

Condensed consolidated unaudited interim results

for the six months ended 30 June 2024



HULAMIN

Think future. Think aluminium.

Results Headlines

R7 billion
turnover down by
6%

Normalised EBITDA
down by
19% to
R343m
as export pricing
pressure continued
into H1

Rolled products
sales down
3% to
87 340t
due to displaced
low margin hot
band of 8 757t
through
simplification
in Q1 2023

Strong local
demand with local
sales at
55%
for rolled products,
up
8%

Capital investments
up
114% to
R302m
as market driven
capital spend
remain our core
strategic focus

Debt to equity at
38.3%
being up
10.2%



Mark Gounder,
Hulamín's Chief Executive Officer, commented:

"Demand for Hulamín products started to improve in H1 2024, especially in Q2 following a period of abnormally weak demand in our export markets since H2 2023 while our local demand remained robust.

The Group continued with its strategic focus on simplifying the product range, increasing scrap utilisation, reducing costs and delivering its market driven capital expenditure to position the business to take advantage of structural growth markets.

As a result, while the first half of 2024's overall performance was lower than that of H1 2023, it represented a notable improvement compared to H2 2023."

ENQUIRIES

Hulamín

033 395 6911

hulamín@hulamín.co.za

Business overview

Group turnover declined by 6% to R7.0 billion (H1 2023: R7.4 billion) impacted by lower volumes. Overall group volumes declined 4% to 92 150 tons (H1 2023: 95 588 tons) due to 8 757 tons of displaced low margin hotband and market challenges impacting our Extrusions business segment. Our simplification strategy continued to yield positive results by releasing rolling capacity for higher margin products.

The focus on an improved product mix saw local sales at 55% of total Rolled Products volumes compared to 47% in the prior period. Can sales remain a strategic focus for the business as this is a long-term structural growth market. We are allocating capital produce wide can body product, thereby positioning the business to capitalize on this growth market.

Our improved mix performance was offset by higher than inflationary increases on commodity pricing which was not absorbed by the 3% weaker exchange rate. In our efforts to maintain profitability we continued to focus on costs.

This resulted in normalised EBITDA being down 19% at R343 million (H1 2023: R426 million).

Normalised HEPS, which excludes metal price lag and material non- trading items, decreased 38% to 43 cps (H1 2023: 70 cps).

HEPS, which includes metal price lag, decreased 17% to 79 cps (H1 2023: 95 cps) due to the benefit of a metal price lag profit of R152 million for the period (H1 2023: R109 million) which arose from the timing difference between the purchase and selling price of aluminium metal.

The Group's commitment towards positioning the group for long- term growth to benefit from growth markets remained our core focus with R99 million being allocated towards projects to enable the production of wide can body and enable increased scrap utilisation. This brought total capital expenditure for the period to R302 million, being R161 million higher than comparable period.

The increased investment in capex and increased working capital requirements to support the integrated shut for June/July resulting in our gearing increasing to 38.3% (H1 2023: 28.1%).

Conclusion and prospects

The recovery in our export market segment has had a temporary setback following the fire outbreak in the Coil Coating Line impacting mainly the export can end and tab markets. Management's focus is on optimizing the available plant capacity towards higher margin products and a comprehensive focus on cost curtailment in line with reduction in volumes. Progress on the repair work to the coating line is on schedule with resumed production expected by mid-September.

Our embedded simplification strategy will enable agility during the second half of 2024 with a focus on high margin products. Debt reduction will remain a priority.



TP Leeuw

Chairman of the Board

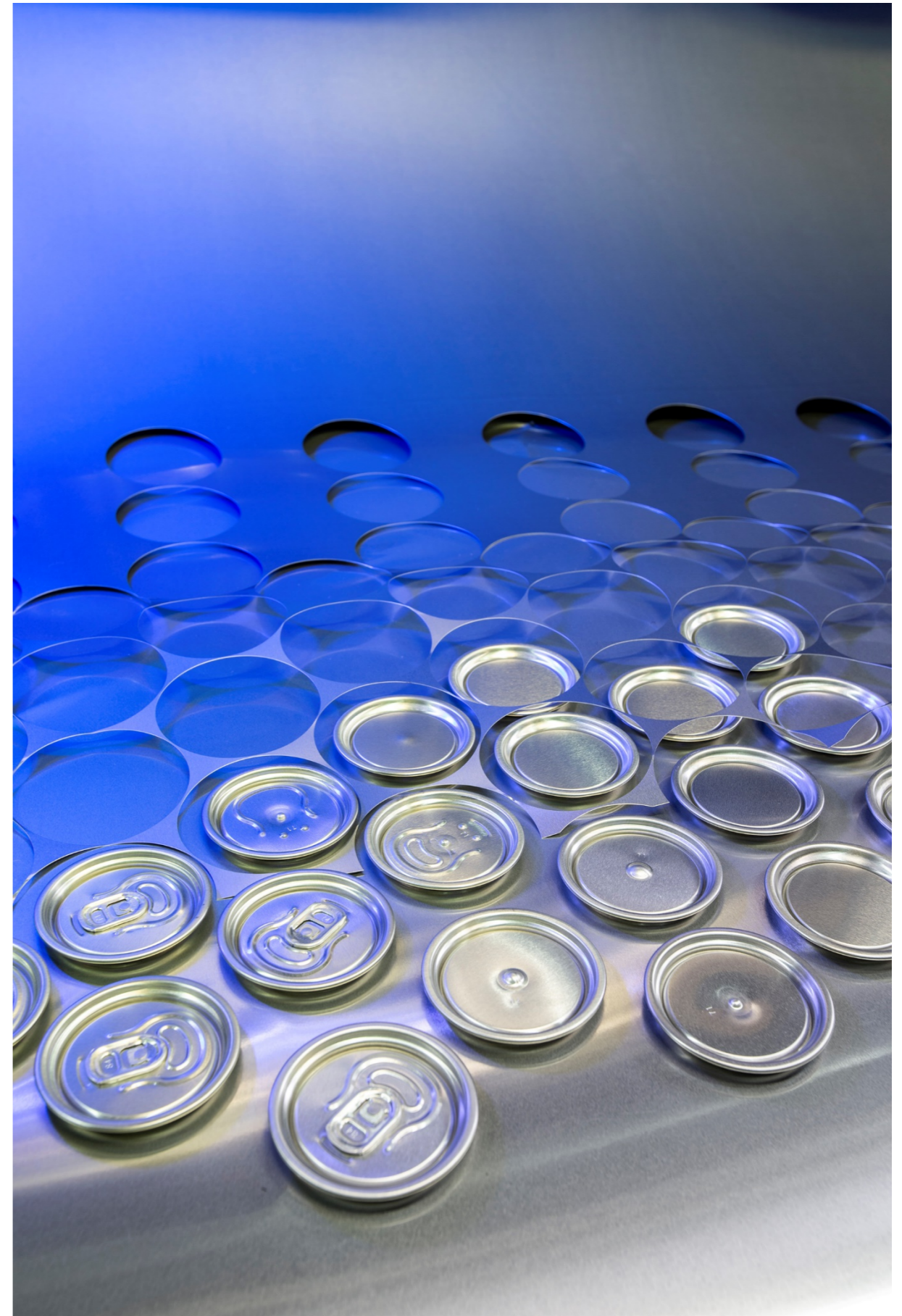
Pietermaritzburg
19 August 2024



M Gounder

Chief Executive Officer

Pietermaritzburg
19 August 2024



Condensed consolidated unaudited statement of financial position

as at 30 June 2024

	Notes	Unaudited Half-year 30 June 2024 R'000	Unaudited Half-year 30 June 2023 R'000	Audited Year ended 31 December 2023 R'000
ASSETS				
Non-current assets				
Property, plant and equipment		1 524 380	1 122 624	1 250 384
Right-of-use assets		49 648	56 237	56 625
Intangible assets		69 890	42 634	77 550
Goodwill	12(a)	1 414	-	-
Retirement benefit asset		56 192	51 513	55 063
Deferred tax asset		38 728	86 677	72 186
Investment in insurance arrangement	10 (b)	5 155	5 504	5 504
Other long-term assets	10 (a)	6 599	37 484	6 618
Investments accounted for using the equity method	9	-	70 068	71 556
		1 752 006	1 472 741	1 595 486
Current assets				
Inventories		4 050 165	3 744 718	3 129 772
Trade and other receivables		1 758 868	1 606 684	1 282 279
Derivative financial assets		21 293	8 140	18 532
Cash and cash equivalents		117 877	44 704	189 855
Income tax asset		55	947	-
Other short-term assets		-	-	31 515
		5 948 258	5 405 193	4 651 953
Total assets		7 700 264	6 877 934	6 247 439
EQUITY				
Stated capital and consolidated shares		1 817 627	1 817 627	1 817 627
Treasury shares		(35 863)	(35 863)	(35 863)
BEE reserve		38 357	34 433	36 395
Employee share-based payment reserve		41 233	41 455	46 808
Hedging reserve		15 571	2 643	8 042
Retained earnings		1 932 018	1 676 035	1 665 565
Total equity		3 808 943	3 536 330	3 538 574
LIABILITIES				
Non-current liabilities				
Lease liabilities		44 402	41 673	51 875
Deferred tax liability		41 818	3 909	-
Retirement benefit obligations		208 487	212 312	204 326
		294 707	257 894	256 201
Current Liabilities				
Trade and other payables		2 074 327	1 967 915	1 446 832
Current borrowings		1 495 262	1 043 313	994 014
Lease liabilities		12 680	23 640	11 640
Income tax liability		14 345	812	178
Derivative financial liabilities		-	48 030	-
		3 596 614	3 083 710	2 452 664
Total liabilities		3 891 321	3 341 604	2 708 865
Total equity and liabilities		7 700 264	6 877 934	6 247 439

Condensed consolidated unaudited statement of profit or loss

for the six months ended 30 June 2024

	Notes	Unaudited Half-year 30 June 2024 R'000	Unaudited Half-year 30 June 2023 R'000	Audited Year ended 31 December 2023 R'000
Revenue from contracts with customers				
	3	6 967 290	7 404 298	13 795 628
Cost of goods sold		(5 867 611)	(6 163 728)	(11 816 174)
Cost of services provided		(35 749)	(39 110)	(95 634)
Gross profit		1 063 930	1 201 460	1 883 820
Selling, marketing and distribution expenses		(267 845)	(436 499)	(738 335)
Administrative and other expenses		(380 376)	(312 516)	(643 477)
Net (impairment)/reversal on financial assets		(1 511)	(2 832)	1 901
Gains/(losses) on financial instruments related to trading activities	4	(14 708)	(948)	(1 646)
Other gains/(losses)	5	34 178	24 819	29 756
Operating profit		433 668	473 484	532 019
Interest income		1 000	6 480	13 359
Interest expense		(80 981)	(76 281)	(160 703)
Profit before share of joint venture (losses)/ profits		353 687	403 683	384 675
Share of net (losses) of joint ventures accounted for using the equity method	9	(665)	(1 021)	(4 046)
Profit before tax		353 022	402 662	380 629
Taxation	6	(96 065)	(108 357)	(108 828)
Net profit for the period attributable to equity holders of the company		256 957	294 305	271 801
Basic earnings per share	(cents)	83	95	88
Diluted earnings per share	(cents)	77	88	83

Condensed consolidated unaudited statement of comprehensive income

for the six months ended 30 June 2024

	Unaudited Half-year 30 June 2024	Unaudited Half-year 30 June 2023	Audited Year ended 31 December 2023
	R'000	R'000	R'000
Net profit for the period attributable to equity holders of the company	256 957	294 305	271 801
Other comprehensive income for the period	6 775	2 949	19 618
Items that may be reclassified subsequently to profit or (loss):	7 529	2 643	8 042
Cash flow hedges transferred to the statement of profit or (loss)	-	-	8 513
Cash flow hedges created	-	3 621	2 503
Cost of hedging	9 562	-	-
Income tax relating to these items	(2 033)	(978)	(2 974)
Items that will not be reclassified to profit or (loss):	(754)	306	11 576
Remeasurements of retirement benefit obligations	(1 033)	419	15 858
Income tax relating to these items	279	(113)	(4 282)
Total comprehensive profit for the period attributable to equity holders of the company	263 732	297 254	291 419

Condensed consolidated unaudited cash flow statement

for the six months ended 30 June 2024

	Notes	Unaudited Half-year 30 June 2024	Unaudited Half-year 30 June 2023	Audited Year ended 31 December 2023
		R'000	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	A	(163 674)	176 361	685 907
Interest paid		(84 886)	(69 924)	(159 372)
Interest received		1 000	2 199	4 431
Income taxes paid		(31 126)	(124 619)	(167 712)
Net cash (outflow)/inflow from operating activities		(278 686)	(15 983)	363 254
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment		(299 377)	(125 872)	(253 179)
Additions to intangible assets		(2 223)	(15 261)	(58 418)
Proceeds from disposal of property, plant and equipment		-	-	909
Proceeds from insurance cell arrangement		-	478	478
Acquisition of additional shares in Isizinda	12(a)	(18 001)	-	-
Proceeds from repayments of loan granted to investment accounted for using the equity method		(462)	5 068	1 105
Net cash outflow from investing activities		(320 063)	(135 587)	(309 105)
Cash flows before financing activities ("free cash flow")		(598 749)	(151 570)	54 148
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from current borrowings		501 248	126 474	77 175
Proceeds from long term deposit		31 515	-	-
Payment of principal portion of lease liabilities		(6 314)	(9 428)	(16 714)
Net cash inflow from financing activities		526 449	117 046	60 461
Net (decrease)/ increase in cash and cash equivalents		(72 300)	(34 524)	114 609
Cash and cash equivalents at beginning of period		189 855	81 294	81 294
Effects of exchange rate changes on cash and cash equivalents		322	(2 066)	(6 048)
Cash and cash equivalents at end of period		117 877	44 704	189 855

Condensed consolidated unaudited notes to the cash flow statement

for the six months ended 30 June 2024

Notes	Unaudited Half-year	Unaudited Half-year	Audited Year ended
	30 June 2024	30 June 2023	31 December 2023
	R'000	R'000	R'000
A Cash generated from operations			
Profit before tax	353 022	402 662	380 629
Net interest cost	79 981	69 801	147 344
Operating Profit	433 003	472 463	527 973
Adjusted for non-cash flow items:			
Depreciation of property, plant and equipment	61 456	46 730	104 625
Depreciation of right-of-use assets	6 858	8 274	16 046
Amortisation of intangible assets	9 883	5 878	14 119
Impairment raised/ (reversed) of financial assets	1 511	2 832	(1 901)
Loss on disposal of property, plant and equipment	343	47	741
Share of net loss of joint ventures accounted for using the equity method	665	1 021	4 046
Net movement in retirement benefit asset and obligations	1 999	3 628	7 530
Value of employee services received under share schemes	16 000	6 015	15 638
Foreign exchange (profit)/losses on cash and cash equivalents	(322)	2 066	6 048
Currency exchange translation on foreign debtors and creditors	(2 757)	(2 738)	6 820
Fair value adjustment on investment in insurance arrangement	(424)	(180)	(181)
Fair value adjustment on investment in long term deposits	19	-	-
Intercompany loan reclassification between Isizinda and Operations	79 256	-	-
Other non-cash items	(3 862)	-	(2 157)
Cash generated before working capital changes	603 628	546 036	699 347
Changes in working capital	(767 302)	(369 675)	(13 440)
Cash generated from operations	(163 674)	176 361	685 907
Changes in working capital			
(Increase)/ Decrease in inventories	(920 393)	(305 315)	279 590
(Increase)/ Decrease in trade and other receivables	(480 505)	(199 349)	131 426
(Increase) in derivatives	(2 761)	(2 666)	(14 988)
Increase /(Decrease) in trade and other payables	636 357	137 655	(409 468)
	(767 302)	(369 675)	(13 440)



Condensed consolidated unaudited statement of changes in equity

for the six months ended 30 June 2024

	Stated capital and consolidated shares	Treasury shares	Hedging reserve	Employee share-based payment reserve	BEE reserve	Retained earnings	Total equity
	A	B	C	D	E	F	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance as at 31 December 2022 Audited	1 817 627	(35 863)	-	38 598	32 471	1 380 228	3 233 061
Net profit for the period	-	-	-	-	-	294 305	294 305
Other comprehensive income net of tax:							
– cash flow hedges	-	-	2 643	-	-	-	2 643
– retirement benefit assets and obligations	-	-	-	-	-	306	306
Total comprehensive income for the period	1 817 627	(35 863)	2 643	38 598	32 471	1 674 839	3 530 315
Equity settled share-based payment schemes:							
– Value of employee services	-	-	-	4 053	1 962	-	6 015
– Settlement and forfeiture of employee share incentives	-	-	-	(1 196)	-	1 196	-
Balance as at 30 June 2023 Unaudited	1 817 627	(35 863)	2 643	41 455	34 433	1 676 035	3 536 330
Net loss for the period	-	-	-	-	-	(22 504)	(22 504)
Other comprehensive income net of tax:							
– cash flow hedges	-	-	5 399	-	-	-	5 399
– retirement benefit assets and obligations	-	-	-	-	-	11 270	11 270
Total comprehensive income for the period	1 817 627	(35 863)	8 042	41 455	34 433	1 664 801	3 530 496
Equity settled share-based payment schemes:							
– Value of employee services	-	-	-	7 661	1 962	-	9 623
– Settlement and forfeiture of employee share incentives	-	-	-	(2 308)	-	764	(1 544)
Balance as at 31 December 2023 Audited	1 817 627	(35 863)	8 042	46 808	36 395	1 665 565	3 538 574
Net profit for the period	-	-	-	-	-	256 957	256 957
Other comprehensive income net of tax:							
– cash flow hedges	-	-	7 529	-	-	-	7 529
– retirement benefit assets and obligations	-	-	-	-	-	(754)	(754)
Total comprehensive income for the period	1 817 627	(35 863)	15 571	46 808	36 395	1 921 768	3 802 306
Equity settled share-based payment schemes:							
– Value of employee services	-	-	-	14 038	1 962	-	16 000
– Settlement and forfeiture of employee share incentives	-	-	-	(19 613)	-	10 250	(9 363)
Balance as at 30 June 2024 Unaudited	1 817 627	(35 863)	15 571	41 233	38 357	1 932 018	3 808 943

Notes to the condensed consolidated unaudited statement of changes in equity

for the six months ended 30 June 2024

A. Stated capital and consolidation shares

Stated capital represents the Group's issued share capital held by outside shareholders. Consolidation shares represent shares held under various BEE transactions.

B. Treasury shares

Shares in the company held by wholly owned Group companies are classified as treasury shares. These shares are treated as a deduction from the issued and weighted average number of shares and the cost of the shares is deducted from Group equity. Dividends received on treasury shares are eliminated on consolidation. No gains and losses are recognised in the Group statement of profit or loss or the statement of comprehensive income on the purchase, sale, issue or cancellation of treasury shares. During the period the Group did not purchase any shares (2023: Nil shares).

C. Hedging reserve

The hedging reserve includes the cash flow hedge reserve and the costs of hedging reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently transferred to revenue as part of the hedging relationship or reclassified to profit or loss as appropriate. The Group defers the changes in the time value of option contracts in the costs of hedging reserve.

D. Employee share-based payments reserve

The share-based payments reserve is used to recognise the grant date fair value of options issued to employees. On settlement the value of the reserve is transferred to retained earnings. A deferred tax asset on outstanding grants is recognised where the grants are in-the-money, with the deferred tax on the portion above the fair value of the option being recognised directly in retained earnings.

E. BEE reserve

The BEE reserve is used to recognise the grant date fair value of options issued to identified BEE participants (Strategic Partners).

F. Retained earnings

The retained earnings represent the cumulative historic profit and loss reinvested in the Group. No restrictions exist on the use of the retained income.

Notes to the condensed consolidated unaudited financial statements

for the six months ended 30 June 2024

1. Basis of preparation of unaudited condensed consolidated financial statements

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024 have been prepared using the framework principles, the recognition and measurement principles of IFRS Accounting Standards and contain the presentation and disclosures required by IAS 34, "Interim Financial Reporting", the framework concepts and measurement and recognition requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and the Companies Act No. 71 of 2008, under the supervision of the Chief Financial Officer, Ms P Nirghin CA(SA). The interim results in June 2024 and 2023, for which the directors take full responsibility, have not been audited. The condensed consolidated results for 31 December 2023, which are audited, have been correctly extracted from the audited annual financial statements upon which Ernst & Young Inc. issued an unqualified opinion. The unaudited condensed consolidated financial statements are prepared in thousands of South African Rand (R'000) on the historical cost basis, except for the measurement of financial instruments, the valuation of share-based payments, non-current assets held for sale, insurance arrangement and retirement benefit assets and obligations.

The accounting policies adopted are in terms of IFRS Accounting Standards as issued by the International Accounting Standards Board and are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below.

(a) New and revised standards and interpretations in issue and not yet effective which are applicable to the Group

Pronouncement	Effective Date	Impact
Lack of exchangeability – Amendments to IAS 21	Effective date is 1 January 2025	Amendments to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Hulamin does not expect this to have a material impact to the Group financial statements.
Presentation and disclosure in financial statements – IFRS 18	Effective date is 1 January 2027	IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information. An entity will be required to classify all income and expenses with its statements of profit or loss into one of five categories: operating, investing, financing, income taxes and all discontinued operations. IFRS 18 requires an entity to present subtotals and totals for "operating profit or loss", profit or loss before financing and income taxes" and "profit or loss". Hulamin does not expect this to have a material impact to the Group financial statements.

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

(a) New and revised standards and interpretations in issue and not yet effective which are applicable to the Group

Pronouncement	Effective Date	Impact
Classification and measurement of financial instruments – Amendments to IFRS 9 and IFRS 7	Effective date is 1 January 2026	<p>Amendments to IFRS 9 and IFRS 7 “Classification and measurement of financial instruments” specifies the below:</p> <ul style="list-style-type: none"> Clarifies that a financial liability is derecognised on “settlement date”, i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. Clarifies how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG) linked features and other similar contingent features Clarifies the treatment of non-recourse assets and contractually linked instruments Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income <p>Hulamin does not expect this to have a material impact to the Group financial statements.</p>
Subsidiaries without Public Accountability: Disclosures – IFRS 19	Effective date is 1 January 2027	<p>IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards.</p> <p>Hulamin does not expect to have a material impact to the Group financial statements.</p>

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

(b) New and revised standards and interpretations in issue and effective which are applicable to the Group

Pronouncement	Effective Date	Impact
Classification of liabilities as Current or Non-current – Amendments to IAS-1.	Effective date is 1 January 2024	<p>Amendments to IAS 1 “Presentation of Financial Statements” to specify the requirements for classifying liabilities, subject to covenants, as current or non-current. The amendments clarify:</p> <ul style="list-style-type: none"> What is meant by a right to defer settlement That a right to defer must exist at the end of the reporting period contingent on compliance with future covenants within twelve months. That classification is unaffected by the likelihood that an entity will exercise its deferral right. That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. Disclosures requirements for liabilities arising from loan agreements that are classified as non-current. <p>Hulamin does not expect this to have a material impact on the Group financial statements.</p>
Lease liability in a sale and leaseback- Amendments to IFRS 16	Effective date is 1 January 2024	<p>Amendments to IFRS 16, “Leases” which specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right-of-use it retains.</p> <p>Hulamin does not expect these amendments to have a material impact on the Group financial statements.</p>
Disclosures: Supplier Finance Arrangements– Amendments to IAS 7 and IFRS 7	Effective date is 1 January 2024	<p>Amendments to specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk.</p> <p>Hulamin does not expect these amendments to have a material impact on the Group financial statements.</p>
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Effective date is 1 January 2024	<p>Amendment clarifies that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors’ interests in the associate or joint venture.</p> <p>Hulamin does not expect these amendments to have a material impact on the Group financial statements.</p>

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

2. Significant changes in the current reporting period

The significant events and transactions that have impacted the Group results for the year ended 30 June 2024 are detailed in the commentary and include the following:

- The net profit attributable to shareholders of the Group for the period ended 30 June 2024 amounted to R257 million (2023: R294 million).
- Earnings per share amounted to 83 cents (2023: 95 cents).
- Normalised headline earnings per share of 43 cents (2023: 70 cents).
- Metal price lag (MPL) gain of R152 million (refer to note 3(a)) was recorded in 2024 (2023: gain of R108 million).
- In February 2024, Hulam Operations (Pty) Ltd acquired 58.7% of the equity interest in Isizinda Aluminium (Pty) Ltd which was previously accounted for as a joint venture. The change in shareholding resulted in Hulam Operations owning a 100% shareholding in Isizinda Aluminium (Pty) Ltd. Refer to note 12(a).
- On 24 June 2024, Hulam had a fire outbreak in the Coil Coating Line impacting mainly the export can end and tab markets. Repair work is on schedule with resumed production expected by mid-September. Hulam is comprehensively insured for both asset replacement and business interruption.

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

3. Reportable segment analysis and revenue from contracts with customers

The Group's reportable segments have been determined in accordance with how the Hulam Executive Committee, which is the Group's most senior operating decision-making body, allocates resources and evaluates performance and are predominantly based on business segment hierarchy which is representative of the internal reporting used for management purposes.

The Group is organised into two major operating divisions, namely Hulam Rolled Products and Hulam Extrusions.

The Hulam Rolled Products segment, which comprises the Hulam Rolled Products and Hulam Containers businesses, manufactures and supplies fabricated and rolled semi-finished aluminium products as well as aluminium foil containers and related products.

The Hulam Extrusions segment manufactures and supplies extruded aluminium products.

All segment revenue and expenses are directly attributable to the segments. Segment assets include all operating assets used by a segment, as well as current assets. Segment liabilities include all operating liabilities. These assets and liabilities are all directly attributable to the segments. Transactions between segments are carried out at arm's-length and are eliminated on consolidation. Transactions which represent the sale of a particular segment's finished goods to another segment do not occur and as such no inter-segment revenue is earned.

Finance costs, finance income, other income, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

Capital expenditure consists of additions of property, plant and equipment and intangible assets.

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

3. Reportable segment analysis and revenue from contracts with customers continued

(a) Segmental revenue, earnings and other disclosure

	Unaudited Half-year 30 June 2024			Unaudited Half-year 30 June 2023			Audited Year ended 31 December 2023		
	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group R'000	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group R'000	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group R'000
Revenue from contracts with customers: External	6 590 372	376 918	6 967 290	6 957 176	447 122	7 404 298	12 916 441	879 187	13 795 628
Revenue by product market									
Automotive and transport	558 892	90 308	649 200	518 050	98 876	616 926	1 019 685	204 161	1 223 846
Building and construction	3 141	40 878	44 019	40 760	-	40 760	71 417	63 586	135 003
General engineering	2 039 192	245 732	2 284 924	2 433 927	318 511	2 752 438	4 317 724	611 440	4 929 164
Packaging	3 980 403	-	3 980 403	3 969 868	29 735	3 999 603	7 497 417	-	7 497 417
Other	8 744	-	8 744	(5 429)	-	(5 429)	10 198	-	10 198
Earnings									
EBITDA**	520 791	(8 926)	511 865	520 850	13 516	534 366	665 609	1 200	666 809
Depreciation and amortisation	(67 221)	(10 976)	(78 197)	(52 710)	(8 172)	(60 882)	(117 134)	(17 656)	(134 790)
Operating profit/(loss)	453 570	(19 902)	433 668	468 140	5 344	473 484	548 475	(16 456)	532 019
Interest income	1 000	-	1 000	6 480	-	6 480	13 359	-	13 359
Interest expense	(80 956)	(25)	(80 981)	(76 258)	(23)	(76 281)	(160 656)	(47)	(160 703)
Profit/(loss) before share of joint ventures	373 614	(19 927)	353 687	398 362	5 321	403 683	401 178	(16 503)	384 675
Share of net (loss) on joint ventures accounted for using the equity method	(665)	-	(665)	(1 021)	-	(1 021)	(4 046)	-	(4 046)
Profit/(loss) before tax	372 949	(19 927)	353 022	397 341	5 321	402 662	397 132	(16 503)	380 629
Taxation	(96 065)	-	(96 065)	(108 357)	-	(108 357)	(109 065)	237	(108 828)
Net profit/(loss) for the period	276 884	(19 927)	256 957	288 984	5 321	294 305	288 067	(16 266)	271 801

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

3. Reportable segment analysis and revenue from contracts with customers continued

(a) Segmental revenue, earnings and other disclosure continued

	Unaudited Half-year 30 June 2024			Unaudited Half-year 30 June 2023			Audited Year ended 31 December 2023		
	Hulamin Rolled Products	Hulamin Extrusions	Group	Hulamin Rolled Products	Hulamin Extrusions	Group	Hulamin Rolled Products	Hulamin Extrusions	Group
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Reconciliation of net profit/(loss) to headline earnings/(loss)									
Net profit/(loss) for the period	276 884	(19 927)	256 957	288 984	5 321	294 305	288 067	(16 266)	271 801
Remeasurement (gain) of investment previously held	(17 536)	-	(17 536)	-	-	-	-	-	-
Tax effect	4 735	-	4 735	-	-	-	-	-	-
(Profit)/loss on disposal of property, plant and equipment	343	-	343	(6)	53	47	1 118	(377)	741
Tax effect	(93)	-	(93)	1	(14)	(13)	(302)	102	(200)
Headline earnings/(loss) for the period	264 333	(19 927)	244 406	288 979	5 360	294 339	288 883	(16 541)	272 342

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

3. Reportable segment analysis and revenue from contracts with customers continued

(a) Segmental revenue, earnings and other disclosure continued

	Unaudited Half-year 30 June 2024			Unaudited Half-year 30 June 2023			Audited Year ended 31 December 2023		
	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group R'000	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group R'000	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group R'000
Reconciliation of headline earnings/(loss) to normalised EBITDA**									
Headline earnings/(loss) for the period	264 333	(19 927)	244 406	288 979	5 360	294 339	288 883	(16 541)	272 342
Metal price lag	(151 947)	-	(151 947)	(108 691)	-	(108 691)	(47 084)	-	(47 084)
Tax effect	41 026	-	41 026	29 347	-	29 347	12 713	-	12 713
Normalised headline earnings/(loss)	153 412	(19 927)	133 485	209 635	5 360	214 995	254 512	(16 541)	237 971
Share of net loss of joint ventures	665	-	665	1 021	-	1 021	4 046	-	4 046
Interest expense	80 956	25	80 981	76 258	23	76 281	160 656	47	160 703
Interest income	(1 000)	-	(1 000)	(6 480)	-	(6 480)	(13 359)	-	(13 359)
Taxation	50 397	-	50 397	79 010	14	79 024	96 654	(339)	96 315
Normalised EBIT*	284 430	(19 902)	264 528	359 444	5 397	364 841	502 509	(16 833)	485 676
Depreciation and amortisation	67 221	10 976	78 197	52 710	8 172	60 882	117 134	17 656	134 790
Normalised EBITDA**	351 651	(8 926)	342 725	412 154	13 569	425 723	619 643	823	620 466
Total assets	7 371 285	328 979	7 700 264	6 525 544	352 390	6 877 934	5 943 910	303 529	6 247 439
Total liabilities	3 664 599	226 722	3 891 321	3 130 079	211 525	3 341 604	2 525 759	183 106	2 708 865
Other disclosures									
Additions to property, plant and equipment and intangible assets	281 223	11 554	292 777	129 072	12 061	141 133	409 855	22 321	432 176
Investment in joint ventures accounted for using the equity method	-	-	-	70 068	-	70 068	71 556	-	71 556
Currency Conversion:									
Rand/US dollar average			18.55			18.21			18.46
Rand/US dollar closing			18.47			18.74			18.54

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

3. Reportable segment analysis and revenue from contracts with customers continued

(a) Segmental revenue, earnings and other disclosure continued

* Earnings before interest and taxation.

** Earnings before interest, taxation, depreciation and amortisation and impairment of property, plant and equipment and intangible assets.

Revenue from transactions with a single external customer amount to 10% or more of the entity's revenue, the total revenue from such customer amounts to R2.4 billion (2023: R1.5 billion).

Note 3 (c) provides the geographic breakdown of the Group's revenue.

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

3. Reportable segment analysis and revenue from contracts with customers continued

(b) Earnings per share ('EPS')

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Potential ordinary shares are treated as dilutive when their conversion to ordinary shares decrease earnings per share or increase loss per share from continuing operations.

The weighted average number of shares used in the calculation of basic and diluted earnings per share, headline earnings per share and normalised earnings per share is as follows:

	Number of shares 30 June 2024	Number of shares 30 June 2023	Number of shares 31 December 2023
Weighted average number of shares used for basic EPS*	308 496 091	308 496 091	308 496 091
Bonus shares	6 182 969	-	4 606 916
Share options	18 252 269	25 448 103	15 155 398
Weighted average number of shares used for diluted EPS**	332 931 329	333 944 194	328 258 405

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.

** In 2024: 24 435 238 potential ordinary share (2023: 25 448 103) potential ordinary shares were dilutive.

Reconciliation of net profit (used in calculating earnings per share) for the period to headline earnings

	Unaudited 30 June 2024		Unaudited 30 June 2023		Audited 31 December 2023	
	Gross R'000	Net of tax R'000	Gross R'000	Net of tax R'000	Gross R'000	Net of tax R'000
Net profit for the period	-	256 957	-	294 305	-	271 801
Adjustments	(17 193)	(12 551)	47	34	741	526
– (Gain) in remeasurement of investment previously held	(17 536)	(12 801)	-	-	-	-
– Loss on disposal of property, plant and equipment	343	250	47	34	741	526
Headline earnings		244 406		294 339		272 327

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

3. Reportable segment analysis and revenue from contracts with customers continued

(b) Earnings per share ('EPS') continued

Reconciliation of net profit (used in calculating earnings per share) for the period to headline earnings continued

	Unaudited Half-year 30 June 2024 R'000	Unaudited Half-year 30 June 2023 R'000	Audited Year ended 31 December 2023 R'000
Reconciliation of headline earnings to normalised earnings			
Headline earnings for the period	244 406	294 339	272 327
Metal price lag (cents)	(151 947)	(108 691)	(47 084)
Tax effect (cents)	41 026	29 347	12 713
Normalised headline earnings	133 485	214 995	237 956
Headline earnings per share			
Basic (cents)	79	95	88
Diluted (cents)	73	88	83
Normalised headline earnings per share			
Basic (cents)	43	70	77
Diluted (cents)	40	64	72

Headline earnings per share, normalised EBIT, normalised EBITDA and normalised headline earnings per share

Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 1/2023 issued by the South African Institute of Chartered Accountants (SAICA).

Normalised EBIT, normalised EBITDA and normalised headline earnings per share are measures which the Hulam Executive Committee uses in assessing financial performance. These are calculated in a consistent manner as per the 2023 annual financial statements.

Normalised headline earnings per share is calculated by dividing normalised headline earnings by the weighted average number of ordinary shares in issue during the year. Normalised headline earnings is defined as headline earnings excluding:

- (i) metal price lag and
- (ii) non-trading expense or income items which, due to their irregular occurrence, are adjusted for in order to better present earnings attributable to the ongoing activities of the Group. Normalised EBIT and EBITDA are similarly derived.

The presentation of normalised EBIT, normalised EBITDA, headline earnings per share and normalised headline earnings per share is not an IFRS Accounting Standards requirement and these may not be directly comparable with the same or similar measures disclosed by other companies.

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

3. Reportable segment analysis and revenue from contracts with customers continued

(c) Disaggregation of revenue from contracts with customers

Revenue has been disaggregated into categories that depict how the nature, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group presented disaggregated revenue based on the type of goods or services provided to customers and the geographical region.

	Unaudited Half-year 30 June 2024 R'000	Unaudited Half-year 30 June 2023 R'000	Audited Year ended 31 December 2023 R'000
Analysis of revenue by product market:			
Automotive and transport	649 200	616 926	1 223 846
Building and construction	44 019	40 760	135 003
General engineering	2 284 924	2 752 438	4 929 164
Packaging	3 980 403	3 999 603	7 497 417
Other	8 744	(5 429)	10 198
	6 967 290	7 404 298	13 795 628
Geographical analysis of revenue:			
South Africa	4 035 865	3 580 609	7 135 045
North America	802 671	1 630 276	2 489 086
Europe	1 588 782	1 713 250	3 101 763
Asia	130 837	36 963	(13 635)
Middle East	54 930	60 573	203 576
Australasia	134 204	196 234	464 476
South America	217 808	188 733	414 020
Rest of Africa	2 193	(2 340)	1 297
	6 967 290	7 404 298	13 795 628

(d) Disaggregation on timing of revenue recognition

	Unaudited Half-year 30 June 2024 R'000	Unaudited Half-year 30 June 2023 R'000	Audited Year ended 31 December 2023 R'000
Timing of revenue recognition:			
At a point in time	6 931 541	7 365 187	13 699 994
Over time	35 749	39 111	95 634
	6 967 290	7 404 298	13 795 628

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

4. Gains and losses on financial instruments related to trading activities

The Group is exposed to fluctuations in aluminium prices and exchange rates and hedges these risks with derivative financial instruments. The Group applies hedge accounting to gains and losses arising from changes in fair value of certain derivative financial instruments.

Hedges of forecast sales transactions, where effective, are accounted for as cash flow hedges.

The effective portion of cash flow hedge gains and losses are recorded initially in the hedge reserve and released to the revenue from contracts with customers when the sale occurs.

Other gains and losses include, inter alia, the fair value adjustments arising from fair value hedges, non-hedged accounted derivative financial instruments (including the ineffective portion of cash flow hedge gains and losses), non-derivative financial instruments and forward point gains.

	Unaudited Half-year 30 June 2024 R'000	Unaudited Half-year 30 June 2023 R'000	Audited Year ended 31 December 2023 R'000
Foreign exchange (losses)/ gains on debtors and creditors	(19 334)	19 188	17 507
Foreign currency denominated cash balances	322	(2 066)	(6 048)
Valuation adjustments on derivative items	4 304	(18 070)	(13 105)
Gains and losses on financial instruments related to trading activities	(14 708)	(948)	(1 646)

Notes to the unaudited condensed consolidated financial statements continued

for the six months ended 30 June 2024

5. Other gains and losses

	Unaudited Half-year 30 June 2024 R'000	Unaudited Half-year 30 June 2023 R'000	Audited Year ended 31 December 2023 R'000
Loss on disposal of property, plant and equipment	(343)	(47)	(741)
Proceeds on insurance claims	-	24 335	24 335
Remeasurement gain on investment previously held	17 536	-	-
Utility costs recovery	7 124	-	-
Other	9 861	531	6 162
	34 178	24 819	29 756

6. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	Unaudited Half-year 30 June 2024 R'000	Unaudited Half-year 30 June 2023 R'000	Audited Year ended 31 December 2023 R'000
Current income tax expense	44 850	87 580	83 789
Deferred income tax expense	51 215	20 777	25 039
	96 065	108 357	108 828
Effective tax rate	27.2%	26.3%	28.6%

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. Based on an assessment of future cash flows and taxable profits, management is of the view that there are sufficient future taxable profits and taxable temporary differences to utilise a portion of the deferred tax asset.

The Group has recognised a R3.1 million deferred tax liability (2023: recognised deferred tax asset of R86.7 million). The Group's unrecognised assessed loss as at 30 June 2024 is R176 million (2023: R118.9 million).

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

7. Related party transactions

Balances and transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Details of the transactions that occurred between the Group and joint venture are disclosed below:

	Unaudited Half-year 30 June 2024 R'000	Unaudited Half-year 30 June 2023 R'000	Audited Year ended 31 December 2023 R'000
Lease rental expense paid to joint venture	716	2 031	4 061
Utilities and services charge paid to joint venture	1 880	4 485	11 571
Accounting fees provided to joint venture	73	-	-
Loan to Isizinda*	-	73 425	77 938
Interest income from joint venture	1 573	4 281	8 892

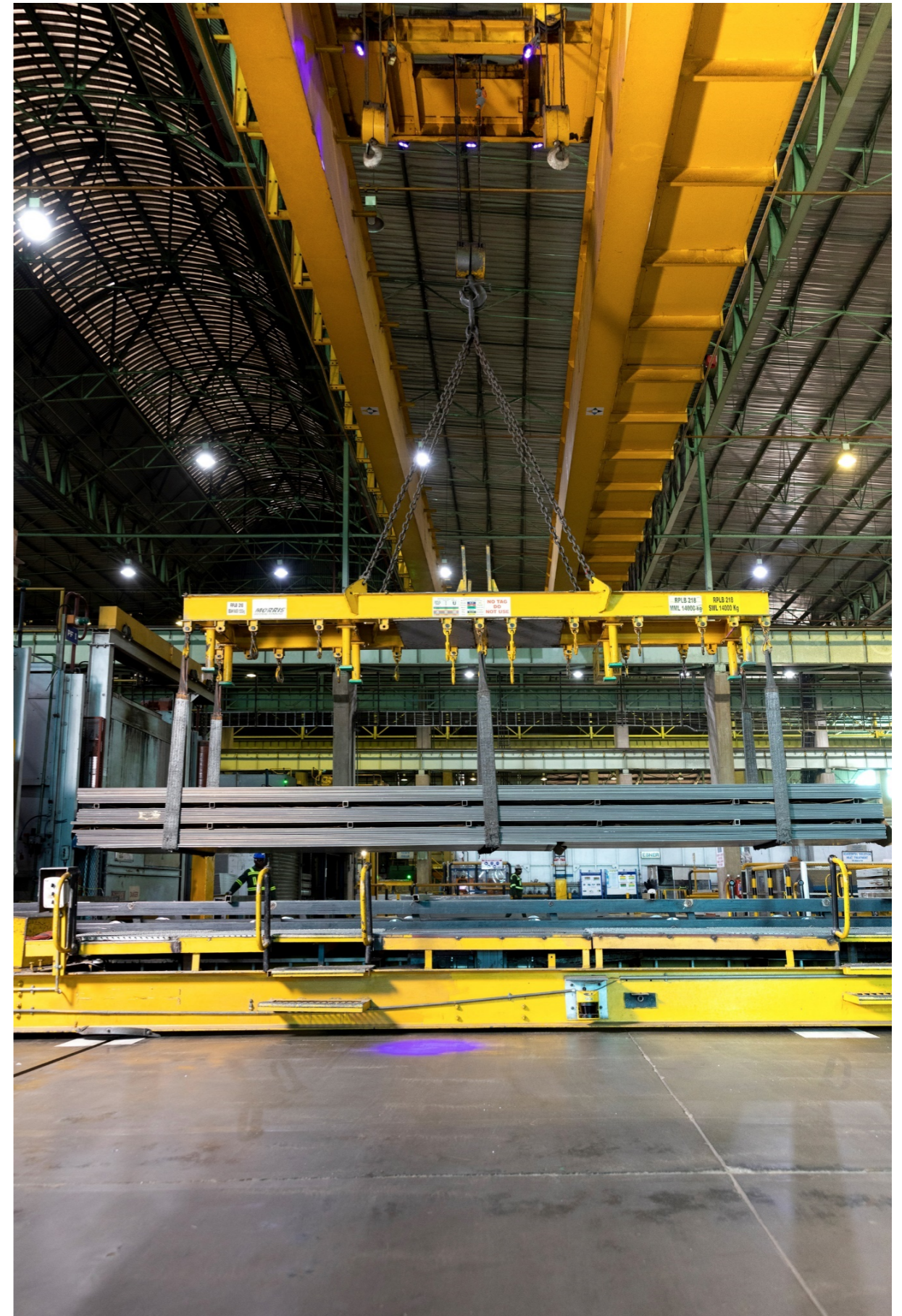
*Isizinda is a subsidiary of the Hulam Group, as at 30 June 2024. The loan is eliminated at consolidation and not disclosed in this note.

8. Commitments and contingent liabilities

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities are as follows:

	Unaudited Half-year 30 June 2024 R'000	Unaudited Half-year 30 June 2023 R'000	Audited Year ended 31 December 2023 R'000
Property, plant and equipment	336 513	165 950	25 073

Capital expenditure will be funded by a combination of external borrowings and cash flows from operations. The Group has no contingent liabilities as at 30 June 2024 (2023: Rnil).



Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

9. Interests in joint ventures

The Group had a 38.7% investment in joint venture, Isizinda. Isizinda is a separate entity incorporated and operating in South Africa. The primary activity of Isizinda is the rental of properties, including the maintenance thereof, and determining the terms for lease agreements.

In February 2024, Hulamin Operations (Pty) Ltd acquired the equity interest previously held by Bingelela Capital (Pty) Ltd resulting in Hulamin Operations owning a 100% shareholding in Isizinda. This transaction resulted in a business combination. Refer to note 12(a).

The summary of financial information in relation to the joint venture as presented below is disclosed at Hulamin Operations' proportional shareholding of 38.7 percent. The summarised information of Hulamin's interest in the joint venture is detailed in the table below:

	Unaudited Half-year 30 June 2024		Unaudited Half-year 30 June 2023		Audited Year ended 31 December 2023	
	Proportional shareholding	Balance	Proportional shareholding	Balance	Proportional shareholding	Balance
	38.7%	100%	38.7%	100%	38.7%	100%
	R'000	R'000	R'000	R'000	R'000	R'000
Reconciliation of summarised financial information presented to the carrying amount of the joint venture						
Opening net assets on 1 January 2024		(6 382)		(2 336)		(2 336)
Adjusted total comprehensive loss for the period 1 Jan 2024 to 29 Feb 2024		(665)		(1 021)		(4 046)
Loan balance attributable to joint ventures*		-		73 425		77 938
Derecognition of investment in joint venture		(72 209)		-		-
Carrying value		-		70 068		71 556
Interest In Joint Venture %		38.7		38.7		38.7

*Isizinda is a subsidiary of the Hulamin Group, as at 30 June 2024. The loan is eliminated at consolidation and not disclosed in this note

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

10. Financial assets

(a) Long-term deposit

A R32.1 million (USD 2 million) deposit was made in 2021 with an insurance company to secure a customs bond in relation to US exports. In 2023, a portion of the long-term assets was reclassified to current assets and disclosed as "short term other assets". During 2024, the short-term deposit was repaid to Hulamin.

The deposit is carried at amortised costs and its carrying value reflects fair value. The carrying amount as at 30 June 2024 is R6.6 million (2023: R37.4 million).

	Unaudited Half-year 30 June 2024 R'000	Unaudited Half-year 30 June 2023 R'000	Audited Year ended 31 December 2023 R'000
Non-current asset			
Opening Balance	6 618	32 150	33 926
Transferred to non-current assets	-	-	(28 327)
Foreign currency translation difference	(19)	5 334	1 019
Total	6 599	37 484	6 618
Current asset			
Opening Balance	31 515	-	-
Transferred from non-current assets	-	-	28 327
Payment received from long term deposit	(31 515)	-	-
Foreign currency translation difference	-	-	3 188
Total	-	-	31 515

(b) Investment in insurance arrangement

	Unaudited Half-year 30 June 2024 R'000	Unaudited Half-year 30 June 2023 R'000	Audited Year ended 31 December 2023 R'000
Opening balance	5 504	5 802	5 802
Change in shareholding payment received	(773)	(478)	(479)
Fair value recognised through profit/loss	424	180	181
Closing balance	5 155	5 504	5 504

During the 2022 financial period, Hulamin entered into an insurance arrangement with Mutual Risk Group (MRG) whereby Hulamin became a shareholder of the MRG arrangement thus classifying such the investment as a financial asset in terms of IFRS 9.

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

10. Financial assets continued

(c) Investment in insurance arrangement continued

In March 2024, there was a reduction in shareholding of Hulamin's share of equity of these vehicles from 5.75% to 5%. This resulted in the Group being paid for the reduction in shareholding.

As at the 30 June 2024 the investment at fair value amounted to R5.2 million. The investment is held at fair value through profit and loss using level 3 fair value hierarchy.

11. Financial assets and liabilities

The classification of financial instruments has not changed since the last reporting date.

Financial assets, which include trade receivables, long-term deposits and cash and cash equivalents, are measured at amortised cost less impairment losses, which are recognised in the statement of profit or loss.

Financial liabilities (excluding liabilities designated in a hedging relationship) that are not designated on initial recognition as financial liabilities at fair value through profit or loss are measured at amortised cost. These consist of trade and other payables, interest-bearing borrowings and lease liabilities.

The fair values of derivative assets and liabilities are calculated as the difference between the contracted value and the value to maturity at the statement of financial position date. The value to maturity of forward foreign exchange contracts is determined using quoted forward exchange rates at the statement of financial position date. The value to maturity of commodity futures is determined by reference to quoted prices at the statement of financial position date. IFRS 13 requires disclosure of fair value measurements by level using the following fair value measurement hierarchy:

- Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All fair values disclosed in these financial statements, excluding non-current assets held for sale, are recurring in nature and all derivative financial assets and liabilities are level 2 in the valuation hierarchy (consistent with December 2023). For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level 1 input that is significant to the fair value measurement as a whole) at the end of each reporting period. Key inputs used in the determination of the fair value relate to London Metal Exchange aluminium prices and currency exchange rates (consistent with December 2023).

There were no transfers between Level 1 and Level 2 fair value measurements during the year, and no transfers into or out of Level 3 fair value measurements during the year.

The carrying amount of each financial asset and liability approximates its fair value.

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

12. Business Combinations

(a) Acquisition of Isizinda Aluminium (Pty) Ltd

In February 2024, Hulamin Operations (Pty) Ltd acquired 58.7% of the equity interest of Isizinda Aluminium (Pty) Ltd for a consideration of R18 million which was previously held by Bingelela Capital (Pty) Ltd, as part of a strategic business decision. This resulted in Hulamin Operations owning a 100% shareholding in Isizinda Aluminium (Pty) Ltd. Isizinda Aluminium (Pty) Ltd is based in Richards Bay, Kwa-Zulu Natal and is a property-owning company which derives its revenue from rental income. Isizinda Aluminium (Pty) Ltd was accounted for in 2023 as a joint venture (Note 9).

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Isizinda Aluminium (Pty) Ltd as at date of acquisition were:

	Fair value recognised on acquisition 1 March 2024 R'000
Assets	
Property, plant and equipment	14 184
Investment property	110 000
Cash and cash equivalents	30
Trade and other receivables	3 573
Total	127 787
Liabilities	
Trade and other payables	133
Deferred tax liabilities	(21 557)
Shareholders loan	(79 255)
Total	(100 679)
Total identifiable net assets	27 108
Goodwill arising on acquisition	1 414
Previously held interest	(10 491)
Purchase consideration transferred	18 031

The acquisition date fair value of the trade receivables amounts to R3.6 million which is the gross trade receivables. It is expected that the full contractual amount can be collected.

Isizinda's business combination was achieved in stages, at acquisition date the fair value of the previously held interest amounted to R10.5 million. The remeasurement gain of R17 million was recognised in other gains and losses in the statement of comprehensive income.

The net asset value was used to calculate the fair value for the previously held investment, and certain adjustments were made in order to arrive at an appropriate fair value of the investment.

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

12. Business Combinations continued

(a) Acquisition of Isizinda Aluminium (Pty) Ltd continued

The goodwill of R1.4 million comprises the value of expected synergies arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

Independent valuations of the investment property and property, plant and equipment were performed by external and qualified valuers in order to arrive at their respective fair values. These valuations represent level 3 fair value measurements. The land and building were valued using the income capitalisation method, taking into account comparable market transactions, reduced by remedial works required to the property for best use. Key unobservable inputs related to market rentals, comparable transactions and the capitalisation rate applied.

Revenue and profit recognition

From the date of acquisition, Isizinda Aluminium (Pty) Ltd has contributed R1.9 million of revenue and a loss of R3.5 million to profit before tax of the Group. If the business combination had taken place at the beginning of the year, an amount of R7 billion would have been contributed to revenue and a net profit before tax for the period would have been R353 million for the Group.

Analysis of cashflow on acquisition

	Cashflow on acquisition R'000
Net cashflow acquired with subsidiary	30
Consideration paid	(18 031)
	(18 001)

The business combination accounting is incomplete, and the amounts reported are provisional amounts as the fair value measures are still being finalised. The following disclosures include provisional amounts:

- Goodwill
- Net assets and liabilities
- Investment previously held

Notes to the condensed consolidated unaudited financial statements continued

for the six months ended 30 June 2024

13. Going concern assessment

The Group results have been prepared using appropriate accounting policies, supported by reasonable judgements and estimates.

The Group's management of working capital and free cash flows focused on increased inventory to satisfy demand during H2 of 2024. The directors believe that cash generated by the Groups' operations, continued cash preservation activities and the committed unutilised debt facilities will enable the Group to continue meeting its obligations as they fall due.

Hulamin closed 2023 with a strong balance sheet, with net debt of R867.7 million and a net debt to equity ratio of 25% and headroom with respect to its financial covenants and in relation to its direct borrowing facilities of R804 million.

Hulamin put the following measures in place to improve the Group's liquidity position:

- Direct borrowing facilities of R2.1 billion
- Three year committed revolving working capital facility of R1.5 billion
- Number of participating banks is four
- Debt to equity financial covenant of less than 0.60 times
- The required level of the current ratio is >1.25 times

These measures have been included in management's scenarios and forecasts in assessing going concern.

The directors believe that the Group has adequate resources to continue as a going concern for the foreseeable future.

14. Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Management has considered the events during this period and concluded that they have not identified any material events that have occurred subsequent to the end of the reporting period to the date of approval of results which may have an impact on the Group's reported financial position at the reporting date.

15. Dividends paid

Nil (2023: Nil) dividends were declared during the period ended 30 June 2024.

Corporate information

Hulamin Limited

(Incorporated in the Republic of South Africa)
Registration number: 1940/013924/06
Share code: HLM
ISIN: ZAE000096210
Founded: 1940
Listed: 2007
Sector: Industrial Metals and Mining

Business address and registered office

Moses Mabhida Road
Pietermaritzburg
3200

Postal address

PO Box 74
Pietermaritzburg
3200

Contact details

Telephone: +27 33 395 6911
Website: www.hulamin.co.za
Email: hulamin@hulamin.co.za

Securities exchange listing

South Africa (Primary) JSE Limited

Transfer secretaries

Computershare Investor Services Proprietary Limited
Private Bag X9000
Saxonwold
2132
South Africa

Sponsor

Questco Corporate Advisory Proprietary Limited
Ground Floor, Block C
Investment Plaza
10th Road
Hyde Park
2196
Telephone: +27 11 011 9200
Email: sponsor@questco.co.za
Website: www.questco.co.za

Directorate

Non-executive directors

CA Boles*
VN Khumalo
RL Larson*[^]
TP Leeuw, Chairman*
N Maharajh*
Dr B Mehloakulu*
SP Ngwenya
GHM Watson
GC Zondi (Alternate)

Executive directors

M Gounder, Chief Executive Officer
P Nirghin, Chief Financial Officer[#]

* Independent non-executive directors.

[#] Appointed Chief Financial Officer on 1 July 2024.

[^] Resigned as a non-executive director on 24 May 2024.

Company secretary

Luvivi (Pty) Limited
Email: secretarial@hulamin.co.za

Corporate information and investor relations

BA Mngadi
Email: Ayanda.Mngadi@hulamin.co.za
Telephone: 033 395 6911

Date of SENS release

19 August 2024

Auditors

Ernst & Young Inc.
102 Rivonia Road, Sandton, 2146
Private Bag X14, Sandton, 2146
Practice number: 918288
Telephone: +27 11 772 3000
Facsimile: +27 11 772 4000
Website: <http://www.ey.com>