



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

SALIENT FEATURES OF THE UNAUDITED RESULTS

for the six months 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.

RESTATEMENT

During the prior year, the Company’s subsidiaries were reclassified as investment entities under IFRS 10 and the financial statements restated to cease consolidating the subsidiaries. The Company’s investment in Sabvest (Pty) Ltd (“Sabvest”) is now measured at Fair Value Through Profit and Loss (“FVTPL”) as opposed to the historical measurement at cost less accumulated impairment loss. 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”) for the comparative period 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 the Company’s statement of financial position, statement of comprehensive income and 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 financial statements in the investments line as opposed to the previously presented consolidated statements that had some assets and liabilities separately disclosed.

RESULTS

	% 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 * ¹		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.

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.

RESULTS SUMMARY

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 Transaction Capital (“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. Term debt in subsidiaries was reduced from R600m at year-end to R460m primarily from the proceeds of the sales of some of the holdings in Sunspray and Metrofile (as announced on SENS and detailed in the long-form announcement) and the proceeds of the WeBuyCars shares received after their unbundling by TC.

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.

INVESTMENT HOLDINGS

The Company’s investment holdings include the fair value of its investment in Sabvest (Pty) Ltd and comprises mainly of the fair value of the investments, assets and liabilities held by the underlying subsidiaries, summarised as follows as at 30 June 2024:

	Listed/ Unlisted	Sector * ¹	Number of ordinary shares/units	Economic interest * ² %	Fair value R’000
Investments *¹					5 084 078
Altify (previously Revix UK)	U	FT		16,1	–
Apex Partners Holdings (Pty) Ltd	U	IS		46,4	686 294
ARB Holdings (Pty) Ltd	U	IS		18,5	403 388
Corero Network Security Plc	L	FT	52 000 000	10,2	173 905
DNI-4PL Contracts (Pty) Ltd	U	FT		19,7	973 642
Flexo Line Products (Pty) Ltd	U	IS		47,5	66 338
Halewood International South Africa (Pty) Ltd	U	IS		19,0	124 036
ITL Holdings Group	U	IS		34,4	575 939
Masimong Group Holdings (Pty) Ltd	U	MCA		9,0	489 897
Metrofile Holdings Limited	L	IS	21 000 000	5,0	63 210
Rolfes Holdings (Pty) Ltd	U	MCA		24,7	179 546
SA Bias Industries (Pty) Ltd	U	IS		86,0	1 214 288
Sunspray Solutions (Pty) Ltd	U	IS		11,1	57 558
Transaction Capital Limited	L	FT	6 000 000	0,8	17 400
Valemount Trading (Pty) Ltd	U	IS		39,3	58 637
Versofy (Pty) Ltd	U	IS		3,8	–
Interest-bearing borrowings					(466 486)
Deferred tax liability					(138 069)
Cash on hand					36 548
Other net assets					19 564
					4 535 635

*¹ IS – Industrial and Services; MCA – Mining, Chemicals and Agriculture; FT – Specialised Financial and Technology

*² Represents the economic interest at 31 December 2023.

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 restructure at TC, and 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.

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 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.

Sandton
21 August 2024

The above announcement is a summary of information in the unaudited results for the six months ended 30 June 2024 (‘interim results’) and does not contain full or complete details and is the responsibility of the directors. Any investment decisions by investors and/or shareholders should be based on the interim results which is available on <https://senspdfjse.co.za/documents/2024/JSE/ISSE/SBPE/Int24.pdf> and published on the Company’s website on <http://www.sabvestcapital.com/pdf/2024/IntRes24.pdf> on 21 August 2024.

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*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

GRAPHICULTURE