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AECI LIMITED

Incorporated in the Republic of South Africa

(Registration number: 1924/002590/06)

Share code: AFE ISIN: ZAE000000220

Hybrid code: AFEP ISIN: ZAE000000238

Bond company code: AECI

LEI: 3789008641F1D3D90E85

(AECI or the Company or the Group)

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TRADING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

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AECI is in the process of finalising its financial results for the year ended 31 December 2024 (the period), which results are expected to be released on the Stock Exchange News Service of the JSE Limited (SENS) on or about 26Â FebruaryÂ 2025.

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2024, a year of strategy execution and transition for AECI

2024 has been a pivotal year for AECI as we continue executing our transformation strategy to reposition the Group for sustainable value creation. Following the strategic roadmap outlined in November 2023, we have made significant progress in optimising our portfolio, enhancing operational efficiencies, and delivering on key shareholder expectations.

While the expected financial results reflect a year of transition, our performance, excluding non-recurring impacts, is aligned with our long-term strategy. The anticipated results reflect the impact of strategic divestments, transformation investments, and one-off impairments, all of which position the Group for stronger future performance.

The Group is expected to deliver stable operational performance with AECI Chemicals expected to report earnings before interest, taxation, depreciation and amortisation (EBITDA) improvement of ~25%, driven by stringent cost controls and increased efficiencies notably in AECI Agri Health and AECI Water. AECI Mining is expected to report ~13% lower EBITDA â€ as previously reported, earnings, particularly in the first half of 2024, were impacted by R204 million once off costs which included alternate sourcing of ammonium nitrate solution during planned plant shutdowns. Pleasingly, the AECI Mining EBITDA performance in the fourth quarter of 2024 improved in comparison to the two preceding quarters as well as the comparative fourth quarter of 2023 due to a strong performance improvement in Central Africa and Australia-Asia. This positive performance is expected to continue into the new financial year. The execution of strategy projects are already positively contributing towards core business operational performance.

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Reclassification of AECI Much Asphalt to discontinued operations

As communicated on 4 November 2024, AECI had entered into a Share Purchase Agreement with, *inter alios*, OldÂ Mutual Private Equity, to dispose of 100% of its shareholding in Much Asphalt (Proprietary) Limited (AECI Much Asphalt), for an estimated final consideration of R1Â 100Â million (subject to any final adjustments on the locked-box structure). The sale is progressing as expected, with all regulatory approvals now obtained. The remaining condition precedent (finalisation of the locked-box exercise) is expected to be met in the first half of 2025.

As a result, in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), AECI Much Asphalt has been classified as a discontinued operation, and prior year figures have been restated accordingly.

Earnings Guidance

In accordance with paragraph 3.4(b)(i) of the JSE Limited Listings Requirements, Shareholders are advised that AECI is satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon will differ by at least 20% from the financial results for the year ended 31 December 2023 (previousÂ corresponding period).

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AECI expects to report:

- a **basic loss per share from continuing and discontinued operations** of between 241 cents and 295 cents compared to **basic earnings per share from continuing and discontinued operations** of 1Â 112 cents for the previous corresponding period;
- **basic earnings per share from continuing operations** of between 237 cents and 289 cents compared to **basicÂ earnings per share from continuing operations** of 1Â 043 cents (restated) for the previousÂ corresponding period, being a decrease of between 77% and 72%; and
- **basic loss per share from discontinued operations** of between 524 cents and 537 cents compared to **basicÂ earnings per share from discontinued operations** of 69 cents (restated) for the previousÂ corresponding period.

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The decrease in basic earnings for the period compared to the previous corresponding period is primarily due to the following key factors in the underlying business:

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Continuing operations

- R860 million (R701 million net of tax, or 664 cents per share) in non-recurring costs, including the following:
 - R467 million in transformation project costs;Â
 - R186 million in divestiture costs;
 - R204 million of investment spend on statutory shutdowns; and
 - R56 million (2023: R159Â million) of AECI Schirm Germany turnaround spend; partially offset by insurance recoveries of R53Â million (2023: R184Â million); and
- the anticipated recognition of non-cash impairments of R377 million (R340 million net of tax, or 322 cents per share), mainly relating to AECIÂ Schirm Germany and AECI Mining.

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Discontinued operations

- R732 million net of tax (or 694 cents per share) of non-cash impairments relating to the fair value loss on the sale of AECI Much Asphalt.

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While non-cash impairments negatively impact reported earnings, they are reflecting the strategic repositioning of the Company to create long-term shareholder value.

The decrease in basic earnings is partially offset by the Transformation Management Office's delivery of ~R400 million (~R292 million net of tax, or 276 cents per share) EBITDA contribution.

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Other

The Company is expecting an elevated effective tax rate from continuing operations of ~71%, driven by non-deductible expenses, non-cash impairments from continuing operations (as disclosed above), and foreign withholding taxes.

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Headline earnings

The Group expects to report headline earnings per share (HEPS) of between 662 cents and 770 cents compared to HEPS of 1Â 137 cents for the previous corresponding period, being a decrease of between 42% and 32% after adjusting for:

- the anticipated recognition of non-cash impairments from continuing operations of R377 million (R340 million net of tax, or 322 cents per share);
- R732 million net of tax (or 694 cents per share) of non-cash impairments relating to the fair value loss on discontinued operations; partly offset by
- a R44 million (R34 million net of tax, or 32 cents per share) surplus on the disposal of investment property, plant and equipment from continuing operations.

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Looking ahead, the Group remains focused on:

- Executing its transformation strategy to unlock further operational efficiencies;
- Investing in core business areas that drive sustainable earnings growth;
- Finalising divestments and optimising the balance sheet to enhance capital allocation; and
- Reinvesting in asset health to mitigate future business disruption risks.

As previously communicated, 2025 will reflect continued implementation of these strategic changes, with a focus on portfolio optimisation, operational efficiencies, and reinvestment in core business areas to drive sustainable earnings growth.

The financial information contained in this announcement and on which this trading statement is based has not been reviewed, reported on or audited by the Company's external auditor.

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Woodmead, Sandton

20 February 2025

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Equity Sponsor: One Capital

Debt Sponsor: Questco Corporate Advisors

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About AECl

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AECl is a diversified chemicals solutions company employing 7 000 people at more than 100 sites. We have a presence in 22 countries on six continents. Founded in 1896 to service South Africa's burgeoning gold and diamond mining industries, the Company was formally established in 1924. AECl was listed on the securities exchange operated by the JSE Limited in 1966. A mainstay of the economy in South Africa, over the years we have expanded our presence and evolved our product and service offering to a broad base of customers. Our core products and services include mine-to-mineral solutions; water treatment solutions; chemical raw materials and related services; crop protection products and plant nutrients; as well as property leasing and the provision of utilities. Our operating businesses are structured into four operating business segments – AECl Mining, AECl Chemicals, AECl Corporate and Property Services and AECl's Managed Businesses.

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