



**STRONG RELIABLE MACHINES**  
**STRONG RELIABLE SUPPORT**

**2022**

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**RESULTS FOR THE YEAR**  
**ENDED 31 DECEMBER 2022**

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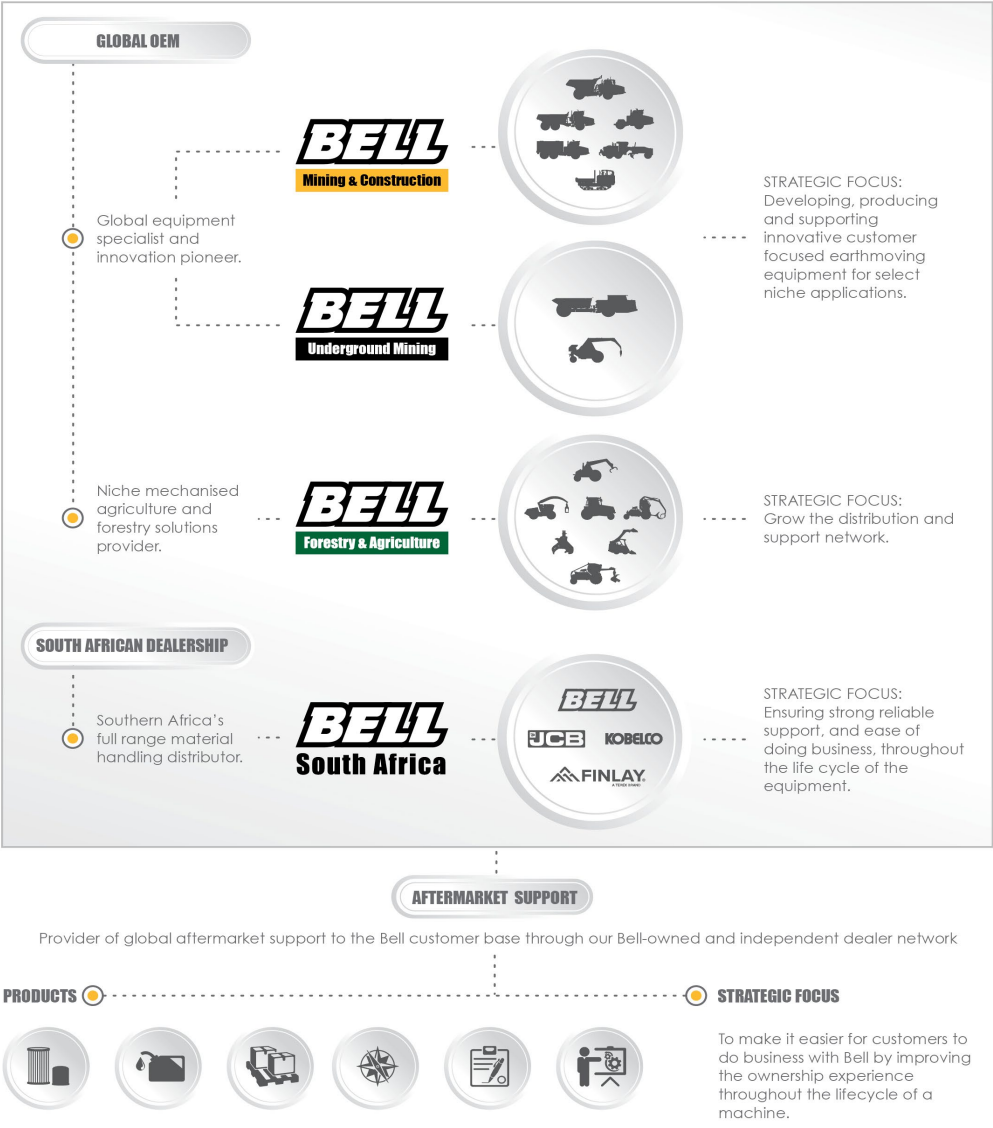
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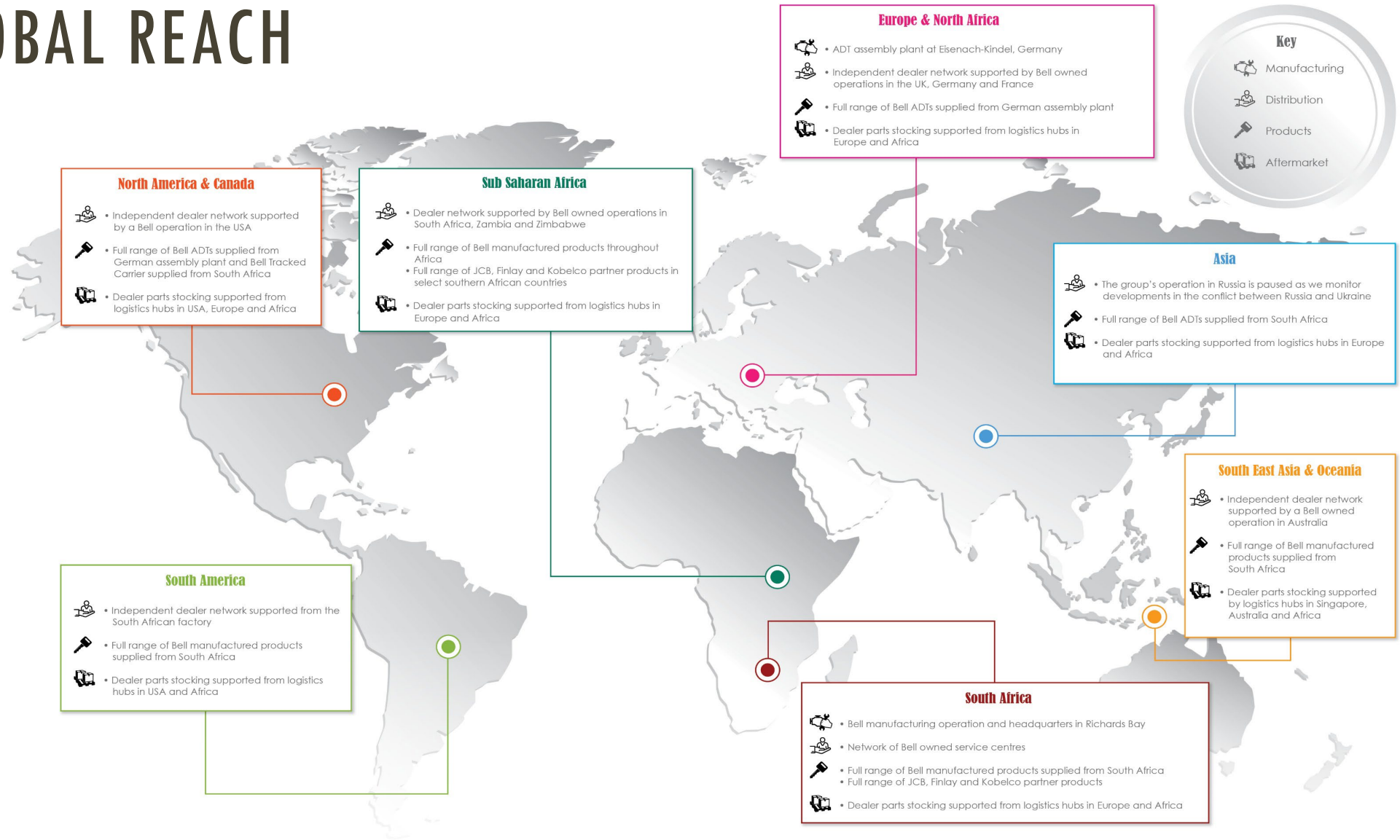




# BUSINESS MODEL



# GLOBAL REACH





# SUMMARY OF THE YEAR

## Overall contributors:

- Strong demand ensuring strong order book across the globe
- Manufacturing and logistics hubs working well
- JCB's distribution continued to grow at a healthy rate
- New product development gained traction

## Overall detractors:

- Global supply chain constraints
- Location of ADT manufacture in SA far from suppliers and major markets
- Exchange rate volatility
- SA is unable to capture commodity cycle benefits due to Transnet, Portnet, Eskom and overall economic and policy uncertainty, coupled with other structural challenges (high fuel prices, inflation, increased interest rates) – exacerbated by global concerns (supply chain disruptions, inflation, increased interest rates and Russia/Ukraine conflict)



# OEM — MANUFACTURING, ASSEMBLY, LOGISTICS & DEALER SALES OPERATIONS, SOUTH AFRICA

## Achievements and realities of the year ended 31 Dec 2022:

- External Dealer sales from South Africa increased by 30,6% from the prior year and now represents 19,8% of Group Sales (19,4% PY)
- Production rate increased, driven by a recovery in demand based on commodity prices
- A stronger operating profit of R369,2m is up from an operating profit of R8,6m in the prior year, due to improved volumes
- Dealer network expanded and migration to independent dealer model proving beneficial
- Increase in overall operating inventory and borrowings as geared up for higher production
- Supply chain challenges eased in Q4 allowing catch up of planned production
- New product development on track

## Outlook / expectations:

- Optimistic that momentum will continue.
- Continued demand for commodities and large infrastructure projects globally
- Global markets restocking in 2023
- Ongoing focus on managing component shortages, increased lead times and price increases due to high global demand
- Quality, efficiencies (lean manufacturing) and cost reduction continue to be key focus
- Continued investment in new IP generation
- Manufacturing entity 51% black owned which is beneficial in pursuing insourcing of heavy metal fabrication opportunities
- Continued focus on optimising operating inventory and gearing

# OEM — MANUFACTURING, ASSEMBLY, LOGISTICS & DEALER SALES OPERATIONS, **EUROPE**

## Achievements and realities of the year ended 31 Dec 2022:

- External sales from the OEM operations in Europe improved by 21,5% and accounts for 36,4% of Group Sales
- Production rate increases are due to higher Northern Hemisphere demand for equipment driven by large infrastructure projects
- Operating profit of R141,8m compared to the prior year profit of R157,6m
- North American and the UK markets rebounded well
- Increase in operating inventory and borrowings as geared up for higher production
- Supply chain challenges eased in Q4 allowing production catch up
- Additional warehousing and future manufacturing/assembly space acquired

## Outlook / expectations:

- Outlook for the USA, UK, and Europe markets positive with stronger order books
- Strong outlook supported by restocking, large infrastructure projects and increased demand for commodities across the globe
- Ongoing focus on managing component shortages, increased lead times and price increases due to high global demand
- Continued focus on optimising operating inventory and gearing

# DIRECT SALES — SOUTH AFRICA

## Achievements and realities of the year ended 31 Dec 2022:

- Sales improved by 29,0% from prior year and makes up 38,2% of Group Sales
- Operating profit out-performed expectations and increased to R174,9m compared to R94,0m for the prior year
- Policy uncertainty and low economic growth impacted demand
- Mining of commodities strong, with optimism in coal, while construction and road building sectors remain exceptionally weak
- Overall reduction in finished goods inventory due to strong demand and production constraints of all products
- JCB product is proving to be a good fit and invigorated the offering to the South African market

## Outlook / expectations:

- Optimistic that momentum will continue
- Continued demand for commodities
- Digitisation continues to be a focus area
- Consolidation of alliance partners in our marketplace is proving to be beneficial
- Enhanced product and service line positions for market recovery
- Agriculture equipment dealers and underground mining equipment focus growing penetration
- South African sales entity 51% black owned, 30% black woman owned with Level 1 B-BBEE score achieved, maximising benefit for customers



# DIRECT SALES — REST OF AFRICA (ZAMBIA & ZIMBABWE)

## Achievements and realities of the year ended 31 Dec 2022:

- Sales improved by 71,4% compared to the prior year and represent 5,6% of Group Sales
- Operating profit reduced to R45,1m however R122,5m in the prior year included non-recurring intra-group debt waiver
- Strong commodity led growth in Zambia
- Migration to an independent dealer model is showing pleasing growth
- Demand for products is broad and includes ADT's, water tankers, construction, agriculture, forestry and mining equipment

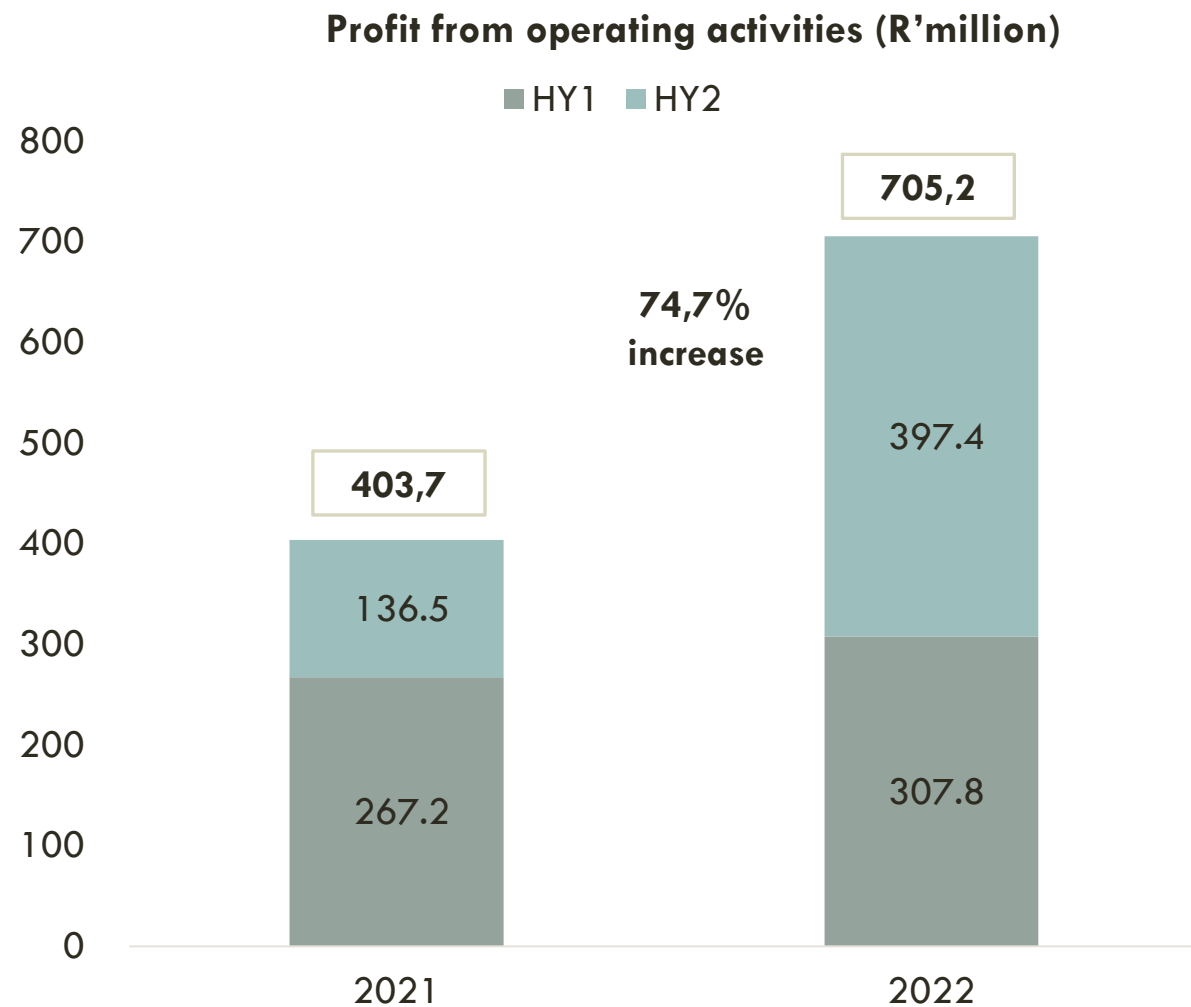
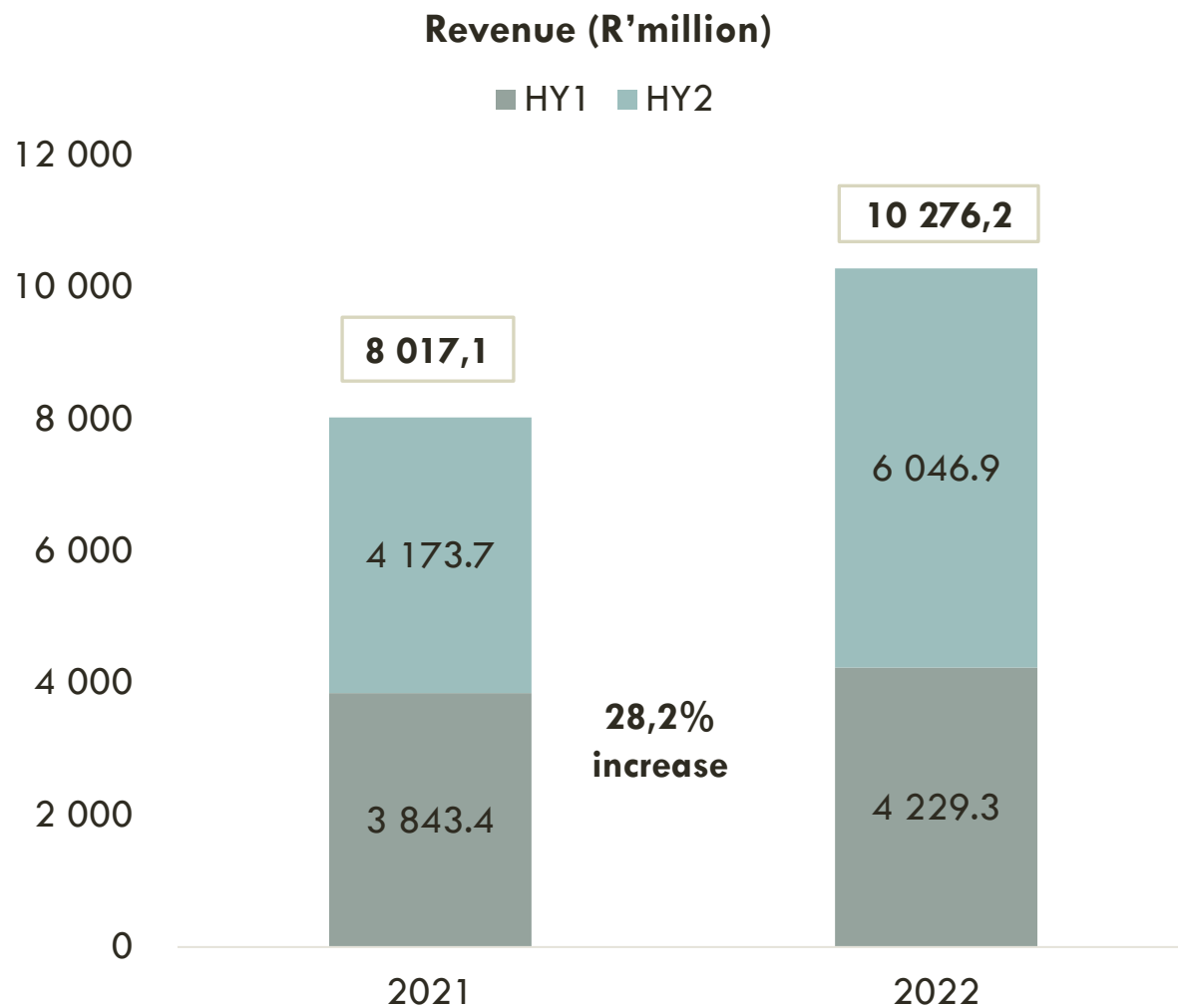
## Outlook / expectations:

- Rebound in African market is encouraging, albeit a small part of the overall Bell business
- Positive sentiment and increased commodity prices should continue to support growth as well as sectors such as agriculture, forestry and construction being a focus of government development and support
- Economic and political challenges in Zimbabwe expected to continue

# BELL EQUIPMENT LIMITED

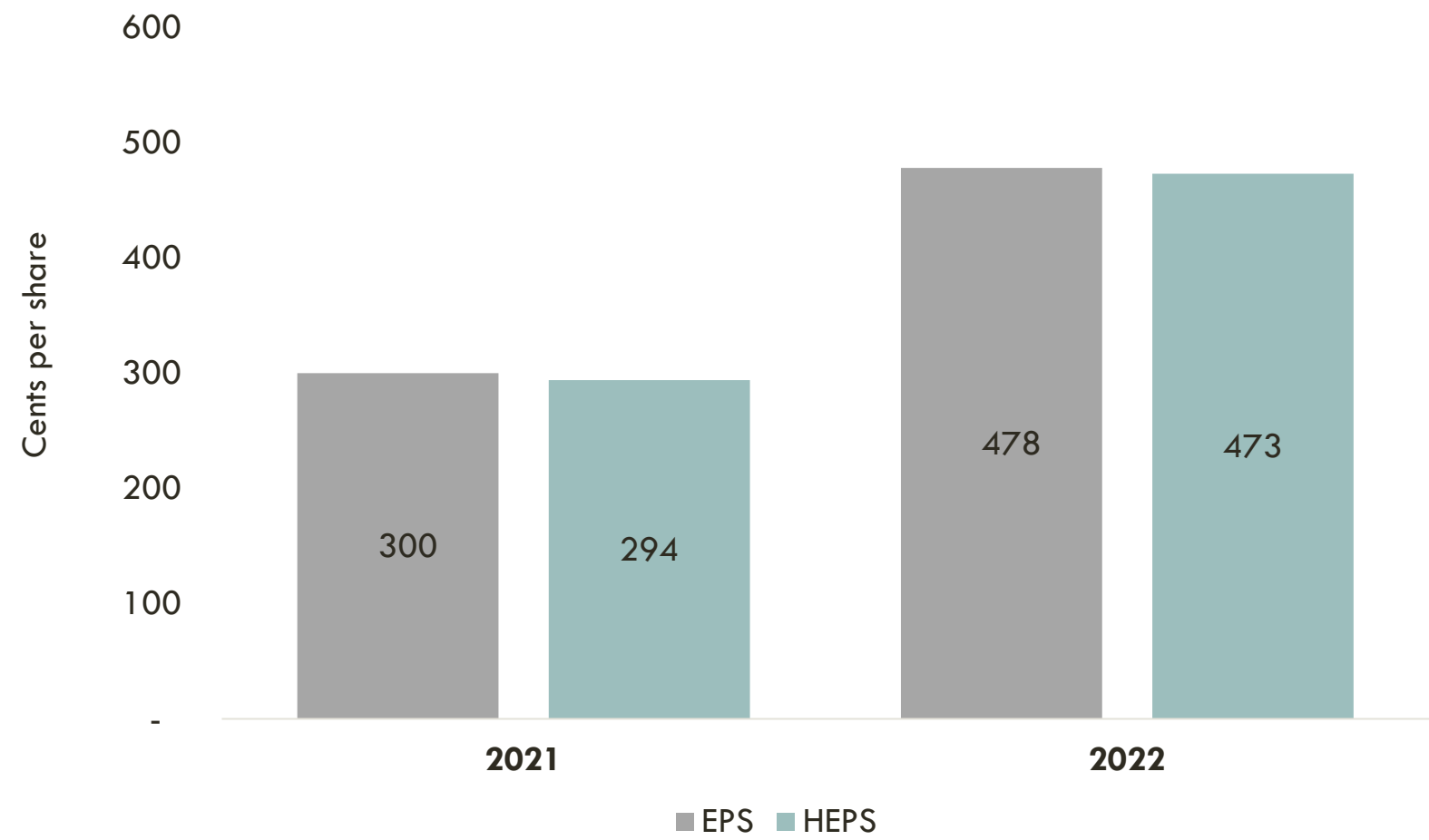
## FINANCIAL RESULTS

# REVENUE & OPERATING PROFIT

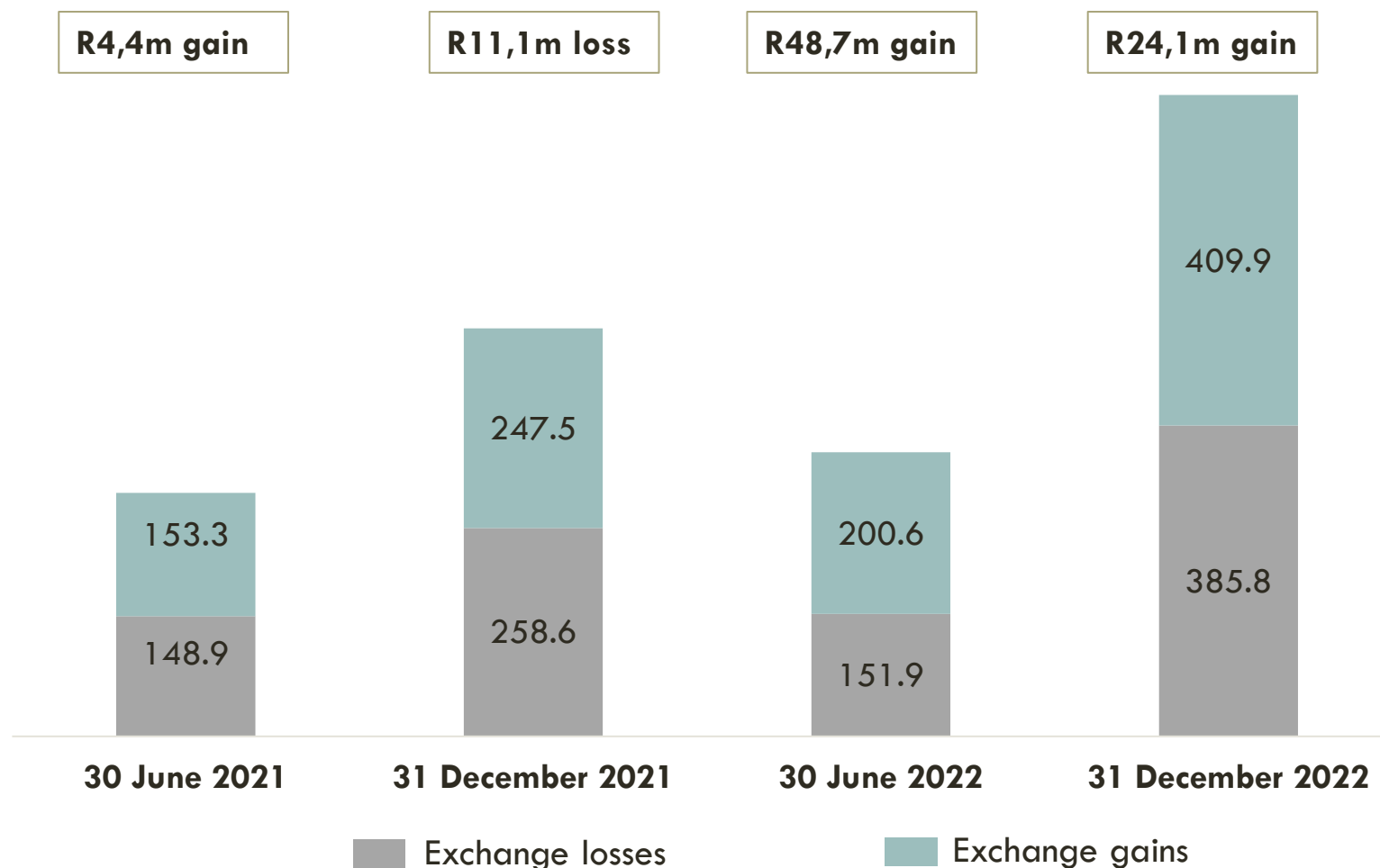




# EPS AND HEPS



# CURRENCY EXCHANGE GAINS/(LOSSES)



- Net currency gains arose mainly on USD revenue and receivables as a result of USD movements against the Euro and the Rand

# BALANCE SHEET — ASSETS

R'm	Audited 31 Dec 2022	Audited 31 Dec 2021	% change
<b>Non-current assets</b>	<b>1 894,1</b>	<b>1 792,9</b>	<b>6,0</b>
Property, plant and equipment	944,5	919,0	
Right-of-use assets	367,9	251,0	46,6
Intangible assets	260,2	282,2	
Investments	63,0	58,7	
Interest-bearing receivables and contract assets	44,1	50,4	
Deferred taxation	214,4	231,6	
<b>Current assets</b>	<b>6 756,6</b>	<b>5 131,1</b>	<b>31,7</b>
Inventory	4 752,0	3 624,5	31,1
Trade and other receivables	1 278,1	1 023,1	
Interest-bearing receivables and contract assets	231,3	218,3	
Other assets	231,2	78,6	194,2
Current taxation assets	35,4	30,3	
Cash and bank balances	228,6	156,3	
<b>Total assets</b>	<b>8 650,7</b>	<b>6 924,0</b>	<b>24,9</b>

- Inventory stable at 210 vs 204 days.
- Receivables days also steady at 45 vs 47 days.

(\*) The increase in inventory and interest-bearing liabilities is mainly due to higher customer demand which resulted in higher levels of components, work in progress and finished goods inventory.



# BALANCE SHEET — EQUITY & LIABILITIES

R'm	Audited 31 Dec 2022	Audited 31 Dec 2021	% change
<b>Capital and reserves</b>	<b>4 365,2</b>	<b>3 861,7</b>	<b>13,0</b>
<b>Non-current liabilities</b>	<b>870,7</b>	<b>681,4</b>	<b>27,8</b>
<b>Current liabilities</b>	<b>3 414,8</b>	<b>2 380,9</b>	<b>43,4</b>
Trade and other payables	1 627,0	1 215,3	33,9
Interest-bearing liabilities	652,1	202,8	221,6
Lease liabilities	50,3	42,8	
Contract liabilities	319,9	243,8	
Refund liabilities	34,1	51,7	
Provisions	142,5	111,1	
Other liabilities	10,6	8,1	
Current taxation liabilities	46,9	31,9	
Bank overdrafts and borrowings on call	531,4	473,4	12,3
<b>Total equities and liabilities</b>	<b>8 650,7</b>	<b>6 924,0</b>	<b>24,9</b>

# INCOME STATEMENT

R'm	Audited 31 Dec 2022	Audited 31 Dec 2021	% change
<b>Revenue</b>	<b>10 276,2</b>	<b>8 017,1</b>	<b>28,2</b>
Cost of sales	(8 244,7)	(6 473,4)	27,4
<b>Gross profit</b>	<b>2 031,5</b>	<b>1 543,7</b>	<b>31,6</b>
Gross profit margin	19,8%	19,3%	
<b>Other operating income</b>	<b>260,1</b>	<b>185,0</b>	<b>40,6</b>
Expenses	(1 586,4)	(1 325,0)	19,7
<b>Profit from operating activities</b>	<b>705,2</b>	<b>403,7</b>	
Net interest expense	(59,5)	(34,1)	74,5
<b>Profit before taxation</b>	<b>645,7</b>	<b>369,6</b>	
Taxation	(166,8)	(75,3)	
<b>Profit for the year</b>	<b>478,9</b>	<b>294,3</b>	<b>62,7</b>

# NOTES ON INVENTORY

Rm	Audited 31 Dec 2022	Audited 31 Dec 2021	% change
Finished goods – Manufactured	462,7	385,1	20
Finished goods – Third Party	499,4	273,0	83
Finished goods – Used	278,0	238,1	17
Spares, components & raw materials	2 969,1	2 310,7	28
Work in progress	542,8	417,6	30
<b>Total</b>	<b>4 752,0</b>	<b>3 624,5</b>	<b>31</b>

- High level of investment in inventory reflects high level of customer demand.



# CASH FLOW STATEMENT

R'm	Audited 31 Dec 2022	Audited 31 Dec 2021	% change
Cash operating profit before working capital changes	1 131,2	790,1	
Cash utilised in working capital	(1 157,3)	(132,6)	
<b>Cash (utilised in) generated from operations</b>	<b>(26,1)</b>	<b>657,5</b>	<b>(104,0)</b>
Interest paid	(122,2)	(97,7)	
Interest received	89,8	60,5	
Taxation paid	(157,8)	(26,4)	
<b>Net cash (utilised in) generated from operating activities</b>	<b>(216,3)</b>	<b>593,9</b>	<b>(136,4)</b>
<b>Net cash utilised in investing activities</b>	<b>(122,3)</b>	<b>(90,5)</b>	
<b>Net cash generated from (utilised in) financing activities</b>	<b>352,8</b>	<b>(421,8)</b>	
Net increase in cash for the year	14,2	81,6	
Net bank overdrafts & borrowings on call at beginning of year	(317,0)	(398,6)	
<b>Net bank overdrafts &amp; borrowings on call at end of year</b>	<b>(302,8)</b>	<b>(317,0)</b>	<b>4,5</b>

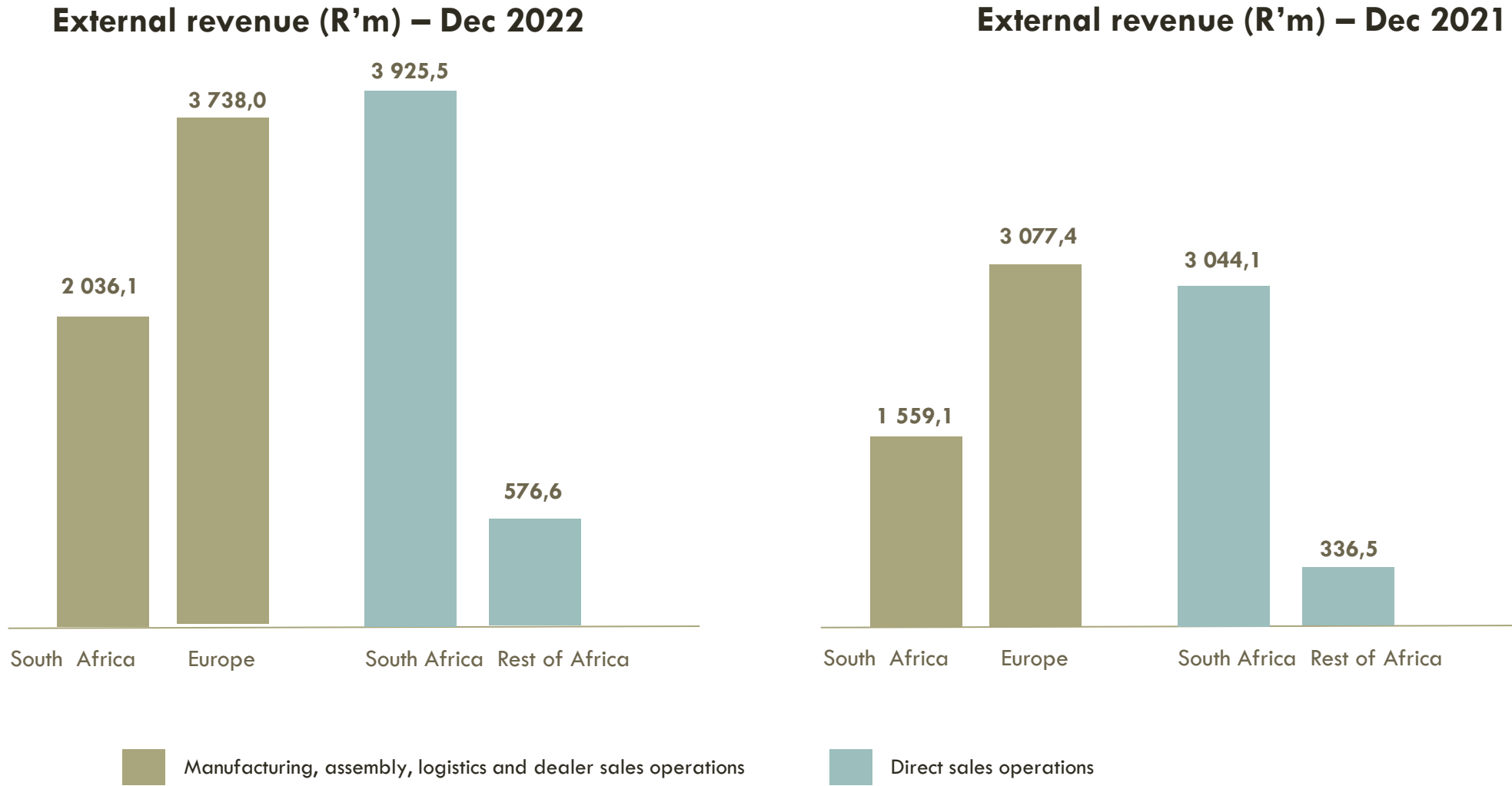
# NET DEBT AND FINANCE COST

	Audited 31 Dec 2022	Audited 31 Dec 2021	% change
Net debt – close (Rm)	1 148	696	64,9
Net debt – average (Rm)	922	923	(0,1)
Interest paid for the year (Rm)	137,0	96,4	42,1
Gearing % (net debt)	26,3	18,0	46,1
Interest cover (times) (underlying EBIT)	5,2	4,2	23,8
Net debt to EBITDA (times)	1,29	1,18	9,3

- Net debt increased during period.
- Gearing up from 18% to 26,3% at end of year.
- Interest cover improved.

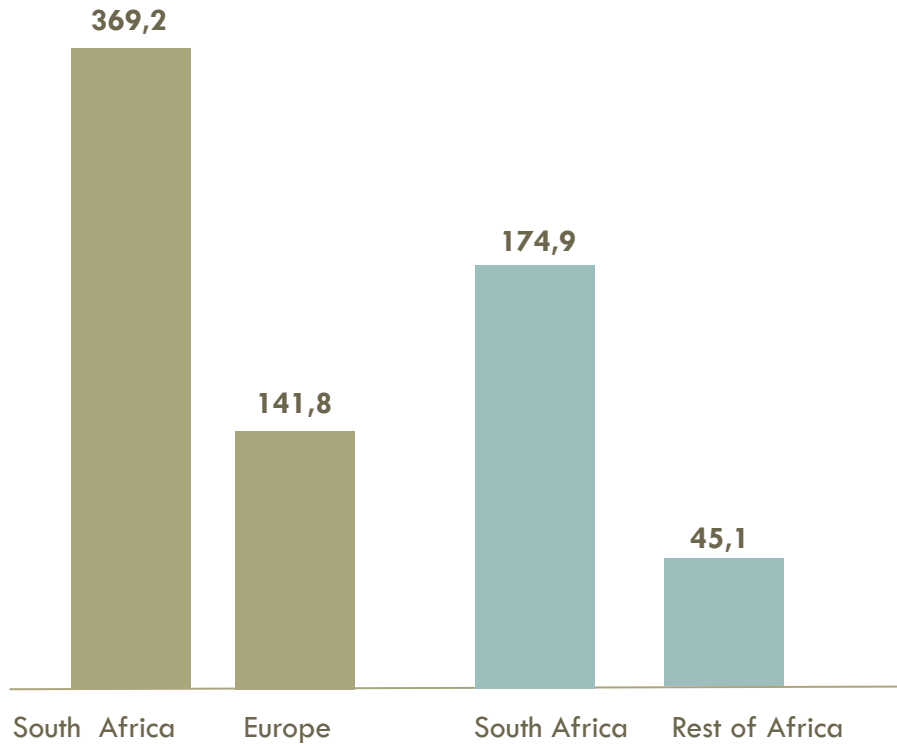
\* Net debt excludes lease liabilities in respect of right-of-use assets.

# SEGMENTAL ANALYSIS – SUMMARY

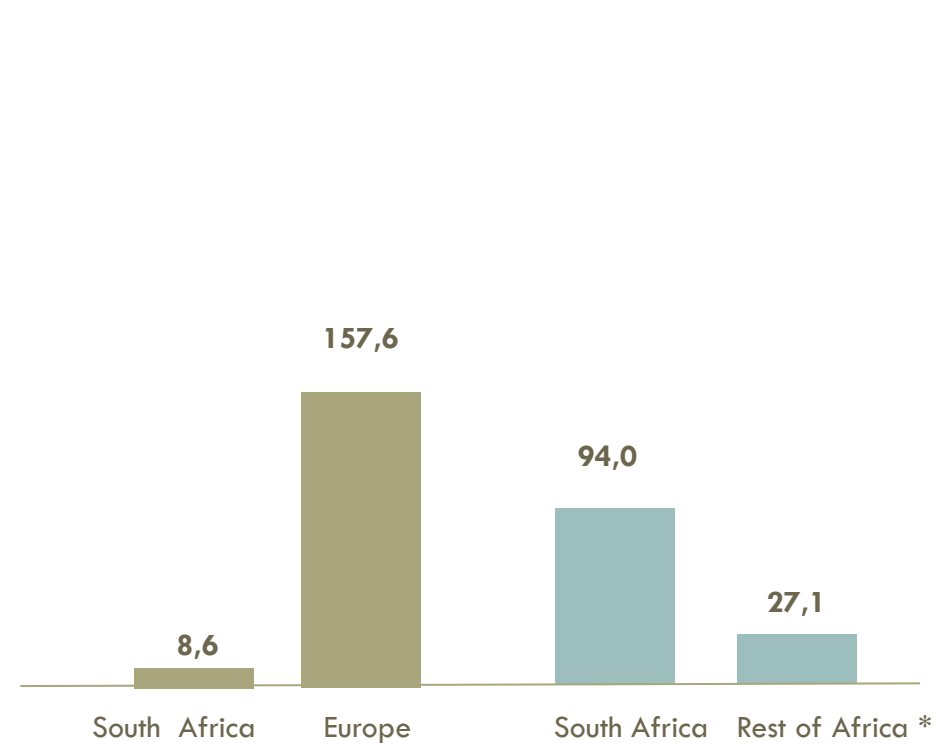


# SEGMENTAL ANALYSIS – SUMMARY

Operating profit (R'm) – Dec 2022



Operating profit (R'm) – Dec 2021



Manufacturing, assembly, logistics and dealer sales operations      Direct sales operations

(\*) adjusted for waiving of intra-group debt

# BELL EQUIPMENT LIMITED

## LOOKING AHEAD



# LOOKING AHEAD

- We remain cautiously optimistic, with most markets reflecting strong order books through to 2024.
- For South Africa the mining sector remains strong, but the construction industry outlook remains depressed as the country grapples with low infrastructure spending in a weakened economy. We are seeing green shoots following the recent SANRAL awards.
- JCB sales and market share continue to grow and together with our other own and distributed products we are well positioned to capitalise on any increased infrastructure spend.
- Continued attention to the reduction of total cost of ownership and developing user-friendly digital tools to enhance the ease of doing business for our customers.
- Development and introduction of new products
- Dedicated and focused management structure to ensure market penetration, growth and customer support in line with strategic priorities and growth objectives.
- We have developed autonomous-ready units and are working with customers to pilot this technology.
- Supporting and growing the aftermarket, through customer and dealer relationships and leveraging our active fleet globally.
- Continued focus on expanding facilities and capabilities in the Northern Hemisphere.



# BELL EQUIPMENT LIMITED



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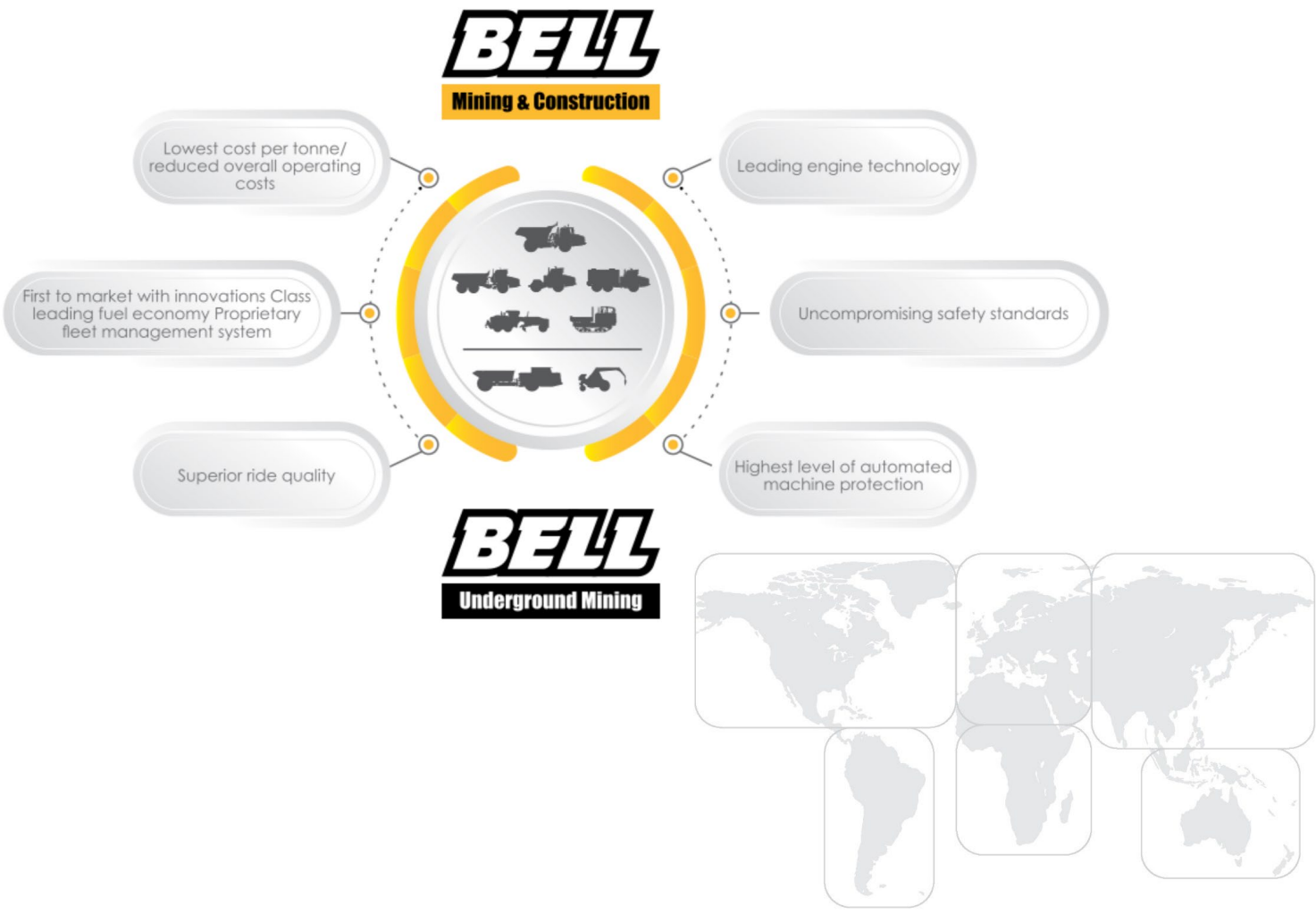
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# BELL EQUIPMENT LIMITED

## APPENDIX



# MINING & CONSTRUCTION SOLUTIONS PROVIDER





# AGRICULTURE & FORESTRY SOLUTIONS PROVIDER





# MATERIAL-HANDLING DISTRIBUTOR





# AFTERMARKET SUPPORT

