



# ***Hudaco***

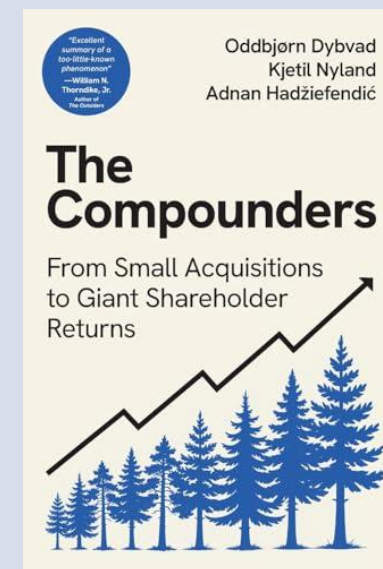
RESULTS PRESENTATION  
2025

## 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

Turnover  
4,4% to  
R8,7bn

Gross  
profit margin  
37,5% to  
R3,3bn

Operating  
profit  
8,9% to  
R1,1bn

Attributable  
earnings  
13,6% to  
R575m

Headline  
earnings per  
share  
15,7% to  
2 327 cents

Comparable  
earnings per  
share  
9,6% to  
2 205 cents

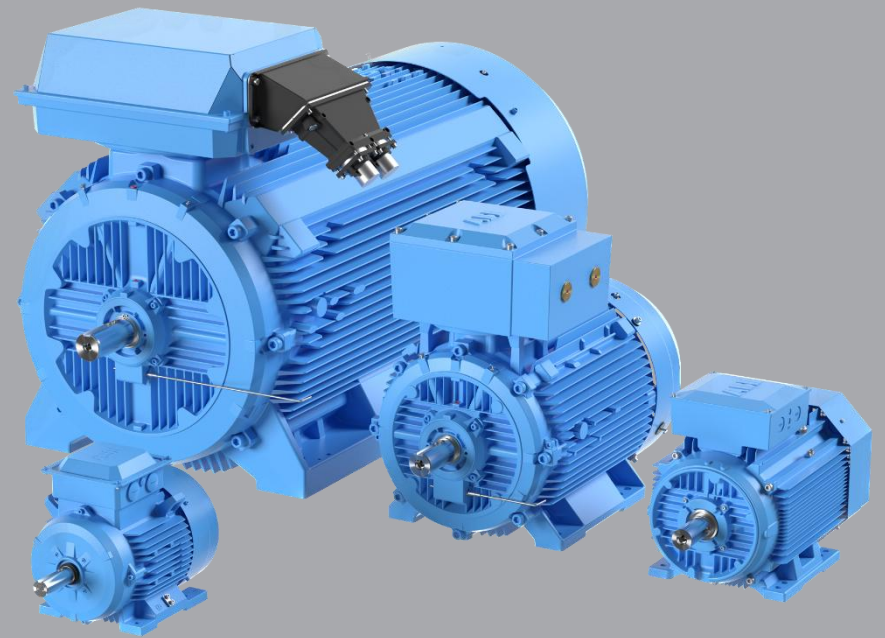
Total  
dividend per  
share  
9,3% to  
1 120 cents

Cash  
generated from  
operations  
R1,4bn

## 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/>
	<b>55%</b>
	<hr/>

# EXCHANGE RATES





## Exchange rate environment

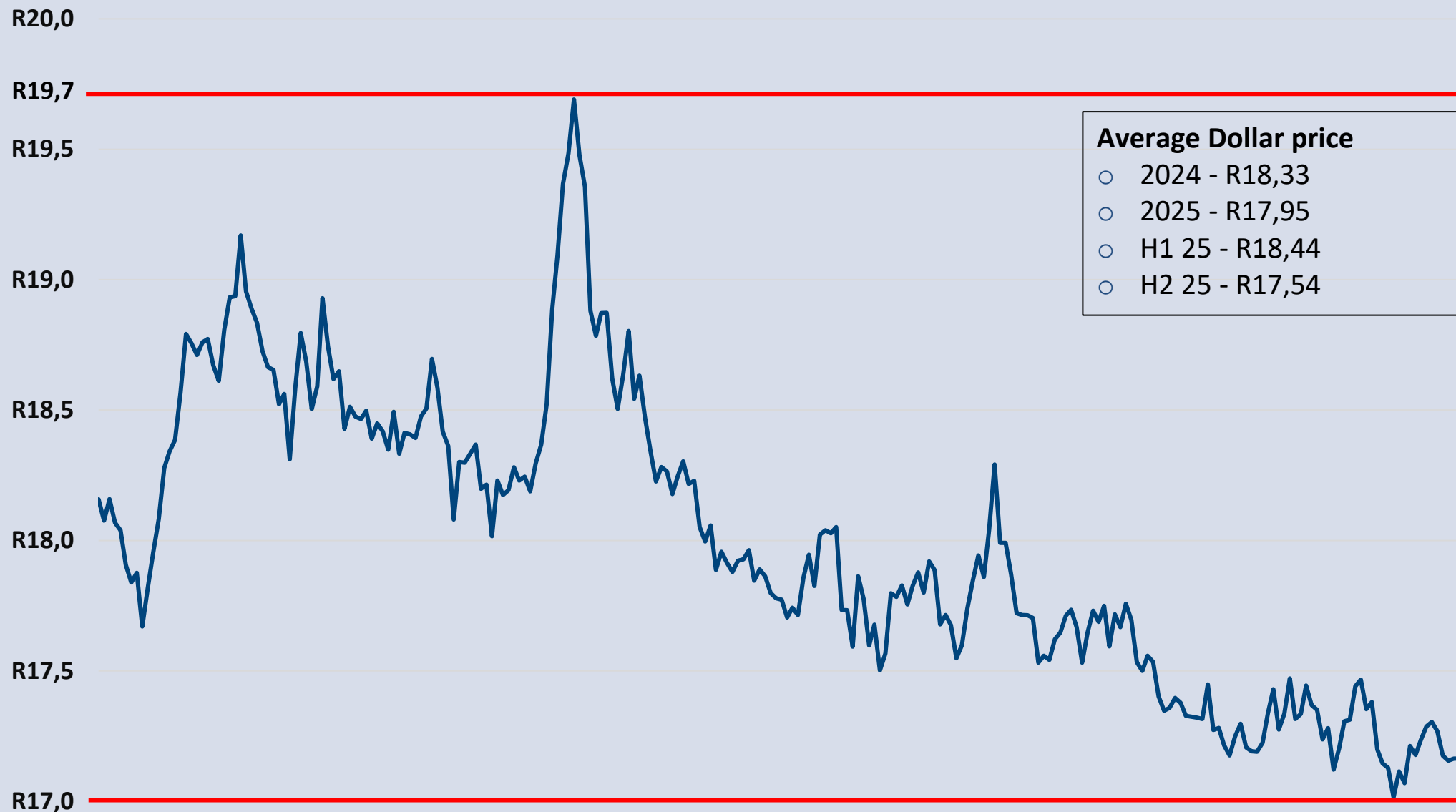
- We import approximately 73% of the group's cost of sales directly
- On average, these cost 2,5% less in 2025 than in 2024, with 16% between high and low
- We don't take a house view on exchange rates
- We hedge all liabilities and on average 30% - 40% of orders

### Import currencies

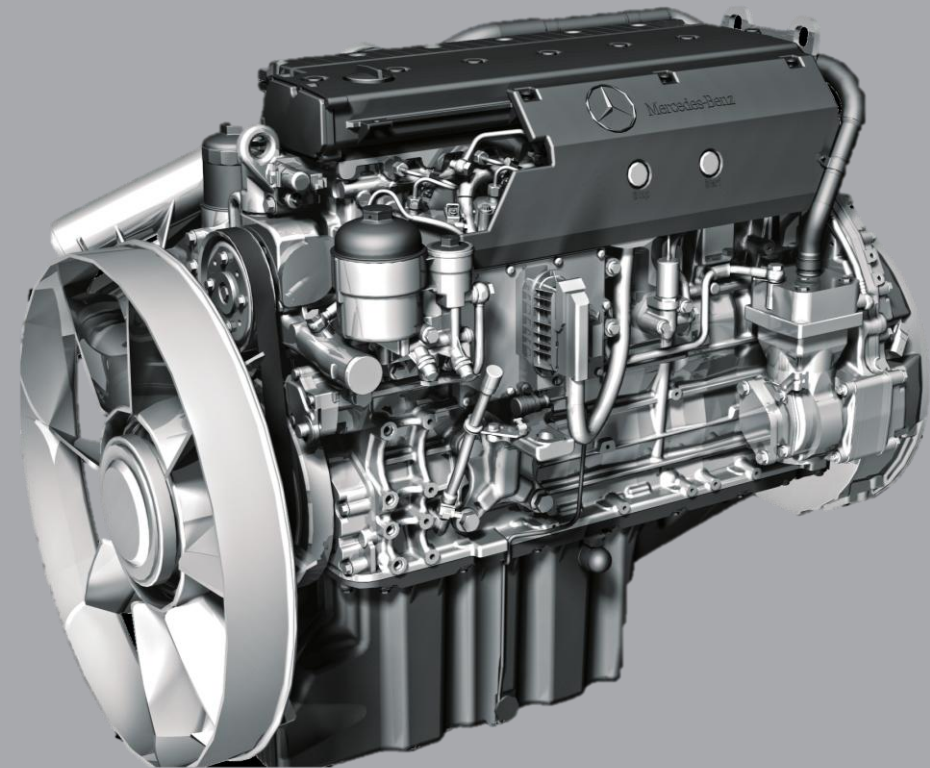
- USD\*61%    EUR 29%    YEN 5%    CNY 3%    GBP 1%    CHF 1%
- \*Imports from China, Korea, etc., are paid in USD

## 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)

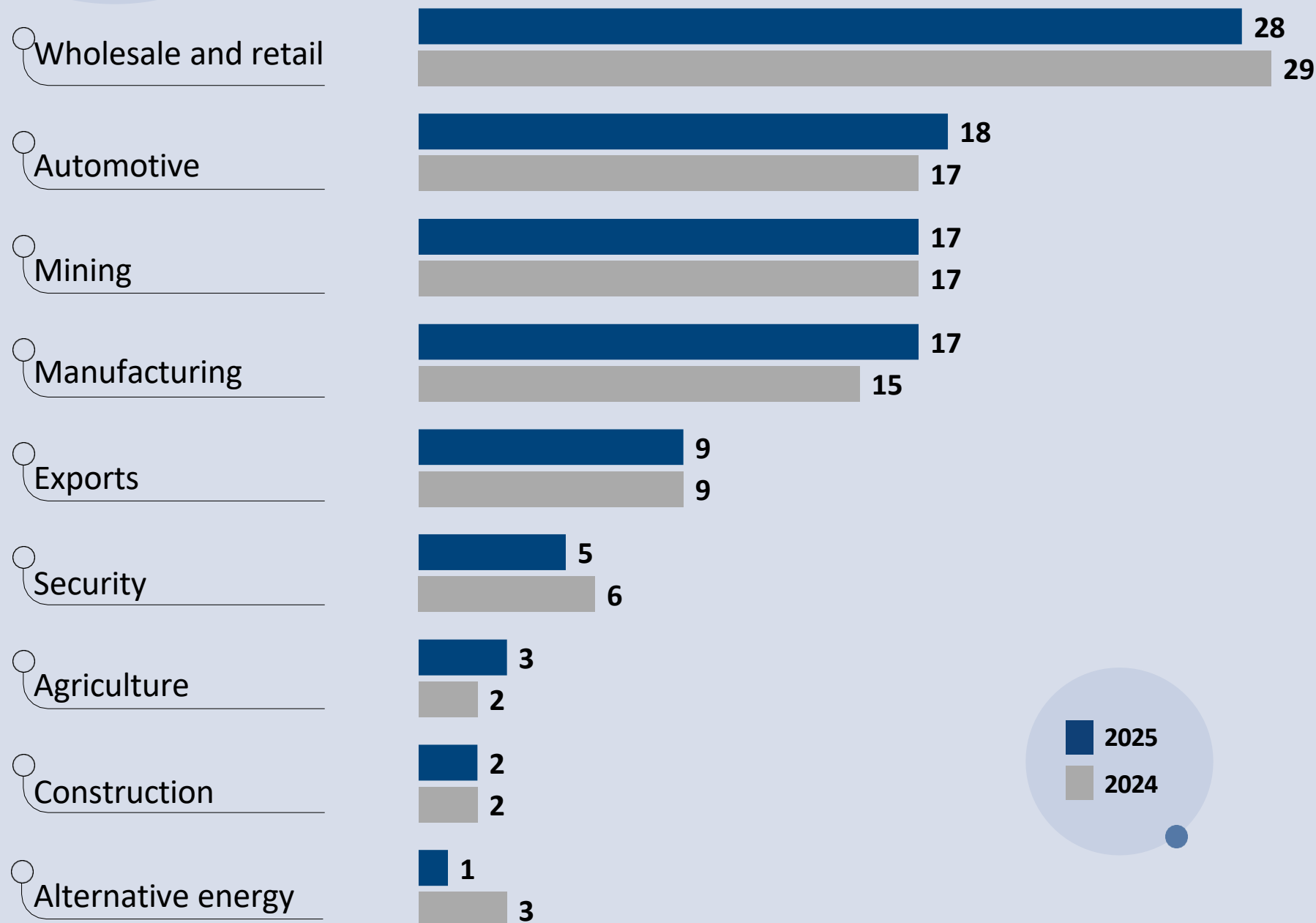
### **Inventories R2 638m**

- 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 (%)

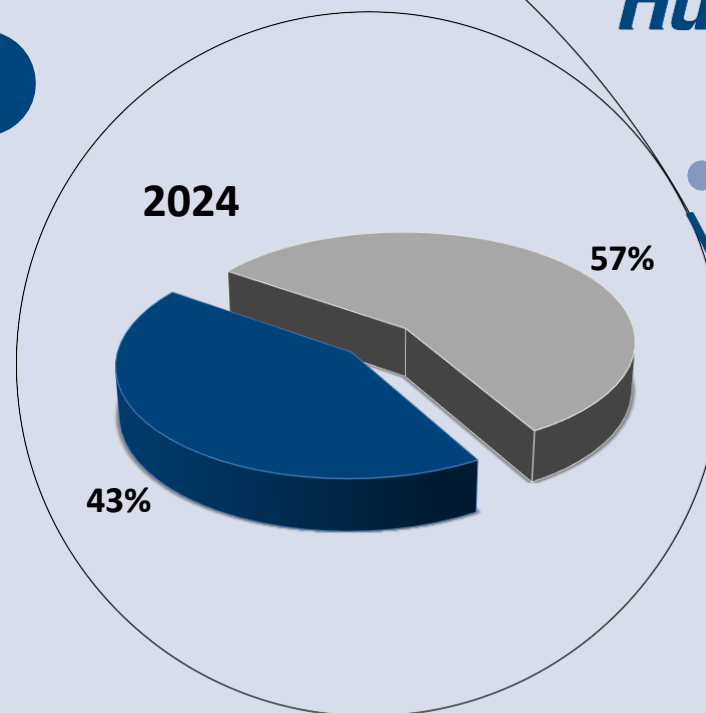
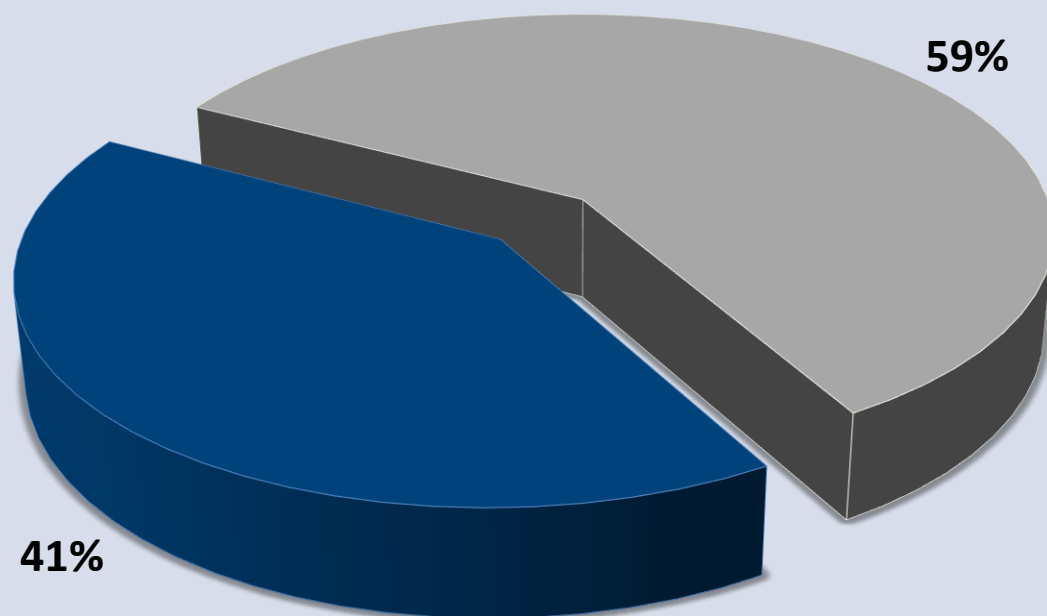


# REPORTING SEGMENTS



## Contribution by segment

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



- Consumer-related products
- Engineering consumables



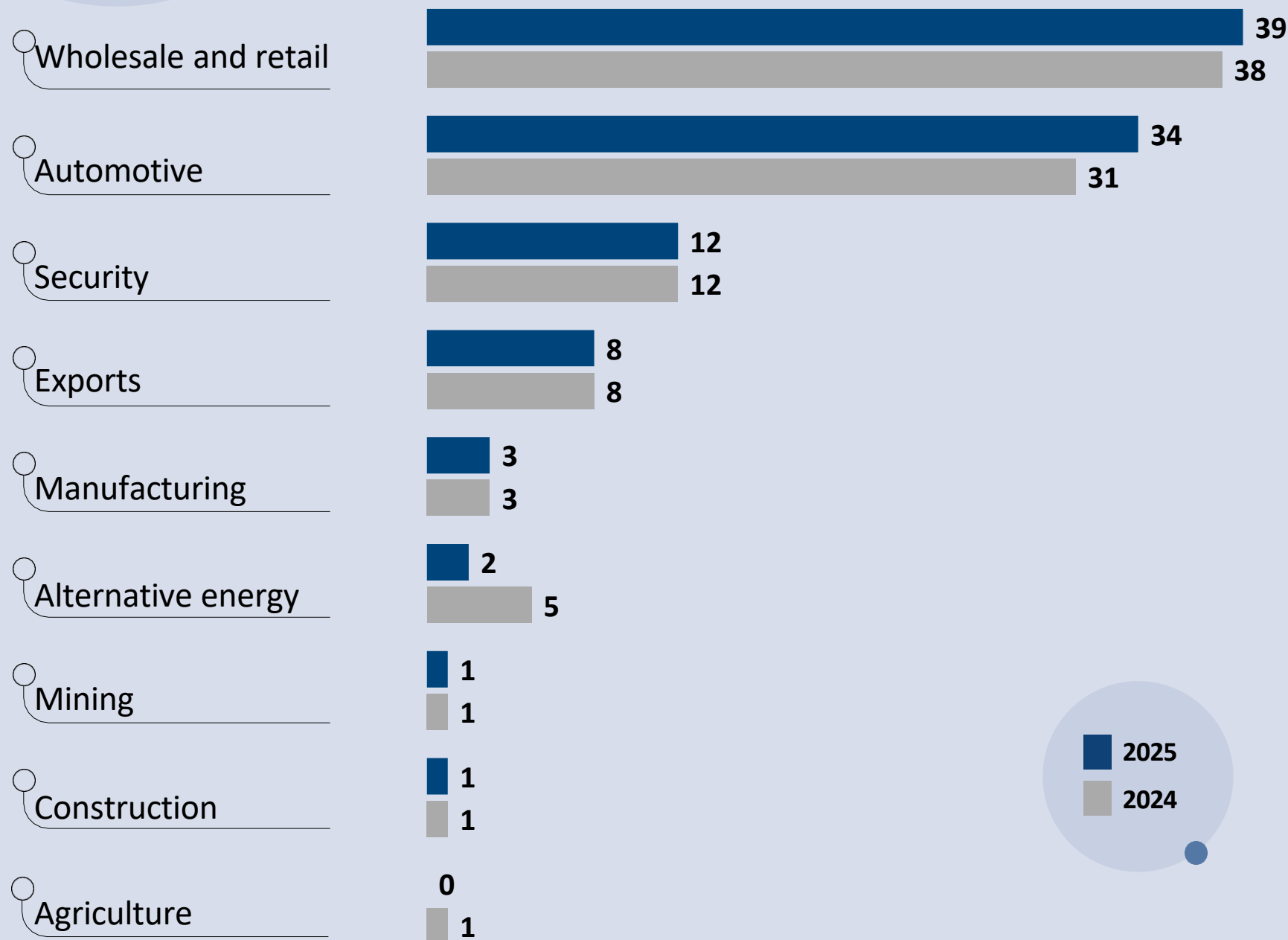
## Consumer-related products

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 (%)



# Consumer-related products

## Automotive aftermarket

**Hudaco**

### 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

# Consumer-related products

## Power tools and fasteners

**Hudaco**

### 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

Consumer-related products  
Data networking equipment

Principal businesses

**MiRO**

Main markets

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

Principal brands



GRANDSTREAM



UBIQUITI  
NETWORKS

Aqara



Cambium Networks

MikroTik

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**  
**BOSCH**

**ZKTeco**

**Tiandy**

**Texecom**

**milestone**

**AJAX**

**seapura**

**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

BRAAIMAXX



#### Used for

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

# Consumer-related products

## Batteries and sustainable energy

**Hudaco**

### 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

	Turnover			Op margin		Operating profit		
Rm	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

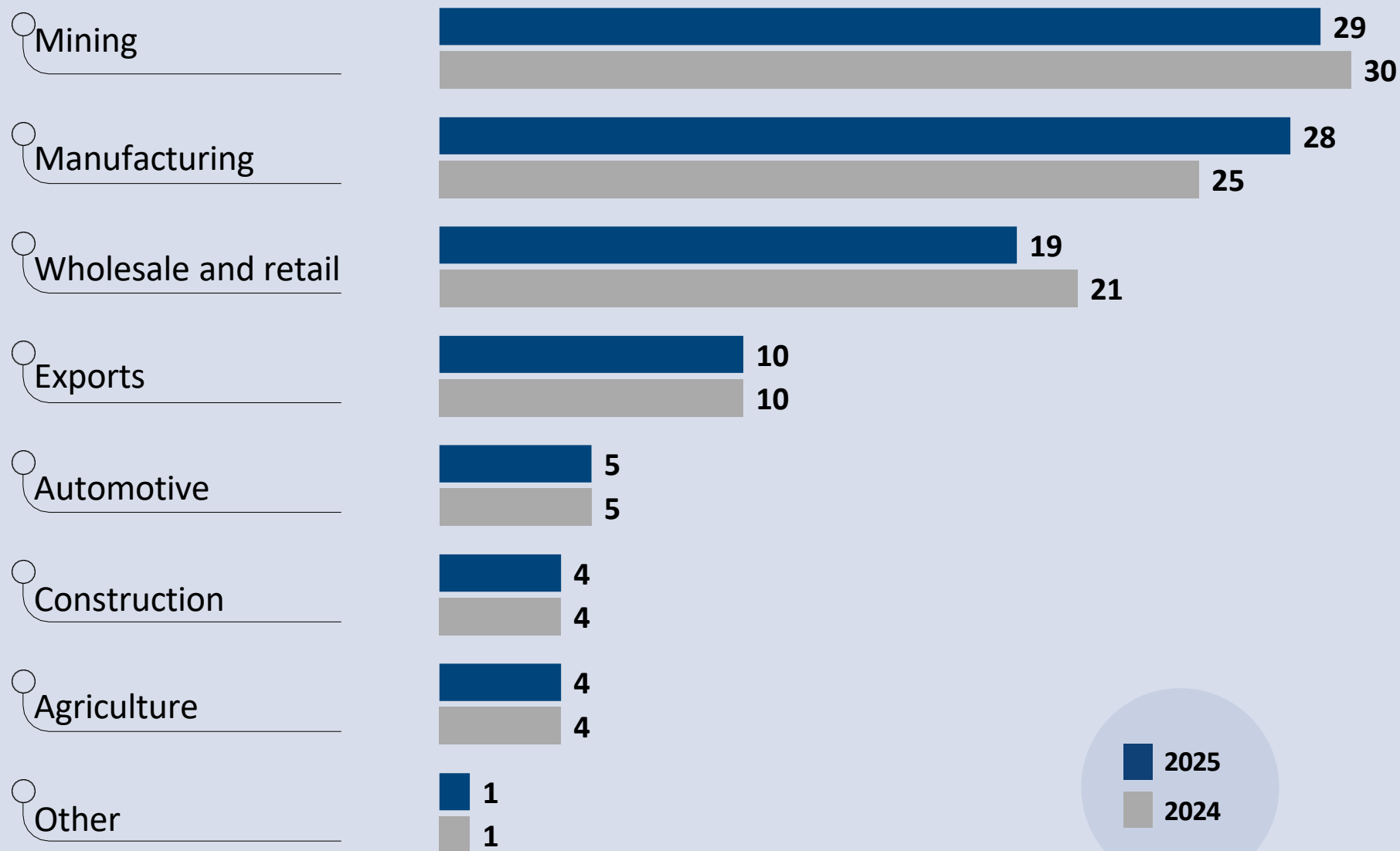
## Engineering consumables

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 (%)

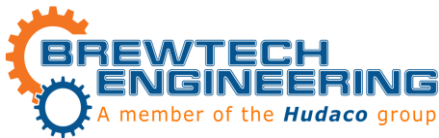


# Engineering consumables

## Bearings, belting and power transmission

**Hudaco**

### Principal businesses



### Main markets

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

### Principal brands



### Used for

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

# Engineering consumables

## Hydraulics and pneumatics

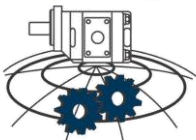
**Hudaco**

### Principal businesses



**Gear Pump  
Manufacturing**

**DOSCO**



**PRECISION  
HYDRAULICS**

**Ernest Lowe**  
PNEUMATIC & HYDRAULIC AUTOMATION SOLUTIONS



### Main markets

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

### Principal brands

**Kawasaki**  
Powering your potential

**SPICER®**

**Staffa**



**CASAPPA®**  
FLUID POWER DESIGN

**JEL JELPC®**



**NORGREN**



### Used for

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

# Engineering consumables

## Electrical power transmission

**Hudaco**

### Principal businesses



**POWERMITE**

### Main markets

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

### Principal brands



### 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



### Main markets

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

### Principal brands



### 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

# Engineering consumables

## Filtration and fluid transfer

**Hudaco**

### Principal businesses

**FloSolve**

**FHS**

### Main markets

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

### Principal brands

**Donaldson**  
FILTRATION SOLUTIONS

**FILTREC**  
Technical Filtration

**MANN + HUMMEL**

**GRACO**

**PALL** Pall Corporation

**Wiggins**  
Service System

### 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**



**PLASTI-WELD**  
Plastic Welding Technology & Hot Air Tools

Main markets

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

Principal brands

**LEISTER**



**HJS**  
Emission Technology



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		
<b>Segment total</b>	<b>4 970</b>	<b>10,1</b>	<b>4 513</b>	<b>14,0</b>	<b>13,9</b>	<b>696</b>	<b>11,2</b>	<b>625</b>

- 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

	Turnover			Op margin		Operating profit		
Rm	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)
<b>Total group</b>	<b>8 748</b>	<b>4,4</b>	<b>8 379</b>	<b>12,5</b>	<b>12,0</b>	<b>1 097</b>	<b>8,9</b>	<b>1 007</b>

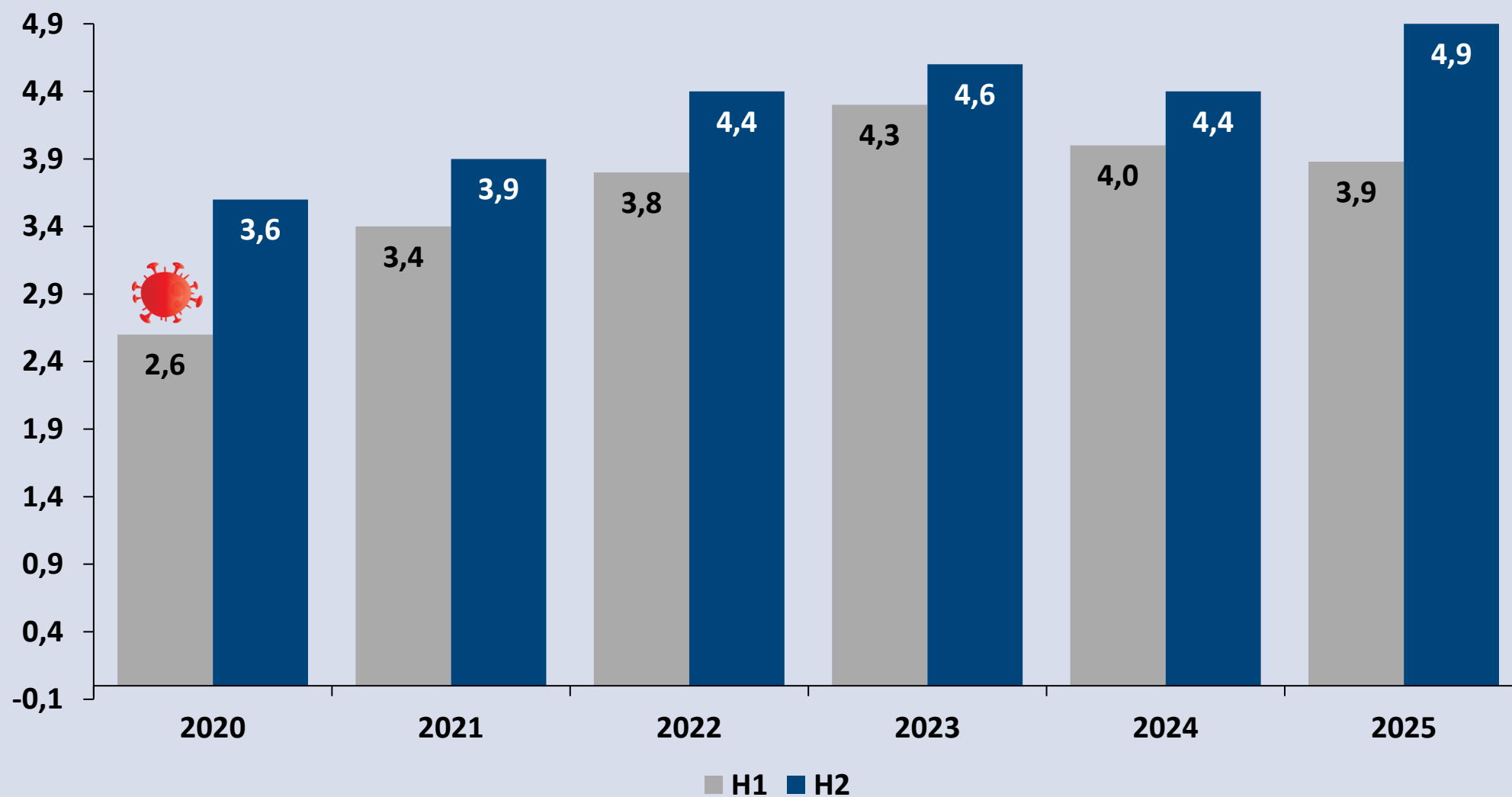
# OPERATING PROFIT AND MARGIN



LIVE THE BRAAI LIFE

## Turnover

R billion

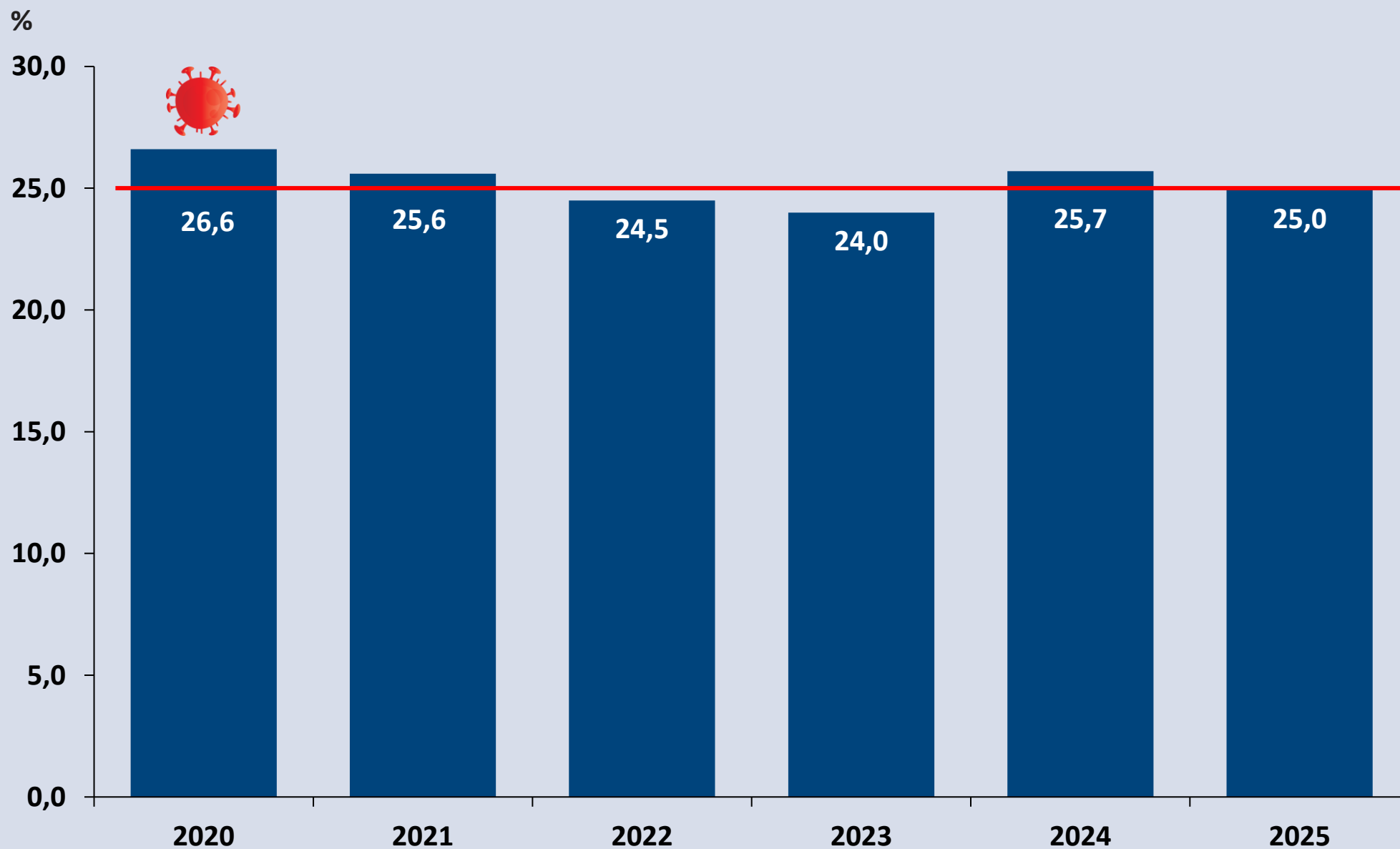




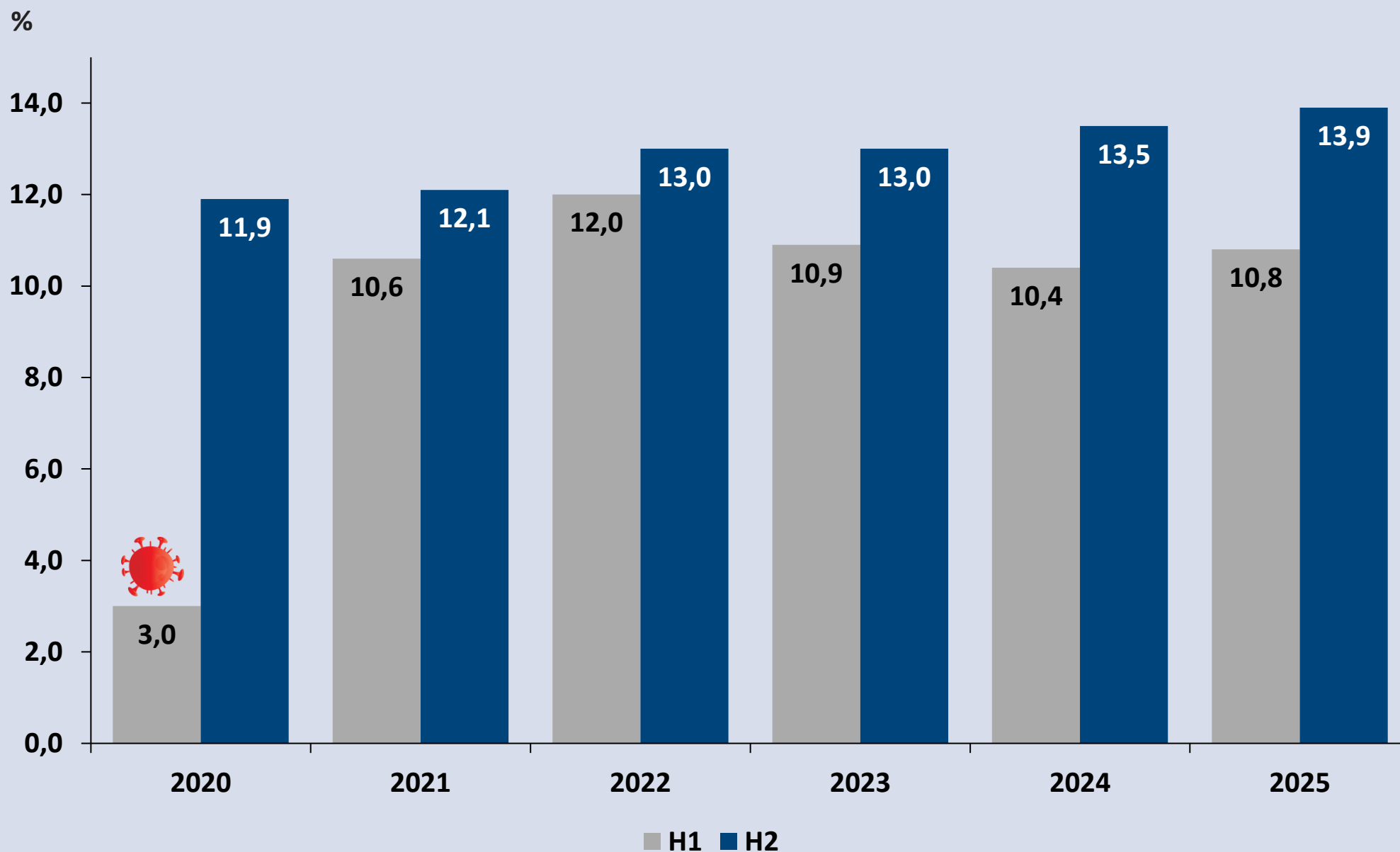
## Operating profit margin

	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



## Profit

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

## Profit

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

## Profit restructured for goodwill impairment and vendor liability adjustment

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

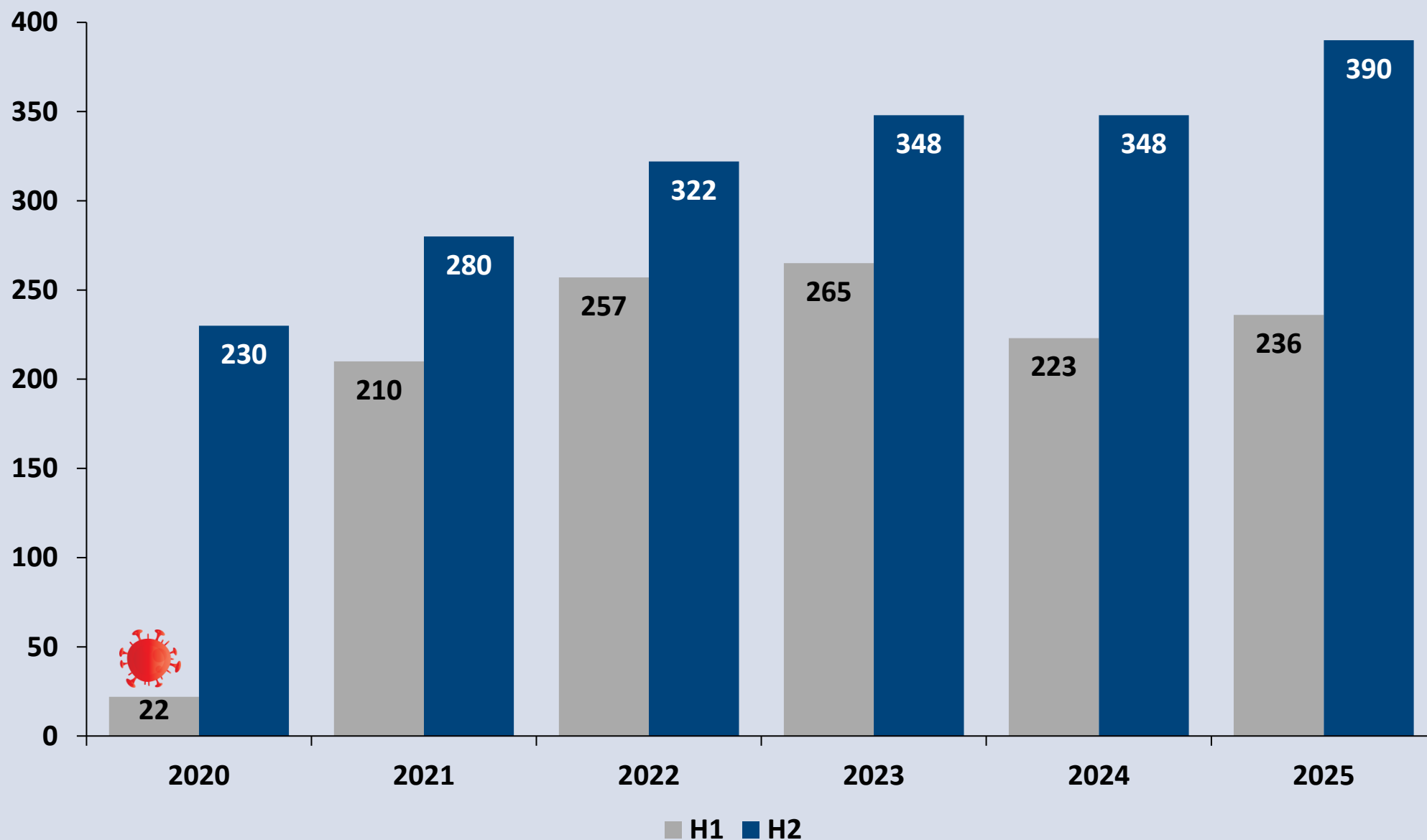
## Comparable earnings

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



## Comparable earnings

R million



## Earnings per share and dividends

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

## Statement of financial position

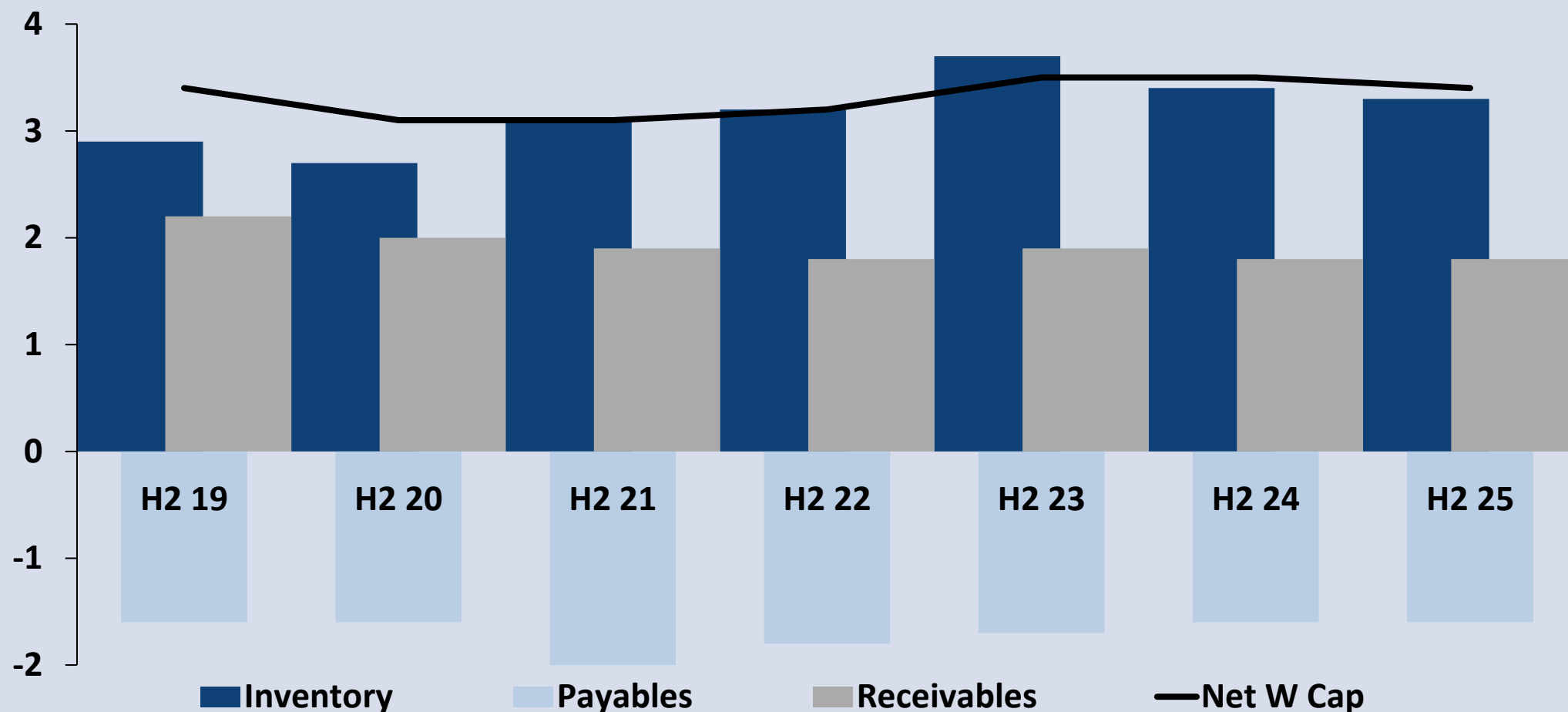
Rm	2025	2024
Working capital	2 776	2 615
- Inventories	2 638	2 461
- Receivables	1 449	1 329
- Payables	(1 311)	(1 175)
Property, plant and equipment	419	377
Right-of-use assets	407	361
Goodwill and intangibles	1 444	1 372
Tax	18	59
<b>Net assets</b>	<b>5 064</b>	<b>4 784</b>

## 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
<b>Total equity and liabilities</b>	<b>5 064</b>	<b>4 784</b>

# Working capital elements

In months of sales



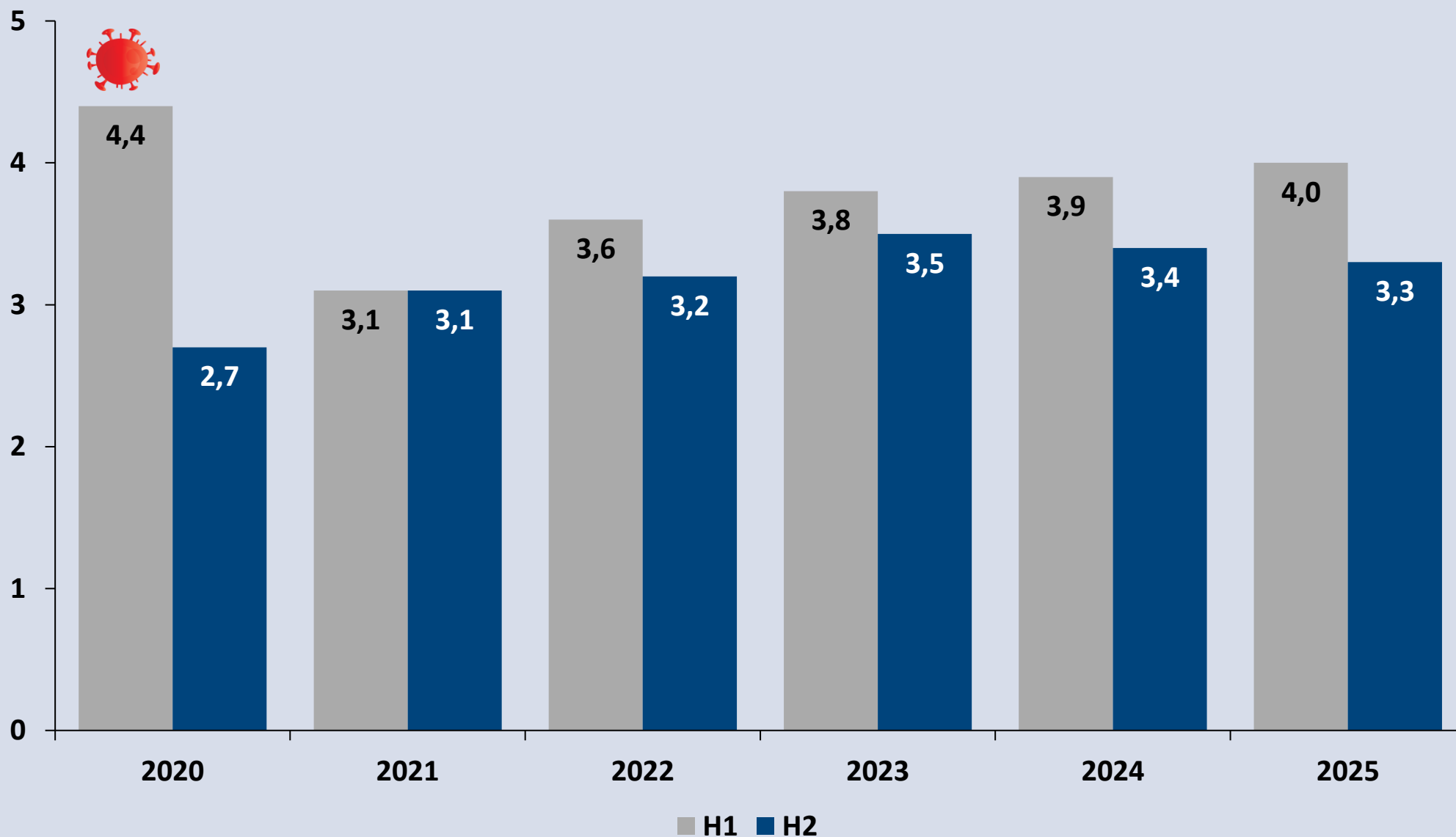
One month of sales

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
<b>Cash from operations</b>	<b>1 369</b>	<b>1 539</b>
Tax paid	(249)	(205)
<b>Cash from operating activities</b>	<b>1 120</b>	<b>1 334</b>
Invested in new businesses	(325)	(112)
Invested in software and ppe	(80)	(76)
<b>Cash flow after investing activities</b>	<b>715</b>	<b>1 146</b>

## Cash flow

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

- 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](mailto:grahamd@hudaco.co.za)

**Clifford Amoils**

*Financial director*

Tel +27 11 657 5002

[camoils@hudaco.co.za](mailto:camoils@hudaco.co.za)



***Hudaco***