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Hudaco IAS interim presentation for the six months ended 31 May 2026

Agenda

- Reflecting on H1
- Discontinued operations
- Results of continuing operations for H1
- Business model
- Reporting segments
- Operating profit and margin
- Financial review
- Outlook

Reflecting on H1

- Very tough trading conditions
- Another increasingly challenging six months
  - low business and consumer confidence
  - crisis in the Middle East
  - elevated fuel prices, making their way into pricing
  - soaring inflation
  - higher interest rates
- The positive momentum experienced at the end of 2025 has dissipated
- Not seeing any impetus from Operation Vulindlela
- Benefited from the strategic acquisitions of Isotec and FloSolve
- Discontinued two businesses
  - alternative energy
  - battery bay management and battery service business within Eternity Technologies
- Bosworth is now profitable

Discontinued operations – Alternative energy

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- In 2022 and 2023 we capitalised on the load-shedding period and stocked up for a bumper 2024
- In March 2024, when load-shedding ended unexpectedly, we were overstocked, but we believed there was still a place for Hudaco in alternative energy to meet demand for green energy and to provide an alternative to Eskom's increasing electricity prices
- We got this wrong
  - the market has become commoditised and is now a high-volume, low-margin market
  - base prices have fallen dramatically
  - the business now does not fit the Hudaco business model anymore
- We have written down the inventory, which was purchased three years ago

Discontinued operations – Battery bay management and battery service business

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- When we bought Eternity Technologies, and for a few years thereafter, the business model made sense
- The low-margin, labour-intensive business was offset by the higher-margin product-sales business
- But then, many years of cumulative above-inflation wage increases for the unionised workforce, together with their refusal to accept a three-shift schedule with no overtime, made this business unsustainable
- Over this period, our supplier awarded dual distributorship of our products to a new competitor that did not offer the labour component, which forced product margins down
- We will continue to distribute the products, but have closed the labour business
- Since 2010, we have acquired 30 businesses, most of which have been accretive. These two have not worked out, so we have recognised this and moved on

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Results of continuing operations for H1

Turnover
9,5% to
R4,2bn

Gross
profit margin
from
38,3% to
38,0%

Operating
profit
11,2% to
R485m

Attributable
earnings
0,4% to
R278m

Headline
earnings per
share
0,3% to
978 cents

Comparable
earnings per
share
12,4% to
978 cents

Interim
dividend per
share
10% to
385 cents

Cash
generated from
operations
R478m

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THE BUSINESS MODEL

CADAC

LIVE THE BRAAI LIFE

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

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- 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 644m

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

Receivables R1 403m

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

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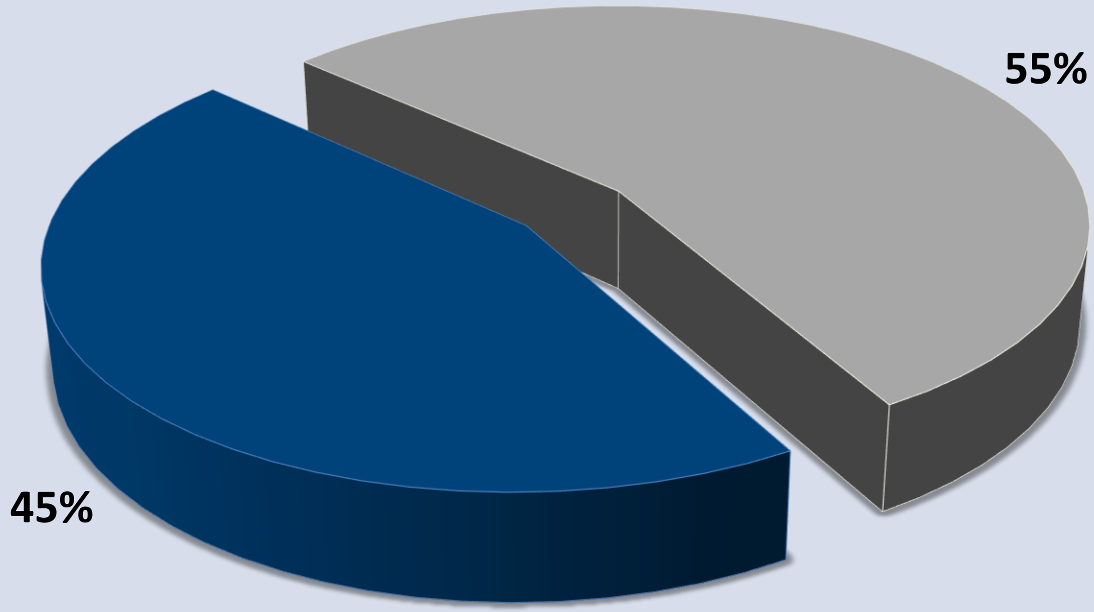
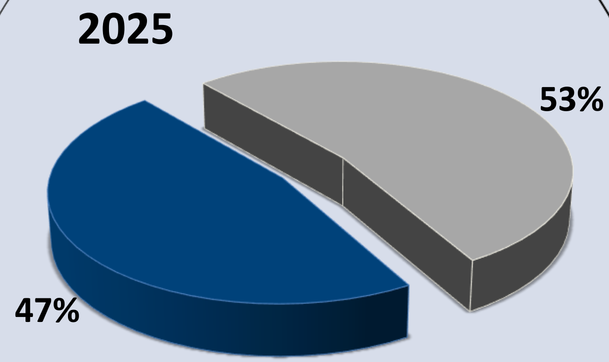
REPORTING SEGMENTS

ELVEY
Security Technologies

Contribution by segment

Contribution to H1 2026 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
- Automotive, UPS and traction batteries

Segment results | Consumer-related products

	Turnover			Op margin		Operating profit		
Rm	**2026**	**% ch**	**2025**	**2026**	**2025**	**2026**	**% ch**	**2025**
Operations 18+ months in group	**1 785**	2,7	1 738	**13,2**	12,5	**236**	8,8	217
Segment total	**1 785**	**2,7**	**1 738**	**13,2**	**12,5**	**236**	**8,8**	**217**

- Our data networking (MiRO) and CADAC businesses had good growth
- The security business has had a bad start to the year

Engineering consumables

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The engineering consumables segment imports and distributes branded products that are generally used in the repair and maintenance of 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

Segment Results | Engineering Consumables

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	Turnover			Op margin		Operating profit		
Rm	**2026**	**% ch**	**2025**	**2026**	**2025**	**2026**	**% ch**	**2025**
Operations 18+ months in group	2 126	2,4	2 077	**11,5**	11,5	**244**	2,1	239
Acquisitions after Dec 2024	313		39	**15,0**	12,8	**47**		5
Segment total	**2 439**	**15,3**	**2 116**	**11,9**	**11,5**	**291**	**19,3**	**244**

- Acquisitions have been bedded down and are the main contributor to the growth in engineering consumables
- We had good performances from our diesel engines and filter businesses
- Disappointing results from Brigit Fire and Powermite

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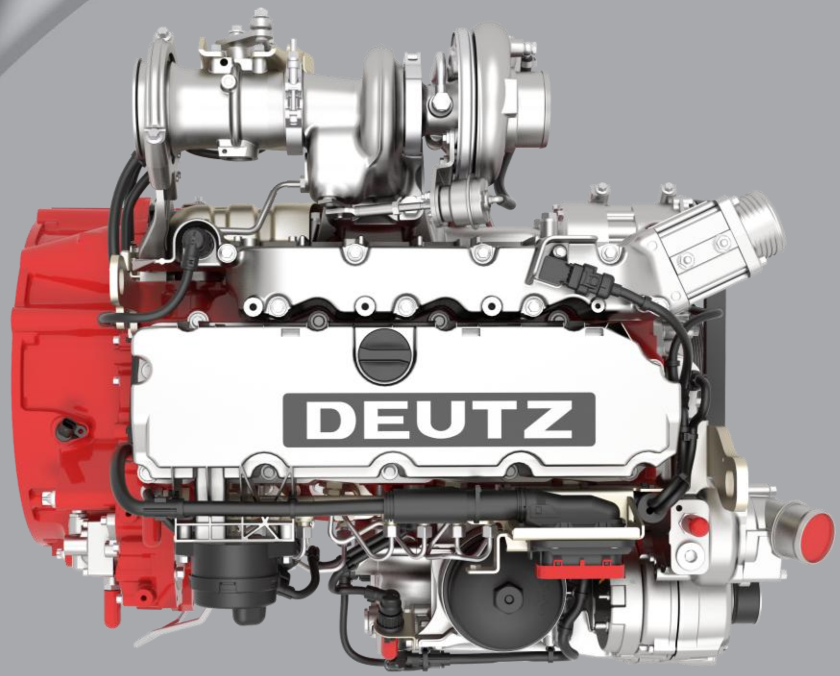
Combined segment results

Rm	Turnover 2026	Turnover % ch	Turnover 2025	Op margin 2026	Op margin 2025	Operating profit 2026	Operating profit % ch	Operating profit 2025
Consumer-related products	**1 785**	2,7	1 738	**13,2**	12,5	**236**	8,8	217
Engineering consumables	**2 439**	15,3	2 116	**11,9**	11,5	**291**	19,3	244
Head office, shared services and eliminations	**(12)**		(7)			**(42)**		(25)
Total group	**4 212**	**9,5**	**3 847**	**11,5**	**11,3**	**485**	**11,2**	**436**

OPERATING PROFIT AND MARGIN



DEUTZ DIESELPOWER

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Operating profit margin

	2026	2025
Margin (%)		
Turnover	**100%**	**100%**
Gross profit	**38,0%**	38,3%
Operating expenses	**26,5%**	27,0%
Operating profit	**11,5%**	**11,3%**

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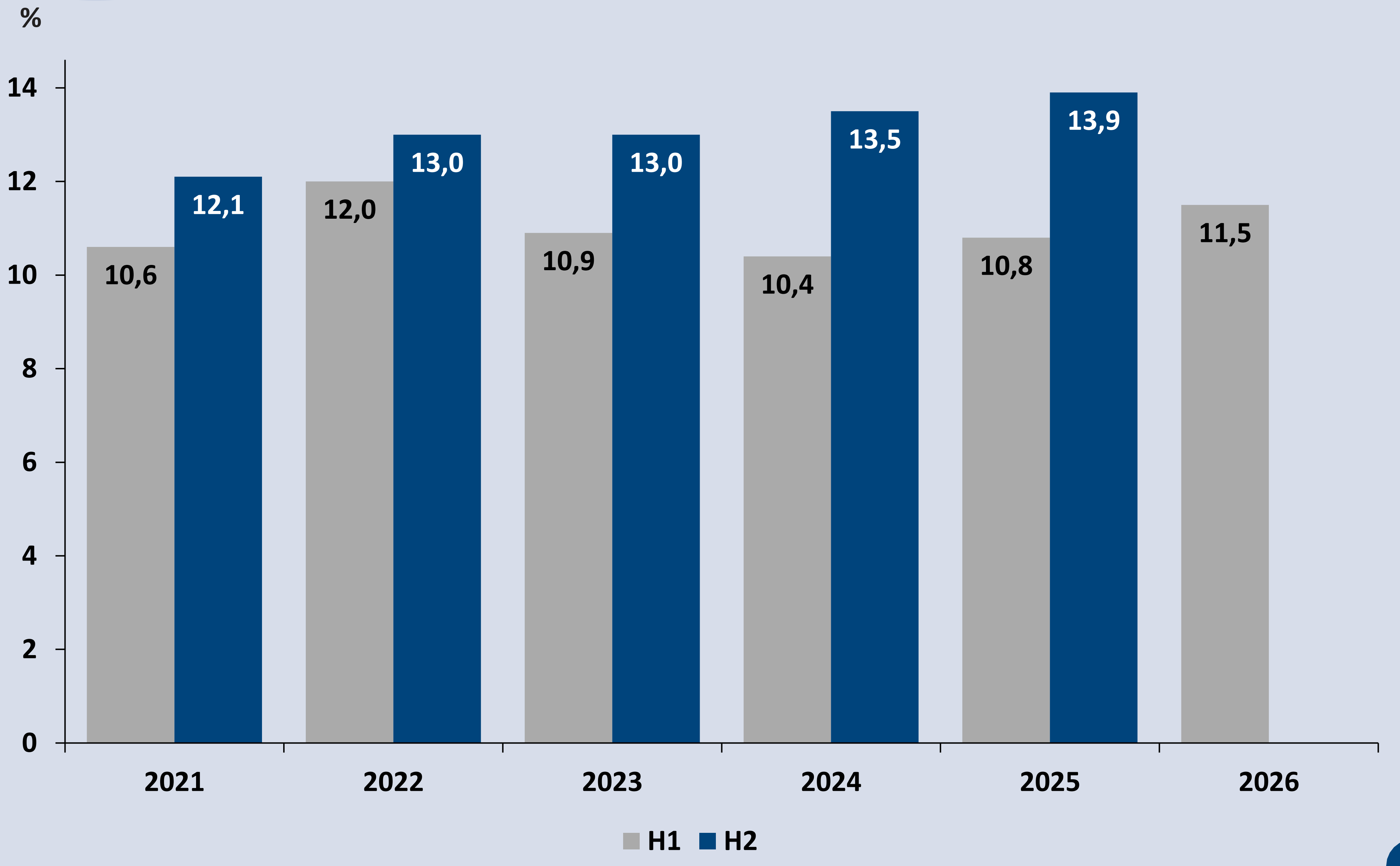
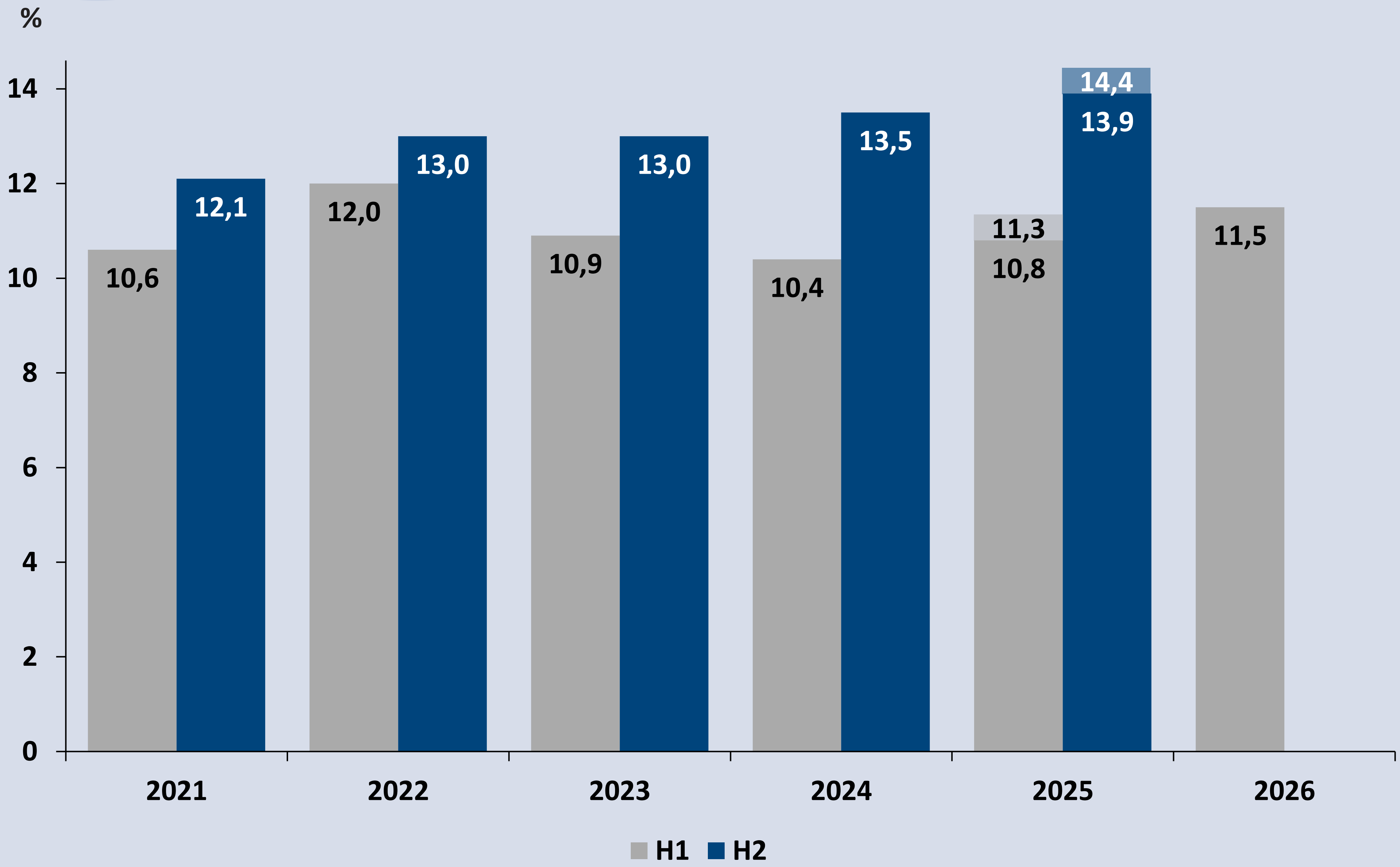
Operating profit margin – all operations to 2025



Operating profit margin – continuing operations



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FINANCIAL REVIEW

PARTQUIP
QUALITY GUARANTEED AUTO PARTS

Profit

Rm	2026	% ch	2025
Turnover	**4 212**	**9,5**	**3 847**
Operations 18+ months in group	3 899	2,4	3 808
Acquisitions after Dec 2024	313		39
Gross profit	**1 602**	**8,7**	**1 474**
Operating expenses	**1 117**	**7,6**	**1 038**
Operations 18+ months in group	1 065	3,2	1 032
Acquisitions after Dec 2024	52		6
Operating profit	**485**	**11,2**	**436**
Operations 18+ months in group	438	1,6	431
Acquisitions after Dec 2024	47		5

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Profit

Rm	2026	% ch	2025
Operating profit	485	**11,2**	**436**
Fair value adjustments (time value of money)	4		7
Net interest on funding	19		17
Imputed interest on leases	35		43
Profit before tax and vendor liability adjustment	427	**15,7**	**369**
Taxation (Rate 2026:27,2% 2025:27,1%)	116		100
Profit after taxation	311	**15,6**	**269**
Non-controlling interest	33		22
Attributable earnings before vendor liability adjustment	278	**12,6**	**247**
Fair value adjustment to estimated capital amount due to vendors, net of minority			**30**
Attributable earnings	278	**0,4**	**277**

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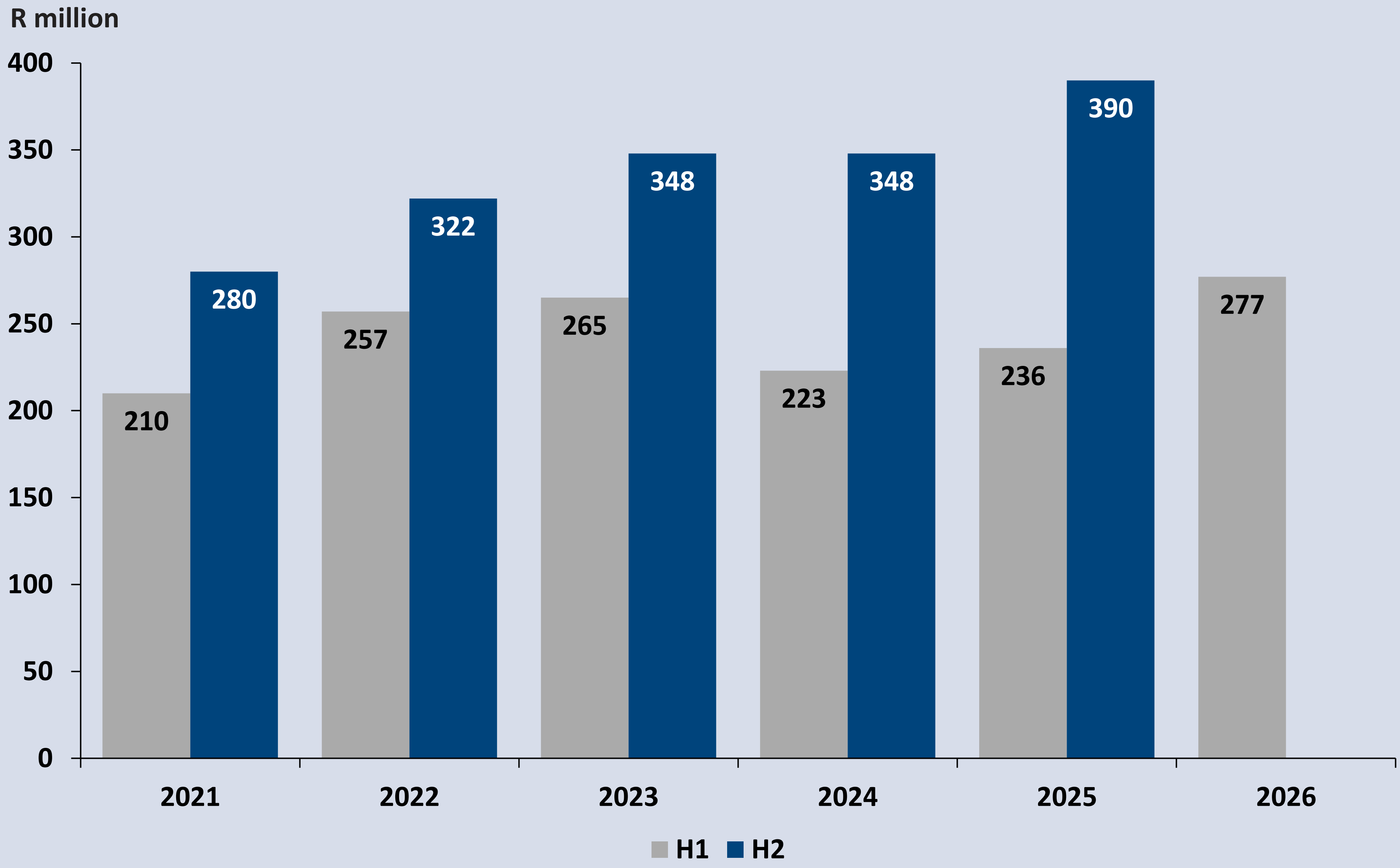
Comparable earnings

Rm	2026	% ch	2025
Attributable earnings	**278**	**0,4**	**277**
Profit on disposal of PPE, net of minority	**(1)**		(1)
Headline earnings	**277**	**0,4**	**276**
Fair value adjustment to estimated capital amounts due to vendors			(35)
Non-controlling interest			5
Comparable earnings	**277**	**12,6**	**246**

Comparable earnings - all businesses to 2025



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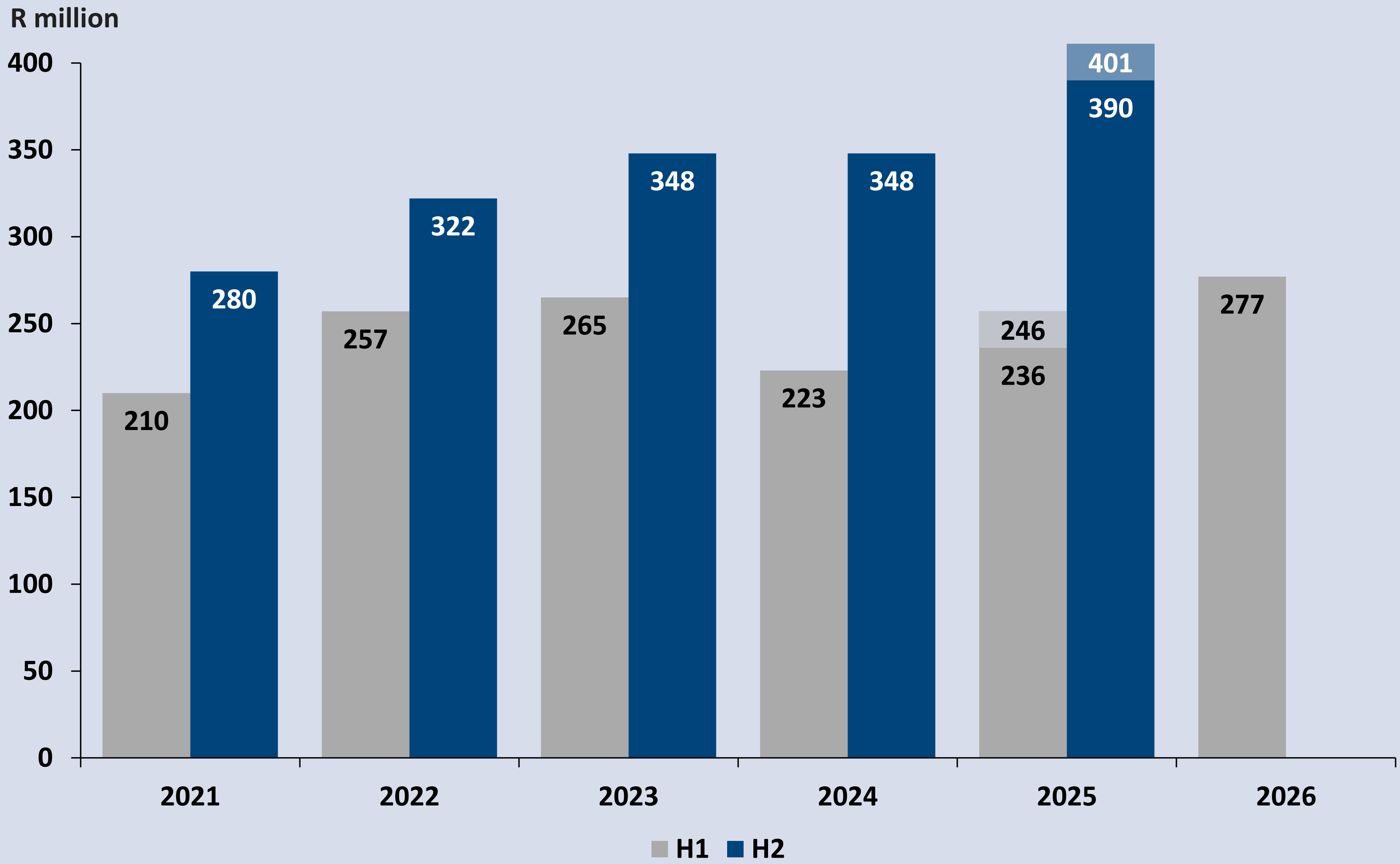
Comparable earnings – continuing operations from 2025



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Earnings per share and dividends

Cents	2026	% ch	2025
Earnings per share			
Comparable	**978**	12,4	870
Headline	**978**	0,3	975
Basic	**979**	0,1	978
Dividends per share			
- Interim	**385**	10,0	350
- Final			770
Total			**1 120**
Dividend cover (times by comparable earnings)	**2,54**		**2,49**

Statement of financial position

Rm	2026	2025
Working capital	2 778	2 882
- Inventories	2 644	2 799
- Receivables	1 403	1 324
- Payables	(1 269)	(1 241)
Property, plant and equipment	466	402
Right-of-use assets	355	359
Goodwill and intangibles	1 431	1 472
Tax	9	26
Net assets	**5 039**	**5 141**

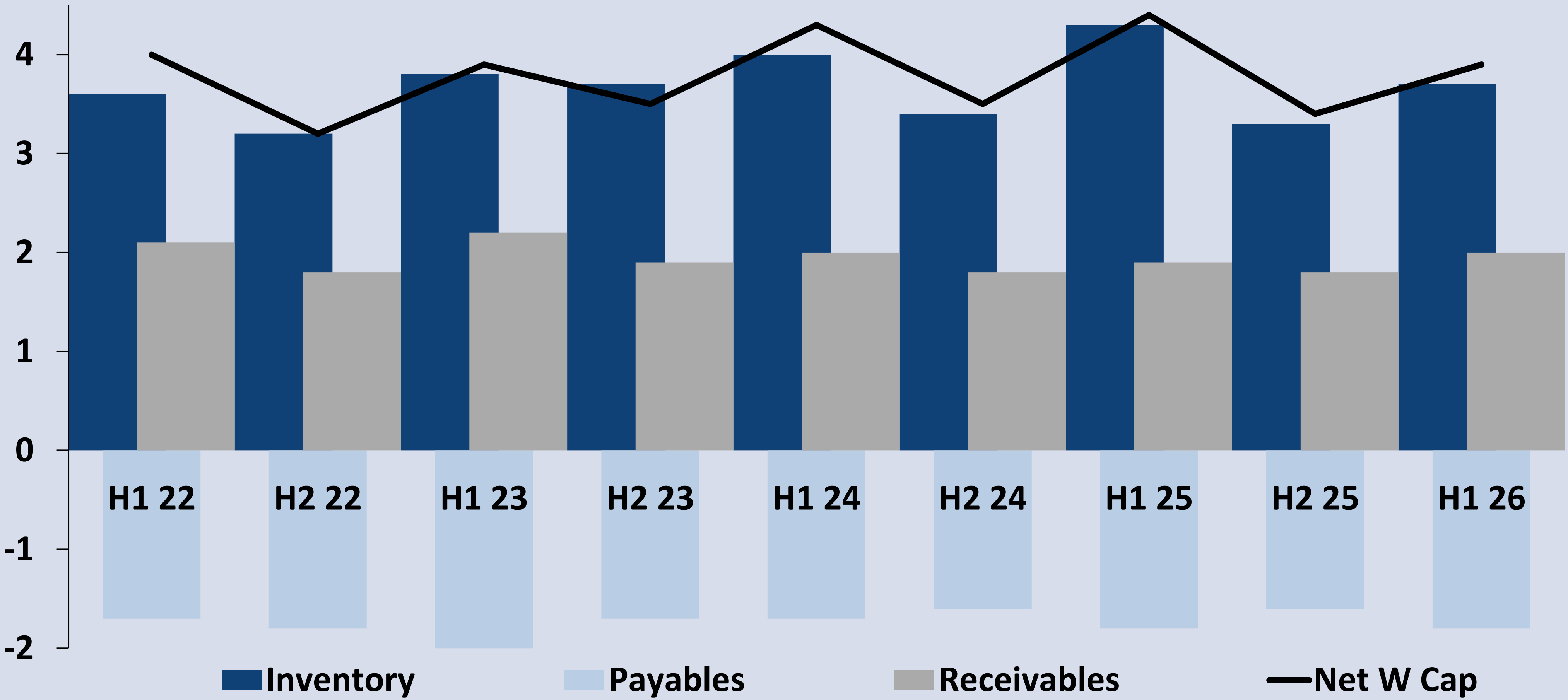
- May 2025 includes remeasurement for final PPA on Isotec acquisition reflected in November 2025

Statement of financial position

Rm	**2026**	**2025**
Equity	**3 836**	3 655
Net borrowings	**654**	957
Lease liabilities	**426**	425
Due to vendors	**99**	83
Tax	**24**	21
Total equity and liabilities	**5 039**	**5 141**

Working capital elements

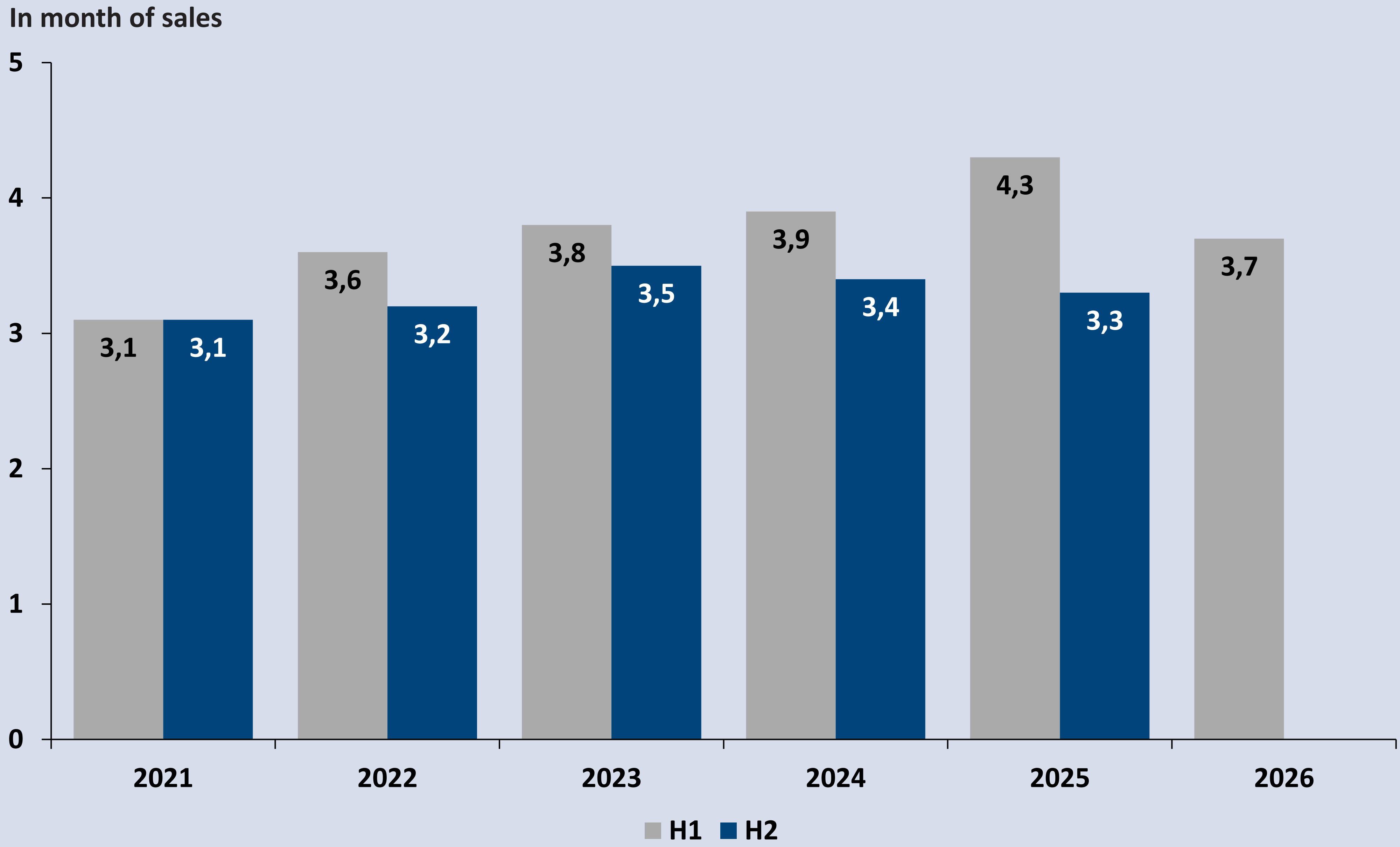
In months of sales



One month of sales

2025 = R648m (H1) **2026** = R702m (H1)

Inventory


In month of sales
5
4
3
2
1
0
3,1
3,1
3,6
3,2
3,8
3,5
3,9
3,4
4,3
3,3
3,7
2021
2022
2023
2024
2025
2026
H1
H2

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Cash flow

Rm	2026	2025
Cash from trading	616	551
Increase in working capital	(138)	(92)
Cash from operations	**478**	**459**
Tax paid	(113)	(143)
Cash from operating activities of continuing operations	**365**	**316**
Cash from operating activities of discontinuing operations	(24)	(17)
Cash from operating activities	**341**	**299**
Invested in new businesses	(12)	(252)
Invested in software and ppe	(79)	(37)
Cash flow after investing activities	**250**	**10**

Cash flow

Rm	2026	2025
Cash flow after investing activities	**250**	**10**
Share-based payments	**(44)**	(35)
Lease payments (rent)	**(80)**	(78)
Finance costs paid	**(35)**	(43)
Dividends paid	**(233)**	(224)
Net movement	**(142)**	**(370)**
Foreign exchange translation (loss) gain	**(4)**	2
Opening borrowings	**(508)**	(589)
Closing borrowings	**(654)**	**(957)**

- Excellent cash conversion

Loss from discontinued operations

Rm	2026	2025
Operating loss	**(14)**	(17)
Cost of discontinuance	**(146)**	
- Impairment of inventories	**(133)**	
- Impairment of plant	**(3)**	
- Retrenchment costs	**(10)**	
Loss before tax	**(160)**	(17)
Taxation	**44**	5
Loss after tax	**(116)**	**(12)**

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Reconciliation of group operating profit

	2026	% ch	2025
Operating profit from continuing operations	485	11,2	436
Operating loss from discontinued operations	(14)		(17)
Total operating profit	**471**	**12,4**	**419**

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Key financial points

- Drag of discontinued operations is behind us
- Economy still keeping turnover under pressure
- Gross margin slightly down but strong at 38%
- Expenses very tightly managed
- Cash generation is strong
- Improved operating margin
- Interest bill not onerous
- Still have ample capacity for acquisitions
- Strategic allocation of capital

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OUTLOOK

Rutherford

Outlook for H2 2026

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- Cautiously optimistic despite continued geopolitical risk and economic climate
- Hudaco is resilient
- We will benefit from not having discontinued operations in H2
- Acquisitions of Isotec and FloSolve were already in H2 for 2025
- Hudaco businesses to have the usual improved H2 performance
- Hudaco is well-placed for any growth in economic activity
- Expect strong cash generation in H2
- Strong balance sheet enables strategic capital allocation
  - invest in our higher-growth businesses
  - acquisitions (nothing imminent)
  - reduce borrowings (likely)
  - repurchase shares (return to shareholders, we have a mandate)

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