SEPHAKU
HOLDINGS LTD

(Incorporated in the Republic of South Africa)
(Registration number: 2005/003306/06)
Share code: SEP
ISIN: ZAE000138459
("SepHold" or "the Company")

Unaudited condensed consolidated interim financial results

for the six months ended

30 September 2024

SEPHOLD IS PLEASED TO ANNOUNCE THE GROUP'S UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

for the six months to 30 September 2024

Sephaku Holdings Limited (SepHold or the Company) is a JSE-listed company with a portfolio of investments focused on the building and construction materials industry. SepHold's investment portfolio comprises:

- a 100% subsidiary, Métier Mixed Concrete Proprietary Limited (Métier or the Subsidiary).
- a 36% associate, Dangote Cement South Africa Proprietary Limited (Sephaku Cement, SepCem or the Associate).

SepHold, Metier and SepCem are collectively referred to as the Group.

www.sephakuholdings.com

INVESTOR PRESENTATION WEBCAST AND CONFERENCE CALL

The results webcast and conference call for investors will be at 11:00 SAST on 11 November 2024. Pre-registration is required and can be done using the following links to obtain the dial-in details: SepHold FY 2025 interim results webcast registration link, and SepHold FY 2025 interim results conference call registration link.

The results presentation will be available on the Company website from 07:45hs on 11 November 2024 at the following link: https://sephakuholdings.com/investor-centre/presentations/

Replay dial-in details

South Africa	010 500 4108
International	+27 10 500 4108
Access code	43307#

FORWARD-LOOKING STATEMENTS

Forward-looking information in this report is the responsibility of the SepHold board and has not been reviewed or reported on by the Company's external auditors.

Group[1]

- **Group consolidated revenue: R613,8 million**
  (H1 2024: R626,6 million)
- **Net profit after tax: R32,6 million**
  (H1 2024 net profit after tax: R19,7 million)
- **Basic earnings per share: 13.91 cents**
  (H1 2024 basic earnings per share: 7.74 cents)
- **Headline earnings per share: 13.78 cents**
  (H1 2024 headline earnings per share: 7.54 cents)
- **Net asset value per share: 538.66 cents**
  (H1 2024: 467.56 cents)

Métier[1]

- **EBITDA margin: 11.2% at R69,0 million**
  (H1 2024: 11.2% at R70,3 million)*
- **EBIT margin: 8.0% at R48,8 million**
  (H1 2024: 8.4% at R52,3 million)
- **Profit after tax: R36,6 million**
  (H1 2024 profit after tax: R37,8 million)

SepCem[2]

- **Sales revenue: R1,3 billion**
  (H1 2023: R1,24 billion)
- **EBITDA margin: 11.3% at R146,7 million**
  (H1 2023: 8.6% at R106,9 million)
- **EBIT margin: 4.8% at R60,9 million**
  (H1 2023: 1.1% at R14,2 million)
- **Net profit after tax: R5,0 million**
  (H1 2023 net loss after tax: R38,9 million)
- **SepCem 36% equity accounted profit: R1,5 million**
  (H1 2023 equity accounted loss: R14,0 million)

[1] *Figures refer to the interim period ended 30 September 2024 for the financial year ending 31 March 2025, and H1 2024 refers to the six months ended 30 September 2023 for the financial year ended 31 March 2024.*

[2] *SepCem has a December year-end as a subsidiary of Dangote Cement PLC. Therefore, the figures refer to the six months ended 30 June 2024, and H1 2023 refers to the figures for the interim ended 30 June 2023.*

* *Métier EBITDA margin for H1 2024 was previously reported as 10.0% at R62,8 million due to the IFRS 16 depreciation of R7,5 million being incorrectly included.*

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

for the six months ended 30 September 2024

Message from the Chief Executive Officer, Kenneth Capes

The South African economy remained subdued during the first six months of the financial year, contracting marginally during the first quarter of calendar 2024 and growing by only 0.4% during the second quarter. Positive trends emerged during the period as inflation declined, the Rand strengthened against the US Dollar, electricity supply stabilised and the first of the anticipated interest rate reductions was announced in September.

However, low levels of infrastructure investment continued to weigh heavily on the construction sector and the related building and construction materials markets. While the reduction in fuel prices provided relief to businesses and consumers, cost inflation did not moderate for other essential goods and services, such as electricity and food.

Against this background, SepHold's businesses, Métier and SepCem, experienced low sales volumes and continued to mitigate the effects of difficult market conditions with cost efficiencies and targeted sales strategies. Both businesses capitalised on available opportunities in their markets.

Métier experienced a significant decline in overall sales volumes but countered the impact on revenue with strong cost controls. Price increases implemented in January 2024 contributed to EBITDA growth. However, an unforeseen maintenance cost adversely impacted net profit after tax. Métier continued to invest in growth opportunities, expanding its operations to accommodate new contracts to supply concrete to two large infrastructure development projects in KwaZulu-Natal (KZN) and growing its presence in the Western Cape.

SepCem delivered a sound financial performance, achieving modest growth in sales volumes and supporting revenue growth with nominal price increases. EBITDA normalised following the anomalous performance during the prior year when coal and fly ash supply constraints and an extended kiln stoppage depleted inventories. As a result, SepCem's 36% equity-accounted profit in the Group's interim profit and loss statement turned around from a R14 million loss to a R1.5 million profit for the period under review.

COMMENTARY

MÉTIER

Métier experienced a 12% to 15% reduction in overall sales volumes in subdued and competitive operating conditions, but limited the impact on revenue by maintaining disciplined cost controls.

Price increases commensurate with customers' technical product specifications and complex logistical requirements were maintained and contributed to keeping EBITDA to just over R1 million below the comparative period. Net profit after tax was also lower than the prior period, mainly due to an unforeseen increase in maintenance costs in the pumping division.

Métier continued to invest in the growth of its plant network to position its regional operations for growth opportunities and maintain its customer promise of product quality and service excellence. An increase in property, plant and equipment was largely attributable to the R21 million cash purchase of the property that houses Métier's Phoenix plant in KZN and the addition of two more plants to cater for new civil construction projects that commenced production during the period under review. Métier is also establishing a second plant in the Western Cape that will start operating in November 2024.

Higher depreciation costs related to fleet expansion contributed to the reduction in EBIT but the acquisitions will improve fleet performance and reduce maintenance costs.

As a technical partner of choice to its customers, Métier invested in the expansion of its technical skills base to ensure that it is equipped with adequate capacity for current technical projects and future growth prospects.

Métier maintains high standards of safety performance and routinely assesses its impacts on communities.

SEPHAKU CEMENT

SepCem's interim reporting period is for the six months from 1 January to 30 June 2024. This differs from the 1 April to 30 September 2024 interim reporting period of the Group and Métier.

SepCem reported a modest (<2%) increase in sales volumes in subdued market conditions, with bulk sales to industrial customers partially offsetting lower retail sales. Higher volumes and a nominal price increase in February contributed to the revenue growth.

EBITDA increased significantly compared to the prior year, when operational challenges led to inventory depletion and an EBITDA loss in the first half of the year. During the period under review, on-target production resulted in more favourable inventory movements.

SepCem's performance was supported by lower route-to-market costs as a result of lower fuel prices, lower thermal energy costs, the closure of a loss-making transport business unit and ongoing cost optimisation. SepCem uses sophisticated computer modelling tools to optimise outbound logistics, while business intelligence reporting enables rapid responses to market trends.

A focus on building strategic partnerships through customer engagement, underpinned by product quality and service excellence, contributed to customer retention and consistent bulk cement supplies. To ensure that its operations remain adequately equipped for continuous improvement, SepCem is in the process of improving its bench strength by recruiting young talent.

DEBT MANAGEMENT

The Group maintained a sound financial position by generating cash, reducing debt and managing customer credit risk.

Métier

Métier's instalment sales liabilities increased to R112 million (FY 2024: R65 million) to fund renewal capex of mixers and plant expansion.

As reported in the FY 2024 integrated annual report, Métier used cash generated by its operations to repurchase undervalued SepHold shares between 1 April and 13 June. Métier repurchased 8 910 707 of the issued ordinary shares for R9 714 135, including transaction costs of R64 865, during this period, further reducing the number of shares in issue. In addition, Métier used cash it generated to fund the Phoenix property and plant network expansion.

SepCem

SepCem repaid R110 million, including interest, of its term loan, reducing the capital balance to R168 million. The term loan accrues interest of JIBAR plus 3.25%.

The DCP shareholder loan that accrues interest at JIBAR plus 4% capitalised against the loan, had a balance of R847 million at 30 September 2024.

POST-PERIOD

As reported in the DCP results announcement for the nine months ended 30 September 2024, SepCem's year-to-date revenue only increased marginally to R2.09 billion (2023: R2.08 billion) and EBITDA remained flat at R208 million (2023: R208 million). The previous improved performance is therefore neutralised during the subsequent three-month period, mainly due to the impact of unplanned kiln stoppages for repairs that resulted in overheads being absorbed by lower levels of stock production.

OUTLOOK

Métier and SepCem have not yet experienced an increase in overall demand for construction materials, despite the encouraging trends in key macro-economic indicators and the optimism that the Government of National Unity will stimulate an economic recovery.

We expect our operating environment to remain subdued during the second half of the year as proposed new private public partnerships in infrastructure development take time to translate into meaningful cement volumes.

However, we have reason to be cautiously optimistic and have positioned our businesses to capitalise on additional growth opportunities as they arise.

Métier has commenced work, with increasing momentum, on sizeable contracts to supply products and services for highly technical projects in the civil construction sector in KZN. In the Western Cape, Métier's second plant will strengthen our presence and demonstrate our commitment to the market. We will continue to pursue other opportunities aligned with our strategy.

SepCem has retained technical customers and expects a modest improvement in the retail market as lower inflation and decreasing debt servicing costs contribute to a more positive outlook for consumer discretionary spending. However, the combination of competitive pricing trends and unplanned stoppages at the Aganang integrated plant during the second half of the year, is likely to result in lower than expected EBITDA due to the associated inventory depletion.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 September 2024 Unaudited R'000	6 months ended 30 September 2023 Unaudited Restated R'000	12 months ended 31 March 2024 Audited R'000
Revenue	**613 836**	626 632	1 163 603
Other operating income	**3 783**	1 021	6 189
Other operating losses	**(7)**	–	(200)
Movement in credit loss allowances	**(360)**	–	(930)
Raw materials	**(374 060)**	(393 659)	(724 031)
Transportation	**(79 945)**	(78 815)	(146 953)
Production expenses	**(15 058)**	(15 330)	(28 747)
Employee benefit expenses	**(53 474)**	(49 488)	(102 757)
Depreciation on property, plant and equipment	**(20 198)**	(17 963)	(36 317)
Other operating expenses	**(30 540)**	(24 212)	(50 018)
Operating profit	**43 977**	48 186	79 838
Investment income	**1 263**	939	2 575
Profit/(loss) from equity accounted investments	**1 477**	(13 993)	14 621
Finance costs	**(7 163)**	(5 442)	(11 590)
Profit before taxation	**39 554**	29 690	85 444
Taxation	**(6 922)**	(9 991)	(18 819)
Profit for the period	**32 632**	19 699	66 625
Total comprehensive income for the period	**32 632**	19 699	66 625
Basic earnings per share (cents)	**13.91**	7.74	26.54
Diluted earnings per share (cents)	**13.91**	7.74	26.54

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 September 2024 Unaudited R'000	30 September 2023 Unaudited R'000	31 March 2024 Audited R'000
ASSETS			
Non-current assets			
Property, plant and equipment	**254 457**	182 633	189 868
Goodwill	**223 422**	223 422	223 422
Investment in associate	**852 419**	822 327	850 942
Right-of-use assets	**27 454**	41 793	39 710
Other non-current assets	**11 224**	11 338	10 938
Total non-current assets	**1 368 976**	1 281 513	1 314 880
Current assets			
Inventories	**24 555**	20 351	21 178
Trade and other receivables	**115 617**	134 158	108 242
Cash and cash equivalents	**8 139**	7 250	13 404
Other current assets	**2 270**	–	561
Total current assets	**150 581**	161 759	143 385
Total assets	**1 519 557**	1 443 272	1 458 265
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	**1 248 534**	1 189 866	1 225 615
Non-current liabilities			
Instalment sale liabilities	**85 210**	44 633	47 709
Lease liabilities	**20 294**	39 314	33 956
Deferred tax	**23 462**	19 727	21 275
Total non-current liabilities	**128 966**	103 674	102 940
Current liabilities			
Instalment sale liabilities	**27 152**	14 266	16 902
Lease liabilities	**18 676**	16 360	18 736
Trade and other payables	**95 646**	113 894	94 072
Current tax payable	**583**	5 212	-
Total current liabilities	**142 057**	149 732	129 710
Total liabilities	**271 023**	253 406	232 650
Total equity and liabilities	**1 519 557**	1 443 272	1 458 265
Net asset value per share (cents)	**538.66**	467.56	509.19
Tangible net asset value per share (cents)	**442.27**	379.76	416.37
Ordinary shares in issue	**231 786 436**	254 486 436	240 697 143

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 September 2024 Unaudited R'000	6 months ended 30 September 2023 Unaudited R'000	12 months ended 31 March 2024 Audited R'000
Cash flows from operating activities			
Cash generated from operations	**60 335**	62 543	117 533
Interest income received	**1 263**	926	1 714
Finance costs – other*	**(265)**	(122)	(143)
Tax paid	**(5 860)**	(6 762)	(19 816)
Net cash generated from operating activities	**55 473**	56 585	99 288
Cash flows from investing activities			
Purchase of property, plant and equipment	**(41 127)**	(18 038)	(23 870)
Proceeds on disposal of property, plant and equipment	**2 808**	1 216	5 290
Cash payments on advances to loans receivable	**(575)**	–	–
Net cash used in investing activities	**(38 894)**	(16 822)	(18 580)
Cash flows from financing activities			
Acquisition of treasury shares	**(9 614)**	–	(13 915)
Repayment of principal on instalment sales	**(9 666)**	(5 790)	(12 388)
Repayment of interest on instalment sales	**(4 673)**	(2 662)	(6 266)
Payments of principal on leases	**(8 444)**	(7 835)	(16 096)
Payments of interest on leases	**(2 225)**	(2 659)	(5 071)
Proceeds from instalment sale financing	**12 778**	–	–
Net cash used in financing activities	**(21 844)**	(18 946)	(53 736)
Total cash movement for the period	**(5 265)**	20 817	(26 972)
Cash at the beginning of the period	**13 404**	(13 567)	(13 567)
Total cash at the end of the period	**8 139**	7 250	13 404

* *Refer to note reclassification of finance cost on statements of cash flow on page 12.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	Other equity R'000	Total reserves R'000	Retained earnings R'000	Total equity R'000
Balance at 1 April 2023 – Audited	682 966	–	2 739	487 201	1 172 906
Total comprehensive income for the period	–	–	–	19 699	19 699
Employees' share option scheme	–	–	(2 739)	–	(2 739)
Balance at 30 September 2023 – Unaudited	682 966	–	–	506 900	1 189 866
Total comprehensive income for the period		–	–	46 926	46 926
Employees' share option scheme	–	–	2 739	–	2 739
Acquisition of treasury shares	–	(13 915)	–	–	(13 915)
Balance at 1 April 2024 – Audited	**682 966**	**(13 915)**	**2 739**	**553 826**	**1 225 616**
Total comprehensive income for the period	**–**	**–**	**–**	**32 632**	**32 632**
Employee share option scheme		**–**	**(2 739)**	**2 739**	**–**
Acquisition of treasury shares	**–**	**(9 714)**	**–**	**–**	**(9 714)**
Balance at 30 September 2024 – Unaudited	**682 966**	**(23 629)**	**–**	**589 197**	**1 248 534**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

BASIS OF PREPARATION

The condensed consolidated interim financial results for the six months ended 30 September 2024 (interim reporting period) have been prepared in accordance with IAS 34: Interim Financial Reporting, the requirements of the JSE Limited Listings Requirements, the Companies Act, 71 of 2008, as amended, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council. The interim financial results are prepared in accordance with International Financial Reporting Standards (IFRS). The results have been prepared on a historical cost basis. The accounting policies for the interim reporting period are consistent with those applied in the annual financial statements for the Group for the year ended 31 March 2024.

The preparation of the interim financial results has been supervised by NR Crafford-Lazarus CA (SA).

The financial information on which these interim period results are based has not been reviewed or reported on by the Group's auditors.

CHANGE IN ACCOUNTING POLICY

During the prior financial year, the Group changed its accounting policy with respect to the presentation of the statement of profit or loss and other comprehensive income. The Group has elected to present expenses in the statement of profit or loss and other comprehensive income by nature as this is considered to provide information that is reliable and more relevant. Reporting by nature categorises expenses according to their type. This can offer more detailed insights into the specific costs incurred by the business, helping stakeholders better understand where resources are being spent. Understanding the breakdown of expenses by their nature can also simplify the comparison between companies. It allows for a more straightforward evaluation of cost efficiency and spending patterns and is aligned with the manner in which the Group monitors results operationally.

The change in accounting policy affected only the presentation of the statement of profit or loss and other comprehensive income and therefore had no impact on the statements of financial position, changes in equity and cash flow.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

CHANGE IN ACCOUNTING POLICY *continued*

The effects of the changes to the accounting policy on the statement of profit or loss and other comprehensive income for the period ended 30 September 2023 is as follows:

Profit for the year

Group	**30 September 2023 As previously reported R'000**	Change in Accounting policy R'000	30 September 2023 As restated R'000
Revenue	**626 632**	–	626 632
Cost of sales	**(393 659)**	393 659	–
Other operating income	**1 021**	–	1 021
Raw materials	**–**	(393 659)	(393 659)
Transportation	**–**	(78 815)	(78 815)
Production expense	**–**	(15 330)	(15 330)
Employee benefit expenses	**–**	(49 488)	(49 488)
Depreciation on property, plant and equipment	**–**	(17 963)	(17 963)
Other operating expenses	**(185 808)**	161 596	(24 212)
Operating profit	**48 186**	–	48 186
Investment income	**939**	–	939
Finance costs	**(5 442)**	–	(5 442)
Income from equity accounted investments	**(13 993)**	–	(13 993)
Profit before taxation	**29 690**	–	29 690
Taxation	**(9 991)**	–	(9 991)
Profit for the period	**19 699**	–	19 699

NET ASSET VALUE PER SHARE AND EARNINGS PER SHARE

	6 months ended 30 September 2024 Unaudited R'000	6 months ended 30 September 2023 Unaudited R'000	12 months ended 31 March 2024 Audited R'000
Net asset value and tangible net asset value per share			
Total assets	**1 519 557**	1 443 272	1 458 265
Total liabilities	**(271 023)**	(253 406)	(232 650)
Net asset value attributable to equity holders of parent	**1 248 534**	1 189 866	1 225 615
Goodwill	**(223 422)**	(223 422)	(223 422)
Tangible net asset value	**1 025 112**	966 444	1 002 193
Shares in issue	**254 486 436**	254 486 436	254 486 436
Less: Treasury shares	**(22 700 000)**	–	(13 789 293)
Total shares outstanding	**231 786 436**	254 486 436	240 697 143
Net asset value per share (cents)	**538.66**	467.56	509.19
Tangible net asset value per share (cents)	**442.27**	379.76	416.37

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

NET ASSET VALUE PER SHARE AND EARNINGS PER SHARE *continued*

	6 months ended 30 September 2024 Unaudited R'000		6 months ended 30 September 2023 Unaudited Restated R'000		12 months ended 31 March 2024 Audited R'000	
	Gross	**Net**	Gross	Net	Gross	Net
Reconciliation of basic earnings, headline earnings and normalised earnings:						
Profit attributable to ordinary equity holders of the parent entity		**32 632**		19 699		66 625
IAS 33 earnings		**32 632**		19 699		66 625
Less profit on the disposal of plant and equipment	**(441)**	**(322)**	(691)	(504)	(2 340)	(1 708)
Less share of 'look-through' adjustments of associate:	**–**	**–**	–	–	(491)	(358)
– (Profit)/loss on the disposal of plant and equipment	**–**	**–**	–	–	(236)	(172)
– Insurance proceeds on plant and equipment	**–**	**–**	–	–	(255)	(186)
Headline earnings and diluted headline earnings attributable to equity holders of the parent		**32 310**		19 195		64 559
Add IFRS 9 equity investment measured at fair value through profit or loss		**–**		–		200
Add IFRS 9 loan receivable at amortised cost		**–**		–		200
Normalised headline earnings attributable to equity holders of parent		**32 310**		19 195		64 959
Basic weighted average number of shares		**234 543 042**		254 486 436		251 080 413
Diluted weighted average number of shares		**234 543 042**		254 486 436		251 080 413
Basic earnings per share (cents)		**13.91**		7.74		26.54
Diluted earnings per share (cents)		**13.91**		7.74		26.54
Headline earnings per share (cents)		**13.78**		7.54		25.71
Normalised headline earnings per share (cents)		**13.78**		7.54		25.87
Diluted headline earnings per share (cents)		**13.78**		7.54		25.71

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

SEGMENT INFORMATION

The segments identified are based on the operational and financial information reviewed by management for performance assessment and resource allocation. There has been no change in the basis of operational segmentation or in the basis of measurement of segment profit or loss since the 2024 annual financial statements.

The business manages and report on ready-mix concrete and head office as the two main segments.

Ready-mix concrete – this part of the business manufactures and sells ready-mixed concrete in South Africa.

Head office – executive management function of the group and involved in the management of investments held at SepHold level.

	Ready-mixed concrete R'000	Head office and consolidation R'000	Group totals R'000
For the 6 months ended 30 September 2024 – Unaudited			
Segment revenue – external revenue	**613 836**	**–**	**613 836**
Segment raw materials	**(374 060)**	**–**	**(374 060)**
Segment transportation	**(79 945)**	**–**	**(79 945)**
Segment production expenses	**(15 058)**	**–**	**(15 058)**
Segment employee benefit expenses	**(51 270)**	**(2 204)**	**(53 474)**
Segment administration and other operating expenses	**(27 946)**	**(2 594)**	**(30 540)**
Profit from equity-accounted investment	**–**	**1 477**	**1 477**
Profit on sale of property, plant & equipment	**441**	**–**	**441**
Segment profit/(loss) after taxation	**36 577**	**(3 945)**	**32 632**
Taxation	**(6 307)**	**(615)**	**(6 922)**
Interest received	**1 263**	**–**	**1 263**
Interest paid	**(7 163)**	**–**	**(7 163)**
Depreciation and amortisation	**(20 195)**	**(3)**	**(20 198)**
Segment assets	**425 858**	**1 093 699**	**1 519 557**
Investment in associate included in the above total segment assets	**–**	**852 419**	**852 419**
Capital expenditure included in segment assets	**84 027**	**77**	**84 104**
Segment liabilities	**(268 096)**	**(2 927)**	**(271 023)**
For the 6 months ended 30 September 2023 – Unaudited			
Segment revenue – external revenue	626 632	–	626 632
Segment raw materials	(393 659)	–	(393 659)
Segment transportation	(78 815)	–	(78 815)
Segment production expenses	(15 330)	–	(15 330)
Segment employee benefit expenses	(46 871)	(2 617)	(49 488)
Segment administration and other operating expenses	(22 685)	(1 527)	(24 212)
Profit from equity-accounted investment	–	(13 993)	(13 993)
Profit on sale of property, plant & equipment	690	–	690
Segment profit/(loss) after taxation	37 840	(18 141)	19 699
Taxation	(9 991)	–	(9 991)
Interest received	939	–	939
Interest paid	(5 442)	–	(5 442)
Depreciation and amortisation	(17 959)	(4)	(17 963)
Segment assets	381 331	1 061 941	1 443 272
Investment in associate included in the above total segment assets	–	822 327	822 327
Capital expenditure included in segment assets	33 230	–	33 230
Segment liabilities	(251 894)	(1 512)	(253 406)

The only commodity actively managed by Métier is ready-mixed concrete. The Group does not rely on any single external customer or group of entities under common control for 10% or more of the Group's revenue as disclosed in the interim financial results. SepCem is an associate of SepHold. No segment report has been presented for SepCem as the amounts attributable to SepCem have been included in the "head office segment".

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

RECLASSIFICATION OF FINANCE COSTS ON THE STATEMENTS OF CASH FLOW

The decision made by management at the end of FY2024 to present the interest portion of the bank overdraft as part of operating activities instead of financing activities resulted in the reclassification of finance costs of R121 114 for the group in the prior interim period.

The full details are as follows:

	Group		
	Previously reported R'000	Re-classification R'000	30 September 2023 R'000
Statements of cash flows			
Cash flows from operating activities			
Finance costs – other	–	(122)	(122)
Net cash from operating activities	56 707	(122)	56 829
Cash flows from financing activities			
Finance costs – other	(122)	122	–
Net cash used in financing activities	(19 068)	122	(18 946)

STATEMENT OF GOING CONCERN

The interim financial results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the interim financial results have been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

EQUITY

SHARE CAPITAL

There were no changes to the authorised stated capital of the Company during the interim period under review.

No shares were issued during the period under review.

All the authorised and issued shares have no par value.

OTHER EQUITY

During the period under review the Subsidiary acquired a total of 8 910 707 ordinary shares in SepHold at a total amount of R9 714 135, including transaction costs of R64 865, under an approved share buyback scheme. The ultimate intention of management is to cancel the shares once the approved number has been reached.

SHARE BASED PAYMENT

The remaining share options of 1 705 000 expired on 1 July 2024.

A total amount of R2 738 696 was transferred from the share based payment reserve for the R3.00 share options to retained income during the current period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

EVENTS AFTER THE INTERIM REPORTING PERIOD

The directors are not aware of any material fact or circumstance arising between the end of the interim reporting period and the date of this report that would require adjustments to or disclosure in the interim financial results.

REVENUE

	6 months ended 30 September 2024 Unaudited R'000	6 months ended 30 September 2023 Unaudited R'000	12 months ended 31 March 2024 Audited R'000
Disaggregation of revenue from contracts with Customers			
The Group disaggregates revenue from customers as follows:			
Sales of goods			
Revenue from the sale of goods	**613 836**	626 632	1 163 603
Total revenue from contracts with customers	**613 836**	626 632	1 163 603
Timing of revenue recognition			
At a point in time			
Revenue from the sale of goods	**613 836**	626 632	1 163 603
Total revenue from contracts with customers	**613 836**	626 632	1 163 603

INVESTMENT IN ASSOCIATE

SepHold has 36% ownership interest in Dangote Cement South Africa Proprietary Limited. The Associate is unlisted and is registered and operates within South Africa.

Summary of Group's interest in associate	**6 months ended 30 September 2024 Unaudited R'000**	6 months ended 30 September 2023 Unaudited R'000	12 months ended 31 March 2024 Audited R'000
Cost of investment in associate	**635 117**	635 117	635 117
Proportional increase in investment	**48 572**	48 572	48 572
Equity-accounted earnings – prior year	**167 252**	152 631	152 631
Opening balance of carrying value	**850 941**	836 320	836 320
Equity-accounted earnings – current year	**1 477**	(13 993)	14 621
Carrying value of investment in associate	**852 418**	822 327	850 941

Due to the fact that the debt service ratio was 1.225 during the 2017 year instead of the required 1.3, negotiations were entered into with Nedbank to reshape the payment profile. This was successfully completed during the second half of 2017 and required a further R95 million contribution by shareholders. DCP made this contribution and in terms of the relationship agreement; SepHold will have to contribute 36% of this on demand or face dilution of approximately 1.2 percentage points. The shareholders are still in agreement with regards to the postponement of the timing of the repayment or dilution. SepHold has a potential liability of R34,2 million or a dilution in investment. SepCem started the previous financial year with a cash balance of R500 million and was in the process of agreeing a pre-payment of R200 million on its bank debt in order to get relief of R25 million per payment on the next eight scheduled payments. Just before the payment was made, the government-enforced lockdown due to COVID-19 commenced and the overhead costs during this period required all these excess funds. It was envisaged that the impact of COVID-19 on SepCem could be a reduction of in EBITDA levels that would not be able to service debt for the current year. The lenders were approached to waive capital payments for the balance of 2020 and receive interest only, but this was only to be considered if shareholders made a contribution of R125 million. DCP undertook to make this contribution in August 2020 and shareholders have agreed to treat this as a shareholders' loan.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

PROPERTY, PLANT AND EQUIPMENT

Group	**30 September 2024**			30 September 2023		
	Cost R'000	**Accumulated depreciation R'000**	**Carrying value R'000**	Cost or revaluation R'000	Accumulated depreciation R'000	Carrying value R'000
Land	**2 666**	**–**	**2 666**	2666	–	2 666
Buildings	**21 000**	**–**	**21 000**	–	–	–
Plant and machinery	**133 852**	**(72 621)**	**61 231**	120 709	(66 045)	54 664
Furniture and fixtures	**1 003**	**(921)**	**82**	1 003	(887)	116
Motor vehicles	**230 639**	**(76 087)**	**154 552**	201 808	(77 064)	124 744
Computer equipment	**4 518**	**(4 148)**	**370**	4 204	(3 773)	443
Capital – Work in progress (asset under construction)	**14556**	**–**	**14 556**	–	–	–
Total	**408 234**	**(153 777)**	**254 457**	330 390	(147 769)	182 633

Reconciliation of property, plant and equipment

Group	**Opening balance R'000**	**Additions-cash R'000**	**Additions - non-cash R'000**	**Disposals R'000**	**Transfers R'000**	**Depreciation R'000**	**Total R'000**
30 September 2024							
Land	**2 666**	**–**	**–**	**–**	**–**	**–**	**2 666**
Buildings	**–**	**7 000**	**14 000**	**–**	**–**	**–**	**21 000**
Plant and machinery	**48 151**	**234**	**–**	**–**	**16 452**	**(3 606)**	**61 231**
Furniture and fixtures	**97**	**–**	**–**	**–**	**–**	**(15)**	**82**
Motor vehicles	**127 445**	**12 151**	**28 977**	**(4 967)**	**–**	**(9 055)**	**154 552**
Computer equipment	**339**	**184**	**–**	**(7)**	**–**	**(145)**	**295**
Capital – Work in progress (asset under construction)	**11 170**	**21 558**	**–**	**(1 320)**	**(16 452)**	**(400)**	**14 556**
	189 868	**41 127**	**42 977**	**(6 294)**	**–**	**(13 222)**	**254 382**
30 September 2024							
Land	2 666	–	–	–	–	–	2 666
Plant and machinery	52 226	5 565	–	(143)	–	(2 984)	54 664
Furniture and fixtures	173	–	–	(12)	–	(44)	116
Motor vehicles	104 685	9 868	17 690	(227)	–	(7 272)	124 744
Computer equipment	520	107	–	–	–	(184)	443
	160 270	15 540	17 690	(382)	–	(10 484)	182 633

The non-cash additions relates to the purchase of motor vehicles through instalment sale agreements of R28 977 324 (H1 2024: R17 690 200) and the acquisition of a property which is situated at 39 Vulcan Place, Phoenix Industrial Park, Phoenix, KwaZulu-Natal for a cash consideration of R21 million.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

RELATED PARTIES

Relationships

Associate	Dangote Cement SA Proprietary Limited
Companies with common directors	Plazatique Corp 27 CC WKRD Properties Proprietary Limited Cross Company Management Proprietary Limited (CCM) Union Atlantic Minerals Limited

During the six months ended 30 September 2024, the Group entered into the following transactions with related parties:

	6 months ended 30 September 2024 Unaudited R'000	6 months ended 30 September 2023 Unaudited R'000	12 months ended 31 March 2024 Audited R'000
Related party balances			
Amount owed to associate included in trade payables	**(11 412)**	(14 110)	(11 897)
Loan accounts to companies with common directors	**10 138**	10 338	10 138
Related party transactions			
Purchases from associate	**57 463**	92 713	167 001
Rent and utilities paid to companies with common directors	**2 304**	2 117	4 338

^ *Goods were purchased from the Associate during the period based on price lists in force and terms that would be available to third parties.*

^^ *The amounts included represent the actual transactions as per the lease agreements. The IFRS 16 treatment for these form part of Lease liabilities.*

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

CHANGES TO THE BOARD

Ms. Bukelwa Bulo, an independent non-executive director of SepHold and a member of the audit and risk committee, did not make herself available for re-election at the AGM on 12 September 2024. Ms. Mabatho Sedikela was appointed as an independent non-executive director of the Company and a member of the audit and risk committee on that date.

CHANGE TO THE COMPANY SECRETARY

There were no changes to the Company Secretary during the interim reporting period under review.

On behalf of the board

Pretoria

Chief executive officer
KJ Capes

Chairperson
B Williams

8 November 2024

Enquiries contact:

NR Crafford-Lazarus
Financial Director
012 684 6300
info@sephold.co.za

Sponsor to SepHold:

Questco Corporate Advisory (Pty) Ltd

COMPANY INFORMATION

Directors	B Williams° (chairman) MJ Janse van Rensburg° M Sedikela° MM Ngoasheng° Dr L Mohuba^ NR Crafford-Lazarus* (financial director) KJ Capes* (chief executive officer) *°Independent *Executive ^Non-executive*
Company secretary	Acorim Proprietary Limited Telephone: +27 11 325 6363
SepHold registered office	Southdown Office Park First floor, Block A Corner Karee and John Vorster Streets Irene, X54, 0062 Telephone: +27 12 684 6300 Email: info@sephold.co.za
Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 PO Box 61051, Marshalltown, 2017, South Africa Telephone: +27 11 370 5000
JSE sponsor	Questco Corporate Advisory Proprietary Limited Telephone: +27 63 482 3802

ABOUT SEPHAKU HOLDINGS LIMITED

Sephaku Holdings Limited is a building and construction materials company with a portfolio of investments in the cement sector in South Africa. The Company's core investments are a 36% stake in Dangote Cement SA (Pty) Ltd and 100% in Métier Mixed Concrete (Pty) Ltd. SepHold's strategy is to generate growth and realise value for shareholders through the production of cement and ready mixed concrete in Southern Africa.

www.sephakuholdings.com

SEPHAKU
HOLDINGS LTD