



The Trusted Home of Agriculture
Die Betroubare Tuiste van Landbou

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER

2023

SALIENT FEATURES



REVENUE for continuing business **+18%** to R3,07 billion



HEPS for continuing business **+ 67.3%** to 73,8 cents per share



WORKING CAPITAL OPTIMISED including a further recovery from discontinued operations towards year end



RESTRUCTURING in the **FINAL STAGES**

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INTRODUCTION

It would be no exaggeration to say that businesses have faced more uncertainty over the last three years than at any time in the past decade. During the period under review, business conditions remained challenging with low commodity prices, persistent levels of high inflation and high interest rates. Low economic growth, exacerbated by never-ending loadshedding and weakened consumer confidence, contributed to unpredictable and volatile demand. Pressure on input costs and low natural fibre and livestock prices strained producer profits and business activity for the Group.

With our major restructuring activities now close to completion, the Group is better positioned for the current environment. The Group's full year results for FY24 are expected to be better than those of FY23.



FINANCIAL AND OPERATIONAL PERFORMANCE

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

It is pleasing to report that in a half-year marked by uncertainty, both nationally and internationally, the Group delivered revenue growth of 12.9% (18.3% if discontinued operations are excluded). Revenue increases were primarily driven by significant growth in sales of fuel, seed and fertiliser in our Trading Division. Increased sugar sales by the Atlanta business also significantly contributed to this growth.

The Group generated a net after-tax profit of R9,9 million compared to R0,9 million last year.

CONTINUING OPERATIONS

ZAR 'millions	CURRENT YEAR FIRST SIX MONTHS	CHANGE %	PRIOR YEAR FIRST SIX MONTHS
Value of business transactions (VOB)	6 215	2%	6 118
Revenue	3 069	18%	2 594
Gross profit margin as % of VOB	9.3%	1pp	8.4%
Operating profit	121	50%	81
EBITDA	153	42%	108
EBITDA margin as % of VOB	2.5%	0.7pp	1.8%
HEPS (cents)	73.8	67%	44.1

The value of business transactions for continuing operations was 2% higher than the prior year at R6,2 billion, while revenue grew 18% to R3 billion. The Group reported an operating profit of R121 million and EBITDA of R152,9 million, compared to R81 million and R107,7 million respectively in the prior year. The Trading and PakHouse Divisions reported exceptional performances, contributing to the overall margin improvement. The Fibre and Livestock Divisions performed below expectations for the half-year as a result of weak local and global demand.

Fibre prices have not yet fully recovered from the effects of the COVID-19 pandemic. The industry view is that wool prices are now at the lower end of a price cycle and are expected to recover. The main contributing factors to the current low prices are the high interest rate and inflationary environments in Europe and the USA, which directly impact demand. Logistical issues at South Africa's ports also adversely affected Pinnacle Fibres. The Fibre Division reported an operating profit of R0,5 million against an operating loss of R2,4 million in the prior year. Prior year sales were severely restricted due to supply chain disruptions following the Chinese ban on importing wool.

The Livestock Division, which includes property sales, experienced extremely difficult trading conditions over the last six months. The overall economic conditions in South Africa squeezed consumer demand which, in turn, directly affected the division's performance. Livestock prices have not recovered as expected as domestic demand for red meat continued to soften. All Southern Hemisphere countries experienced both lower demand and lower year-on-year prices for livestock. Notwithstanding these conditions, the Division reported an operating profit of R16,4 million against R22,9 million in the prior year.

The Group's Trading Division reported operating profit growth of 23.2% to R52,1 million. This was driven by fuel sales volume growth of 22.5%, mainly due to upgrades done at Amersfoort, Cathcart and Burgersdorp. Improved margin management and new direct sales of seed and fertilisers further contributed to the excellent performance. A key project to optimise stock levels is already delivering very good results. The division managed to reduce its average inventory carry period by 12 days and, at the same time, improved stock availability for customers.

Continuing business operations in PakHouse Brands had an excellent first six months, reporting an operating profit of R86,8 million against R48 million in the prior year. Average funds employed in the business reduced from R765 million to R583 million.

Atlanta Sugar, in the Consumer Goods segment, successfully added new product categories (including NuLife low GI sugar) and expanded its customer base, which resulted in a 10.9% increase in sales volumes and improved margins.

The Grains Division performed well. The Bethlehem mill significantly improved efficiencies and increased its capacity, which led to an increase of 23% in tonnage sold. The Grain Storage Division maintained its momentum from the prior year.

During the first half of FY24, we took a disciplined and unflinching approach to cost management. Expenses for the Group's continuing operations for the six months to 31 December 2023 increased 3.8% to R462,7 million. Lower activity in the Livestock and Fibre Divisions helped contain variable costs.

Finance costs increased by R14,1 million to R43,4 million, mainly due to the steadily increasing interest rates prevailing in South Africa. Elevated working capital levels during the period in Pinnacle Fibres and in the newly acquired Provident business within the Trading Division contributed to the higher finance costs.

FINANCIAL AND OPERATIONAL PERFORMANCE (CONTINUED)

DISCONTINUED OPERATIONS

ZAR 'millions	DESERT RAISINS	ALPHAALFA	TOTAL
Operational loss	(27)	(16)	(43)
Finance charges	(18)	(4)	(22)
Taxation	12	5	17
Loss from discontinued operations	(33)	(15)	(48)
Net working capital relating to discontinued operations	104	20	124

During the past six months, the Board and management continued to implement the actions necessary to exit from non-profitable businesses and restore profitability. Not unexpectedly, losses from discontinued operations had a negative effect on the Group's overall financial performance for the six months to 31 December 2023.

The closure of Desert Raisins is in the final stages. The remaining customer contracts are expected to be completed and delivered by the end of March 2024. Operating losses relate mainly to lower margins resulting from product disposal as part of the cessation of operations.

Following an evaluation of persistent poor performance, the Board approved the full closure of the AlphaAlfa lucerne business. The closure process progressed smoothly. All operating activities ought to be terminated by 31 March 2024.

The closure of Desert Raisins and AlphaAlfa completes the major restructuring of BKB's business portfolio.

BALANCE SHEET AND CASH FLOW

Balance sheet and cash flow indicators ZAR 'millions	AS AT 31 DEC 2023	CHANGE %	AS AT 31 DEC 2022
Net interest bearing debt	1 006	(7.6%)	1 089
Net working capital	1 239	(4.2%)	1 293
Cash generated from/(utilised in) operations (excluding net working capital)	48		(3)

Net debt levels decreased by 7.6% to R1 006 million and should improve further towards the financial year end.

The cash conversion cycle (calculated as net working capital days) improved by 15.4% year on year. The main drivers were the success of the inventory optimisation project in the Trading Division as well as an increase in supplier finance in the Bethlehem mill. Higher holdings of wool stock elevated the working capital requirement of the Fibre Division. This is expected to unwind in the next few months. Working capital of discontinued operations was R124 million on 31 December 2023 and should reduce significantly towards year end.

Trade and other receivables increased 2.1% to R1,1 billion. The current business environment for the Livestock Division has a direct impact on debt collections. Management focuses on tightening credit control discipline to avoid further impairments and write-offs.

Cash generated from operating activities (excluding working capital movements) was R47,6 million compared to cash utilised of R3 million in the prior year.

Capital expenditure on strategic and essential items amounted to R37,5 million (prior period R32,9 million), which was in line with the amount approved by the Board.

Book value of disposals amounted to R8,9 million (prior period R6,5 million).

OUTLOOK

BKB expects a more favourable second half of the FY24 financial year. The financial impact of restructuring and discontinuing operations will be less in the next six months. The full impact should be through the system well before year end. We expect the Fibre Division to deliver a good set of second half results. The Trading Division and PakHouse Division are expected to maintain the momentum achieved in the first half of the year.

2024 will no doubt be another year of great uncertainty for business. There are a number of current events and risks that might impact global and national markets, livestock prices, commodity prices, input prices, supply chains, and domestic and geopolitical environments. Uncertainty will persist at the very least in the near to medium term given, inter alia, the situation in Ukraine and the Middle East, inflationary pressures in Europe, and the elections later this year in South Africa and the USA. The South African economy is expected to remain fragile throughout 2024. We are hopeful that the high local interest rates will abate in the coming months, bringing much-needed relief to our producers and consumers.

BKB has a portfolio of diverse, cash-generative businesses with market-leading positions. The essential and diversified nature of the Group's core products and services ensures that BKB is able to deal with a volatile and cyclical agricultural sector, and weather any storms that might arise.

Our balance sheet is sound, supported by sufficient liquidity and banking facilities. We have worked hard to ensure that our balance sheet can absorb external shocks while enabling the Group to take advantage of investment opportunities as they arise.

The Group maintains its long-term focus and continues to invest in strengthening its existing operations, renewing the portfolio and developing platforms for long-term growth.

Looking ahead at the next six months:

- The Fibre Division's outlook is positive and should largely replicate the turnaround performance in the second half of the prior year. This is supported by recent auction volumes, firmer and improved prices, and a higher volume of wool receipts.
- The Livestock Division is likely to continue experiencing tough trading conditions. Prices are expected to hover around current levels with some improvement towards the middle of the year. Interest rate reductions would have a positive effect on the division's results.
- The Trading Division's level of activity tends to be lower in the second half of the year. Nonetheless, the positive effects of recent branch upgrades and strategic interventions to improve working capital levels are expected to continue yielding positive outcomes.
- PakHouse Brands' outlook for the second half of the financial year is good. Atlanta Sugar is expected to produce another strong set of results. Likewise, the Bethlehem grit mill is expected to maintain its excellent performance. The Grain Storage Division might be negatively affected by the El Niño cycle, but the impact thus far has been minimal.
- We continue to place great emphasis on uncompromising commitment to and discipline in margin improvement, cost control, capital expenditure and working capital management throughout the Group.

The relationship with our producers, customers and clients remains critical to the success of BKB. We will continue to work closely with producers to ensure that the agricultural sector remains at the forefront of technological and sustainable advancement. All of our people at BKB are committed to providing relevant, innovative, and value-adding services and products.

DIRECTORS' REPORT

The condensed consolidated interim results of BKB Limited for the six months ended 31 December 2023 comprise those of the Company, its subsidiaries and jointly controlled entities (together referred to as the Group).

The condensed consolidated interim financial statements of the Group have been prepared in accordance with IAS 34 *Interim Financial Reporting*, International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the listing requirements of the Cape Town Stock Exchange and in the manner required by the Companies Act of South Africa, 2008 (Act 71 of 2008).

These interim results have not been audited or independently reviewed by the Group's external auditors. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 30 June 2023.

BASIS OF PREPARATION STATEMENT

The Group's performance is subject to seasonal trends. The Fibre Division generally performs better in the second half of the financial year, but performance is highly dependent on market price fluctuations, exchange rate movements, as well as the timing of fibre received from producers. The Trading Division normally benefits from higher feed sales in the generally drier first half of the financial year.

The reports and commentary which form part of the condensed consolidated financial statements contain forward-looking statements that are subject to risk factors associated with the agricultural industry, many of which are beyond the control of the Group. These forward-looking statements do not constitute a representation and no reliance should be placed on them, although every effort has been made to ensure their reasonableness.

DIVIDENDS

No dividends were declared for the period.

RESPONSIBILITIES AND APPROVAL

The preparation of the BKB Group's condensed consolidated interim results for the six months ended 31 December 2023 was supervised by the Group Financial Director, JA van Niekerk.

The Board believes this half-year report is a balanced and appropriate representation of the financial and operational performance of the Group.

The condensed consolidated interim results for the six months ended 31 December 2023 were approved by the Board of Directors on 12 March 2024 and are signed on the Board's behalf by:



Geoff Kingwill
Chairman: BKB Board of Directors



Johan Stumpf
Managing Director

The results were made available publicly on 13 March 2024.



UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

#IntegrityIntegrated

SERVICE EXCELLENCE | ENTREPRENEURSHIP | EARNINGS | EMPLOYEES | ENVIRONMENT

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2023

	As at 31 Dec 2023 (Unaudited) R'000	As at 31 Dec 2022 (Unaudited) R'000	As at 30 Jun 2023 (Audited) R'000
ASSETS			
Non-current assets			
Property, plant and equipment	792 395	898 476	785 516
Right-of-use assets	76 039	75 407	82 106
Investment property	40 130	3 468	38 689
Intangible assets	131 364	105 115	134 195
Equity accounted investments	9 335	8 547	9 903
Trade and other receivables	21 524	21 740	29 876
Deferred tax assets	60 567	30 044	59 814
	1 131 354	1 142 797	1 140 099
Current assets			
Inventories	754 067	825 058	827 584
Trade and other receivables	1 140 814	1 117 138	1 052 098
Other financial assets	10 488	32 587	1 522
Current income tax assets	10 792	7 994	2 189
Cash and cash equivalents	150 135	60 432	34 613
	2 066 296	2 043 209	1 918 006
Assets classified as held for sale	44 315	13 811	44 976
Total current assets	2 110 611	2 057 020	1 962 982
Total assets	3 241 965	3 199 817	3 103 081
EQUITY			
Capital and reserves			
Share capital	4 420	4 420	4 420
Share premium	218 630	218 630	218 630
Treasury shares	(126 278)	(122 449)	(126 278)
Non-distributable reserves	171 271	156 497	140 593
Distributable reserves	1 100 673	1 074 852	1 090 226
Capital and reserves attributable to owners of the parent	1 368 716	1 331 950	1 327 591
Non-controlling interest	2 740	1 924	2 372
Total equity	1 371 456	1 333 874	1 329 963
LIABILITIES			
Non-current liabilities			
Borrowings	150 251	169 804	162 693
Lease liabilities	76 053	75 418	80 292
Post-retirement medical aid liabilities	3 910	5 808	3 910
Deferred tax liabilities	40 606	45 513	36 486
Provisions	8 282	8 809	8 677
	279 102	305 352	292 058
Current liabilities			
Trade and other payables	656 192	649 349	667 377
Borrowings	897 989	876 341	774 890
Other financial liabilities	670	-	14 816
Lease liabilities	14 489	9 404	14 941
Current income tax liabilities	5 096	7 508	4 970
Bank overdrafts	16 971	17 989	4 066
Total current liabilities	1 591 407	1 560 591	1 481 060
Total liabilities	1 870 509	1 865 943	1 773 118
Total equity and liabilities	3 241 965	3 199 817	3 103 081

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results 2024

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023**

	For the 6 months ended 31 Dec 2023 (Unaudited) R'000	For the 6 months ended 31 Dec 2022 (Unaudited) R'000	For the year ended 30 Jun 2023 (Audited) R'000
Continuing operations			
Revenue	3 036 974	2 565 661	5 836 783
Interest revenue	31 865	28 674	63 923
Total revenue	3 068 839	2 594 335	5 900 706
Cost of sales	(2 487 850)	(2 079 202)	(4 714 495)
Gross profit	580 989	515 133	1 186 211
Other operating income	15 868	14 229	37 216
Operational expenses	(384 706)	(369 947)	(804 685)
Administrative expenses	(78 000)	(75 930)	(152 727)
Impairment of financial assets	(13 512)	(2 736)	(14 182)
Loss from equity accounted investments	(97)	(201)	(493)
Operating profit	120 542	80 548	251 340
Finance income	2 462	1 218	4 275
Finance costs	(43 381)	(29 227)	(79 613)
Profit before taxation	79 623	52 539	176 002
Income tax expense	(22 171)	(16 773)	(53 534)
Profit for the period/year from continuing operations	57 452	35 766	122 468
Discontinued operations			
Loss from discontinued operations	(47 518)	(36 699)	(112 614)
Profit/(loss) for the period/year	9 934	(933)	9 854
Continuing operations			
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Movement in reserve on revaluation of properties	-	-	15 602
Gains on property revaluations	-	-	21 373
Income tax relating to items that will not be reclassified	-	-	(5 771)
Items that will be reclassified to profit or loss:			
Movement in cash flow hedge reserve	7 060	2 836	(8 782)
Fair value adjustments to cash flow hedge reserve	7 721	(3 518)	(35 157)
Reclassification to revenue	(2 082)	7 402	20 247
Reclassification to profit or loss	-	-	2 546
Income tax relating to items that may be reclassified	1 421	(1 048)	3 582
Other comprehensive income for the period/year net of taxation from continuing operations	7 060	2 836	6 820
Discontinued operations			
Other comprehensive income for the period/year net of taxation from discontinued operations	24 499	8 185	(11 025)
Total comprehensive income for the period/year	41 493	10 088	5 649
Profit/(loss) attributable to:			
Owners of the parent			
From continuing operations	57 084	35 605	121 859
From discontinued operations	(47 518)	(36 699)	(112 614)
Non-controlling interest			
From continuing operations	368	161	609
	9 934	(933)	9 854
Total comprehensive income attributable to:			
Owners of the parent	41 125	9 927	5 040
Non-controlling interest	368	161	609
	41 493	10 088	5 649
Basic earnings per share (cents)	12.2	(1.4)	11.8
From continuing operations	73.0	45.2	155.0
Diluted earnings per share (cents)	12.0	(1.4)	11.6
From continuing operations	71.9	44.8	152.6

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023

	As at 31 Dec 2023 6 Months (Unaudited) R'000	As at 31 Dec 2022 6 Months (Unaudited) R'000	As at 30 Jun 2023 (Audited) R'000
Share capital			
Balance at the beginning and end of the period/year	4 420	4 420	4 420
Share premium			
Balance at the beginning of the period/year	218 630	218 950	218 950
Loss on sale of shares	-	(320)	(320)
Balance at the end of the period/year	218 630	218 630	218 630
Treasury shares			
Balance at the beginning of the period/year	(126 278)	(123 213)	(123 213)
Shares purchased by the trust	-	-	(4 202)
Shares sold by the trust	-	764	1 137
Balance at the end of the period/year	(126 278)	(122 449)	(126 278)
Non-distributable reserves			
<i>Reserve on revaluation of properties</i>			
Balance at the beginning of the period/year	157 739	155 545	155 545
Revaluations	-	-	9 895
Deferred tax on revaluations	-	-	(2 672)
Realisation of revaluation reserve on sale of building	(1 207)	-	(515)
Deferred tax realised on sale of building	326	-	139
Transfer to distributable reserves	-	-	(4 653)
Balance at the end of the period/year	156 858	155 545	157 739
<i>Cash flow hedge reserve</i>			
Balance at the beginning of the period/year	(31 625)	(20 197)	(20 197)
Fair value adjustments to cash flow hedge reserve	44 838	819	(63 696)
Reclassification to revenue	(1 952)	14 278	25 270
Reclassification to profit or loss	(3 375)	-	22 437
Income tax relating to items that may be reclassified	(7 952)	(4 076)	4 561
Balance at the end of the period/year	(66)	(9 176)	(31 625)
<i>Share based payment reserve</i>			
Balance at the beginning of the period/year	12 040	7 585	7 585
Employee share scheme - value of employee services	-	104	4 455
Balance at the end of the period/year	12 040	7 689	12 040
<i>Black economic empowerment reserve</i>			
Balance at the beginning and end of the period/year	2 439	2 439	2 439
	171 271	156 497	140 593
Distributable reserves			
<i>Retained earnings</i>			
Balance at the beginning of the period/year	1 090 226	1 108 981	1 108 981
Profit/(loss) for the period/year	9 566	(1 094)	9 245
Dividends	-	(33 035)	(33 029)
Transfer from non-distributable reserve	881	-	5 029
Balance at the end of the period/year	1 100 673	1 074 852	1 090 226
Non-controlling interest			
Balance at the beginning of the period/year	2 372	1 763	1 763
Profit for the period/year	368	161	609
Balance at the end of the period/year	2 740	1 924	2 372
	1 371 456	1 333 874	1 329 963

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results 2024

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023**

	For the 6 months ended 31 Dec 2023 (Unaudited) R'000	For the 6 months ended 31 Dec 2022 (Unaudited) R'000	For the year ended 30 Jun 2023 (Unaudited) R'000
Cash flow from operating activities			
Cash receipts from customers	6 406 048	6 580 575	13 502 854
Cash paid to suppliers and employees	(6 302 982)	(6 704 375)	(13 348 898)
Cash generated from/(used in) operating activities	103 066	(123 800)	153 956
Interest received	2 571	1 461	4 566
Interest paid	(65 379)	(49 099)	(118 631)
Taxation paid	(19 066)	(16 142)	(52 815)
	21 192	(187 580)	(12 924)
Cash flow from investing activities			
Property, plant and equipment	(28 575)	(26 361)	(52 550)
Investment property	(1 440)	(2 355)	(2 034)
Held for sale	661	5 139	16 484
Intangible assets	(616)	(1 369)	(3 552)
Business combinations	-	-	(46 692)
Investment in associate	471	110	(1 538)
Non-current receivables	8 352	(3 573)	(6 732)
	(21 147)	(28 409)	(96 614)
Cash flow from financing activities			
Dividends paid	-	(33 035)	(33 029)
Cash received on share movements	-	444	-
Borrowings	102 572	243 208	139 042
Principal elements of lease payments	-	-	(13 743)
	102 572	210 617	92 270
Total cash movement for the period/year	102 617	(5 372)	(17 268)
Net cash and cash equivalents at the beginning of the period/year	30 547	47 815	47 815
Net cash and cash equivalents at the end of the period/year	133 164	42 443	30 547

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results 2024

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation

The accounting policies and principles applied in the preparation of the condensed consolidated interim financial statements for the six months ended 31 December 2023 are in all material respects consistent with those applied in the BKB Group's audited consolidated annual financial statements for the year ended 30 June 2023.

2 Segmental information

The Group has identified reportable segments which represent the structure used by the board of directors and executive management to make key strategic and operating decisions and assess performance.

The Group has six reportable segments within which the Group's strategic business units (SBUs) fall.

These reportable segments as well as the products and services from which each of them derive revenue are set out below:

Reportable segment	Products and services
Natural fibre	Comprises marketing by auction, trading, warehousing and logistics of wool and mohair for both the producer and buyer.
Retail and fuel	Comprises retail trading branches throughout the country specializing in agricultural requisites and the supply of fuel.
Livestock and properties	Comprises the marketing and auctioneering of livestock, general farming implements and agricultural, commercial and residential properties.
Leasing of properties	The leasing of warehouse, office and retail space.
Grains	Comprises grain storage and handling and maize milling. The lucerne operations were fully discontinued during the 2024 financial year.
Consumer goods	Comprises the packaging, distribution and marketing of sugar, dried fruits and agro based consumer goods in local and foreign markets. The raisins business was discontinued during the 2023 financial year.

The SBUs offer different services and are managed separately as they require different skills, technology and marketing strategies.

Segmental revenue and results

The executive directors assess the performance of the operating segments based on a measure of value of business conducted, revenue, operating profit and profit before tax. The value of business conducted represents the value of sales transactions for the Group as well as those conducted in its capacity as an agent/broker. Income tax is managed on an entity level and is not allocated to the operating segments.

For the 6 months ended 31 Dec 2023 (Unaudited)

Continuing operations

Operating segments	Value of business - external R'000	Segment revenue - total R'000	Segment revenue - internal R'000	Segment revenue - external R'000	Interest revenue R'000	Human resource/staff costs R'000
Natural fibre	1 416 366	641 000	(63 979)	577 021	7 241	(54 166)
Retail and fuel	1 292 020	1 322 011	(41 246)	1 280 765	11 255	(57 083)
Livestock and properties	2 442 823	117 128	(1 432)	115 696	12 109	(66 498)
Leasing of properties	1 430	23 915	(22 485)	1 430	-	(232)
Grains	413 483	415 799	(2 440)	413 359	124	(14 751)
Consumer goods	647 318	1 175 126	(527 808)	647 318	-	(13 389)
All other segments	1 907	1 385	-	1 385	1 136	(36 054)
Total	6 215 347	3 696 364	(659 390)	3 036 974	31 865	(242 173)

Operating segments	EBITDA* R'000	Depreciation and amortisation** R'000	Impairments and revaluations R'000	Operating profit/(loss) R'000	Net finance (expense)/income R'000	Profit/(loss) before tax R'000
Natural fibre	7 174	(6 691)	-	483	(30 683)	(30 200)
Retail and fuel	59 511	(7 378)	-	52 133	(22 542)	29 591
Livestock and properties	21 834	(5 481)	-	16 353	(5 444)	10 909
Leasing of properties	16 346	(712)	-	15 634	(575)	15 059
Grains	52 272	(9 101)	-	43 171	(1 601)	41 570
Consumer goods	45 474	(1 853)	-	43 621	445	44 066
All other segments	(49 710)	(1 143)	-	(50 853)	19 481	(31 372)
Total	152 901	(32 359)	-	120 542	(40 919)	79 623

Reconciling items

Taxation	(22 171)
Discontinued operations	(47 518)
Profit after discontinued operations and tax	9 934

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results 2024

NOTES TO THE FINANCIAL STATEMENTS

2 Segmental information (continued)

For the 6 months ended 31 Dec 2022 (Unaudited)

Continuing operations

Operating segments	Value of business - external R'000	Segment revenue - total R'000	Segment revenue - internal R'000	Segment revenue - external R'000	Interest revenue R'000	Human resource/ staff costs R'000
Natural fibre	1 391 756	570 125	(70 440)	499 685	6 525	(52 956)
Retail and fuel	1 107 458	1 118 125	(17 859)	1 100 266	7 192	(48 698)
Livestock and properties	2 774 657	125 152	(1 743)	123 409	12 992	(72 128)
Leasing of properties	1 822	22 453	(20 631)	1 822	-	(270)
Grains	349 171	352 188	(3 587)	348 601	570	(13 303)
Consumer goods	490 456	898 306	(407 850)	490 456	-	(16 210)
All other segments	2 337	1 422	-	1 422	1 395	(30 527)
Total	6 117 657	3 087 771	(522 110)	2 565 661	28 674	(234 092)

Operating segments	EBITDA*	Depreciation and amortisation**	Impairments and revaluations	Operating profit/(loss)	Net finance (expense)/ income	Profit/(loss) before tax
	R'000	R'000	R'000	R'000	R'000	R'000
Natural fibre	4 225	(6 584)	-	(2 359)	(24 358)	(26 717)
Retail and fuel	45 911	(3 603)	-	42 308	(17 284)	25 024
Livestock and properties	28 612	(5 732)	-	22 880	(5 816)	17 064
Leasing of properties	16 359	(626)	-	15 733	(580)	15 153
Grains	30 610	(7 265)	-	23 345	(146)	23 199
Consumer goods	26 422	(1 759)	-	24 663	119	24 782
All other segments	(44 439)	(1 583)	-	(46 022)	20 057	(25 966)
Total	107 700	(27 152)	-	80 548	(28 008)	52 539

Reconciling items

Taxation	(16 773)
Discontinued operations	(36 699)
Loss after discontinued operations and tax	(933)

* Earnings before interest, taxation, depreciation, impairments, amortisation and revaluations

** Includes cost of sales depreciation

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NOTES TO THE FINANCIAL STATEMENTS

2 Segmental information (continued)

Segment assets and liabilities

The amounts provided to the board of directors with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

The amounts provided to the board of directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The table below provides information on segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the Statements of Financial Position.

	As at 31 Dec 2023 (Unaudited)		As at 31 Dec 2022 (Unaudited)	
	Total assets R'000	Total liabilities R'000	Total assets R'000	Total liabilities R'000
Natural fibre	886 892	396 230	750 361	313 373
Retail and fuel	718 574	514 544	607 308	429 556
Livestock and properties	342 518	131 078	377 875	171 155
Leasing of properties	624 957	71 143	600 400	69 684
Grains	434 158	206 686	542 709	314 643
Consumer goods	547 989	454 485	616 168	492 697
All other segments	393 584	803 050	448 701	818 540
Total	3 948 672	2 577 216	3 943 522	2 609 648
Reconciling items				
Inter-segment loans	(706 707)	(706 707)	(743 705)	(743 705)
Total as per statements of financial position	3 241 965	1 870 509	3 199 817	1 865 943

Geographical information

	For the 6 months ended 31 Dec 2023 (Unaudited)		As at 31 Dec 2023 (Unaudited)	For the 6 months ended 31 Dec 2022 (Unaudited)		As at 31 Dec 2022 (Unaudited)
	Revenue - internal R'000	Revenue - external R'000	Non-current assets R'000	Revenue - internal R'000	Revenue - external R'000	Non-current assets R'000
South Africa	130 971	3 067 564	1 074 715	118 410	2 587 876	1 084 640
Eswatini	519 250	1 275	55 162	397 031	6 459	57 573
Lesotho	9 169	-	1 477	6 669	-	584
Total	659 390	3 068 839	1 131 354	522 110	2 594 335	1 142 797

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NOTES TO THE FINANCIAL STATEMENTS

3 Discontinued operations

The Board approved the full closure of the AlphaAlfa lucerne business during the six months, following ongoing poor performance. The lucerne press was reclassified as held for sale at the previous year-end. All operating activities should be terminated by 31 March 2024. The assets were reclassified as held for sale at 31 December 2023. This operation forms part of the Grains segment.

The Group decided to discontinue the loss-making Desert Raisins business in Kanoneiland during the previous financial year. The decision includes the sale of the production and ancillary assets of Desert Raisins. These assets were reclassified as held for sale at the previous year-end. The closure is now in its final stages. This operation forms part of the Consumer Goods segment.

The Group made a decision to close and exit the maize meal milling operations at Bultfontein during the previous financial year as the area is no longer a prominent yellow maize growing area. The mill and production assets were sold and activities were ceased during September 2022. These operations formed part of the Grains segment.

The financial performance of these discontinued operations was as follows:

Summarised statement of profit or loss

	For the 6 months ended 31 December 2023 (Unaudited)			
	Bultfontein R'000	Desert Raisins R'000	AlphaAlfa R'000	Total R'000
Revenue	-	170 890	87 287	258 177
Interest revenue	-	-	219	219
Total revenue	-	170 890	87 506	258 396
Cost of sales	-	(174 310)	(90 640)	(264 950)
Gross loss	-	(3 420)	(3 134)	(6 554)
Other operating income	-	4 877	276	5 153
Operational expenses	-	(26 639)	(11 679)	(38 318)
Administrative expenses	-	(1 691)	(1 925)	(3 616)
Reversal of impairment of financial assets	-	-	136	136
Operating loss	-	(26 873)	(16 326)	(43 199)
Finance income	-	108	-	108
Finance costs	-	(18 172)	(3 830)	(22 002)
Loss before taxation	-	(44 937)	(20 156)	(65 093)
Income tax credit	-	12 133	5 442	17 575
Loss for the period	-	(32 804)	(14 714)	(47 518)
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Movement in cash flow hedge reserve	-	16 060	8 439	24 499
Fair value adjustments to cash flow hedge reserve	-	24 182	12 935	37 117
Reclassification to revenue	-	150	(20)	130
Reclassification to profit or loss	-	(2 332)	(1 043)	(3 375)
Income tax relating to items that may be reclassified	-	(5 940)	(3 433)	(9 373)
Total other comprehensive income for the period	-	16 060	8 439	24 499
Total comprehensive loss for the period	-	(16 744)	(6 275)	(23 019)

BKB LIMITED AND ITS SUBSIDIARIES

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Interim Results 2024

NOTES TO THE FINANCIAL STATEMENTS

3 Discontinued operations (continued)

Summarised statement of profit or loss

	For the 6 months ended 31 December 2022 (Unaudited)			
	Bultfontein R'000	Desert Raisins R'000	AlphaAlfa R'000	Total R'000
Revenue	103 397	132 967	116 312	352 676
Interest revenue	85	-	138	223
Total revenue	103 482	132 967	116 450	352 899
Cost of sales	(103 553)	(118 676)	(102 021)	(324 250)
Gross (loss)/profit	(71)	14 291	14 429	28 649
Other operating income	(30)	4 875	2 234	7 079
Operational expenses	(20 202)	(25 395)	(16 149)	(61 746)
Administrative expenses	(973)	(2 125)	(922)	(4 020)
Impairment of financial assets	(606)	-	-	(606)
Operating loss	(21 882)	(8 354)	(408)	(30 644)
Finance income	207	19	17	243
Finance costs	(2 636)	(14 351)	(2 885)	(19 872)
Loss before taxation	(24 311)	(22 686)	(3 276)	(50 273)
Income tax credit	6 564	6 125	885	13 574
Loss for the period	(17 747)	(16 561)	(2 391)	(36 699)

Other comprehensive income:

Items that will not be reclassified to profit or loss:

Movement in cash flow hedge reserve

Fair value adjustments to cash flow hedge reserve

Reclassification to revenue

Income tax relating to items that may be reclassified

-	4 223	3 962	8 185
-	678	3 659	4 337
-	5 107	1 769	6 876
-	(1 562)	(1 466)	(3 028)
-	4 223	3 962	8 185

Total other comprehensive income for the period

Total comprehensive (loss)/income for the period

(17 747)	(12 338)	1 571	(28 514)
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Summarised statement of profit or loss

	For the year ended 30 June 2023 (Audited)			
	Bultfontein R'000	Desert Raisins R'000	Lucerne Press R'000	Total R'000
Revenue	103 397	316 640	50 632	470 669
Interest revenue	85	-	-	85
Total revenue	103 482	316 640	50 632	470 754
Cost of sales	(103 553)	(288 788)	(49 299)	(441 640)
Gross profit/(loss)	(71)	27 852	1 333	29 114
Other operating income	(30)	15 971	1 715	17 656
Operational expenses	(20 202)	(102 550)	(26 865)	(149 617)
Administrative expenses	(973)	(4 152)	(1 058)	(6 183)
Impairment of financial assets	(606)	(5 772)	-	(6 378)
Operating loss	(21 882)	(68 651)	(24 875)	(115 408)
Finance income	207	84	-	291
Finance costs	(2 636)	(34 227)	(4 197)	(41 060)
Loss before taxation	(24 311)	(102 794)	(29 072)	(156 177)
Income tax credit	6 564	29 149	7 850	43 563
Loss for the year	(17 747)	(73 645)	(21 222)	(112 614)

Other comprehensive income:

Items that will not be reclassified to profit or loss:

Movement in reserve on revaluation of properties

Losses on property revaluations

Income tax relating to items that will not be reclassified

Items that will be reclassified to profit or loss:

Movement in cash flow hedge reserve

Fair value adjustments to cash flow hedge reserve

Reclassification to revenue

Income tax relating to items that may be reclassified

-	(8 379)	-	(8 379)
-	(11 478)	-	(11 478)
-	3 099	-	3 099
-	(2 646)	-	(2 646)
-	(28 539)	-	(28 539)
-	5 023	-	5 023
-	979	-	979
-	(11 025)	-	(11 025)

Total other comprehensive income for the year

Total comprehensive loss for the year

(17 747)	(84 670)	(21 222)	(123 639)
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NOTES TO THE FINANCIAL STATEMENTS

3 Discontinued operations (continued)

Summarised statement of cash flow

Net cash from operating activities
Net cash from investing activities
Net cash from financing activities
Net cash movement for the period/year

	For the 6 months ended 31 Dec 2023 (Unaudited) R'000	For the 6 months ended 31 Dec 2022 (Unaudited) R'000	For the year ended 30 Jun 2023 (Audited) R'000
Net cash from operating activities	87 456	(43 603)	(80 583)
Net cash from investing activities	8 182	14 062	3 488
Net cash from financing activities	(85 024)	24 734	70 280
Net cash movement for the period/year	10 614	(4 807)	(6 815)



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