



Hudaco

RESULTS PRESENTATION
2025

Agenda

- General business environment
- Overview of Hudaco in this environment
- Exchange rates
- Business model
- Reporting segments
- Operating profits and margins
- Financial review
- Outlook

General business environment

- We are very pleased with the results, especially given the world we operate in
- South Africa's economic environment remains depressed
- The country's deteriorating relationship with the USA
- South African crisis areas – organised crime, corruption, de-industrialization and lack of economic growth
- Operation Vulindlela focuses on electricity, water, transport and digital communication
- Precious metals prices have surged
- Inflation has been contained to close to 3%
- Interest rates have come down
- Exchange rates were once again highly volatile
- Acquisitive growth model - Hudaco is a “Compounder”



OVERVIEW OF HUDACO IN THIS ENVIRONMENT



Overview of Hudaco in this environment

- Hudaco has benefited from a robust, defensive portfolio of diverse businesses
- Pleasing year-end results after a very slow start
 - H1 CEPS were up 6,1%
 - H2 CEPS were up 11,8%
 - full-year CEPS were up 9,6%
- 55% of the increase in CEPS came from businesses other than acquisitions
- Generated R1,4bn in cash from operations
- Borrowings reduced by R449m in H2
- Dividends increased 9,3% to 1 120cps
- Gross margin maintained, excluding acquisitions
- Operating profit margin increased from 12,0% to 12,5%
- Brigit Fire and Plasti-Weld acquisitions continue to perform well
- Acquired Isotec and FloSolve, and they have been successfully bedded down
- The energy and forklift battery businesses continued to face difficulties, resulting in an impairment of their goodwill in full (R104 million)

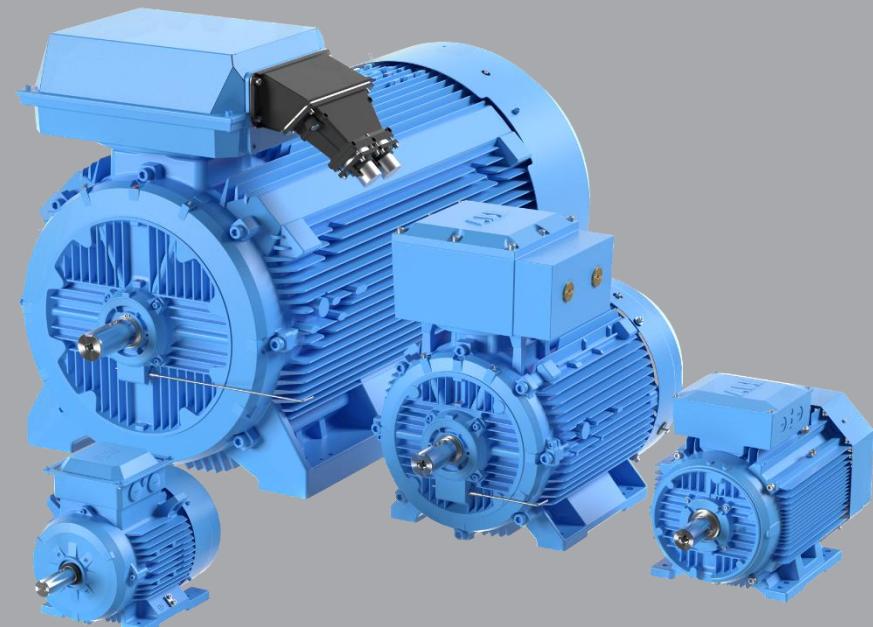
Results summary 2025



Major shareholders / fund managers

Government Employees Pension Fund	14%
PSG Asset Management	10%
Ninety One	8%
Abax	7%
Aylett & Co	7%
Invesco	3%
Old Mutual	3%
Sanlam	3%
	<hr/>
	55%
	<hr/>

EXCHANGE RATES



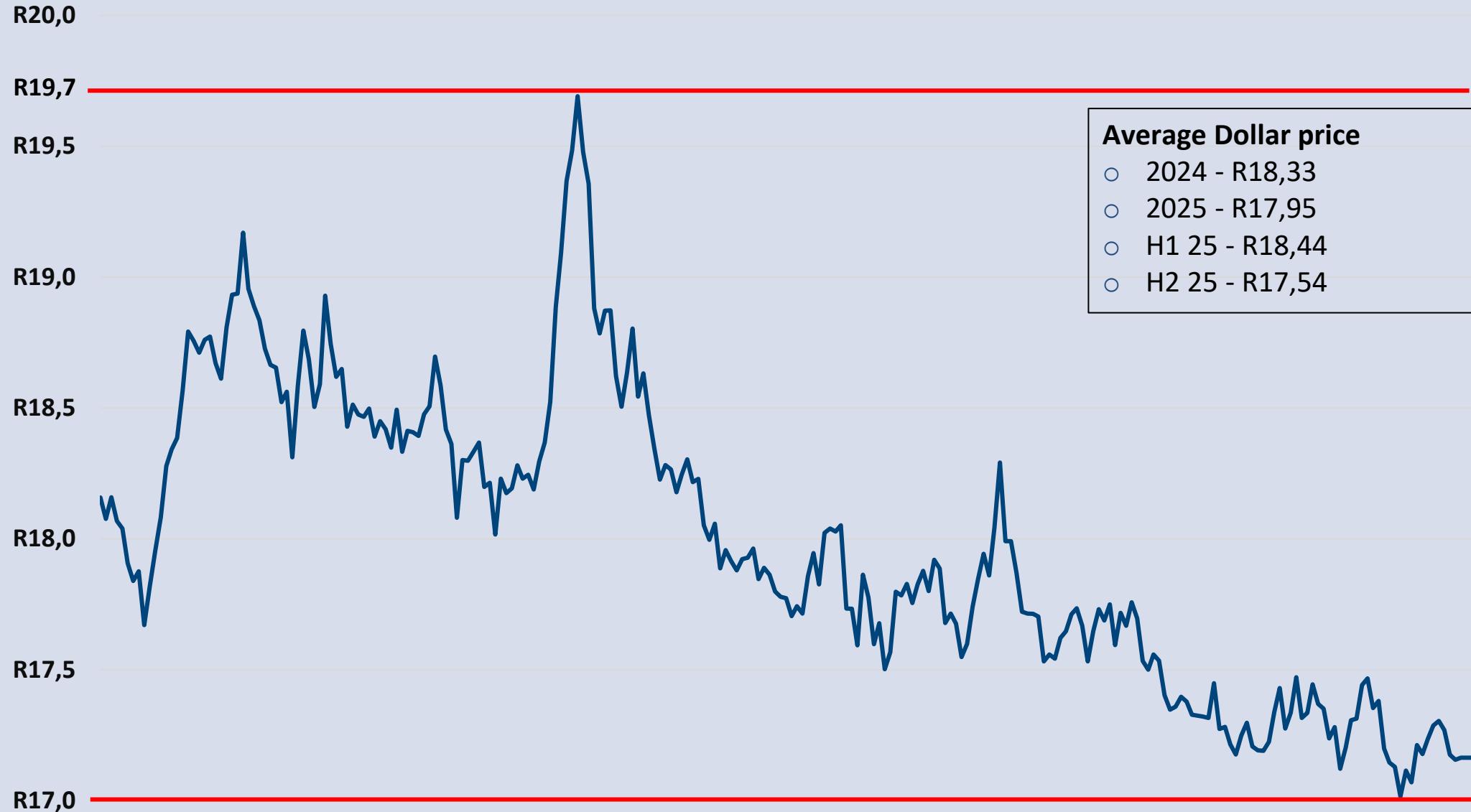
Exchange rate environment

- We import approximately 73% of the group's cost of sales directly
- On average, these cost 2,5% less in 2025 than in 2024, with 16% between high and low
- We don't take a house view on exchange rates
- We hedge all liabilities and on average 30% - 40% of orders

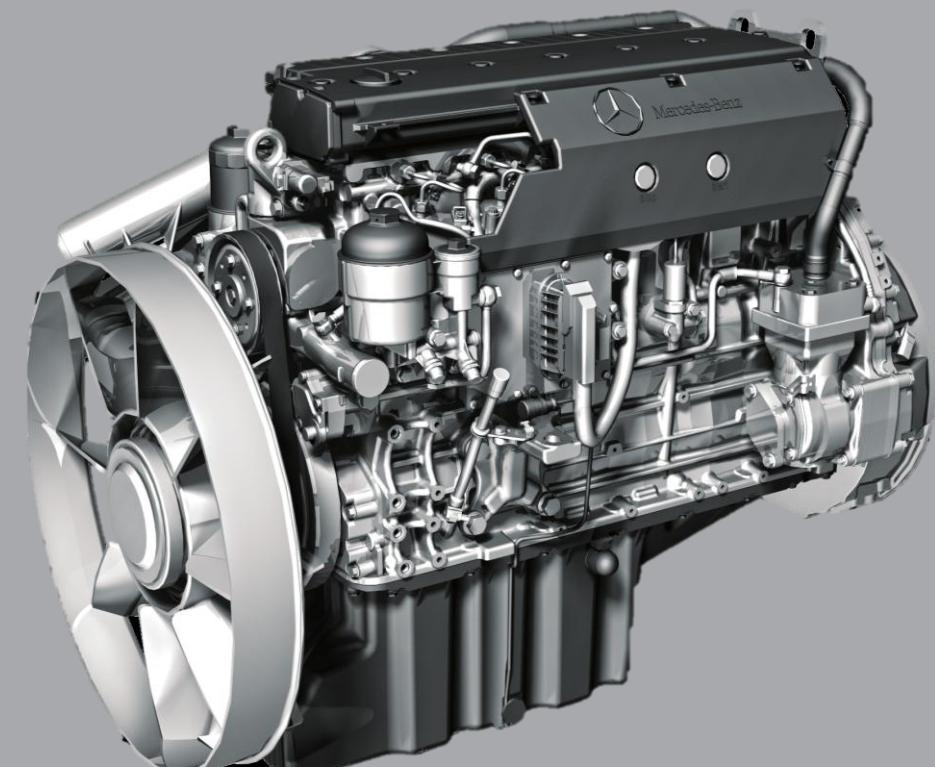
Import currencies

- USD*61% EUR 29% YEN 5% CNY 3% GBP 1% CHF 1%
- *Imports from China, Korea, etc., are paid in USD

Exchange rate vs US\$ From 1 Dec 2024 to 30 Nov 2025



THE BUSINESS MODEL



The Hudaco business model

- Hudaco's main business is the importation and distribution of high-quality branded automotive, industrial and electronic consumable products
- The concept of "value-added distribution" is key to our business model
- Agency agreements generally restrict our activities to Africa, south of the equator
- Our diversified portfolio of businesses limits our risk and makes us resilient
- Many businesses across many sectors
- Many products in many industries
- Decentralised focused management teams – industry-specific specialists
- Quick decision-making, control and accountability
- Acquisitions are central to our business model

Features of value-added distribution

- Focused business units with application advice
- Technical specification and product knowledge
- Training
- Credit provision
- Drives customer retention and supplier loyalty
- Level 3 B-BBEE credentials (110% procurement recognition)

Inventories R2 638m

- Instant availability
- 31 warehouses
- 800 international suppliers
- Over 230 000 line items
- Over 150 branches

Receivables R1 449m

- 30 000 active customers
- Generally low-value transactions – low concentration or risk
- Low level of tender or contract business

2025 Sales by market sector (%)

Wholesale and retail



Automotive



Mining



Manufacturing



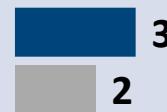
Exports



Security



Agriculture



Construction



Alternative energy



2025
2024

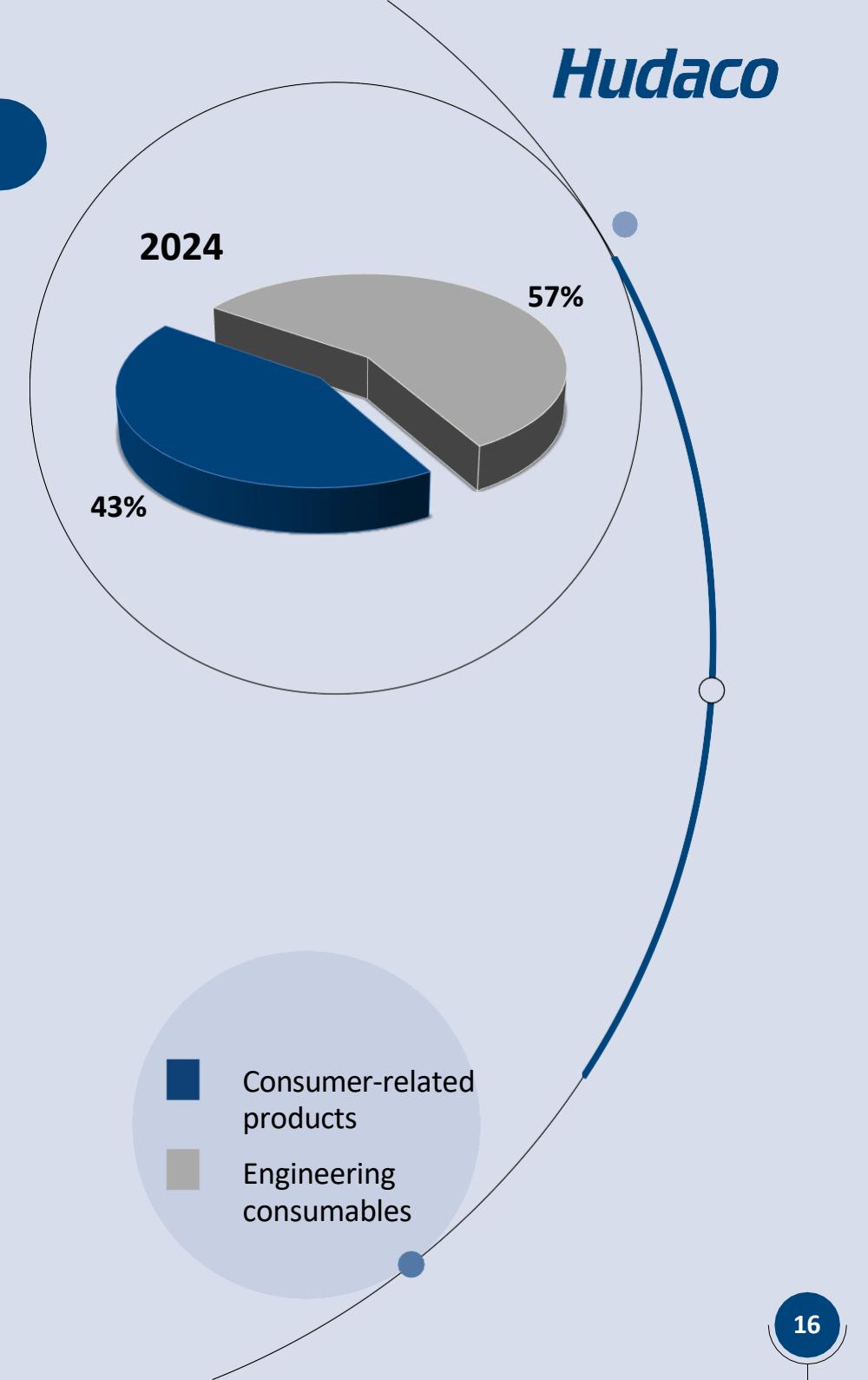
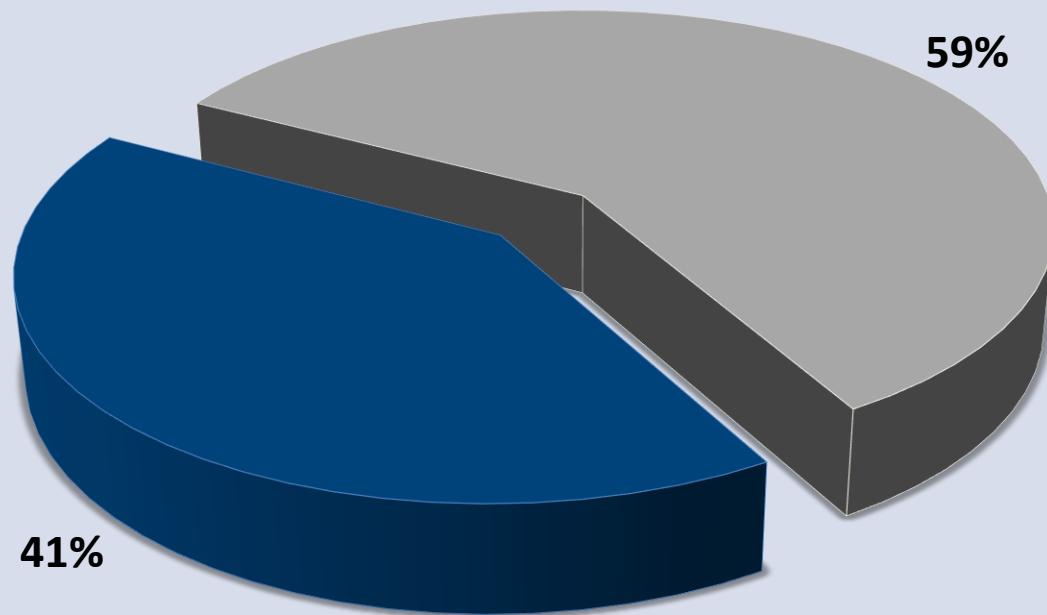
REPORTING SEGMENTS



FloSolve

Contribution by segment

Contribution to 2025 operating profit
(before shared services and head office)



Consumer-related products

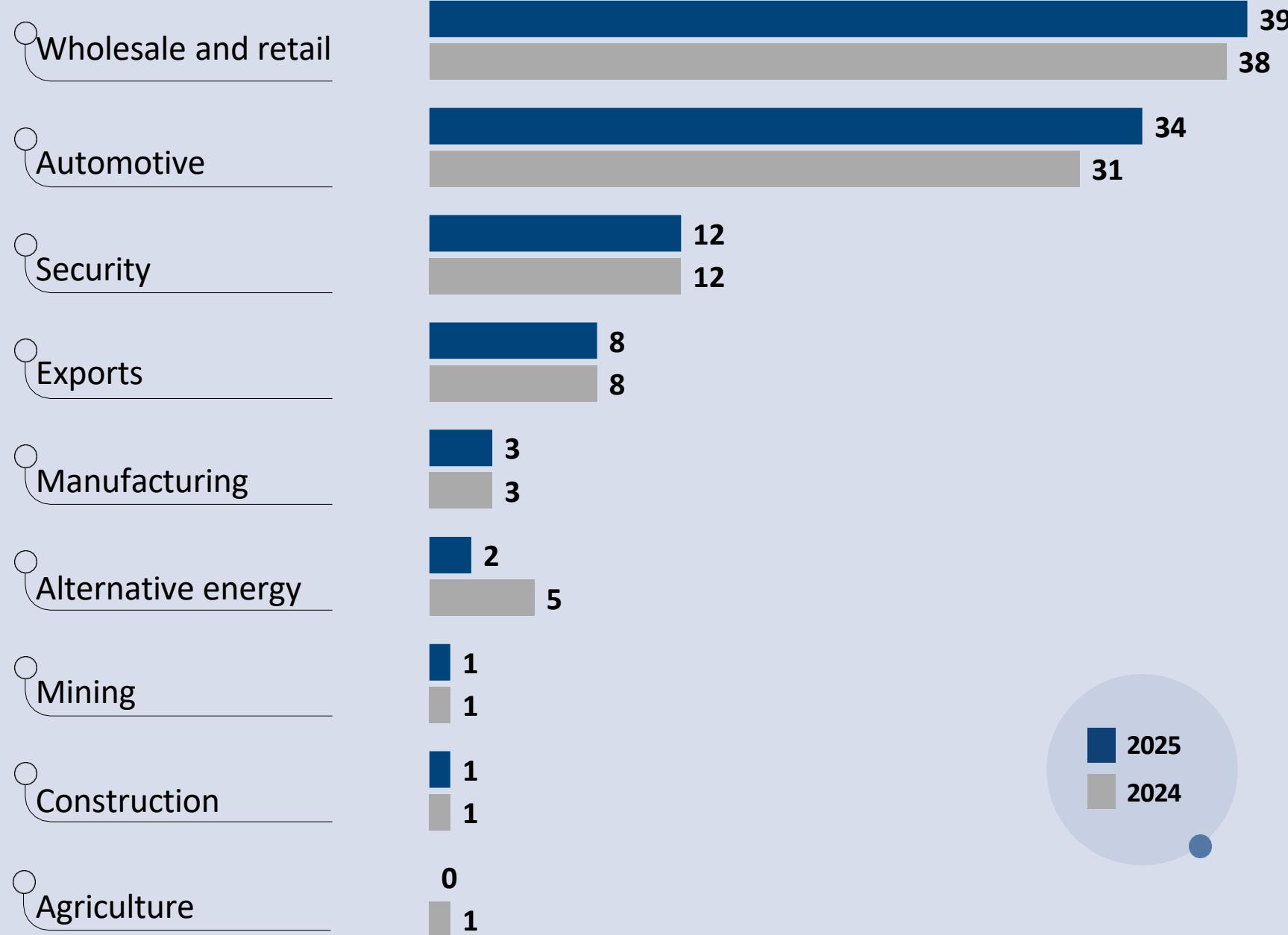
The consumer-related products segment imports and distributes branded products driven by consumer spending and generally sold to installers

Consumer-related products (12 businesses)

- Automotive aftermarket products
- Power tools and fasteners
- Data networking equipment
- Security and communication equipment
- Gas and outdoor products
- Batteries and sustainable energy

2025 Consumer-related products

Sales by market sector (%)



Principal businesses



Main markets

- Automotive alloy and steel wheels
- Automotive parts and accessories
- Construction machinery
- Wheel and tyre fitment centres
- 4x4 recreation

Principal brands



Freudenberg
Sealing Technologies



Used for

- Automotive oil seals
- Ignition leads
- Light-duty clutch kits
- Truck clutch components
- Underbody spares replacement
- 4x4 suspension and accessories

Principal businesses

Rutherford

 **V.I. Instruments**

 **BOLTWORLD**

Rutherford

Marine

Main markets

- Agriculture
- D.I.Y.
- Commercial marine
- Construction
- Manufacturing
- Mining
- Recreational boating

Principal brands

SOUTH

 **RUIDE**

 **TROXLER**

 **MERCURY**
GO BOLDLY.®

HANDY LAD

 **Makita**

Used for

- Building
- D.I.Y.
- Fastening in all industries
- Installations
- Propulsions of boats
- Surveying

Principal businesses

MiRO

Main markets

- Security
- Technology resellers
- Telecommunication operations
- Transport
- Wireless, internet, fiber service providers

Principal brands



GRANDSTREAM



UBIQUITI
NETWORKS

MikroTik

Aqara



Cambium Networks

Used for

- Data solutions
- Fibre optic networks
- Network Infrastructure
- Outdoor wireless network
- Wi-Fi access networks
- Residential/commercial telephony

Consumer-related products

Security and communication equipment

Principal businesses

ELVEY
Security Technologies

GlobalComms

PENTAGON

Main markets

- Commercial security
- Military and police
- Mining
- Municipal
- Residential security
- Project consultants
- Systems integrators
- Transport

Principal brands

KENWOOD **OPTEX**
IQSIGHT **ZKTeco**
BOSCH **Texecom**
Tiandy **sepura**
milestone **AJAX**
DSC **impro**

Used for

- Access control
- Control centres
- Fire detection
- Intrusion detection
- Mobile communication
- Perimeter detection
- Personal communication
- Video surveillance and analysis

Consumer-related products

Gas and outdoor products

Principal businesses



Main markets

- Camping and outdoor living
- Alternative energy
- Household and residential
- Catering
- Hiking and outdoor creation

Principal brands



Used for

- Cooking
- Lighting
- Heating
- Braaiing
- Coolers
- Camping

Principal businesses



Main markets

- Alternative energy
- Battery bays
- Data centres
- Mining
- Motor industry
- Security
- Surface motive power
- Solar system installations

Principal brands



Used for

- Back-up power (UPS, inverters, alarms)
- Distribution centres
- Energy load shifting
- Generator starting
- Materials handling
- Motor vehicles
- Solar system
- Underground locomotive traction

Segment results | Consumer-related products

Rm	Turnover			Op margin		Operating profit		
	2025	% ch	2024	2025	2024	2025	% ch	2024
Operations 24+ months in group	3 804	(2,0)	3 881	12,5	12,2	477	0,6	474
Segment total	3 804	(2,0)	3 881	12,5	12,2	477	0,6	474

- The automotive businesses had a good year
- Our data networking and CADAC businesses had much improved results
- The battery businesses continue to struggle and the goodwill has now been written off
- The remaining businesses in the segment had a challenging year

Engineering consumables

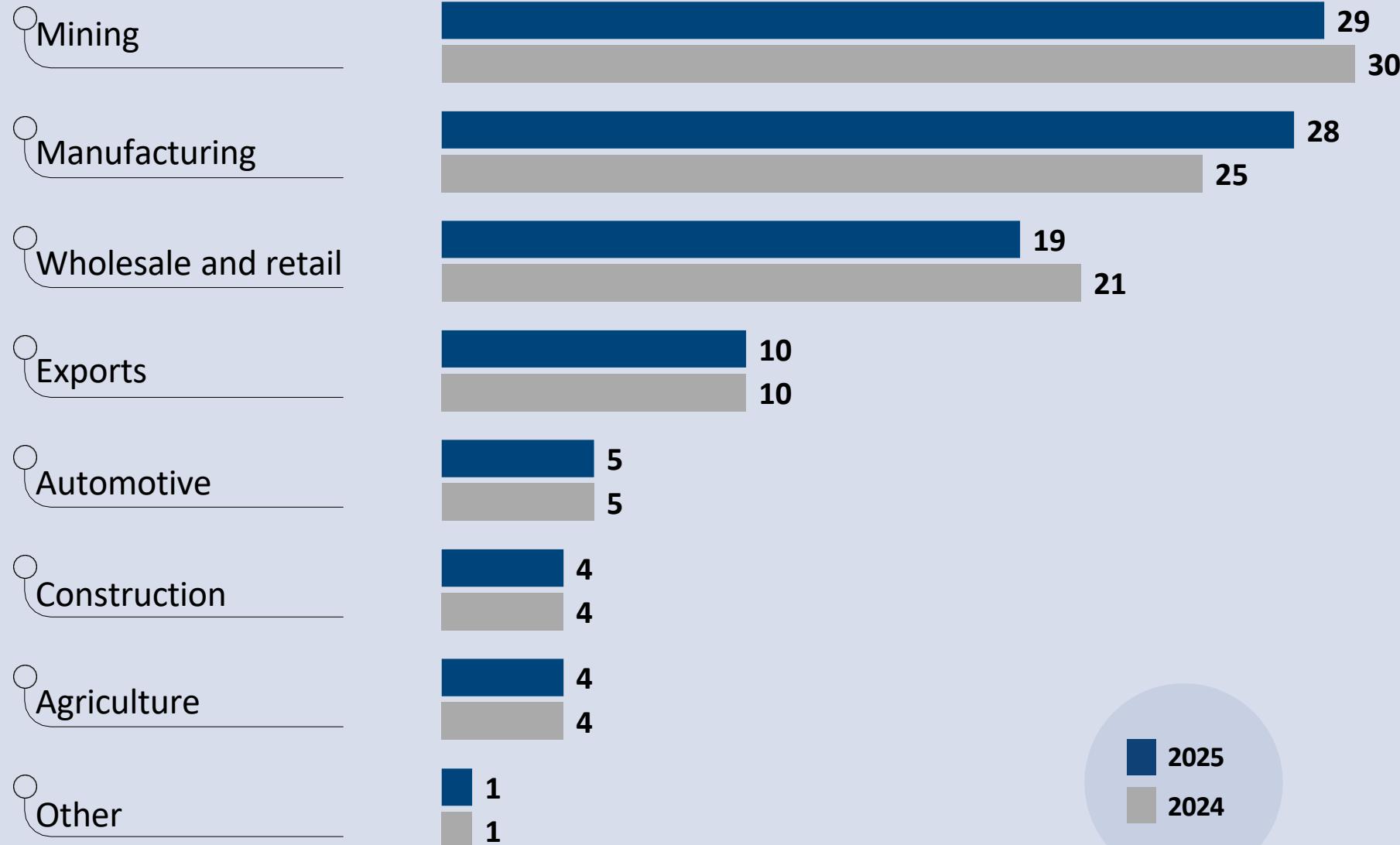
The engineering consumables segment imports and distributes branded products that are generally used to repair and maintain machines.

Engineering consumables (21 businesses)

- Bearings, belting and power transmission
- Diesel engines and spares
- Electrical power transmission
- Filtration and fluid transfer
- Fire detection, containment and suppression
- Hydraulics and pneumatics
- Specialised steel
- Thermoplastic pipes, fittings and equipment

2025 Engineering consumables

Sales by market sector (%)

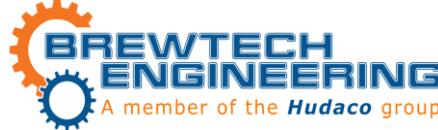


2025
2024

Principal businesses



BEARINGS
INTERNATIONAL



Main markets

- Food processing
- Industrial
- Manufacturing
- Mining
- Sugar industry

Principal brands

ALPHA

RegalRexnord
BAUER

SAUTER

forbo

JTEKT | **Koyo**

JTEKT

COOPER[®]

SCHAEFFLER



FAG



SYSTEM
PLAST[®]



Used for

- Breweries
- Fluid conveyance and control
- Industrial automation
- Mining equipment
- Process automation
- Trackless mining machines

Principal businesses



Main markets

- Automotive OEMs
- Construction
- Food processing
- General industry
- Manufacturing and mining
- Power generation
- Sugar industry
- Tobacco industry

Principal brands



Used for

- Automotive OE supply
- Conveyor systems
- General machinery and equipment
- Maintenance
- Mining equipment
- Process control and measurement

Principal businesses

VARISPEED



3D AGENCIES

POWERMITE

Main markets

- Automation
- Manufacturing
- Materials handling
- Mining
- Ports
- Power generation
- Wholesale and retail

Principal brands



MagneTek



MENNEKES®



YASKAWA

UNI-T®

Used for

- Automation and control of electric motors
- Connection of electrical power in industry
- Electrical panel building
- Electrification of mobile machinery
- Maintenance and repairs
- Power stations

Acquisition | Isotec

- Isotec effective date 1 May 2025
- Manufacturer and distributor of thermal and electrical insulation material used in the manufacture and repair of transformers and electrical motors
- Operates in the manufacturing, mining, railway, generation and switchgear industries
- Initial payment R250 million
- Estimated purchase price revised to R311 million



Principal businesses

Bosworth



AmbroSteel



**The Dished End
COMPANY**



Main markets

- General industry
- Manufacturing
- Mining
- Pressure vessels
- Road tankers
- Sugar industry



JOSEPH GRIEVESON



Principal brands

Bosworth



JOSEPH GRIEVESON

Used for

- Aerators and mixing
- Conveyor systems
- Fabrication
- General steel applications
- Mining equipment
- Petro-chemical plants
- Pressure vessel ends
- Sugar processing

Engineering consumables

Fire detection, containment and suppression

Principal businesses



Main markets

- Mining
- Data centres
- Commercial properties
- Industrial
- Warehouses

Principal brands



Used for

- Fire detection
- Fire suppression
- Fire containment
- Fire education

Principal businesses



Main markets

- Construction and mining
- Earthmoving equipment
- Industrial plants
- On and off-road trucks
- Opencast mining

Principal brands



Pall Corporation



Used for

- Industrial air filtration
- Mining equipment
- OEM supply
- Oil, air, fuel and hydraulic filtration
- Lubrication systems

Acquisition | FloSolve

- FloSolve effective date 1 June 2025
- Importer and distributor of specialised equipment for the handling of fuels, lubricants, greases and other fluids associated with the servicing and refuelling of plant and machinery, especially in the mining industry
- Initial payment R45 million
- Estimated purchase price R95 million



Principal businesses

DEUTZ DIESELPower



"Driven by quality; Delivered by experience!"



Main markets

- Agri equipment
- Construction and mining
- Earthmoving equipment
- Irrigation
- Off road trucks
- Opencast mining
- Plastic moulding
- Sewage reticulation

Principal brands



Used for

- Condensate drain management
- Generator sets
- Materials handling
- Mining equipment
- OEM supply
- Plumbing components
- Yellow goods

Segment Results | Engineering Consumables

Rm	Turnover			Op margin		Operating profit		
	2025	% ch	2024	2025	2024	2025	% ch	2024
Operations 24+ months in group	4 570	1,3	4 513	13,9	13,9	638	1,9	625
Acquisitions after Dec 2023	400			14,5		58		
Segment total	4 970	10,1	4 513	14,0	13,9	696	11,2	625

- Acquisitions have been bedded down and are the main contributor to the growth in engineering consumables
- Brigit Fire and Plasti-Weld continue to perform well
- We had good performances from our diesel engines and electrical businesses

Combined segment results

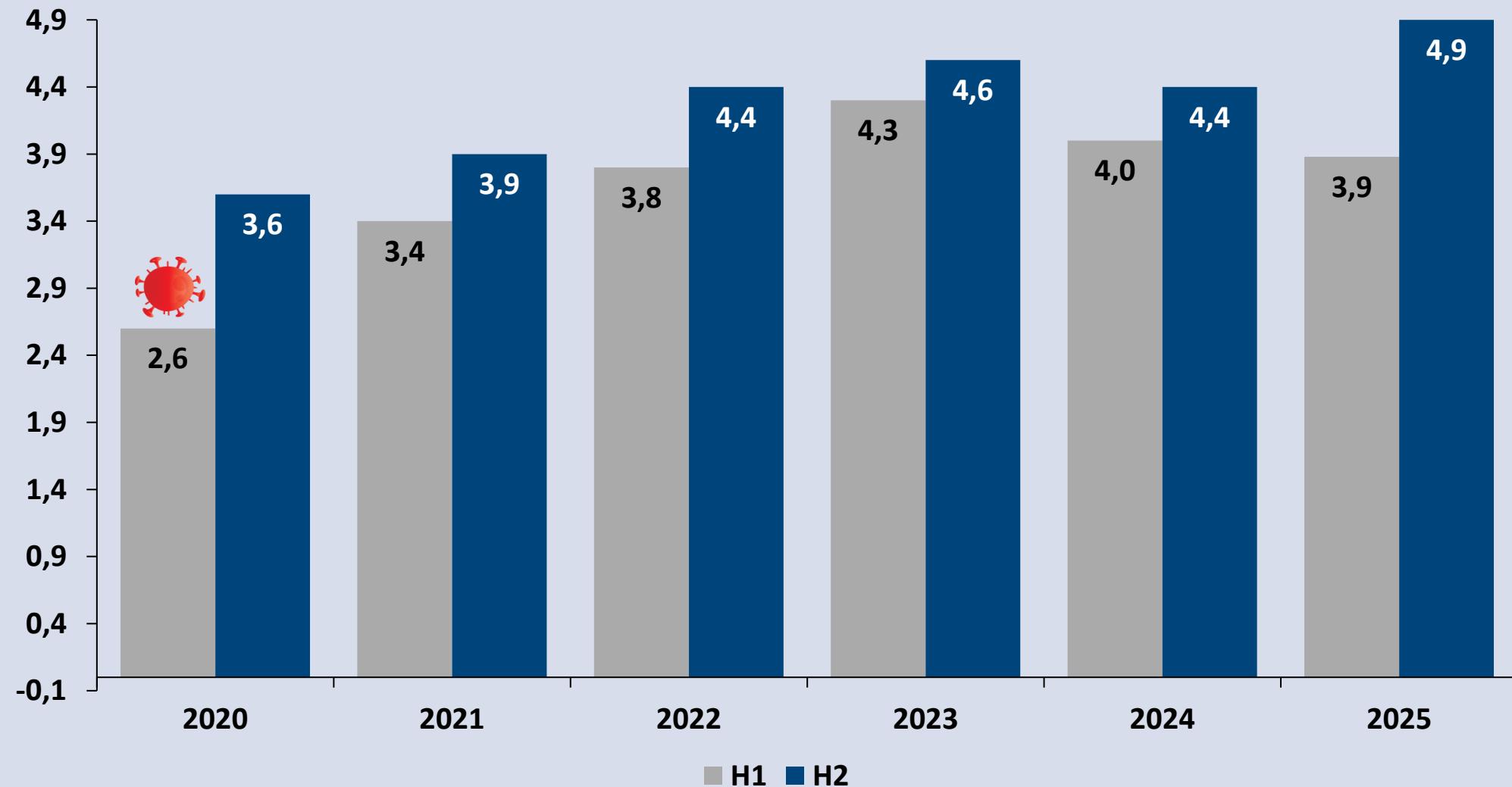
Rm	Turnover			Op margin		Operating profit		
	2025	% ch	2024	2025	2024	2025	% ch	2024
Consumer-related products	3 804	(2,0)	3 881	12,5	12,2	477	0,6	474
Engineering consumables	4 970	10,1	4 513	14,0	13,9	696	11,2	625
Head office, shared services and eliminations	(26)		(15)			(76)		(92)
Total group	8 748	4,4	8 379	12,5	12,0	1 097	8,9	1 007

OPERATING PROFIT AND MARGIN



Turnover

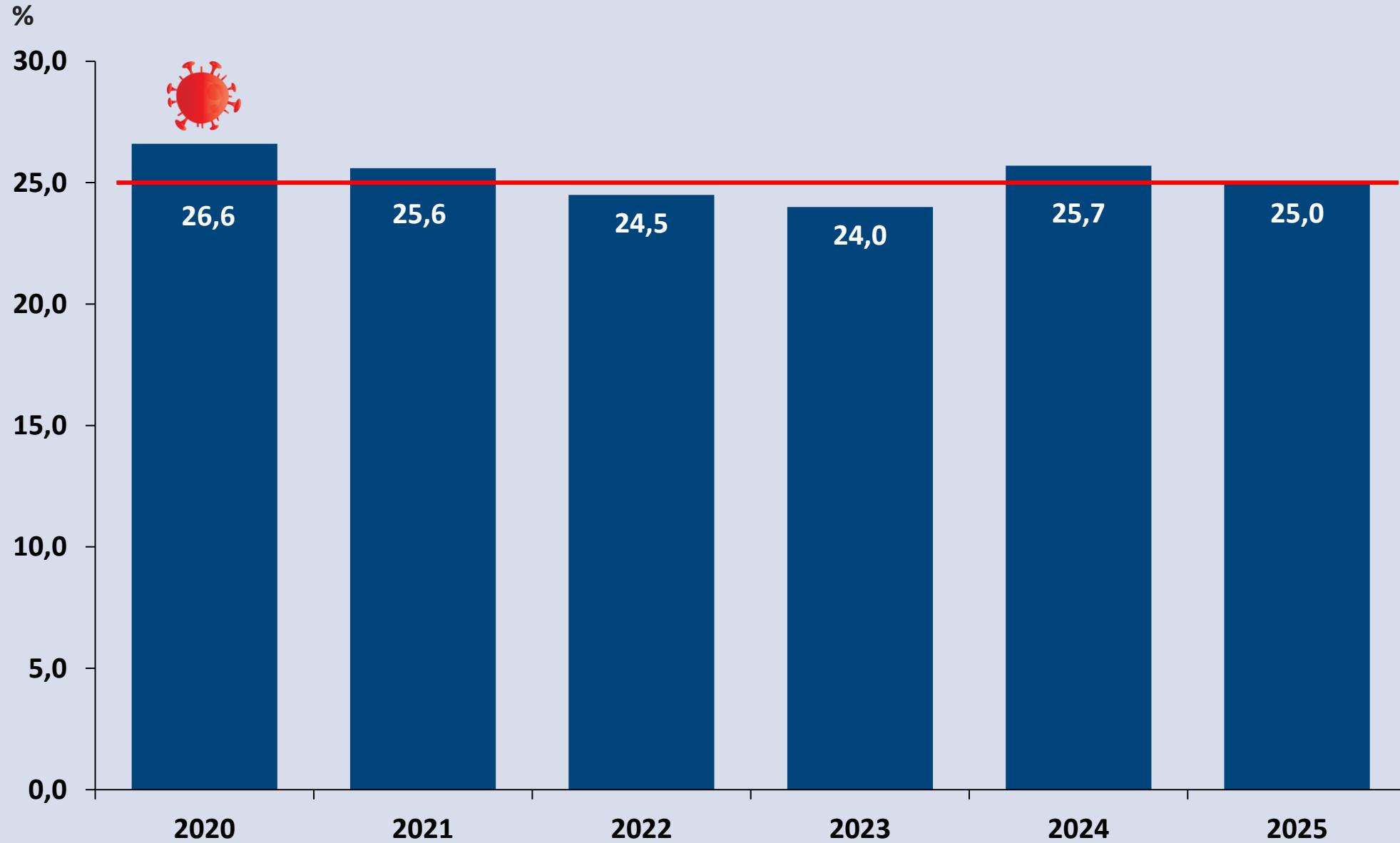
R billion



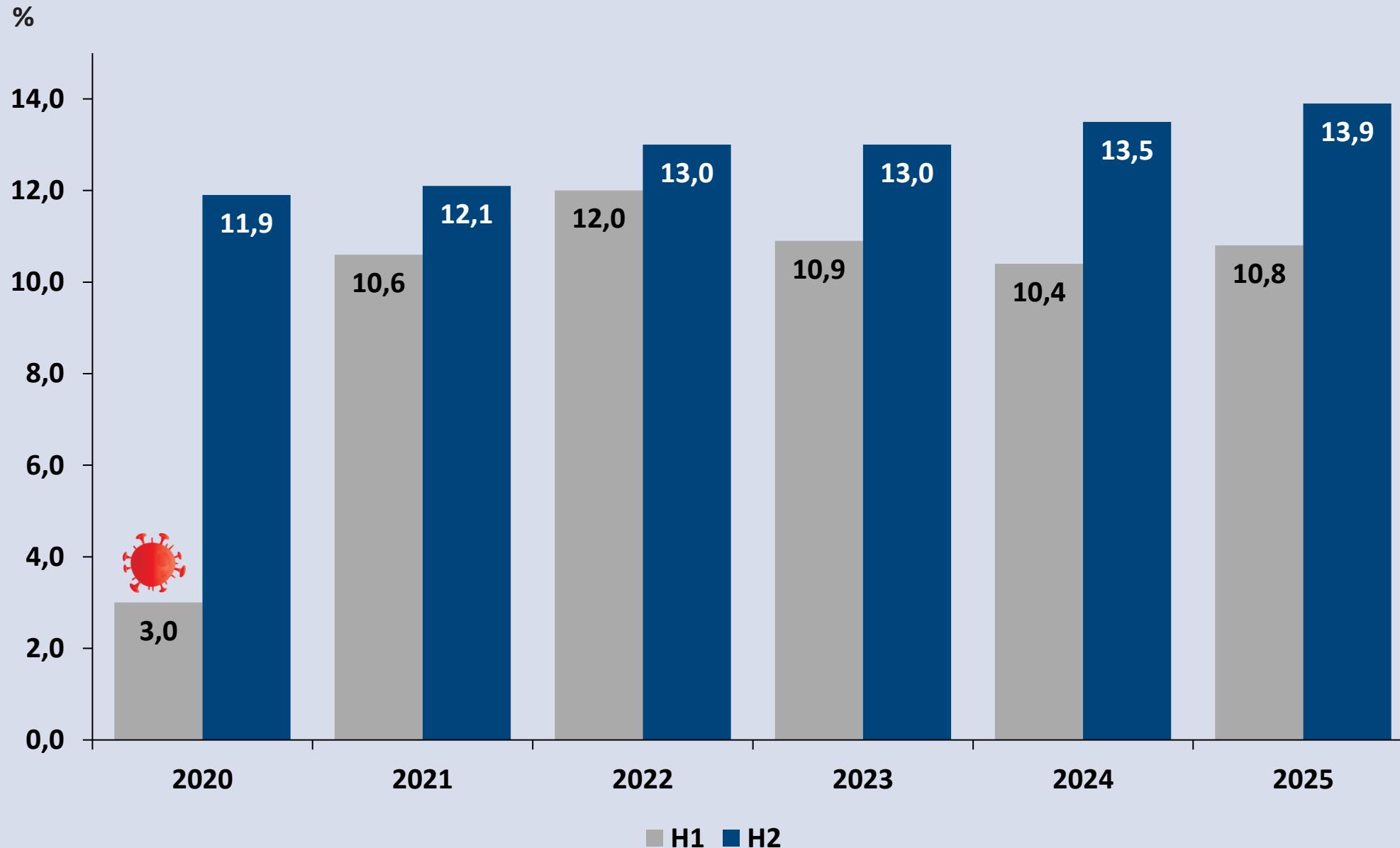
Operating profit margin

	2025	2024
Margin (%)		
Turnover	100,0%	100,0%
Gross profit	37,5%	37,7%
Operating expenses	(25,0%)	(25,7%)
Operating profit	12,5%	12,0%

Operating expenses to turnover



Operating profit margin



FINANCIAL REVIEW



{IRONMAN}
4x4

Profit

Rm	2025	% ch	2024
Turnover	8 748	4,4	8 379
Operations 24+ months in group	8 348	(0,4)	8 379
Acquisitions after Dec 2023	400		
Gross profit	3 280	3,7	3 163
Operating expenses	(2 183)	1,3	(2 156)
Operations 24+ months in group	(2 072)	(3,9)	(2 156)
Acquisitions after Dec 2023	(111)		
Operating profit	1 097	8,9	1 007
Operations 24+ months in group	1 039	3,1	1 007
Acquisitions after Dec 2023	58		

Profit

Rm	2025	% ch	2024
Operating profit	1 097	8,9	1 007
Fair value adjustments	29		(12)
Impairment of goodwill	(104)		(77)
Net interest on funding	(86)		(115)
Imputed interest on leases	(42)		(38)
Profit before taxation	894	16,9	765
Taxation (Rate 2025:28,5% 2024:28,6%)	(254)		(219)
Profit after taxation	640	17,2	546
Non-controlling interest	(65)		(40)
Attributable earnings	575	13,6	506

Profit restructured for goodwill impairment and vendor liability adjustment

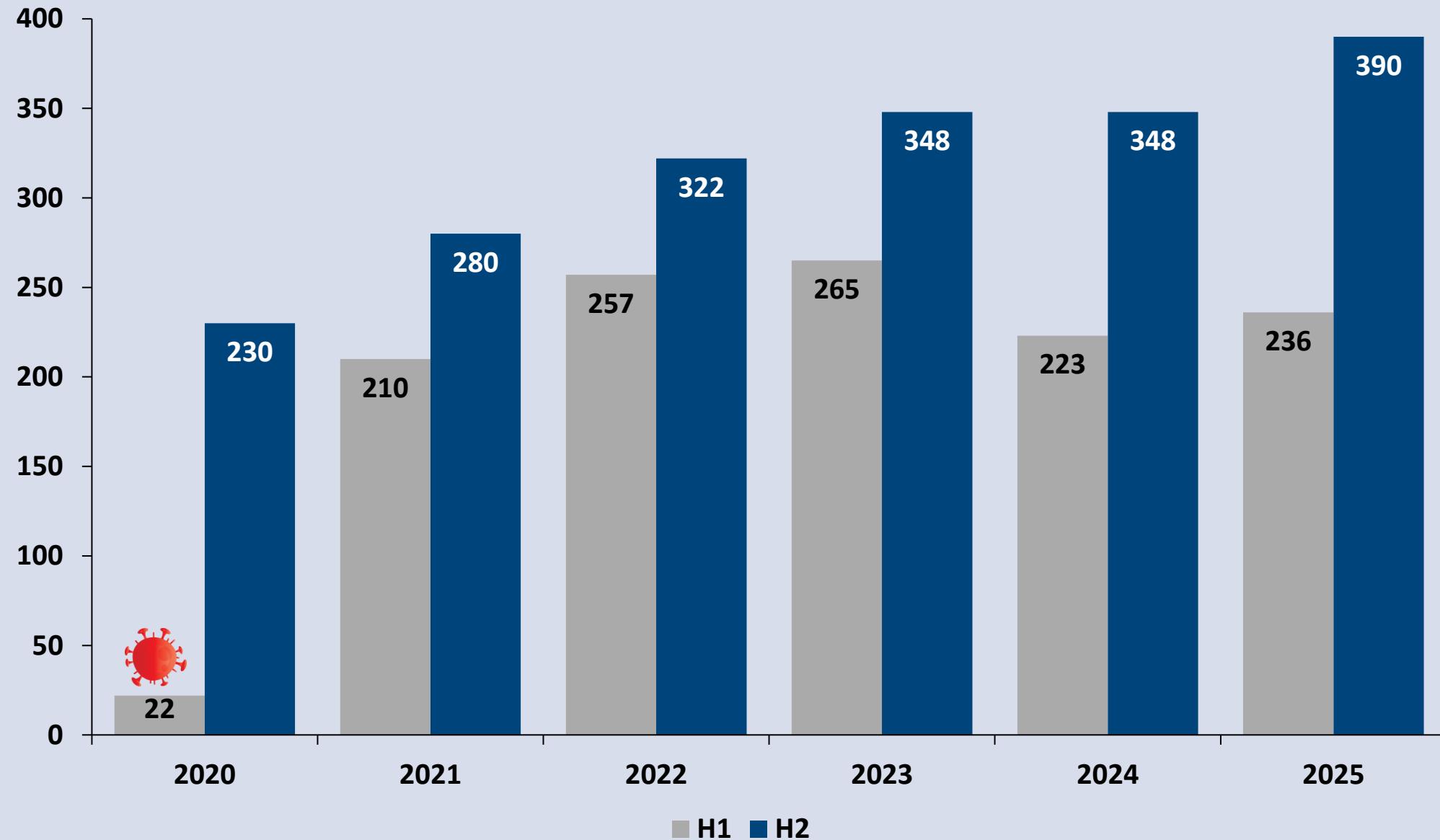
Rm	2025	% ch	2024
Operating profit	1 097	8,9	1 007
Fair value adjustments (time value of money)	(12)		(12)
Net interest on funding	(86)		(115)
Imputed interest on leases	(42)		(38)
Profit before tax, goodwill impairment and FVA	957	13,7	842
Taxation (Rate 2025:26,6% 2024:26,0%)	(254)		(219)
Profit after taxation	703	12,8	623
Non-controlling interest	(75)		(52)
Attributable earnings before goodwill and FVA	628	9,9	571
Impairment of goodwill, net of minority	(88)		(65)
Fair value adjustment to estimated capital amount due to vendors, net of minority	35		
Attributable earnings	575	13,6	506

Comparable earnings

Rm	2025	% ch	2024
Attributable earnings	575	13,6	506
Impairment of goodwill	104		77
Non-controlling interest	(16)		(12)
Profit on disposal of PPE, net of minority	(2)		
Headline earnings	661	15,7	571
Fair value adjustment to estimated capital amounts due to vendors	(41)		
Non-controlling interest	6		
Comparable earnings	626	9,6	571

Comparable earnings

R million



Earnings per share and dividends

Cents	2025	% ch	2024
Earnings per share			
Comparable	2 205	9,6	2 012
Headline	2 327	15,7	2 012
Basic	2 023	13,6	1 782
Dividends per share			
- Interim	350	7,7	325
- Final	770	10,0	700
Total	1 120	9,3	1 025
Dividend cover (times)	1,97		1,96

Statement of financial position

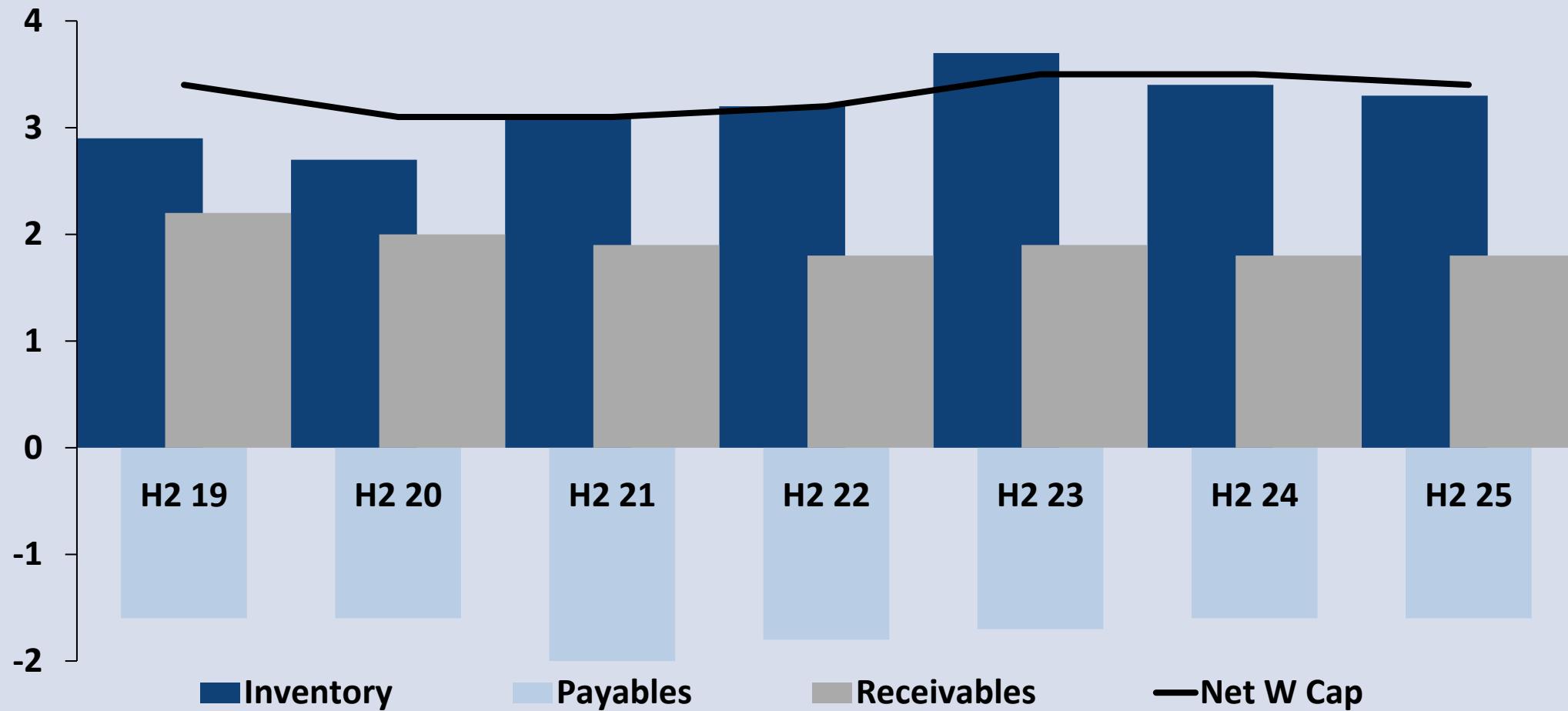
Rm	2025	2024
Working capital	2 776	2 615
- Inventories	2 638	2 461
- Receivables	1 449	1 329
- Payables	(1 311)	(1 175)
Property, plant and equipment	419	377
Right-of-use assets	407	361
Goodwill and intangibles	1 444	1 372
Tax	18	59
Net assets	5 064	4 784

Statement of financial position

Rm	2025	2024
Equity	3 900	3 611
Net borrowings	508	589
Lease liabilities	477	428
Due to vendors	107	86
Tax	72	70
Total equity and liabilities	5 064	4 784

Working capital elements

In months of sales



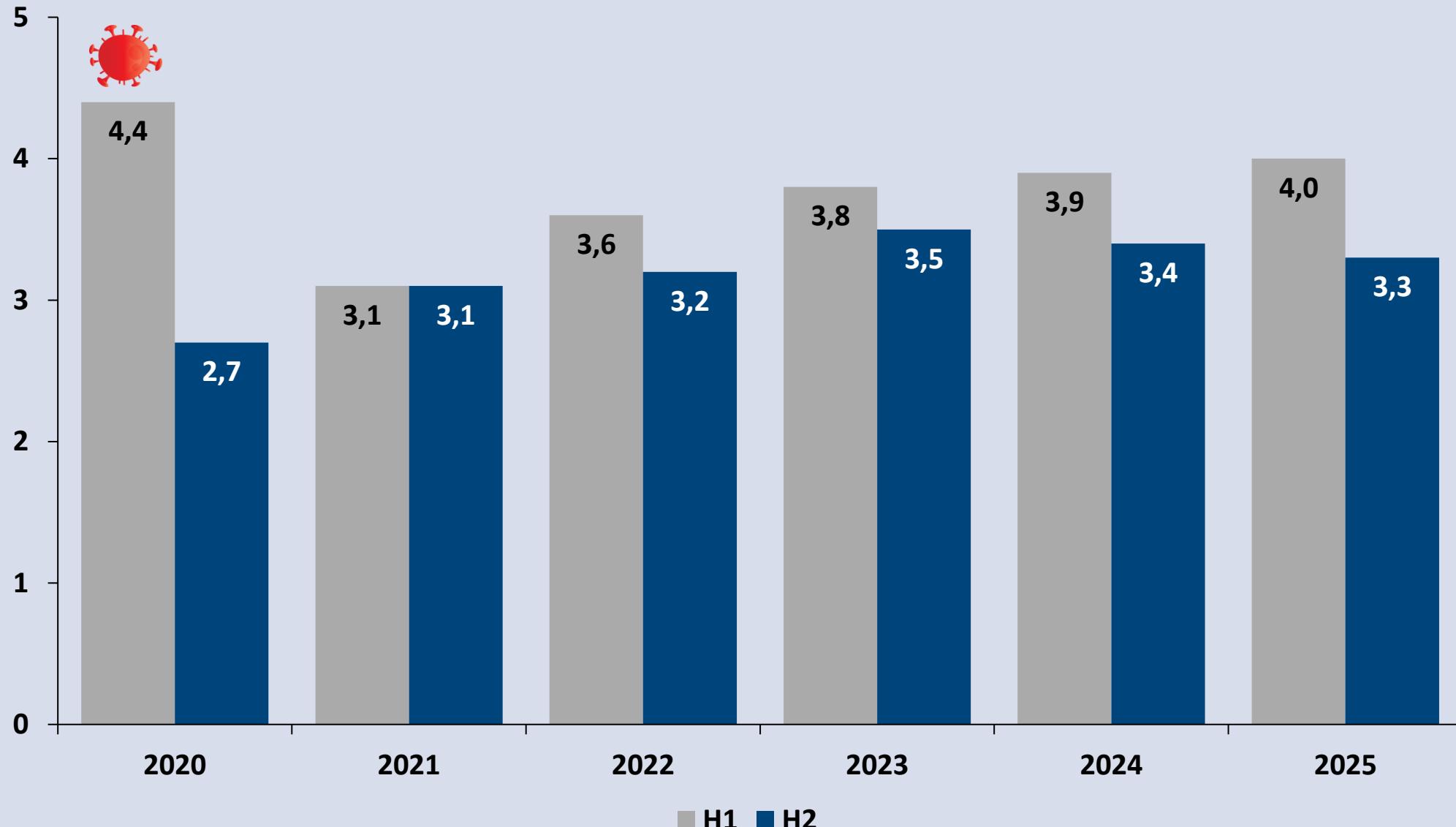
One month of sales

2024 = R733m (H2)

2025 = R810 (H2)

Inventory

In month of sales



Cash flow

Rm	2025	2024
Cash from trading	1 336	1 241
Decrease in working capital	33	298
Cash from operations	1 369	1 539
Tax paid	(249)	(205)
Cash from operating activities	1 120	1 334
Invested in new businesses	(325)	(112)
Invested in software and ppe	(80)	(76)
Cash flow after investing activities	715	1 146

Cash flow

Rm	2025	2024
Cash flow after investing activities	715	1 146
Share-based payments	(58)	(125)
Lease payments (rent)	(163)	(150)
Finance costs paid	(86)	(115)
Dividends paid	(328)	(324)
Net movement	80	432
Foreign exchange translation gain (loss)	1	(8)
Opening borrowings	(589)	(1 013)
Closing borrowings	(508)	(589)

- Excellent cash conversion

Key financial points

- Economy kept turnover under pressure
- Gross margin flat
- Expenses tightly managed
- Strong cash generation
- Improved operating margin
- Interest bill well down
- Still have ample capacity for acquisitions
- Likely capital allocation:
 - further good acquisitions
 - pay good dividends
 - uptick in the economy may require investment in working capital
 - repay debt
 - repurchase shares

OUTLOOK



Outlook for 2026

- The South African economy ended 2025 in a stronger position than a year ago
- Cautiously optimistic despite geopolitical risk
- The depreciation of the US Dollar can be expected to put selling prices under pressure, but should be offset by the increase in consumer spending
- We hope for a year of genuine action through operation Vulindlela, on our ports, rail, electricity, water and other infrastructure
- The economic outlook for 2026 is showing signs of gradual improvement
 - in the mining industry, as gold, platinum and copper prices surge
 - the recent sovereign credit rating upgrade
 - the removal of South Africa from the “grey list”
 - interest rates are already down and may decline further
- We encourage the GNU to grasp the opportunity in front of it
- Acquisitions of Isotec and FloSolve will be in for the full year, enhancing further value
- We believe that Hudaco is well-placed for any uptick in economic activity

Disclaimer

The preceding presentation contains forward-looking statements about the Hudaco Group's operations and financial position. They are prepared in good faith and are based on Hudaco's best estimates and information at the time of preparing the presentation. They are nonetheless subject to significant uncertainties and contingencies, many of which are understandably beyond Hudaco's control. Unanticipated events will occur, and actual future events may differ materially from current expectations for many reasons, including new business opportunities and other internal and external factors. These factors may materially affect Hudaco's future business activities and financial results. Hudaco's auditors have reported on none of the forward-looking statements.

Contact Details

Graham Dunford

Chief executive

Tel +27 11 657 5004

grahamd@hudaco.co.za

Clifford Amoils

Financial director

Tel +27 11 657 5002

camoils@hudaco.co.za

The background of the image features a series of overlapping circles in shades of blue and grey, creating a dynamic, layered effect. The circles are positioned in the upper half of the frame, with some overlapping the central text area.

Hudaco