2025

BELL EQUIPMENT LIMITED
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2025

Chairman and CEO's interim results report

OVERVIEW

Just when we anticipated some stability might prevail in our global markets, following a reduction in demand for equipment during 2024 to more normalized levels, the first half of 2025 has been marred with extreme uncertainty in some of our key markets, the USA in particular. Whilst this has exacerbated the impact of the "normal" downcycle on our industry worldwide, we continue to manage the situation proactively to minimize the impact on our business. Under the circumstances, we are satisfied with our overall group result achieved during the interim period.

Our dealership operations in South Africa and Zambia enjoyed better than expected demand from these markets, largely driven by expansion in mining projects, despite demand for certain commodities being subdued. We are seeing some positive movement in the construction sector in South Africa, and we are encouraged by the market confidence and optimism in this regard although there is still some way to go before we realize the full potential from this sector. Demand for our agricultural products in Africa has been pleasing and the growth in distribution of our partner product lines across our South African dealer network continues to prove a good fit with our OEM product offering. Other southern hemisphere markets, such as the Southeast Asia and Oceania regions have been relatively slow for us during 2025.

In the USA, the imposition of tariffs on imported products became an abrupt and harsh reality during early April. The industry sentiment is that tariffs will ultimately be passed on to the end consumer through increased selling prices. However, the uncertainty during the negotiation phase whilst final tariff levels were not yet confirmed between the USA and other countries resulted in a 'pause' in importation and demand for products in this market. With our ADT sales impacted, during June and July we agreed a 'bill and hold' arrangement, on extended payment terms (approximately 90% of the trade receivable has since been collected), with our USA distributor. Our ADTs sold in the USA are produced in our factory in Germany, therefore currently the EU and USA agreed tariff applicable to this product is 15%. At the start of 2025 we were optimistic that our Tracked Carrier product line would regain some traction in the USA during this year, however with this product manufactured in South Africa, the imposition of a 30% tariff presents a significant challenge. Similarly, whilst it is manufactured in South Africa, the future growth potential for our new Motor Grader product line in the USA will be negatively impacted by such a significant tariff. We need to consider our manufacturing location options for these products going forward.

ADT demand in Europe has been rather flat on the subdued levels seen during 2024, but we are cautiously optimistic that we should begin to see this market turning for the better during the latter part of the year and through 2026. On the other hand, our dealership in the UK has seen a positive recovery in this market, compared with 2024, with higher sales than originally anticipated for the first half of this year. During April, we participated once again in the prestigious Bauma equipment exhibition in Munich, Germany, where we showcased our range of ADTs and displayed our new Motor Grader for the first time at an international show. Bauma always presents an unmatched opportunity to engage with our loyal customers, dealers and suppliers from around the world.

We have made good progress during 2025 with rebalancing our investment in inventory to match the lower levels of customer demand across all markets collectively. Through the management of our sales and production plans, we have significantly reduced our investment in inventory in Rands since 31 December 2024 and inventory days at 30 June 2025 was 183 days compared with 201 days at the 2024 year end.

We have experienced isolated challenges within our supply chain during 2025 which have impacted on our production planning, demanded special attention and require ongoing management whilst mitigating measures are implemented. We are, however, pleased to report that we have been able to reduce inventory buffers held on account of South African port delays, as this situation appears to have improved and is no longer impacting our incoming materials and components.

The promotion of our contract manufacturing division in Richards Bay, South Africa, under the BHI Manufacturing brand is ongoing, with positive engagements with external parties and potential customers to support this growth and diversification initiative. Similarly, our project to grow our ADT manufacturing capabilities in Europe, closer to our suppliers and major markets, is progressing well and remains a key strategic focus over the next few years. ADTs for the southern hemisphere will continue to be manufactured in our Richards Bay factory.

During the first half of 2025 we have had all hands-on-deck supporting the start of production and sales of our new Motor Grader product line. This exciting new product has been a long time in the making and launching this world-class product to market is no small feat. We are launching our Motor Grader to market in a controlled fashion, initially in southern Africa for the remainder of 2025 and then to other southern hemisphere markets, such as Indonesia and Australia during 2026. We have a fleet of demonstration units operating across southern Africa and in Australia currently. We will only introduce this new product to northern hemisphere markets at a later stage, the timing of which will be announced during 2026. The first units began rolling off the production line during August with product orders gaining encouraging momentum.

A key focus area during the first half of 2025 has been the SAP implementation project for the Richards Bay factory, the last and most complex operation in the group to implement this system. The "go-live" has been postponed to 2026 to ensure adequate time is allocated to critical aspects of the project.

Chairman and CEO's interim results report *continued*

OUTLOOK

Bell operates in a cyclical industry and current demand for mining and construction equipment indicates that our industry has reached the end of the bottom of the cycle. This, coupled with elevated geo-political instability, market uncertainty and exchange rate volatility, necessitates that we remain cautious in our production and sales planning.

The USA makes up approximately 30% of the global market for construction equipment, hence a slowdown in this market has a material impact on market dynamics across the rest of the world, with the potential for heightened competition as products are redirected from the USA to other markets.

With most ADT manufacturers located outside the USA and impacted by tariffs, we expect an overall contraction in the USA market size whilst consumers adjust to price increases and as such, we have adjusted our sales and production plans accordingly. However, we are cautiously optimistic that recovery in this market will be swift, as economic stimulus measures are implemented to counter the negative impact of tariffs on the consumer.

With our factory costs largely fixed, ADT production volumes are critical for our business, and we will continue to pursue opportunities for volume growth in markets where we have a low market share. At our factory in Germany, we implemented a government supported 'short-time' 4-day week with effect from August, due to lower ADT production levels, and we anticipate that this will remain in force into the first quarter of 2026. In Richards Bay our production volumes are supported by the greater resilience we are seeing in some of our key southern hemisphere markets, and we are optimistic that this continues.

The start of production and sales of our new Motor Grader represents an exciting milestone for our business. We are evolving from an ADT specialist into a broader 'yellow-metal' OEM in the global arena and we look forward to entrenching this new product alongside our ADT as a class-leading, premium production tool.

We anticipate the second half of 2025 to be more challenging than the first half, but in true Bell spirit, our dedicated and resilient team stands ready for the challenges and opportunities ahead. We will continue to place emphasis on cost containment, cash preservation and prioritizing process improvements that bring operational efficiency and quality enhancement.

BOARD CHANGES

As part of the board's succession planning process, Shane Fitzpatrick and Harish Ramsumer were appointed as independent non-executive directors as detailed in the announcement published on SENS on 20 June 2025. Shane joined the board with effect from 1 July 2025, and Harish will join the board with effect from 1 December 2025. The Board intends proposing Harish for election to the audit committee at the next Annual General Meeting in June 2026. We welcome them to the board and look forward to their contribution to the Company.

Stephen Jones, the current group business development and OEM sales executive was appointed as an alternate executive director to Ashley Bell with effect from 4 September 2025. As a result, Avishkar Goordeen, the group commercial and IT systems executive, ceased to be the alternate executive director to the CEO and was appointed as an alternate executive director to Karen van Haght, the finance director, with effect from 4 September 2025. This was undertaken in order to align the alternate director positions of the executives with their areas of expertise and responsibility.

DIVIDEND

Due to the global slowdown in demand in key markets and a contracted USA market due to the current USA tariff situation, the Board has resolved to preserve cash resources rather than paying a dividend at this time.

Condensed consolidated statement of financial position

as at 30 June 2025

	Unaudited 30 June 2025 R'000	Audited 31 December 2024 R'000
ASSETS		
Non-current assets	**2 074 859**	2 038 327
Property, plant and equipment	**1 124 029**	1 040 657
Right-of-use assets	**349 048**	342 081
Intangible assets	**296 359**	320 943
Investments	**27 842**	23 943
Interest-bearing receivables and contract assets	**20 984**	27 581
Deferred taxation	**256 597**	283 122
Current assets	**7 123 481**	7 053 783
Inventory	**4 489 097**	5 076 477
Trade and other receivables	**1 739 716**	1 339 633
Interest-bearing receivables and contract assets	**192 617**	186 733
Prepayments and other assets	**144 118**	132 477
Current taxation assets	**45 932**	35 094
Cash and bank balances (note 12)	**512 001**	283 369
TOTAL ASSETS	**9 198 340**	9 092 110
EQUITY AND LIABILITIES		
Capital and reserves	**5 897 353**	5 676 940
Stated capital (note 6)	**235 541**	235 541
Non-distributable reserves	**1 307 067**	1 146 183
Retained earnings	**4 240 148**	4 192 403
Attributable to owners of Bell Equipment Limited	**5 782 756**	5 574 127
Non-controlling interest	**114 597**	102 813
Non-current liabilities	**968 658**	969 032
Interest-bearing liabilities	**139 053**	151 435
Lease liabilities	**366 741**	358 781
Contract liabilities (note 11)	**200 571**	189 709
Repurchase obligations and refund liabilities	**52 454**	27 061
Provisions	**73 159**	101 599
Share-based payments and other liabilities	**57 718**	65 233
Deferred taxation	**78 962**	75 214
Current liabilities	**2 332 329**	2 446 138
Trade and other payables	**1 530 346**	1 046 553
Interest-bearing liabilities	**49 091**	250 851
Lease liabilities	**98 243**	93 429
Contract liabilities (note 11)	**272 156**	276 038
Repurchase obligations and refund liabilities	**34 786**	37 944
Provisions	**224 244**	217 584
Share-based payments and other liabilities	**34 391**	47 717
Current taxation liabilities	**34 994**	53 116
Bank overdrafts and overnight call loans	**54 078**	422 906
TOTAL EQUITY AND LIABILITIES	**9 198 340**	9 092 110

Condensed consolidated statement of profit or loss

for the period ended 30 June 2025

	Unaudited six months ended 30 June 2025 R'000	Unaudited six months ended 30 June 2024 R'000
Revenue (note 2)	**6 104 635**	6 379 770
Cost of sales	**(4 764 976)**	(5 033 791)
Gross profit	**1 339 659**	1 345 979
Other operating income	**111 921**	148 121
Distribution costs	**(501 235)**	(498 470)
Administration expenses	**(68 412)**	(71 318)
Factory and group services operating expenses	**(579 129)**	(397 566)
Profit from operating activities (note 3)	**302 804**	526 746
Net interest income (expense) (note 4)	**15 288**	(53 564)
Profit before taxation	**318 092**	473 182
Taxation	**(90 204)**	(146 496)
Profit for the interim period	**227 888**	326 686
Profit for the interim period attributable to:		
- Owners of Bell Equipment Limited	**214 710**	308 054
- Non-controlling interest	**13 178**	18 632
	Cents	Cents
Earnings per share (basic) (note 5)	**225**	322
Earnings per share (diluted) (note 5)	**204**	302

Condensed consolidated statement of comprehensive income

for the period ended 30 June 2025

	Unaudited six months ended 30 June 2025 R'000	Unaudited six months ended 30 June 2024 R'000
Profit for the interim period	**227 888**	326 686
Other comprehensive income (loss)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising during the period	**99 114**	(86 163)
Exchange differences on translating foreign operations	**99 114**	(86 163)
Items that may not be reclassified subsequently to profit or loss:	**48 268**	753
Surplus arising on revaluation of properties	**65 535**	-
Taxation relating to revaluation of properties	**(16 782)**	-
Fair value (loss) gain on investments designated as at fair value through other comprehensive income *	**(485)**	753
Other comprehensive income (loss) for the period, net of taxation	**147 382**	(85 410)
Total comprehensive income for the period	**375 270**	241 276
Total comprehensive income attributable to:		
- Owners of Bell Equipment Limited	**362 092**	222 644
- Non-controlling interest	**13 178**	18 632

* There were no corresponding tax implications on fair value (loss) gain on investments designated as at fair value through other comprehensive income.

Condensed consolidated statement of cash flows

for the period ended 30 June 2025

	Unaudited six months ended 30 June 2025 R'000	Restated* Unaudited six months ended 30 June 2024 R'000
Cash generated from operations before working capital changes	**496 518**	745 862
Cash generated from working capital	**665 713**	152 247
Cash generated from operations	**1 162 231**	898 109
Interest paid	**(46 590)**	(103 551)
Interest received	**67 843**	53 857
Taxation paid	**(103 978)**	(174 073)
Net cash generated from operating activities	**1 079 506**	674 342
Purchase of property, plant and equipment and intangible assets	**(63 356)**	(73 168)
Proceeds on disposal of property, plant and equipment	**4 309**	6 330
Purchase of unlisted investment	**(2 777)**	-
Proceeds on disposal of listed investments	**-**	3 750
Net cash utilised in investing activities	**(61 824)**	(63 088)
Interest-bearing liabilities raised	**-**	206 660
Interest-bearing liabilities repaid	**(218 071)**	(693 949)
Overnight call loans - drawdowns *	**1 589 699**	2 008 646
Overnight call loans - repaid *	**(1 700 119)**	(1 976 000)
Lease liabilities repaid	**(47 744)**	(41 239)
Dividends paid	**(154 407)**	(2 198)
Net cash utilised in financing activities	**(530 642)**	(498 080)
Net cash inflow	**487 040**	113 174
Net bank overdrafts at beginning of the period	**(27 975)**	(486 307)
Net cash (bank overdrafts) at end of the period **	**459 065**	(373 133)

* These overnight call loans did not meet the definition of cash and cash equivalents. Refer to restatements of prior periods in note 13.

**** Comprising:**

Bank overdrafts and overnight call loans, as per the condensed consolidated statement of financial position	**(54 078)**	(904 682)
Less: overnight call loans *	**1 142**	286 576
Bank overdrafts	**(52 936)**	(618 106)
Cash and bank balances	**512 001**	244 973
Net cash (bank overdrafts) at end of the period	**459 065**	(373 133)

Condensed consolidated statement of changes in equity

for the period ended 30 June 2025

	Attributable to owners of Bell Equipment Limited					
	Stated capital R'000	**Non-distributable reserves R'000**	**Retained earnings R'000**	**Total R'000**	**Non-controlling interest R'000**	**Total capital and reserves R'000**
Balance at 31 December 2023 - audited	**235 541**	**1 222 677**	**3 753 260**	**5 211 478**	**73 538**	**5 285 016**
Total comprehensive income attributable to owners of Bell Equipment Limited	-	(85 410)	308 054	222 644	-	222 644
Total comprehensive income attributable to non-controlling interest	-	-	-	-	18 632	18 632
Transfer between reserves relating to disposal of investments classified as at fair value through other comprehensive income	-	(541)	541	-	-	-
Dividends paid	-	-	(844)	(844)	(1 354)	(2 198)
Balance at 30 June 2024 - unaudited	**235 541**	**1 136 726**	**4 061 011**	**5 433 278**	**90 816**	**5 524 094**
Balance at 31 December 2024 - audited	**235 541**	**1 146 183**	**4 192 403**	**5 574 127**	**102 813**	**5 676 940**
Total comprehensive income attributable to owners of Bell Equipment Limited	**-**	**147 382**	**214 710**	**362 092**	**-**	**362 092**
Total comprehensive income attributable to non-controlling interest	**-**	**-**	**-**	**-**	**13 178**	**13 178**
Transfer between reserves relating to investments classified as at fair value through other comprehensive income	**-**	**6 258**	**(6 258)**	**-**	**-**	**-**
Increase in statutory reserves of foreign subsidiaries	**-**	**7 694**	**(7 694)**	**-**	**-**	**-**
Decrease in BBBEE share-based payment reserve	**-**	**(450)**	**-**	**(450)**	**-**	**(450)**
Dividends paid	**-**	**-**	**(153 013)**	**(153 013)**	**(1 394)**	**(154 407)**
Balance at 30 June 2025 - unaudited	**235 541**	**1 307 067**	**4 240 148**	**5 782 756**	**114 597**	**5 897 353**

Abbreviated Notes to the Unaudited Condensed Consolidated Interim Financial Statements

for the six months ended 30 June 2025

1. BASIS OF PREPARATION

The recognition and measurement criteria applied in the preparation of these condensed consolidated interim financial statements are in terms of IFRS® Accounting Standards. The same accounting policies and methods of computation are followed in the condensed consolidated interim financial statements as compared with the most recent consolidated annual financial statements. The presentations and disclosures in these condensed consolidated interim financial statements are in terms of *IAS 34 Interim Financial Reporting*. There were no significant assets held for sale, discontinued operations or acquisitions within the group during the current period.

The group has adopted all of the amended accounting standards relevant to its operations and effective for annual reporting periods beginning 1 January 2025. The adoption of these amended standards has not had any significant impact on the amounts reported in the condensed consolidated interim financial statements or the disclosures herein.

The condensed consolidated interim financial statements are prepared in accordance with the requirements of the JSE Limited's Listings Requirements for interim reports and the requirements of the Companies Act in South Africa. The Listings Requirements require interim reports to be prepared in accordance with and containing the information required by *IAS 34 Interim Financial Reporting*, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. The preparation of this interim report was supervised by the Group Finance Director, KJ van Haght CA(SA).

The condensed consolidated interim financial statements are the responsibility of the directors. The directors take full responsibility for the preparation of the condensed consolidated interim financial statements.

These results have not been audited or reviewed by the group's auditor, PricewaterhouseCoopers Inc.

2. REVENUE

The group derives its revenue from the sale of equipment and aftermarket products, which includes the sale of parts, service contracts and transport revenue, extended warranty and rental revenue.

The disaggregation below is consistent with the external revenue information that is disclosed for each reportable segment under IFRS 8 (refer to note 8) and the information that is provided to the group's chief operating decision maker on a regular basis.

Disaggregation of revenue	Manufacturing, assembly, logistics and dealer sales operations		Direct Sales operations		
	South Africa R'000	Europe R'000	South Africa R'000	Zambia* R'000	Total Revenue R'000
June 2025					
Revenue					
Sale of equipment	650 468	1 757 420	1 824 321	392 001	4 624 210
Sale of parts	311 973	136 124	570 077	130 357	1 148 531
Service contracts and transport revenue	58 607	23 787	150 223	7 879	240 496
Extended warranty	69 949	-	-	-	69 949
Rental revenue	-	7 999	13 450	-	21 449
Total revenue - unaudited	**1 090 997**	**1 925 330**	**2 558 071**	**530 237**	**6 104 635**
June 2024					
Revenue					
Sale of equipment	809 434	2 292 937	1 464 780	356 622	4 923 773
Sale of parts	326 641	144 465	551 960	104 464	1 127 530
Service contracts and transport revenue	71 966	29 066	130 931	9 294	241 257
Extended warranty	75 625	-	-	-	75 625
Rental revenue	-	539	11 046	-	11 585
Total revenue - unaudited	**1 283 666**	**2 467 007**	**2 158 717**	**470 380**	**6 379 770**

The transfer of goods and services occurs over time and at a point in time as reflected below.	**Unaudited six months ended 30 June 2025 R'000**	Unaudited six months ended 30 June 2024 R'000
Timing of revenue recognition		
At a point in time		
Sale of equipment	**4 624 210**	4 923 773
Sale of parts	**1 148 531**	1 127 530
Total	**5 772 741**	6 051 303
Over time		
Service contracts and transport revenue **	**240 496**	241 257
Extended warranty	**69 949**	75 625
Total	**310 445**	316 882
Revenue from lease arrangements		
Rental revenue ***	**21 449**	11 585
Total revenue	**6 104 635**	6 379 770

Included in revenue for the period is an amount of R292,0 million (June 2024: R88,4 million) relating to bill and hold arrangements for the sale of equipment to certain customers. Control of the equipment has passed to the customers and management's assessment is that the likelihood of revenue reversals in future periods is remote. The increase in bill and hold arrangements in the current period was mainly due to US tariff uncertainty and the US distributor temporarily delaying shipments to the US while awaiting announcement of the tariff rates. Refer to note 14.2.

The group had remaining and unsatisfied performance obligations at period end in terms of extended warranty contracts, service contracts, and in terms of certain equipment sales contracts where the consideration was received in advance from customers. These obligations are reflected as contract liabilities in the statement of financial position (refer to note 11).

* In the prior period, this included customer service centres in Zambia and Zimbabwe. In the current period, these operations were renamed Zambia from Rest of Africa, following the customer service centre in Zimbabwe ceasing trading in 2024.

** At the December 2024 year-end, the classification of the timing of revenue recognition of service contracts and transport revenue was restated from at a point in time to over time.

*** At the December 2024 year-end, rental revenue was restated from revenue from contracts with customers to revenue from lease arrangements.

Abbreviated Notes to the Unaudited Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2025

3. PROFIT FROM OPERATING ACTIVITIES

	Unaudited six months ended 30 June 2025 R'000	Unaudited six months ended 30 June 2024 R'000
Profit from operating activities is arrived at after taking into account:		
Income		
Currency exchange gains	**113 477**	126 378
APDP - production incentives	**69 646**	104 304
Expenditure		
Amortisation of intangible assets	**18 368**	18 681
Amounts written off as credit impaired	**4 580**	12 855
Auditors' remuneration - audit and other services	**10 823**	10 562
Cash-settled employee share awards	**21 441**	15 221
Consulting fees	**22 108**	20 209
Currency exchange losses	**187 275**	111 275
Impairment loss recognised on intangible assets	**33 241**	-
Increase (decrease) in allowance for expected credit losses	**4 217**	(11 059)
Depreciation of property, plant and equipment	**60 213**	44 312
Depreciation of right-of-use assets	**50 033**	48 629
(Decrease) increase in contract provision - warranty	**(19 210)**	61 305
Lease expenses	**15 772**	21 704
Research expenses (excluding staff costs)	**23 565**	23 809
Staff costs (including directors' remuneration)	**985 378**	1 040 715

4. NET INTEREST (INCOME) EXPENSE

Interest expense	**41 269**	102 625
Interest income	**(56 557)**	(49 061)
Net interest (income) expense	**(15 288)**	**53 564**

5. EARNINGS PER SHARE, NET ASSET VALUE PER SHARE AND GEARING RATIO

		Unaudited six months ended 30 June 2025	Unaudited six months ended 30 June 2024
Earnings per share:			
Basic earnings per share is arrived at as follows:			
Profit for the interim period attributable to owners of Bell Equipment Limited	(R'000)	**214 710**	308 054
Weighted average number of ordinary shares in issue during the period	('000)	**95 629**	95 629
Earnings per share (basic)	**(cents)**	**225**	322
Diluted earnings per share is arrived at as follows:			
Profit for the interim period attributable to owners of Bell Equipment Limited	(R'000)	**214 710**	308 054
Fully converted weighted average number of shares	('000)	**105 250**	101 941
Earnings per share (diluted)	**(cents)**	**204**	302

The group has potential ordinary shares relating to the shareholding of BEE parties in certain group entities. These BEE parties are required to sell their shares to the group at the end of the lock-in period in exchange for cash, shares in the company or in another group entity or for a combination of cash and shares, at the company's discretion. The number of shares has been adjusted for the effect of the dilutive potential shares relating to these options.

		Unaudited six months ended 30 June 2025	Unaudited six months ended 30 June 2024
Headline earnings per share is arrived at as follows:			
Profit for the interim period attributable to owners of Bell Equipment Limited	(R'000)	**214 710**	308 054
Net surplus on disposal of property, plant and equipment	(R'000)	**(3 127)**	(1 405)
Taxation effect of net surplus on disposal of property, plant and equipment	(R'000)	**845**	380
Impairment loss recognised on intangible assets	(R'000)	**33 241**	-
Taxation effect of impairment loss on intangible assets	(R'000)	**(8 975)**	-
Headline earnings	(R'000)	**236 694**	307 029
Weighted average number of ordinary shares in issue during the period	('000)	**95 629**	95 629
Headline earnings per share (basic)	**(cents)**	**248**	321
Diluted headline earnings per share is arrived at as follows:			
Headline earnings calculated above	(R'000)	**236 694**	307 029
Fully converted weighted average number of shares	('000)	**105 250**	101 941
Headline earnings per share (diluted)	**(cents)**	**225**	301

Headline earnings is calculated in accordance with *Circular 1/2023 Headline Earnings* issued by the South African Institute of Chartered Accountants.

		Unaudited 30 June 2025	Audited 31 December 2024
Net asset value per share:			
Net asset value per share is arrived at as follows:			
Total capital and reserves	(R'000)	5 897 353	5 676 940
Number of shares in issue	('000)	95 629	95 629
Net asset value per share	**(cents)**	**6 167**	**5 936**
Gearing ratio:			
The gearing ratio at the end of the period was as follows:			
Short-term and long-term borrowings	(R'000)	**242 222**	825 192
Cash and bank balances	(R'000)	**(512 001)**	(283 369)
Net debt	(R'000)	**(269 779)**	541 823
Total equity	(R'000)	**5 897 353**	5 676 940
Net debt to equity ratio	**(%)**	**(4.6)**	9.5

The group is in a net cash position at the end of the period due to favourable cash generated from operations, which included a substantial reduction in inventory in the period.

6. STATED CAPITAL

	Unaudited 30 June 2025 R'000	Audited 31 December 2024 R'000
Authorised		
100 000 000 (December 2024: 100 000 000) ordinary shares of no par value		
Issued and fully paid		
95 629 385 (December 2024: 95 629 385) ordinary shares of no par value	**235 541**	235 541

7. CAPITAL EXPENDITURE COMMITMENTS

Contracted	**14 460**	9 543
Authorised, but not contracted - property, plant and equipment *	**92 165**	132 699
Authorised, but not contracted - intangible assets *	**28 893**	41 614
Total capital expenditure commitments	**135 518**	183 856

This capital expenditure is to be financed from internal resources.

* At the December 2024 year-end, the authorised, but not contracted capital expenditure commitments were split between property, plant and equipment and intangibles.

8. CONDENSED SEGMENTAL ANALYSIS

Information regarding the group's reportable segments is presented below in a manner consistent with information reported to the group's chief operating decision maker for purposes of resource allocation and assessment of segment performance.

The group conducts two main business operations:
Manufacturing, assembly, logistics and dealer sales operations
- OEM operations comprising manufacturing, assembly and sales of equipment and aftermarket products to independent dealers for their distribution to market.

Direct Sales operations
- owned distribution operations for direct sales of own manufactured products, other third party products and the supply of aftermarket support and products to market.

The Manufacturing, assembly, logistics and dealer sales operations comprise operations in South Africa and Europe:
- South Africa includes the group's main OEM and manufacturing operations in Richards Bay and the group's global parts logistics centre in Johannesburg. The main function of these operations is to manufacture and distribute product to the rest of the group and to independent dealers in North America, Africa, South America and Australasia.
- Europe includes dealer support operations in the United Kingdom, France and Germany as well as an assembly and manufacturing plant and a parts logistics centre in Germany which distribute product to independent dealers in North America, Europe and Asia.

The Direct Sales operations comprise operations in South Africa, which includes a number of customer service centres in South Africa and Eswatini, and in Zambia.

Other operations include the results of the group's holding companies, property investment company and BBBEE companies and trust.

The accounting policies of the reportable segments are the same as the group's accounting policies except for goods in transit between the Richards Bay and Germany manufacturing plants which is included as revenue in the Manufacturing, assembly, logistics and dealer sales South Africa segment at the time the goods are shipped at Richards Bay rather than in accordance with the contractual shipping terms.

Each reportable segment, except for the other operations and inter-segmental eliminations segment, derives its revenue mainly from the sale of equipment and aftermarket products.

8. CONDENSED SEGMENTAL ANALYSIS continued

	External Revenue R'000	Inter-segment Revenue R'000	Total Revenue R'000	Operating profit (loss) R'000	Assets R'000	Liabilities R'000
June 2025						
Manufacturing, assembly, logistics and dealer sales operations						
South Africa	**1 090 997**	**2 340 428**	**3 431 425**	**60 949**	**5 609 334**	**4 252 946**
Europe	**1 925 330**	**241 073**	**2 166 403**	**52 238**	**2 760 833**	**923 104**
Direct Sales operations						
South Africa	**2 558 071**	**19 001**	**2 577 072**	**115 336**	**1 717 821**	**1 207 285**
Zambia **	**530 237**	**-**	**530 237**	**23 673**	**337 190**	**77 731**
Other operations and inter-segmental eliminations *	**-**	**(2 600 502)**	**(2 600 502)**	**50 608**	**(1 226 838)**	**(3 160 079)**
Total - unaudited	**6 104 635**	**-**	**6 104 635**	**302 804**	**9 198 340**	**3 300 987**
June 2024						
Manufacturing, assembly, logistics and dealer sales operations						
South Africa	1 283 666	3 101 150	4 384 816	377 814		
Europe	2 467 007	236 935	2 703 942	128 847		
Direct Sales operations						
South Africa	2 158 717	11 119	2 169 836	137 850		
Rest of Africa **	470 380	-	470 380	576		
Other operations and inter-segmental eliminations *	-	(3 349 204)	(3 349 204)	(118 341)		
Total - unaudited	6 379 770	-	6 379 770	526 746		
December 2024						
Manufacturing, assembly, logistics and dealer sales operations						
South Africa					5 677 583	4 381 303
Europe					2 691 171	1 002 364
Direct Sales operations						
South Africa					2 039 728	1 583 411
Rest of Africa **					333 407	69 938
Other operations and inter-segmental eliminations *					(1 649 779)	(3 621 846)
Total - audited					9 092 110	3 415 170

* Inter-segmental eliminations above relate to the following:
- i) Revenue - the elimination of intra-group sales transactions, mainly sales from the manufacturing, assembly, logistics and dealer sales operations to other group operations.
- ii) Operating profit - the elimination of profit or loss on intra-group transactions, mainly sales transactions from the manufacturing, assembly, logistics and dealer sales operations to the other group operations, where the inventory has not yet been on-sold to a third party at period end.
- iii) Assets and liabilities - Unearned profit on the intra-group sales transactions is eliminated from inventory. The intra-group transactions result in intra-group receivables and payables balances and furthermore intra-group loans are in place between certain group operations. These are eliminated on consolidation.

** In the prior periods, this included customer service centres in Zambia and Zimbabwe. In the current period, these operations were renamed Zambia from Rest of Africa, following the customer service centre in Zimbabwe ceasing trading in 2024.

9. CONTINGENT ASSETS AND LIABILITIES

		Unaudited 30 June 2025 R'000	Audited 31 December 2024 R'000
9.1	**Contingent Assets**		
9.1.1	***Reimbursement right relating to standard warranty in respect of manufactured goods***		
	Reimbursement right from component suppliers in respect of standard warranties where virtual certainty of recovery has not yet been established	**64 487**	69 420
9.2	**Contingent liabilities**		
9.2.1	***Credit risk undertakings with financial institutions*** During the period the group entered into credit risk arrangements with certain financial institutions with recourse to the group to facilitate the financing of equipment for certain of the group's customers.		
	Transactions where the group carries all the credit risk (100%) In terms of these arrangements the group is liable for the full balance due to the financial institution in the event of default by the customer. At period-end the group's credit risk exposure under these arrangements totalled	**58 912**	82 417
	In the event of default, the equipment financed would be recovered and it is estimated that on re-sale the equipment would presently realise the following towards the above liability	**83 378**	92 154
		(24 466)	(9 737)
	Less: refund liability recognised	**-**	-
	Net credit risk	**-**	-
	Transactions where the group carries a portion of the credit risk (first loss) (20%-80%) In terms of these arrangements the group is liable for a portion of the balance due to the financial institution in the event of default by the customer. These are first loss undertakings and the group's liability is determined as the lesser of the recourse amount agreed upon or the net shortfall between the sale price achieved and the total balance due by the customer to the financial institution. Included in the arrangements below is a first loss undertaking for a certain customer which since initial inception increased to 100%.		
	At period-end the group's credit risk exposure under these arrangements totalled	**22 904**	24 095
	In the event of default, the equipment financed would be recovered and it is estimated that on re-sale the equipment would presently realise the following towards the above liability	**28 508**	29 530
		(5 604)	(5 435)
	Less: refund liability recognised	**-**	-
	Net credit risk	**-**	-
	Transactions where the group carries a portion of the credit risk (20%) In terms of this arrangement the group is liable for 20% of the balance due to the financial institution in the event of default by the customer. At period-end the group's credit risk exposure under this arrangement totalled	**14 415**	13 459
	In the event of default, the equipment financed would be recovered and it is estimated that on re-sale the equipment would presently realise the following towards the above liability	**18 326**	15 251
		(3 911)	(1 792)
	Less: refund liability recognised	**-**	-
	Net credit risk	**-**	-

No refund liability was recognised on these transactions as the risk of expected credit losses was considered to be insignificant.

10. FINANCIAL INSTRUMENTS

Categories of financial instruments included in the condensed consolidated statement of financial position:

Financial assets
- financial assets at fair value through profit or loss;
- financial assets at amortised cost; and
- financial assets at fair value through other comprehensive income.

Classification is determined by both the group's business model as well as the contractual cash flow characteristics of the asset.

Financial assets carried on the statement of financial position include cash and bank balances, investments, interest-bearing receivables, trade and other receivables and other assets (forward foreign exchange contracts).

Financial liabilities
- financial liabilities at fair value through profit or loss; and
- financial liabilities at amortised cost.

Financial liabilities as disclosed in the statement of financial position include interest-bearing liabilities, trade and other payables, bank overdrafts and overnight call loans and other liabilities (forward foreign exchange contracts).

Fair value of financial instruments

Financial assets at amortised cost
Interest-bearing receivables, trade and other receivables, excluding the value added taxation receivable, and cash and bank balances are measured at amortised cost. The directors consider that the carrying amount of trade and other receivables and cash and bank balances approximates their fair value due to the short-term nature of these instruments. The carrying amount of interest-bearing receivables approximates their fair value owing to the market related interest rates charged on these agreements.

Financial liabilities at amortised cost
Interest-bearing liabilities, lease liabilities, trade and other payables, and bank overdrafts and overnight call loans are measured at amortised cost. The directors consider that the carrying amount of trade and other payables, excluding the value added taxation payable, and bank overdrafts and overnight call loans approximates their fair value due to the short-term nature of these instruments. The carrying amount of interest-bearing liabilities approximates their fair value owing to the market related interest rates on these instruments.

Financial assets and liabilities at fair value through profit or loss
Financial assets and liabilities carried at fair value through profit or loss include forward foreign exchange contracts presented in the statement of financial position as other assets or liabilities. The group measures forward foreign exchange contracts at fair value on a recurring basis based on the market approach, using inputs other than quoted prices (Level 2). The fair value of these contracts is based on observable forward exchange rates at period-end from an independent provider of financial market data.

The details of forward foreign exchange contracts held at 30 June 2025 are listed below.

	Foreign amount '000	Rate R	Contract value in Rands R'000	Market value in Rands R'000	Fair value gain (loss) R'000
June 2025					
Import contracts					
British Pound	**5 756**	**24.47**	**140 828**	**140 967**	**139**
Euro	**521**	**21.32**	**11 113**	**10 929**	**(184)**
Japanese Yen	**556 470**	**7.84**	**71 012**	**69 105**	**(1 907)**
Export contracts					
United States Dollar	**18 100**	**17.87**	**323 426**	**323 487**	**(61)**
December 2024					
Import contracts					
British Pound	3 700	22.95	84 929	87 811	2 882
Euro	1 400	19.56	27 379	27 522	143
Japanese Yen	889 952	8.24	107 948	108 231	283
Export contracts					
Euro	2 000	19.69	39 389	39 731	(342)
United States Dollar	25 150	18.27	459 594	478 036	(18 442)

10. **FINANCIAL INSTRUMENTS** continued

Fair value of financial instruments continued

Investments at fair value through other comprehensive income

Investments carried at fair value through other comprehensive income include unlisted equity instruments. These investments are measured at fair value on a recurring basis.

The group used the market approach to estimate the fair value of its investment in an unlisted entity operating within the dealer and distribution network of the heavy equipment industry. The group does not have access to future forecast information with regards to the investment entity. The group used an EBITDA multiple method for the valuation of the investment. An EBITDA multiple of 8.41 (December 2024: 8.60) was used to estimate the fair value of the entity. The EBITDA multiple of 8.41 represents an average of observable EBITDA multiples of a number of listed entities within the heavy equipment industry. The EBITDA multiples were obtained from a reputable market database. The fair value measurement has been classified as a Level 3 measurement. A 10% decrease or increase in the EBITDA multiple, would have a R6,0 million (2024: R6,6 million) decrease or increase impact on the fair value of the investment. No fair value gain or loss (2024: fair value loss of R7,7 million) was accounted for in other comprehensive income. There were no significant inter-relationships between unobservable inputs that materially affect the fair value of the investment.

A reconciliation of this unlisted equity investment is presented below:

	Unaudited six months ended 30 June 2025 R'000	Audited twelve months ended 31 December 2024 R'000
Opening balance	**23 444**	32 563
Translation difference	**1 621**	(1 404)
Fair value loss recognised in other comprehensive income	**-**	(7 715)
Closing balance	**25 065**	23 444

Valuation techniques and fair value hierarchy

There was no change in the valuation techniques used for forward foreign exchange contracts (Level 2) and unlisted investments (Level 3).

For all fair value measurements disclosed above, there were no transfers between levels of the fair value hierarchy during the period.

11. CONTRACT LIABILITIES

	Unaudited 30 June 2025 R'000	Audited 31 December 2024 R'000
Contract liabilities consist of the following:		
Advance receipts from customers	**47 107**	76 192
Deferred warranty income	**236 785**	222 739
Deferred service contract revenue	**59 179**	57 070
Deferred finance income liability	**129 656**	109 746
	472 727	465 747
Less: current portion	**(272 156)**	(276 038)
Long-term portion	**200 571**	189 709

12. RESTRICTED ACCESS TO CASH AND BANK BALANCES

The group's cash and bank balances include an amount which forms part of the group's operation in Russia and which is not accessible by the group outside Russia due to sanctions.		
Cash and bank balances in Russia (i)	**87 227**	**67 194**

(i) There are no other significant assets in this operation.

13. PRIOR PERIOD RESTATEMENTS - 30 JUNE 2024

Financing activities in the condensed consolidated statement of cash flows
At the December 2024 year-end, it was identified that certain overnight call loans do not meet the definition of cash and cash equivalents. Cash flows on these overnight call loans were therefore reclassified as financing activities on the condensed consolidated statement of cash flows. The prior period has been restated accordingly, resulting in net drawdowns of R32,6 million on overnight call loans being reclassified from net increase in cash for the period to cash utilised in financing activities in the prior period condensed consolidated statement of cash flows. The balance on these overnight call loans at 30 June 2024 was R286,6 million.

The condensed consolidated statement of cash flows was impacted by the correction of the prior period error. There was no impact on the condensed consolidated statement of financial position and the condensed consolidated statement of profit or loss.

The restatement adjustments relating to the correction of the above error are as follows:

FOR THE PERIOD ENDED 30 JUNE 2024	As previously reported R'000	Correction of errors R'000	**Restated R'000**
Net cash utilised in financing activities	(530 726)	32 646	**(498 080)**
Within which the following were impacted:			
Overnight call loans - drawdowns	-	2 008 646	**2 008 646**
Overnight call loans - repaid	-	(1 976 000)	**(1 976 000)**
Net increase in cash for the period	80 528	32 646	**113 174**
Net bank overdrafts at beginning of the period	(740 237)	253 930	**(486 307)**
Net bank overdrafts at end of the period	(659 709)	286 576	**(373 133)**
Net bank overdrafts			
Bank overdrafts and overnight call loans, as per the condensed consolidated statement of financial position	(904 682)	-	**(904 682)**
Less: overnight call loans	-	286 576	**286 576**
Bank overdrafts	(904 682)	286 576	**(618 106)**
Cash and bank balances	244 973	-	**244 973**
Net bank overdrafts at end of the period	(659 709)	286 576	**(373 133)**

14. IMPAIRMENT CONSIDERATIONS AND IMPACT ON THE INTERIM FINANCIAL RESULTS FOR THE PERIOD ENDED 30 JUNE 2025

IAS 36 Impairment of Assets
In terms of *IAS 36 Impairment of Assets* the group is required to perform tests for impairment of assets based on the expected future cash flows pertaining to these assets whenever there is an indication that these assets may be impaired.

Consistent with the position at the 2024 financial year end, the market capitalisation of the group at 30 June 2025 of R3,8 billion (December 2024: R3,9 billion) was significantly lower than the net asset value of the group of R5,9 billion (December 2024: R5,7 billion). This is an indicator of possible impairment in terms of IAS 36. A review was performed at period end to identify any significant changes that may indicate that assets are impaired since the impairment tests conducted at year end.

14.1 Impairment considerations of the cash-generating units (CGUs)

The following was considered to assess the CGUs for impairment:

1. The identification of the group's cash generating units was reviewed and it was confirmed that there has been no change in these cash generating units.
2. The US tariff policy has led to considerable uncertainty for the global economy. For the group, there is uncertainty relating to the impact of tariffs on future sales volumes into the US market. The group is continuously monitoring this and based on information currently available, has not considered it necessary to make significant changes to long-term financial forecasts. There is therefore no indication of a significant change in the valuation of the cash generating units since year end.

Consequently, no impairment loss has been recognised, and there is no indication of a significant change in the valuation of the group's cash-generating units at the reporting date.

14.2 Impairment considerations of specific asset categories

Further consideration was given to the possible impairment of specific asset categories on the statement of financial position.

- ***Inventory***
  The group conducted a detailed assessment of the valuation of inventory at 30 June 2025. All inventory is valued at the lower of cost and net realisable value. Included in cost of sales in the current period is an amount of R49,1 million (June 2024: R50,8 million) in respect of write-downs of inventory and inventory provisions.

- ***Trade and interest-bearing receivables***
  The balances owed to the group by customers are reviewed on an ongoing basis, with specific emphasis on protecting the value of the group's security, comprising mainly the financed equipment. There has been no change to the group's approach for measuring allowances for expected credit losses during the current period. At 30 June 2025, the total allowances for expected credit losses on trade and interest-bearing receivables totalled R43,4 million (December 2024: R40,2 million).

  The group has a concentration of credit risk in its North American distributor in which the group holds a 10% equity interest. At 30 June 2025, the trade receivable balance of the North American distributor totalled R288,6 million (December 2024: R197,3 million), approximately 90% of which has been recovered since that date.

- ***Property, plant and equipment***
  There has been no change in the group's plans to use its assets to support revenue generating activities. Certain of the group's freehold land and buildings were revalued in the current period and a revaluation surplus of R65,5 million (December 2024: Rnil) was accounted for in other comprehensive income. No impairment of property, plant and equipment was considered necessary in the current period.

- ***Intangible assets***
  In its assessment of intangible assets at 30 June 2025 the group conducted a review of capitalised engineering development costs and projects to the value of R33,2 million (December 2024: R5,1 million) were discontinued and impaired in the current period.

14.3 Impairment considerations of Russian operation

Due to the ongoing Russia-Ukraine conflict and sanctions imposed, the assets relating to the group's operation in Russia were tested for impairment. Access to the cash and bank balances in this operation is restricted at present (refer note 12). There are no other significant assets in this operation. No impairment losses were identified from this review.

15. DIRECTORS' ASSESSMENT OF GOING CONCERN

As part of the assessment of the appropriateness of adopting the going concern basis in preparing the interim financial statements for the period ended 30 June 2025, the directors considered the group's cash flow forecast for the next twelve months. This forecast is based on expected demand for the next twelve months. The cash flow forecast reflects that the group expects to operate within facility levels and generate sufficient cash flows to settle its obligations when due. Management constantly monitors the facility levels in relation to the group's cash flow forecast. The group's lenders continue to support the business.

The group's net debt has improved from a net debt position of R0,5 billion at December 2024 to a net cash position of approximately R0,3 billion as at 30 June 2025.

The directors consider it appropriate that the interim financial statements are prepared on a going concern basis.

16. POST FINANCIAL POSITION EVENTS

No fact or circumstance material to the appreciation of these condensed consolidated interim financial statements has occurred between 30 June 2025 and the date of this report.

17. DIVIDEND

Due to the global slowdown in demand in key markets and a contracted USA market due to the current USA tariff situation, the Board has resolved to preserve cash resources rather than paying a dividend at this time.

By order of the board
3 September 2025

Directors
Non-executive
GW Bell (Chairman), HR van der Merwe* (Lead Independent), DH Lawrance*, ME Ramathe*, R Naidu*, U Maharaj*, M Geyer*, S Fitzpatrick*
** Independent*
Appointed: S Fitzpatrick was appointed as independent non-executive director with effect from 1 July 2025.
H Ramsumer was appointed as independent non-executive director with effect from 1 December 2025.

Executive
AJ Bell (Group Chief Executive), SR Jones (Alternate),
KJ van Haght (Group Finance Director), A Goordeen (Alternate)
Appointed: SR Jones was appointed as an alternate executive director with effect from 4 September 2025.

Company Secretary
D McIlrath

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