Preliminary summarised results for the year ended 30 June 2020
- Continuing revenue up 5% to R46.4 billion
- Continuing EBITDA down 11% to R4.1 billion
  (F2019: R4.6 billion)
- Continuing operating profit down 40% to R1.5 billion
- Continuing free cash conversion of 72%
  (F2019: 83%)
- Net debt:EBITDA of 2.8x - 1.6x post-European shipping proceeds
  (F2019: 2.0x) – well within banking covenants of 3.25x
- Continuing HEPS down 65% to 156 cents per share
- New business gained of R6.2 billion up 11%
- Contract renewal rate c.80%
- No final dividend declared. Total cash dividend of 167 cents per share
  (F2019: 244 cents per share) - more than continuing HEPS

Comparatives have been restated for International Financial Reporting Standards (IFRS) 16 - Leases and represented for the European shipping business that has been classified as a discontinued operation.

Imperial is an African and European-focused provider of integrated market access and logistics solutions. With a focus on five key industries - healthcare, consumer, automotive, chemicals and industrial - we take our clients' products to some of the fastest growing and most challenging markets in the world. Ranked among the top 30 global logistics providers and listed on the JSE in South Africa, we seek out and leverage new technology to deliver innovative, end-to-end solutions. Through our significant African footprint and international expertise, and with the support of our 25 000 people, Imperial's purpose is to connect Africa and the world - and to improve people's lives with access to quality products and services.

RESULTS OVERVIEW
"The past year has been extraordinary and challenging - and as individuals and a business we have faced unprecedented circumstances. Despite challenging trading conditions - exacerbated by the Covid-19 pandemic - Imperial increased revenue from continuing operations, generated strong free cash flow, maintained a strong balance sheet, effectively managed costs and recorded significant progress against its strategy." Mohammed
25 Aug 2020 - IPL - Fy20 Short form SENS.txt

Akoojee - Group Chief Executive Officer

1. H2 F2020's trading performance was severely impacted by the decline in volumes across all regions in which we operate due to various levels of Covid-19 restrictions implemented, partially offset by new contract gains and acquisitions.

2. While revenue in H2 F2020 grew by 7% mainly due to the benefit of new contract gains and acquisitions, continuing operating profit was down 100% (R1,1 billion) largely due to the impact of Covid-19 on revenue, associated once-off costs and impairments, further restructuring mainly in South Africa to reduce costs, and translating losses incurred in Q4 F2020 in Logistics International into Rands at significantly weaker exchange rates. The average exchange rate in Q4 F2020 was R19,77/Euro versus R16,50/Euro for the first 9 months of F2020.

3. While operating profit from continuing operations for the year was down 40% to R1,5 billion, earnings before interest, taxation, depreciation and amortisation (EBITDA) from continuing operations was only down 11% to R4,1 billion. Operating profit was impacted by a 20% increase in depreciation and impairments largely due to currency movements and once-off items associated with Covid-19. Depreciation and amortisation of leases are straight-lined and could not be reduced in line with revenue declines that were impacted by Covid-19.

4. We successfully concluded the sale of our European shipping business at a profit after tax multiple of c.15 times.

   The group's net debt:EBITDA at 30 June 2020, adjusted for the R3 440 million proceeds received from this disposal on 31 July 2020, is 1,6 times - well within the group's banking covenants of 3,25 times.

5. Strategic acquisitions to the value of c.R900 million were concluded mainly in the second half, which contributed positively.

6. Imperial's contract renewal rate across its operations on existing contracts remains strong at c.80%, with an encouraging pipeline of new opportunities.

7. New business revenue of approximately R6,2 billion per annum was secured to the end of June 2020 up 11% compared to the prior 12 months.

8. Net working capital of R544 million, excluding disposal groups, improved significantly by 61% compared to R1,389 million at June 2019, and is in line with our guidance of 4% to 5% of revenue.

9. Net capital expenditure of R1 149 million from continuing operations increased from R795 million in F2019, mainly due to expansion capital expenditure on new contract gains, but was
significantly lower than depreciation.

10. Free cash flow (post-maintenance capex and including discontinued operations) generated of R1 043 million was lower than the prior year (F2019: R1 437 million excluding Motus) due to the impact of Covid-19 on operations and consumer packaged goods (CPG), which incurred a cash outflow of R609 million for the year (in line with expectation and previous guidance) as it was in the closure process. Free cash flow (post-maintenance capex and excluding discontinued operations) decreased to an inflow of R1 304 million from a cash inflow of R1 944 million for the 12 months ended 30 June 2019.

11. ROIC of 4.9% (F2019: 7.6%) versus WACC of 7.6% (F2019: 8.5%).

12. Discontinued operations: the CPG business in South Africa was classified as a discontinued operation towards the end of the June 2019 financial year and while this business was exited in November 2019, it was wound down during the first half of F2020. The European shipping business was sold on 31 July 2020 and is also classified as a discontinued operation in these results. The South American shipping operation remains part of continuing operations but is available for sale.

Strategy
We are transforming Imperial from a portfolio of regional businesses to an integrated, end-to-end Market Access and Logistics business. It is our strategic intent to become the 'Gateway to Africa' - transforming from an asset heavy, third-party logistics (3PL) player to an innovative, asset right business. Our ability to build this business and serve our clients and principals in some of the most challenging markets in Africa is a key differentiator for Imperial.
We will seek to grow the business both organically and through strategic acquisitions in Africa and selected markets - remaining a business of scale and unlocking increasing value for our clients, principals, shareholders and other stakeholders.

A fundamental shift in our strategic transformation journey is organising and positioning Imperial, based on the solutions we offer to our clients (our capabilities) and less so on regions. As such, effective 1 July 2020 Imperial operates within two overarching solutions - market access and logistics and is categorised into three businesses: Market Access, Logistics Africa and Logistics International. The logistics businesses encompass contract logistics and freight (road, air/ocean and lead logistics provider (LLP)).

Significant progress recorded against our strategy
- Successfully concluded the sale of European shipping business
  - R3,4 billion proceeds received from this disposal on 31 July 2020
  - attractive profit-after-tax (PAT) multiple of c.15 times.
- Successfully exited consumer packaged goods (CPG) business in South Africa
  - saving c.3 000 jobs
  - retaining c.R1,6 billion revenue in other parts of the group.
- Entered agreement for the sale of Pharmed wholesaling business in South Africa.
- Further cost reduction of R200 million per annum is planned in Logistics Africa
  - benefits will be realised from F2021.
- USD20 million innovation fund continues to record significant activity
  - concluded three investments - digital distributor; digital freight forwarder; point-of-care diagnostics enabler.
- Clear people and client value propositions aligned to our ‘One Imperial’ approach.
- 11 key black and female senior management appointments made.
- Top company for students to work for (transport and logistics) in South African Graduate Employers Association study.
- Corporate social investment and women empowerment initiatives continue to make a difference.

BUSINESS OVERVIEW

Market Access
- Take ownership of inventory and responsibility for the full order to cash function
- Build complex route-to-market solutions that provide our principals access to consumers in Southern, East and West Africa, mainly in healthcare and consumer industries
  - Revenue up 18% to R12,4 billion
  - Operating profit down 1% to R710 million
  - Operating margin 5,7% (F2019: 6,8%)
  - 27% group revenue
  - 46% group operating profit
  - ROIC of 12,1% versus WACC of 12,7%

Logistics Africa
- Integrated freight management and contract logistics provider with significant scale, offering end-to-end solutions in key industries using technology as a differentiation
- Reduce time-to-market, improve customer service and mitigate risk
  - Revenue up 3% at R14,9 billion
  - Operating profit down 34% to R767 million
  - Operating margin 5,2% (F2019: 8,1%)
  - 32% group revenue
- 49% group operating profit
- ROIC of 9,0% versus WACC of 8,1%

Logistics International
- Partner with clients to integrate logistics functions into their end-to-end supply chain
- Leading capabilities in chemical and automotive industries
- Specialised express distribution capabilities

- Revenue down 7% to €1,1 billion
- Operating profit down 78% to €8 million
- Operating margin 0,7% (H1 2019: 3,1%)
- 41% group revenue
- 5% group operating profit
- ROIC of 1,0% versus WACC of 5,3%

Liquidity
The Group's liquidity position remains strong with R13,2 billion of unutilised banking facilities (post the receipt of the European shipping proceeds). In total, 76% of the group's debt is long-term in nature and 57% of the debt is at fixed rates.

Dividend
An interim cash dividend of 167 cents per ordinary share was declared in the first half and paid to shareholders in March 2020. Our targeted pay-out ratio is 45% of continuing HEPS, subject to prevailing circumstances. As the interim dividend was more than continuing HEPS for the full financial year to 30 June 2020 - and exceeding the targeted payout ratio - a final dividend was not declared. Therefore, the total cash dividend for F2020 is 167 cents per share (F2019: 244 cents per share).

Prospects
This is a difficult and demanding time for us as the Covid-19 pandemic continues to spread. Many of our markets are facing increasing uncertainty and volatility, being in various levels of lockdown and restrictions. We therefore anticipate the impact of the Covid-19 pandemic to significantly impact our operations and performance in the short term. However, a significant recovery was recorded across the business in July and August 2020.

At this stage, for F2021, subject to stable currencies, steady recovery in volumes and revenue on the back of easing Covid-19 restrictions, and a recovery in economies in which we operate from current levels, we expect Imperial's
continuing operations to deliver:
- Revenue growth compared to the prior year.
- Operating profit growth compared to the prior year.
- Growth in continuing HEPS compared to the prior year.
- Good free cash flow generation - free cash conversion expected to be between 70% and 75%.

The balance sheet of the business is strong and resilient, with sufficient headroom in terms of capacity and liquidity to facilitate our strategic growth aspirations.

The dividend will be reassessed at the interim results in February 2021 based on trading conditions in the next six months.

While we will continue to meet the demands and manage the implications of the pandemic in the short term, we will ensure that significant time and energy is given to delivering against our strategy - to build a resilient and sustainable business with a purpose, well into the future.

Full announcement and annual financial statements
The content of this announcement is the responsibility of the directors of Imperial Logistics. It is only a summary of the information contained in the full SENS announcement. This announcement is not audited but extracted from audited results. Any investment decisions by investors should be based on the consideration of the full announcement as published on SENS on Tuesday, 25 August 2020. The full announcement is available for viewing at https://senspdf.jse.co.za/documents/2020/JSE/ISSE/IPLE/IPLFY20.pdf and on Imperial Logistics’ website at https://www.imperiallogistics.com/inv-annuals.php. The full announcement is also available for inspection at the registered office of Imperial Logistics and the offices of the Sponsor, at no charge, weekdays during office hours 09:00 to 16:00. The annual financial statements including the audit opinion of the external auditor, Deloitte & Touche, which sets out a key audit matter and the basis for its unmodified opinion is available at: https://www.imperiallogistics.com/inv-afs.php

CORPORATE INFORMATION
Business address and registered office: Jeppe Quondam, 79 Boeing Road East, Bedfordview, 2007

Directors: P Langeni# (Chairman), M Akoojee (Group Chief Executive Officer), GW Dempster## (Lead independent director),
P Cooper##, RJA Sparks##, B Radebe##, D Reich##*, JG de Beer (Group Chief Financial Officer)
#Non-executive ## Independent non-executive * Swiss

Company Secretary: RA Venter

Chief Corporate Affairs and Investor Relations Officer: E Mansingh

Share transfer secretaries: Computershare Investor Services Proprietary Limited, First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196. Private Bag X9000, Saxonwold, 2132

Sponsor: Merrill Lynch SA Proprietary Limited, The Place, 1 Sandton Drive, Sandton, 2196

www.imperiallogistics.com

25 August 2020