

Overview of Bell Equipment

Bell Equipment is a South African company that operates on a global scale, but has retained the family ethos instilled by Irvine Bell when he founded the company in 1954 as a small engineering and agricultural repair service in northern KwaZulu Natal.

Strong family values of integrity, honesty, accountability, and respect have seen Bell become an integral part of the communities in which it operates. The group takes its responsibilities as a corporate citizen seriously, purchasing from local suppliers wherever possible and investing in meaningful outreach initiatives with a focus on education, training, and development both internally and externally.

Bell Equipment's vision is to be a globally recognised OEM and a leader in the capital equipment and industrial goods sector, developing and supplying leading quality brands into the construction, mining, forestry, agriculture and industrial sectors in a number of chosen markets.



The early days: Bell founders, Irvine and Eunie Bell (seated), with their three sons (back left) Peter, Gary, and Paul, who have all played significant roles in developing different aspects of the business.



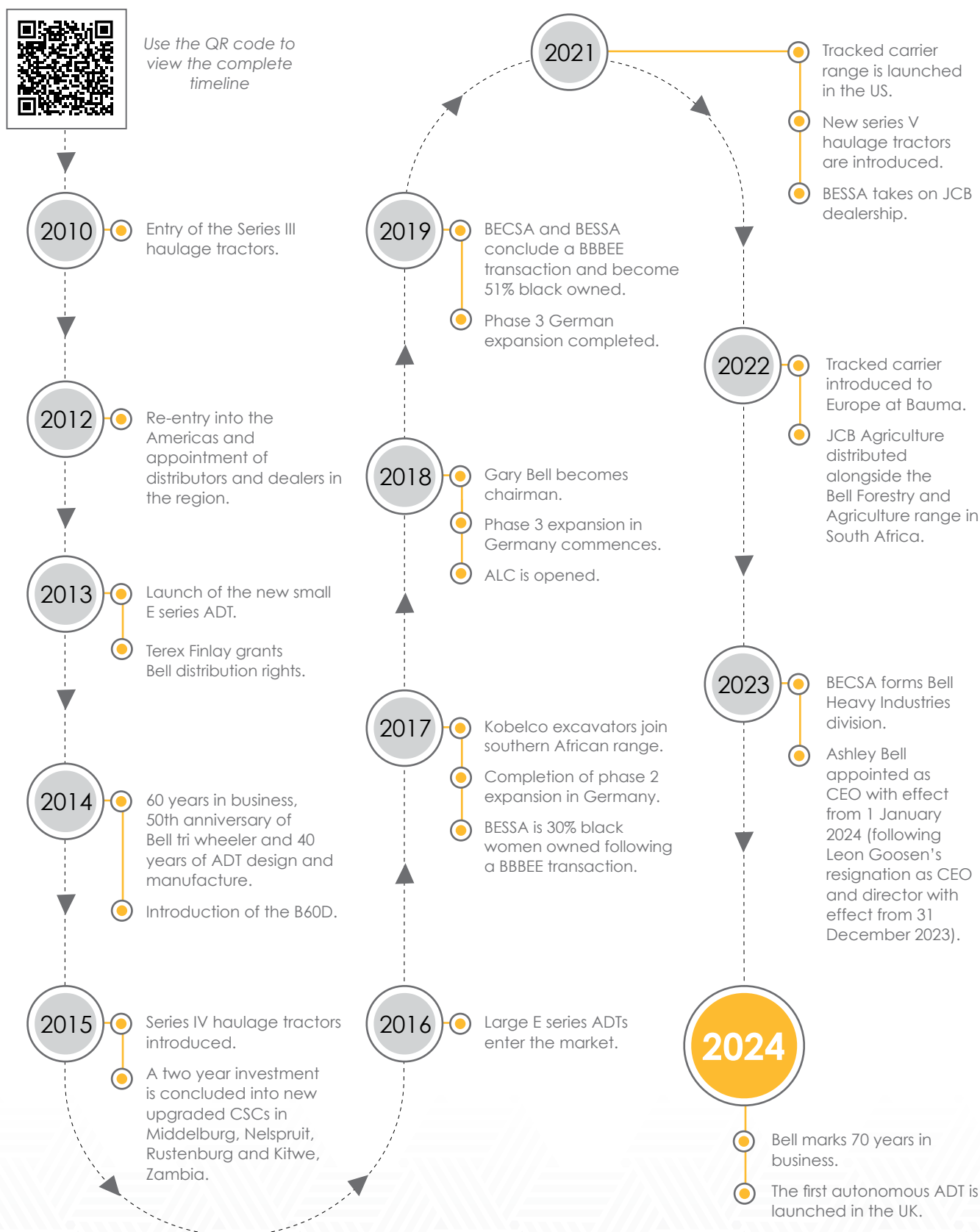
Irvine Bell in his later years, in the original workshop on the Bell farm where the company began.



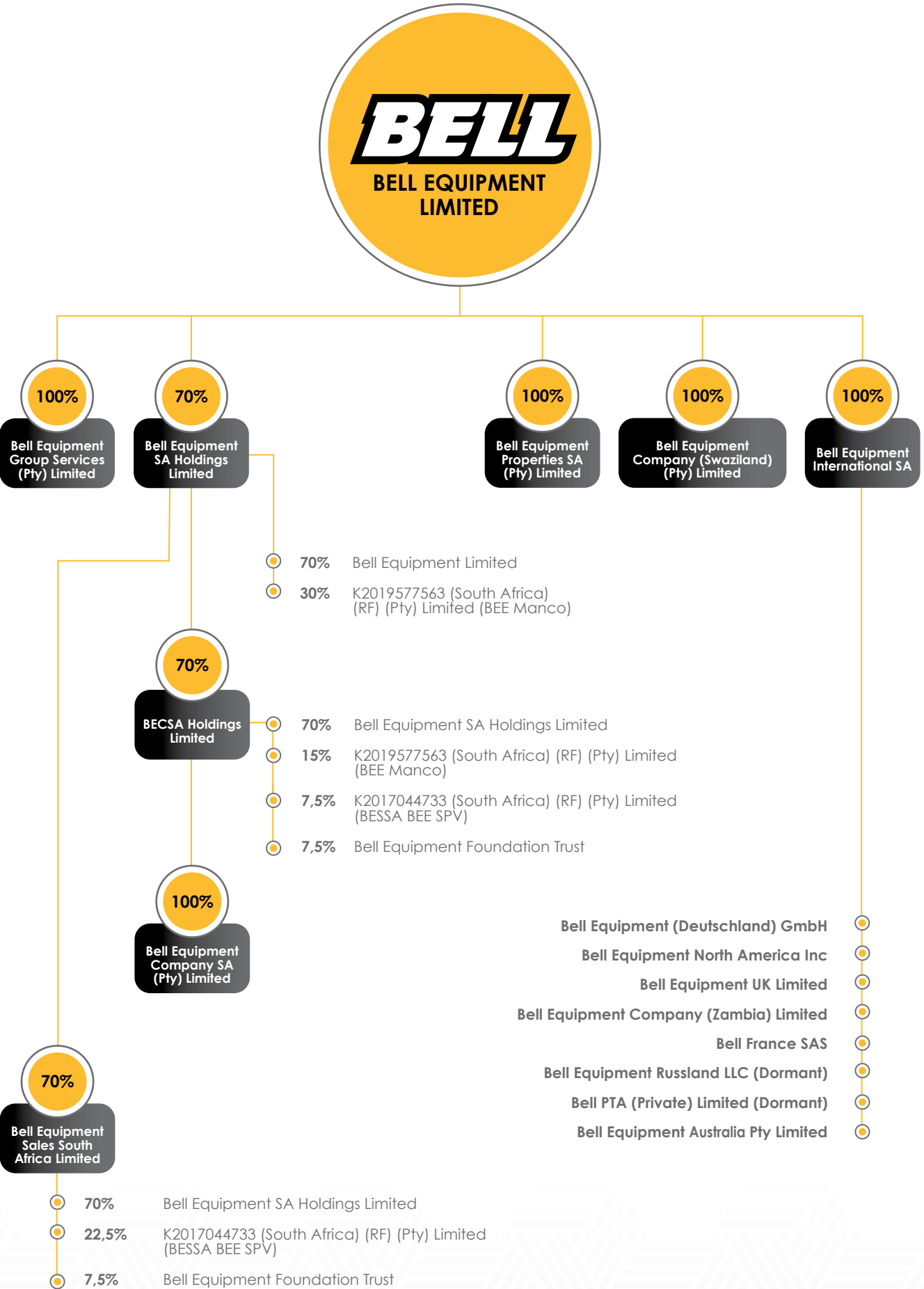
The next generation, (from left): CEO Ashley Bell (Peter Bell's son) with chairman Gary Bell and his sons, Mark Bell (IT operations manager) and Quentin Bell (quality assurance manager).

Our growth path

Celebrating seventy years of manufacture in 2024, our value creation process over this time has seen the group grow its intellectual property, product range, global footprint, and reputation as a provider of quality heavy equipment. Milestone developments in our recent history include:



Global corporate structure



Global reach

North America & Canada



Europe



North Africa



Sub Saharan Africa



South America



South Africa



Legend

- Manufacturing hubs
- Logistics hubs
- Bell owned dealership
- Independent dealership
- Mining & construction
- Forestry & agriculture
- Partner products

2024 at a glance

9.5%

net debt to equity ratio

Bell has a Bell owned dealership network in

3

countries, namely the United Kingdom, Zambia, and South Africa. In all other territories Bell uses independent dealerships to support our customers.

The South African factory has

45 000m²

of undercover manufacturing area and is able to provide project manufacturing and contract engineering through its Bell Heavy Industries division.

The Bell OEM range includes

47

products, of which 27 are geared towards mining and construction and 20 cater to the mechanised needs of our forestry and agriculture customers.

Dealership parts stocking is supported from Bell logistics hubs in South Africa, Germany and the USA, complemented by additional dealer owned logistics hubs.

The Richards Bay factory is home to the group's head office from where centralised group services are managed, including finance, logistics, supply chain management, and marketing.

Bell has

2

manufacturing facilities based in Richards Bay, South Africa, and Eisenach-Kindel, Germany to serve the southern and northern hemisphere markets.

Bell machines operate in over

80

countries.

22

Bell owned customer service centres in South Africa.

114

independent dealers globally.

Asia



South East Asia



Oceania



Contributed to people development in South Africa

Level 1

in transformation at BESSA

265

apprentices are being trained

13%

decrease in revenue

Our material matters

A materiality framework is crucial for our business because it helps identify and prioritise the issues that significantly impact our ability to create value over time, encompassing financial, environmental, and social aspects, ultimately enabling informed decision making and effective reporting.

Determining materiality

An annual assessment of our material matters has been undertaken, including a specific environmental, social and governance ('ESG') materiality assessment.

We continue to follow a double materiality determination process to enable us to identify our financial materiality (matters that impact our ability to generate revenue and preserve shareholder value over time) and our impact materiality (our impact on society, communities and the environment). Our integrated report applies double materiality as it covers content and disclosures that are material to investors and other providers of capital (financial materiality) as well as the impacts on people, the planet and profits (impact materiality) and results in matters that are prioritised and grouped into themes to inform our integrated report content. Effective management of risks and opportunities is crucial to achieving our business sustainability and strategy.

Materiality determination process

The four step process of identifying, assessing, organising and reviewing information to understand its materiality took place. This included:

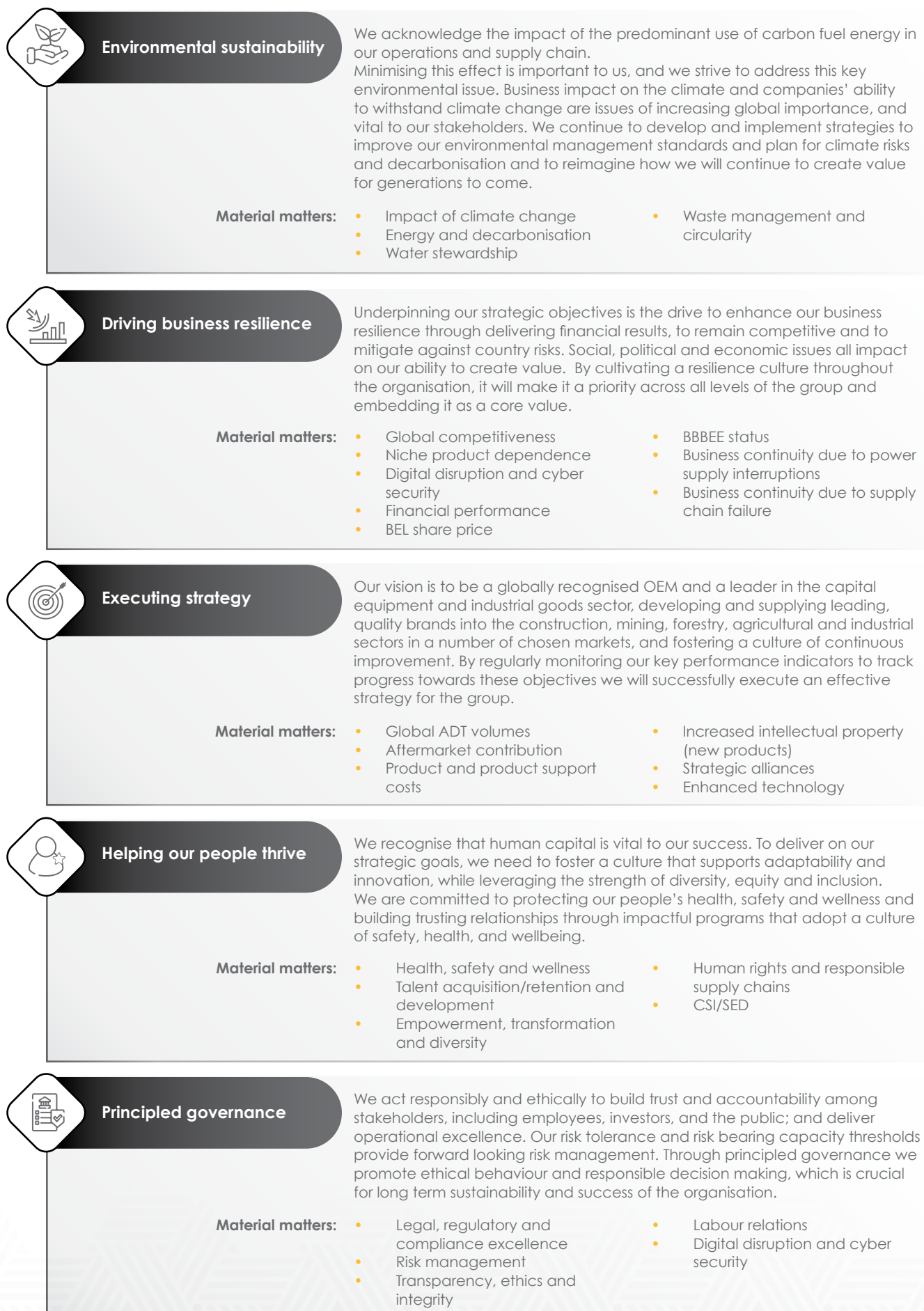
- assessing the external context, including global, local and industry risks, opportunities and trends;
- considering internal reports and inputs such as the strategic risk register, stakeholder reports and surveys and strategy;
- prioritising material matters by senior management and executives; and
- reviewing and benchmarking our peers' material matters.

The outcome of our materiality process helps identify and manage both external and internal risks, including our ESG risks, and informs our reporting.



2024 material matters

Our 2024 review continues to confirm that our previous matters remained material as set out below, with an increased focus on the impact of climate change:



Our value creation process

Throughout the group, Bell creates, delivers and preserves value for its shareholders by focusing on the six capitals as follows:

Human Capital	Trade off	Outlook	Input	Outcomes	References
	Investing in attracting, retaining and developing the best talent results in employee costs being a significant cost to our business and in turn impacting on the financial capital.	<ul style="list-style-type: none"> Employment force that is developed and retained will increase sustainable growth in the long term. Safety remains a top priority and a focus area. 	<ul style="list-style-type: none"> A strong executive team. A diverse board. 265 apprentices with the appropriate knowledge, skills and experience. Succession planning. 	<ul style="list-style-type: none"> Wages and salaries of R2,0 billion (2023: R2,1 billion). 265 apprentices successfully trained (2023: 213). Board attendance of 100% (2023: 100%). 	<ul style="list-style-type: none"> Remuneration committee report. Stakeholder relations report. Leadership report.

Manufactured Capital	Trade off	Outlook	Input	Outcomes	References
	<ul style="list-style-type: none"> Compliance and regulatory risks. Substitution products. 	<ul style="list-style-type: none"> New products - motor grader leads to greater customer base, increased sales and associated benefits. Bell Heavy Industries division – provides project manufacturing and contract engineering. Bell contributes to circularity through both component and machine remanufacturing and rebuilding, which reduces such components and machines going to landfills and extends the life of the machines and components. 	<ul style="list-style-type: none"> Two manufacturing facilities based in Richards Bay and Germany to serve both southern and northern hemisphere markets. Property, plant and equipment R1,0 billion (2023: R1,0 billion). 	<ul style="list-style-type: none"> Revenue: R11,7 billion. Capital investment for the year: R203,5 million on property, plant and equipment and intangibles. Depreciation and amortisation: R122,2 million on property plant and equipment and intangibles. 	<ul style="list-style-type: none"> Finance director's report. Joint chairman and CEO report. Annual financial statements.

Intellectual Capital	Trade off	Outlook	Input	Outcomes	References
	<ul style="list-style-type: none"> The use of AI and big data - development of reliable and autonomous machines may result in pressure on some existing traditional job functions, but will allow for additional opportunities in new roles. High warranty costs, additional time and finances used in order to ensure that customers receive a world class machine. 	<ul style="list-style-type: none"> Implementation of greater agility in certain business units. Maintaining our reputation as a quality OEM with an exceptional brand. Robust governance structures. Product innovation. Value add for stakeholders. 	<ul style="list-style-type: none"> Brand reputation. Strategy for growth. Competitive advantage. Research and development and design skills. 	<ul style="list-style-type: none"> Investment in quality assurance. Research and development investment - R106,6 million (2023: R79,8 million). 	<ul style="list-style-type: none"> Annual financial statements. Sustainability report.

Financial Capital	Trade off	Outlook	Input	Outcomes	References
	Decision made to keep gearing low and preserve cash resources due to volatile and uncertain market conditions.	Bell Equipment is negotiating additional end user customer funding to assist customers to fund their acquisition of their Bell machines in line with the group strategy to be the preferred full range material handling solutions provider in southern Africa.	<ul style="list-style-type: none"> Market capitalisation of R3,9 billion (2023: R2,2 billion). Net debt: equity of 9,5% (2023:29,1%) to execute growth. Funding facilities of R1,5 billion (2023: R1,5 billion) of which R423 million is utilised. 	<ul style="list-style-type: none"> Revenue down 13,4% to R11,7 billion. HEPS: 465 cents (2023: 798 cents). Total dividend per share declared: 160 cents (2023: nil cents). 	<ul style="list-style-type: none"> Finance director's report. Annual financial statements.

Social/relationship Capital	Trade off	Outlook	Input	Outcomes	References
	Maintaining quality relationships across all stakeholder groups requires financial capital inputs, but generally generates positive return across most capitals over the longer term.	Increased focus on customer centric initiatives including: <ul style="list-style-type: none"> Building us stronger initiative. Driving digital transformation throughout the group to better serve our customer's needs. Innovating solutions to reduce environmental impact. 	<ul style="list-style-type: none"> Continued use of the 'EYE' external customer service monitoring service to understand our customer's needs. Training and skills development both inhouse through our accredited training centre and externally. Focused on empowering EMEs/ QSEs through the Bell ESD programme. 	BBBEE 2023: level 1 for Bell Equipment Sales South Africa Limited ('BESSA'), and level 3 for Bell Equipment Company SA (Pty) Ltd ('BECSA'). Spending on skills and social economic development: BECSA Skills 2024: R22m (2023: R19m) SED 2024: R1.19m (2023: R1,32m) BESSA Skills 2024: R25m (2023: R26m) SED 2024: R1.4m (2023: R1.7m).	<ul style="list-style-type: none"> Stakeholder relations report. Social, ethics and transformation committee report.



Environmental/natural Capital

Trade off	Outlook	Input	Outcomes	References
<p>Commitment to minimise the environmental impacts of our operations and activities, taking into account that the utilisation of natural resources may in certain instances negatively affect human and social and relationship capital. This is a key trade off for generating value across the other capitals.</p>	<p>The acceleration and expansion of our response in an effort to be resilient in a lower carbon future, by innovating environmentally responsible ADT solutions that meet the demands of the market, set new benchmarks in sustainability within our industry, and make a lasting positive impact on the environment.</p>	<ul style="list-style-type: none"> • Bell is maintaining various energy saving strategies including the installation of energy efficient lighting, airconditioning, and ventilation. The group is constantly investigating energy saving programmes. • A solar power project has been commissioned at the Richards Bay factory whereby parking bays were fitted with solar panels. • A 770kW grid tied solar system has been commissioned at the Jet Park operations and an 820 kW solar system was commissioned at the Kindel factory. • An initiative was undertaken to divert waste to recyclers instead of landfill, thereby reducing the group's environmental impact. 	<ul style="list-style-type: none"> • With a lifespan exceeding 20 years, these solar projects represent our long term commitment to environmental sustainability and the future of our factory site. • At our Richards Bay site, specialised recycling units play a key role in liquid waste management. The thinners recycling plant has significantly reduced the volume of contaminated thinners requiring disposal, leading to cost savings on both new thinners purchases and disposal expenses, while minimising hazardous liquid waste as an environmental benefit. 	<ul style="list-style-type: none"> • Sustainability report and ESG roadmap.

