



SABVEST CAPITAL LIMITED

Incorporated in the Republic of South Africa

Registration number 2020/030059/06

“Sabcap” or “the Group” or “the Company”

ISIN: ZAE000283511

JSE share code: SBP

**SALIENT FEATURES
EXTRACTED FROM THE
AUDITED PRELIMINARY
SUMMARISED RESULTS
for the year ended
31 December 2022
and cash dividend declaration**

PROFILE

Sabvest Capital Limited (Sabcap) is an investment group first listed on the JSE in 1988 as Sabvest Limited and as Sabcap from 2020. The Seabrooke Family Trust (SFT) has voting control of Sabcap through an unlisted Z share and has an economic interest of 40,5% through its holding in the listed ordinary shares. At the year-end Sabcap had 39 400 000 shares in issue net of treasury shares (2021: 39 530 000).

Sabcap has long-term interests in thirteen unlisted and three listed investments, all accounted for on a fair value basis. Sabcap's primary focus is on industrial and service businesses, usually unlisted and co-invested with family, management or financial partners in terms of Sabcap's Partnership Principle. Sabcap also makes finance advances and holds listed debt, equity and cash portfolios when it has surplus liquidity, and undertakes other fee and profit earning activities from time to time.

RESULTS

	% change	2022	2021
Net asset value per share – cents	+17,6	11 017	9 371
Headline earnings per share – cents	(5,8)	1 591,2	1 689,7
Earnings per share – cents	(5,9)	1 590,7	1 689,6
Dividends per share – cents	+20,0	90	75
Revenue* – R'm	(11,9)	240,7	273,1
Profit after taxation – R'm	(7,6)	627,9	679,2
Total comprehensive income – R'm	(7,6)	679,6	735,2
Shareholders' funds – R'm	+17,2	4 340,9	3 704,3
Gross assets – R'm	+19,8	5 110,1	4 265,2

* Revenue comprises dividends, fees and interest.

GROWTH METRICS

Sabcap's primary financial metric is growth in NAV per share. The 15-year compound annual growth rate (CAGR) in NAV per share to the 2022 year-end was 17,0%, calculated without reinvesting dividends. The CAGR after reinvesting dividends was 18,1% (calculated with dividends notionally not paid and the amounts notionally retained by the Company, growing at 10% per annum).

Sabcap's share price is usually at a discount to its NAV per share but the discount narrowed considerably in 2022. However, notwithstanding the fluctuating discounts in different periods, the growth in share price itself over different periods is set out in the table below. The growth rate over one year was 37,1% and the CAGR over 15 years was 16,3%.

	Cents	PERCENTAGE COMPOUND GROWTH				
		1 year %	3 years %	5 years %	10 years %	15 years %
NAV per share	11 017	17,6	18,3	16,7	19,5	17,0
Market price per share *	8 360	37,1	31,2	26,5	17,3	16,3

* The one-year CAGR is calculated using the Sabcap share price, with the remaining CAGRs calculated with reference to the weighted average share prices of the Sabvest ordinary and 'N' ordinary shares.

INVESTMENT HOLDINGS PER SECTOR

as at 31 December 2022

	Listed/ Unlisted	Number of ordinary shares/units	Economic interest %	Fair value R'000
Industrial and Services				
Apex Partners Holdings (Pty) Ltd	U		44,8	504 023
ARB Holdings (Pty) Ltd	U		18,5	250 256
Classic Food Brands (Pty) Ltd	U		40,0	8 205
DNI-4PL Contracts (Pty) Ltd	U		19,9	1 028 087
Flexo Line Products (Pty) Ltd	U		47,5	7 033
Halewood International South Africa (Pty) Ltd	U		19,0	165 586
ITL Holdings Group	U		34,4	786 454
Metrofile Holdings Limited	L	56 000 000	13,1	196 000
SA Bias Industries (Pty) Ltd	U		85,2	1 018 861
Sunspray Food Ingredients (Pty) Ltd	U		27,7	86 624
Valemout Trading (Pty) Ltd	U		39,3	44 721
				4 095 850
Mining, Chemicals and Agriculture				
Masimong Group Holdings (Pty) Ltd	U		10,0	452 510
Rolfes Holdings (Pty) Ltd * ¹	U		25,0	189 289
				641 799
Specialised Financial and Technology				
Corero Network Security Plc	L	50 000 000	10,1	94 486
Revix UK	U		11,0	–
Transaction Capital Limited * ²	L	5 000 000	0,7	165 500
				259 986
TOTAL NON-CURRENT INVESTMENT HOLDINGS				4 997 635

*¹ Reclassified during the current reporting period due to a change in its business mix with the proportion from food chemicals increasing materially (previously classified under Industrial and Services).

*² In a SENS announcement released on 14 March 2023, Transaction Capital (“TC”) advised shareholders that the cyclical headwinds facing its SA Taxi division post the disruption of COVID, together with the ongoing effects of load shedding and adverse economic conditions, necessitate a simplification of its business model to a lower and more variable cost base, higher quality loan origination and a lower number of new loans. As a consequence, TC has advised of the need for one-off provisions against SA Taxi's loan book and repossessed inventory, and signaled lower TC core EPS in the coming reporting period. The TC share price dropped materially after the announcement. As a result, the fair value of Sabcap's investment in TC has reduced from R165,5m at 31 December 2022 to R73,0m at 15 March 2023 (being the last practicable date before the release of Sabcap's 2022 results). After adjusting for deferred tax of R20,0m on this movement, the net impact of R72,5m on Shareholders Equity is equivalent to a reduction of 18¢ in Sabcap NAV per share of 11 017¢ at the reporting date.

PROSPECTS

Sabcap is comfortable with the current performance and future prospects of most of its unlisted investees and, in particular, of the new investments concluded during the period. The share prices of its three listed investments are market determined and their fair values are the market prices at each reporting date.

Accordingly, Sabcap expects satisfactory growth in NAV per share in 2023. It is also worth noting that the discount of Sabcap's share price to its NAV per share narrowed considerably in 2022 and Q1 2023, and the growth in share price continues to track or exceed the growth in NAV per share.

Management regards Sabcap as fully invested at the present time.

References to future financial information in this announcement have not been reviewed or reported on by the Group's auditors.

CASH DIVIDEND DECLARATION

Notice is hereby given that a final dividend of 60 cents (2021: 55 cents) per ordinary share for the year ended 31 December 2022 has been declared out of income reserves making a total of 90 cents for the year (2021: 75 cents).

The issued share capital of the Company at the declaration date is 39 550 000 ordinary shares. The income tax number of the Company is 9660061186.

Withholding tax on dividends at a rate of 20% will be deducted for all shareholders who are not exempt in terms of the applicable legislation. This will result in a final net cash dividend of 48 cents per ordinary share to non-exempt shareholders.

Last date to trade “CUM” dividend Tuesday, 11 April 2023

Trading “EX” dividend commences Wednesday, 12 April 2023

Record date Friday, 14 April 2023

Dividend payment date Monday, 17 April 2023

No dematerialisation or rematerialisation of share certificates will be allowed during the period Wednesday, 12 April 2023 to Friday, 14 April 2023, both days inclusive.

Sandton
16 March 2023

The short-form announcement, prepared by the directors, has itself not been audited, however, the financial information included herein has been correctly extracted from the audited consolidated annual financial statements which have been audited by Deloitte & Touche.

This announcement is a summary of information in the full announcement and does not contain full or complete details and is the responsibility of the directors. Any investment decisions by investors and/or shareholders should be based on the full announcement which is available on <https://senspdfjse.co.za/documents/2023/JSE/ISSE/SBPE/YEres22.pdf> and published on the Company's website on <http://www.sabvestcapital.com/pdf/2023/YE-results-Dec22.pdf> on 16 March 2023. The full announcement is also available for inspection at Sabcap's registered office and the offices of the sponsor at no charge, between 8:30 and 17:00, Monday to Friday or may be requested by emailing ho@sabvest.com.

The annual financial statements including the audit opinion of the external auditor, Deloitte & Touche, which sets out the key audit matters and the basis for its unmodified opinion, is available on the Company's website on <http://www.sabvestcapital.com/pdf/2023/AFS-Dec22.pdf>.

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Directors: K Pillay # (Chairperson), O Ighodaro # (Lead Independent Director), CS Seabrooke * (Chief Executive), BJT Shongwe #

L Mthimuny #, K De Matteis *, L Rood * *Executive #Independent

Sponsor: Rand Merchant Bank (A division of FirstRand Bank Limited), 1 Merchant Place, Corner of Fredman Drive and Rivonia Road, Sandton 2196

Company Secretary: Levitt Kirson Business Services (Pty) Ltd

www.sabvestcapital.com