



**OMNIA**



# **OMNIA HOLDINGS LIMITED**

## **AUDITED RESULTS**

for the year ended  
31 March 2021

# Strategic delivery and financial highlights

## Continued execution

against clear strategic objectives

## Resilient performance

and strong delivery in challenging environment

## Disciplined capital allocation

to create long-term stakeholder value

## Revenue<sup>1</sup> stable

at R17.8 billion  
(FY2020: R17.8 billion)

## Operating profit<sup>1</sup> increased

to R1.2 billion  
(FY2020: R744 million)

## Profit after tax<sup>1</sup> increased

to R658 million  
(FY2020: R79 million)

## EBITDA<sup>1</sup> increased

(excluding impairments)  
to R2.1 billion  
(FY2020: R1.7 billion)

<sup>1</sup> From continuing operations.

**Earnings  
per share<sup>1</sup>  
increased**

to 394 cents

(FY2020: 64 cents)

**Headline  
earnings  
per share<sup>1</sup>  
increased**

to 391 cents

(FY2020: 154 cents)

**Net cash  
increased**

by R3.2 billion to  
R1.3 billion

(FY2020: R1.9 billion net debt)

**Net  
working  
capital  
decreased**

to R3.0 billion

(FY2020: R3.9 billion)

**Net asset  
value stable**

at R9.7 billion

(FY2020: R9.7 billion)

**Shareholder  
distribution**

of R1 billion

(FY2020: Rnil)

**Ordinary  
dividend  
resumed**

at 200 cents per  
ordinary share

(FY2020: nil cents)

**Special  
dividend  
declared**

at 400 cents per  
ordinary share

(FY2020: nil cents)

<sup>1</sup> From continuing operations.

# ESG highlights\*

**B-BBEE rating improved**

to Level 2

(FY2020: Level 3)

**Zero fatalities**  
for employees  
and contractors

(FY2020: Zero)

**First aid incidents reduced**

to 85

(FY2020: 91)

**Recordable case rate improved**

to 0.35

(FY2020: 0.49)

number of incidents per  
year or 200 000 working/  
exposure hours

**Discharged effluent volumes decreased**

to 311 megalitres

(FY2020: 553 megalitres)

\* This section is unaudited.

**Energy efficiency improved**

by 9% to 0.17<sup>2</sup>

(FY2020: 0.19)

units of utility consumed per volume produced

**Water use efficiency improved**

by 8% to 0.52<sup>2</sup>

(FY2020: 0.57)

units of utility consumed per volume produced

**Volumes of water recycled or reused increased**

to 51 megalitres

(FY2020: 15 megalitres)

Total  
**GHG emissions reduced**

to 261 500 tonnes of CO<sub>2</sub>e

(FY2020: 624 590 tonnes)

**Hazardous waste volumes reused or recycled increased**

to 1 576 tonnes (FY2020: 418 tonnes)

due to **improved waste management,**

segregation and recycling opportunities

<sup>2</sup> Even though production volumes increased by 15%.

# Report overview

## Strategic feedback

Over the last two years, Omnia executed on its strategy to stabilise and fix the current businesses through changes to operational processes, synergies, and culture.

In the fast-changing environment of the past 12 months, Omnia proved its renewed agility by consistently delivering on critical strategic objectives while addressing COVID-19 disruptions across its operations. Omnia actively managed manufacturing excellence and supply chain optimisation to further reduce product costs and exceed customers' quality expectations. The focus on enhancing safety while promoting employee wellbeing also remained top of mind as the culture of safety and accountability was consistently reinforced across the Group.

The implementation of the new operating model, which aims to consolidate key businesses in southern Africa, and separate those which require additional investment, has been completed. This new operating model ensures that Omnia is positioned to deliver on commitments made to customers, business partners and regional stakeholders sustainably.

Consistent delivery against clear strategic objectives resulted in improved cash generation from the underlying businesses which, together with the proceeds from the disposal of Oro Agri, supported the ability to extinguish core term debt and contributed to Omnia's strong financial position. As a result, the decision was made to resume dividend distributions with a gross cash dividend of 200 cents per ordinary share being declared. After careful consideration of near term capital requirements across Omnia, the board has also declared a special dividend of 400 cents per ordinary share.

In parallel to the significant achievements of the past year, solid progress was made to initiate a reset and growth of the organisation to start pursuing responsible capital allocation towards organic and inorganic growth opportunities, greener technologies and expansion into geographies that enhance Omnia's impact in the world. As previously guided, future capital allocation decisions will ensure that they are value accretive, provide the right diversification that is complementary to Omnia's core businesses and skill set and strengthen the Group's overall positioning.

## Economic overview and financial update

The world is adapting to a new normal given the high uncertainty in local, regional and global economies. Global supply chains have been disrupted, the social environment is fragile and economies are volatile. Although the global economy has started to recover following the relaxation of lockdown regulations in many countries, it is anticipated to remain below pre-pandemic levels for a prolonged period.

Global GDP is expected to increase by 6% in 2021 and 4.4% in 2022, based on proper pandemic management and effective vaccination limiting the community spread of COVID-19 in many countries, while continued monetary policy accommodation accompanied by fiscal support is also anticipated. Nonetheless, global GDP for 2021 is forecast to remain well below pre-pandemic projections.

While most sectors contracted during the current financial year due to the spread of COVID-19, general economic downturn and political turmoil, southern African food production expanded strongly, with good early rains, higher crop prices and increased export sales supporting demand for Agriculture's fertilizers, speciality products, biostimulants and support services. Agriculture Biological (Agri-Bio) options are becoming increasingly popular to help revolutionise soil health and crop nutrition which have become crucial factors for food security amidst climate change and other challenges.

Despite facing some of the lowest production months in decades during the hard lockdown, commodity prices increased brought on by the strong Dollar and demand for gold as a haven amid the pandemic and global trade tensions. Unreliable power supply in South Africa is an ongoing issue with load shedding anticipated to continue for the foreseeable future. Privatised power generation, either through self-generation or independent third-party generation, will be a priority to mitigate this risk. Mining production in South Africa is on a path of recovery to pre-COVID-19 levels and continues steady growth particularly from February 2021 onwards, compared to the same period last year. In the international mining sectors, exploration, capital expenditure and development activities are increasing, and continued recovery is anticipated through 2021.

Chemical distributors mainly serve the manufacturing and general industrial sectors in South Africa, sectors that have borne the brunt of South Africa's electricity supply challenges over the years. The COVID-19 pandemic has exacerbated this situation with demand for chemicals declining in South Africa over the last 12 months. The sectors most severely impacted are Food & Beverage (restaurants and hotels), Consumer Care (hospitality) and Automotive (oil & gas). However, the COVID-19 pandemic has resulted in many new business opportunities arising in the chemical space, with growth in cleaning and hygiene products leading the way. In addition, changes in consumer behaviour due to a growing awareness of green chemistries and the role that these can play in the composition of food and other consumer goods is expected to grow strongly over the coming years.

The closing USD/ZAR exchange rate for 31 March 2021 (1:14.77) recovered notably since the end of March 2020 (1:17.81). The average USD/ZAR exchange rate for the year ending 31 March 2021 was 1:16.19 compared to 1:15.00 for the year ended 31 March 2020.

Notwithstanding the impact of COVID-19 and general economic and sector challenges, the Group operating profit (from continuing operations) increased by 62% to R1 205 million (FY2020: R744 million). The Group generated a net profit after tax (from continuing operations) of R658 million for the year ended 31 March 2021 (FY2020: R79 million).



The **Agriculture** division experienced improved demand due to positive agronomic conditions, good crop harvest coupled with high agriculture commodity prices seen towards the latter part of the financial year. Disciplined control of expenditure, production efficiencies and the nitrophosphate plant benefit realisation also contributed to improved margins. Despite supply chain challenges, sales during the peak of the summer planting season were maximised. The favourable agronomic conditions supported a positive demand outlook, however, early buying of raw material for the winter crops was tempered by the increase in commodity prices seen towards the end of January 2021. Sasolburg's scheduled plant maintenance shutdowns were planned to coincide with the traditionally quieter start to the financial year.

# Report overview continued

Internationally, Agriculture benefited from an increase in humate production and product demand in Australia, as well as higher export sales brought forward due to COVID-19-related supply concerns. In Zambia, contractual volumes for the summer planting season were secured and collections were well advanced by year-end. A supply contract was concluded and production and stockpiling commenced prior to the period close. While commercial sales and retail sales during the summer planting season were generally strong, sales reduced during the winter wheat season as a result of a more stringent credit policy which decreased the overall sales volumes. The contraction of the Zimbabwean economy continues, with a rapid increase in the inflation rate combined with a weakening Zimbabwean Dollar resulting in hyperinflation and, as such, a deliberate decision was made to limit Omnia's exposure to currency and foreign exchange volatility given the liquidity challenges in-country. In Mozambique, cyclone Eloise had a minimal effect on the Beira operations which had a strong year.

Operating profit for the division increased to R995 million (FY2020: R615 million) and increased to R565 million (FY2020: R291 million) excluding the impact of Zimbabwe and the discontinued operation. More detail about the Agriculture division's performance can be found on pages 24 to 26.



The **Mining** division experienced a steady recovery in mining operations post the hard lockdown in South Africa. However, the December 2020 shutdowns, some mine closures as a result of COVID-19 and extreme wet weather in certain regions resulted in lower volumes sold. Despite these challenges, the transitioning of a large mining contract progressed well during the reporting period with two of the three mines being fully transitioned and the third mine in the final stages of transitioning at year-end. Margins continue to be under pressure in the contractual and non-contractual environment due to new entrants in the market. Costs relating to rental, salaries and wages, consumables and travelling were reduced in line with targeted ongoing cost-saving initiatives.

Internationally, Mining has been adversely affected by COVID-19-related shutdowns and quarantines, an increase in logistic costs in Australia as well as inclement weather in the SADC (Southern African Development Community) region. Canada has begun to positively contribute to revenue growth. The commercialisation of the latest electronic detonating system, AXXIST™ Titanium, is on track and expected to open new opportunities globally.

The combined effects of electricity supply disruptions and COVID-19 over the year resulted in lower demand for chemicals in mining across SADC, with a corresponding decrease in revenues and profits for Protea Mining Chemicals (PMC). The end of life of a large contract resulted in margin pressure, however, performance did benefit from increased sales of PMC's solvent extraction solution into copper producers and is maintaining a strong position in the platinum and gold industries.

Operating profit for the division decreased to R287 million (FY2020: R356 million). More detail about the Mining division's performance can be found on pages 27 and 28.



The **Chemicals** division experienced an improvement in sales towards the latter part of the financial year as customer demand recovered from the lockdown measures implemented earlier in the year. New business opportunities arose as a consequence of the COVID-19 pandemic that were addressed by regular adjustments being made to the supply chain to enable the business and its customers to succeed. In addition, repositioning of the product range to better meet the needs of evolving markets ensured that Protea Chemicals delivered higher margins that, together with stringent cost management, offset lower profitability attributable to overall revenue declines.

Umongo Petroleum experienced an increase in demand as a result of a global shortage of base oils due to an imbalance in supply and demand, which resulted in improved margins. Selective new business, in response to the shortages, and a reduction in operating expenses contributed to improved margins. Despite supply chain constraints, a consistent strategic portfolio and market diversification supported the continued outperformance of general market and economic conditions.

Operating profit for the division increased to R209 million (FY2020: R173 million). More detail about the Chemicals division's performance can be found on pages 29 and 30.

**Net working capital** reduced to R2 972 million (FY2020: R3 907 million, including R488 million relating to the discontinued operation) supported by a focused effort to reduce overall inventory holding levels across all divisions, a review of inventory replenishment processes and improved debtor collections.

In terms of the JSE's Listings Requirements, the Group no longer posts a physical copy of this announcement to its shareholders. Investors are referred to <https://www.omnia.co.za/downloads/send/84-2021/306-audited-results-for-the-year-ended-31-march-2021> where a detailed analysis of the Group's financial results, including a statement of comprehensive income and a statement of financial position, can be found.

Shareholders are reminded that should they wish to make use of the Group's electronic communication notification system to receive all shareholder entitled communication electronically as opposed to delivery through physical mail, and have not already done so, this option can still be elected by advising the Group's transfer secretaries at the following email address [ecomms@linkmarketservices.co.za](mailto:ecomms@linkmarketservices.co.za) or contact the call centre on +27 86 154 6572. Other related queries can be sent to [omniar@omnia.co.za](mailto:omniar@omnia.co.za).

# Summary consolidated statement of comprehensive income

for the year ended 31 March 2021

Rm	Audited 12 months 31 March 2021	Restated Audited 12 months 31 March 2020	% change
<b>Continuing operations</b>			
Revenue	17 790	17 823	–
Cost of sales	(13 982)	(14 037)	–
<b>Gross profit</b>	<b>3 808</b>	3 786	1
Distribution expenses	(1 394)	(1 643)	15
Administrative expenses	(1 270)	(1 108)	(15)
Other operating income	202	170	19
Other operating expenses	(236)	(93)	>(100)
Impairment losses on non-financial assets	–	(110)	>100
Impairment losses on financial assets	(83)	(109)	24
Share of net profit/(loss) of investments: equity method	2	(8)	>100
<b>Operating profit before the items below</b>	<b>1 029</b>	885	16
Net impact of hyperinflation and foreign exchange losses	176	(141)	>100
Net foreign exchange losses in Zimbabwe operations	(320)	(580)	
Monetary adjustment for hyperinflation in Zimbabwe	496	439	
<b>Operating profit</b>	<b>1 205</b>	744	62
Finance income	117	90	30
Finance expense	(376)	(561)	33
<b>Profit before taxation</b>	<b>946</b>	273	>100
Income tax expense	(288)	(194)	(48)
<b>Profit for the year from continuing operations</b>	<b>658</b>	79	>100
<b>Discontinued operations</b>			
Profit for the year from discontinued operations	725	50	>100
<b>Profit for the year</b>	<b>1 383</b>	129	>100
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss (net of tax)</i>			
Loss on cash flow hedge	–	(47)	>100
Currency translation differences – Zimbabwe	(290)	98	>(100)
Currency translation differences – excluding Zimbabwe	(953)	595	>(100)
<b>Other comprehensive (loss)/income for the year from continuing operations</b>	<b>(1 243)</b>	646	>(100)
<b>Discontinued operations</b>			
Other comprehensive loss for the year from discontinued operations	(1)	(6)	83
<b>Other comprehensive (loss)/income for the year</b>	<b>(1 244)</b>	640	>(100)
Total comprehensive (loss)/income from continuing operations	(585)	725	>(100)
Total comprehensive income from discontinued operations	724	44	>100
<b>Total comprehensive income for the year</b>	<b>139</b>	769	(75)

# Summary consolidated statement of comprehensive income continued

for the year ended 31 March 2021

Rm	<b>Audited 12 months 31 March 2021</b>	Restated Audited 12 months 31 March 2020	%
			change
<b>Profit for the year attributable to:</b>			
<b>Owners of Omnia Holdings Limited</b>	<b>1 383</b>	124	>100
From continuing operations	<b>658</b>	81	>100
From discontinued operations	<b>725</b>	43	>100
<b>Non-controlling interest</b>	<b>–</b>	5	>(100)
From continuing operations	<b>–</b>	(2)	>100
From discontinued operations	<b>–</b>	7	>(100)
	<b>1 383</b>	129	>100
<b>Total comprehensive income for the year attributable to:</b>			
<b>Owners of Omnia Holdings Limited</b>	<b>154</b>	753	(80)
From continuing operations	<b>(585)</b>	727	>(100)
From discontinued operations	<b>739</b>	26	>100
<b>Non-controlling interest</b>	<b>(15)</b>	16	>(100)
From continuing operations	<b>–</b>	(2)	>100
From discontinued operations	<b>(15)</b>	18	>(100)
	<b>139</b>	769	82
<b>Earnings per share attributable to the equity holders of Omnia Holdings Limited</b>			
Basic earnings per share from continuing operations (cents)	<b>394</b>	64	>100
Basic earnings per share from discontinued operations (cents)	<b>435</b>	34	>100
Basic earnings per share (cents)	<b>829</b>	99	>100
Headline earnings per share from continuing operations (cents)	<b>391</b>	154	>100
Headline (loss)/earnings per share from discontinued operations (cents)	<b>(15)</b>	34	>(100)
Headline earnings per share (cents)	<b>376</b>	189	>99

# Summary consolidated statement of financial position

as at 31 March 2021

Rm	<b>Audited 12 months 31 March 2021</b>	Audited 12 months 31 March 2020
<b>Assets</b>		
<b>Non-current assets</b>	<b>6 162</b>	8 660
Property, plant and equipment	<b>4 794</b>	5 328
Right-of-use assets	<b>434</b>	572
Goodwill and intangible assets	<b>779</b>	2 579
Investments accounted for using the equity method	<b>24</b>	11
Trade and other receivables	<b>54</b>	104
Deferred income tax assets	<b>77</b>	66
<b>Current assets</b>	<b>8 670</b>	9 428
Inventories	<b>3 246</b>	3 647
Trade and other receivables	<b>3 435</b>	4 151
Derivative financial instruments	<b>6</b>	160
Income tax	<b>56</b>	110
Cash and cash equivalents	<b>1 833</b>	1 360
Restricted cash	<b>94</b>	–
Assets classified as held for sale	<b>21</b>	–
<b>Total assets</b>	<b>14 853</b>	18 088
<b>Equity</b>		
<b>Capital and reserves attributable to the owners of Omnia Holdings Limited</b>	<b>9 740</b>	9 617
Share capital	<b>3 314</b>	3 404
Reserves	<b>385</b>	1 611
Retained earnings	<b>6 041</b>	4 602
Non-controlling interest	<b>(1)</b>	118
<b>Total equity</b>	<b>9 739</b>	9 735

# Summary consolidated statement of financial position continued

as at 31 March 2021

Rm	<b>Audited 12 months 31 March 2021</b>	Audited 12 months 31 March 2020
<b>Liabilities</b>		
<b>Non-current liabilities</b>	<b>781</b>	2 881
Deferred income tax liabilities	<b>379</b>	674
Interest-bearing borrowings	<b>25</b>	1 693
Lease liability	<b>329</b>	427
Derivative financial instruments	–	28
Trade and other payables	<b>48</b>	59
<b>Current liabilities</b>	<b>4 333</b>	5 472
Interest-bearing borrowings	<b>41</b>	841
Lease liabilities	<b>158</b>	186
Bank overdrafts	–	93
Derivative financial instruments	<b>14</b>	99
Income tax	<b>413</b>	284
Contract liabilities	<b>300</b>	477
Trade and other payables	<b>3 407</b>	3 492
<b>Total liabilities</b>	<b>5 114</b>	8 353
<b>Total equity and liabilities</b>	<b>14 853</b>	18 088
Net working capital	<b>2 972</b>	3 907
Net (cash)/debt	<b>(1 280)</b>	1 880
(Cash)/interest-bearing borrowings	<b>(1 767)</b>	1 267
Net asset value per share (Rand)	<b>58</b>	58
<b>Capital expenditure (Rm)</b>		
Depreciation	<b>781</b>	695
Amortisation	<b>221</b>	229
Capital expenditure incurred	<b>417</b>	514
Authorised but not contracted for	<b>219</b>	187
Authorised and contracted for	<b>19</b>	233

# Summary consolidated statement of cash flows

for the year ended 31 March 2021

Rm	<b>Audited 12 months 31 March 2021</b>	Audited 12 months 31 March 2020
<b>Net cash inflow from operating activities*</b>	<b>2 180</b>	1 692
Cash generated from operations	<b>2 585</b>	2 226
Interest paid	<b>(374)</b>	(482)
Interest received	<b>117</b>	93
Income taxes paid	<b>(148)</b>	(145)
<b>Cash inflow/(outflow) from investing activities*</b>	<b>1 566</b>	(466)
Purchase of property, plant and equipment	<b>(392)</b>	(421)
Proceeds on disposal of property, plant and equipment and intangible assets	<b>43</b>	48
Additions to intangible assets	<b>(25)</b>	(93)
Payment of deferred and contingent consideration	<b>(263)</b>	–
Proceeds from disposal of Oro Agri	<b>2 203</b>	–
<b>Cash (outflow)/inflow from financing activities*</b>	<b>(2 770)</b>	1 404
Proceeds from rights offer	–	2 000
Cash paid for rights issue costs	–	(70)
Purchase of treasury shares	<b>(90)</b>	(7)
Proceeds from interest-bearing borrowings raised	<b>12</b>	1 648
Repayment of interest-bearing borrowings	<b>(2 476)</b>	(1 904)
Repayment of lease liabilities	<b>(216)</b>	(263)
<b>Net increase in cash and cash equivalents*</b>	<b>976</b>	2 630
Net cash and cash equivalents at beginning of year	<b>1 267</b>	(1 613)
Effect of foreign currency movements*	<b>(410)</b>	250
<b>Net cash and cash equivalents at end of year</b>	<b>1 833</b>	1 267

\* Cash flows from discontinued operations are disclosed on page 33.

# Summary consolidated statement of changes in equity

for the year ended 31 March 2021

Rm	Attributable to the owners of Omnia Holdings Limited					Non- controlling interest	Total
	Share capital	Treasury shares	Other reserves	Retained earnings			
<b>At 31 March 2019</b>	1 604	(123)	1 048	4 594	102	7 225	
<i>Implementation of new standards</i>							
First time adoption of IFRIC 23 <i>Uncertainty over Income Tax Treatments</i>	–	–	–	(144)	–	(144)	
<b>At 1 April 2019</b>	1 604	(123)	1 048	4 450	102	7 081	
Profit for the year	–	–	–	124	5	129	
Other comprehensive income	–	–	629	–	11	640	
<b>At 31 March 2019</b>	1 604	(123)	1 677	4 574	118	7 850	
<i>Transactions with shareholders</i>							
Ordinary shares issued	1 930	–	–	–	–	1 930	
Transfer of other reserves to retained earnings	–	–	(28)	28	–	–	
Shares acquired as part of a share-based payment scheme	–	(7)	–	–	–	(7)	
Share-based payment transactions	–	–	(38)	–	–	(38)	
<b>At 31 March 2020</b>	<b>3 534</b>	<b>(130)</b>	<b>1 611</b>	<b>4 602</b>	<b>118</b>	<b>9 735</b>	
Profit for the year	–	–	–	1 383	–	1 383	
Other comprehensive income*	–	–	(1 197)	–	(15)	(1 212)	
<b>At 1 April 2020</b>	<b>3 534</b>	<b>(130)</b>	<b>414</b>	<b>5 985</b>	<b>103</b>	<b>9 906</b>	
<i>Transactions with shareholders</i>							
Share-based payment – settlement of Sakhile 2	–	–	(61)	56	–	(5)	
Shares acquired as part of a share-based payment scheme	–	(90)	–	–	–	(90)	
Share-based payment transactions	–	–	32	–	–	32	
Disposal of Oro Agri	–	–	–	–	(104)	(104)	
<b>At 31 March 2021</b>	<b>3 534</b>	<b>(220)</b>	<b>385</b>	<b>6 041</b>	<b>(1)</b>	<b>9 739</b>	

\* The International Accounting Standards Board issued guidance in March 2020 regarding the presentation and disclosure of monetary gains and losses on hyperinflation, these are no longer recognised directly in equity but rather through other comprehensive income.

# Reconciliation of headline earnings net of tax

for the year ended 31 March 2021

Rm	Audited 12 months 31 March 2021	Audited 12 months 31 March 2020
<b>Basic earnings – profit for the period attributable to owners of Omnia Holdings Limited:</b>	658	81
<i>Adjusted for:</i>		
Insurance income for replacement of property, plant and equipment	(5)	(5)
(Profit)/loss on disposal of property, plant and equipment	(1)	8
Impairment of goodwill	–	110
<b>Headline and diluted headline earnings from continuing operations</b>	<b>652</b>	<b>194</b>

Rm	Audited 12 months 31 March 2021	Audited 12 months 31 March 2020
<b>Basic earnings – profit for the period attributable to owners of Omnia Holdings Limited:</b>	1 383	124
<i>Adjusted for:</i>		
Insurance income for replacement of property, plant and equipment	(5)	(5)
Loss on disposal of property, plant and equipment	4	8
Profit on disposal of Oro Agri	(755)	–
Impairment of goodwill	–	110
<b>Headline earnings</b>	<b>627</b>	<b>237</b>

000's	Audited 12 months 31 March 2021	Audited 12 months 31 March 2020*
<b>Number of shares</b>		
Weighted average number of shares in issue*	166 850	125 615
Weighted average number of diluted shares in issue*	168 005	125 615
Number of shares in issue (excluding treasury shares)	165 683	167 717

\*The prior year weighted average number of shares were pro-rated for the rights issue.

# Segmental information

The Group's chief operating decision maker has been identified as the executive committee, consisting of the chief executive officer, the finance director, managing directors of the Group's operating segments and executives of other Group functions. The executive committee is responsible for allocating resources, assessing the performance of operating segments and making strategic decisions.

Operating segments have not been aggregated and are all individually reported as reportable segments. Operating segments have been grouped in terms of the three industries in which the Group trades, namely Agriculture, Mining and Chemicals. The executive committee primarily reviews revenue, operating profit, profit before tax, EBITDA, net working capital and net controlled assets on a segment level.

The executive committee reviews the Group's performance from both a product and a geographical perspective and has identified the following nine operating segments within the Group:



**Agriculture RSA:** As part of its innovative Nutriology® concept, this division is involved in the research and development, production, distribution and sales of granular, liquid and speciality fertilizer, as well as a unique range of AgriBio products and value-added services and solutions. The South African customer base includes commercial and small-scale farmers, co-operatives and other corporate clients. The business also supplies manufactured goods to Agriculture International, Mining and Chemicals.

**Agriculture International:** This division produces and trades in granular, liquid and speciality fertilizer, biostimulants, including humates, fulvates and kelp products. In addition to fertilizers, a full range of trace elements, biostimulants and plant health products are used globally to improve crop health, yields and improve soil health in a sustainable and environmentally conscious way. Products, value-added services and solutions are delivered to a broad customer base in Australia, Brazil and exported internationally.

**Agriculture Trading:** This division relates to the wholesale and trading of agriculture commodities throughout Africa. Management is in the process of winding down the business.

**Discontinued operation (Agriculture Biological):** This division is Oro Agri and is involved in the research and development, production, distribution and sales of a unique range of biological products.

## Segmental information continued



**Mining RSA:** This division comprises the BME business in South Africa. The business focuses on blasting agents – bulk emulsion and blended bulk explosives – complemented by the AXXIS™ electronic detonator system and modern software that are crucial to cost-efficient and safe rock breaking. BME leverages its blasting products, equipment, accessories, services and solutions to add value to customers' blasting operations. A part of Mining RSA's revenue relates to the recovery of costs for services and technology. This division also provides raw material and other supplies to Mining International.

**Mining International:** This division relates to the BME businesses outside of South Africa and also includes the Protea Mining Chemicals business. The territories included here are countries in the SADC, West Africa, Australia, Indonesia, USA and Canada (by way of a joint venture) and supply similar products and services to Mining RSA.



**Protea Chemicals:** This division is a long-established and well-known manufacturer and distributor of specialty, functional and effect chemicals, polymers and other value-adding services and solutions. The division relates to both the local and (the smaller) international components of the business. Sectors into which the business supplies a range of specialty and industrial chemicals, technical and product application support and SHEQ-related services include water, agricultural, industrial and life sciences.

**Umongo Petroleum:** This division supplies lubricant additives, base oils, process oils and specialty chemicals.

**Head office:** This division includes amortisation of intangible assets arising from acquisitions, and certain once-off costs.

## Segmental analysis of profit or loss

for year ended 31 March 2021

Rm	Gross revenue <sup>1</sup> Audited 12 months 31 March 2021	Gross revenue <sup>1</sup> Audited 12 months 31 March 2020	Net revenue Audited 12 months 31 March 2021	Net revenue Audited 12 months 31 March 2020
Agriculture RSA	7 855	7 340	5 540	4 924
Agriculture International	2 885	2 118	2 193	1 988
Agriculture Trading	30	423	30	243
<b>Total Agriculture (excluding Zimbabwe)</b>	<b>10 770</b>	9 881	<b>7 763</b>	7 155
Agriculture International (Zimbabwe)*	510	485	343	562
Net impact of devaluation in Zimbabwe	–	–	241	(77)
<b>Total Agriculture continuing operations</b>	<b>11 280</b>	10 366	<b>8 347</b>	7 640
Agriculture Biological (discontinued operations)	501	1 005	457	914
<b>Total Agriculture</b>	<b>11 781</b>	11 371	<b>8 804</b>	8 554
Mining RSA	3 515	3 307	2 319	2 039
Mining International	3 069	3 294	2 854	3 151
<b>Total Mining</b>	<b>6 584</b>	6 601	<b>5 173</b>	5 190
Protea Chemicals	3 152	3 912	2 912	3 678
Umongo Petroleum	1 386	1 361	1 358	1 315
<b>Total Chemicals</b>	<b>4 538</b>	5 273	<b>4 270</b>	4 993
<b>Total</b>	<b>22 903</b>	23 245	<b>18 247</b>	18 737
<b>Continuing operations</b>	<b>22 402</b>	22 240	<b>17 790</b>	17 823
<b>Discontinued operations</b>	<b>501</b>	1 005	<b>457</b>	914

<sup>1</sup> Gross revenue includes intercompany revenue.

\* Restated for the reclassification of hyperinflation. See page 38 for results from the Group's Zimbabwean operation accounted for under IAS 29 *Financial Reporting in Hyperinflationary Economies*.

# Segmental information continued

## Segmental analysis of profit or loss continued for year ended 31 March 2021

Rm	Operating profit Audited 12 months 31 March 2021	Operating profit Audited 12 months 31 March 2020	Profit before tax Audited 12 months 31 March 2021	Profit before tax Audited 12 months 31 March 2020	EBITDA <sup>2</sup> (excluding impairments) Audited 12 months 31 March 2021	EBITDA <sup>2</sup> (excluding impairments) Audited 12 months 31 March 2021
Agriculture RSA	350	110	366	48	820	438
Agriculture International	239	165	237	119	294	217
Agriculture Trading	(24)	16	(21)	14	(24)	16
<b>Total Agriculture (excluding Zimbabwe)</b>	<b>565</b>	291	<b>582</b>	181	<b>1 090</b>	671
Agriculture International (Zimbabwe)*	188	257	185	253	190	260
Net impact of devaluation in Zimbabwe*	176	(141)	176	(141)	176	(141)
<b>Total Agriculture continuing operations</b>	<b>929</b>	407	<b>943</b>	293	<b>1 456</b>	790
Agriculture Biological (discontinued operations)	66	208	62	200	80	225
<b>Total Agriculture</b>	<b>995</b>	615	<b>1 005</b>	493	<b>1 536</b>	1 015
Mining RSA	105	63	100	55	217	170
Mining International	182	293	152	306	244	353
<b>Total Mining</b>	<b>287</b>	356	<b>252</b>	361	<b>461</b>	523
Protea Chemicals	101	110	88	85	201	207
Umongo Petroleum	108	63	113	65	117	75
<b>Total Chemicals</b>	<b>209</b>	173	<b>201</b>	150	<b>318</b>	282
Head Office and elimination continuing <sup>1</sup>	(220)	(192)	(450)	(531)	(101)	56
Head Office and elimination discontinued <sup>1</sup>	682	(141)	683	(141)	742	(31)
<b>Total</b>	<b>1 953</b>	811	<b>1 691</b>	332	<b>2 956</b>	1 845
<b>Continuing operations</b>	<b>1 205</b>	744	<b>946</b>	273	<b>2 134</b>	1 651
<b>Discontinued operations</b>	<b>748</b>	67	<b>745</b>	59	<b>822</b>	194

<sup>1</sup> Head office and elimination includes acquisition-related costs, amortisation of intangible assets from the acquisition and depreciation.

<sup>2</sup> EBITDA is defined as operating profit excluding depreciation, amortisation and impairment losses on non-financial assets.

\* Restated for the reclassification of hyperinflation. See page 38 for results from the Group's Zimbabwean operation accounted for under IAS 29 *Financial Reporting in Hyperinflationary Economies*.

## Segmental analysis of the statement of financial position

as at 31 March 2021

	Net working capital Audited 12 months 31 March 2021 Rm	Net working capital Audited 12 months 31 March 2020 Rm	Net- controlled assets Audited 12 months 31 March 2021 Rm	Net- controlled assets Audited 12 months 31 March 2020 Rm	Return on net- controlled assets Audited 12 months 31 March 2021 %	Return on net- controlled assets Audited 12 months 31 March 2020 %
Agriculture RSA	267	325	3 881	4 248	9.0	2.6
Agriculture International (excluding Zimbabwe)	849	1 329	1 111	1 582	21.5	10.4
Agriculture International (Zimbabwe)*	227	(127)	258	(121)	>100	(95.9)
Agriculture Trading	3	31	3	31	>(100)	51.6
Agriculture Biological	–	488	–	872	–	23.9
<b>Total Agriculture</b>	<b>1 346</b>	<b>2 046</b>	<b>5 253</b>	<b>6 612</b>	<b>17.7</b>	<b>9.0</b>
Mining RSA	372	371	1 143	1 145	9.2	5.5
Mining International	611	837	963	1 129	18.9	26.0
<b>Total Mining</b>	<b>983</b>	<b>1 208</b>	<b>2 106</b>	<b>2 274</b>	<b>13.6</b>	<b>15.7</b>
Protea Chemicals	565	725	947	1 203	10.7	9.1
Umongo Petroleum	235	250	261	283	41.4	22.3
<b>Total Chemicals</b>	<b>800</b>	<b>975</b>	<b>1 208</b>	<b>1 486</b>	<b>17.3</b>	<b>11.6</b>
<b>Head Office and elimination<sup>1</sup></b>	<b>(157)</b>	<b>(212)</b>	<b>596</b>	<b>2 180</b>	<b>(36.9)</b>	<b>(8.8)</b>
<b>Reconciling items<sup>2</sup></b>	<b>–</b>	<b>(110)</b>	<b>–</b>	<b>(110)</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>2 972</b>	<b>3 907</b>	<b>9 163</b>	<b>12 442</b>	<b>21.3</b>	<b>6.3</b>

<sup>1</sup> Head office and elimination includes acquisition-related balances and employee share-based payment balance.

<sup>2</sup> Reconciling items arise from the difference between the way in which executive management analyses the financial information and IFRS requirements.

\* See page 38 for results from the Group's Zimbabwean operation accounted for under IAS 29 *Financial Reporting in Hyperinflationary Economies*.

# Financial review continued

## **Group performance from continuing operations**

**Revenue** for the year remained stable at R17 790 million (FY2020: R17 823 million\*). This was largely due to the decline in revenue in the Chemicals division due to the broader impact of COVID-19 on overall demand, partially offset by a strong performance in the Agriculture division.

**Gross profit** for the year remained stable at R3 808 million (FY2020: R3 786 million\*) and resulted in a gross margin of 21.4% (FY2020: 21.2%\*). The increase is attributable to a good performance in Agriculture, offset by the loss in revenue from Mining, due to a decrease of volumes as a result of the closure of underground mines and delays in surface mining and revenue lost in Protea Chemicals as a result of the impact of COVID-19.

**Distribution expenses** for the year decreased by 15% to R1 394 million (FY2020: R1 643 million\*) driven by the implementation of fixed cost-saving initiatives for warehousing, transportation and procurement to counter the effects of COVID-19. In Agriculture and Mining International, costs relating to rental, salaries and wages, consumables, water and electricity, transport and travelling were reduced in line with targeted ongoing cost-saving initiatives.

**Administrative expenses** for the year increased by 15% to R1 270 million (FY2020: R1 108 million\*) due to restructure costs of R15 million, R25 million incurred by the Mining division in relation to a legal dispute in Burkina Faso, an overall increase in insurance costs of R15 million and share-based payments expenses of R32 million.

**Other operating income** for the year increased by 19% to R202 million (FY2020: R170 million\*). The current period includes a net foreign exchange gain on the revaluation of assets and liabilities of R81 million as a result of an alternate hedging strategy adopted in response to volatility in global currencies.

**Other operating expenses** for the year increased by more than 100% to R236 million (FY2020: R93 million\*). The current period includes the amortisation of intangible assets of R159 million (FY2020: R117 million), the fair value adjustment of interest rate swaps not designated as cash flow hedges to the value of R37 million and the release of an indemnification asset relating to the discontinued operation of R40 million.

**Impairment losses** on financial assets for the year decreased by 24% to R83 million (FY2020: R109 million\*) as a result of reduced expected credit loss allowances in the current year. This is as a direct result of an improved economic outlook (when compared to the prior period) as a consequence of less uncertainty around the impact of COVID-19.

**Operating profit** for the year increased by 62% to R1 205 million (FY2020: R744 million\*). This represents an operating margin of 6.8% (FY2020: 4.2%\*). The Group's results include the following noteworthy items:

- The fair value adjustment of interest rate swaps not designated as cash flow hedges of R37 million
- Release of an indemnification asset relating to the discontinued operation of R40 million
- The net impact of hyperinflation and foreign exchange losses of R176 million

Refer to the divisional analyses of operating profit on pages 24 to 30.

**Net finance costs** for the year decreased by 45% to R259 million (FY2020: R471 million) following the finalisation of the debt structure, interest rate cuts globally and the early settlement of debt, post the disposal of Oro Agri. The average interest rate for the year was 7.6% (FY2020: 9.4%). Included in net finance costs is the release of a fair value adjustment recorded in other comprehensive income due to the discontinuance of hedge accounting during the financial year of R67 million and R65 million of previously capitalised direct costs, which arose as a result of the bridge loan, rights issue and debt restructuring in the previous financial year, and was released to profit and loss in the current financial year as a result of the settlement of the term loan facilities.

**Income tax expense** for the year increased by 48% to R288 million (FY2020: R194 million\*) and delivered an effective tax rate of 30.4% (FY2020: 71.1%\*). The effective tax rate is as a consequence of the release of the indemnification liability offset by the recognition of uncertain tax provisions and other matters as detailed in the tax rate recon.

**Earnings before interest, taxes, depreciation, amortisation (EBITDA) and impairments** for the year increased by 29% to R2 134 million (FY2020: R1 651 million\*). EBITDA includes the effects of hyperinflation in Zimbabwe.

**Total comprehensive income** for the year decreased by 82% to R139 million (FY2020: R769 million\*). This is attributable to foreign currency exchange differences from the translation of foreign subsidiaries. The Rand strengthened against the US Dollar during the year ended 31 March 2021. The closing USD/ZAR exchange rate was 1:14.77 (FY2020: 1:17.81), but the average rate for the year remained weak.

\* Restated for the separate disclosure of discontinued operations, the reclassification of hyperinflation and for the reclassification of cost of sales.

## **Group position**

**Total assets** for the year decreased by 18% to R14 853 million (FY2020: R18 088 million). This is largely attributable to a decrease in goodwill and intangible assets of 70% to R779 million (FY2020: R2 579 million) and other assets following the disposal of Oro Agri and the subsequent application of the proceeds to settle term debt.

**Total liabilities** for the year decreased by 39% to R5 114 million (FY2020: R8 353 million). Net debt for the year decreased by more than 100% as a result of the cash generated from the successful execution of management's strategy as well as the application of the disposal proceeds to repay term debt.

**Total equity** for the year remained stable at R9 739 million (FY2020: R9 735 million). Earnings growth for the year of R1 383 million was offset by a decrease in reserves of R1 226 million, as a result of the strengthening of the Rand against the US Dollar.

# Financial review

## Group cash flows

**Cash generated from operations** for the year increased to R2 585 million (FY2020: R2 226 million). Strong earnings growth and the successful reduction of net working capital through lower inventory holding, improved debtor collections as well as the reduction of interest paid resulted in a higher net cash inflow.

**Cash inflow from investing activities** for the year increased to R1 566 million (FY2020: R466 million outflow from investing activities) as a result of the receipt of proceeds from the disposal of Oro Agri aided by a reduction in capital expenditure.

**Cash outflow from financing activities** for the year increased to R2 770 million (FY2020: R1 404 million inflow from financing activities) predominantly from the repayment of loans utilising the proceeds of the disposal. The prior year included an inflow of R2 billion from the rights issue and repayment of the bridge loan facility using the proceeds of the rights issue.

## Group-wide outlook\*

Historically, Omnia pursued growth from its core ammonia value chain, built around a primary manufacturing asset in Sasolburg from which a portfolio of essentially commodity-based, price-sensitive businesses in agriculture, mining and chemicals was developed.

Omnia is moving towards becoming a more sustainable global business that looks to deliver on its purpose of **Protecting Life, Sustaining Livelihoods, Creating a Better World**.

In line with this, Omnia launched a strategy to create an international, diversified, sustainable group of businesses that will be recognised for leading the change from chemicals to green chemicals, biotech and biomolecular solutions, offering network-created, innovative technologies that protect life. These businesses will continue to focus on agriculture, mining and chemicals, but will expand into other primary and technology sectors to leverage Omnia's competencies.

Key projects focused on supply chain optimisation and manufacturing excellence are already being implemented. These revolve around technology enablement and automation following a robust capital allocation strategy. Omnia will also become a leaner organisation with more shared functions and scale advantages. This approach will unlock in-country synergies and collaboration across divisions, further reduce costs and enable Omnia to respond to select opportunities with greater agility.

\* This section is not audited.

**Manufacturing excellence\***

The reduction of input costs attributable to the nitrophosphate plant provides Omnia with a competitive advantage over imported products from a price, market differentiation and working capital perspective. Prior investments in world-class nitrogen oxide abatement technology (EnviNOx) and other upgrades to its manufacturing facilities to meet world class standards, also make Omnia's exposure to carbon tax on emissions negligible while spare capacity is available for growth.

There is growing demand for highly concentrated humic acid globally due to its strong advantages compared to lower concentrated products. Capacity and safety improvements at the plant in Morwell Australia, will support Omnia's ability to pursue new business. The key competitive advantage is the raw material from which the humates are extracted and the proximity of this raw material to the manufacturing facility. Other core offerings include fulvic acid products, Australian Bull Kelp products and Bacstim™ biological products.

Omnia's ability to manufacture, distribute and export world-class soil health and crop nutrition products with high-quality potassium humate content will be the cornerstone of its AgriBio offering and the platform to move towards the "second green revolution".

**Supply chain optimisation\***

The Group's supply chain functions have a new operating model following a complete end-to-end revision that identified further significant collaboration opportunities for the Agriculture and Mining divisions, specifically in integrated business planning and procurement as well as smaller opportunities in planning and logistics.

**Capital allocation\***

Omnia's capital allocation strategy is focused on achieving the best outcome for the business while growing total shareholder returns. Investment decisions will ensure that adequate returns on capital are achieved and that the right balance between sustained capital (maintenance, safety, environmental and risk mitigation) and growth capital (new projects and development) is achieved.

Omnia's capital allocation maps the capital requirements of its mature, existing businesses, to strengthen their competitive advantage and prepare for the market changes to come, while assessing new revenue streams in future high-growth markets through expansion capital, associating with strategic partners as well as carefully considered acquisitions based on existing core competencies and core customer markets.

Disinvestment decisions based on the Group strategy will also be carefully considered should assets or businesses not meet required returns and are no longer value accretive.

\* This section is not audited.

# Divisional review and prospects



## Agriculture division

	<b>Net revenue Audited 12 months 31 March 2021</b> Rm	Net revenue Audited 12 months 31 March 2020 Rm	<b>Operating profit Audited 12 months 31 March 2021</b> Rm	Operating profit Audited 12 months 31 March 2020 Rm	<b>Operating margin Audited 12 months 31 March 2021</b> %	Operating margin Audited 12 months 31 March 2020 %
Agriculture RSA	<b>5 540</b>	4 924	<b>350</b>	110	<b>6.3</b>	2.2
Agriculture International (excluding Zimbabwe)	<b>2 193</b>	1 988	<b>239</b>	165	<b>10.9</b>	8.3
Agriculture Trading	<b>30</b>	243	<b>(24)</b>	16	<b>(80.0)</b>	6.6
<b>Total Agriculture (excluding Zimbabwe)</b>	<b>7 763</b>	7 155	<b>565</b>	291	<b>7.3</b>	4.1
Agriculture International (Zimbabwe)	<b>343</b>	562	<b>188</b>	257	<b>54.8</b>	45.7
Net impact of devaluation in Zimbabwe	<b>241</b>	(77)	<b>176</b>	(141)	<b>73.0</b>	>100
<b>Total Agriculture continuing operations</b>	<b>8 347</b>	7 640	<b>929</b>	407	<b>11.1</b>	5.3
Agriculture Biological (discontinued operations)	<b>457</b>	914	<b>66</b>	208	<b>14.4</b>	22.8
<b>Total Agriculture</b>	<b>8 804</b>	8 554	<b>995</b>	615	<b>11.3</b>	7.2

The Agriculture division's net revenue increased by 3% to R8 804 million (FY2020: R8 554 million). Operating profit for the period increased by 62% to R995 million (FY2020: R615 million).

Excluding the impact of Zimbabwe and the discontinued operation, the Agriculture division's net revenue increased by 8% to R7 763 million (FY2020: R7 155 million). Operating profit for the period increased by 94% to R565 million (FY2020: R291 million).

**Agriculture RSA's** net revenue increased by 13% to R5 540 million (FY2020: R4 924 million) owing to robust demand being supported by favourable planting conditions, a good crop harvest and high agriculture commodity prices in the year. Operating profit for the year increased by more than 100% to R350 million (FY2020: R110 million). The disciplined control of costs, production efficiencies and the enhanced operational performance of the nitrophosphate plant contributed towards improved margins.

**Agriculture International's** net revenue increased by 10% to R2 193 million (FY2020: R1 988 million). Considerable growth in sales and speciality products, and the increased global demand and production of humates in Australia supported performance in the year (growth in the humate market continued to outstrip growth in demand for traditional fertilizers), despite pricing pressures in Zambia amid increased competitor activity. Operating profit for the year increased by 45% to R239 million (FY2020: R165 million). Higher margins in the biostimulant business were partially offset by COVID-19 restrictions early in the pandemic. These restrictions briefly interrupted the supply chain from South Africa into the rest of the SADC region and led to greater third-party logistics storage costs.

**Agriculture Zimbabwe's** net revenue increased by 20% to R584 million (FY2020: R485 million). Sales volumes dropped after a deliberate decision to limit Omnia's exposure to currency and foreign exchange volatility given liquidity challenges. Operating profit for the year increased by more than 100% to R364 million (FY2020: R116 million). Hyperinflation, foreign exchange shortages and the impact of COVID-19 on economic activity meant that trading conditions remained constrained in Zimbabwe.

# Divisional review and prospects continued

## Outlook\*

As the world's population grows, climate change becomes an increasing reality and as the amount of land available for agriculture declines, soil health and regenerative agriculture is becoming increasingly important to ensure food security. Omnia is well positioned to address these concerns, as its soil health and crop nutrition products can assist growers in addressing these challenges and ensure a better world. The outlook for Agriculture is positive, with good agronomic conditions being forecast in most Omnia markets and an improvement in the financial position of farmers is expected. However, the pandemic's continued impact on supply chain and the labour-intensive agriculture sector remains to be seen.

Agriculture International is a front-runner in the development and manufacture of speciality fertilizers and biostimulant products including humates, fulvates and kelp products. In addition to fertilizers, a full range of trace elements, biostimulants and plant health products are used globally to improve crop health, yields and improve soil health in a sustainable and environmentally conscious way.

Emphasis will be placed on expanding the biostimulant footprint globally via strategic partnerships in mature markets and additional growth will be achieved through multiple exclusive distribution options.

In South Africa, demand for speciality and liquid fertilizers is forecast to grow. There is also the potential to grow in SADC and the rest of Africa, where farming customers typically use very little fertilizer and elect to put greater tracts of land under cultivation to achieve a larger harvest instead. Omnia assists in these markets to transform businesses, ensure greater efficiency with regards to the use of water and nutrients and ultimately promote more sustainable farming practices to ensure food security.

The nitrophosphate plant's instantaneous capacity has been increased to approximately 88% of its design capacity. Manufacturing is at a level where the capacity of the nitrophosphate plant can comfortably produce what is required by the market and production for the year was only limited by demand for the product. Further optimisation will be undertaken to improve processes, but it is foreseen that minimum capital is required to be spent on the plant going forward.

Agriculture will streamline its processes, structures and product offering, as well as expand its value-added services. The division will also leverage its core competencies – including strong brand recognition and customer relationships, quality products and solutions, a strong distribution and supply chain network, and access to state of the art production facilities.

\* This section is unaudited.



## Mining division

	<b>Net revenue Audited 12 months 31 March 2021</b> Rm	Net revenue Audited 12 months 31 March 2020 Rm	<b>Operating profit Audited 12 months 31 March 2021</b> Rm	Operating profit Audited 12 months 31 March 2020 Rm	<b>Operating margin Audited 12 months 31 March 2021</b> %	Operating margin Audited 12 months 31 March 2020 %
Mining RSA	<b>2 319</b>	2 039	<b>105</b>	63	<b>4.5</b>	3.1
Mining International	<b>2 854</b>	3 151	<b>182</b>	293	<b>6.4</b>	9.3
<b>Total Mining</b>	<b>5 173</b>	5 190	<b>287</b>	356	<b>5.6</b>	6.9

The Mining division's net revenue remained flat at R5 173 million (FY2020: R5 190 million). Operating profit for the year decreased by 19% to R287 million (FY2020: R356 million).

**Mining RSA's** net revenue increased by 14% to R2 319 million (FY2020: R2 039 million) despite the closure of underground mines and delays in surface mining in the early part of the hard lockdown. Mines have started to return to operate at normal production rates, however, some of the surface mines remain closed. Production of coal mines was particularly affected by the lower demand for electricity in the first half of the financial year. Further shutdowns later in the year and extreme wet weather linked to tropical cyclone Eloise in January 2021 led to a decline in operations at many surface mines, impacting demand. Overall volume growth was ensured by securing a significant multi-year contract with a large customer for which employees and equipment began to be transitioned just as the pandemic spread. By year end, teams had been fully transitioned at two of the new customer's three mines, with transitioning at the third mine in its final stages. Operating profit for the year increased by 67% to R105 million (FY2020: R63 million). Lower volume demand due to curtailed mining production, resulted in cost-saving initiatives which neutralised the losses experienced.

**Mining International's** net revenue decreased by 9% to R2 854 million (FY2020: R3 151 million). The business kept all customers supplied, in line with demand, throughout the pandemic despite operations being adversely affected by COVID-19-related shutdowns, the inability to deploy capital equipment timeously (due to border closures) and inclement weather in the SADC region. The international business gained traction in the year, particularly the joint venture in Canada which was awarded new contracts and transitioned underground trial equipment. In Indonesia, along with its partner, a bulk emulsion plant was commissioned and reported stable customer offtake. Operating profit for the year decreased by 38% to R182 million (FY2020: R293 million) as a result of the deterioration of foreign exchange rates in the West African region, an overall decrease in mining production leading to lower volume demand, delays in planned mine expansions and trials, demurrage charges of R5 million in Mali incurred as ports and borders were closed and an accrual for a customs dispute in Burkina Faso of R25 million.

# Divisional review and prospects continued

Lower demand for chemicals as a consequence of electricity supply disruptions and COVID-19-related cross-border challenges impacted on PMC's revenue and profits. Notwithstanding these difficulties, PMC's extensive supply chain capabilities ensured that every customer order was fulfilled, and no supply disruptions took place over the year. The end of life of a large contract resulted in margin pressure. Increased sales of PMC's solvent extraction solution that aids copper producers to maximise throughput in solvent extraction processes, optimises metal quality and thereby significantly boosts mine profitability, contributed strongly to the result. In the fourth quarter, PMC's business performed well in Africa and began to show signs of improvement in South Africa.

## Outlook\*

Across the industry, spending on exploration and production is expected to increase, sustained by higher commodity prices. After having demonstrated that it can ensure security of supply to customers despite the impact of COVID-19, the Mining division expects to capitalise on its new growth opportunities in the coming financial year.

To compete effectively in key markets such as mining, a proven safety record is imperative. The Mining division consistently outperforms its peers and has achieved an enviable RCR rate of 0.11 (FY2020: 0.15). Safety and safety culture remain a priority.

The SADC mining market is experiencing a structural decline as mining production decreases. Explosives supply remains extremely competitive, which could lead to possible margin erosion.

While Mining anticipates some growth in West Africa, Canada, Indonesia and South Africa, numerous other African countries are facing financial difficulties and political change. Unreliable electricity supply remains a concern for miners in South Africa in particular. The imminent launch of the latest AXXIS™ Titanium electronic detonator system – which improves the safety, ease of use and accuracy of blasts – is expected to lead to new opportunities. In Australia, management will continue to develop AXXIS™ technology for distribution and explore new opportunities to enter the services share of the market.

Mining companies will continue to focus on reducing costs and using technology to drive growth, productivity and greater efficiencies. Mining's new Blast Alliance brand represents Omnia's journey of digital innovation and its collaborative approach which supports the sector's focus. Providing this software and solutions portfolio with its own identity will enhance its reputation as a technology and innovation-orientated partner.

Commodities such as copper and cobalt are currently benefiting from an increase in global demand created by the global shift towards a low-carbon economy. Current firm prices have contributed to numerous mining operations considering maximising production levels to take advantage of this situation. PMC's solvent extraction solution provides an opportunity for these mines to increase both production levels and quality of output without incurring additional capital costs, a solution that is being well received by the market to date. Strong sales of this process solution are therefore anticipated by PMC in the coming year.

The focus and emphasis placed on environment, sustainability and governance (ESG) aspects of business by stakeholders provides the opportunity for growth in mining through the introduction and development of new technologies and chemistries that enable mining operations to meet and even exceed these expectations and requirements. PMC has extensive experience in managing the supply of hazardous products through communities, into mining operations and in providing all associated training, guidance and support on-site with storage, handling and application aspects of such products. PMC is therefore extremely well positioned to provide customers with the level of support that enables them to meet all applicable requirements in this regard.

\* This section is unaudited.



## Chemicals division

	<b>Net revenue Audited 12 months 31 March 2021</b> Rm	Net revenue Audited 12 months 31 March 2020 Rm	<b>Operating profit Audited 12 months 31 March 2021</b> Rm	Operating profit Audited 12 months 31 March 2020 Rm	<b>Operating margin Audited 12 months 31 March 2021</b> %	Operating margin Audited 12 months 31 March 2020 %
Protea Chemicals	<b>2 912</b>	3 678	<b>101</b>	110	<b>3.5</b>	3.0
Umongo Petroleum	<b>1 358</b>	1 315	<b>108</b>	63	<b>8.0</b>	4.8
<b>Total Chemicals</b>	<b>4 270</b>	4 993	<b>209</b>	173	<b>4.9</b>	3.5

The Chemical division's net revenue decreased by 14% to R4 270 million (FY2020: R4 993 million). Operating profit for the year increased by 21% to R209 million (FY2020: R173 million).

**Protea Chemicals'** net revenue decreased by 21% to R2 912 million (FY2020: R3 678 million) due to the adverse impact of the implementation of COVID-19 lockdowns on the business's industrial customers (mainstay, mostly small) which resulted in a steep decline in volumes. Improved margins, a reduction in fixed costs during the lockdown period and continued cost management offset the losses incurred as a result of COVID-19. Operating profit for the year decreased by 8% to R101 million (FY2020: R110 million).

**Umongo Petroleum's** net revenue increased by 3% to R1 358 million (FY2020: R1 315 million). The impact of COVID-19 on the petroleum industry in the current financial year, resulted in an overall decline in demand. New business was secured during the first half of the financial year, by taking advantage of the supply challenges in the market, which offset the loss of revenue incurred due to reduced sales as a result of market uncertainty linked to the pandemic and strict lockdowns in South Africa. Operating profit for the year increased by 71% to R108 million (FY2020: R63 million), which is attributable to a reduction in operating expenses, as well as an increase in foreign exchange gains due to mark-to-market revaluations on hedging instruments.

### Outlook\*

Chemicals' markets in both South Africa and SADC are expected to remain constrained with industrial recovery, although continuing, likely to be varied and inconsistent across sectors. Relatively resilient sectors including animal nutrition and general agriculture, consumer goods, water treatment and emissions control all of which are expected to perform above average. Supply disruptions as a result of COVID-19 are expected to continue well into the future, requiring agile sourcing and supply strategies to be implemented.

# Divisional review and prospects continued

Protea Chemicals moved swiftly during times of constrained supply by establishing alternative supply chains through the utilisation of its international supply network. Such flexibility not only enables customers to avoid production cutbacks due to raw material shortages, but also enables them to maximise production during times of potential shortages thereby providing them with significant competitive advantage particularly in times of such uncertainty.

Looking beyond the commencement of the new fiscal period, Protea Chemicals is strategically positioned to take advantage of growth opportunities that exist in environmentally friendly chemistries, potable water treatment, agriculture and certain areas of life sciences (consumer care/food and beverage) markets whilst maintaining a market leading position in the industrial and manufacturing sectors. A core capability of Protea Chemicals lies in the ability to reliably source products globally, products that consistently meet or exceed customer requirements. This has proven to be of particular value during times such as these when local producers struggle to operate production facilities on a consistent and reliable basis. Strategic product mix changes designed to deliver higher value to customers are expected to support firmer margins for the business and offset revenue declines in certain sectors.

In line with its strategy, Protea Chemicals will continue to implement market-facing changes in the new year, which management is confident will contribute positively to the division's performance.

Umongo Petroleum continuously maximises growth in its core business by focusing on delivering a winning value proposition to customers and increasing its share in not only its core markets but also expanding to new markets, particularly in sub-Saharan Africa. The global shortage of base oil in the market has been an opportunity to re-engage with customers in Africa. Although reduced current volumes have prevented management from capturing a greater market share, there have been strategic sales to customers with the potential for a long-term supply agreement.

\* This section is unaudited.

# Capital structure

On 7 April 2020, the Group unwound R500 million of the four-year interest rate swap, as the South African Reserve Bank had begun reducing interest rates as a result of the COVID-19 pandemic, in line with the global market. On 29 July 2020, the Group repaid R500 million of the four-year core term facility from surplus cash generated. On the same date, the Group secured a two-year committed international revolving credit facility of USD30 million from its principal lenders. This strategic action allowed Omnia Group International Limited to continue as the central procurement hub for the offshore operations. This offshore facility was incorporated within the current debt agreements and is secured by the collateral package as previously provided to the lenders, which included guarantees provided by the obligor base consisting of South African and foreign subsidiaries.

On 31 December 2020, ahead of the conclusion of the disposal of Oro Agri, the Group settled R750 million of the core term debt facilities and settled the remaining debt on 22 January 2021, upon receipt of the proceeds. The remaining interest rate swaps were cancelled during the financial year, at a total cost of R104 million. The term debt facilities were immediately cancelled upon settlement. The Group's facilities, of R3.4 billion were undrawn as at 31 March 2021. Capitalised direct expenses of R65 million, arising as a result of the bridge loan, rights issue and debt restructuring in FY2020, has been released to profit and loss in FY2021, as a result of the settlement of the term loan facilities.

The Group's financial covenants were met at 31 March 2021.

The Group monitors capital on the basis of core debt over EBITDA. The Group has revised its target gearing ratio to 1 – 1.5 : 1 in the long term.

The Board carefully considers capital allocation decisions to ensure that they are value accretive, provide the right diversification that is complementary to Omnia's core businesses and strengthens the overall positioning of the Group. Omnia believes it prudent to maintain a conservative balance sheet in the current economic environment, specifically with regards to macroeconomic and geopolitical risks. Retaining optionality to allocate meaningful capital in the current environment puts Omnia in a position to be able to allocate capital to both organic and inorganic opportunities at an opportune time. It is not Omnia's intention to maintain a net cash position long-term. If suitably attractive capital allocation opportunities are not executable over the next 12 months and market conditions stabilise, Omnia may consider returning further cash to shareholders over and above its ordinary dividend.\*

\* This section is unaudited.

# Other financial disclosure

## Disposal of Oro Agri

On 22 June 2020, Omnia announced the receipt of a non-binding indicative offer for the Oro Agri business. Omnia subsequently entered into an agreement with ECP, on 19 October 2020 to dispose of its investment in Oro Agri for a consideration of USD146.9 million.

The purchase price exceeded Omnia's internal valuation of Oro Agri. Omnia concluded that the risk profile of the Oro Agri business, the attractive price offered by ECP and the benefits to Omnia of a derisked balance sheet outweighed any potential long-term upside from its investment in Oro Agri.

The effective date of the disposal is 7 January 2021. The Oro Agri group is consolidated into the Group's results until the effective date and is reported as a discontinued operation. Financial information relating to the disposal and the discontinued operations is set out below.

The carrying amount of assets and liabilities at the date of sale (7 January 2021) were as follows:

Rm	7 January 2021
<b>ASSETS</b>	
Property, plant and equipment	199
Right-of-use assets	18
Goodwill and intangible assets	1 369
Deferred income tax assets	3
Inventories	163
Trade and other receivables	272
Income tax assets	8
Cash and cash equivalents	60
<b>Carrying value of assets</b>	<b>2 092</b>
<b>LIABILITIES</b>	
Deferred income tax liabilities	215
Interest-bearing borrowings	44
Lease liabilities	14
Trade and other payables	137
<b>Carrying value of liabilities</b>	<b>410</b>
Net assets	1 682
Non-controlling interest	(104)
<b>Net asset sold</b>	<b>1 578</b>

The net cash flow on disposal of Oro Agri has been determined as follows:

Rm	2021
Consideration received on disposal of Oro Agri	2 263
Less: Cash disposed of	(60)
<b>Net cash flow</b>	<b>2 203</b>

The consolidated profit on disposal of Oro Agri has been determined as follows:

Rm	2021
Consideration received on disposal of Oro Agri	2 263
Carrying amount of net assets sold	(1 578)
<b>Profit on disposal before reclassification of foreign currency translation reserve</b>	<b>685</b>
Direct expenses associated with the disposal	(61)
Reclassification of foreign currency translation reserve	163
<b>Profit on disposal before tax</b>	<b>787</b>
Income tax	(32)
<b>Profit on disposal of Oro Agri</b>	<b>755</b>

## Other financial disclosure continued

### Discontinued operations

The Group's results include the results of Oro Agri up to 7 January 2021, the effective date of the disposal. The results of Oro Agri have been presented as a discontinued operation. The financial performance and cash flow information of Oro Agri for the period ended 7 January 2021 and the year ended 31 March 2020 are presented as follows:

Rm	2021	2020
Revenue	457	914
Cost of sales	(134)	(254)
<b>Gross profit</b>	<b>323</b>	660
Distribution expenses	(162)	(248)
Administrative expenses	(170)	(201)
Other operating income	31	9
Other operating expenses	(66)	(146)
Impairment losses on financial assets	5	(7)
<b>Operating (loss)/profit</b>	<b>(39)</b>	67
Finance income	1	3
Finance expense	(4)	(11)
<b>(Loss)/profit before income tax</b>	<b>(42)</b>	59
Income tax	12	(9)
(Loss)/profit for the year from discontinued operations	(30)	50
Profit on disposal after income tax	755	–
<b>Profit for the year from discontinued operations</b>	<b>725</b>	50
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss (net of tax)</i>		
Currency translation differences	(1)	(6)
<b>Other comprehensive loss for the year from discontinued operations</b>	<b>(1)</b>	(6)
<b>Total comprehensive income from discontinued operations</b>	<b>724</b>	44
<b>Cash flows from discontinued operations</b>		
Net cash inflows from operating activities	165	16
Net cash outflows from investing activities	(33)	(43)
Net cash inflow/(outflow) from financing activities	7	(76)
<b>Net increase/(decrease) in cash and cash equivalents of discontinued operations</b>	<b>139</b>	(103)

## **Restatements for the year ended 31 March 2020**

### **Restatement 1 – Error in the classification of expenses**

During the current year, it was noted that certain costs associated with the Mining division's service and transport revenues had been incorrectly included in the prior year within 'distribution expenses' and not 'cost of sales' as is required by IFRS. This disclosure error has been corrected by restating the comparative 'cost of sales' and 'distribution expenses' line items by R323 million.

### **Restatement 2 – Error in accounting for Zimbabwean hyperinflation**

Two methods are generally available through which the Group's IFRS compliant stated accounting policy regarding foreign exchange gains and losses can be applied in practice.

The first method requires the total foreign exchange gains and losses to be separately categorised as either realised or unrealised at a transaction level. This method was applied in preparing the 2020 Group annual financial statements.

The second method presumes that all foreign exchange gains and losses arising in a particular month have been realised.

Under either method, the IAS 29 adjustment is applied to realised foreign exchange gains and losses from the month they arose to the end of the reporting period with any unrealised component arising at the reporting date.

In preparing the Group's 2020 and 2021 financial results, the directors opted to apply the first method explained above. However, during the finalisation of the Group's 2021 results a flaw was noted in the process followed in the prior year calculation.

After a detailed investigation, the directors concluded that the level of detail required to follow the first method is not available without undue cost and effort, and the second method was therefore applied during 2021. To ensure consistency of treatment during 2021 and 2020, the relevant 2020 amounts have been restated by applying the second method.

### **Financial impact of restatements**

The above restatements did not impact any of the following results and key metrics previously reported by the Group:

- Consolidated profit before and after tax
- Total earnings per share (basic and diluted)
- Total headline earnings per share (basic and diluted)
- Net asset value of the Group or net asset value per share
- Cash generated from operations

### **Restatement 3 – Voluntary disclosure amendments to enhanced presentation in the consolidated statement of comprehensive income**

The 2020 and 2021 financial years have seen a significant deterioration in the Zimbabwean Dollar (ZWL) exchange rate. An inability to source foreign currency and settle foreign obligations, has resulted in Omnia's Zimbabwean operations incurring significant exchange losses. This, coupled with the impact of hyperinflation accounting, has had a material impact on the results reported for the year.

To improve stakeholder understanding of the impact, on the Group's operating profit and results, of the hyperinflation and foreign exchange accounting treatment of the Zimbabwean operations, the board has changed the manner in which the effects of Zimbabwean activities are presented in the Group's consolidated statement of comprehensive income.

Consequently, 'Net foreign exchange losses in Zimbabwe operations' (previously disclosed as other comprehensive income) and 'Monetary profit for hyperinflation – Zimbabwe' (not previously disclosed within operating profit), are categorised under 'Net impact of hyperinflation and foreign exchange losses', in the Group's consolidated statement of comprehensive income in determining the Group's operating profit. To ensure comparability, the 2020 disclosures have been amended.

### **Restatement 4 – Discontinued operations disclosure as mandated by IFRS 5**

The disposal by the Group of its Oro Agri business has been treated as a discontinued operation in FY2021 requiring certain changes to amounts previously reported in FY2020 consolidated statement of comprehensive income.

## Other financial disclosure continued

The impact of the abovementioned restatements is detailed below:

Rm	As reported 31 March 2020	Restate- ment 1	Restate- ment 2, 3	As restated before effect of discontinued operations 31 March 2020	Restate- ment 4	As restated 31 March 2020
Revenue	18 737	–	–	18 737	(914)	17 823
Cost of sales	(13 968)	(323)	–	(14 291)	254	(14 037)
<b>Gross profit</b>	<b>4 769</b>	<b>(323)</b>	<b>–</b>	<b>4 446</b>	<b>(660)</b>	<b>3 786</b>
Distribution expenses	(2 214)	323	–	(1 891)	248	(1 643)
Administrative expenses	(1 309)	–	–	(1 309)	201	(1 108)
Other operating income	179	–	–	179	(9)	170
Other operating expenses	(402)	–	163	(239)	146	(93)
Impairment losses on non-financial assets	(110)	–	–	(110)	–	(110)
Impairment losses on financial assets	(116)	–	–	(116)	7	(109)
Share of net loss of investments: equity method	(8)	–	–	(8)	–	(8)
Operating profit before items below	789	–	163	952	(67)	885
Net impact of hyperinflation and foreign exchange losses	–	–	(141)	(141)	–	(141)
Net foreign exchange losses in Zimbabwe operations	–	–	(580)	(580)	–	(580)
Monetary adjustment for hyperinflation – Zimbabwe	–	–	439	439	–	439
<b>Operating profit</b>	<b>789</b>	<b>–</b>	<b>22</b>	<b>811</b>	<b>(67)</b>	<b>744</b>
Monetary gain on hyperinflation	22	–	(22)	–	–	–
Finance income	93	–	–	93	(3)	90
Finance expense	(572)	–	–	(572)	11	(561)
<b>Profit before income tax</b>	<b>332</b>	<b>–</b>	<b>–</b>	<b>332</b>	<b>(59)</b>	<b>273</b>
Income tax expense	(203)	–	–	(203)	9	(194)
<b>Profit for the year from continuing operations</b>	<b>129</b>	<b>–</b>	<b>–</b>	<b>129</b>	<b>(50)</b>	<b>79</b>

Rm	As reported 31 March 2020	Restate- ment 1	Restate- ment 2, 3	As restated before effect of discontinued operations 31 March 2020	Restate- ment 4	As restated 31 March 2020
<b>Discontinued operations</b>						
Profit for the year from discontinued operations	–	–	–	–	50	50
<b>Profit for the year</b>					<b>–</b>	<b>129</b>
<b>Other comprehensive income</b>						
<b>Continuing operations</b>						
Items that may be reclassified to profit or loss (net of tax)						
Loss on cash flow hedge	(47)	–	–	(47)	–	(47)
Currency translation differences – Zimbabwe	98	–	–	98	–	98
Currency translation differences – excluding Zimbabwe	589	–	–	589	6	595
<b>Other comprehensive income for the year from continuing operations</b>	<b>640</b>	<b>–</b>	<b>–</b>	<b>640</b>	<b>6</b>	<b>646</b>
<b>Discontinued operations</b>						
Other comprehensive loss for the year from discontinued operations	–	–	–	–	(6)	(6)
<b>Other comprehensive loss for the year from discontinued operations</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(6)</b>	<b>(6)</b>
Total comprehensive income from continuing operations	–	–	–	–	725	725
Total comprehensive income from discontinued operations	–	–	–	–	44	44
<b>Total comprehensive income for the year</b>	<b>769</b>	<b>–</b>	<b>–</b>	<b>769</b>	<b>769</b>	<b>769</b>

## Other financial disclosure continued

### Monetary gain on hyperinflation

Hyperinflation in Zimbabwe remains, with the continued weakening of the Zimbabwean dollar. Seasonal fluctuations in inventory, creditors and debtors impact the monetary gain on hyperinflation and the monetary gain for the year ended 31 March 2021 was R496 million (FY2020: R439 million), which has been recognised in profit or loss below operating profit before the net impact of the devaluation in Zimbabwe. The Group's Zimbabwean subsidiary's contribution to the Group's statement of comprehensive income and the Group's statement of financial position is as follows:

Rm	2021	Restated 2020
<b>Statement of comprehensive income</b>		
Revenue	587	485
Expenses	(399)	(228)
<b>Operating profit before items below</b>	<b>188</b>	257
Net impact of hyperinflation and foreign exchange losses	176	(141)
Net foreign exchange losses in Zimbabwe operations	(320)	(580)
Monetary adjustment for hyperinflation – Zimbabwe	496	439
<b>Operating profit</b>	<b>364</b>	116
Finance expense	(3)	(4)
<b>Profit before income tax</b>	<b>361</b>	112
Income tax expense	(27)	(15)
<b>Profit for the year</b>	<b>334</b>	97
<b>Statement of financial position</b>		
Property, plant and equipment	11	6
Inventory	173	113
Monetary asset	40	28
Monetary liabilities	(194)	(268)
Deferred tax	(27)	(15)
Equity	(3)	136

### Employee share schemes

Performance shares were awarded to employees during the current financial year, with a three-year vesting period. Shares for this award were purchased in the market for R90 million. This will be expensed over the vesting period with the corresponding entry in share-based payment reserves. The shares are held in a restricted activity account in the employees' names, but the Group will record these shares as treasury shares until vesting date.

### South African Revenue Service (SARS) audit

The Group has been subject to a tax audit by SARS in respect of transfer pricing relating to the 2014 to 2016 years of assessment. As part of the SARS tax audit process, the Group received a letter of audit findings (LOF) from SARS on 15 December 2020, indicating a possible upward adjustment to taxable income for the aforementioned three years of assessment resulting in a possible additional tax liability. The Group, together with its tax and legal advisers reviewed the SARS LOF and disagree with certain findings and technical analyses set out in the LOF. The Group responded to SARS' LOF on 1 March 2021, providing further relevant clarifying information. Furthermore, such response to SARS also addressed/questioned the basis for the proposed adjustment to taxable income, as well as representations indicating that interest and penalties would be inappropriate.

Subsequently, the Group received a finalisation of audit letter from SARS on the 17th of June 2021 together with additional assessments relating to the 2014 to 2016 years. The additional assessments result in a cumulative additional tax liability of approximately R415 million, and understatement penalties of R165 million. Interest of approximately R328 million has been levied on the additional assessments.

The Group is currently reviewing the SARS letter of audit finalisation and additional assessments raised and is considering the various legal options available as the Group disagrees with various aspects of SARS's findings, analyses and assessments. While the Group is desirous for an amicable conclusion to this matter, it may be necessary to resolve it through the Alternative Dispute Resolution Process, this is considered to be the most probable outcome of the audit. The Group believes that any resolution would most likely be substantially less than the additional tax liability assessed by SARS.

## **Contingent liabilities**

### **Legal proceedings**

The Group is currently involved in various legal proceedings and is in consultation with its legal counsel, assessing the potential outcome of these proceedings on an ongoing basis. As proceedings progress, management makes provisions in respect of legal proceedings where appropriate.

### **Amendments to the Income Tax Act**

A recent amendment made to the Income Tax Act No. 58 of 1962 has had the unintended consequence that capital gains realised on the disposal of shares in a non-resident company may no longer be subject to an exemption from tax in South Africa. While the disposal of the Oro Agri group would fall within the ambit of the amended legislation, on the basis of the Minister of Finance's announcement in February 2021 that the legislation would be amended to address this anomaly, management has concluded that no liability should be recognised in relation to the relevant matter as it is not probable that an outflow of resources embodying economic benefits will be required to settle an obligation.

## **Events after the reporting period**

### **SARS assessment**

On 17 June 2021 the Group received an assessment from SARS. For more detail about this matter, refer to the SARS audit note described above.

### **Dividends declared**

The board has declared a final gross cash dividend of 200 cents per ordinary share totalling R338 million, payable from income in respect of the year ended 31 March 2021.

### **Special dividends declared**

The board has declared a special gross cash dividend of 400 cents per ordinary share totalling R676 million, payable from income in respect of the year ended 31 March 2021.

# Other financial disclosure continued

## Basis of preparation

Omnia Holdings Limited's (the Group) summary annual financial statements for the year ended 31 March 2021 (financial results) have been prepared in accordance with IAS 34 *Interim Financial Reporting*, International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial pronouncements as issued by the Financial Reporting Standards Council, presentation and disclosures as required by the JSE Listings Requirements and the Companies Act of South Africa, Act 71 of 2008, as amended. The preparation of these financial results was supervised by the finance director, S Serfontein CA(SA). The board takes full responsibility for the financial results as presented.

The summarised financial results do not include all the notes of the type normally included in the annual financial statements and are to be read in conjunction with the annual financial statements for the year ended 31 March 2021.

The Group's auditor, PricewaterhouseCoopers Inc. (PwC), has issued its opinion on the Group's annual financial statements for the year ended 31 March 2021. The audit was conducted in accordance with International Standards on Auditing. PwC has issued an unmodified audit opinion. These financial results have been derived from the audited Group annual financial statements and are consistent in all material respects with the audited Group annual financial statements but are not audited. Any reference to future financial performance included in this announcement has not been reviewed or reported on by PwC. Refer to page 43 of this report for the independent auditor's report on the summary annual financial statements.

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Group can continue to operate for the foreseeable future. At the date of approving these financial statements, the directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements including possible prolonged periods of reduced operations due to COVID-19 or other unexpected headwinds. This assessment is supported by the Group's reduced net debt position following improved cash generation by the underlying businesses and the receipt of the Oro Agri disposal proceeds. The directors conclude that the going concern assumption is an appropriate basis of preparation for these financial statements.

## Revised and reissued financial statements

Previously issued financial statements for the year ended 31 March 2021, have been revised and reissued on 23 June 2021. An error arose in the preparation of the consolidated statement of cash flows for the year ended 31 March 2021 which required correction and reissuance. The correction results in the reclassification of deferred and contingent consideration payments from operating activities to investing activities. The impact of the revisions are set out below:

Rm	Previously reported 2021	Restated 2021
Net cash inflow from operating activities	1 917	2 180
Net cash inflow from investing activities	1 829	1 566

Cash generated from operations increased from R2 322 million to R2 585 million as a result of the reclassification.

# Dividends

The Group aims to maintain a headline earnings per share cover ratio of between 1.5 – 2.5.

The board has declared a final gross cash dividend of 200 cents (FY2020: nil cents) per ordinary share, payable from income in respect of the year ended 31 March 2021. Together with the interim dividend of nil cents (HY2020: nil cents) per share, this provides shareholders with a total dividend this financial year of 200 cents (FY2020: nil cents) per ordinary share.

The board has declared a special gross cash dividend of 400 cents per ordinary share totalling R676 million, payable from income in respect of the year ended 31 March 2021.

The number of ordinary shares in issue at the date of this declaration is 169 052 173 (including 3 368 356 treasury shares held by the Group). The gross dividend is subject to local dividends tax of 20% (FY2020: 20%) for those shareholders to whom local dividends tax is applicable. The resultant net final dividend amount for the year ended 31 March 2021 and the special dividend is 160 cents per share and 320 cents per share respectively for those shareholders subject to local dividends tax, and 200 cents per share and 400 cents per share respectively for those shareholders not subject to local dividends tax. The company's tax reference number is 9400087715.

The salient dates for the final dividend are as follows:

Last day to trade cum dividend	Tuesday, 10 August 2021
Shares trade ex-dividend	Wednesday, 11 August 2021
Record date	Friday, 13 August 2021
Payment date	Monday, 16 August 2021

Share certificates may not be dematerialised or materialised between Wednesday, 11 August 2021 and Friday, 13 August 2021, both dates inclusive.

# Board of directors

Changes to the board of directors for the year:

- F Butler retired as an independent non-executive director effective 23 September 2020
- L de Beer resigned as an independent non-executive director effective 1 February 2021



**R Havenstein**  
Chair



**T Gobalsamy**  
Chief executive officer



**S Serfontein**  
Finance director

23 June 2021

# Independent auditor's report on the summary consolidated financial statements

## To the Shareholders of Omnia Holdings Limited

### Opinion

The summary consolidated financial statements of Omnia Holdings Limited, contained in the accompanying provisional report, which comprise the summary consolidated statement of financial position as at 31 March 2021, the summary consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Omnia Holdings Limited for the year ended 31 March 2021.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in the Basis of preparation on page 40 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

### Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

### The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 23 June 2021. That report also includes:

- The communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.
- An Emphasis of Matter paragraph relating to subsequent events that draws attention to note 1.10 to the audited consolidated financial statements. Note 1.10 to the audited consolidated financial statements indicates that the audited consolidated financial statements for the year ended 31 March 2021 were revised and reissued to reflect the effects of the reclassification of deferred and contingent consideration payments from operating activities to investing activities in the consolidated statement of cash flows. The summary consolidated financial statements have been revised and reissued as reflected on page 40 to reflect the same matter.

### Director's responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in the Basis of preparation on page 40 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



**PricewaterhouseCoopers Inc.**

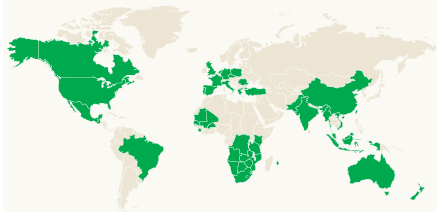
Director: Oswald Wentworth  
Registered auditor  
Johannesburg, South Africa

23 June 2021

# Background information

Omnia is a diversified chemicals group that supplies chemicals and specialised services and solutions to the agriculture, mining and chemical application industries. Using technical innovation combined with intellectual capital, Omnia adds value for customers at every stage of the supply and service chain. With its vision of protecting life, sustaining livelihoods and creating a better world, the Group's solutions promote the responsible use of chemicals for health, safety and a lower environmental impact, with an increasing shift towards cleaner technologies.

Omnia's corporate office is based in Johannesburg, South Africa and its main production facility in Sasolburg, some 70 kilometres south of Johannesburg. At 31 March 2021, the Group had a physical presence in 25 countries and operations extending into the African continent, including South Africa, with additional focused operations in Australasia, Brazil, the US and China.



AGRICULTURE



MINING



CHEMICALS



## Executive directors

T Gobalsamy (chief executive officer)

S Serfontein (finance director)

## Non-executive directors

R Havenstein (chair), Prof N Binedell, R Bowen

(British), G Cavaleros, T Eboka, S Mncwango,

T Mokgosi-Mwantembe, W Plaizier (Dutch),

Z Swanepoel

## Company secretary

M Nana

## Registered office

2nd Floor, Omnia House, Epsom Downs Office

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# Forward-looking statements

Throughout this report there are certain statements made that are “forward-looking statements”. Any statements preceded or followed by, or that include the words “forecasts”, “believes”, “expects”, “intends”, “plans”, “predictions”, “will”, “may”, “should”, “could”, “anticipates”, “estimates”, “seeks”, “continues”, or similar expressions or the negative thereof, are forward-looking statements. By their nature, forward-looking statements are speculative and allude to known and unknown risks, opportunities, macro-economic issues and any factors that could cause the actual results, performance or achievements of the Group to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and reflect the Group’s view at the date of publication of this report. The Group is not obliged to publicly update or revise these forward-looking statements for events or circumstances occurring after the date of publication of this report. Any forward-looking statement contained herein based on current trends and/or activities of the Group should not be taken as a representation that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group. Forward-looking statements should not be relied on because they involve uncertainties and known and unknown risks which risk factors are described throughout the commentary in this report, and include economic, business and political conditions in South Africa and elsewhere.

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**OMNIA**

**OMNIA HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)

Registration number 1967/003680/06

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