligations	**1 497**	958	56		
Net working capital	**1 805**	1 500	20		

Note: Continuing operations excluding businesses held for sale (Pharmed).

The Market Access business grew revenue by 35% mainly due to the contribution of new acquisitions and organic growth following the addition of new contracts. Operating profit declined 17% and operating margin was under pressure in certain of our businesses (Nigeria and Imres), decreasing from 9,2% to 5,7%. This was mainly due to the impact of COVID-19 on supply chain costs and procurement of certain product categories. The increase in contribution by the Consumer segment post the acquisition of the consumer business in West Africa (Ghana) also contributed to the margin decline. Results benefitted from significant new contract revenue of approximately R2,2 billion on a rolling 12-month basis to the end of December 2020. The contract renewal rate on existing contracts remains strong at c.98%, with a strong pipeline of new opportunities. Operating profit and margins recovered significantly when compared to H2 F2020.

Our strong position as a leading healthcare market access player in sub-Saharan Africa stood us in good stead, particularly during the pandemic. The Healthcare segment benefitted positively from the Namibian healthcare business (Geka Pharma), and good growth from the healthcare business in East Africa (Surgipharm) and Simplified Solutions in Healthcare (Multi Market Aggregation model) which added five new contracts. The healthcare business in West Africa benefitted from market share gains in Ghana while the business in Nigeria continues to contribute significantly despite operating margin pressure due to a change in revenue mix, normalisation of margins on our imported product portfolio and the impact of COVID-19. We have in excess of c.80 days' paid-up stock in Nigeria, which positions us well to deal with the currency risks in the country.

Our healthcare medical supplies and kitting business (Imres) continues to benefit from a strong order book. However, volumes and margins were negatively impacted by higher freight rates and constraints on the supply and delivery of products resulting from COVID-19.

The Consumer segment contributed strongly to results mainly due to the inclusion of the consumer business in West Africa that was acquired in January 2020, which continues to perform better than expectations, as well as adding new contracts. Constraints on alcohol trading impacted some of our businesses. Lower activity was recorded in our consumer business in Mozambique, with margins under pressure. The consumer business in Namibia performed well and in line with expectations. Our newly formed Market Access Consumer business in South Africa is contributing positively.

Axis Group was severely impacted by large procurement projects being delayed due to COVID-19 but the pipeline for new business is encouraging.

Excellent net working capital management resulted in an increase of only 7% in working capital to R1,8 billion during the six months from June 2020 in comparison to revenue that has grown by 35% from the period ending December 2019 to the period ending December 2020.

ROIC decreased from 19,2% to 11,3% due to lower profitability in H2 F2020 over a COVID-19-impacted rolling 12 months – and is marginally lower than WACC of 11,9%.

Competition commission approval for the sale of the Pharmed business in South Africa was received in November 2020 and the sale of this business to the Arrie Nel Pharmacy Group was finalised. The disposal of Pharmed does not represent Imperial's exit from the healthcare industry in South Africa but merely the exit from non-core wholesale activities.

Imperial gained a material consumer contract, effective 1 January 2021, to distribute P&G products in Nigeria through Imperial's JV with the Chanrai Summit Group. Utilising its requisite trading, retail and distribution acumen, the JV is now the single national distributor ensuring fast and reliable distribution and service of P&G's consumer products across Nigeria. This allows Imperial to establish and expand its consumer footprint in this significant and important African market and to leverage its formidable distribution network across the continent.

Logistics Africa

Logistics Africa encompasses logistics activities throughout the African continent, ie road freight, contract logistics and LLP in Africa. Logistics will continue to play an integral role in achieving our 'Gateway to Africa' and 'One Imperial' strategy – leveraging and expanding freight, contract logistics and supply chain support, and leveraging cross-selling and upselling opportunities with our market access business.

Operating context

Prevailing weak economic conditions, high unemployment and low activity levels were exacerbated by the extended impact of COVID-19 lockdown restrictions that continue to impact volumes and margins across many of our industries.

During the period under review, we invested in additional capacity for consumer goods (FMCG) and healthcare clients as the pandemic drove heightened demand and consumption of related products.

The adjusted level 3 lockdown restrictions that were reinstated in December 2020 in South Africa significantly impacted alcohol and fuel volumes, as well as the tourism industry.

With the ban on alcohol sales now lifted, close to 100% of this business is currently in operation. We anticipate normal trading to return in the short to medium term subject to there being no further lockdown restrictions.

Operating performance (continuing operations)

Logistics Africa segment results

	HY1 F2021	HY1 F2020	% change on HY1	HY2 F2020	% change on HY2
Revenue (Rm)	**8 077**	8 261	(2)	7 306	11
EBITDA (Rm)	**982**	1 058	(7)	653	50
Operating profit (Rm)	**473**	627	(25)	130	>100
Operating margin (%)	**5,9**	7,6		1,8	
Return on invested capital (%)	**6,4**	11,8			
Weighted average cost of capital (%)	**7,9**	8,9			
Net debt (Rm)	**4 136**	4 358	(5)		
IFRS 16 lease obligations included above	**1 638**	1 656	(1)		
Net debt excluding IFRS16 lease obligations	**2 498**	2 702	(8)		
Net working capital	**11**	550	(98)		

Note: Continuing operations (CPG was classified as discontinued operations in the prior period).

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Logistics Africa segment results continued

	HY1			HY2	
	F2021	F2020	% change	2020	% change
Freight					
Revenue (Rm)	**5 752**	5 310	8	4 595	25
EBITDA (Rm)	**710**	712		456	56
Operating profit (Rm)	**358**	464	(23)	157	>100%
Operating margin (%)	**6,2**	8,7		3,4	
Contract Logistics					
Revenue (Rm)	**2 325**	2 951	(21)	2 711	(14)
EBITDA (Rm)	**272**	346	(21)	197	38
Operating profit (Rm)	**115**	163	(29)	(27)	>100%
Operating margin (%)	**4,9**	5,5		(1,0)	

Note: Continuing operations (CPG was classified as discontinued operations in the prior period).

In a difficult, low-growth and increasingly competitive trading environment – exacerbated by the impacts of COVID-19 – Logistics Africa's revenue and operating profit declined by 2% and 25% respectively. Results were hampered by lower volumes due to the impact of extended COVID-19 lockdown restrictions, excessive border times and two phases of bans on alcohol and tobacco sales in South Africa during the period, the second of which was only lifted on 1 February 2021. This was partially offset by higher throughput in the healthcare businesses in South Africa and Kenya, and increased volumes in the food, chemicals and dedicated contracts road freight businesses. Results were further supported by new contract revenue of approximately R1,9 billion on a rolling 12-month basis to the end of December 2020. The contract renewal rate on existing contracts is c.70%, with an encouraging pipeline of new opportunities.

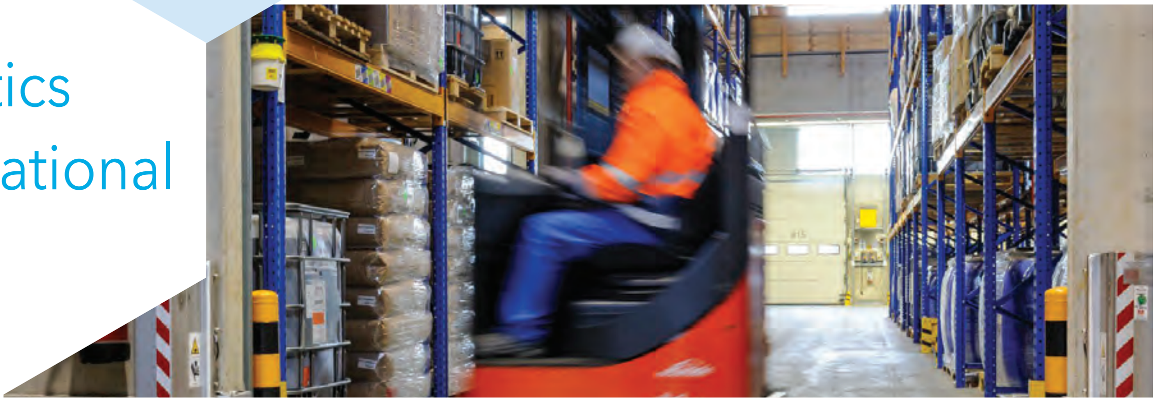
The lockdown restrictions resulted in a decline in volumes across most sectors – particularly in alcohol, tobacco and fuel. The healthcare businesses in South Africa also negatively impacted results due to lower margins in a competitive environment. As a result, operating margins for Logistics Africa decreased to 5,9% from H1 F2020, also impacted by a competitive market and rate pressure on contract renewals. However, operating profit and margins recovered significantly when compared to H2 F2020 as lockdown restrictions continue to ease and sectors recover.

Logistics Africa will also benefit from further cost reductions of c.R200 million (annualised) which will maintain our competitive positioning in a shrinking and competitive market.

Net capex from continuing operations (excluding IFRS 16) of R51 million was incurred during the period mainly due to investment in additional capacity for new contract gains. The results from implementing more effective and efficient fleet management technology and disciplines across Logistics Africa contributed to the year-on-year decline in capex.

ROIC declined from 11,8% to 6,4% and is below our hurdle rate of WACC +3% due to lower profitability in H2 2020 over a COVID-19-impacted rolling 12 months.

Logistics International



Logistics International encompasses road freight, air and ocean, contract logistics and LLP activities outside of Africa – most notably our contract logistics and freight businesses in Europe and the United Kingdom.

Operating context

The rising COVID-19 infection rates across Europe in recent months and the subsequent return to lockdown restrictions in a number of European countries and the UK impacted the financial performance of this division. Currently all businesses are operational and performance is improving as the recovery in China began to positively impact European export markets. Automotive production ramped up as car sales volumes recovered, albeit not to pre-COVID-19 levels. While the initial signs of recovery are positive, the passenger car market has been slowing in Europe since September 2020, with consumers trading down from luxury vehicle brands. The chemicals industry is performing in line with expectations. Palletways in the United Kingdom showed volume growth on the back of higher demand due to increased home deliveries and demand for smaller more frequent deliveries by the market. Slower imports into the UK have affected Palletways, with more clarity expected when the new Brexit regulations have been fully implemented. The restrictions on UK car exports to Europe will also impact the international business.

The low water levels in Paraguay negatively impacted the shipping business in South America, which is part of continuing operations, but classified as 'held for sale'.

Operating performance (continuing operations)

Logistics International results

	HY1 F2021	HY1 F2020	% change on HY1	HY2 F2020	% change on HY2
Revenue (Rm)	**10 705**	8 755	22	9 300	15
EBITDA (Rm)	**1 079**	952	13	507	>100
Operating profit (Rm)	**356**	347	3	(359)	>100
Operating margin (%)	**3,3**	4,0		(3,9)	
Return on invested capital (%)	**0,2**	4,9			
Weighted average cost of capital (%)	**5,7**	5,7			
Net debt (Rm)	**4 698**	4 137	14		
IFRS 16 lease obligations included above (Rm)	**3 213**	2 524	27		
Net debt excluding IFRS16 lease obligations (Rm)	**1 485**	1 613	(8)		
Net working capital (Rm)	**(630)**	458	<(100)		

	HY1			HY2	
	F2021	F2020	% change	2020	% change
Freight					
Revenue (Rm)	**6 426**	4 809	34	5 223	23
EBITDA (Rm)	**515**	520	(1)	66	>100
Operating profit (Rm)	**234**	269	(13)	(340)	>100
Operating margin (%)	**3,6**	5,6		(6,5)	
Contract Logistics					
Revenue (Rm)	**4 279**	3 946	8	4 077	5
EBITDA (Rm)	**564**	432	31	441	28
Operating profit (Rm)	**122**	78	56	(19)	>100
Operating margin (%)	**2,9**	2,0		(0,5)	

Note: Continuing operations excluding businesses held for sale.

Logistics International results continued

	HY1 F2021	HY1 F2020	% change on HY1	HY2 F2020	% change on HY2
Revenue (€m)	**554**	548	1	502	10
EBITDA (€m)	**57**	59	(3)	29	97
Operating profit (€m)	**18**	22	(18)	(19)	>100
Operating margin (%)	**3,2**	4,0		(3,8)	
Return on invested capital (%)	**0,2**	4,9			
Weighted average cost of capital (%)	**5,7**	5,7			
Net debt (€m)	**261**	264	(1)		
IFRS 16 lease obligations included above (€m)	**179**	161	11		
Net debt excluding IFRS16 lease obligations (€m)	**82**	103	(20)		
Net working capital (€m)	**(35)**	29	<(100)		

		HY1		**HY2**	
	F2021	F2020	% change	2020	% change
Freight					
Revenue (€m)	**332**	306	8	282	18
EBITDA (€m)	**27**	32	(16)	4	>100
Operating profit (€m)	**12**	17	(29)	(18)	>100
Operating margin (%)	**3,6**	5,6		(6,4)	
Contract Logistics					
Revenue (€m)	**222**	242	(8)	220	1
EBITDA (€m)	**30**	27	11	25	20
Operating profit (€m)	**6**	5	20	(1)	>100
Operating margin (%)	**2,7**	2,1		(0,5)	

Note: Continuing operations excluding businesses held for sale.

The performance of Logistics International improved significantly in the first six months of F2021 compared to H2 F2020 as many of our industries of operations are staging a recovery. When compared to H1 F2020, revenue increased by 1% and operating profit declined by 18% in Euros. In Rand terms, revenue from Logistics International rose 22% and operating profit increased by 3% resulting from a significantly weaker Rand versus Euro exchange rate during the period. The average exchange rate in H1 F2021 was R19,19/Euro versus R16,29/Euro in the first half of F2020.

The improved performance compared to H2 F2020 was mainly due to a recovery in vehicle sales in the automotive industry and strong volume growth in our express palletised distribution business (Palletways). Volumes in our chemicals-related businesses were less impacted by COVID-19 and further supported by new contract gains.

Results were partially offset by reduced volumes in the industrial businesses and additional COVID-19 related costs due to an increase in sick leave by our permanent employees who had to be replaced with temporary labour. These additional costs contributed to the operating margin decreasing from 4% to 3,3% (in Rand). New business revenue of c.R2,0 billion (Euros 114 million) was secured on a rolling 12-month basis to the end of December 2020. The contract renewal rate on existing contracts remains strong at c.85%, with an encouraging pipeline of new opportunities despite the impact of the pandemic.

The South American shipping business continues to operate on a standalone basis and is reported as 'held for sale'. During the period, it was significantly impacted by record low water levels which impacted both volumes and margins. More details are included in the Disposals section of this report.

Net capex from continuing operations (excluding IFRS 16) of R108 million was incurred during the year mainly for replacement of transport fleet.

ROIC declined to 0,2% and is lower than WACC due to losses in H2 2020 over a COVID-19-impacted rolling 12 months.

Group financial performance

Summarised consolidated statement of profit or loss for the period ended 31 December 2020

R million	% change	**December 2020**	December 2019~
CONTINUING OPERATIONS			
Revenue	15	**26,360**	22,955
Net operating expenses		**(23,809)**	(20,361)
Profit from operations before depreciation and recoupments		**2,551**	2,594
Depreciation, amortisation, impairments and recoupments		**(1,350)**	(1,131)
Operating profit	(18)	**1,201**	1,463
Recoupments net of impairment to properties		**10**	15
Amortisation and impairment of intangible assets arising on business combinations		**(195)**	(174)
Foreign exchange gains		**263**	18
Profit before net finance costs	(3)	**1,279**	1,322
Net finance cost	27	**(395)**	(312)
Profit before share of results of associates and joint ventures		**884**	1,010
Share of results of associates and joint ventures		**8**	4
Profit before other non-operating items	(12)	**892**	1,014
Other non-operating items		**(435)**	(32)
Profit before tax		**457**	982
Income tax expense		**(158)**	(316)
Profit for the period from continuing operations	(55)	**299**	666
DISCONTINUED OPERATIONS		**582**	(166)
Net loss from Consumer Packaged Goods (CPG)			(283)
Net profit from the European shipping business		**582**	117
Net profit for the period		**881**	500
Net profit (loss) attributable to:			
Owners of Imperial		**814**	423
– Continuing operations		**232**	590
– Discontinued operations		**582**	(167)
Non-controlling interests		**67**	77
– Continuing operations		**67**	76
– Discontinued operations			1

~ Represented for the classification of the European shipping business as a discontinued operation.

Operating profit from continuing operations decreased by 18%, negatively impacted by COVID-19, increased depreciation due to the weaker Rand/Euro exchange rate, associated once-off costs, and investment in people, structure, processes and systems to support future growth and efficiencies.

The R122 million decrease in profit before other non-operating items to R892 million is mainly attributed to:
> the decrease in operating profit;
> the increase in net finance costs due to the inclusion of CPG's finance costs in the current period, which was reflected under discontinued operations in the prior period;
> the increase in amortisation of intangibles arising on business combinations as a result of businesses acquired during F2020 and the weaker Rand exchange rate;
> offset partially by a foreign exchange gain of R364 million due to reduction in capital in foreign subsidiaries (offset by foreign exchange losses in the African operations of both Market Access and Logistics Africa that arose due to the significant devaluation of most of the functional currencies against the Rand).

Other non-operating items comprised mainly of assets of the South American shipping operation that has been classified as a disposal group.

Significant contributors to the higher effective tax rate are the non-taxable items included in other non-operating items.

The gain from discontinued operations includes the profit arising on disposal of the European shipping business of R573 million.

Non-controlling interests' share of income decreased due to a weaker performance in some businesses with minority shareholders.

Core EPS

Core EPS is a measurement of pure trading performance and is calculated as headline earnings less amortisation of intangible assets arising from business combinations, acquisition cost, re-measurement of put option and contingent consideration liabilities. As a reminder, we have re-introduced core EPS as management believes it is a more accurate reflection of Imperial's trading performance. Please see full reconciliation for earnings per share below.

Earnings, headline earnings and core earnings per share

R million	% change	**December 2020**	December 2019~
Headline earnings reconciliation			
Earnings		**814**	423
– Continuing operations	(61)	**232**	590
– Discontinued operations		**582**	(167)
Recoupment from the disposal of property, plant and equipment (IAS 16)		**(31)**	(41)
Loss on disposal of intangible assets (IAS 38)			3
Impairment of goodwill (IAS 36)		**11**	6
Impairment reversal of investment in associates and joint ventures (IAS 28)		**(2)**	
Loss on disposal of subsidiaries, associates and businesses (IFRS 10 and IAS 28)		**54**	20
Impairment of businesses held-for-sale		**415**	
Foreign exchange gain reclassified to profit or loss (IAS 21)		**(364)**	
Tax effects of remeasurements		**8**	10
Non-controlling interests' share of remeasurements		**13**	7
Net headline earning adjustments for discontinued operations		**(573)**	(69)
Headline earnings	(4)	**345**	359
– Continuing operations	(44)	**336**	595
– Discontinued operations		**9**	(236)
Headline earnings per share (cents)			
Continuing operations			
– Basic	(43)	**180**	315
– Diluted	(43)	**173**	305
Discontinued operations			
– Basic		**5**	(125)
– Diluted		**5**	(121)
Total operations			
– Basic		**185**	190
– Diluted		**178**	184
Core earnings reconciliation – continuing operations only			
Headline earnings		**336**	595
Amortisation of intangible assets arising on business combinations		**195**	174
Remeasurement of put option liabilities		**(39)**	
Remeasurement of contingent consideration liabilities		**(7)**	
Business acquisition costs		**16**	14
Tax effects of remeasurements		**(44)**	(41)
Non-controlling interests' share of remeasurements		**(19)**	(15)
Core earnings		**438**	727
Core earnings per share			
– Basic	(39)	**235**	384
– Diluted		**226**	372

~ Represented for the classification of the European shipping business as a discontinued operation.

Group financial performance continued

Financial position

R million	% change	December 2020	June 2020
Goodwill and intangible assets	(11)	**6 322**	7 084
Investment in associates and joint ventures	31	**259**	198
Property, plant and equipment	(10)	**3 004**	3 326
Transport fleet	(36)	**3 308**	5 186
Right-of-use-assets	(16)	**4 576**	5 422
Investments and other financial assets	69	**458**	271
Net working capital*	85	**1 006**	544
Net assets of disposal groups and discontinued operations	(56)	**1 219**	2 781
Retirement benefit obligations	(9)	**(1 012)**	(1 109)
Net debt excluding lease obligations*	(34)	**(5 509)**	(8 391)
Lease obligations	(15)	**(5 185)**	(6 080)
Other financial liabilities	(24)	**(1 073)**	(1 415)
Net income tax (liabilities) assets*	10	**499**	455
Total shareholders' equity		**7 872**	8 272
Total assets	(24)	**32 498**	42 526
Total liabilities	(28)	**(24 626)**	(34 254)
Net debt:equity % (excluding lease obligations)		**70,0**	101,4
Net debt:equity % (including lease obligations)		**135,8**	174,9

* *Refer to glossary of terms on page 39.*

The significant variances on the financial position at 31 December 2020 when compared to 30 June 2020 are explained as follows:

> The decrease in goodwill and intangible assets is attributed to currency movements and amortisation of intangible assets arising on business combinations, offset partially by additions to intangible assets.
> The increase in investment in associates arose due to the acquisition of a 49% shareholding in Pharmafrique Proprietary Limited (trading as Kiara Health) for approximately R76 million.
> The decrease in property, plant and equipment is attributed to currency movements and to depreciation exceeding net capex.
> The decrease in right-of-use assets is due to depreciation exceeding the recognition of new leases, reclassifications and terminations and currency movements.
> The increase in investments and other financial assets is due to a reclassification of an inter-company loan with Pharmed on its disposal.
> The increase in net working capital is attributed to the growth in the business, primarily in Market Access.
> The decrease in net assets of disposal groups and discontinued operations is due to the European shipping business and Pharmed that were disposed of during the period which resulted in a decrease in this balance. This decrease was offset by the South American shipping operation that was classified as a disposal group at 31 December 2020.
> The decrease in the retirement benefit obligations balance is due to currency movements.
> The movement in net debt excluding lease obligations is explained in the cash flow summary that follows.
> Lease obligations decreased as lease payments during the period exceeded new leases recognised coupled with lower translated foreign leases.
> The decrease in other financial liabilities is due to currency adjustments, the settlement of put options as a result of the minority buy-outs in Eco Health, re-measurement of the put option and contingent consideration liabilities, as well as the settlement of loans during the period.

The balance sheet movement in net debt, excluding lease obligations of R2 882 million, includes currency movements and other non-cash movements of R225 million that are excluded from the cash flow movement of R2 657 million.

Cash flow summary to 31 December 2020 including discontinued operations in both periods

R million	December 2020	December 2019
Cash flows from operating activities		
Cash generated by operations before movements in net working capital	**2 587**	2 682
Movements in net working capital	**(1 009)**	(1 094)
Cash generated by operations before interest and taxes paid	**1 578**	1 588
Net interest paid	**(379)**	(422)
Tax paid	**(304)**	(261)
Cash generated by operations	**895**	905
Cash flows from investing activities		
Net disposal (acquisition) of subsidiaries and businesses	**3 390**	(75)
Expansion capital expenditure	**(238)**	(483)
Net replacement capital expenditure	**(63)**	(332)
Net movement in other associates and joint ventures	**(69)**	39
Net movement in investments, loans and non-current financial instruments	**(74)**	14
Cash utilised in investing activities	**2 946**	(837)
Cash flows from financing activities		
Settlement of interest-rate-swap instruments		(10)
Repurchase of ordinary shares	**(101)**	(225)
Dividends paid	**(52)**	(282)
Cash paid on change in non-controlling interests	**(118)**	(80)
Payments of lease obligations	**(913)**	(1 138)
Cash utilised in financing activities	**(1 184)**	(1 735)
Movement in net debt excluding lease obligations	**2 657**	(1 667)
Free cash flow*	**(81)**	(565)

* *Refer to glossary of terms on page 39.*

The following are the significant cash flow items:

> Cash generated by operations before movements in net working capital of R2 587 million decreased by R95 million due to the decrease in operating profit.

> The increase in working capital arose from the growth in the overall business. Average working capital as a percentage of revenue is at 4% at 31 December 2020 and considered to be within an acceptable range.

> Interest of R379 million and tax of R304 million were paid during the period.

> The cash inflow arising from the net disposal (acquisition) of subsidiaries includes R3 440 million that was received on the disposal of the European shipping business.

> Net capex decreased to R301 million due to optimal capex management during COVID-19 and more effective fleet management in Logistics Africa.

> The cash outflow arising from movements in other associates and joint ventures arose due to the acquisition of a 49% shareholding in Pharmafrique Proprietary Limited (trading as Kiara Health) for approximately R76 million.

> Dividends amounting to R52 million were paid to non-controlling shareholders during the period.

> Other significant cash outflow items included lease liability payments of R913 million, share buybacks of R101 million and cash paid on change to non-controlling interests of R118 million.

> Free cash outflow (post maintenance capex, payments of lease obligations and including discontinued operations) was R81 million which improved from an outflow of R565 million in the prior period. Free cash flow (post maintenance capex, payments of lease obligations excluding discontinued operations and CPG) increased to an inflow of R671 million in the period ending December 2021 from an outflow of R54 million in the period ending December 2020. This resulted in a continuing free cash flow to continuing headline earnings ratio of 0,93 times and a continuing free cash conversion ratio of 90%, which improved significantly from 76% in H1 F2020.

Movement in total equity for the six months to 31 December 2020

Total equity of R7 872 million decreased by R400 million from R8 272 million previously reported on 30 June 2020.

Decrease in equity for the period to December 2020

	Rm
Comprehensive loss	**(210)**
Net profit attributable to Imperial shareholders	814
Net profit attributable to non-controlling interests	67
Decrease in the foreign currency translation reserve	(1 115)
Increase in the hedge accounting reserve	24
Movement in share based reserve net of transfers to retained earnings	80
Repurchase of Imperial Logistics shares	(101)
Non-controlling interest disposed off, net of acquisitions and shares issued	(47)
Net decrease in non-controlling interests through buy-out	(70)
Non-controlling share of dividends	(52)
Total decrease	**(400)**

Liquidity

The group's liquidity position remains strong with R13,7 billion of unutilised banking facilities. A total of 71% of the group debt (including lease obligations) is long term in nature and 65% of the debt (including lease obligations) is at fixed rates.

Dividend

After considering the strong cash flow generation and balance sheet of the business, and the steady recovery in operations since H2 F2020, an interim cash dividend of 83 cents per ordinary share was declared by the board and will be paid to shareholders in March 2021 (H1 F2020: 167 cps). The dividend payout ratio will be assessed at each reporting period, subject to prevailing circumstances.

Strategic positioning and progress

Over the past 18 months, we have laid the foundation of our new strategy and are making significant strides in transforming Imperial from a portfolio of regional businesses to an integrated, end-to-end market access and logistics business focusing on Africa. It is our strategic intent to become a 'One Imperial' business and serve as the 'Gateway to Africa' to our clients, principals and customers – transforming from an asset-heavy, 3PL logistics player to an innovative, asset-right business. The strategic decisions and actions we continue to take are aligned with this ambition.

Accordingly, in H1 F2021 we invested c.R100 million on appropriate and effective systems, processes, resources and structures and will continue to invest significantly over the next three to five years to ensure successful execution of all our key strategic imperatives. This will position the business for sustainable growth, and improve efficiencies and costs over the medium term. The COVID-19 crisis has further amplified the need to position Imperial for growth, efficiency and longevity well beyond the pandemic.

As Imperial continues on this growth journey, IT, digital and data will be positioned at the heart of the business. Significant progress was recorded in strategic digital and IT initiatives, including digital fleet management, enabling our road freight business, and progress with partnerships to enable digital distributorships in our Market Access business. In addition, the Imperial Venture Fund managed in partnership with Newtown Partners continues to exhibit good progress with strategically valuable investments being made into disruptive logistics, supply chain and pharmaceutical supply chain start-ups, with a time-to-value of five to 10 years. The fund now has five actively managed portfolios. More detail is included in the strategy table and in the 'Acquisitions and partnerships' section.

We are also focused on developing and retaining top talent, integrating ESG practices and preparing our business for a post-pandemic world. This is to ensure that Imperial will be a resilient, sustainable business that demonstrates its purpose through its actions and initiatives, as well as by focusing on people, profit and the planet. During the period under review, we invested in and finalised an appropriate organisational structure and human capital IT system that will enable the business to operate and succeed as 'One Imperial'.

Achieving our strategic ambitions will also require us to make significant capital investments in digital and data initiatives, technology and strategic acquisitions over the next five years. Capital allocation will be prioritised for those areas that most amplify our primary strategic positioning and focus – being Africa, and focusing on five key industries – healthcare, consumer, chemicals, automotive, and industrial and commodities. Over the past 10 years, Imperial's investment in Africa, outside South Africa, was focused primarily on building its market access capability in the defensive and fast-growing healthcare and consumer industries. During this time, Imperial has developed strong expertise, networks, and knowledge of operating successfully in some of the fastest growing and challenging markets in Africa. Serving as an integrated logistics and market access provider will require us to invest in logistics businesses outside South Africa too, particularly those that will give us access to freight capabilities, including in other key growth industries, to facilitate trade flows into, out of and across key African trade lanes. We are therefore actively exploring potential growth opportunities in both Market Access and Logistics Africa on the continent (outside South Africa).

In addition, we have thoroughly assessed the strategic fit of our international portfolio. We have concluded that Logistics International is non-core to our 'Gateway to Africa' strategy and we have therefore decided to explore an appropriate exit plan for this business. The exit plan will relate to the remaining assets in the International portfolio, being contract logistics and freight, including Palletways. Given the current macro-economic uncertainty, this may take time to progress as the objective is to maximise value for shareholders through this process.

How our strategy addresses our challenges

During the past six months, despite the challenges that COVID-19 placed on our day-to-day operations, we continued to make progress on the following:

- strengthened our positioning as the 'Gateway to Africa';
- simplified and reduced complexity through our 'One Imperial' initiatives;
- assessed, addressed and exited non-core, low return on effort and underperforming businesses;
- significantly reduced costs;
- added new contracts;
- concluded strategic acquisitions;
- achieved good progress in digital and IT capabilities;
- defined our path as a transformational organisation rather than a transactional one; and
- placed significant focus on our people and organisational design, digital and data and ESG as core enablers of our strategy.

Strategic progress

CHALLENGE	STRATEGIC RESPONSE	PROGRESS MADE
Achieving sustainable growth with focused capital allocation	> Replace disposals with strategically aligned acquisitions > Solid organic and acquisitive growth targeted to F2025 > All acquisitions assessed on following criteria: – achieving strategic objective of 'Gateway to Africa' – strong organic growth – achieve required returns (WACC plus 3%) – how Imperial adds value and leverages synergies opportunities > Integration, efficiency, cross-selling and upselling opportunities across Market Access and Logistics > Capital allocated to group-wide systems, digital and data initiatives, processes and people which are critical to achieving efficiencies and improving margins as part of our 'One Imperial' strategy	> Contract renewal rate is c.80%, with encouraging pipeline > New business revenue of c.R6,2 billion per annum secured in December 2020 > Material contract with P&G secured in the consumer industry in Nigeria > Five new clients onboarded onto our Simplified Solutions in healthcare offering in Market Access > Actively exploring potential growth opportunities in both Logistics and Market Access on the continent (outside South Africa) > Concluded acquisitions of c.R120 million
Asset intensity	Transforming Imperial from an asset heavy 3PL logistics player to an innovative asset-right business using data and technology as a differentiator, and achieved through: > Investment in digital and data initiatives > Asset-right acquisitions > Transforming contract logistics and road freight by leveraging our scale and asset base using technology > Improve efficiency, reduce costs and optimise investment in assets, thereby reducing our asset intensity	> Asset-turn ratio improved from 64% in H1 F2020 to 81% in H1 F2021 > Reduced costs of c.R200 million (annualised) in Logistics Africa > Project Blue Fleet is in progress, with the renegotiation of supply agreements for our largest cost items in Logistics Africa (fuel, vehicle and tyres) underway. The full cost and efficiency benefits will be realised over the next 12 months > Consolidated road freight businesses in Logistics Africa > Reduced total capex by R514 million compared to H1 F2020 > Partnership with Lori Systems to expand ability to offer spot-based sub-contracted road freight through the digital freight exchange

CHALLENGE	STRATEGIC RESPONSE	PROGRESS MADE
Simplifying the business from a complex, regional portfolio into an integrated market access and logistics business	> Transforming into an integrated logistics business, offering an end-to-end service > Providing simplicity, flexibility and visibility to our clients > New organisational structure focused on two solutions (market access and logistics) > Regional structure will be secondary	> Organised and now operating Imperial based on the two solutions offered - market access and logistics – and less so on regions > Our core functions being people and culture, digital and IT, corporate affairs and investor relations and group finance transitioned to a 'centre -led' model
Commoditised businesses	> Exiting non-core, underperforming, low return on effort and investment businesses > Investing in new-age businesses > Focusing on data and technology – remaining relevant	> Progress with digital fleet management, enabling our Road Freight business > Progress with partnerships to enable digital distributorships in our Market Access business > Exited Pharmed > Sold European shipping > Progressing sale of South American shipping > Identified remaining international portfolio as non-core and exploring appropriate exit plan
Investment in digital, data and innovation	> Moving away from asset-heavy, traditional 'walls and wheels' logistics, to forward-thinking and innovative solutions > Proactive ongoing investment in digital and data initiatives is top of mind and core to our strategy > Capital will be allocated to: – an innovation fund with significant activity and opportunities identified – executing digital and data initiatives to facilitate transformational shift	The Imperial Innovation Fund now has five actively managed portfolio companies: > Field Intelligence, a digital pharmaceutical distributor operating in Nigeria and Kenya > Shypple, a digital freight forwarder operating between Asia and Europe > RedBird, a provider of rapid diagnostic tests to pharmacies in Ghana > Lori, a digital road freight exchange operating in East and West Africa that has also partnered with Imperial to launch in SADC during 2021 > An investment in a cross-border digital logistics service provider serving e-commerce merchants in MENA Parcel Ninja acquisition will provide specialised warehousing and distribution management in e-commerce, direct to consumers and to informal markets Progress made on a business performance insights platform (including establishing a comprehensive data lake, developing a consistent reporting platform and applying advanced data science)

Strategic progress continued

CHALLENGE	STRATEGIC RESPONSE	PROGRESS MADE
Moving from decentralised to operating as 'One Imperial' – leveraging synergies, expertise, clients etc.	> Transitioning the brand positioning to 'One Imperial' through brand migration and architecture process > Aligning processes and organisational design to 'One Imperial' – roll-out of a single finance, IT and communications systems > Client value proposition centred on selling as 'One Imperial' and leveraging cross-selling and upselling opportunities > People proposition is centred around collaboration and being part of a 'One Imperial' business > Investing in talent pipeline and leveraging skills/expertise across the group	> Organisational structures to enable 'One Imperial' strategy finalised > Introduced and rolling-out a consistent 'One Imperial' people model and the associated ways of work for all our people practices > Progressing plans to introduce a centre-led training initiative regarding digitisation, and driver and controller management > Various communication initiatives to promote 'One Imperial' > Roll-out of 'One Imperial' brand across businesses is in progress > In the foundation phase of the 'One Imperial' Finance project to standardise finance systems and finance shared services centre build > Established a co-creation lab for increased collaboration with key principals and clients, to facilitate selling as 'One Imperial' > Implementing SAP Success Factors as the single human resources information system and transaction platform > c.R100 million invested in 'One Imperial' initiatives in H1 F2021
Creating shared and sustainable value – focusing on ESG	> Shifting to a purpose-driven organisation pillar of our strategy > Includes investing in and integrating environmental, social and governance imperatives into daily business activities	> R11,6 million invested in communities through strategic CSI initiatives across regions focusing on healthcare, education, safety and skills development > Continue integrating ESG imperatives into strategy and business practices > Advancing ESG rating and reporting standards – favourable ratings from key global ratings agencies

Acquisitions and partnerships

Imperial™
beyond possibility

Market access healthcare manufacturing in South Africa

Effective August 2020, Imperial acquired a 49% shareholding in Pharmafrique Proprietary Limited (trading as Kiara Health) for c.R76 million. Kiara Health is a pharmaceutical manufacturing and healthcare services company based in Johannesburg, South Africa, which serves as the local manufacturing partner for a global leader in generic and biosimilar medicines. This acquisition is in line with Imperial's strategy to backward integrate into contract manufacturing as part of its market access service to multi-nationals on the continent. Access to this capability will create a pipeline of distribution opportunities for our market access and logistics businesses in the healthcare industry in South Africa and the rest of the continent.

Parcel Ninja, supporting digital contract logistics enhancement

With effect from 1 February 2021, Imperial acquired Parcel Ninja, the specialised warehousing and distribution management business. Enabled with leading software, processes and people capabilities in South Africa, Parcel Ninja provides fulfilment in both B2C and B2B channels including the informal market, supported by the management and optimisation of courier parcel deliveries. This acquisition supports Imperial's strategic ambitions to accelerate our digital capabilities and expand our logistics and market access services into last mile distribution, e-commerce fulfilment, footprint and scale in Africa, while ensuring local relevance for our clients and principals.

Investment in partnership with Lori Systems

In November 2020, Imperial invested in a partnership with Lori Systems to expand its cutting-edge e-logistics technology solutions across Africa. This strategic partnership is the first of its kind at this scale and scope on the African continent. Lori Systems is the leading e-logistics platform in Africa and co-ordinates haulage in frontier markets. The Imperial Venture Fund, managed by Newtown Partners – a US venture capital firm – recently concluded an investment in Lori Systems to support its growth in East and West Africa. The Imperial and Lori Systems partnership in the Southern African Development Community (SADC) region will help to develop and enhance Africa's road freight industry through digital innovation and enablement.

Broad-Based Black Economic Empowerment (B-BBEE)

A process is underway to enhance Imperial's B-BBEE credentials at the South African business level. More detail will be provided in due course as this process progresses.

Disposals

European shipping operations

Implemented on 31 July 2020, Imperial disposed of its interest in its European shipping business to the Cologne-based Häfen und Güterverkehr Köln AG (HGK). The aggregate purchase price of EUR171 million (c.R3 440 million) was settled by HGK in full and in cash on the date of implementation. The shipping business is non-core to Imperial's strategic imperative – which is to grow our African footprint and reach, and position the group as the 'Gateway to Africa' in the medium to long term.

The proceeds from this sale were used to pay down existing debt in the short term and will be invested in new growth areas in line with our strategy in due course.

South American shipping operations

Progress has been made with the sale of the South American shipping business, which continues to operate on a standalone basis post the disposal of the European shipping business. We have entered bilateral discussions with a party and anticipate concluding this transaction by the end of June 2021.

Pharmed

The sale of Pharmed in South Africa to the Arrie Nel Pharmacy Group was concluded on 13 November 2020.

As communicated previously, the disposal of Pharmed does not represent our exit from the healthcare industry in South Africa but merely the exit from non-core wholesale activities. The high growth and resilient healthcare industry remains key to our 'Gateway to Africa' strategy and we remain committed to the many multi-national principals and clients we serve across the African continent. We will continue to serve such principals and clients through our logistics business – and through the ongoing expansion of our healthcare market access business in South Africa.

Key industry trends

Below are the key trends for our five core industries:

Healthcare

The demand for healthcare products continues to rise and a five-year CAGR of 18% has been forecast for the healthcare industry in Africa. Imperial is increasing its geographic footprint and exposure to generics, animal health and the medical device market, and is expected to show significant growth by 2023.

Strong growth was achieved in the healthcare industry despite the lack of a flu season and reduced anti-infective sales due to school closures and lockdowns. For the 12 months to December 2020, the healthcare industry generated 21% of total group revenue and delivered revenue growth of 18% when compared to the same period in the previous financial year, with significant growth and exposure achieved with both local and multi-national generic pharma manufacturers. A good contract gain rate of close to 50% was recorded in healthcare, supported by a strong new business pipeline. Five new clients have been onboarded into our Simplified Solutions in Healthcare (multi-market aggregation) offering.

In addition to both the challenges and the opportunities presented by COVID-19, there are a number of other key drivers that are fundamentally impacting the healthcare industry globally. These trends include:

> evolving population demographics (ageing population)
> growing urbanisation
> increased demand for generic pharmaceuticals (promoted mainly by governments)
> advances in technology
> changing patient expectations
> multi-national pharmaceutical companies looking for trusted partners

With healthcare being a key industry of operation and growth, Imperial is well-positioned to leverage these opportunities.

Imperial's expansion of Market Access services in South Africa through its 49% shareholding in Pharmafrique Proprietary Limited (trading as Kiara Health) since August 2020 is providing new growth opportunities too. An Imperial sales team focused on driving demand in the healthcare industry has now been fully deployed in South Africa, promoting Kiara Health and relevant healthcare products.

As reported in 'Our response to COVID-19' section, a number of COVID-19 vaccines have now been approved by stringent regulators which are likely to lead to approvals and initial supplies into sub-Saharan Africa starting from Q2 2021 (calendar year). Imperial is well-positioned to play an active role in the distribution of these critical vaccines in a number of countries across the continent, leveraging our own infrastructure and capabilities and those of our partners. Where feasible, we will participate as tender processes are formalised for the distribution of COVID-19 vaccines in our countries of operation in Africa.

Consumer

COVID-19 has notably changed purchasing trends, consumer behaviour and outsourcing opportunities. The pandemic has identified weaknesses across the value chain and has increased the demand for warehousing services due to growth in e-commerce, the increased need for visibility and resilience, and shortening and diversification of supply chains. With customer needs for enhanced convenience growing at exponential rates, greater pressure has been placed on logistics companies to keep pace.

Notwithstanding difficult trading conditions, lower consumer demand and strict lockdown restrictions imposed on the alcohol sector in South Africa, our consumer industry still achieved double digit growth of c.16% and generated c.32% of group revenue, with monthly revenue during the past four months exceeding pre-COVID 19 levels. The ban imposed on alcohol in South Africa not only impacted the alcohol manufacturers but also key suppliers to the sector. However, the total impact was mitigated by notable new contract gains and a high rate of client retention.

Through our extensive footprint across Africa, Imperial will continue to play a critical role in meeting consumers' ever-increasing need for logistics and market access services in previously inaccessible markets.

Automotive

Despite the significant challenges posed by the COVID-19 pandemic and the various lockdown restrictions, our automotive business delivered strong revenue growth of 18% during the six-month period and contributed c.16% of group revenue, following the easing of restrictions in the industry after plant shutdowns impacted original equipment manufacturers (OEMs) between March 2020 and June 2020. European vehicle manufacturers suffered a more severe impact than most industries in 2020.

The global automotive industry is expected to remain weak during calendar 2021 with forecasts of a 10% decline in vehicle production in the EU and UK in 2021 compared to 2019 levels, due to the impact of global lockdown restrictions in addition to the impact of Brexit. COVID-19 may delay shared mobility and prolong the single user model in the next couple of years, which will also boost the car parts business where Imperial is intrinsically involved globally with various OEMs and suppliers.

The demand for electrical vehicles is strong and the switch from combustion to electric vehicles is moving faster than expected, which is assisting certain markets to rebound from the pandemic. Imperial recorded strong new business gains with OEMs in Europe during the past six months, together with good contract retentions. Cross-selling opportunities with the chemicals industry has made Imperial a significant player in the LI-Ion Battery sector for the automotive industry, which resulted in good contract gains with our existing customer base. OEMs in Europe are starting to regain their planned production levels after the shortage of semi-conductors forced them to slow down production. Semi-conductor manufacturers reassigned their production capacities to other sectors, such as, consumer electronics during the slump in car sales earlier this year caused by the COVID-19 pandemic.

Chemicals

Despite lower global demand for chemical products, our chemicals industry delivered revenue growth of c.2% and contributed c.14% to group revenue. Contract renewals stood in excess of 80% and a strong new business pipeline is in place. Petroleum operations recovered to positive revenue growth following the earlier lockdowns imposed on the sector in South Africa. The chemicals industry includes a very broad range of products which have been impacted by COVID-19 in varying ways. The gas sector has experienced an increased demand for medical oxygen in hospitals while the demand for LPG has declined due to the restrictions imposed on restaurants. Our bulk tanker operations are currently running three to five times more oxygen at the moment compared to 2020 levels as a result of the second wave of COVID-19 infections.

Chemical demand, particularly in Europe, was under pressure prior to COVID-19 and that trend is expected to continue during the first half of calendar 2021 with a slight recovery in the second half of 2021. Approximately 84% of our chemicals industry revenue (excluding energy) is generated from clients in Europe.

While China is expected to become the world leader in production and consumption of chemicals, many commodity chemicals companies have to cope with feedstock price volatility, supply chain and logistics challenges, and unpredictable customer demand. The industry is accordingly investigating alternatives to the reliance on inputs from China-based suppliers. The chemicals industry is also focusing more on green logistics and stricter compliance, which creates opportunities for Imperial.

South Africa will become more dependent on imports for its fuel needs as the country's refining sector is facing an uncertain future with all six refineries under review based on the recent safety concerns.

Industrial and commodities

Our industrial and commodities businesses delivered single-digit revenue growth of c.4%, contributed c.17% to group revenue and saw contract renewals in excess of 95%, with operations recovering to pre-pandemic levels during the past six months. Our well diversified exposure across multiple industrial and commodities sub-sectors, together with new contract gains, limited large volume declines experienced in certain sectors, such as, cement and glass. Production activity in the manufacturing sector rebounded in recent months, with output levels having risen sharply across almost all broad sectors, albeit off low bases.

The South African economy is expected to grow by 3% in 2021 (according to forecasts released by the International Monetary Fund in October 2020), which will boost many of our industrial sub-sectors that are closely associated with the performance of the economy, eg packaging. Good new contract gains were achieved in the steel and metals sector during recent months where Imperial provides customised logistics solutions across our clients' value chains. We manage multiple supply chain functions for numerous clients in the industrial and commodities sector through an integrated 'One Imperial' approach.

Businesses associated with the commodities sector (mining) reported single-digit revenue growth despite the slow ramp-up post-COVID-19 lockdown measures. The mining sector's increased focus on environmental, social and governance (ESG) compliance is expected to create opportunities for Imperial. The implementation of smart logistics initiatives by certain Imperial businesses across selected industrial and commodities sub-sectors has highlighted the key role that these initiatives play in the reduction of overall supply chain costs for our clients.

Approximately 90% of our mining industry solutions are focused on mining activities in Southern Africa using a unique asset-light model that delivers flexible, customised solutions that are not constrained by owned assets in a typically volatile sector. Activity levels in the mining and manufacturing sectors rebounded strongly in the fourth quarter of 2020 as lockdown restrictions were considerably eased. The anticipated recovery in several key African markets from 2021 onwards, complemented by the beneficial ramifications of the African Continental Free Trade Area's implementation, could provide significant trade and investment opportunities for South African businesses, particularly in the industrial industry.

Directorate and executive management changes

Ms Harriet-Ann (Bola) Adesola and Ms Juliet Anammah, both of Nigeria, were appointed as independent non-executive directors of Imperial with effect from 22 February 2021. Ms Adesola is a qualified attorney and a director on the boards of the Lagos State Employment Trust Fund Board of Trustees (Chairman), FinTech Association of Nigeria (Trustee), Capital Club West Africa (Director), Standard Chartered Bank, Mauritius (Chairman), Standard Chartered Bank, Ghana (Director), United Nations Global Compact Board (Co-Vice Chairman), Healthcare Federation of Nigeria (Trustee), and Aloseda Ltd, Lagos (Director).

Ms Anammah is a qualified pharmacist and a director on the boards of Jumia Nigeria (Chairman), Flour Mills of Nigeria (Non-Executive Director), APT Pensions (Non-Executive Director), FBN Holdings (Independent Non-Executive Director), Consultative Group to Assist the Poor (Member of Executive Committee) and Energy Entrepreneurs Growth Fund (Member of Investment Committee).

As we are progressing our 'Gateway to Africa' strategy, both appointments are critical to diversifying the skills on our Board and are in line with our Board succession planning. The Board welcomes Ms Adesola and Ms Anammah, and looks forward to the experience and knowledge they will contribute and the value they will add.

Ms Bridget Radebe was appointed to succeed Mr Graham Dempster as Chairman of the audit committee from 1 September 2020. Mr Graham Dempster remains a member of the audit committee.

Mr Rohan Venter resigned as Company Secretary with effect from 9 November 2020. Mr Jeetesh Ravjee, Group Legal Executive, was appointed as acting Company Secretary on the same date until a permanent appointment is made.

Prospects

Many of our markets continue to face increasing uncertainty and volatility, being in various levels of lockdown and restrictions. However, as some of these restrictions are easing and COVID-19 vaccines are in the process of being rolled out, volumes and operating activities are improving – but the business is not yet at pre-COVID-19 levels.

It remains to be seen how the second wave of COVID-19 will fully impact the business. Forecasts indicate that most economies in the key African markets in which we operate contracted in 2020, with low to modest growth expected in 2021. We therefore expect volatile trading conditions across the markets in which we operate until some level of normalisation is reached around the COVID-19 pandemic.

At this stage, for the 12 months to 30 June 2021, subject to stable currencies, steady recovery in volumes and revenue on the back of easing COVID-19 restrictions, as well as a recovery from current levels in markets in which we operate, we expect Imperial's continuing operations to deliver:

> Double-digit revenue growth compared to F2020.
> Double-digit operating profit growth compared to F2020.
> Double-digit growth in continuing HEPS compared to F2020.
> Double-digit growth in core EPS compared to F2020.
> Strong free cash flow generation – free cash conversion expected to be between 70% and 75%.

Imperial's balance sheet remains strong and resilient, with headroom in terms of debt capacity and liquidity to facilitate our strategic growth aspirations. We have a strong pipeline of new business opportunities which we are working hard to translate into new contracts. While we will continue to meet the demands and manage the implications of the pandemic in the short term, we will also ensure that we continue to deliver on our strategic objectives.

The organisational structure to support our strategy has been implemented, and we have a highly motivated and dedicated team to deliver our strategy and initiatives. We have a clear focus on organic growth through new contract gains, as well as on the integration of our acquisitions to unlock stakeholder value. At the same time, our focus remains on delivering the best from our current operations by making them lean and efficient, servicing our clients profitably, executing flawlessly and growing organically, while still delivering on our strategy. We thank our shareholders and funders for their ongoing support.

Mohammed Akoojee
Group Chief Executive Officer

George de Beer
Group Chief Financial Officer

23 February 2021

Declaration of interim ordinary dividend

Imperial™
beyond possibility

For the six months ended 31 December 2020 notice is hereby given that a gross interim ordinary dividend in the amount of 83,00 cents per ordinary share has been declared by the board of Imperial, payable to the holders of the 202 074 388 ordinary shares. The dividend will be paid out of income reserves.

The ordinary dividend will be subject to a local dividend tax rate of 20%. The net ordinary dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 66,40000 cents per share.

The company has determined the following salient dates for the payment of the ordinary dividend:

	2021
Declaration date	Tuesday, 23 February
Last day for ordinary shares to trade cum ordinary dividend	Tuesday, 16 March
Ordinary shares commence trading ex-ordinary dividend	Wednesday, 17 March
Record date	Friday, 19 March
Payment date	Tuesday, 23 March

The company's income tax number is 9825178719.

Share certificates may not be dematerialised or rematerialised between Wednesday, 17 March 2021 and Friday, 19 March 2021, both days inclusive.

J Ravjee
Acting Group Company Secretary

23 February 2021

Disclaimer

Certain information presented in this results announcement constitutes alternate financial measures which are presented for illustrative purposes only. The responsibility for preparing and presenting the alternate financial measures and for the completeness and accuracy thereof is that of the directors of Imperial. Because of its nature, the alternate financial measures may not fairly present Imperial's financial position, changes in equity, and results of operations or cash flows. The alternate financial measures and any forecast financial information contained in this results announcement is based on information available at the time of publication and has not been audited or reviewed or otherwise reported on by the external auditors of Imperial.

Condensed consolidated statement of profit or loss

for the six months ended 31 December 2020

R million	Notes	% change	**Six months ended December 2020**	Six months ended December 2019*	Financial year ended June 2020
CONTINUING OPERATIONS					
Revenue		15	**26 360**	22 955	46 380
Net operating expenses			**(23 809)**	(20 361)	(42 282)
Profit from operations before depreciation and recoupments			**2 551**	2 594	4 098
Depreciation, amortisation, impairments and recoupments			**(1 350)**	(1 131)	(2 639)
Operating profit		(18)	**1 201**	1 463	1 459
Profit on sale of properties net of impairments			**10**	15	(194)
Amortisation and impairment of intangible assets arising on business combinations			**(195)**	(174)	(393)
Foreign exchange gains			**263**	18	93
Other non-operating items	8		**(435)**	(32)	52
Profit before net finance costs			**844**	1 290	1 017
Net finance cost	9	27	**(395)**	(312)	(762)
Profit before share of results of associates and joint ventures			**449**	978	255
Share of results of associates and joint ventures			**8**	4	22
Profit before tax			**457**	982	277
Income tax expense			**(158)**	(316)	(159)
Profit for the period from continuing operations		(55)	**299**	666	118
DISCONTINUED OPERATIONS			**582**	(166)	(344)
Net loss from Consumer Packaged Goods (CPG)				(283)	(305)
Net profit (loss) from the European shipping business			**582**	117	(39)
Net profit (loss) for the period			**881**	500	(226)
Net profit (loss) attributable to:					
Owners of Imperial			**814**	423	(303)
– Continuing operations			**232**	590	42
– Discontinued operations			**582**	(167)	(345)
Non-controlling interests			**67**	77	77
– Continuing operations			**67**	76	76
– Discontinued operations				1	1
Earnings (loss) per share (cents)					
Continuing operations					
– Basic		(60)	**125**	311	22
– Diluted		(60)	**120**	301	22
Discontinued operations					
– Basic			**312**	(88)	(183)
– Diluted			**301**	(85)	(177)
Total operations					
– Basic			**437**	223	(161)
– Diluted			**421**	216	(155)

* *Represented for the classification of the European shipping business as a discontinued operation.*

Condensed consolidated statement of comprehensive income

for the six months ended 31 December 2020

R million	**Six months ended December 2020**	Six months ended December 2019	Financial year ended June 2020
Net profit (loss) for the period	**881**	500	(226)
Other comprehensive income	**(1 091)**	(42)	909
Items that may be reclassified subsequently to profit or loss	**(1 091)**	(42)	975
Exchange (losses) gains arising on translation of foreign operations	**(1 115)**	(52)	1 004
Movement in hedge accounting reserve	**33**	13	(40)
Income tax relating to items that may be classified to profit or loss	**(9)**	(3)	11
Items that may not be reclassified subsequently to profit or loss			(66)
Remeasurement of defined benefit obligations			(100)
Income tax on remeasurement of defined benefit obligations			34
Total comprehensive (loss) income for the period	**(210)**	458	683
Total comprehensive (loss) income attributable to:			
Owners of Imperial	**(161)**	376	475
Non-controlling interests	**(49)**	82	208
	(210)	458	683

Earnings per share information

for the six months ended 31 December 2020

R million	% change	**Six months ended December 2020**	Six months ended December 2019*	Financial year ended June 2020
Headline earnings reconciliation				
Earnings		**814**	423	(303)
– Continuing operations	(61)	**232**	590	42
– Discontinued operations		**582**	(167)	(345)
Recoupment from the disposal of property, plant and equipment (IAS 16)		**(31)**	(41)	(54)
Loss on disposal of intangible assets (IAS 38)			3	4
Impairment of property, plant and equipment (IAS 36)				89
Impairment of right-of-use assets (IFRS 16)				140
Impairment of intangible assets (IAS 36)				121
Impairment of goodwill (IAS 36)		**11**	6	223
(Impairment reversal) impairment of investment in associates and joint ventures (IAS 28)		**(2)**		2
Loss on disposal of subsidiaries, associates and businesses (IFRS 10 and IAS 28)		**54**	20	(17)
Impairment of businesses held-for-sale		**415**		
Foreign exchange gain reclassified to profit or loss (IAS 21)		**(364)**		(160)
Tax effects of remeasurements		**8**	10	(89)
Non-controlling interests' share of remeasurements		**13**	7	(6)
Net headline earning adjustments for discontinued operations		**(573)**	(69)	248
Headline earnings^	(4)	**345**	359	198
– Continuing operations	(44)	**336**	595	295
– Discontinued operations		**9**	(236)	(97)
Headline earnings per share (cents)^				
Continuing operations				
– Basic	(43)	**180**	315	156
– Diluted	(43)	**173**	305	151
Discontinued operations				
– Basic		**5**	(125)	(51)
– Diluted		**5**	(121)	(50)
Total operations				
– Basic		**185**	190	105
– Diluted		**178**	184	101
ADDITIONAL INFORMATION				
Net asset value per share		**3 718**	4 024	3 783
Dividend per ordinary share (cents)		**83**	167	167
Number of ordinary shares in issue (million)				
– total shares		**202,1**	201,2	202,1
– net of shares repurchased		**190,7**	192,7	193,5
– weighted average for basic		**186,4**	189,3	188,6
– weighted average for diluted		**193,5**	195,4	195,2
Number of other shares (million)				
– Deferred ordinary shares to convert to ordinary shares		**4,2**	5,0	4,2

* *Represented for the classification of the European shipping business as a discontinued operation.*
^ *Headline earnings per SAICA Headline Earnings Circular 1/2019.*

Condensed consolidated statement of financial position

at 31 December 2020

R million	Note	December 2020	December 2019*	June 2020
ASSETS				
Goodwill and intangible assets	10	**6 322**	6 743	7 084
Investment in associates and joint ventures		**259**	503	198
Property, plant and equipment		**3 004**	2 630	3 326
Transport fleet		**3 308**	5 644	5 186
Right-of-use assets		**4 576**	4 714	5 422
Deferred tax assets		**1 468**	1 199	1 510
Investments and other financial assets		**458**	192	271
Inventories		**2 546**	2 408	2 676
Tax in advance		**134**	350	221
Trade, other receivables and contract assets		**7 474**	9 203	7 934
Cash resources		**1 596**	1 167	3 374
Assets of disposal group		**1 353**		598
Assets of discontinued operations			171	4 726
Total assets		**32 498**	34 924	42 526
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and share premium		**1 030**	1 030	1 030
Shares repurchased		**(886)**	(788)	(789)
Other reserves		**532**	717	1 397
Retained earnings		**6 414**	6 796	5 682
Attributable to owners of Imperial		**7 090**	7 755	7 320
Put arrangement over non-controlling interest		**(218)**	(492)	(266)
Non-controlling interests		**1 000**	889	1 218
Total equity		**7 872**	8 152	8 272
Liabilities				
Retirement benefit obligations		**1 012**	1 314	1 109
Interest-bearing borrowings		**7 105**	8 520	11 765
Lease obligations		**5 185**	5 159	6 080
Deferred tax liabilities		**875**	937	901
Other financial liabilities		**1 073**	1 117	1 415
Trade, other payables and provisions		**9 014**	9 488	10 066
Current tax liabilities		**228**	237	375
Liabilities associated with disposal group		**134**		356
Liabilities of discontinued operations				2 187
Total liabilities		**24 626**	26 772	34 254
Total equity and liabilities		**32 498**	34 924	42 526

* *Restated for the adoption of IFRIC 23 – Uncertainty over Income Tax Treatments (refer to note 2.1).*

Condensed consolidated statement of changes in equity

for the six months ended 31 December 2020

R million	Share capital and premium	Shares repurchased	Other reserves	Retained earnings	Attributable to owners of Imperial	Put arrangement over non-controlling interest	Non-controlling interests	Total equity
At 30 June 2019	1 030	(586)	761	6 569	7 774	(527)	913	8 160
Total comprehensive income for the period			(47)	423	376		82	458
Share-based cost charged to profit or loss			68		68		(1)	67
Share-based equity reserve transferred to retained earnings on vesting			(12)	12				
Treasury shares cancelled delivered to settle share-based obligations		23	(23)					
Ordinary dividends paid				(208)	(208)			(208)
Repurchase of shares		(225)			(225)			(225)
Non-controlling interests acquired, net of disposals							19	19
Net decrease in non-controlling interests through buy-outs			(30)		(30)	35	(50)	(45)
Non-controlling interests share of dividends							(74)	(74)
At 31 December 2019	1 030	(788)	717	6 796	7 755	(492)	889	8 152
At 30 June 2020	**1 030**	**(789)**	**1 397**	**5 682**	**7 320**	**(266)**	**1 218**	**8 272**
Total comprehensive income for the period			**(975)**	**814**	**(161)**		**(49)**	**(210)**
Share-based cost charged to profit or loss			**69**		**69**			**69**
Share-based equity reserve transferred to retained earnings on vesting			**82**	**(82)**				
Treasury shares cancelled delivered to settle share-based obligations		**4**	**(4)**					
Share-based equity reserve hedge cost			**11**		**11**			**11**
Repurchase of shares		**(101)**			**(101)**			**(101)**
Non-controlling interests acquired, net of disposals			**7**		**7**		**(54)**	**(47)**
Net decrease in non-controlling interests through buy-outs			**(55)**		**(55)**	**48**	**(63)**	**(70)**
Non-controlling interests share of dividends							**(52)**	**(52)**
At 31 December 2020	**1 030**	**(886)**	**532**	**6 414**	**7 090**	**(218)**	**1 000**	**7 872**

Condensed consolidated statement of cash flows

for the six months ended 31 December 2020

R million	**Six months ended December 2020**	Six months ended December 2019	Financial year ended June 2020
Cash flows from operating activities			
Cash generated by operations before movements in net working capital	**2 587**	2 682	4 536
Movements in net working capital	**(1 009)**	(1 094)	559
Cash generated by operations before interest and taxes paid	**1 578**	1 588	5 095
Net interest paid	**(379)**	(422)	(918)
Tax paid	**(304)**	(261)	(367)
	895	905	3 810
Cash flows from investing activities			
Net disposal (acquisition) of subsidiaries and businesses	**3 390**	(75)	(276)
Expansion capital expenditure	**(238)**	(483)	(747)
Net replacement capital expenditure	**(63)**	(332)	(735)
Net movement in associates and joint ventures	**(69)**	39	45
Net movement in investments, loans and non-current financial instruments	**(74)**	14	(59)
	2 946	(837)	(1 772)
Cash flows from financing activities			
Hedge cost premium paid			(2)
Settlement of interest-rate swap instruments		(10)	(11)
Repurchase of ordinary shares	**(101)**	(225)	(225)
Dividends paid	**(52)**	(282)	(658)
Cash paid on change in non-controlling interests	**(118)**	(80)	(277)
Net (decrease) increase in interest-bearing borrowings	**(4 622)**	1 178	2 828
Payments of lease obligations	**(913)**	(1 138)	(2 032)
	(5 806)	(557)	(377)
Net (decrease) increase in cash resources	**(1 965)**	(489)	1 661
Effects of exchange rate changes on cash resources in a foreign currency	**2**	10	279
Cash resources at beginning of period	**3 586**	1 646	1 646
Cash resources at end of period^	**1 623**	1 167	3 586

^ Included in cash resources is R27 million included in assets of disposal group.

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2020

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and its Interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the group at 31 December 2020 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial reporting pronouncements as issued by the Financial Reporting Standards Council. The results are presented in accordance with IAS 34 – Interim Financial Reporting and comply with the Listings Requirements of the Johannesburg Stock Exchange Limited and the Companies Act of South Africa, 2008. These condensed consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated annual financial statements as at and for the year ended 30 June 2020.

These condensed consolidated financial statements have been prepared under the supervision of WS Buckton, CA(SA) and were approved by the board of directors on 22 February 2021.

2. ACCOUNTING POLICIES

The accounting policies adopted and methods of computation used in the preparation of the condensed consolidated financial statements are in accordance with IFRS and are consistent with those of the annual financial statements for the year ended 30 June 2020.

2.1 Restatement of December 2019 for the adoption of IFRIC 23 – Uncertainty over Income Tax Treatments mid-year 2020

The group adopted IFRIC 23 – Uncertainty over Income Tax Treatments mid-year during fiscal 2020, the financial position at 31 December 2019 is accordingly restated. The adoption of IFRIC 23 increased the groups current tax liabilities by R67 million and reduced equity by the same amount.

In addition to restating for the adoption of IFRIC 23, the statement of financial position has also been restated for the revision to the IFRS 16 Leases to agree to the amounts as published in the June 2020 annual financial statements.

The above restatements had no impact on profit or loss, other comprehensive income and cash flows.

The impact of the above on the statement of financial position at 31 December 2019 was as follows:

	R million
Assets	
Transport fleet	(143)
Deferred tax assets	42
Trade, other receivables and contract assets	15
Total assets	(86)
Liabilities	
Interest-bearing borrowings	(48)
Trade, other payables and provisions	(20)
Current tax liabilities (IFRIC 23)	67
Total liabilities	(1)
Total equity	(85)

3. REPRESENTING 31 DECEMBER 2019 STATEMENT OF PROFIT OR LOSS FOR DISCONTINUED OPERATION

The European shipping business was classified as a discontinued operation at 30 June 2020 and subsequently sold at the end of July 2020. The statement of profit or loss for the six months ended 31 December 2019 are consequently restated to reclassify the results of the European shipping business from continuing operation to discontinued operations. As detailed below the reclassification has had no impact on net profit and cash flows for the period ended 31 December 2019.

	R million
Profit or loss	
Continuing operations	
Revenue	(2 442)
Net operating expenses	2 081
Profit from operations before depreciation and recoupments	(361)
Depreciation, amortisation, impairments and recoupments	188
Operating profit	(173)
Other non-operating items	(10)
Profit before net finance costs	(183)
Net finance cost	26
Profit before share of results of associates and joint ventures	(157)
Share of results of associates and joint ventures	(4)
Profit before tax	(161)
Income tax expense	44
Profit for the period from continuing operations	(117)
Discontinued operations	
Profit for the period from discontinued operations	117
Net profit (loss) attributable to:	
Owners of Imperial	
– Continuing operations	(116)
– Discontinued operations	116
Non-controlling interests	
– Continuing operations	(1)
– Discontinued operations	1
Earnings per share (cents)	
Basic	
– Continuing operations	(61)
– Discontinued operations	61
Diluted	
– Continuing operations	(60)
– Discontinued operations	60

4. BASIS OF SEGMENTATION

In line with the group's strategy, effective 1 July 2020, management of the group has been reorganised from a regional focus to the solutions we offer, with the following major reporting segments:

- Logistics Africa
  - Freight
  - Contract Logistics
- Logistics International
  - Freight
  - Contract Logistics
- Market Access

The reorganisation resulted in the restatement of amounts that were previously disclosed on the segment reports.

R million	December 2020	December 2019	June 2020
5. FOREIGN EXCHANGE RATES			
The following major rates of exchange were used in the translation of the group's foreign operations:			
SA Rand:Euro			
– closing	**17,97**	15,72	19,51
– average	**19,19**	16,29	17,32
SA Rand:US Dollar			
– closing	**14,65**	14,01	17,37
– average	**16,26**	14,68	15,67
SA Rand:Pound Sterling			
– closing	**20,01**	18,51	21,46
– average	**21,23**	18,50	19,74

6. COVENANT COMPLIANCE, CASH AND LIQUIDITY

The group has externally imposed capital requirements in terms of debt covenants on bank facilities. The covenant, which is calculated on a basis pre-IFRS 16 – Leases, requires the group to maintain a net debt:EBITDA* ratio of below 3,25:1.

At 31 December 2020 the group's net debt was R5 509 million and the net debt to EBITDA ratio was 1,82 times. The covenant ratio when calculated on a comparative basis was 2,91 time at 30 June 2020. The improvement in the ratio is a direct consequence of the decrease in net debt which was R8 391 million at 30 June 2020 compared to R5 509 million at 31 December 2020. The receipt of the proceeds from the sale of the European shipping business and the implementation of strict capital management measures during the reporting period resulted in the improvement in the net debt to EBITDA ratio.

At 31 December 2020 the group held cash resources of R1 596 million and had committed undrawn credit facilities of R13 731million.

The following table summarises the maturity profile of the group's financial liabilities based on undiscounted contractual cash flows with the focus on the short term:

Financial liability	Carrying value Rm	< 6 months Rm	6 to 12 months Rm	> 12 Months Rm
Interest-bearing borrowings	**7 105**	**470**	**1 629**	**5 006**
Lease obligations	**5 185**	**967**	**930**	**3 288**
Derivative liabilities	**75**	**4**	**71**	
Put option liabilities	**461**			**461**
Contingent consideration liabilities	**295**	**137**		**158**
Other financial liabilities	**246**			**246**
Trade payables	**7 848**	**7 848**		
	21 215	**9 426**	**2 630**	**9 159**

* *Refer to glossary of terms on page 39.*

7. EXPECTED CREDIT LOSS PROVISIONING

Trade receivables

There has been no significant change in credit risk from what we have assessed at 30 June 2020.

Cash resources

The group deposits cash with reputable financial institutions with investment grade credit ratings assigned by international or recognised credit rating agencies or counterparties authorised by the investment committee. None of the financial institutions displayed significant increase in credit risk during the reporting period.

R million	December 2020	December 2019	June 2020
8. OTHER NON-OPERATING ITEMS			
Remeasurement of financial instruments not held-for-trading	**46**		300
Remeasurement of put option liabilities	**39**		277
Gain on remeasurement of contingent consideration liabilities	**7**		23
Capital items	**(481)**	(32)	(248)
Impairment of goodwill	**(11)**	(6)	(223)
Impairment of businesses held-for-sale	**(415)**		
Loss on disposal of subsidiaries, businesses and associates	**(54)**	(20)	(23)
Impairment of equity investments	**(6)**		(26)
Profit on disposal of associates			40
Impairment reversal (impairment) of investments and loans to associates	**2**	8	(2)
Business acquisition costs	**(16)**	(14)	(21)
Net gains on termination of leases	**19**		7
	(435)	(32)	52
9. NET FINANCE COST			
Net interest paid	**(375)**	(291)	(744)
Fair value losses on interest-rate swap instruments	**(20)**	(21)	(18)
	(395)	(312)	(762)

10. GOODWILL AND INTANGIBLE ASSETS

Movement in goodwill during the period was as follows:

R million	December 2020	December 2019	June 2020
Goodwill			
Cost	**7 341**	7 544	7 814
Accumulated impairment	**(2 722)**	(2 483)	(2 712)
	4 619	5 061	5 102
Carrying value at beginning of period	**5 102**	4 910	4 910
Net acquisition and disposal of businesses	**16**	148	477
Impairment charge	**(11)**	(6)	(223)
Currency adjustments	**(488)**	9	1 057
Reclassified to assets of discontinued operations			(1 119)
Carrying value at end of period	**4 619**	5 061	5 102
Intangible assets	**1 703**	1 682	1 982
Goodwill and intangible assets	**6 322**	6 743	7 084

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The group's financial instruments carried at fair value are classified in three categories defined as follows:

Level 1 financial instruments are those that are valued using unadjusted quoted prices in active markets for identical financial instruments.

Level 2 financial instruments are those valued using techniques based primarily on observable market data. Instruments in this category are valued using quoted prices for similar instruments or identical instruments in markets which are not considered to be active; or valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

Level 3 financial instruments are those valued using techniques that incorporate information other than observable market data. Instruments in this category have been valued using a valuation technique where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS continued

Fair value of financial assets and financial liabilities carried at amortised cost

The fair values of the group's financial assets and financial liabilities approximate their carrying values.

The following table presents the valuation categories used in determining the fair values of financial instruments carried at fair value.

R million	Level 2	Level 3
Financial assets		
Listed investments		
Foreign exchange contracts	11	
Financial liabilities		
Interest-rate swap derivatives	71	
Put option liabilities (option to buy-out non-controlling interest)		461
Contingent consideration liabilities (arising on business combinations)		295
Foreign exchange contracts	4	

Transfers between fair value hierarchy levels

The group recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. There were no transfers between the fair value hierarchies during the period.

Movement in level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing carrying values of level 3 financial instruments carried at fair value.

R million	Put options liabilities	Contingent consideration liabilities	Total
Carrying value at beginning of the period	646	336	982
Arising on business combinations		12	12
Fair valued to profit or loss	(39)	(7)	(46)
Settlements	(48)		(48)
Currency adjustments	(98)	(46)	(144)
Carrying value at end of period	461	295	756

Level 3 sensitivity information

The fair values of the level 3 financial instruments were estimated by applying an income approach valuation method including a present value discount technique. The fair value measurements are based on significant inputs that are not observable in the market. Key assumptions used in the valuations include the assumed probability of achieving profit targets, expected future cash flows and the discount rates applied. The assumed profitabilities were based on historical performances but adjusted for expected growth.

R million	Carrying value	Increase in carrying value	Decrease in carrying value
FINANCIAL INSTRUMENT | KEY ASSUMPTION			
Put option liabilities | Earnings growth	461	9	(9)
Contingent consideration liabilities | Assumed profits	295	22	(30)

R million	December 2020	December 2019	June 2020
12. CONTINGENCIES AND COMMITMENTS			
Capital commitments	110	233	114
Contingent liabilities	514	394	786

13. BUSINESS COMBINATIONS

There were no material acquisition of businesses during the reporting period or before the financial statements were authorised for issue, and the amount referred to on page 4 and page 21 of the commentary includes investments made into new associates.

14. EVENTS AFTER THE REPORTING PERIOD

Refer to the dividend declaration on page 25.

PROFIT OR LOSS FOR THE SIX MONTHS ENDED 31 DECEMBER

R million	Freight Dec 2020	Freight Dec 2019	Contract Logistics Dec 2020	Contract Logistics Dec 2019	Market Access Dec 2020	Market Access Dec 2019	Head Office and Eliminations Dec 2020	Head Office and Eliminations Dec 2019	Businesses held-for-sale Dec 2020	Businesses held-for-sale Dec 2019	Total Logistics: Continuing Dec 2020	Total Logistics: Continuing Dec 2019	Discontinuing: CPG and Shipping Dec 2020	Discontinuing: CPG and Shipping Dec 2019
Revenue	**12 178**	10 119	**6 604**	6 897	**7 415**	5 480	**(192)**	(25)	**355**	484	**26 360**	22 955	**272**	3 113
– Logistics Africa	**5 752**	5 310	**2 325**	2 951			**(192)**	(25)			**7 885**	8 236		671
– Market Access					**7 415**	5 480			**147**	213	**7 562**	5 693		
– Logistics International	**6 426**	4 809	**4 279**	3 946					**208**	271	**10 913**	9 026	**272**	2 442
EBITDA	**1 225**	1 232	**836**	778	**500**	566	**1**	5	**(11)**	13	**2 551**	2 594	**57**	(20)
– Logistics Africa	**710**	712	**272**	346			**1**	5			**983**	1 063		(381)
– Market Access					**500**	566			**(21)**	(51)	**479**	515		
– Logistics International	**515**	520	**564**	432					**10**	64	**1 089**	1 016	**57**	361
Operating profit	**592**	733	**237**	241	**422**	506	**(2)**	1	**(48)**	(18)	**1 201**	1 463	**21**	(232)
– Logistics Africa	**358**	464	**115**	163			**(2)**	1			**471**	628		(405)
– Market Access					**422**	506			**(22)**	(53)	**400**	453		
– Logistics International	**234**	269	**122**	78					**(26)**	35	**330**	382	**21**	173
Depreciation, amortisation, impairments and recoupments	**(719)**	(587)	**(618)**	(541)	**(158)**	(128)	**(3)**	(2)	**(37)**	(32)	**(1 535)**	(1 290)	**(36)**	(212)
– Logistics Africa	**(345)**	(255)	**(175)**	(184)			**(3)**	(2)			**(523)**	(441)		(24)
– Market Access					**(158)**	(128)			**(1)**	(2)	**(159)**	(130)		
– Logistics International	**(374)**	(332)	**(443)**	(357)					**(36)**	(30)	**(853)**	(719)	**(36)**	(188)
Net finance cost	**(154)**	(47)	**(122)**	(132)	**(75)**	(76)	**(6)**	(3)	**(38)**	(54)	**(395)**	(312)	**(4)**	(142)
– Logistics Africa	**(109)**	(19)	**(62)**	(85)			**(6)**	(3)			**(177)**	(107)		(116)
– Market Access					**(75)**	(76)			**(5)**	(12)	**(80)**	(88)		
– Logistics International	**(45)**	(28)	**(60)**	(47)					**(33)**	(42)	**(138)**	(117)	**(4)**	(26)
Pre-tax profits^	**335**	613	**85**	105	**237**	356	**354**	(9)	**(89)**	(65)	**922**	1 000	**18**	(370)
– Logistics Africa	**243**	461	**27**	76			**354**	(9)			**624**	528		(521)
– Market Access					**237**	356			**(27)**	(65)	**210**	291		
– Logistics International	**92**	152	**58**	29					**(62)**		**88**	181	**18**	151
Additional segment information														
Analysis of depreciation, amortisation, impairments and recoupments	**(719)**	(587)	**(618)**	(541)	**(158)**	(128)	**(3)**	(2)	**(37)**	(32)	**(1 535)**	(1 290)	**(36)**	(212)
Depreciation and amortisation	**(647)**	(511)	**(605)**	(548)	**(79)**	(60)	**(3)**	(3)	**(37)**	(32)	**(1 371)**	(1 154)	**(36)**	(211)
Recoupments and impairments	**25**	29	**6**	10				(1)			**31**	38		(1)
Amortisation and impairment of intangible assets arising on business combinations	**(97)**	(105)	**(19)**	(3)	**(79)**	(68)		2			**(195)**	(174)		
Associate income included in pre-tax profits	**(1)**	(4)	**2**		**7**	9		(1)			**8**	4	**1**	4
Operating margin (%)	**4,9**	7,2	**3,6**	3,5	**5,7**	9,2	**1,0**	(4,0)			**4,6**	6,4	**7,7**	(7,4)

^ *Refer to glossary of terms on page 39.*

Segmental information – continued operations

as at 31 December 2020

FINANCIAL POSITION AT 31 DECEMBER

	Imperial			Logistics Africa			Market Access			Logistics International			CPG			Shipping			Eliminations		
	December		June	December		June	December		June	December		June	December		June	December		June	December		June
R million	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019	2020
Assets																					
Goodwill and intangible assets	**6 322**	6 743	7 084	**269**	196	296	**2 481**	2 179	2 948	**3 473**	4 363	3 824							**99**	5	16
Property, plant and equipment	**3 004**	2 630	3 326	**1 435**	1 004	1 509	**289**	334	342	**1 186**	1 194	1 374							**94**	98	101
Transport fleet	**3 308**	5 644	5 186	**2 999**	3 037	3 146				**309**	2 607	2 040									
Right-of-use assets	**4 576**	4 714	5 422	**1 397**	1 476	1 732	**296**	233	314	**2 883**	2 941	3 376		63						1	
Investments in associates (excluding loans advanced to associates)	**230**	452	160	**15**	285	14	**122**	37	44	**93**	125	102								5	
Investments	**106**	33	92	**25**	25	22				**36**	31	11							**45**	(23)	59
Inventories	**2 546**	2 408	2 676	**324**	207	285	**2 091**	2 026	2 208	**132**	176	183							**(1)**	(1)	
Trade, other receivables and contract assets	**7 474**	9 203	7 934	**2 768**	3 118	2 473	**2 121**	2 270	1 943	**2 729**	3 554	3 534		379					**(144)**	(118)	(16)
Operating assets^	**27 566**	31 827	31 880	**9 232**	9 348	9 477	**7 400**	7 079	7 799	**10 841**	14 991	14 444		442					**93**	(33)	160
– South Africa	**9 325**	9 757	9 637	**9 232**	9 348	9 477								442					**93**	(33)	160
– Rest of Africa	**7 400**	7 079	7 799				**7 400**	7 079	7 799												
– International	**10 841**	15 119	14 444							**10 841**	15 119	14 444									
Liabilities																					
Retirement benefit obligations	**1 012**	1 314	1 109							**1 012**	1 314	1 109									
Trade, other payables and provisions	**9 014**	9 488	10 066	**3 081**	2 775	3 295	**2 407**	2 572	2 462	**3 491**	2 985	4 112		1 152					**35**	4	197
Other financial liabilities	**612**	188	769	**26**	27	13	**516**	116	649	**29**	26	49							**41**	19	58
Operating liabilities^	**10 638**	10 990	11 944	**3 107**	2 802	3 308	**2 923**	2 688	3 111	**4 532**	4 325	5 270		1 152					**76**	23	255
– South Africa	**3 183**	3 977	3 563	**3 107**	2 802	3 308								1 152					**76**	23	255
– Rest of Africa	**2 923**	2 688	3 111				**2 923**	2 688	3 111												
– International	**4 532**	4 325	5 270							**4 532**	4 325	5 270									
Net working capital*^	**1 006**	2 123	544	**11**	550	(537)	**1 805**	1 724	1 689	**(630)**	745	(395)		(773)					**(180)**	(123)	(213)
– South Africa	**(169)**	(346)	(750)	**11**	550	(537)								(773)					**(180)**	(123)	(213)
– Rest of Africa	**1 805**	1 724	1 689				**1 805**	1 724	1 689												
– International	**(630)**	745	(395)							**(630)**	745	(395)									
Net debt	**5 509**	7 353	8 391	**2 498**	2 702	2 705	**1 497**	1 154	1 302	**1 485**	3 656	4 460							**29**	(159)	(76)
– South Africa	**2 527**	2 543	2 629	**2 498**	2 702	2 705													**29**	(159)	(76)
– Rest of Africa	**1 497**	1 154	1 302				**1 497**	1 154	1 302												
– International	**1 485**	3 656	4 460							**1 485**	3 656	4 460									
Lease obligations	**5 185**	5 159	6 080	**1 638**	1 656	1 981	**333**	262	348	**3 213**	3 080	3 751		161					**1**		
– South Africa	**1 639**	1 817	1 981	**1 638**	1 656	1 981								161					**1**		
– Rest of Africa	**333**	262	348				**333**	262	348												
– International	**3 213**	3 080	3 751							**3 213**	3 080	3 751									
Net capital expenditure^	**(301)**	(815)	(1 482)	**(51)**	(453)	(786)	**(26)**	(65)	(79)	**(108)**	(94)	(280)		(8)	24	**(32)**	(184)	(357)	**(84)**	(11)	(4)
– South Africa	**(135)**	(472)	(766)	**(51)**	(453)	(786)								(8)	24				**(84)**	(11)	(4)
– Rest of Africa	**(26)**	(65)	(79)				**(26)**	(65)	(79)												
– International	**(140)**	(278)	(637)							**(108)**	(94)	(280)				**(32)**	(184)	(357)			

* *Net working capital relating to the CPG discontinued operation that was recovered or settled through the ordinary course of business and not through sale was shown separately in the prior year reported segment but combined in the Logistics Africa segment in the current year.*

^ *Refer to glossary of terms on page 39.*

Glossary of terms

Asset intensity	> PPE transport fleet, right-of-use assets and working capital as a percentage of revenue.
Earnings yield (%)	> the headline earnings per share divided by the closing price of a share.
EBITDA	> profit from operations before depreciation and recoupments.
EBITDA used for bank covenants	> Earnings pre-IFRS 16 Leases after non-controlling interest before interest, taxes and depreciation.
Continuing free cash conversion	> calculated by dividing continuing EBITDA less continuing capital expenditure by continuing EBITDA.
Free cash flow	> calculated by deducting replacement capital expenditure and lease payments from the cash flow from operating activities.
Free cash flow from continuing operations to headline earnings from continuing operations ratio	> free cash flow from continuing operations divided by headline earnings from continuing operations.
Free cash flow per share	> calculated by dividing free cash flow by the weighted average number of shares used in the basic earnings per share calculation.
Margin above WACC %	> is the difference between ROIC and WACC.
Net asset value per share	> equity attributable to owners of Imperial divided by total ordinary shares in issue net of shares repurchased (the deferred ordinary shares only participate to the extent of their par value of 0,04 cents).
Net debt	> is interest-bearing borrowings, less cash resources.
Net debt to EBITDA used for bank covenants	> net bank debt divided EBITDA used for bank covenants.
Net debt:equity % (excluding lease liability)	> net debt excluding lease obligations as a percentage of equity.
Net debt:equity % (including lease liability)	> net debt as a percentage of equity.
Net capital expenditure	> is the aggregate of the expansion and replacement capital expenditure net of proceeds on sale.
Net working capital	> is inventories plus trade, other receivables and contract assets less trade and other payables and provisions.
Net income tax (liabilities) assets	> current tax assets less current tax liabilities plus deferred tax assets less deferred tax liabilities.
Operating assets	> total assets less loans receivable, tax assets and assets of disposal group.
Operating liabilities	> total liabilities less interest-bearing borrowings, tax liabilities and put option liabilities.
Operating margin (%)	> operating profit as a percentage of revenue.
Operating profit	> profit from business operations (gross profit minus operating expenses and depreciation).

Glossary of terms continued

Operating profit to average net operating assets (%)	> operating profit divided by average net operating assets.
Pre-tax profit	> calculated as profit before tax, impairment of goodwill and profit or loss on sale of investment in subsidiaries, associates and joint ventures and other businesses.
Price earnings ratio (times)	> the closing price of a share divided by the headline earnings per share.
Return on invested capital (ROIC) (%)	> this is the return divided by invested capital. > return is calculated by reducing the operating profit by a blended tax rate, which is an average of the actual tax rates applicable in the various jurisdictions in which Imperial operates, increased by the share of result of associates and joint ventures. > invested capital is a 12-month average of total equity plus interest-bearing borrowings less cash resources.
Return on average ordinary shareholders' interest (%)	> net profit attributable to owners of Imperial divided by average shareholders' equity (calculated by using the opening and closing balances) attributable to Imperial shareholders.
Revenue relating to sale of goods to average inventory (times)	> revenue relating to sale of goods divided by average inventory.
Revenue to average net operating assets (times)	> revenue divided by average net operating assets.
Total taxes and levies paid	> made up of South African normal tax, secondary tax on companies, foreign tax, rates and taxes, skills development and unemployment insurance fund levies.
Total market capitalisation at closing prices (Rm)	> total ordinary shares in issue before treasury shares multiplied by the closing price per share.
Weighted average cost of capital (WACC) (%)	> calculated by multiplying the cost of each capital component by its proportional weight, therefore: WACC = (after tax cost of debt % multiplied by average debt weighting) + (cost of equity multiplied by average equity weighting). The cost of equity is blended recognising the cost of equity in the different jurisdictions in which Imperial operates.

Corporate information

Imperial
beyond possibility

Imperial Logistics Limited

Registration number: 1946/021048/06
Ordinary share code: IPL
ISIN: ZAE000067211

Directors

P Langeni# (Chairman), M Akoojee (Group Chief Executive Officer), H Adesola##, J Anammah##, GW Dempster## (Lead Independent Non-Executive Director), P Cooper##, RJA Sparks##, B Radebe##, D Reich##*, JG de Beer (Group Chief Financial Officer)

\# *Non-executive*
\## *Independent non-executive*
* *Swiss*

Acting Group Company Secretary

J Ravjee

Executive Vice President: Corporate Affairs and Investor Relations

E Mansingh

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The results announcement is available on the Imperial website:
www.imperiallogistics.com/interim-results.php

www.imperiallogistics.com

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www.imperiallogistics.com