



THE **TRELLIDOR** GROUP

TRELLIDOR HOLDINGS LIMITED

(REGISTRATION NUMBER 1970/015401/06)

UNAUDITED CONDENSED CONSOLIDATED

INTERIM FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

Tested. Trusted. Trellidor.
Trellidor is a proudly South African company.

The core values of the Group are built on the three pillars of
Innovation, Quality and Service.

With these pillars as our base we have successfully built a
reputation for delivering **trusted high-quality products and
exceptional service.**

Salient Points

Revenue for
the six months

R292.2 million
(2023: R273.3million)

Operating profit
margin

12.3%
(2023: 13.1%)

Headline
earnings
per share

21.4 cents
(2023: 25.5 cents)

Cash from
operations for
the six months

R39.5 million
(2023: R7.0 million)

Net Debt as at
31 December 2023

R116.8 million
(2023: R140.3 million)

Commentary

INTRODUCTION

Trellidor Holdings Limited (“the Company”) comprises the Trellidor, Taylor and NMC businesses (“the Group”).

Trellidor is the market leading manufacturer of custom-made barrier security products, distributed via a dedicated and skilled franchise and branch network operating throughout South Africa, the rest of Africa and the UK. Taylor is a major manufacturer and distributor of custom-made blinds and decorative and security shutters. NMC is an importer and distributor of cornicing and skirting products.

OVERVIEW

Group revenue for the six month period increased by 6.9% to R292.2 million (2023: R273.3 million). Operating profit increased by 0.5%. However, higher borrowing costs led to profit after tax reducing to R20.4 million (2023: R24.3 million), translating into headline earnings and earnings per share of 21.4 cents (2023: 25.5 cents).

Cash generated from operations for the six months of R39.5 million (2023: R7.0 million), was a feature of the period under review. Net debt was reduced by R23.5 million, or 16.8%, to R116.8 million. This has substantially strengthened the balance sheet over the period.

In **Trellidor**, revenue for the period increased by 14.6% to R204.0 million (2023: R178.0 million), driven by a strong performance by the UK division, which offset the weak demand in South Africa. Disappointingly, operating profit only increased by 3.3% to R28.7 million (2023: R27.7 million), primarily as a result of lower volumes through the factory in South Africa.

Demand in the market for **Taylor’s** decorative products was muted. Revenue for the period decreased by 11.5% to R73.8 million (2023: R83.4 million). Operating profit decreased to R4.8 million (2023: R7.2 million).

Similarly, **NMC’s** revenue for the year decreased by 14.9% to R15.2 million (2023: R18.0 million). Operating profit decreased to R1.0 million (2023: R3.2 million).

DIVIDEND

Given the current level of net debt, the Board has taken a decision not to declare an interim dividend in respect of the six months ended 31 December 2023. The objective of the Board is to revert to paying dividends, once borrowings and gearing levels have normalised.

BORROWINGS

Shareholders are referred to the announcement released on SENS on 16 November 2023, in which it was advised that the Group’s primary lender completed its credit review and condoned the covenant breaches and level of net debt, as at 30 June 2023, without amending the existing financial covenants or imposing any additional covenants or conditions. The next formal review is scheduled for shortly after publication of the Group’s audited annual results for the year ending 30 June 2024.

GROUP OUTLOOK

During the period under review the Group faced two significant challenges, namely:

- Declining revenue in the domestic market; and
- Increased opening debt levels as at 30 June 2023, at higher interest rates.

With reference to the above, the following was achieved:

- Revenue increased from international markets to R82.4 million representing 28.2% of the Group’s revenue; and
- Net debt was reduced from R146.7 million as at 30 June 2023, to R116.8 million, driven by improvements in the investment in working capital.

Despite ongoing macro-economic challenges, particularly in the domestic market, the Group’s strategies remain focused on improving shareholder value over time. These include restructuring and optimally reducing the current level of net debt, further improved working capital management, and rigorous cost management.

In addition, the Group will continue to focus on optimising revenue generation domestically, while leveraging off opportunities abroad.

WEBINAR

Shareholders are advised that the Company will be hosting a webinar at 10:00 on Thursday, 7 March 2024 to present the interim financial results for the six month period ended 31 December 2023 to the market. Please refer to the webinar registration link in the short-form SENS announcement released on the morning of 7 March 2024.

A handwritten signature in black ink, appearing to be 'TM Dennison', written over a horizontal line.

TM Dennison
Chief Executive Officer
7 March 2024

Statement of Financial Position

as at 31 December 2023

	Unaudited at 31 December 2023 R'000	Unaudited at 31 December 2022 R'000	Audited at 30 June 2023 R'000
Assets			
Non-current assets			
Property, plant and equipment	66 895	63 257	68 983
Right-of-use assets	39 544	40 037	40 624
Goodwill	62 307	55 602	59 380
Intangible assets	46 731	45 703	46 444
Loans receivable	7 283	3 229	6 456
Deferred tax	17 098	16 992	16 694
	239 858	224 820	238 580
Current assets			
Loans receivable	2 792	2 310	4 791
Inventories	115 813	135 676	127 992
Trade and other receivables	45 836	66 496	48 769
Current tax receivable	1 086	880	2 981
Cash and cash equivalents	25 471	10 531	7 391
	190 998	215 893	191 924
Total assets	430 856	440 713	430 504
Equity and liabilities			
Equity			
Equity attributable to equity holders of the parent			
Stated capital	401	401	401
Reserves	(1 600)	4 073	1 219
Retained income	193 099	188 000	172 818
	191 900	192 474	174 438
Non-controlling interest	(1 250)	(1 340)	(1 213)
Total equity	190 650	191 134	173 225
Liabilities			
Non-current liabilities			
Lease liabilities	27 791	28 323	29 782
Other financial liabilities	95 842	108 302	-
Deferred tax	1 869	760	1 604
	125 502	137 385	31 386
Current liabilities			
Lease liabilities	10 834	8 643	10 211
Bank overdraft	31 334	30 273	32 626
Other financial liabilities	15 061	12 848	121 505
Trade and other payables	52 442	58 520	58 923
Current tax payable	3 104	1 625	394
Provisions	1 930	285	2 234
	114 705	112 194	225 893
Total liabilities	240 207	249 579	257 279
Total equity and liabilities	430 856	440 713	430 504

Statement of Profit or Loss and other Comprehensive Income

for the period ended 31 December 2023

	Notes	Unaudited at 31 December 2023 R'000	Unaudited at 31 December 2022 R'000	Audited at 30 June 2023 R'000
Revenue	3	292 161	273 296	502 300
Cost of sales		(171 883)	(153 782)	(308 916)
Gross profit		120 278	119 514	193 384
Other operating income		2 315	3 868	7 373
Movement in credit loss allowance		-	-	(796)
Other operating expenses		(86 542)	(87 509)	(178 017)
Labour court settlement provision expense		-	-	-
Operating profit (loss)		36 051	35 873	21 944
Investment income		1 344	549	1 468
Finance costs		(10 955)	(7 527)	(18 232)
Profit (loss) before taxation		26 440	28 895	5 180
Taxation		(6 029)	(4 599)	(1 705)
Profit (loss) for the year		20 411	24 296	3 475
Other comprehensive income:				
Items that may be reclassified to profit or loss				
Exchange differences on translating foreign operations		(2 987)	(23)	2 889
Total comprehensive income (loss) for the year		17 424	24 273	6 364
Profit (loss) attributable to:				
Owners of the parent		20 282	25 588	3 629
Non-controlling interest		129	(1 292)	(154)
		20 411	24 296	3 475
Total comprehensive income (loss) attributable to:				
Owners of the parent		17 462	24 628	6 592
Non-controlling interest		(38)	(355)	(228)
		17 424	24 273	6 364
Earnings per share for the period attributable to the owners of the parent				
Basic and diluted earnings per share (cents)	4	21.4	25.5	3.70

Statement of Changes in Equity

for the period ended 31 December 2023

	Stated Capital	Foreign Currency Translation Reserve	Share-based Payment Reserve	Total Reserves	Retained Income	Total Attributable to Equity Holders of The Group	Non- Controlling Interest	Total Equity
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 01 July 2022	401	(1 743)	6 777	5 034	162 412	167 847	(985)	166 862
Profit for the year	-	-	-	-	25 588	25 588	(1 292)	24 296
Other comprehensive loss	-	(960)	-	(960)	-	(960)	937	(23)
Total comprehensive income	-	(960)	-	(960)	25 588	24 628	(355)	24 273
for the period								
Dividends	-	-	-	-	-	-	-	-
Balance at 31 December 2022	401	(2 703)	6 777	4 074	188 000	192 475	(1 340)	191 135
Profit for the year	-	-	-	-	(15 181)	(15 181)	1 138	(14 043)
Other comprehensive income	-	3 923	-	3 923	-	3 923	(1 011)	2 912
Total comprehensive income	-	3 923	-	3 923	(15 181)	(11 258)	127	(11 131)
for the period								
Dividends	-	-	-	-	-	-	-	-
Transfer between reserves	-	-	(6 777)	(6 777)	-	(6 777)	-	(6 777)
Balance at 01 July 2023	401	1 220	-	1 220	172 819	174 438	(1 212)	173 226
Profit for the year	-	-	-	-	20 282	20 282	129	20 411
Other comprehensive loss	-	(2 820)	-	(2 820)	-	(2 820)	(167)	(2 987)
Total comprehensive income	-	(2 820)	-	(2 820)	20 282	17 462	(38)	17 424
for the period								
Dividends	-	-	-	-	-	-	-	-
Balance at 31 December 2023	401	(1 600)	-	(1 600)	193 101	191 900	(1 250)	190 650

Statement of Cash Flows

for the period ended 31 December 2023

	Unaudited at 31 December 2023 R'000	Unaudited at 31 December 2022 R'000	Audited at 30 June 2023 R'000
Cash flows from operating activities			
Cash generated from operations	51 198	17 534	7 224
Interest income	692	527	1 468
Finance costs	(10 955)	(8 922)	(17 715)
Tax paid	(1 444)	(2 125)	(2 525)
Net cash from operating activities	39 491	7 014	(11 548)
Cash flows from investing activities			
Purchase of property, plant and equipment	(1 522)	(4 587)	(6 452)
Proceeds on sale of property, plant and equipment	(12)	(3)	1 649
Purchase of other intangible assets	(1 017)	(2 176)	(4 367)
Business combination	(1 675)	–	(837)
Receipts from loans receivable at amortised cost	278	1 084	1 763
Net cash (used in)/from investing activities	(3 948)	(5 682)	(8 244)
Cash from financing activities			
Proceeds from other financial liabilities	–	32 500	31 683
Repayment of other financial liabilities	(10 602)	(8 400)	(17 781)
Repayment of lease liabilities	(4 417)	(4 532)	(11 854)
Payment Labour Court Ruling	–	(31 781)	–
Net cash (used in)/from financing activities	(15 018)	(12 213)	(2 048)
Total cash movement for the period	20 525	(10 881)	(17 744)
Cash at the beginning of the period	(25 235)	(7 901)	(7 901)
Effect of exchange rate movement on cash balances	(1 152)	(960)	410
Total cash at end of the period	(5 863)	(19 742)	(25 235)

Notes to the Financial Results

for the period ended 31 December 2023

1. Basis of preparation

The unaudited condensed consolidated interim financial results for the six months ended 31 December 2023 are prepared in accordance with the listing requirements of the JSE Limited ("JSE") for provisional reports, and the requirements of the Companies Act, No 71 of 2008. The JSE requires the provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting, under the supervision of the Chief Financial Officer, Mr. DJR Judge CA (SA).

The accounting policies applied, and methods of computation used, in the preparation of the condensed consolidated interim financial information are in terms of IFRS and consistent with those applied in the annual financial statements for the year ended 30 June 2023. The results have not been reviewed or audited by the Group's auditors. The results were approved by the Board on 4 March 2024.

2. Segmented information

The Group has four reportable segments that are used by the Chief Executive Officer to assess for resource allocation and to make key operating decisions and assess performance. These operating segments are differentiated and identified by the products they manufacture and distribute, the services they provide and the markets they operate in.

The Group identified a new segment with the objective of improving the management effectiveness of the Taylor and NMC operations and restated its comparative segment report. Due to the change the Taylor and NMC companies have had to reclassify the prior periods income, expenses, profit, assets and liabilities.

These reportable segments as well as the products and services from which each of them derives revenue are set out below:

REPORTABLE SEGMENT	PRODUCTS AND SERVICES
Trellidor	Manufacture and distribution of custom-made barrier security products
Taylor	Manufacture and distribution of custom-made blinds, decorative and security shutters and distribute cornicing/skirting products
NMC	Importing and distribution of cornicing and skirting products
Holdings	Management of the Group treasury function

Notes to the Financial Results

for the period ended 31 December 2023

2. Segmented information (continued)

	Notes	Unaudited at 31 December 2023 R'000	Unaudited at 31 December 2022 R'000	Audited at 30 June 2023 R'000
Revenue				
Trellidor		203 992	177 973	329 643
Taylor		73 815	83 414	140 169
NMC		15 280	17 949	33 446
Holdings		13 503	20 331	33 755
Inter segment elimination		(14 429)	(26 371)	(34 713)
		292 161	273 296	502 300
Operating profit before interest and tax				
Trellidor		28 653	27 732	22 224
Taylor		4 739	* 12 739	8 196
NMC		972	3 213	3 319
Holdings		1 806	6 863	18 159
Inter segment elimination		(119)	(14 674)	(29 954)
		36 051	35 873	21 944
Reconciling items				
Net finance costs		(9 611)	(6 978)	(16 763)
Amortisation of the client database		-	-	(868)
Profit before tax		26 440	28 593	5 181
EBITDA				
Trellidor		34 450	32 890	37 989
Taylor		9 417	11 852	17 041
NMC		1 679	3 964	4 804
Holdings		1 822	6 875	18 184
Inter segment elimination		671	(13 574)	(36 469)
		46 697	42 007	41 549
Total assets				
Trellidor		210 683	209 826	225 665
Taylor		155 378	174 648	160 590
NMC		22 046	36 543	23 340
Holdings		176 243	187 759	184 196
Inter segment elimination		(176 062)	(195 518)	(187 372)
		388 288	413 258	406 419
Reconciling items				
Cash and cash equivalents		25 471	10 530	7 391
Deferred tax		17 098	16 925	16 694
Total as per statement of financial position		430 857	440 713	430 504

Segment assets include foreign non-current assets in Ghana of R2.3 million (2022: R2.1 million) and R14.5 million (2022: R11.6 million) in the UK.

* Includes R5.2 million profit from disposal of NMC.

Notes to the Financial Results (continued)

for the period ended 31 December 2023

3. Disaggregation of revenue from customers

	Unaudited at 31 December 2023 R'000	Unaudited at 31 December 2022 R'000	Audited at 30 June 2023 R'000
Revenue from source type			
Sale of security products	203 421	177 194	327 651
Sale of decorative products	88 169	95 323	173 771
Royalty income	579	779	878
	292 161	273 296	502 300
Revenue by geographical location			
South Africa	209 801	242 811	410 231
Rest of Africa	29 893	24 329	54 925
Rest of World	52 467	6 156	37 144
	292 161	273 296	502 300
Revenue recognised by timing of transfer			
Point in time – delivery date	292 161	273 296	502 300

Revenue from one customer of Trelidor Business Unit represents approximately R38.0 million of the Group's total revenue.

4. Headline earnings and earnings per share

	Unaudited at 31 December 2023 R'000	Unaudited at 31 December 2022 R'000	Audited at 30 June 2023 R'000
(Loss) profit attributable to ordinary shareholders	20 411	25 588	3 475
Adjusted for:			
(Profit) loss on disposal of property, plant and equipment	-	-	(31)
Gross amount	-	-	(42)
Non-controlling interest	-	-	-
Tax effect	-	-	11
Loss on disposal of intangible assets	-	-	516
Gross amount	-	-	707
Tax effect	-	-	(191)
HEADLINE EARNINGS	20 411	25 588	3 960

4. Earnings per share (continued)

	Unaudited at 31 December 2023 '000	Unaudited at 31 December 2022 '000	Audited at 30 June 2023 '000
Number of shares in issue	95 210	95 210	95 210
Weighted average number of ordinary shares in issue during the period	95 210	95 210	95 210
Diluted weighted average number of shares	95 210	95 210	95 210
Earnings and diluted earnings per share (cents)	21.4	25.5	3.7
Headline and diluted headline earnings per share (cents)	21.4	25.5	4.2

5. Changes to the Board

At the annual general meeting of the Company on 7 December 2023, Mark Olivier did not make himself available for re-election and retired from the Board. Kevin Hodgson has, in accordance with JSE Listing Requirements, been appointed as an independent non-executive director and chairman, effective 14 December 2023.

6. Going Concern

The financial results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

After factoring in the loan covenant breaches, the directors considered the operational plans to be appropriate in the context of the economy, and have assessed that the Group and Company have adequate financial resources to continue to trade as a going concern for at least 12 months from the date of this report.

The directors are not aware of any material changes that may adversely impact the Group and Company. The directors are also not aware of any material non-compliance with statutory requirements or of any pending changes to legislation which may affect the Group and Company.

Corporate Information

Trellidor Holdings Limited

(Registration number 1970/015401/06)
20 Aberdare Drive, Phoenix Industrial Park,
Durban
(PO Box 20173, Durban North 4016)
Share Code: TRL
ISIN: ZAE000209342
("Company" or "Group")

Directors of Trellidor

K Hodgson (Chairman) #
TM Dennison (Chief Executive Officer)
DJR Judge (Chief Financial Officer)
RB Patmore #
SI Bird #

Independent non-executive

Company Secretary

P Nel
(BComm ACIS)
71 Cotswold Drive
Westville, 3629

Registered office

20 Aberdare Drive Phoenix Industrial Park,
Durban, 4001
(PO Box 20173, Durban North, 4016)

Date of incorporation

23 November 1970

Place of incorporation

South Africa

Auditors and Independent Reporting Accountants

PKF
2nd Floor
12 on Palm Boulevard
Gateway
Durban, 4319
(PO Box 1858, Durban, 4000)

Corporate sponsor

PSG Capital (Pty) Ltd
(Registration Number 2006/015817/07)
1st Floor, Ou Kollege Building,
35 Kerk Street,
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and

Suite 1105, 11th floor,
Sandton Eye Building,
126 West Street,
Sandton, 2196
(PO Box 650957, Benmore, 2010)

Transfer Secretaries

Computershare Investor Services (Pty) Ltd
(Registration Number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue,
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

Notes

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Providing our customers with **peace of mind**, by keeping them safe, by supplying products that continue to put the **protection** of customers, their families and their assets first is at the **centre of everything we do.**







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