

RESULTS PRESENTATION
YEAR END 2024

Hudaco

- ❑ General business environment and overview
- ❑ Hudaco in the general business environment
- ❑ Exchange rates
- ❑ Business model
- ❑ Reporting segments
- ❑ Operating profit and margins
- ❑ Financial review
- ❑ Outlook

- ❑ Pleasing year-end results after a difficult year
 - at half year, earnings were down 15%
 - managed to claw back to 6% down at year-end
 - meaningful signs of improvement in activity and demand
- ❑ A state of flux in the months leading up to the elections and establishment of a GNU
 - looking forward to seeing the U in GNU
- ❑ South Africa's economic environment remained depressed
 - 12th year of economic growth below population growth
 - degradation of South Africa's national and municipal infrastructure continues unabated
- ❑ Load-shedding absence for the last eight months is good for SA and Hudaco
 - negative impact on our energy businesses
- ❑ Supply chain disruptions
 - particularly at SA's inefficient ports - signs of progress
 - has required a higher investment in inventory (goods in transit)

- ❑ There is talk in the market of improved consumer spending
- ❑ Management have performed well focusing on the things within their control
 - day-to-day basis: margins, expenses and working capital
 - medium term: capital allocation
 - long term: finding new growth areas, e.g. Isotec
- ❑ Eternity's goodwill impairment is a disappointment – rare, as our track record is good
- ❑ Good work on reducing overstocking in energy businesses
- ❑ Cash generated from operations R1,5bn
- ❑ Market cap increase YOY is R1,1bn
- ❑ Hudaco has benefited from a defensive, robust portfolio of diverse businesses
- ❑ Cautiously optimistic about 2025 despite geo-political risks

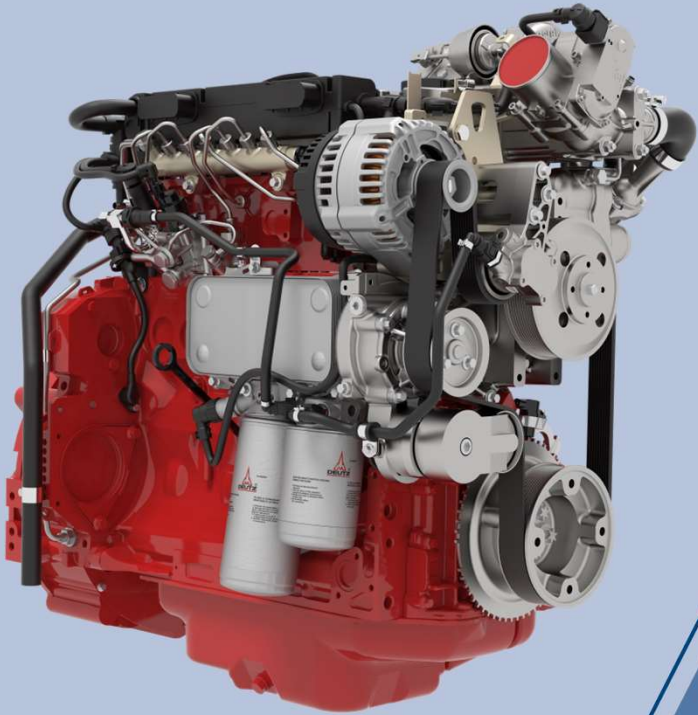


HUDACO IN THE GENERAL BUSINESS ENVIRONMENT

- ❑ Performance in last 5 months since GNU formation lifted uncertainty – profits up in 2024
- ❑ HEPS and CEPS clawed back to 6% down for full-year from 15% in H1
- ❑ Stock reduction, especially solar – R240m
- ❑ Borrowings reduction – R424m
- ❑ Dividends maintained
- ❑ Successfully bedded down Brigit Fire and Plasti-Weld acquisitions
- ❑ Gross profit margin up 1,7% points (36,0% to 37,7%)
- ❑ Isotec acquisition – max R709m, our largest to date

Turnover	↓	5,8% to R8,4bn
Gross profit margin	↑	1,7% points to 37,7%
Operating profit	↓	6,0% to R1,0bn
Attributable earnings	↓	17,2% to R506m
Headline and comparable earnings per share	↓	6,3% to 2012 cents
Total dividend per share	→	Unchanged at 1025 cents
Cash generated from operations	↑	71% to R1,5bn

Government Employees Pension Fund	15%
PSG Asset Management	10%
Nintey One	8%
Aylett & Co	7%
Citigroup (custodian)	5%
Abax Investments	5%
Bateleur Capital	4%
Invesco Advisers	4%
Sanlam Investments	3%
Nedbank	3%
Old Mutual Investments	3%
	<hr/>
	67%

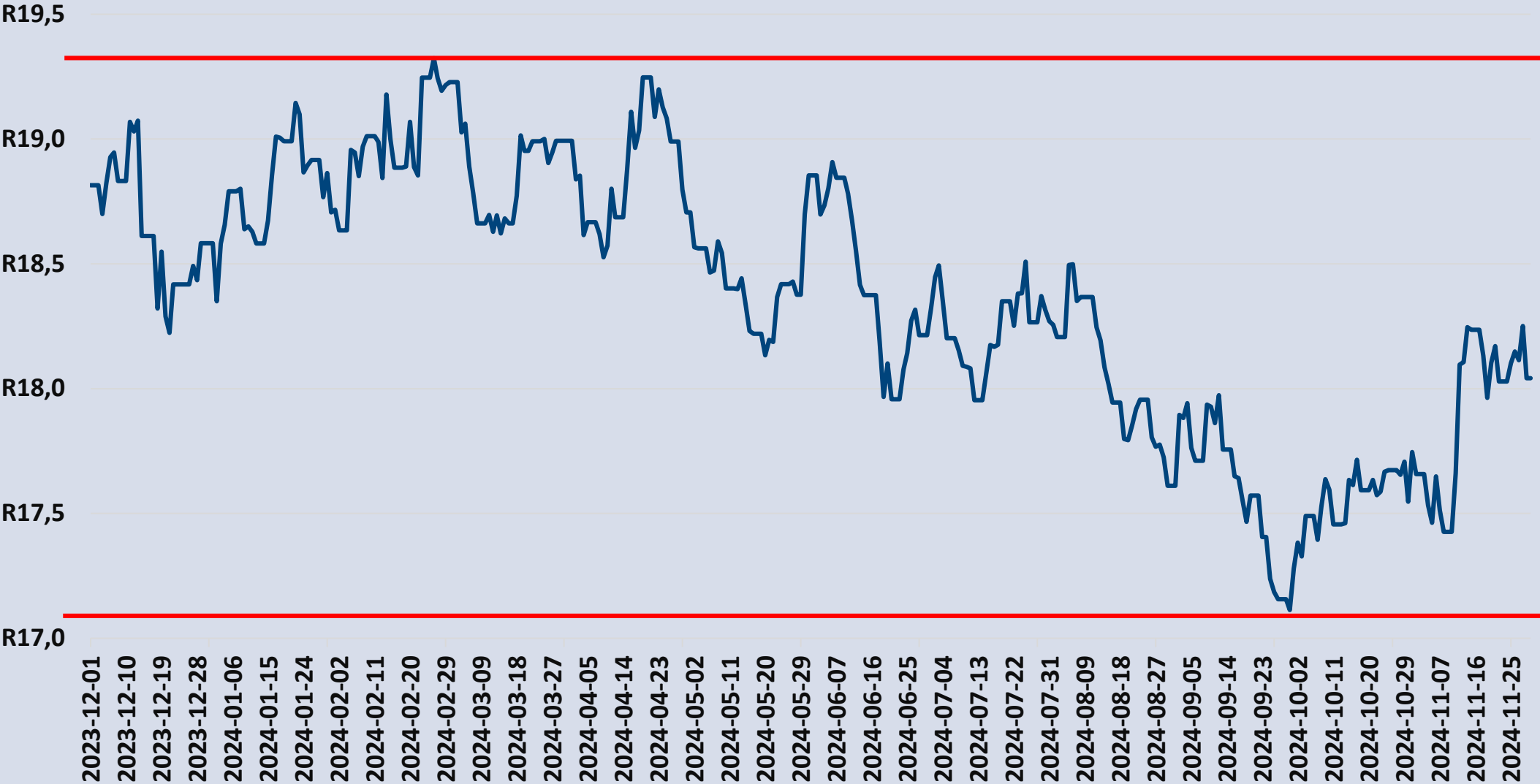


EXCHANGE RATES

- ❑ We import directly approximately 70% of the group cost of sales
- ❑ On average, these cost the same in 2024 as in 2023, with 13% between high and low
- ❑ We don't take a house view on exchange rates
- ❑ We hedge all liabilities and on average, 30% of orders

Import currencies

- ❑ USD* 63% EUR 27% YEN 4% CNY 4% GBP 1% CHF 1%
- ❑ *Imports from China, Korea, etc., are paid in USD





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

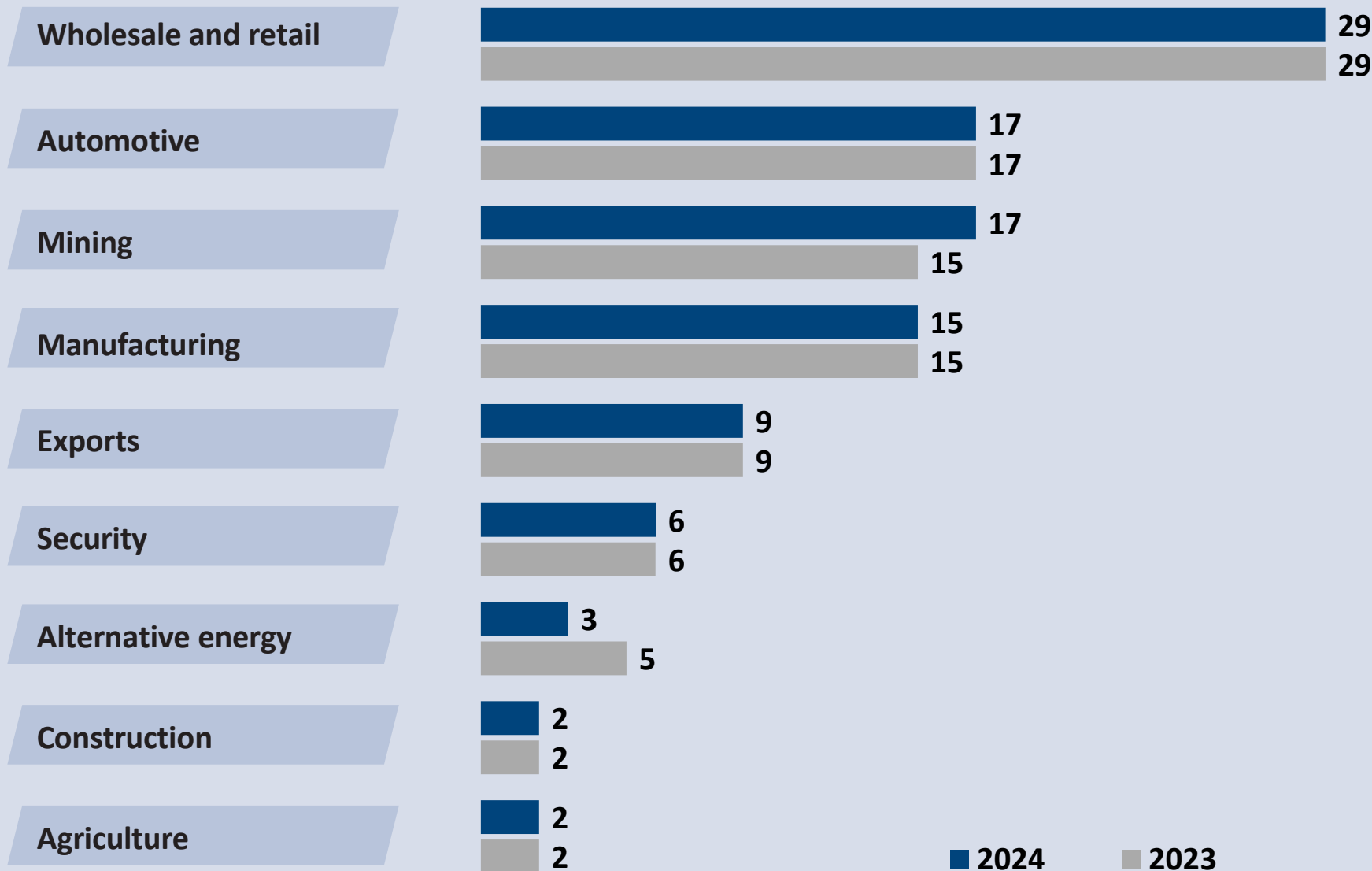
- ❑ Focused business units with application advice
- ❑ Technical specification and product knowledge
- ❑ Training
- ❑ Credit provision
- ❑ Drives customer retention and supplier loyalty
- ❑ Level 3 B-BBEE credentials (110% procurement recognition)

Inventories R2 461m

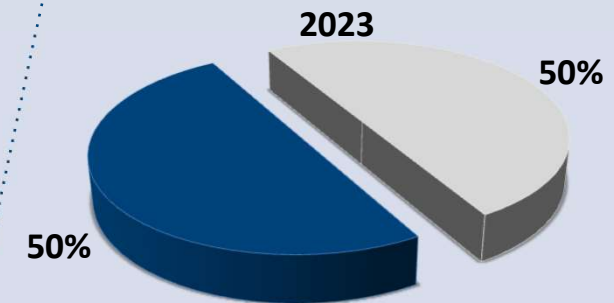
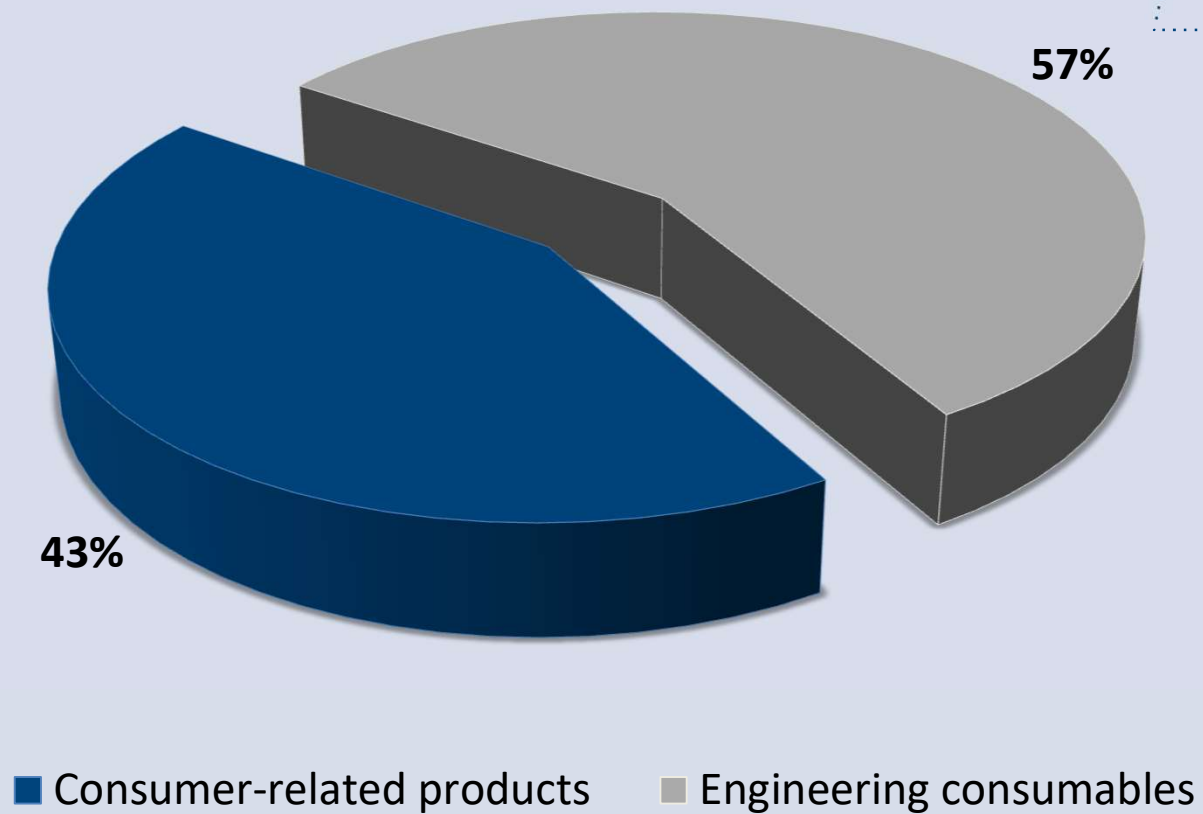
- ❑ Instant availability
- ❑ 29 warehouses
- ❑ 800 international suppliers
- ❑ Over 230 000 line items
- ❑ Over 130 branches

Receivables R1 329m

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



Contribution to 2024 operating profit
(before shared services and head office)

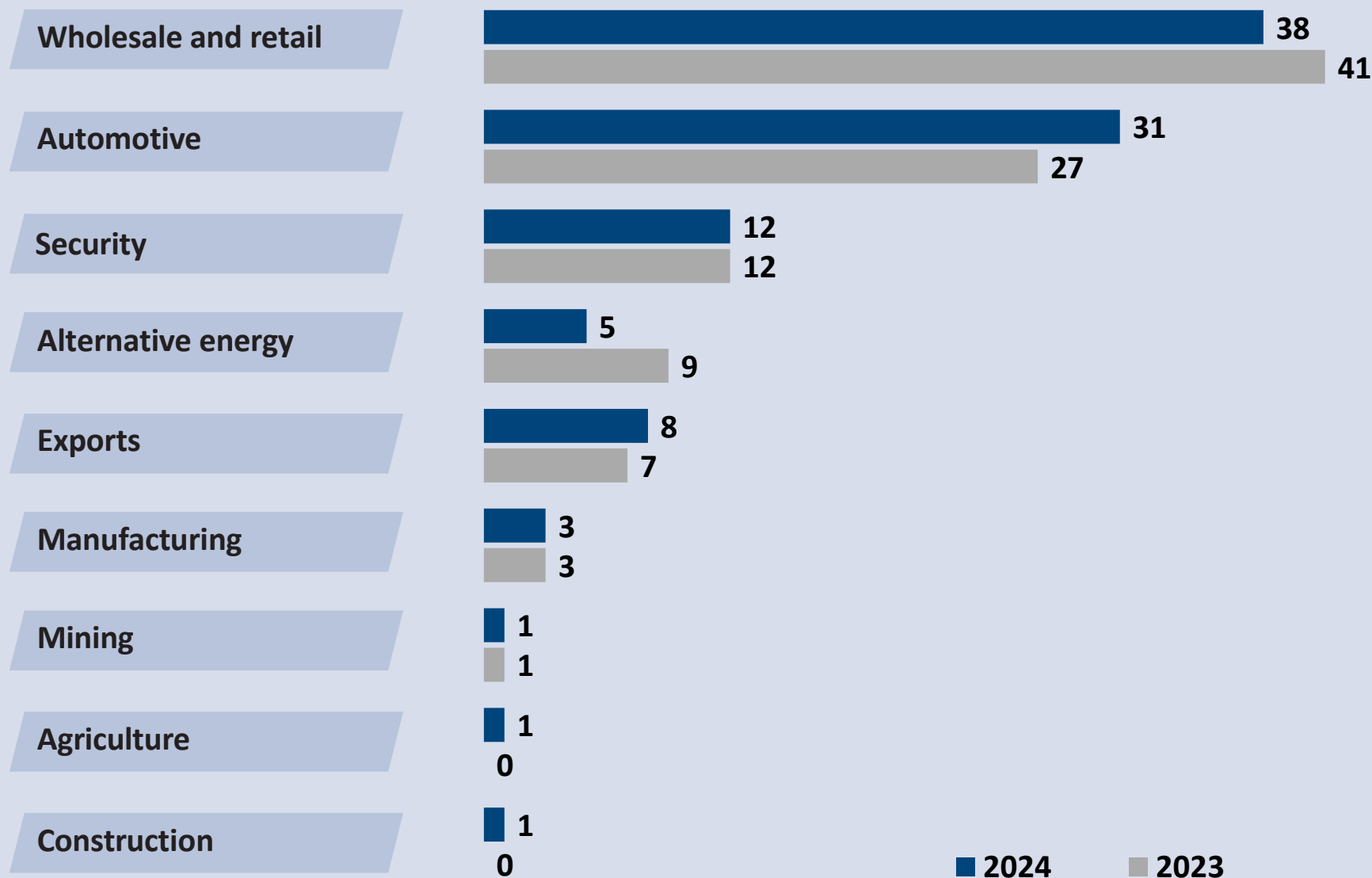


The consumer-related products segment imports and distributes branded products driven by consumer spending and generally sold to installers.

Consumer-related products (12 businesses)

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

2024 CONSUMER-RELATED PRODUCTS SALES BY MARKET SECTOR (%)



Principal businesses



Principal brands



Freudenberg
Sealing Technologies



Main markets

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

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**

Rutherford

Marine

 **BOLTWORLD**

Principal brands

Makita

RUIDE

SOUTH

**HANDY
LAD**

 **TROXLER**

 **MERCURY**

Main markets

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

Used for

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

Principal businesses

MiRO

Principal brands

 **GRANDSTREAM**


Cambium Networks


UBIQUITI
NETWORKS

MikroTik

Aqara

Main markets

- ❑ Security
- ❑ Technology resellers
- ❑ Telecommunications operations
- ❑ Transport
- ❑ Wireless, internet, fibre service providers

Used for

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

Principal businesses



Principal brands



Main markets

- ❑ Alternative energy
- ❑ Battery bays
- ❑ Mining
- ❑ Motor industry
- ❑ Security
- ❑ Surface motive power
- ❑ Solar system installations
- ❑ UPS/standby batteries

Used for

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

Principal businesses

ELVEY
Security Technologies

GlobalComms

PENTAGON

Principal brands

KENWOOD

AJAX

milestone

DSC

sepura

TRIDIUM

OPTEX



BOSCH

AXIS
COMMUNICATIONS



impro

Texecom

Main markets

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

Used for

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

Principal businesses



Principal brands



Main markets

- ❑ Camping and outdoor living
- ❑ Alternative energy
- ❑ Household and residential
- ❑ Catering
- ❑ Hiking and outdoor recreation

Used for

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

Rm	Turnover			Op Margin		Operating Profit		
	2024	% ch	2023	2024	2023	2024	% ch	2023
Operations 24+ months in group	3 881	(12,3)	4 426	12,2	13,4	474	(19,9)	592
Acquisitions after Dec 2022								
Segment total	3 881	(12,3)	4 426	12,2	13,4	474	(19,9)	592

- ❑ The automotive and power tools division had a good year
- ❑ Consumer spending and disposable income under pressure
- ❑ The wholesale, retail and security sectors declined
- ❑ The remaining businesses in the segment had a challenging year

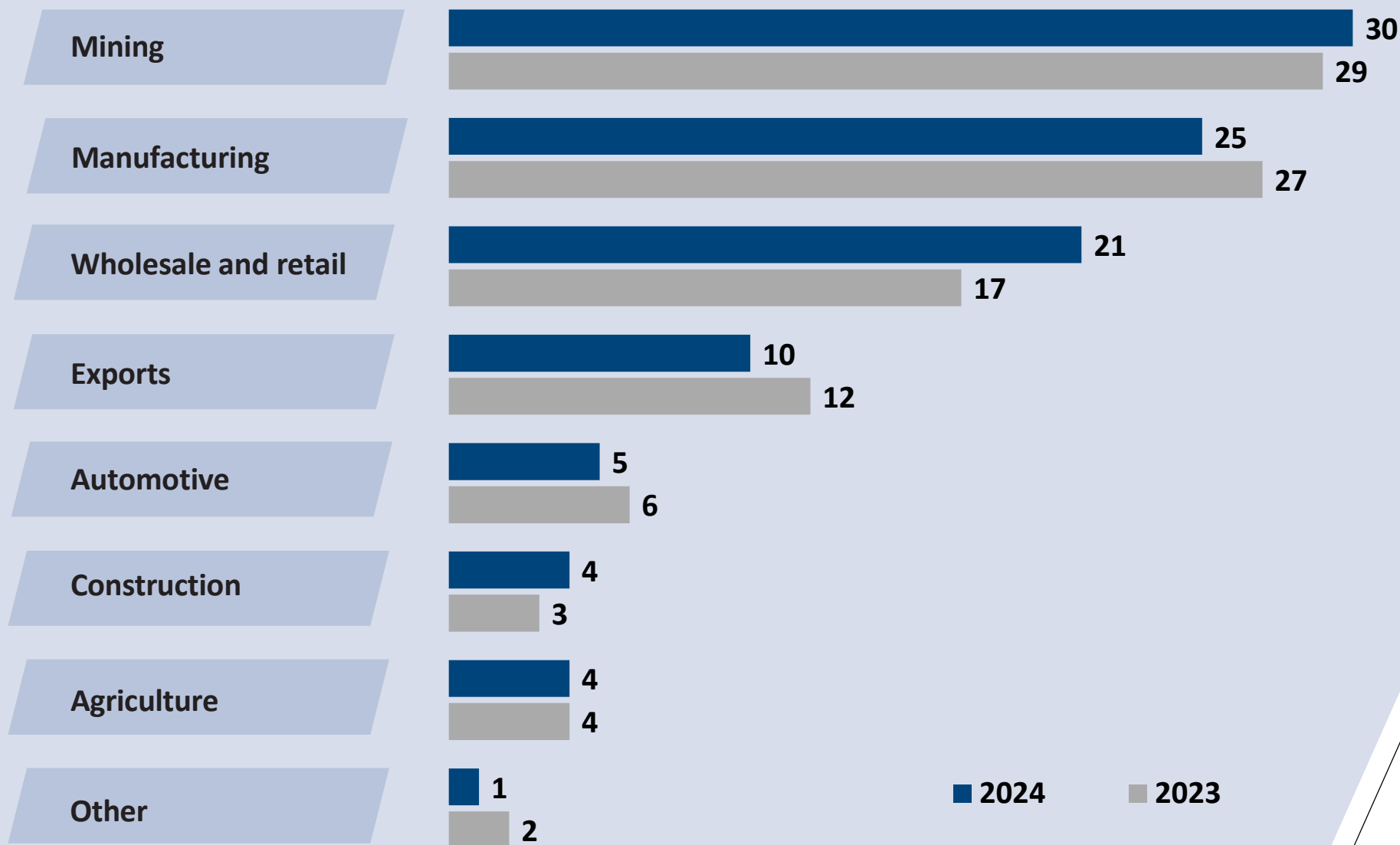
The engineering consumables segment imports and distributes branded products that are generally used to repair and maintain machines.

Engineering consumables (19 businesses)

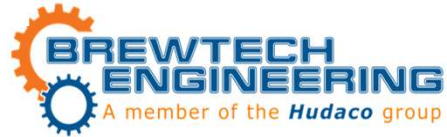
- ❑ Bearings, belting and power transmission
- ❑ Diesel engines and spares
- ❑ Electrical power transmission
- ❑ Filtration
- ❑ Fire detection, containment and suppression
- ❑ Hydraulics and pneumatics
- ❑ Specialised steel
- ❑ Thermoplastic pipes, fittings and equipment

2024 ENGINEERING CONSUMABLES SALES BY MARKET SECTOR (%)

Hudaco



Principal businesses



Principal brands



Main markets

- ❑ Food processing plant
- ❑ Industrial
- ❑ Manufacturing
- ❑ Mining

Used for

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

Principal businesses



**Gear Pump
Manufacturing**



Ernest Lowe
PNEUMATIC & HYDRAULIC AUTOMATION SOLUTIONS



Principal brands

Staffa

 **Kawasaki**
Powering your potential



**Gear Pump
Manufacturing**

SPICER®



NORGREN



Main markets

- ❑ Automotive OEM's
- ❑ Construction
- ❑ Food processing
- ❑ General industry
- ❑ Manufacturing and mining
- ❑ Power generation
- ❑ Sugar industry
- ❑ Tobacco industry

Used for

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

Principal businesses



Principal brands

YASKAWA



Main markets

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

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

Principal businesses



Principal brands



Main markets

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

Used for

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

Principal businesses



Principal brands



Main markets

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

Used for

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

Principal businesses

DEUTZ DIESELPPOWER



PLASTI-WELD
Plastic Welding Technology & Hot Air Tools

Principal brands



HJS
Emission Technology



MANN+HUMMEL



Main markets

- ❑ Agri equipment
- ❑ Construction and mining
- ❑ Earthmoving equipment
- ❑ Irrigation
- ❑ On and off-road trucks
- ❑ Opencast mining
- ❑ Plastic moulding
- ❑ Sewage reticulation

Used for

- ❑ Condensate drain management
- ❑ Industrial air filtration
- ❑ Generator sets
- ❑ Materials handling
- ❑ Mining equipment
- ❑ OEM supply
- ❑ Oil, air, fuel and hydraulic filtration
- ❑ Plastic moulds

Rm	Turnover			Op Margin		Operating Profit		
	2024	% ch	2023	2024	2023	2024	% ch	2023
Operations 24+ months in group	4 176	(5,8)	4 434	12,9	12,8	540	(5,0)	569
Acquisitions after Dec 2022	337		54	25,1	22,9	85		12
Segment total	4 513	0,6	4 488	13,9	12,9	625	7,6	581

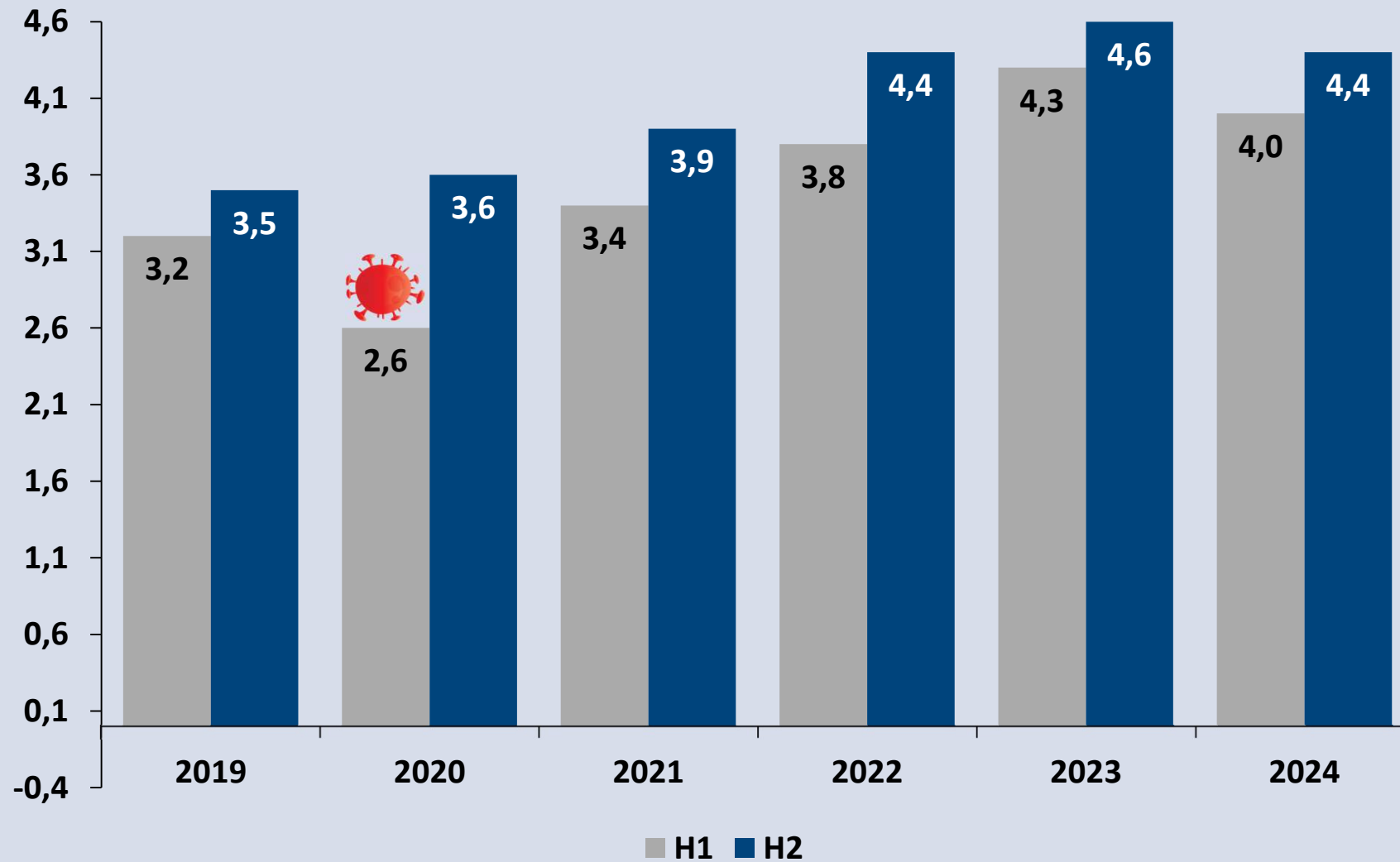
- Most businesses performed satisfactorily despite the decline in the agriculture, platinum mining, and manufacturing sectors
- We had good performance from our businesses supplying diesel engines, hydraulics and gear pumps, filtration and thermoplastic pipes and fittings
- Our acquisitions, Brigit Fire and Plasti-Weld, have performed well in their first full year in Hudaco

Rm	Turnover			Op Margin		Operating Profit		
	2024	% ch	2023	2024	2023	2024	% ch	2023
Consumer-related products	3 881	(12,3)	4 426	12,2	13,4	474	(19,9)	592
Engineering consumables	4 513	0,6	4 488	13,9	12,9	625	7,6	581
Head office, shared services and eliminations	(15)		(17)			(92)		(102)
Total group	8 379	(5,8)	8 897	12,0	12,0	1 007	(6,0)	1 071

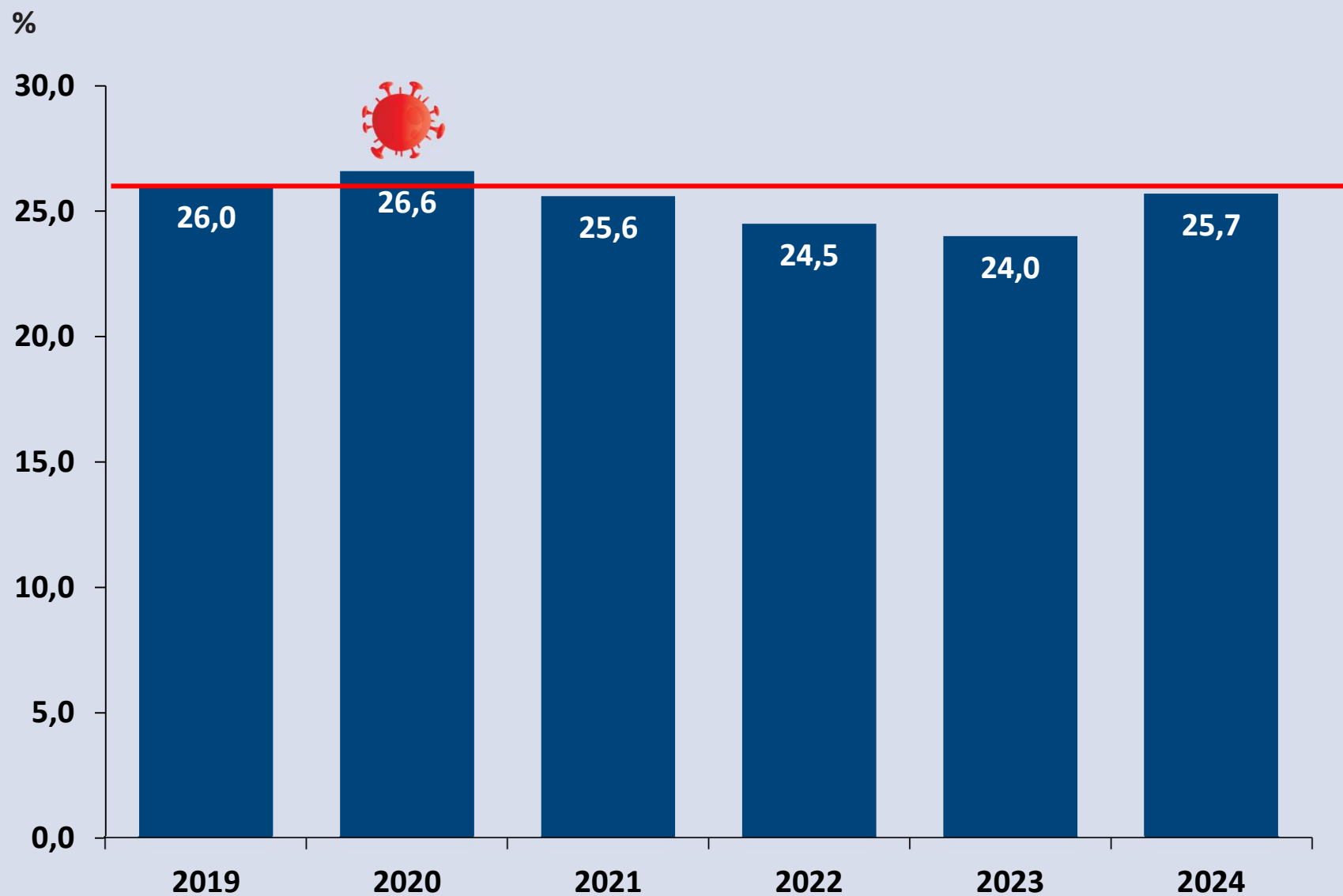


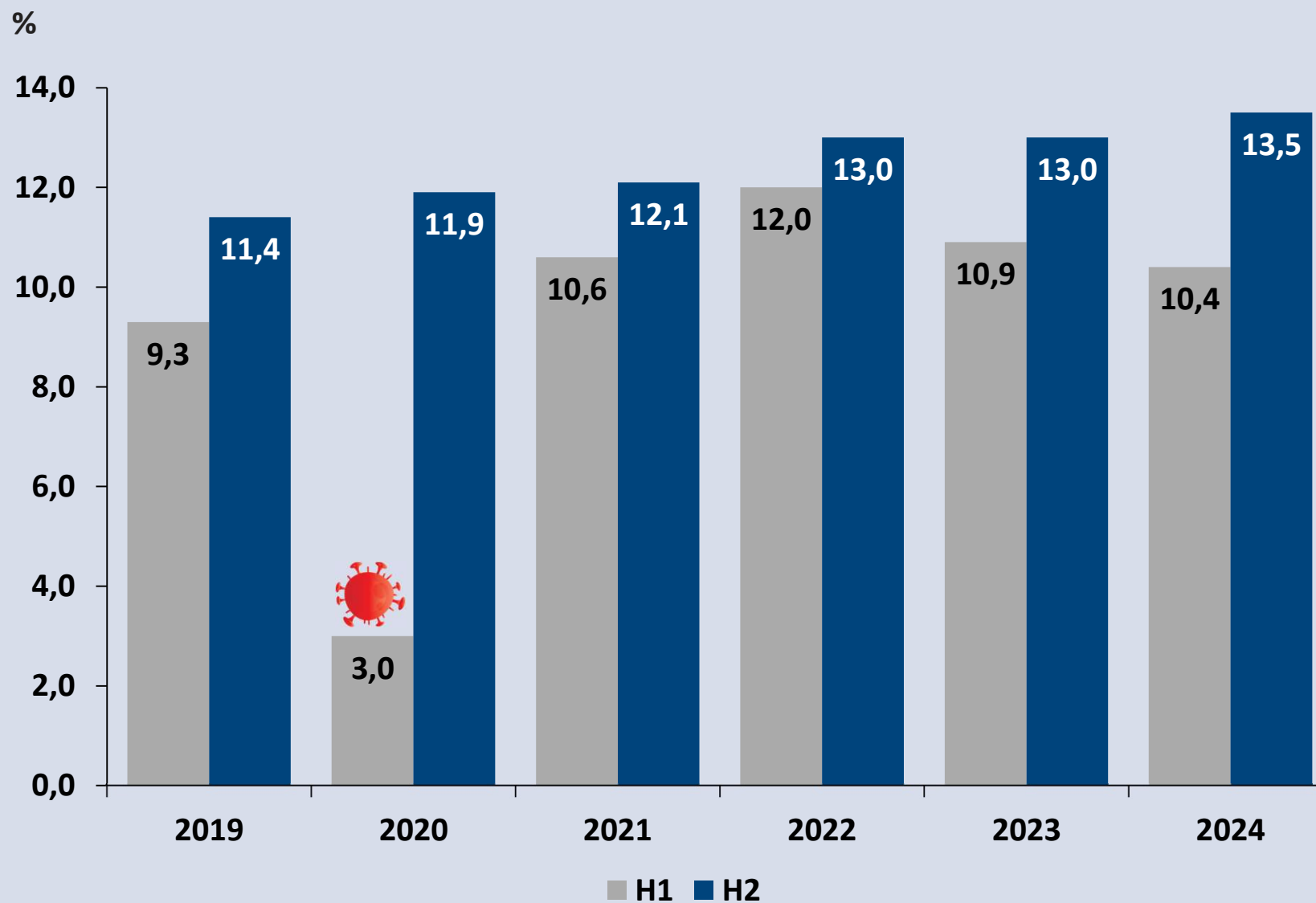
OPERATING PROFIT AND MARGINS

R billion



	2024	2023
Margin (%)		
Turnover	100%	100%
Gross profit	37,7%	36,0%
Operating expenses	(25,7%)	(24,0%)
Operating profit	12,0%	12,0%







FINANCIAL REVIEW

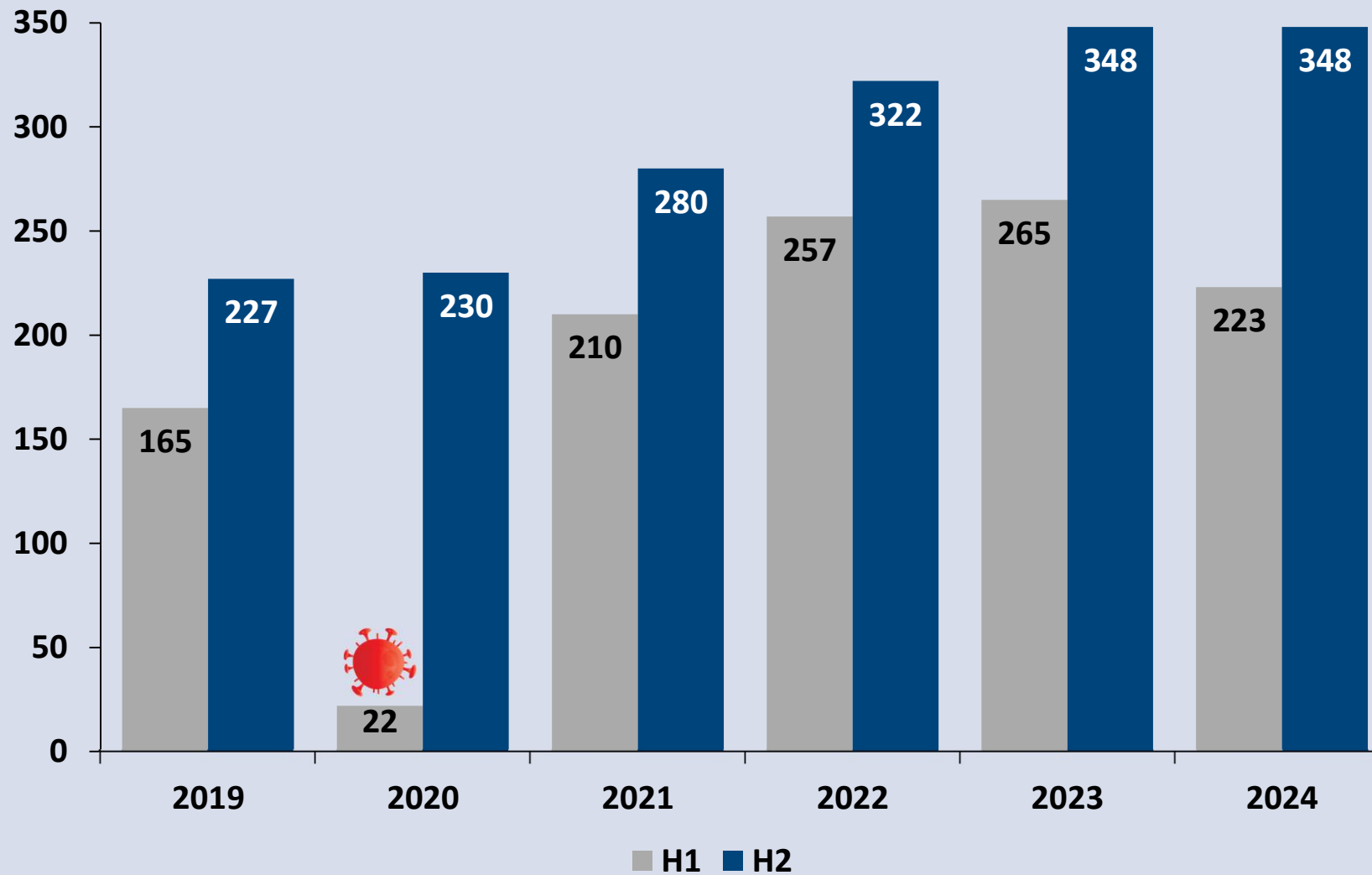
Rm	2024	% ch	2023
Turnover	8 379	(5,8)	8 897
Operations 24+ months in group	8 042	(9,1)	8 843
Acquisitions after Dec 2022	337		54
Gross profit	3 163	(1,2)	3 203
Operating expenses	(2 156)	1,1	(2 132)
Operations 24+ months in group	(2 081)	(1,9)	(2 116)
Acquisitions after Dec 2022	(75)		(16)
Operating profit	1 007	(6,0)	1 071
Operations 24+ months in group	922	(13,0)	1 059
Acquisitions after Dec 2022	85		12

Rm	2024	% ch	2023
Operating profit	1 007	(6,0)	1 071
Fair value adjustments	(12)		(4)
Impairment of goodwill	(77)		
Loss of disposal of business			(3)
Net interest on funding	(115)		(112)
Imputed interest on leases	(38)		(38)
Profit before taxation	765	(16,4)	914
Taxation (Rate 2024:28,6% 2023:26,8%)	(219)		(245)
Profit after taxation	546	(18,4)	669
Non-controlling interest	(40)		(58)
Attributable earnings	506	(17,2)	611

Rm	2024	% ch	2023
Operating profit	1 007	(6,0)	1 071
Fair value adjustments	(12)		(4)
Loss of disposal of business			(3)
Net interest on funding	(115)		(112)
Imputed interest on leases	(38)		(38)
Profit before tax and goodwill impairment	842	(7,9)	914
Taxation (Rate 2024:26.0% 2023:26,8%)	(219)		(245)
Profit after taxation	623	(6,9)	669
Non-controlling interest	(52)		(58)
Attributable earnings before goodwill impairment	571	(6,5)	611
Impairment of goodwill, net of minority	(65)		
Attributable earnings	506	(17,2)	611

Rm	2024	% ch	2023
Attributable earnings	506	(17,2)	611
Impairment of goodwill	77		
Non-controlling interest	(12)		
Net loss on disposal of PPE and business			2
Headline and comparable earnings	571	(6,8)	613

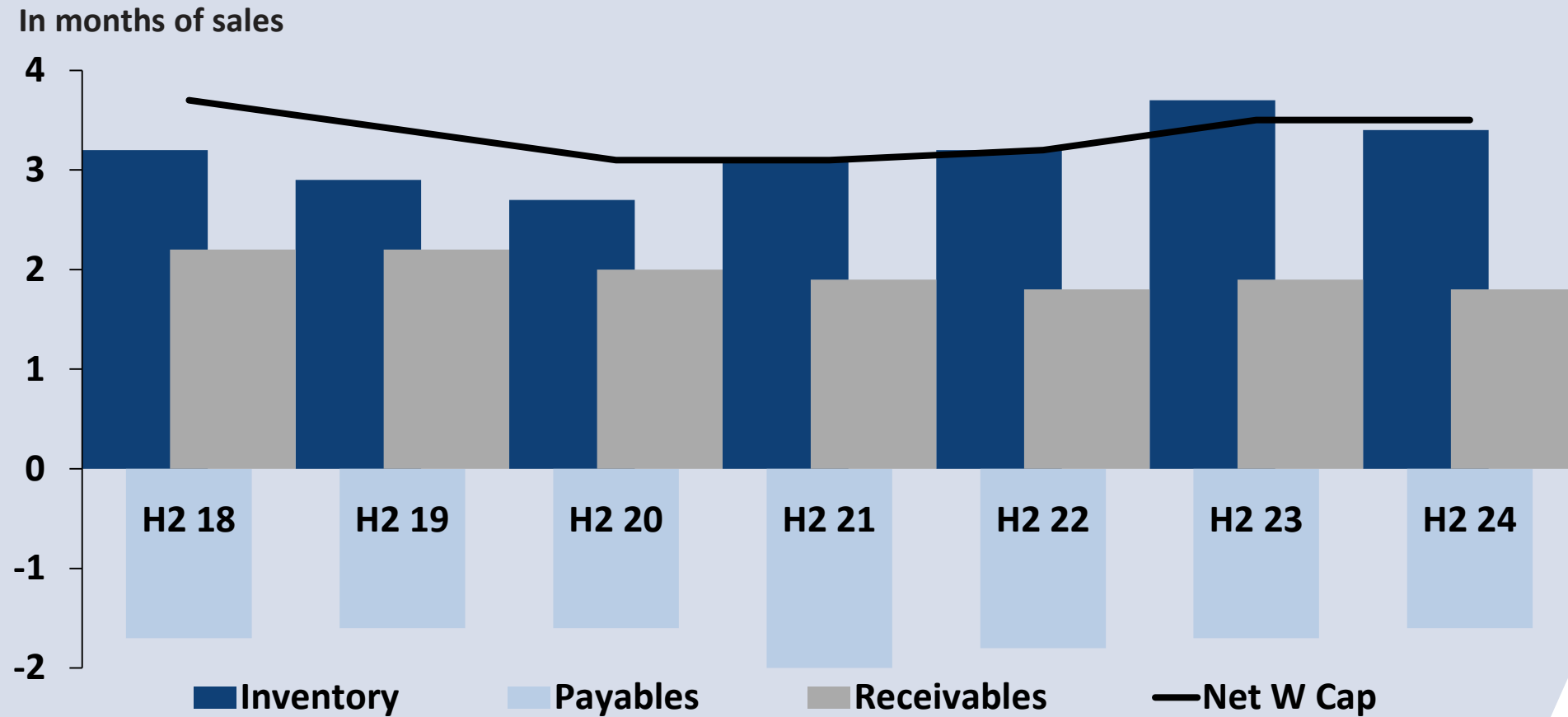
R million



Cents	2024	% ch	2023
Earnings per share			
Comparable	2 012	(6,3)	2 148
Headline	2 012	(6,3)	2 148
Basic	1 782	(16,8)	2 142
Dividends per share			
- Interim	325		325
- Final	700		700
Total	1 025		1 025
Dividend cover (times)	2,0		2,1

Rm	2024	2023
Working capital	2 615	2 904
- Inventories	2 461	2 693
- Receivables	1 329	1 490
- Payables	(1 175)	(1 279)
Property, plant and equipment	377	363
Right-of-use assets	361	406
Goodwill and intangibles	1 372	1 417
Tax	59	43
Net assets	4 784	5 133

Rm	2024	2023
Equity	3 611	3 481
Net borrowings	589	1 013
Lease liabilities	428	470
Due to vendors	86	136
Tax	70	33
Total equity and liabilities	4 784	5 133

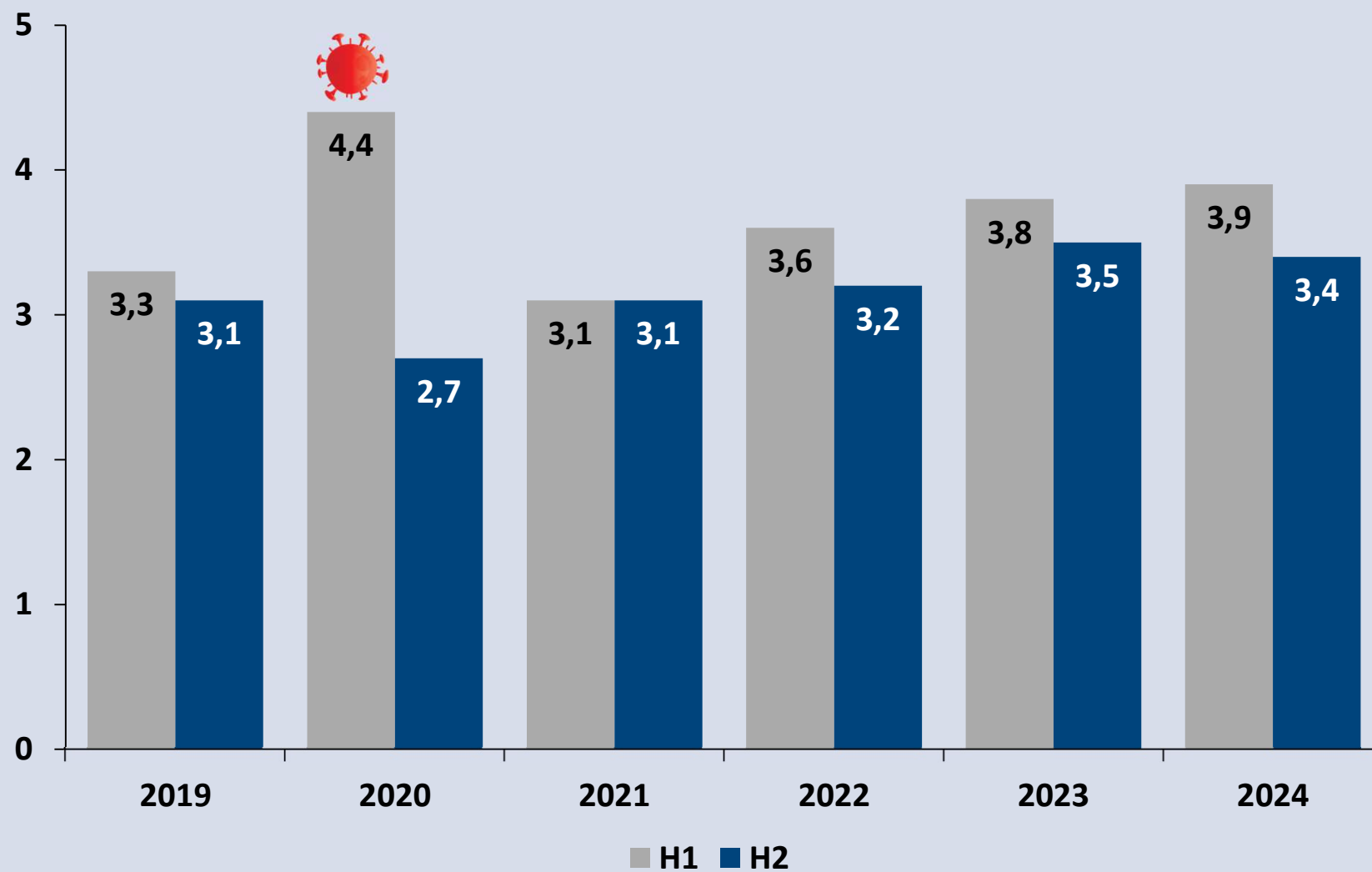


One month of sales

2023 = R774m (H2)

2024 = R733m (H2)

In month of sales



Rm	2024	2023
Cash from trading	1 241	1 294
Decrease (increase) in working capital	298	(392)
Cash from operations	1 539	902
Tax paid	(205)	(260)
Cash from operating activities	1 334	642
Invested in new businesses	(112)	(171)
Invested in software and ppe	(76)	(104)
Cash flow after investing activities	1 146	367

Rm	2024	2023
Cash flow after investing activities	1 146	367
Share-based payments	(125)	(101)
Repurchase of shares		(112)
Lease payments (rent)	(150)	(144)
Finance costs paid	(115)	(112)
Dividends paid	(324)	(290)
Net movement	432	(392)
Foreign exchange translation loss	(8)	
Opening borrowings	(1 013)	(621)
Closing borrowings	(589)	(1 013)

- ❑ Economy kept turnover under pressure
- ❑ Strong cash generation
- ❑ Improved gross margin
- ❑ Operating margin remains healthy
- ❑ Expenses tightly managed
- ❑ Borrowings well down, which reduces interest bill
- ❑ Have ample capacity for Isotec acquisition
- ❑ Likely capital allocation:
 - pay for Isotec
 - further good acquisitions
 - maintain dividend policy
 - repay debt



OUTLOOK

- ❑ Isotec Group sale of business signed and likely effective date 1 April 2025 (subject to conditions precedent)
- ❑ Manufacturer and distributor of thermal and electrical insulation material used in the manufacture and repair of transformers and electrical motors
- ❑ Operate in the manufacturing, mining, railway, generation and switchgear industries
- ❑ Maximum price R709 million



- ❑ We hope for a year of genuine action on our ports, rail and other infrastructure and that policy decisions enhance our country and economy to uplift all South Africans
- ❑ We encourage the GNU to grasp the opportunity in front of it
- ❑ Losses incurred at Bosworth, Deltec and Eternity should not be repeated
- ❑ We remain optimistic that the improvement of the last four months will continue
- ❑ Interest rates may decline further (CRP historically performs better)
- ❑ Successfully bedding down Brigit and Plasti-Weld acquisitions to enhance further value
- ❑ Progress at ports and reduced load-shedding must have a positive effect
- ❑ Exciting largest acquisition to date (Isotec) should be in for 8 months
- ❑ Believe that Hudaco is well-placed for a successful 2025

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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.

The logo for Hudaco, featuring the word "Hudaco" in a bold, italicized, blue serif font. The background of the slide is a dark blue field with a pattern of lighter blue geometric shapes, primarily triangles and parallelograms, creating a sense of depth and movement. A prominent white diagonal line with a blue shadow effect runs from the top left towards the bottom right, intersecting the text area. The overall design is modern and professional.

Hudaco