



# 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 SUMMARISED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2023 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 40,8% through its holding in the listed ordinary shares. During 2023, the Company repurchased and cancelled 330 000 ordinary shares previously held by its subsidiary, Sabvest Finance and Guarantee Corporation (Pty) Ltd. Accordingly, the number of shares in issue at year-end, was 39 220 000 ordinary shares (31 Dec 2022: 39 400 000 net of treasury shares).

Sabcap has 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.

### RESTATEMENT

During the current year, the Company’s subsidiaries have been reclassified as investment entities under IFRS 10 and the financial statements have been restated to cease consolidating the subsidiaries. The Company’s investment in Sabvest (Pty) Ltd (“Sabvest”) has since been measured at Fair Value Through Profit and Loss (“FVTPL”) as opposed to the historical measurement at cost less accumulated impairment loss. Similarly, Sabvest’s investments in Sabvest Finance and Guarantee Corporation (Pty) Ltd and Sabvest Investments (Pty) Ltd have been measured on the same basis. The restated net asset value (“NAV”) is the same as the NAV of the previously consolidated group for the comparative periods, as the fair value of the investment entities remain unchanged. Pursuant to Sabcap accounting as an investment entity, the layouts of the Company’s statement of financial position, statement of comprehensive income and statement of cash flows were aligned to the disclosure requirements for investment entities under IFRS 10 and to the format presented by other investment entities. This results in fair value accounting now being reflected in the Company financial statements in the investments line as opposed to the previously presented consolidated statements that had some assets and liabilities separately disclosed.

### RESULTS

	% change	2023	2022
Net asset value per share – cents	(0,7)	10 936	11 017
(Loss)/earnings and headline (loss)/earnings per share – cents *	(100,6)	(11,0)	1 721,7
Dividends per share – cents	–	90	90
Total comprehensive (loss)/income – R’m	(100,6)	(4,3)	679,6
Shareholders’ funds – R’m	(1,2)	4 289,3	4 340,9

\* 2022 restated to align with the disclosure requirements for investment entities under IFRS 10 Consolidated Financial Statements (refer to annual financial statements).

### 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 2023 year-end was 17,2%, calculated without reinvesting dividends. The CAGR after reinvesting dividends was 18,5% (calculated with dividends notionally not paid and the amounts notionally retained by the Company, growing at 10% per annum).

The growth in share price itself over different periods is set out in the table below. The growth rate over one year was (7,9%) and the CAGR over 15 years was 18,0%.

	Cents	PERCENTAGE COMPOUND GROWTH				
		1 year %	3 years %	5 years %	10 years %	15 years %
NAV per share	10 936	(0,7)	13,7	13,3	16,6	17,2
Market price per share *	7 700	(7,9)	37,3	12,3	14,6	18,0

\* 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.

### RESULTS SUMMARY

High inflation, logistical challenges, high raw material prices and higher interest rates continued to provide a challenging environment for the group’s investees to operate in. Apex, ARB, Masimong, SA Bias and Sunspray performed well. Results at Corero, DNI, Flexo, Metrofile, Rolfes and Valemount were satisfactory. Halewood’s results were weak in difficult trading conditions in RSA. ITL’s results were much poorer than expected due to soft northern hemisphere retail demand, product mix and margin changes from trading down and destocking, and sourcing moving to higher cost locations due to geo-political pressures. The market value of the shares held in TC fell considerably after incurring substantial losses in SA Taxi due to materially higher provisions required and a complete restructure of its business model initiated. Altify and Versofy as start-ups are carried at zero. Classic Food Brands was sold at nominal value.

These conditions have resulted in a slight decrease in NAV per share to 10 936 cents per share, being a 0,7% decrease from NAV per share of 11 017 at the 2022 year-end reporting date. Although a small decrease, it is the first reduction in NAV per share in a single reporting period for over twenty years. Notwithstanding, the growth metrics table shows the growth rates over periods from 3 to 15 years being 13,7% at 3 years to 17,2 % to 15 years compounded, and 18,5% with dividends reinvested.

Final DPS was maintained at 60 cents per share, resulting in the interim and final dividends totalling 90 cents per share, remaining constant with the prior year. Share buybacks were R11,8m during the period (31 Dec 2022: R9,5m).

### INVESTMENT HOLDINGS

as at 31 December 2023

The Company’s investment holdings includes the fair value of the its investment in Sabvest (Pty) Ltd and comprises mainly of the fair value of the investments, assets and liabilities held by the underlying subsidiaries, summarised as follows:

	Listed/ Unlisted	Sector * <sup>1</sup>	Number of ordinary shares/units	Economic interest * <sup>2</sup> %	Fair value R’000
<b>Investments</b>					
Altify (previously Revix UK)	U	FT		16,1	–
Apex Partners Holdings (Pty) Ltd	U	IS		45,3	584 590
ARB Holdings (Pty) Ltd	U	IS		18,5	357 357
Corero Network Security Plc	L	FT	51 000 000	10,0	99 039
DNI-4PL Contracts (Pty) Ltd	U	FT		19,7	990 446
Flexo Line Products (Pty) Ltd	U	IS		47,5	30 526
Halewood International South Africa (Pty) Ltd	U	IS		19,0	91 637
ITL Holdings Group	U	IS		34,4	499 147
Masimong Group Holdings (Pty) Ltd	U	MCA		9,0	475 805
Metrofile Holdings Limited	L	IS	57 000 000	13,5	171 000
Rolfes Holdings (Pty) Ltd	U	MCA		24,7	160 770
SA Bias Industries (Pty) Ltd	U	IS		85,2	1 269 671
Sunspray Food Ingredients (Pty) Ltd * <sup>3</sup>	U	IS		27,7	138 189
Transaction Capital Limited	L	FT	6 000 000	0,8	47 880
Valemount Trading (Pty) Ltd	U	IS		39,3	55 512
Versofy (Pty) Ltd	U	IS		3,8	–
Interest-bearing borrowings					(613 606)
Deferred tax liability					(147 249)
Cash on hand					41 943
Other net assets					39 069
					<b>4 291 726</b>

\*<sup>1</sup> IS – Industrial and Services; MCA – Mining, Chemicals and Agriculture;  
FT – Specialised Financial and Technology.

\*<sup>2</sup> Represents the economic interest at 31 December 2023.

\*<sup>3</sup> Includes the 16,6% interest held-for-sale.

### PROSPECTS

Sabcap is comfortable with the growth prospects of all its unlisted long-term investments although the timing of the recovery at ITL may be longer in the RSA operations than internationally and at a higher cost. The values of its three listed investments are determined by their share prices. The trading results of Corero and Metrofile are expected to be satisfactory but the timing and extent of recovery at TC remain uncertain although good progress is being achieved.

Sabcap expects to resume satisfactory growth in NAV per share in 2024.

Management regards Sabcap as fully invested at the present time but continues to consider acquisitions and investment opportunities in its investees.

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 (2022: 60 cents) per ordinary share for the year ended 31 December 2023 has been declared out of income reserves making a total of 90 cents for the year (2022: 90 cents).

The issued share capital of the Company at the declaration date is 39 220 000 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, 16 April 2024
Trading “EX” dividend commences	Wednesday, 17 April 2024
Record date	Friday, 19 April 2024
Dividend payment date	Monday, 22 April 2024

No dematerialisation or rematerialisation of share certificates will be allowed during the period Wednesday, 17 April 2024 to Friday, 19 April 2024, both days inclusive.

Sandton  
19 March 2024

*This announcement, prepared by the directors, has itself not been audited, however, the financial information included herein has been correctly extracted from the audited annual financial statements (the “results”) which have been audited by PricewaterhouseCoopers.*

*This announcement is a summary of information in the results and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on the results. The results and summarised results, including the audit opinion of the external auditor, PricewaterhouseCoopers, which sets out the key audit matters and the basis for its unmodified opinion, are available on the JSE’s cloudlink at <https://senspdf.jse.co.za/documents/2024/7SE/ISSE/SBPE/YEres23.pdf> and published on the Company’s website on <http://www.sabvestcapital.com/pdf/2023/YE-results-Dec23.pdf> and <http://www.sabvestcapital.com/pdf/2023/AFS-Dec23.pdf> on 19 March 2024.*

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**Directors:** K Pillay # (Chairperson), O Ighodaro # (Lead Independent Director), CS Seabrooke \* (Chief Executive), BJT Shongwe # L Mthimunyane #, K De Matteis \*, L Rood \*  
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**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