



# 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



## AUDITED PRELIMINARY CONSOLIDATED SUMMARISED RESULTS

for the year ended 31 December 2022

and cash dividend declaration

## Consolidated Summarised Statement of Financial Position

as at 31 December 2022

	Audited 31 Dec 2022 R'000	Audited 31 Dec 2021 R'000
<b>Non-current assets</b>	<b>5 046 053</b>	4 022 008
Property, plant and equipment	3 077	2 515
Right-of-use asset	2 337	3 304
Finance advances and receivables	43 004	–
Investment holdings	4 997 635	4 016 189
Unlisted investments	4 541 649	3 430 078
Listed investments	455 986	586 111
<b>Current assets</b>	<b>64 086</b>	243 161
Finance advances and receivables	14 185	21 663
Investment funds offshore	–	75 138
Cash balances	49 901	146 360
<b>Total assets</b>	<b>5 110 139</b>	4 265 169
<b>Ordinary shareholders' equity</b>	<b>4 340 869</b>	3 704 327
<b>Non-current liabilities</b>	<b>628 030</b>	499 302
Interest-bearing debt	400 000	240 000
Provisions	20 215	17 255
Lease liability	1 726	2 758
Deferred tax liabilities	206 089	239 289
<b>Current liabilities</b>	<b>141 240</b>	61 540
Interest-bearing debt	107 394	20 390
Portfolio finance offshore	–	12 944
Interest-bearing debt	107 394	7 446
Accounts payable and provisions	32 814	40 260
Lease liability	1 032	890
<b>Total equity and liabilities</b>	<b>5 110 139</b>	4 265 169

## Consolidated Summarised Statement of Cash Flows

for the year ended 31 December 2022

	Audited 31 Dec 2022 R'000	Audited 31 Dec 2021 R'000
<b>Cash flows from operating activities</b>	<b>82 066</b>	149 816
Net income for the year	627 873	679 201
Adjusted for non-cash items and interest paid	(485 879)	(495 455)
<b>Cash flows from operations</b>	<b>141 994</b>	183 746
Cash interest paid	(26 360)	(19 922)
Dividends paid – ordinary	(33 568)	(14 008)
<b>Cash flows (utilised in)/from investing activities</b>	<b>(413 769)</b>	168 490
Purchase of property, plant and equipment	(1 535)	(379)
Proceeds from sale of property, plant and equipment	15	–
Purchase of investment holdings and offshore portfolio	(703 334)	(440 414)
Proceeds from sale of investment holdings and offshore portfolio	327 255	498 746
(Increase)/decrease in finance advances and receivables	(36 170)	110 537
<b>Cash flows from/(utilised in) financing activities</b>	<b>236 643</b>	(175 797)
Long-term loans – capital advances	400 000	–
Long-term loans – capital repayments	(240 000)	(100 000)
Repurchase of company shares	(9 471)	(65 959)
Other interest-bearing debt – advances/(repayments)	99 948	(22 164)
Repayment of principal portion of lease liability	(890)	(618)
Offshore portfolio finance – (repayments)/advances	(12 944)	12 944
Change in cash and cash equivalents	(95 060)	142 509
Currency fluctuations	(1 399)	–
Cash balances, less current interest-bearing debt excluding portfolio finance at beginning of the reporting period	146 360	3 851
<b>Cash balances, less RSA interest-bearing debt, at end of the reporting period</b>	<b>49 901</b>	146 360

## Consolidated Summarised Statement of Comprehensive Income

for the year ended 31 December 2022

	Audited 31 Dec 2022 R'000	Audited 31 Dec 2021 R'000
<b>Gross income from operations and investments</b>	<b>718 355</b>	864 134
Dividends received	227 795	253 036
Interest received	11 289	18 355
Foreign exchange (loss)/gain	(10 883)	(2 584)
Fees	1 599	1 756
Fair value adjustments to investments	488 555	593 571
– Listed	(119 991)	227 173
– Unlisted	608 546	366 398
Transactional costs	(12 697)	(1 117)
Fair value loss on initial recognition and modification of interest-free loans	(1 732)	(3 612)
Interest expense	(26 360)	(19 922)
<b>Net income before operating expenses</b>	<b>677 566</b>	839 483
Less: Expenditure #	(82 893)	(95 316)
<b>Net income before taxation</b>	<b>594 673</b>	744 167
Taxation	33 200	(64 966)
<b>Net income for the year attributable to equity shareholders</b>	<b>627 873</b>	679 201
Other comprehensive income – translation of foreign subsidiary *	51 680	56 033
<b>Total comprehensive income attributable to equity shareholders</b>	<b>679 553</b>	735 234

# Comprises fixed operating costs of R41,6m (2021: R35,4m); variable operating costs of R39,6m (2021: R58,1m); and depreciation of R1,7m (2021: R1,8m).

\* This item may subsequently be classified to profit and loss.

## Consolidated Summarised Statement of Changes in Equity

for the year ended 31 December 2022

	Share capital R'000	Non-distributable reserve R'000	Accumulated profit R'000	Total R'000
<b>Balance as at 1 January 2021</b>	1 426 865	(1 274 373)	2 896 499	3 048 991
Total comprehensive profit for the year	–	56 033	679 201	735 234
Shares held in treasury – written back	1 204	–	–	1 204
Shares repurchased and cancelled	(66 014)	–	–	(66 014)
Shares held in treasury	(1 148)	–	–	(1 148)
Unclaimed dividends written back	–	–	68	68
Dividends paid	–	–	(14 008)	(14 008)
<b>Balance as at 1 January 2022</b>	<b>1 360 907</b>	<b>(1 218 340)</b>	<b>3 561 760</b>	<b>3 704 327</b>
Total comprehensive profit for the year	–	51 680	627 873	679 553
Shares held in treasury – written back	1 148	–	–	1 148
Shares held in treasury	(10 619)	–	–	(10 619)
Unclaimed dividends written back	–	–	28	28
Dividends paid	–	–	(33 568)	(33 568)
<b>Balance at 31 December 2022</b>	<b>1 351 436</b>	<b>(1 116 660)</b>	<b>4 156 093</b>	<b>4 340 869</b>

## Other Information

as at 31 December 2022

	% change	Audited 31 Dec 2022	Audited 31 Dec 2021
Net asset value per share – cents	+17,6	11 017	9 371
Headline earnings per share – cents * <sup>1</sup>	(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 * <sup>2</sup> – R'm	(11,9)	240,7	273,1
Profit/(loss) after taxation – R'm	(7,6)	627,9	679,2
Shareholders' funds – R'm	+17,2	4 340,9	3 704,3
Gross assets – R'm	+19,8	5 110,1	4 265,2
Number of shares in issue less held in treasury – 000's		39 400	39 530
Weighted average number of shares in issue – 000's		39 472	40 200
<b>Reconciliation of headline earnings (R'000)</b>			
Net income for the reporting period		627 873	679 201
Loss on sale of property, plant and equipment		194	51
<b>Headline earnings for the reporting period</b>		<b>628 067</b>	679 252

\*<sup>1</sup> There are no diluting instruments.

\*<sup>2</sup> Revenue comprises dividends, fees and interest.

## Investment Holdings

as at 31 December 2022

	Number of ordinary shares/units	Economic interest %	Fair value R'000
<b>Unlisted Investments</b>			
Apex Partners Holdings (Pty) Ltd		44,8	504 023
ARB Holdings (Pty) Ltd * <sup>1</sup>		18,5	250 256
Classic Food Brands (Pty) Ltd		40,0	8 205
DNI-4PL Contracts (Pty) Ltd * <sup>2</sup>		19,9	1 028 087
Flexo Line Products (Pty) Ltd		47,5	7 033
Halewood International South Africa (Pty) Ltd * <sup>3</sup>		19,0	165 586
ITL Holdings Group		34,4	786 454
Masimong Group Holdings (Pty) Ltd		10,0	452 510
Revix UK		11,0	–
Rolfes Holdings (Pty) Ltd		25,0	189 289
SA Bias Industries (Pty) Ltd		85,2	1 018 861
Sunspray Food Ingredients (Pty) Ltd		27,7	86 624
Valemount Trading (Pty) Ltd		39,3	44 721
			4 541 649
<b>Listed Investments</b>			
Corero Network Security Plc	50 000 000	10,1	94 486
Metrofile Holdings Limited	56 000 000	13,1	196 000
Transaction Capital Limited * <sup>1</sup>	5 000 000	0,7	165 500
			455 986
<b>TOTAL HOLDINGS</b>			<b>4 997 635</b>

\*<sup>1</sup> Effective indirect interest in ARB of 18,50% through 49,90% of Masimong Electrical Holdings (Pty) Ltd (MEH), which owns 37,07% of ARB.

\*<sup>2</sup> Effective interest of 19,9% in DNI through 35,98% of JAAH Investments, which indirectly owns 45,35% of DNI through DNI Invest (Pty) Ltd and a 3,32% interest in DN Invest (Pty) Ltd, which owns 100% of DNI.

\*<sup>3</sup> Effective indirect interest in Halewood South Africa of 18,95% through 41,03% of Masimong Beverage Holdings (Pty) Ltd (MBH), which indirectly owns 46,19% of Halewood South Africa through an SPV.

\*<sup>4</sup> 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 R1 65,5m 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 184c in Sabcap NAV per share of 11 017c at the reporting date.

## Investment Holdings per Sector

as at 31 December 2022

	Listed/ Unlisted	Number of ordinary shares/units	Economic interest %	Fair value R'000
<b>Industrial and Services</b>				
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 * <sup>5</sup>	U		34,4	786 454
Metrofile Holdings Limited	L	56 000 000	13,1	196 000
SA Bias Industries (Pty) Ltd * <sup>6</sup>	U		85,2	1 018 861
Sunspray Food Ingredients (Pty) Ltd * <sup>7</sup>	U		27,7	86 624
Valemount Trading (Pty) Ltd	U		39,3	44 721
				4 095 850
<b>Mining, Chemicals and Agriculture</b>				
Masimong Group Holdings (Pty) Ltd	U		10,0	452 510
Rolfes Holdings (Pty) Ltd * <sup>8</sup>	U		25,0	189 289
				641 799
<b>Specialised Financial and Technology</b>				
Corero Network Security Plc	L	50 000 000	10,1	94 486
Revix UK	U		11,0	–
Transaction Capital Limited	L	5 000 000	0,7	165 500
				259 986
<b>Non-current investment holdings</b>				<b>4 997 635</b>

\*<sup>5</sup> ITL Holdings Limited Jersey held indirectly through Mandarin Investors Limited and directly through Mandarin Industries Limited BVI and ITL Holdings SA (Pty) Ltd held directly through Mandarin Holdings (Pty) Ltd.

\*<sup>6</sup> Joint voting control with the PC-T Trust.

\*<sup>7</sup> Effective indirect interest in Sunspray of 27,7% through 27,7% of Fandem Investments (Pty) Ltd, which owns 100% of Sunspray.

\*<sup>8</sup> Effective interest of 25,0% through 11,0% held directly and 14,0% indirectly through Masimong Chemicals (Pty) Ltd. 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).

# Independent Auditor's Report on Summarised Financial Statements

## OPINION

The summarised consolidated financial statements of Sabvest Capital Limited which comprise the summarised consolidated statement of financial position as at 31 December 2022, the summarised consolidated statements 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 Sabvest Capital Limited for the year ended 31 December 2022.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Sabvest Capital Limited, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note "Audit Opinion" to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

## OTHER MATTER

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

## SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Sabvest Capital Limited 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 16 March 2023. That report also includes:

- ◆ The communication of key audit matters as reported in the auditor's report of the audited financial statements.
- ◆ A "Report on Other Legal and Regulatory Requirements" paragraph: In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Sabvest Capital Limited for 3 years since inception and the auditor of the subsidiaries within the Group for 22 years.

## DIRECTORS' RESPONSIBILITY FOR THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

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

The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting.

## 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 consolidated audited 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*.



## Deloitte & Touche

Registered Auditors  
Per: André Dennis  
Partner  
16 March 2023

Deloitte & Touche  
5 Magwa Crescent  
Waterfall City  
Waterfall

\* A copy of the full consolidated financial statements including the audit report are available for inspection at the Company's registered office and on the Company's website  
<http://www.sabvestcapital.com/pdf/2023/AFS-Dec22.pdf>

## 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.

## CHANGES IN INVESTMENT HOLDINGS

During the reporting period Sabcap:

- ◆ disposed of 1m Transaction Capital Limited shares for R48,7m during January 2022, retaining 5m shares;
- ◆ increased its holding in Corero Network Security Plc (Corero) by 3m shares to 50m shares, representing 10,1% of Corero, for GBP0,4m (R7,4m);
- ◆ increased its holding in Metrofile Holdings Limited (Metrofile) by 1m shares to 56m shares, representing 13,1% of Metrofile, for R3,2m;
- ◆ increased its holding in Classic Food Brands (Pty) Ltd from 25% to 40% as a result of a shareholding restructure;
- ◆ acquired an indirect effective interest of 18,5% in ARB Holdings (Pty) Ltd through a new investment of 49,9% in Masimong Electrical Holdings (Pty) Ltd (MEH) for shareholder funding of R199m and guarantees of R24,5m (which were subsequently released during the reporting period), enabling MEH to acquire 37,07% of ARB;
- ◆ acquired an indirect effective interest of 18,95% interest in Halewood International South Africa (Pty) Ltd through a new investment of 41,03% in Masimong Beverage Holdings (Pty) Ltd (MBH), comprising shareholder loans of R117m and financial guarantees of R51m (which were subsequently released during the reporting period), enabling MBH to acquire 46,19% of Halewood through an SPV;
- ◆ increased its effective holding in DNI by 0,8% to 19,99% for R38,3m, after a restructure of direct and indirect holdings;
- ◆ acquired a 39,3% equity interest in Valemount Trading (Pty) Ltd ("Valemount") through an initial investment in equity and shareholder loans of R44,7m subject to a top-up formula to be calculated, based on 28 February 2023 audited financial statements once finalised; and
- ◆ acquired 130 000 Sabcap shares through a shareholder-approved buyback programme for R9,5m.

Sabcap's unlisted investees have concluded various transactions as follows:

- ◆ Apex acquired an interest in DRA Global;
- ◆ ARB acquired the minority interests in Eurolux;
- ◆ DNI disposed of tower assets in ITC, acquired Infinity Platform assets in ViaMedia and increased its interests in Paymenow and Hyve Mobile;
- ◆ SA Bias acquired YG Prefab in the UK through Flowmax; and
- ◆ Masimong acquired interests in ARB and Halewood.

Subsequent to the reporting date:

- ◆ Sabcap reorganised its effective interest of 18,5% in ARB by way of a series of transactions, which resulted in a reduction of its holding in MEH to 35,27% and the acquisition of a direct stake of 8,38% in ARB, investing a net amount of R50,8m;
- ◆ Sabcap increased its term debt by R100m and used the proceeds to reduce short-term debt by R100m; and
- ◆ The fair value of Transaction Capital was materially impacted (refer to footnote 4 on page 2 for more detail).

## FINANCIAL RESULTS

Economic conditions in the territories in which the Group's investees operate world-wide were generally weak with high inflation, logistical challenges, high raw material prices and higher interest rates. The operating environment in China was particularly difficult with stringent COVID-19 lockdown regulations still being enforced. In South Africa the weak economy was further bedevilled by the national power crisis and ongoing load shedding daily by Eskom, freak weather conditions and resulting damage in parts of the country and the challenges of ineffective or failing transport systems nationwide.

These conditions negatively affected the expected trading volumes of some of the Group's investees but also created opportunities for others to gain volumes and customers through higher in-stock policies and competitive sourcing, and new opportunities such as wind and solar power, import substitution and attractively priced investment exits and delistings.

In this context, Sabcap is pleased to be able to report that NAV per share increased satisfactorily to 11 017 cents per share, being a 17,6% increase from NAV per share of 9 371 at the 2021 year-end reporting date.

HEPS and EPS decreased slightly to 1 591,2 and 1 590,7 per share, respectively, being a decrease of 5,8% and 5,9% over the HEPS and EPS in the 2021 financial year.

The results were achieved due to fair value gains in most of the unlisted investees and notwithstanding the fall in the values of the listed investments in line with markets worldwide.

Sabcap targets to maintain expenditure between 1,5 – 2% per annum of average gross assets over three-year periods. Approximately half of the expenditure is fixed and the other half is variable linked to PAT and growth in NAV per share, thereby ensuring shareholder alignment and reduced costs in the event of underperformance. There are no dilutive or other costs to shareholders as there are no share schemes or separate profit carry shares. All incentive schemes are accounted for in annual expenditure and cash settled.

Interim and final dividends totaling 90 cents per share have been declared, representing a 20% increase over the prior annual dividend of 75 cents per share. Share buybacks were R9,5m during the period (31 Dec 2021: R66m).

Shareholder funds increased to R4,3bn at the reporting date. Borrowings increased during the period to facilitate the expansion of the investment portfolio. Net gearing remains acceptable at 9,9% of gross assets.

## 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).

	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

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 %
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.

The growth metrics have not been audited, but have been determined based on audited information.

## VALUATION OF INVESTMENTS

Listed investments are based on market prices at the reporting date.

Unlisted investments have been valued using the maintainable earnings model or attributable net asset value if more appropriate. The valuations are done on a pre-IFRS 16 basis. The maintainable earnings model is based on normalised maintainable EBITDA to which an appropriate multiple is applied taking account for each investee individually its size, industry, geography, growth rate, comparable and recent transactions, and then adjusted for normalised net cash/debt.

The multiples used are unchanged relative to the prior year. Apex has changed its basis of accounting from fair value under IFRS 10 to consolidating.

Masimong continues to account on a fair value basis mainly using discounted cash flows for its mining and agricultural operations. Therefore, Sabcap values Masimong at fair value as a percentage of NAV.

Foreign investments are valued in rands at the closing exchange rate on the reporting date, which in the case of ZAR/USD was 16,9807 (31 Dec 2021: 15,8976).

Deferred Capital Gains Tax (CGT) has been raised on all fair value gains, except where there are offsetting tax losses or expected CGT exemptions. CGT is accordingly not raised on gains relating to ITL International and Flowmax UK (in SA Bias), nor in Apex for as long as tax losses exceed the notional gains, nor relative to Masimong which itself raises the required CGT provisions.

## LISTED INVESTMENTS

- ◆ **CORERO** is an LSE-listed group focused on cyber and network security and, in particular, protection from DDOS attacks.

Corero performed satisfactorily in the 2022 financial year.

Corero's relationship with Juniper Networks continues to gain traction and facilitate higher volumes and revenues.

Corero's share price decreased to 9,25p (31 Dec 2021: 12,5p) in volatile small volume trade. Sabcap increased its shareholding from 47m to 50m shares during the period, which is an interest of 10,1%.

Valuation summary:	2022	2021
Number of ordinary shares	50 000 000	47 000 000
Price per share – GBP	9,25	12,5
Fair value – GBP'000	4 625	5 875
Fair value – R'000	94 486	126 181

- ◆ **METROFILE** is a JSE-listed service provider to industry in four categories – secure storage, digital services, business support services and products and solutions. Metrofile achieved satisfactory results for FY22 despite the challenging economic environment.

Metrofile's share price increased to 350 cents (31 Dec 2021: 345 cents) and Sabcap's shareholding increased slightly to 56,0m shares (31 Dec 2021: 55,0m shares) during the period.

Valuation summary:	2022	2021
Number of ordinary shares	56 000 000	55 000 000
Price per share – cents	350	345
Fair value – R'000	196 000	189 750

Dividend summary:	2022	2021
Ordinary dividends received during the period – R'000	9 990	7 590

- ◆ **TRANSACTION CAPITAL (TC)** is a JSE-listed specialised financial group whose operations comprise SA Taxi, TC Risk Services (renamed Nuten) and WeBuyCars. Nuten and WeBuyCars continue to trade strongly. SA Taxi's trading results are, however, still affected by changes in the industry due to COVID-related issues. TC's share price decreased to 3 310 cents (31 Dec 2021: 4 503 cents) and Sabcap reduced its shareholding from 6m to 5m shares during the period. The reduction was part of Sabcap's liquidity and portfolio balancing decisions.

<b>Valuation summary:</b>	<b>2022</b>	2021
Number of ordinary shares	<b>5 000 000</b>	6 000 000
Price per share – cents	<b>3 310</b>	4 503
Fair value * – R'000	<b>165 500</b>	270 180

<b>Dividend summary:</b>	<b>2022</b>	2021
Ordinary dividends received during the period – R'000	<b>3 500</b>	3 500

\* The fair value was materially impacted subsequent to year-end. Refer to footnote 4 on page 2 for more detail.

## UNLISTED INVESTMENTS

- ◆ **APEX PARTNERS** is an industrial group with controlling interests in distribution, engineering and construction businesses in South Africa. The distribution segment comprises Letaba Pumps, TGS, Elephant Lifting and ELB Equipment. The construction and engineering segment comprises ET-X Projects and CBZ Solutions. It also holds special situation financial assets.

The strategy of building a sound cash generative industrial group is being well implemented.

Apex has established Apex UK and will follow the same acquisitive model in the UK and Europe as in RSA.

In December 2022 and subsequent to the year-end, Apex has acquired an interest of 19,3% in DRA Global Ltd, which is a consulting, engineering, project delivery and operations management group focused on the mining and minerals resources sector to a global customer base.

The EBITDA valuation multiple is 5,5 times (increased from a provisional 4,5 after a benchmarking exercise).

Prospects for organic and continued acquisitive growth are strong.

<b>Valuation summary:</b>	<b>2022</b>	2021
EBITDA valuation multiple	<b>5,5x</b>	4,5x
44,8% equity interest – R'000	<b>504 023</b>	303 760

<b>Dividend summary:</b>	<b>2022</b>	2021
Ordinary dividends received during the period – R'000	<b>17 931</b>	24 655

- ◆ **ARB HOLDINGS (ARB)** is a distributor of electrical, lighting and related products to the mining, industrial, construction, parastatal, retail and domestic markets in Southern Africa. ARB Electrical Wholesalers is one of Southern Africa's largest distributors of electrical projects in three main categories: power and instrumentation cable; overhead line equipment and conductors; and general low-voltage and solar products. Eurolux and Radiant are leading distributors of energy-saving; LED; halogen and fluorescent lamps; light fittings, electrical accessories; cut cable and ancillary products, including fans and lighting components. The investment in ARB was concluded during the period. Sabcap has an effective interest of 18,50% in ARB through 49,90% of Masimong Electrical Holdings (Pty) Ltd (MEH), which owns 37,07% of ARB.

Prospects for growth are strong.

<b>Valuation summary:</b>	<b>2022</b>	2021
EBITDA valuation multiple	<b>6,5x</b>	–
18,5% equity interest – R'000	<b>13 930</b>	–
Investment loans – R'000	<b>236 326</b>	–
Total – R'000	<b>250 256</b>	–

- ◆ **CLASSIC FOOD BRANDS (CFB)** is a food manufacturer specialising in crumbed chicken products distributed mostly through rmajor supermarket and food chains in South Africa.

Sabcap's shareholding was increased to 40% during the period as a result of a shareholding restructure.

The fair value is stated after an impairment provision based on tangible NAV. However, CFB is now trading profitably and the fair value may be reconsidered on a maintainable earnings basis in the next financial year.

<b>Valuation summary:</b>	<b>2022</b>	2021
Basis of valuation	<b>NAV</b>	NAV
40% equity interest (2021: 25%) – R'000	–	–
Investment loans – R'000	<b>8 205</b>	15 091
Total – R'000	<b>8 205</b>	15 091

- ◆ **DNI** is a leading distribution and technology company operating in emerging market economies, but mostly in South Africa at present. The DNI Group provides and distributes products and services to the telecommunications, banking and retail sectors. The group has four main operating segments, being Mobile distribution, Hardware distribution, Technology, and Value-added services.

The DNI group has different brands with which it markets its products and services on a B2B/B2B2C basis. These include The Starter Pack Company, Evercomm, 3G Mobile, Digital Ecosystems, Hyve Mobile, Airvantage, Via Media, Paymenow, M4Jam, Cellfind, Panacea Mobile, Worldwide Advisory Services and Sebenza Wi-Fi.

DNI has grown profits materially, it pays high dividends and reinvests excess cash into new growth businesses and opportunities.

Sabcap's direct and indirect shareholding has increased slightly to 19,9% (31 Dec 2021: 19,1%) due to a restructure of its direct and indirect shareholdings. Future prospects are strong driven by organic, acquisitive and other strategic initiatives.

<b>Valuation summary:</b>	<b>2022</b>	2021
EBITDA valuation multiple	<b>6,5x</b>	6,5x
19,9% equity interest (2021: 19,1%) – R'000	<b>1 028 087</b>	907 682

<b>Dividend summary:</b>	<b>2022</b>	2021
Ordinary dividends received during the period – R'000	<b>52 213</b>	45 085
Special dividends received during the period – R'000	<b>50 188</b>	5 502
Total – R'000	<b>102 401</b>	50 587

- ◆ **FLEXO LINE PRODUCTS** is a manufacturer of high quality injection moulded plastic products primarily for the spice and food industries locally and internationally and is the largest manufacturer of these products in the southern hemisphere.

Trading conditions have been difficult with revenues and profitability adversely affected by decreased household demand after the pandemic, logistical issues and the impact of load shedding on production.

The fair value is stated after an impairment provision.

Prospects for growth are difficult to determine at this stage, but management is confident of returning to previous trading levels by the second half of 2023.

<b>Valuation summary:</b>	<b>2022</b>	2021
EBITDA valuation multiple	<b>4,5x</b>	4,5x
47,5% equity interest – R'000	–	29 882
Investment loans – R'000	<b>7 033</b>	79 729
Total – R'000	<b>7 033</b>	109 611

- ◆ **HALEWOOD SOUTH AFRICA** (Halewood) is a manufacturer of a wide range of premium award-winning alcoholic, non-alcoholic and RTD (Ready-To-Drink) beverages including brands such as Belgravia, Whitley Neill, Red Square, Caribbean Twist and Buffelsfontein. It is also an importer of finished goods brands from the UK, France, Italy and Mexico. It was established in 1999.

The investment in Halewood South Africa was concluded during the period. Sabcap has an effective interest of 18,95% through 41,03% of Masimong Beverage Holdings (Pty) Ltd (MBH), which in turn holds 46,19% of Halewood through an SPV.

Prospects for growth are strong.

<b>Valuation summary:</b>	<b>2022</b>	2021
EBITDA valuation multiple	<b>7,25x</b>	–
19,0% equity interest – R'000	–	–
Investment loans – R'000	<b>165 586</b>	–
Total – R'000	<b>165 586</b>	–



- ◆ **ITL GROUP** (Intelligent Labelling Solutions) is a market-leading international designer, manufacturer and distributor of apparel labelling and identification products and supply chain management solutions, including RFID, from its factories and marketing offices in the United States, Canada, Mexico, United Kingdom, Germany, China, India, Vietnam, Sri Lanka, Bangladesh, Hong Kong, Turkey, Mauritius, Madagascar and South Africa for supply to the clothing industry worldwide through multiple international retail chain accreditations.

The percentage look-through shareholding in ITL Group increased from 34,0% to 34,4% due to share buybacks from retiring executives. It is expected that these may be reissued in future periods.

Trading conditions in the second half of 2022 were difficult primarily due to the stringent lockdown regulations in China, the effect of COVID cases on ITL's production facilities in China, logistical and supply issues, and weaker than expected Northern Hemisphere retail demand. Results for 2022 were accordingly abnormally low.

Subsequent to the year-end, China has lifted its COVID restrictions and normal trading is expected by the end of Q1 2023. ITL is budgeting for materially improved results in 2023 and has met revenue targets for the first two months of the year. ITL remains well positioned strategically, geographically and operationally.

Prospects for a resumption of growth are good.

<b>Valuation summary:</b>	<b>2022</b>	2021
EBITDA valuation multiple	<b>9,0x</b>	9,0x
34,4% equity interest (2021: 34,0%) – R'000	<b>167 600</b>	26 139
Investment loans – R'000	<b>618 854</b>	585 100
Total – R'000	<b>786 454</b>	611 239

\* The equity interest and investment loans need to be considered together as the investment loans increased pursuant to an internal capital restructure.

<b>Dividend summary:</b>	<b>2022</b>	2021
Preference dividends received during the period – R'000	–	22 360

- ◆ **MASIMONG GROUP HOLDINGS** is an investment group with a portfolio of high performing growth assets and in particular its mining interest in Seriti Resources, and its agricultural interests in Mouton Citrus, Carmien Tea, Southern Cross Investment Holdings and Winfield United South Africa. It also holds interests in Rolles and Anchor Group.

During the period Masimong acquired interests in ARB Holdings and Halewood International South Africa. Seriti Resources established Seriti Green, which will be focused on large scale wind and solar projects. Seriti Green acquired a portfolio of large-scale, renewable development projects through the acquisition of Windlab's South African business.

Overall its holdings performed well during the period and in particular its interests in Seriti, although its agricultural interests were affected by economic conditions, logistical challenges and load shedding.

The valuation is at Masimong NAV as Masimong fair values its own portfolio under IFRS 10 and provides for any appropriate minority or liquidity discounts and deferred CGT.

Prospects for continued growth in NAV are strong.

<b>Valuation summary:</b>	<b>2022</b>	2021
Basis of valuation	<b>NAV</b>	NAV
10,0% equity interest – R'000	<b>452 510</b>	296 197

<b>Dividend summary:</b>	<b>2022</b>	2021
Ordinary dividends received during the period – R'000	<b>10 920</b>	–

- ◆ **REVIX UK** offers an investment platform that enables investors to obtain direct ownership of individual crypto currencies, ready-made crypto portfolios called "bundles" and crypto-based yield-bearing opportunities. Revix is also making good progress in its new B2B division.

Revix's growth was affected by wide gyrations in crypto currency prices and the corporate collapses in the industry internationally. Nevertheless, it currently projects achieving profitability by the end of 2023.

With regard to funding, Sabcap elected not to follow the last two rounds and to accept a dilution in its interests. However, it is probable that it will follow the next round, which should be Revix's last funding requirement.

The valuation of Revix as a start-up is stated at zero after a full impairment provision.

Prospects are difficult to determine but the agility of management during difficult times, the increased volumes in its traditional business and the addition of its B2B focus are encouraging.

<b>Valuation summary:</b>	<b>2022</b>	2021
Basis of valuation	<b>NAV</b>	NAV
11,0% equity interest (2021: 15,5%) * – R'000	–	–

\* Investment loans were converted to equity during the prior period.

- ◆ **ROLFES HOLDINGS** is a specialist manufacturer and distributor of agricultural, food, industrial and water chemical solutions and services.

Trading in the 2022 financial year was at record levels. However, trading in 2022/2023 has been challenging, mainly due to the substantial drop in many commodity prices and the effect on margins.

The EBITDA valuation multiple has been reduced from 6,0 times to 5,5 times due to a change in its business mix, with the proportion from food chemicals increasing materially.

Prospects for continued growth are satisfactory

<b>Valuation summary:</b>	<b>2022</b>	2021
EBITDA valuation multiple	<b>5,5x</b>	6,0x
25,0% equity interest – R'000	<b>189 289</b>	201 594

<b>Dividend summary:</b>	<b>2022</b>	2021
Ordinary dividends received during the period – R'000	<b>18 008</b>	18 395

- ◆ **SA BIAS INDUSTRIES** is an international industrial group comprising:

- Flowmax is a group of 16 companies in the United Kingdom and Europe engaged in the manufacture, distribution and servicing of medium technology fluid handling equipment, consumables and measurement systems, and solutions for other industrial variables such as heat management and control.
- Narrowtex Group is a South African manufacturer and exporter of a range of narrow fabric products including webbings, strapping, tapes and braids, and of lingerie components, elastics and accessories.

SA Bias traded at higher levels in both divisions. It has a liquid balance sheet and is well positioned for continued acquisitions, particularly in the UK and Europe.

Prospects for growth in Narrowtex, aided in particular by its export division, and in Flowmax organically and through acquisitions, are strong.

<b>Valuation summary:</b>	<b>2022</b>	2021
EBITDA valuation multiples *	<b>6,0x / 4,5x</b>	6,0x / 4,5x
85,2% equity interest – R'000	<b>1 018 861</b>	906 348

\* Flowmax is valued at 6,0 times and Narrowtex at 4,5 times.

<b>Dividend summary:</b>	<b>2022</b>	2021
Ordinary dividends received during the period – R'000	<b>35 805</b>	32 395
Special dividends received during the period – R'000	<b>8 525</b>	88 234
Total – R'000	<b>44 330</b>	120 629

- ◆ **SUNSPRAY FOOD INGREDIENTS** provides food ingredient solutions to South African and African manufacturers by supplying spray-dried, blended and powdered food and drink products and services. It is the largest independent contract supplier in Africa.

Growth in earnings in 2022 was satisfactory. Sunspray also completed a large capex project in its Industria facility, materially expanding its spray drying capacity and, in particular, for dairy products. The facility will come online in Q1 2023 and is expected to facilitate materially increased revenues and profitability in the period ahead.

Prospects for growth are good.

<b>Valuation summary:</b>	<b>2022</b>	2021
EBITDA valuation multiple	<b>5,0x</b>	5,0x
27,7% equity interest – R'000	<b>80 915</b>	73 316
Investment loans – R'000	<b>5 709</b>	5 240
Total – R'000	<b>86 624</b>	78 556

<b>Dividend summary:</b>	<b>2022</b>	2021
Ordinary dividends received during the period – R'000	<b>8 215</b>	5 320

- ◆ **VALEMOUNT TRADING** is a pet food and product manufacturer and supplier to leading retail chains, specialist pet stores and major co-ops in South Africa. In particular through its Westerman and Animal Zone brands, Valemount is the largest manufacturer and distributor of bird seed and related feeder products in the country. The expansion of its range of products supplied to the wider pet market is supported by its international partners, M-PETS, Beeztees and Pet Rebels. Its distribution centres also provide outsourced logistical services to numerous independent pet product suppliers.

A number of acquisitions are being considered to augment Valemount's existing strong organic growth and to widen its product range.

The initial purchase consideration will be adjusted relative to a top-up formula, calculated based on 28 February 2023 audited financial statements once finalised. Sabcap has also committed to increase its Rand investment to facilitate expansion and acquisitions.

Prospects for growth are strong.

<b>Valuation summary:</b>	<b>2022</b>	2021
Basis of valuation	<b>COST</b>	–
39,3% equity interest – R'000	<b>19 548</b>	–
Investment loans – R'000	<b>25 173</b>	–
Total – R'000	<b>44 721</b>	–

## SABCAP CURRENT ASSETS

With regard to Sabcap's current assets:

- ◆ Finance advances and receivables relate primarily to funding to investees, potential investees, co-shareholders and management in investees.
- ◆ Funds are currently held offshore in cash in USD.

## PARTNERSHIP PRINCIPLE

Sabcap invests alongside family, operating and financial partners. Its partners in each investment are recorded in the Annual Integrated Report on the Sabcap website. New partners in the current reporting period include:

- ◆ Masimong Beverage Holdings ("MBH"), (controlled by Mr Mike Teke), RMB Corvest, RMB Family Office Group Solutions (FOGS), and Halewood South Africa executives in Halewood South Africa;
- ◆ The Alan Burke family and Masimong Electrical Holdings ("MEH"), (controlled by Mr Mike Teke), in ARB; and
- ◆ The Damien Westerman family and executive management in Valemount Trading.

## DIRECTORS' SHARE ENCUMBRANCES

None of the shares in Sabcap held by any of the Sabcap directors or any of their related parties, including SFT, are encumbered. Refer to the Directors' Report in the Annual Financial Statements for more detail on the shares held by Sabcap directors.

## RELATED PARTIES

Related party transactions exist between subsidiaries and the holding company, fellow subsidiaries and investee companies, and comprise fees, dividends and interest.

Dividends received from investees during the period were R227,8m (31 Dec 2021: R253,0m). Amounts owed by investees at the end of the period, included in current assets, were R36,6m (31 Dec 2021: Rnil). Fees received from investees during the period were R1,7m (31 Dec 2021: R1,5m).

Transactions with directors relate to fees and monies lent to the Group by individuals and by companies and trusts associated with the directors.

## DIVIDENDS

Dividends of 90 cents per share have been declared, being a 30 cent interim dividend and a 60 cent final dividend, representing a 20% increase over the 2021 dividend of 75 cents per share. In addition, R9,5m (31 December 2021: R66m) was allocated to buybacks of Sabcap shares during the period.

## ACCOUNTING POLICIES

The audited preliminary consolidated summarised financial statements have been prepared in accordance with the framework concepts and the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and comply with the minimum disclosure requirements of International Accounting Standard 34: Interim Financial Reporting Guides issued by the Accounting Practices Committee and the JSE Listings Requirements and the requirements of the Companies Act of South Africa.

The accounting policies are in terms of IFRS and are consistent with those of the previous financial statements. The financial statements have been prepared on a historical cost basis, except for financial instruments and investments which are measured at fair value.

The significant accounting policies are available for inspection at the Company's registered office. There has been no material change in judgements or estimates of the amounts reported in prior reporting periods. The preparation of these preliminary consolidated summarised financial statements were supervised by the Chief Financial Officer, K De Matteis CA(SA).

The announcement does not include the information required pursuant to paragraph 16A(j) of IAS 34. The full annual financial statements of the Group set out in these disclosures, the preparation of which was supervised by the CFO, are available on the issuer's website, at the issuer's registered offices and upon request.

## CONTINGENT LIABILITIES AND COMMITMENTS

As at 31 December 2022, the Group had the following contingent liabilities and commitments:

- ◆ The Group has rights and obligations in terms of shareholder or purchase and sale agreements relating to its present and former investments.
- ◆ A subsidiary has given guarantees on behalf of certain investees in the ordinary course of business for deal and operational credit in amounts totaling R140m (31 Dec 2021: R150m) and which were utilised at the reporting date in the amount of R40m (31 Dec 2021: Rnil).
- ◆ A subsidiary had given an undertaking to follow a rights issue in an investee of up to USD3 million if so required by its bankers in 2022. This was released during the reporting period.
- ◆ The investment cost in Valemout Trading is subject to a top-up adjustment formula based on their 28 February 2023 audited financial statements once finalised. The top-up is not expected to exceed R10m. There are no other capital commitments.

## DIRECTORATE AND GOVERNANCE

Ray Pleaner retired as an executive director of the Company and CFO of the Group with effect from 30 April 2022. He will, however, continue in a corporate finance related role for an agreed period.

Kyle De Matteis was appointed a director of the Company and CFO of the Group with effect from 30 April 2022.

The following changes were effective 31 December 2022:

- ◆ There will no longer be a position of Deputy Chairman;
- ◆ Funke Ighodaro was appointed Lead Independent Director in place of Bheki Shongwe who stepped down after a lengthy tenure in the role;
- ◆ Funke Ighodaro was appointed Chair of the Investment Committee in place of Kuben Pillay; and
- ◆ Bheki Shongwe was appointed Chair of the Social and Ethics Committee in place of Lindiwe Mthimunye.

The Board continues to comprise four independent non-executive directors (INEDs) and three executive directors. The Board has five committees and each INED now chairs at least one committee

## KING IV™ COMPLIANCE

Sabvest's King IV™ compliance report is on the Sabcap website and in the Sabcap 2022 Integrated Report.

## 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.

For and on behalf of the Board

**Kuben Pillay**  
*Chairman*

**Christopher Seabrooke**  
*CEO*

**Kyle De Matteis**  
*CFO*

Sandton  
16 March 2023

## 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
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Trading "EX" dividend commences	Wednesday, 12 April 2023
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Record date	Friday, 14 April 2023
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Dividend payment date	Monday, 17 April 2023
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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.

**Registered address:**

4 Commerce Square, 39 Rivonia Road, Sandhurst, Sandton 2196

**Communications:**

Postal address: PO Box 78677, Sandton 2146, Republic of South Africa  
 Telephone: (011) 268 2400 • Fax: (011) 268 2422 • e-mail: ho@sabvest.com

**Transfer secretaries:**

Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2107)

**Directors:**

K Pillay # (*Chairperson*), O Ighodaro # (*Lead Independent Director*), CS Seabrooke \* (*Chief Executive*), BJT Shongwe #, L Mthimunye #,  
 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](http://www.sabvestcapital.com)