



# SABVEST CAPITAL LIMITED

Incorporated in the Republic of South Africa

Registration number 2020/030059/06

“Sabcap” or “the Group” or “the Company”

**ISIN:** ZAE000283511

**JSE share code:** SBP

**UNAUDITED INTERIM RESULTS**  
for the period ended 30 June 2024  
and cash dividend declaration

## PROFILE

Sabvest Capital Limited (“Sabcap”) is an investment group first listed on the JSE in 1988 as Sabvest Limited and as Sabcap from 2020. The Seabrooke Family Trust (“SFT”) has voting control of Sabcap through an unlisted Z share and has an economic interest of 41,6% through its holding in the listed ordinary shares. At the end of the reporting period Sabcap had 38 470 000 shares in issue net of treasury shares (31 Dec 2023: 39 220 000).

Sabcap has long-term interests in thirteen unlisted and three listed investments, all accounted for on a fair value basis. Sabcap’s primary focus is on industrial and service businesses, usually unlisted and co-invested with family, management or financial partners in terms of Sabcap’s Partnership Principle. Sabcap also makes finance advances and holds listed debt, equity and cash portfolios when it has surplus liquidity, and undertakes other fee and profit earning activities from time to time.

## CHANGES IN INVESTMENT HOLDINGS

During the reporting period Sabcap:

- increased its holding in Corero Network Security Plc (“Corero”) by 1m shares to 52m shares, representing 10,2% of Corero, for GBP0,3m (R3,5m);
- increased its loan funding in Masimong Electrical Holdings (“MEH”) by R61,1m to facilitate the full repayment of third-party debt by MEH;
- sold 36m Metrofile Limited (“Metrofile”) shares through an on-market block trade for an aggregate consideration of R108,3m (before dealing costs), with the Company’s subsidiary granting the holding company of the acquirer a call option to acquire the remaining 21m Metrofile shares and the acquirer’s holding company granting the Company’s subsidiary a put option to sell the remaining 21m Metrofile shares to the holding company of the acquirer (both the call option and put option are at 301 cents per share, which will result in an aggregate cash consideration of approximately R63,2m);
- received the R80,6m initial amount resulting from the Sunspray transaction;
- received 1 960 680 shares in WeBuyCars Limited (“WBC”) as a result of the unbundling of WBC from Transaction Capital Limited (“TC”), and subsequently sold these shares for an aggregate consideration of R45,1m;
- prepaid the R70m term loan due 30 June 2025 and R70m of the R100m term loan due 31 January 2028; and
- acquired 750 000 Sabcap shares through a shareholder-approved buyback programme for R51,7m.

During the reporting period, Sabcap’s investees have concluded various transactions as follows:

- TC unbundled its shareholding in WBC to TC shareholders.

Subsequent to the reporting period, Sabcap:

- concluded a transaction for the disposal of the Company’s subsidiary’s 24,66% holding in Rolles Holdings (Pty) Ltd, held directly and held indirectly through Masimong Chemicals (Pty) Ltd, for approximately R179,5m (subject to change depending on various adjustment conditions and which is conditional on regulatory approvals); and
- acquired an indirect interest of 13,18% in EWA Global Limited Jersey (the holding company of the Earned Wage Access Group), through a 32,28% interest in EWA Investments 1 (Pty) Ltd, for R27m, and EWA Global in turn and in partnership with other investors acquired the PayMeNow Group (“PMN”) in RSA from a subsidiary of DNI and from other investors in PMN.

## GROWTH METRICS

Sabcap’s primary financial metric is growth in NAV per share. This is measured annually and growth rates over different periods are included in the year-end results.

The 15-year compounded annual growth rate in NAV per share to the 2023 year-end was 17,2%, calculated without re-investing dividends. The compounded annual growth rate in NAV per share over 15 years with dividends reinvested was 18,5%\*. The 15-year compound annual growth rate in the share price was 18,0%^.

\* Calculated with dividends notionally not paid and the amounts notionally retained by the Company growing at 10% per annum.

^ Calculated with reference to the weighted average share prices of the Sabvest ordinary and ‘N’ ordinary shares.

# Summarised Financial Statements

## Summarised Statement of Financial Position

as at 30 June 2024

	Notes	Unaudited 30 Jun 2024 R'000	Unaudited * <sup>1</sup> 30 Jun 2023 R'000	Audited 31 Dec 2023 R'000
<b>Non-current assets</b>		<b>4 535 635</b>	4 517 528	4 291 726
Investment holdings	1	4 535 635	4 517 528	4 291 726
<b>Current assets</b>		<b>445</b>	418	444
Accounts receivable		404	374	403
Cash balances		41	44	41
<b>Total assets</b>		<b>4 536 080</b>	4 517 946	4 292 170
<b>Ordinary shareholders' equity</b>		<b>4 533 954</b>	4 515 924	4 289 256
<b>Current liabilities</b>		<b>2 126</b>	2 022	2 914
Accounts payable and provisions		2 126	2 022	2 914
<b>Total equity and liabilities</b>		<b>4 536 080</b>	4 517 946	4 292 170

## Summarised Statement of Changes in Equity

for the period ended 30 June 2024

	Share capital R'000	Accumu- lated profit R'000	Total R'000
<b>Balance as at 1 January 2023</b> * <sup>1</sup>	1 338 645	3 002 224	4 340 869
Total comprehensive loss for the year	–	(4 335)	(4 335)
Shares held in treasury – written back	10 619	–	10 619
Shares repurchased and cancelled	(22 443)	–	(22 443)
Dividends paid	–	(35 454)	(35 454)
<b>Balance as at 1 January 2024</b>	<b>1 326 821</b>	<b>2 962 435</b>	<b>4 289 256</b>
Total comprehensive profit for the period	–	319 791	319 791
Shares held in treasury	(51 711)	–	(51 711)
Dividends paid	–	(23 382)	(23 382)
<b>Balance as at 30 June 2024</b>	<b>1 275 110</b>	<b>3 258 844</b>	<b>4 533 954</b>

\*<sup>1</sup> Restated to align with the requirements for investment entities under IFRS 10 Consolidated Financial Statements (refer below).

## Summarised Statement of Comprehensive Income

for the period ended 30 June 2024

	Notes	Unaudited 30 Jun 2024 R'000	Unaudited * <sup>1</sup> 30 Jun 2023 R'000	Audited 31 Dec 2023 R'000
Dividends received		40 000	30 000	110 000
Interest received		1	2	3
Fair value adjustment to investments	2	284 671	174 018	(105 007)
<b>Gross income</b>		<b>324 672</b>	204 020	4 996
Less: Expenditure		(4 881)	(4 560)	(9 330)
<b>Net income/(loss) before taxation</b>		<b>319 791</b>	199 460	(4 334)
Taxation		–	–	(1)
<b>Total comprehensive income/(loss) attributable to equity shareholders</b>		<b>319 791</b>	199 460	(4 335)

## Summarised Statement of Cash Flows

for the period ended 30 June 2024

	Unaudited 30 Jun 2024 R'000	Unaudited * <sup>1</sup> 30 Jun 2023 R'000	Audited 31 Dec 2023 R'000
<b>Cash flows utilised in operating activities</b>	<b>(29 051)</b>	(28 683)	(44 421)
Net income/(loss) for the period	319 791	199 460	(4 335)
Adjusted for non-cash items and interest paid	(325 460)	(204 503)	(4 631)
<b>Cash flows utilised in operation</b>	<b>(5 669)</b>	(5 043)	(8 966)
Taxation paid	–	–	(1)
Dividends paid – ordinary	(23 382)	(23 640)	(33 454)
<b>Cash flows from financing activities</b>	<b>29 051</b>	28 687	44 422
Loans from subsidiaries	29 051	28 687	44 422
Change in cash and cash equivalents	–	4	1
Cash balances at beginning of the reporting period	41	40	40
<b>Cash balances at end of the reporting period</b>	<b>41</b>	44	41

\*<sup>1</sup> Restated to align with the requirements for investment entities under IFRS 10 Consolidated Financial Statements (refer below).

# Notes to the Summarised Financial Statements

for the period ended 30 June 2024

## RESTATEMENT

During the prior reporting period, management reassessed the investment entity status of the Company's subsidiaries based on the requirements as set out in IFRS 10. Based on this assessment, management concluded that the Company's subsidiaries in fact satisfied the requirements as set out in IFRS 10 and were incorrectly consolidated in prior period in terms of IFRS 10 paragraph 32. As such, the summarised comparative financial statements have been restated to cease consolidating these subsidiaries following their reclassification in the prior period as investment entities under IFRS 10. The Company's investment in Sabvest (Pty) Ltd ("Sabvest") is measured at Fair Value Through Profit and Loss ("FVTPL"). Similarly, Sabvest's investments in Sabvest Finance and Guarantee Corporation (Pty) Ltd and Sabvest Investments (Pty) Ltd are measured on the same basis. The restated net asset value ("NAV") is the same as the NAV of the previously consolidated group for the comparative period, as the fair value of the investment entities remain unchanged.

Pursuant to Sabcap accounting as an investment entity, the layouts of Sabcap's summarised statement of financial position, summarised statement of comprehensive income and summarised statement of cash flows were aligned to the disclosure requirements for investment entities under IFRS 10 and to the format presented by other investment entities. This results in fair value accounting now being reflected in the Company summarised financial statements in the investments line as opposed to the previously presented consolidated statements that had some assets and liabilities separately disclosed. As a result of the restatement, no consolidated financial statements are presented.

The cash flow statement previously incorrectly reflected loans advanced to subsidiaries and non-cash dividends received processed through loan accounts as cash flows, with the loans repaid by subsidiaries erroneously not reflected as cash inflows on the face of the cash flow statement. The cash flow has been restated accordingly.

Details of investment holdings, other assets, all liabilities, income, expenses, taxation and movements in fair values of investments are contained in the notes to the Summarised Financial Statements.

# Notes to the Summarised Financial Statements continued

for the period ended 30 June 2024

## 1. INVESTMENT HOLDINGS

Investment holdings include the fair value of the Company's investment in Sabvest (Pty) Ltd and comprises mainly of the fair value of its investments, assets and liabilities held by its underlying subsidiaries, summarised as follows:

	Listed/ Unlisted	Sector <sup>*2</sup>	Number of ordinary shares/units	Economic interest <sup>*3</sup> %	Unaudited 30 Jun 2024 R'000	Unaudited 30 Jun 2023 R'000	Audited 31 Dec 2023 R'000
<b>Investments <sup>*1</sup></b>					<b>5 084 078</b>	5 275 750	4 971 569
Altify (previously Revix UK)	U	FT		16,1	–	–	–
Apex Partners Holdings (Pty) Ltd	U	IS		46,4	<b>686 294</b>	559 893	584 590
ARB Holdings (Pty) Ltd	U	IS		18,5	<b>403 388</b>	544 706	357 357
Classic Food Brands (Pty) Ltd	U	IS		–	–	–	–
Corero Network Security Plc	L	FT	52 000 000	10,2	<b>173 905</b>	69 004	99 039
DNI-4PL Contracts (Pty) Ltd	U	FT		19,7	<b>973 642</b>	984 219	990 446
Flexo Line Products (Pty) Ltd	U	IS		47,5	<b>66 338</b>	12 569	30 526
Halewood International South Africa (Pty) Ltd	U	IS		19,0	<b>124 036</b>	138 049	91 637
ITL Holdings Group	U	IS		34,4	<b>575 939</b>	684 863	499 147
Masimong Group Holdings (Pty) Ltd	U	MCA		9,0	<b>489 897</b>	513 573	475 805
Metrofile Holdings Limited	L	IS	21 000 000	5,0	<b>63 210</b>	182 000	171 000
Rolfes Holdings (Pty) Ltd	U	MCA		24,7	<b>179 546</b>	181 370	160 770
SA Bias Industries (Pty) Ltd	U	IS		86,0	<b>1 214 288</b>	1 218 422	1 269 671
Sunspray Solutions (Pty) Ltd <sup>*4</sup>	U	IS		11,1	<b>57 558</b>	95 064	138 189
Transaction Capital Limited	L	FT	6 000 000	0,8	<b>17 400</b>	34 980	47 880
Valemount Trading (Pty) Ltd	U	IS		39,3	<b>58 637</b>	57 038	55 512
Versofy (Pty) Ltd	U	IS		3,8	–	–	–
Interest-bearing borrowings					<b>(466 486)</b>	(605 045)	(613 606)
Deferred tax liability					<b>(138 069)</b>	(221 692)	(147 249)
Cash on hand					<b>36 548</b>	44 175	41 943
Other net assets					<b>19 564</b>	24 340	39 069
					<b>4 535 635</b>	4 517 528	4 291 726

<sup>\*1</sup> Refer to investments section for more detail.

<sup>\*2</sup> IS – Industrial and Services; MCA – Mining, Chemicals and Agriculture; FT – Specialised Financial and Technology.

<sup>\*3</sup> Represents the economic interest at 30 June 2024. Refer to the investments section for details of any changes during the reporting period.

<sup>\*4</sup> Previously Sunspray Food Ingredients (Pty) Ltd. Fair value at 31 Dec 2023 includes the 16,6% interest held-for-sale. Refer to the investments section.

## 2. FAIR VALUE ADJUSTMENTS TO INVESTMENTS

The fair value adjustment to investments predominantly comprises income and expenses in the subsidiaries as follows:

	Unaudited 30 Jun 2024 R'000	Unaudited 30 Jun 2023 R'000	Audited 31 Dec 2023 R'000
Dividends received	<b>109 246</b>	114 339	175 933
Interest income	<b>4 602</b>	5 882	10 567
Foreign exchange (loss)/gain	<b>(13 502)</b>	95 705	82 796
Fees	<b>516</b>	678	2 942
Fair value adjustments to investments	<b>294 344</b>	61 727	(212 511)
– Listed	<b>90 420</b>	(195 328)	(167 337)
– Unlisted	<b>203 924</b>	257 055	(45 174)
Transactional costs	<b>(4 046)</b>	(4 126)	(6 160)
Interest expense	<b>(31 976)</b>	(31 518)	(66 746)
Expenditure – fixed	<b>(16 953)</b>	(16 464)	(31 899)
Expenditure – variable	<b>(26 037)</b>	(5 932)	(6 952)
Depreciation	<b>(714)</b>	(841)	(1 631)
Deferred taxation	<b>9 180</b>	(15 603)	58 840
Dividends paid	<b>(40 000)</b>	(30 000)	(110 000)
Other	<b>11</b>	171	(186)
	<b>284 671</b>	174 018	(105 007)

## FINANCIAL RESULTS

Improved trading conditions during the period have assisted in alleviating some of the demand pressures experienced by the investees in prior periods. This, coupled with significant cost cutting exercises implemented in many of the investees, have resulted in improved profitability. Apex, Corero, Flexo, ITL and Sunspray performed well during the period, and in particular, the repositioning strategy at ITL was implemented very effectively. The market value of the shares held in TC continues to be depressed due to the large losses at SA Taxi and the ongoing debt restructure. Altify and Versofy as start-ups are carried at zero.

Sabcap is pleased to report an increase in NAV per share to 11 786 cents, being a 2,8% increase from NAV per share of 11 465 cents at the 30 Jun 2023 comparative period, and a 7,8% increase from the NAV per share of 10 936 cents at the 31 Dec 2023 reporting period.

HEPS and EPS increased to 826,1 cents per share respectively, being an increase of 63,2% over the restated HEPS and EPS for the comparative period.

Overheads, mainly included as part of the fair value movement in the Company's subsidiaries, increased in the reporting period relative to the comparative period largely due to higher incentive provisions expected in the current financial year. Interest payable decreased due to a reduction in levels of borrowing.

An interim dividend of 35 cents per share has been declared, being a 16,7% increase on the 2023 interim dividend of 30 cents per share. In addition, R51,7m (twelve months to 31 Dec 2023: R11,6m) (six months to 30 Jun 2023: R0,8m) was allocated to buybacks of Sabcap shares during the period.

Shareholder funds remained largely unchanged from the comparative period at R4,5bn at the reporting date, however, represents an increase of 5,7% from the shareholder funds at the prior year-end. Net debt, largely included in the fair value of investments in the Company's subsidiaries, decreased significantly to R429m (down from R572m at year-end) as a result of proceeds from the realisations of investments being utilised for the early settlement of terms loans. Net debt remains conservative and with a well spread maturity ladder. In addition, there are some investment disposals in progress, the proceeds of which are likely to continue to be applied to an early settlement of the term debt. Utilisation under transactional guarantees for investees in the Company's subsidiaries was R213m at the reporting date (31 Dec 2023: R80m) (30 Jun 2023: R80m), the increase attributable to guarantees provided to facilitate the Metrofile sale and temporary guarantees provided for ITL in South Africa during its restructuring process.

## OTHER INFORMATION

as at 30 June 2024

	% increase 30 June 2024 compared to 31 December 2023 – 6 months	% increase 30 June 2024 compared to 30 June 2023 – 12 months	Unaudited 30 Jun 2024	Unaudited 30 Jun 2023	Audited 31 Dec 2023
Net asset value per share – cents	7,8	2,8	11 786	11 465	10 936
Shareholders' funds – R'm	5,7	0,4	4 534,0	4 515,9	4 289,3
Dividends per share – cents		16,7	35	30	90
Total comprehensive income/(loss) – R'm		60,3	319,8	199,5	(4,3)
Earnings/(loss) and headline earnings/(loss) per share – cents <sup>*1</sup>		63,2	826,1	506,3	(11,0)
Number of shares in issue less held in treasury – 000's			38 470	39 390	39 220
Weighted average number of shares in issue – 000's			38 711	39 394	39 354

\*1 There are no diluting instruments.

## VALUATION OF INVESTMENTS

The Company's subsidiary companies are fair valued based on NAV. The underlying investments and other assets and liabilities have been fair valued as below.

Listed investments are based on market prices at the reporting date, unless otherwise stated.

Unlisted investments have been valued using the maintainable earnings model or, if more appropriate, attributable net asset value or recent transaction pricing ("RTP"). The valuations are done on a pre-IFRS 16 basis. The maintainable earnings model is based on normalised maintainable EBITDA to which an appropriate multiple is applied taking account for each investee individually its size, industry, geography, growth rate, comparable and recent transactions, and then adjusted for normalised net cash/debt.

The multiples used are unchanged relative to those used at 31 Dec 2023.

Masimong continues to account on a fair value basis mainly using discounted cash flows for its mining and agricultural operations. Therefore, Sabcap values Masimong at fair value as a percentage of NAV.

Foreign investments are valued in rands at the closing exchange rate on the reporting date, which in the case of ZAR/USD was 18,2558 (31 Dec 2023: 18,5241) (30 Jun 2023: 18,8704).

Deferred Capital Gains Tax ("CGT") has been raised on all fair value gains, except where there are offsetting tax losses or expected CGT exemptions. CGT is accordingly not raised on gains relating to ITL International and Flowmax UK (in SA Bias), nor in Apex for as long as tax losses exceed the notional gains, nor relative to Masimong which itself raises the required CGT provisions.

## LISTED INVESTMENTS

- **CORERO** is an LSE-listed group focused on cyber and network security and, in particular, protection from DDOS attacks.

Corero continues to perform satisfactorily.

Corero's relationships with Juniper Networks and Akami Technologies continue to gain traction and facilitate higher volumes and revenues.

Corero's share price increased to 14,50p (31 Dec 2023: 8,25p) (30 Jun 2023: 5,75p), with trading volumes improving over the period. The shareholding increased from 51m to 52m shares during the period for GBP0,2m (R3,5m), which is an interest of 10,2%.

Valuation summary:	30 Jun 2024	31 Dec 2023	30 Jun 2023
Number of ordinary shares	52 000 000	51 000 000	50 000 000
Price per share – GBP pence	14,50	8,25	5,75
Fair value – GBP'000	7 540	4 203	2 875
Fair value – R'000	173 905	99 039	69 004

- **METROFILE** is a JSE-listed service provider to industry in four categories – secure storage, digital services, business support services and products and solutions. Metrofile achieved satisfactory results for FY23 in the continued challenging economic environment, although its 2024 interim results were disappointing. Metrofile's share price decreased to 260 cents (31 Dec 2023: 300 cents) (30 Jun 2023: 325 cents).

During the period, 36m shares were sold through an on-market block trade for an aggregate consideration of R108,3m (before dealing costs). As part of this transaction, the Company's subsidiary has granted a call option to the holding company of the acquirer to acquire the remaining 21m Metrofile shares. The Company's subsidiary has also been granted a put option by the holding company of the acquirer to sell the remaining 21m Metrofile shares to the holding company of the acquirer. Both the call option and put option are at 301 cents per share, resulting in an aggregate cash consideration of R63,21m (before dealing costs) (increased by any Metrofile dividend relating to the six months prior to the period which the call option is exercised and which has not vested in the subsidiary of the Company). At 30 June 2024, the remaining 21m shares held have therefore been valued using the 301 cents per share.

<b>Valuation summary:</b>	<b>30 Jun 2024</b>	31 Dec 2023	30 Jun 2023
Number of ordinary shares	<b>21 000 000</b>	57 000 000	56 000 000
Price per share – cents * <sup>1</sup>	<b>301</b>	300	324
Fair value – R'000	<b>63 210</b>	171 000	182 000

\*<sup>1</sup> 30 Jun 2024 price based on the put and call option price as per the sale transaction agreements.

<b>Dividend summary:</b>	<b>6 months to 30 Jun 2024</b>	12 months to 31 Dec 2023	6 months to 30 Jun 2023
Ordinary dividends received during the period – R'000	<b>3 990</b>	10 080	5 040

- **TRANSACTION CAPITAL (TC)** is a JSE-listed specialised financial group whose operations comprise Nutun and SA Taxi. Its holdings in WeBuyCars ("WBC") were unbundled to shareholders during the period after sales of a portion thereof to eliminate all net debt at the TC holding company level and facilitate the cancellation of all TC put option liabilities. Sabcap received 1 960 680 shares in WBC which it sold for R45,1m.

The large losses at SA Taxi and the ongoing debt restructure process continue to depress TC's share price, which closed at 290 cents (31 Dec 2023: 798 cents) (30 Jun 2023: 583 cents).

<b>Valuation summary:</b>	<b>30 Jun 2024</b>	31 Dec 2023	30 Jun 2023
Number of ordinary shares	<b>6 000 000</b>	6 000 000	6 000 000
Price per share – cents	<b>290</b>	798	583
Fair value – R'000	<b>17 400</b>	47 880	34 980

## UNLISTED INVESTMENTS

- **ALTIIFY** offers an investment platform that enables investors to obtain direct ownership of individual crypto currencies, ready-made crypto portfolios called "bundles" and crypto-based yield-bearing opportunities. Altify is also making good progress in its new B2B division.

The shareholding remains unchanged at 16,1% at the reporting date, but will reduce to 10,1% in the upcoming period following the allotment of shares.

The valuation of Altify as continues to be stated at zero after a full impairment provision. This will be reassessed once the company becomes cash positive and profitable. Participation in any additional capital raises is unlikely and Altify continues to be classified as an asset held-for-sale as management explore suitable exit strategies.

<b>Valuation summary:</b>	<b>30 Jun 2024</b>	31 Dec 2023	30 Jun 2023
Basis of valuation	<b>NAV</b>	NAV	NAV
16,1% equity interest (31 Dec 2023: 16,1%) (30 Jun 2023: 11,0%) – R'000	<b>–</b>	–	–

- **APEX PARTNERS** is an investment holding company, investing permanent capital into distribution and engineering businesses. The distribution segment includes ELB Equipment, Letaba Pumps, TGS, Elephant Lifting. The engineering and construction segment includes ETX Projects and CBZ Solutions. It also holds 22,1% in DRA Global.

The strategy of building a sound cash generative industrial group is being well implemented.

Sabcap's economic interest in Apex increased during the prior period to 46,4% (31 Dec 2023: 45,3%) (30 Jun 2023: 45,3%) as a result of a buyback of shares.

<b>Valuation summary:</b>	<b>30 Jun 2024</b>	31 Dec 2023	30 Jun 2023
EBITDA valuation multiple	<b>5,5x</b>	5,5x	5,5x
46,4% equity interest (31 Dec 2023: 45,3%) (30 Jun 2023: 45,3%) – R'000	<b>686 294</b>	584 590	559 893

<b>Dividend summary:</b>	<b>6 months to 30 Jun 2024</b>	12 months to 31 Dec 2023	6 months to 30 Jun 2023
Ordinary dividends received during the period – R'000	<b>18 571</b>	27 178	18 119

- **ARB HOLDINGS** (“ARB”) is distributor of electrical, lighting and related products to the mining, industrial, construction, parastatal, retail and domestic markets in Southern Africa. ARB Electrical Wholesalers is one of Southern Africa’s largest distributors of electrical projects in three main categories: power and instrumentation cable; overhead line equipment and conductors; and general low-voltage and solar products. Eurolux and Radiant are leading distributors of energy-saving; LED; halogen and fluorescent lamps; light fittings, electrical accessories; cut cable and ancillary products, including fans and lighting components. It also acquired a 67% interest in Cable Feeder Systems in the prior period.

It should be noted that the fair value presented in the Company’s comparative interim results was positively affected by the very high volumes of domestic solar demand which reduced materially in the second half of 2023 and in 2024 due to extremely weak solar demand particularly by households, and substantially lower component prices internationally.

The effective interest of 18,50% in ARB is held indirectly through a 35,27% holding in Masimong Electrical Holdings (“MEH”) which owns 28,69% of ARB, and a direct stake of 8,38% in ARB. Sabcap increased its funding to MEH during the period by R61,1m to facilitate the full repayment of third party debt by MEH.

<b>Valuation summary:</b>	<b>30 Jun 2024</b>	31 Dec 2023	30 Jun 2023
EBITDA valuation multiple/basis of valuation	<b>6,5x</b>	6,5x	6,5x
18,5% equity interest – R’000	<b>213 032</b>	228 065	415 414
Investment loans – R’000	<b>190 356</b>	129 592	129 292
Total – R’000	<b>403 388</b>	357 357	544 706

<b>Dividend summary:</b>	<b>6 months to 30 Jun 2024</b>	12 months to 31 Dec 2023	6 months to 30 Jun 2023
Ordinary dividends received during the period – R’000	<b>2 559</b>	5 188	1 251

- **CLASSIC FOOD BRANDS** (“CFB”) is a food manufacturer specialising in crumbed chicken products distributed mostly through major supermarket and food chains in South Africa.

The 40% shareholding was disposed of during the prior period for nominal value.

<b>Valuation summary:</b>	<b>30 Jun 2024</b>	31 Dec 2023	30 Jun 2023
Basis of valuation	<b>N/A</b>	N/A	NAV
40% equity interest – R’000	–	–	–
Investment loans – R’000	–	–	–
Total – R’000	–	–	–

- **DNI** is a leading distribution and technology company operating in emerging market economies, but mostly in South Africa at present. The DNI Group provides and distributes products and services to the telecommunications, banking and retail sectors. The group has four main operating segments, being Mobile distribution, Hardware distribution, Technology, and Value-added services.

The DNI group has different brands with which it markets its products and services on a B2B/B2B2C basis. These include The Starter Pack Company, Evercomm, 3G Mobile, Digital Ecosystems, Hyve Mobile, Airvantage, Via Media, PayMeNow, M4Jam, Cellfind, Panacea Mobile, Worldwide Advisory Services and Sebenza Wi-Fi.

DNI continues to perform well, particularly in its Digico operations. Its traditional businesses continue to be affected by softer demand in the telecoms industry with a temporary negative affect on profit growth. However, it continues to be highly cash generative and maintained dividend levels. During the period, Dr Ryan Noach (previously CEO of Discovery Health) was appointed Group CEO and Andrew Dunn, founder and former DNI CEO, was appointed Executive Chairman. Subsequent to the period-end, PayMeNow was sold by the DNI Group to subsidiaries of EWA Global Limited in Jersey whose shareholders are substantially similar to those of DNI, and the proceeds will be paid as a special DNI dividend.

The effective interest of 19,65% is held through 35,98% of JAAH Investments, which indirectly owns 45,35% of DNI through DNI Invest (Pty) Ltd and a 3,34% interest in DN Invest (Pty) Ltd, which owns 100% of DNI.

<b>Valuation summary:</b>	<b>30 Jun 2024</b>	31 Dec 2023	30 Jun 2023
EBITDA valuation multiple	<b>6,5x</b>	6,5x	6,5x
19,7% equity interest (31 Dec 2023: 19,9%) (30 Jun 2023: 19,1%) – R’000	<b>973 642</b>	990 446	984 219

<b>Dividend summary:</b>	<b>6 months to 30 Jun 2024</b>	12 months to 31 Dec 2023	6 months to 30 Jun 2023
Ordinary dividends received during the period – R’000	<b>36 761</b>	64 178	36 095

- **FLEXO LINE PRODUCTS** is a manufacturer of high quality injection moulded plastic products primarily for the spice and food industries locally and internationally and is the largest manufacturer of these products in the southern hemisphere.

Trading conditions in Q1 - Q3 of FY24 improved significantly, assisted by increased demand and greater customer and product diversification, with its new patented tamper proof spice grinders and its new bottling operations enhancing volumes and margins.

Valuation summary:	30 Jun 2024	31 Dec 2023	30 Jun 2023
EBITDA valuation multiple	4,5x	4,5x	4,5x
47,5% equity interest – R'000	6 609	–	–
Investment loans – R'000	59 729	30 526	12 569
Total – R'000	66 338	30 526	12 569

- **HALEWOOD SOUTH AFRICA** (“Halewood”) is a manufacturer of a wide range of premium award-winning alcoholic, non-alcoholic and RTD (Ready-To-Drink) beverages including brands such as Belgravia, Whitley Neill, Red Square, Caribbean Twist and Buffelsfontein. It is also an importer of finished goods brands from the UK, France, Italy and Mexico. It was established in 1999.

The effective interest of 18,95% is held through 41,03% of MBH, which in turn holds 46,19% of Halewood through an SPV.

Revenues and profitability in FY24 continued to be affected by macroeconomic factors in RSA and by changed product mix demand in the current liquor industry cycle. However, volumes and mix have stabilised and prospects remain satisfactory.

Valuation summary:	30 Jun 2024	31 Dec 2023	30 Jun 2023
EBITDA valuation multiple	7,25x	7,25x	7,25x
19,0% equity interest – R'000	–	–	–
Investment loans – R'000	124 036	91 637	138 049
Total – R'000	124 036	91 637	138 049

- **ITL GROUP** (Intelligent Labelling Solutions) is a market-leading international designer, manufacturer and distributor of apparel labelling and identification products and supply chain management solutions, including RFID, from its factories and marketing office in the United States, Canada, Mexico, United Kingdom, Germany, China, India, Vietnam, Sri Lanka, Bangladesh, Hong Kong, Turkey, Mauritius, Madagascar and South Africa for supply to the clothing industry worldwide through multiple international retail chain accreditations.

A number of variables have had a significantly negative affect on trading in 2023. The latent effects of COVID lockdowns in China, disruptions to the supply chains and geo-political factors led to northern hemisphere retail chain buying moving locations to factories in other territories where efficiencies and margins are lower. Further, retailers were overstocked and facing softer consumer demand and were therefore buying lower volumes, changing the demand mix to lower cost and margin products. Trading in Q4 of FY23 and into Q1 and Q2 of FY24 began to improve as many of these macroeconomic variables began to stabilise and retail demand increased. ITL also struck a highly promising supplier deal at the back end of FY23 for traditional labels and RFID worldwide, the sales from which are expected to increase into the latter part of FY24 and into FY25. During the first half of 2024 management has successfully implemented a comprehensive repositioning strategy including material cost cutting (particularly in RSA) and margin and efficiency enhancing initiatives worldwide. ITL remains well positioned strategically, geographically and operationally relative to its competitors.

Valuation summary:	30 Jun 2024	31 Dec 2023	30 Jun 2023
EBITDA valuation multiple	9,0x	9,0x	9,0x
34,4% equity interest – R'000	–	–	2 864
Investment loans – R'000	575 939	499 147	681 999
Total * – R'000	575 939	499 147	684 863

\* ITL Holdings Limited Jersey held indirectly through Mandarin Investors Limited and directly through Mandarin Industries Limited BVI and ITL Holdings SA (Pty) Ltd held directly through Mandarin Holdings (Pty) Ltd.

- **MASIMONG GROUP HOLDINGS** is an investment group with a portfolio of high performing growth assets and, in particular, its mining interests in Seriti Coal, Seriti Power and Lephalale Coal and Power, and its agricultural interests in Mouton Citrus, Carmien Tea, Southern Cross Investment Holdings (which owns grape and date farms) and Winfield United South Africa (which is a provider of specialist crop input products and services including crop protection, plant nutrition, soil conditioning, fumigation and seeds). It also holds diversified interests including Rolfes, ARB, Halewood South Africa, Anchor Capital and Chemfin.

Masimong acquired an interest in KWV during the period. Most of Masimong’s holdings continued to perform satisfactorily during the period.

Sabcap’s equity interest decreased during the prior year following a restructure within the Masimong Group, which included the settlement of the participating preference shares and a share issue and repurchase which included the repurchase of 1% from Sabvest Investments (Pty) Ltd.

Masimong’s valuations are mostly DCF based, independently prepared by industry experts and separately audited, and depending on shareholder agreements, are stated after liquidity and minority discounts. Full deferred CGT provisions are raised by Masimong.

Valuation summary:	30 Jun 2024	31 Dec 2023	30 Jun 2023
Basis of valuation	NAV	NAV	NAV
9,0% equity interest (31 Dec 2023: 9,0%) (30 Jun 2023: 10,0%) – R'000	489 897	475 805	513 573



- **ROLFES HOLDINGS** is a specialist manufacturer and distributor of agricultural, food, industrial and water chemical solutions and services.

Trading for 2024 was satisfactory, despite depressed commodity prices and the effect on margins, with profitability higher than in the prior period. Rolfes is budgeted to achieve continued higher profitability in the next financial year.

Sabcap's effective interest decreased to 24,7% during the prior period (30 Jun 2023: 25,1%) as a result of shares issued to management. 10,8% (30 Jun 2023: 11,0%) is held directly and 13,9% (30 Jun 2023: 14,1%) is held indirectly through Masimong Chemicals (Pty) Ltd.

During the period, the Company's subsidiary, together with its co-shareholders in Rolfes, ran a process for the sale of 100% of the Rolfes Group. An offer was accepted by shareholders during the period, which will result in the Company's subsidiary receiving approximately R179,5m in cash (the "Proceeds") from the disposal of its 24,66% economic interest in Rolfes. The Proceeds may vary depending on the outcome of certain claims, contingency provisions and the disposal of a property asset. At 30 Jun 2024, the Share Purchase Agreement was still subject to final agreement and signing, which was concluded post the reporting period and which is conditional on regulatory approvals. The valuation at 30 Jun 2024 is based on the Proceeds without any adjustments for the legal claim warranty, contingency provision and property sale proceeds and which are not expected to be material.

<b>Valuation summary:</b>	<b>30 Jun 2024</b>	31 Dec 2023	30 Jun 2023
Basis of valuation/EBITDA valuation multiple	<b>RTP</b>	5,5x	5,5x
24,7% equity interest (31 Dec 2023: 24,7%) (30 Jun 2023: 25,1%) – R'000	<b>179 546</b>	160 770	181 370

<b>Dividend summary:</b>	<b>6 months to 30 Jun 2024</b>	12 months to 31 Dec 2023	6 months to 30 Jun 2023
Ordinary dividends received during the period – R'000	<b>11 986</b>	30 094	18 029

- **SA BIAS INDUSTRIES** is an international industrial group comprising:

- Flowmax is a group of 16 companies in the United Kingdom and Europe engaged in the manufacture, distribution and servicing of medium technology fluid handling equipment, consumables and measurement systems, and solutions for other industrial variables such as heat management and control.
- Narrowtex Group is a South African manufacturer and exporter of a range of narrow fabric products including webbings, strapping, tapes and braids, and of lingerie components, elastics and accessories.

SA Bias traded satisfactorily in its Flowmax division during the period, while weaker than expected demand in its Narrowtex division resulted in depressed profitability. The reduction in export demand was the direct result of the change in ownership of a major customer which moved its international sourcing away from RSA. Those volumes, however, are expected to return over a period. It continues to have a very liquid balance sheet, with most surplus funds held in US Dollars and sterling, and is well positioned for continued acquisitions, particularly in the UK and Europe.

The EBITDA valuation multiple for Narrowtex was increased from 4,5 times back to 5 times in the prior period now that the contribution to the results from its Apparel Component Manufacturers unit is negligible, with the valuation multiple for Flowmax remaining unchanged.

The interest in SA Bias increased to 86,01% from 85,15% at 31 December 2023 following a share buyback from another shareholder.

<b>Valuation summary:</b>	<b>30 Jun 2024</b>	31 Dec 2023	30 Jun 2023
EBITDA valuation multiple *	<b>6,0x / 5,0x</b>	6,0x / 5,0x	6,0x / 4,5x
86,0% equity interest (31 Dec 2023: 85,2%) (30 Jun 2023: 85,2%) – R'000	<b>1 214 288</b>	1 269 671	1 218 442

\* Flowmax is valued at 6,0 times and Narrowtex at 5,0 times.

<b>Dividend summary:</b>	<b>6 months to 30 Jun 2024</b>	12 months to 31 Dec 2023	6 months to 30 Jun 2023
Ordinary dividends received during the period – R'000	<b>35 379</b>	39 215	35 805

- **SUNSPRAY SOLUTIONS** provides food ingredient solutions to South African and African manufacturers by supplying spray-dried, blended and powdered food and drink products and services. It is the largest independent contract supplier in Africa.

The Company's subsidiary entered into an agreement in the prior period, which resulted in the interest in Sunspray Food Ingredients (Pty) Ltd reducing from 27,67% to 11,1% and being held directly through Sunspray Solutions (Pty) Ltd (and no longer through Famdeem Investments (Pty) Ltd). The value of the remaining 11,1% has been determined based on the rights and formula in the new shareholders agreements (the final amount of which may vary based on these rights and the calculation in accordance with the formula). An amount of R80,6m relating to the 15,6% sold (including the investment loans) was recorded as a current asset in the Company's subsidiary at 31 December 2023 and has been received during the period (this amount is subject to top-up adjustment provisions over three years).

<b>Valuation summary:</b>	<b>30 Jun 2024</b>	31 Dec 2023	30 Jun 2023
Basis of valuation/EBITDA valuation multiple	<b>RTP</b>	RTP	5,0x
11,1% equity interest – R'000	<b>57 558</b>	57 558	37 014
16,6% equity interest * – R'000	<b>N/A</b>	74 235	52 020
Investment loans * – R'000	<b>N/A</b>	6 396	6 030
Total – R'000	<b>57 558</b>	138 189	95 064

\* Classified as held-for-sale at 31 Dec 2023 and the proceeds received during the current period.

- **VALEMOUNT TRADING** is a pet food and product manufacturer and supplier to leading retail chains, specialist pet stores and major co-ops in South Africa. In particular through its Westerman and Animal Zone brands, Valemount is the largest manufacturer and distributor of bird seed and related feeder products in the country. The expansion of its range of products supplied to the wider pet market is supported by its international partners, M-PETS, Beeztees and Pet Rebels. Its distribution centres also provide outsourced logistical services to numerous independent pet product suppliers.

A number of acquisitions are being considered to augment Valemount's existing strong organic growth and to widen its product range. Valemount performed satisfactorily during the period.

The Company's subsidiary has also committed to increase its Rand investment to facilitate expansion and acquisitions.

<b>Valuation summary:</b>	<b>30 Jun 2024</b>	31 Dec 2023	30 Jun 2023
EBITDA valuation multiple	<b>6,0x</b>	6,0x	6,0x
39,3% equity interest – R'000	<b>33 637</b>	30 512	32 038
Investment loans – R'000	<b>25 000</b>	25 000	25 000
Total – R'000	<b>58 637</b>	55 512	57 038

- **VERSOFY** is one of the largest home and SME solar installation and power solutions groups in South Africa, offering Solar as a Service and rent to buy solutions. (Versofy was acquired in December 2023).

In the prior period, a 3,75% indirect holding in Versofy (Pty) Ltd was acquired through a 25,0% interest in a consortium which has purchased an initial 15% of Versofy and provided initial funding of R16,6m (which may vary as the deal terms are implemented). It is carried as a current asset at nil value due to the early stage of the business plan of the entity and various alternative strategies and funding structures that are likely to follow in the coming financial year.

<b>Valuation summary:</b>	<b>30 Jun 2024</b>	31 Dec 2023	30 Jun 2023
Basis of valuation	<b>NAV</b>	NAV	NAV
39,3% equity interest – R'000	–	–	–
Investment loans – R'000	–	–	–
Total – R'000	–	–	–

## PARTNERSHIP PRINCIPLE

Sabcap invests alongside family, operating and financial partners. Its partners in each investment are recorded in the Annual Integrated Report on the Sabcap website.

## DIRECTORS' SHARE ENCUMBRANCES

None of the shares in Sabcap held by any of the Sabcap directors or any of their related parties, including SFT, are encumbered.

## RELATED PARTIES

Related party transactions exist between subsidiaries and the holding company, fellow subsidiaries and investee companies, and comprise fees, dividends and interest. Dividends and fees received from investees during the period by the Company's subsidiaries were R109,2m (twelve months to 31 Dec 2023: R175,9m) (six months to 30 Jun 2023: R114,3m) and R0,5m (twelve months to 31 Dec 2023: R1,6m) (six months to 30 Jun 2023: R0,7m) respectively. Amounts owed by investees at the end of the period, included in the fair value of investments (as part of other net assets), were R34,5m (31 Dec 2023: R46,0m) (30 Jun 2023: R35,5m).

Transactions with directors relate to fees and monies lent to the Group by individuals and by companies and trusts associated with the directors.

## DIVIDENDS AND SHARE BUYBACKS

An interim dividend of 35 cents per share has been declared, being a 16,7% increase on the 2023 interim dividend of 30 cents per share. In addition, R51,7m (twelve months to 31 Dec 2023: R11,6m) (six months to 30 Jun 2023: R0,8m) was allocated to buybacks of 750 000 Sabcap shares during the period.

## ACCOUNTING POLICIES

The unaudited consolidated interim financial statements have been prepared in accordance with the framework concepts and the recognition and measurement criteria of IFRS® Accounting Standards ("IFRS") and comply with the minimum disclosure requirements of International Accounting Standard 34: Interim Financial Reporting Guides issued by the Accounting Practices Committee and Financial Pronouncements issued by the Financial Reporting Council, the JSE Listings requirements and the requirements of the Companies Act of South Africa.

The accounting policies are in terms of IFRS and are consistent with those applied by Sabcap in the previous financial statements. The interim financial statements have been prepared on a historical cost basis, except for financial instruments and investments which are measured at fair value. The preparation of these consolidated condensed financial statements were supervised by the chief financial officer, Mr K De Matteis CA(SA).

## CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2024, the Company's subsidiaries had the following contingent liabilities and commitments:

- Rights and obligations in terms of shareholder or purchase and sale agreements relating to its present and former investments.
- A Company subsidiary has given guarantees on behalf of certain investees in the ordinary course of business for deal and operational credit in amounts totaling R230m (31 Dec 2023: R80m) (30 Jun 2023: R80m) and which were utilised at the reporting date in the amount of R213m (31 Dec 2022: R80m) (30 Jun 2023: R80m). The increase arose from guarantees relating to the Metrofile sale and temporary guarantees for ITL in South Africa during its restructuring program.

## DIRECTORATE AND GOVERNANCE

There have been no changes to the Board or committees during the period.

## KING IV™ COMPLIANCE

Sabvest's King IV™ compliance report is on the Sabcap website and in the Sabcap 2023 Integrated Report.

## PROSPECTS

Sabcap is satisfied with the performance of most of its unlisted investees in difficult trading conditions, and confident that the few negatively affected to date will show stronger trading positions by year-end. The values of its listed investments are determined by market prices, except for Metrofile which has been valued in accordance with the provisions contained in the share purchase agreement. The trading results of Corero are expected to show good continuing growth. Metrofile's results to date have been weaker than expected but turnaround prospects remain satisfactory. The restructuring at TC, and at SA Taxi in particular, continue to progress but the outcomes are not yet predictable.

Sabcap expects satisfactory growth in NAV per share for the 2024 financial year.

Management regards Sabcap as fully invested at the present time but continues to consider acquisitions and investment opportunities in its investees.

References to future financial information in this announcement have not been reviewed or reported on by the Group's auditors.

For and on behalf of the Board

**Kuben Pillay**

*Chairman*

Sandton

21 August 2024

**Christopher Seabrooke**

*CEO*

**Kyle De Matteis**

*CFO*

## CASH DIVIDEND DECLARATION

Notice is hereby given that an interim dividend of 35 cents (2023: 30 cents) per ordinary share for the six months ended 30 June 2024 has been declared out of income reserves.

The issued share capital of the Company at the declaration date is 38 470 000 ordinary shares. The income tax number of the Company is 9660061186.

Withholding tax on dividends at a rate of 20% will be deducted for all shareholders who are not exempt in terms of the applicable legislation. This will result in a final net cash dividend of 28 cents per ordinary share to non-exempt shareholders.

Last date to trade "CUM" dividend	Tuesday, 10 September 2024
Trading "EX" dividend commences	Wednesday, 11 September 2024
Record date	Friday, 13 September 2024
Dividend payment date	Monday, 16 September 2024

No dematerialisation or rematerialisation of share certificates will be allowed during the period Wednesday, 11 September 2024 to Friday, 13 September 2024, both days inclusive.

**Registered address:**

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**Communications:**

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**Transfer secretaries:**

Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (Private Bag X9000, Saxonwold 2132)

**Directors:**

K Pillay # (*Chairperson*), O Ighodaro # (*Lead Independent Director*), CS Seabrooke \* (*Chief Executive*), BJT Shongwe #, L Mthimunye #, K De Matteis \*, L Rood \*  
\*Executive #Independent

**Sponsor:**

Rand Merchant Bank (A division of FirstRand Bank Limited), 1 Merchant Place, Corner of Fredman Drive and Rivonia Road, Sandton 2196

**Company Secretary:**

Levitt Kirson Business Services (Pty) Ltd

[www.sabvestcapital.com](http://www.sabvestcapital.com)