

Imperial Logistics Limited  
(Incorporated in the Republic of South Africa)  
Registration number: 1946/021048/06  
ISIN: ZAE000067211  
Share code: IPL  
("Imperial" or "Company" or "Group")

Summarised audited results for the 12 months ended 30 June 2021

Imperial is an African focused provider of integrated market access and logistics solutions. With a focus on the following key industries - healthcare, consumer, automotive, chemicals, industrial and commodities - we take our clients and principals' products to some of the fastest growing and most challenging markets in the world. Ranked among the top tier 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.

#### GROUP KEY FEATURES

- Revenue\* up 13% to R52 208 million
  - EBITDA\* up 22% to R4 986 million
  - Operating profit\* up 60% to R2 336 million
  - HEPS up 218% to 334 cents per share
  - EPS up more than 100% to 512 cents per share
  - Continuing Core EPS\*\* up 215% to 448 cents per share
  - Strong free cash inflow from continuing operations excluding CPG of R900 million
  - Continuing free cash conversion of 86% improved (F2020: 72%)
  - Net debt:EBITDA of 1.3x (F2020:2.8x) - well within banking covenants of 3.25x
  - Interim cash dividend of 83 cents per share paid. No final dividend declared (F2020:167 cents per share)
  - Concluded disposals of the shipping businesses for proceeds of R4.7 billion
- \* Excludes the discontinued European shipping business and CPG in the prior year. Includes Pharmed and the South American shipping business.
- \*\* Headline earnings are adjusted by items that are not considered to be of a trading nature to arrive at Core EPS. Core EPS is not an IFRS requirement.

#### RESULTS OVERVIEW

1. Imperial recorded a strong recovery in volumes and profitability compared to F2020, which is reflected in the Group's excellent set of results for the 2021 financial year, in addition to the significant strategic progress made, despite the continued impact of COVID-19 and significantly unlocking value for its key stakeholders.
2. Imperial's balance sheet remains strong with net debt:EBITDA at 1.3x compared to 2.8x in F2020, supported by the receipt of the proceeds of c.R4.7 billion from the sale of the European and South American shipping businesses during the year.
3. Strong free cash flow (post maintenance capex, repayment of lease obligations and excluding discontinued operations and CPG) of R900 million was generated during the year (F2020:R1 304 million).
4. Excluding businesses held for sale, revenue grew by 14% to R51 705 million from R45 330 million, mainly supported by a recovery in volumes across most businesses as COVID-19 lockdown restrictions eased in certain key markets, new business gains and acquisitions. However, businesses exposed to liquor and tobacco sales in Africa and our European operations in the automotive sector were negatively impacted by ongoing lockdown restrictions and shortage of semi-conductors during the year.
5. Continuing EBITDA, excluding businesses held for sale, increased by 23% from R4 050 million to R4 964 million.
6. Continuing operating profit, excluding businesses held for sale, increased by 59% from R1 480 million in the prior year as a result of stringently managed costs across all businesses, a steady recovery in operations as COVID-19 lockdown restrictions eased in key markets, new contract gains and the inclusion of new acquisitions.
7. Continuing operating margin increased to 4.5% from 3.1% in the prior year.
8. Continuing Headline Earnings per share ("HEPS") increased by 113% to 332 cents per share and continuing Core EPS

increased by 215% to 448 cents per share. At interim results 2021, we re-introduced Core EPS as management believes it is a fairer reflection of Imperial's trading performance. Core EPS is determined as follows: headline earnings are adjusted by items that are not considered to be of a trading nature to arrive at Core EPS.

9. While the impact of COVID-19 on operations was not as severe as the impact recorded in the 2020 financial year, management estimates that COVID-19 negatively impacted revenue and operating profit by c.R2,6 billion and c.R346 million respectively in F2021. Excluding the impact of COVID-19 in F2020 and F2021, management estimates that revenue increased by 9% and operating profit increased by 7%.
10. Annualised costs of c.R200 million were removed from Logistics Africa, which will assist in maintaining our competitive market positioning.
11. Imperial's contract renewal rate across its operations on existing contracts remains strong at 88%, with a strong pipeline of new opportunities.
12. New business revenue of approximately R5.9 billion p.a. was secured on a rolling 12-month basis to the end of June 2021.
13. Strategic acquisitions of c.R120 million were concluded during the year. We also announced two additional acquisitions: Deep Catch Namibia Holdings (c.R633 million) and the J&J Group (c.R4.4 billion).
14. The disposal of the loss-making business, Pharmed, was successfully concluded during the year.
15. Net working capital of R787 million increased by 45% from R544 million at June 2020 but is below the guidance of 4% to 5% of revenue.
16. Net capital expenditure of R701 million from continuing operations decreased from R1 149 million and was significantly lower than depreciation (excluding right-of-use assets). Some of this decline is attributed to more effective and efficient fleet management technology implemented across Logistics Africa.
17. Net debt of R4 038 million decreased by 52% compared to June 2020 mainly due to the proceeds from the disposal of the European and South American shipping businesses.
18. ROIC of 9.0% (F2020: 4.9%) vs. WACC of 7.7% (F2020 7.6%), improved significantly from F2020.
19. We continued to record significant strides in our strategic journey to transform from a portfolio of regional businesses to an integrated end-to-end market access and logistics business - with the strategic intent of becoming 'One Imperial' and a 'Gateway to Africa', with committed and well-skilled executive management teams.
20. In July 2021, we announced that Imperial entered into a transaction implementation agreement regarding a cash offer of R66 per share from DP World Logistics FZE ("DP World"), to acquire all outstanding shares of Imperial, implying an estimated aggregate cash consideration of c.R12.7 billion. This transaction is in progress and subject to shareholder and regulatory approvals.
21. Discontinued operations: the European shipping business was sold on 31 July 2020 and is classified as a discontinued operation in these results.
22. The results of Pharmed and South American Shipping, previously reported as held-for-sale, are included in continuing operations for reporting purposes.

#### IMPACT AND RESPONSE TO COVID-19

Imperial plays a critical role in the supply of essential services and products in the many countries in which it operates and we continue to keep the wheels turning so that people can receive medication, food and other essential services and products.

Our focus during the pandemic remains first and foremost to protect our people and operations from infection. Stringent safety and strict access control procedures remain in place and rigorous hygiene, cleaning and disinfecting procedures continue, with dedicated resources in place to support and monitor COVID-19 related risks at each operation. Most of our employees who tested positive for COVID-19 have fully recovered. Sadly, 24 of our colleagues succumbed to the virus and we extend our deepest condolences to their loved ones. The latest wave of infections had a more direct impact on our employees during the year as reflected in an increase in sick leave, negatively impacting our operational effectiveness, and with associated costs during the year.

In April 2021, Imperial was awarded the opportunity to participate in the importation of COVID-19 vaccines into South Africa, as part of the National Department of Health's (NDoH) vaccine distribution campaign, as an approved importer of the vaccine, together with Biovac. The contract runs until December 2022 and we will participate as tenders for importation become available. Imperial remains well-placed to transport, store and distribute the COVID-19 vaccine from a capability perspective. As vaccines become available, Imperial has set up a task force across our Market Access and

Logistics Africa businesses to ensure that we can participate in the distribution of these vaccines where opportunities arise.

As reflected in these results, businesses exposed to alcohol and tobacco sales in Africa and our European operations in the automotive sector have seen significant impacts on volumes due to continued lockdown restrictions and the global shortage of semi-conductors in F2021.

Throughout the COVID-19 pandemic we have maintained a sound financial position, generating cash, tightly managing costs and executing our strategic imperatives to make us resilient for the future. The benefits of which are reflected in these results.

We also continue to support all our key stakeholders and countries of operation, strongly demonstrating our purpose as a business, which is connecting Africa and the world and improving people's lives with access to quality products and services.

#### STRATEGY

Imperial continues to record significant progress in its strategic journey to transform from a portfolio of regional businesses to an integrated end-to-end market access and logistics business - with the strategic intent of becoming 'One Imperial' and a 'Gateway to Africa', with committed and well-skilled executive management teams. Top of mind is to ensure that Imperial remains a business of scale, despite significant asset disposals and restructuring, and that both organic and acquisitive growth are prioritised. We continue to navigate the macro-economic challenges well, with investment in growth and driving digital and innovation being key focus areas.

During the past 12 to 18 months, the strategic actions and decisions we took to reorganise, rationalise, simplify, improve our profitability and competitiveness, strengthen the balance sheet and grow our business has resulted in significant value being unlocked for our key stakeholders.

Despite the challenges that COVID-19 placed on our day-to-day operations, we continued to focus on the following:

- strengthened our positioning as the 'Gateway to Africa' and 'One Imperial';
- simplified and reduced complexity;
- strengthened our financial position;
- assessed, addressed and exited non-core, low return on effort and underperforming businesses;
- significantly reduced costs;
- added new contracts;
- concluded strategic acquisitions;
- changed the organisational structure to operate based on capabilities with focused commercial teams in place;
- achieved good progress in digital and IT initiatives;
- defined our path as a transformational organisation rather than a transactional one; and
- placed significant focus on our people and organisational design and ESG as core enablers of our strategy.

#### DIVIDEND

An interim cash dividend of 83 cents per ordinary share, which is 19% of continuing core EPS for the year, was paid to shareholders in March 2021. As disclosed in the circular relating to the DP World Transaction, no final dividend is declared. As such the total F2021 dividend was 83 cents per ordinary share (F2020: 167 cps).

#### PROSPECTS

Many of our markets continue to face uncertainty and volatility, being in various levels of lockdown and restrictions. While some of these restrictions are easing, we anticipate the impact of the COVID-19 pandemic and the ensuing uncertainty to continue affecting our operations and performance in the short-term.

The start to the 2022 financial year has been challenging, with July and August trading negatively impacted by the social unrest in South Africa, extended COVID-19 related restrictions on the sale of alcohol in South Africa and Mozambique, the shortage of semi-conductors across Europe, and higher supply chain costs negatively impacting volumes due to the unavailability of shipping containers and subsequent higher freight rates.

At this stage, for the 12 months to 30 June 2022, subject to stable currencies, steady recovery in volumes and revenue on the back of easing COVID-19 restrictions, we expect Imperial's continuing operations to deliver:

- Revenue growth compared to F2021.
- Operating profit growth compared to F2021.
- Growth in continuing HEPS compared to F2021.
- Growth in core EPS compared to F2021.
- Good free cash flow generation - free cash conversion expected to be between 70% and 75%.

Imperial's balance sheet remains strong and resilient, with headroom in terms of debt capacity and liquidity to facilitate our strategic growth aspirations. We have a strong pipeline of new business opportunities which we are working hard to translate into new business. While we will continue to meet the demands and manage the implications of the pandemic in the short-term, we will also ensure that we continue to deliver on our strategic objectives.

With regards to the DP World offer to acquire Imperial, the proposed transaction is still subject to Imperial shareholder approval and other customary completion conditions, including regulatory approvals, which are in progress. The circular for this transaction was distributed on 19 August 2021 and the general meeting convened for shareholders is scheduled for 17 September 2021. We anticipate that the proposed transaction will be concluded by February 2022, pending the successful outcome of the outstanding approvals. In the interim, we will continue with our daily business activities.

We thank our employees, shareholders, funders and other key stakeholders for their ongoing support.

Mohammed Akoojee  
Chief Executive Officer

George de Beer  
Chief Financial Officer

07 September 2021

#### INDEPENDENT BOARD RESPONSIBILITY STATEMENT WITH RESPECT TO THE DP WORLD OFFER

The independent board of the Company accepts responsibility for the information contained in this announcement insofar as such information relates to the offer by DP World Logistics FZE and, to the best of its knowledge and belief, such information is true and this announcement does not omit anything likely to affect the importance of such information included.

#### AUDIT OPINION

Deloitte & Touche, the Group's independent auditor, has audited the Group Annual Financial Statements from which this announcement has been derived, and has expressed an unmodified audit opinion on these financial statements. The auditor's report, with Key Audit Matters, issued on the Group Annual Financial Statements and the accompanying Group Annual Financial Statements can be accessed at <https://www.imperiallogistics.com/annual-results.php>.

#### FULL ANNOUNCEMENT

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 itself 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, 7 September 2021. The full announcement is available for viewing at

<https://senspdf.jse.co.za/documents/2021/JSE/ISSE/IPLE/IPLFY2021.pdf> and on Imperial's website at <https://www.imperiallogistics.com/annual-results.php>.

The full announcement is also available for inspection at the registered office of Imperial, at no charge, weekdays during office hours 09:00 to 16:00 CAT. Copies of the full announcement may also be requested from the Acting Company Secretary at [jeetesh.ravjee@imperiallogistics.com](mailto:jeetesh.ravjee@imperiallogistics.com)

#### DISCLAIMERS

Pro forma financial information disclaimer

To provide a more meaningful assessment of the group's performance for the year, pro forma information and non-IFRS measures have been included in the summarised audited results for the year ended 30 June 2021.

The directors of Imperial Logistics Limited are responsible for compiling the pro forma financial information on the basis applicable of the criteria as detailed in paragraphs 8.15 to 8.34 of the JSE Listings Requirements and the SAICA Guide on Pro forma Financial Information, revised and issued in September 2014 (applicable criteria). The pro forma information does not constitute financial statements fairly presented in accordance with IFRS. The pro forma financial information has been prepared for illustrative purposes only and because of its nature may not fairly present the group's financial position, results of operations and cash flows. The group's external auditor, Deloitte & Touche, has issued an unmodified reporting accountants' report on the pro forma information on 7 September 2021. A copy of their report is available for inspection at the group's registered office.

Forward-looking information disclaimer

Any forward looking information contained in this announcement is the responsibility of the directors.

Directors

P Langeni#(Chairman), M Akoojee (Group Chief Executive Officer), H Adesola##\*, J Anammah##\*, GW Dempster## (Lead Independent Non-Executive Director), P Cooper##, RJA Sparks##, B Duker##, D Reich###\*\*, JG de Beer (Group Chief Financial Officer)

# Non-executive

## Independent non-executive

\* Nigerian

\*\*Swiss

Acting Group Company Secretary

J Ravjee

Executive Vice President: Corporate Affairs & Investor Relations

E Mansingh

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