

## **OneLogix weathers brunt of pandemic storm:**

***“Group has solid platform capable of navigating the prevailing and expected difficult and volatile trading environment”***

### **The six months in review:**

- Revenue down 16% to R1,22 billion
- EBITDA\* down 9% to R187 million
- EPS down 39% to 10,0 cps
- HEPS down 41% to 10,1 cps
- Core HEPS down 43% to 11,5 cps
- NAV up 5% to 411,4 cps
- NTAV up 5% to 343 cps
- Sale and leaseback of Umlaas phase 3 development concluded
- Acquisition of Agritrans
- No dividend declared

*\*calculated as operating profit plus depreciation and amortisation, retrenchment costs and share-based payments*

**Johannesburg, 18 February 2021** – OneLogix Group Limited (JSE: OLG), the niche logistics provider, today reported results for the interim period ending 30 November 2020.

Ian Lourens, Group CEO, said that the decline in earnings was primarily due to the Covid-19 induced listless economic environment. “Although emergency actions taken as a result of the pandemic – which we have previously reported on – continued well into this period, all 12 of the group’s companies remain in good health, having weathered the Covid-19 related impact.”

Lourens said that notwithstanding the challenges, some achieved a profit improvement, while others remain inherently relevant, with a strong underlying business strategy, skilful, resilient and innovative management teams, and a strong customer base that will ensure their sustainability.

He added that although OneLogix UB (United Bulk) was subjected to an unprotected strike that significantly impacted operations late in the period, it continued with its productivity-based reinvigoration process, with the results expected to become evident in the coming months.

Post the end of the period shareholders authorised the implementation of the sale of the Umlaas phase 3 development for a total consideration of R310 million as well as the subsequent leaseback of the property from the purchasers. This transaction was completed on 15 December 2020.

Also post the end of the period, and with effect from 1 December 2020, the group acquired a 100% interest in the specialist agricultural equipment logistics company, Agritrans, for a cash purchase consideration of R18,6 million and two deferred contingent payments of R1,125 million each payable on 1 December 2021 and 1 December 2022 subject to the retention of a customer contract.

“Agritrans, which is based in Frankfort in the Free State, is a well-established and respected operator with blue-chip customers in South Africa and neighbouring countries. There have been immediate managerial, operational, fleet and marketing synergies for the group,” said Lourens, adding that had the Agritrans businesses been acquired effective 1 June 2020, the effect on the statement of comprehensive income would have been an increase in revenue of R16,3 million and an increase in profit after tax of R1,7 million.

The group has also continued its share repurchase programme, acquiring 1,9 million OneLogix shares on the open market up to 15 February 2021 for a cost consideration of R4,4 million.

Lourens said that, after careful consideration, the board had decided not to declare an interim dividend, as the group wishes to preserve its cash resources given prevailing uncertain market conditions and the need to expand and grow the business should the opportunities arise.

#### **Financial summary**

Revenue decreased by 16% to R1,22 billion, with revenue declines experienced in all segments of the business, particularly the Abnormal Logistics segment.

EBITDA contracted by a proportionately lower 9% from R205,6 million to R187 million, as a result of significant and successful cost control measures during the period, which produced a 17% reduction of operating and administration costs (excluding share-based payments and retrenchment costs). As a result, EBITDA margins increased from 14,2% to 15,3%.

The group incurred once-off retrenchment costs of R8.8 million during the period, predominantly in the OneLogix VDS business, which falls within the Abnormal Logistics segment. This equated to an after-tax earnings impact of 2,8 cents per share.

Operating profit, excluding capital items, decreased in line with trading profit to R71,2 million, from R93,5 million after taking into account the retrenchment costs incurred in the period offset by share-based charges not being charged during the current period.

Headline earnings and diluted headline earnings per share ("HEPS") of 10,1 cents was 41% lower given a smaller loss on sale of fleet compared to the prior period. Core HEPS and diluted core HEPS ("Core HEPS") decreased by 43% to 11,5 cents, as the combined share-based payment charge and amortisation of intangible assets related to business combinations was significantly lower compared to the prior period.

Cash generated from operations before net working capital inflows, net finance costs, taxation and dividends, remained resilient with a 12% decrease to R180,1 million.

Net cash resources at the reporting date amounted to R280,4 million.

"Our financial position at the end of the period and the resources available to the group have successfully reinforced that we have a solid platform capable of navigating the prevailing and expected difficult and volatile trading environment."

#### **Segmental review**

##### ***Abnormal Logistics***

The vehicle component of this segment, consisting of OneLogix VDS and particularly OneLogix Trucklogix, traded in line with substantially contracting markets. "OneLogix Projex, operating in a tepid market, traded ahead of expectations, which was pleasing," said Lourens, commenting that the newly acquired OneLogix Agritrans would be included in this segment to facilitate the group's further expansion into the agricultural logistics market.

**Primary Product Logistics**

OneLogix Linehaul continued its run of good results, while OneLogix Jackson and OneLogix Buffelshoek traded well, all in disrupted markets. Although OneLogix UB (United Bulk) was below par, it is expected that the restructured entity would trade well going forward

**Other Logistic Services**

This smaller, non-reportable segment continued its strong performance and all traded according to expectations, yet again in unsettled markets.

**Outlook**

Lourens said that trading conditions for all group companies are expected to remain difficult for the foreseeable future. "We are experiencing a significant reduction in vehicle stockholding volumes in our storage yards as a result of the reduced stockholding models implemented by the original equipment manufacturers to navigate current trading conditions. We will continue to monitor the situation."

"Going forward, our strategy remains unaltered. We will continue to focus on extracting maximum efficiencies from existing businesses in order to protect and grow their individual market shares in their respective niche markets. The executive management team maintains full confidence in our experienced, stable management teams with their proven entrepreneurial skills, and fully expects them to continue guiding our businesses through the prevailing unprecedented and tough market conditions.

"Notwithstanding the difficult market conditions, our tested business models have ensured that each group business remains well-placed within its respective market and is well-equipped to both withstand economic headwinds and to exploit emerging opportunities.

"We expect acquisitive opportunities to continue, given the severity of the economic difficulties and we'll continue to assess these appropriately together with further start-up opportunities."

Lourens concluded by saying that the group continues to prioritise building high-quality, high-performance teams with an enabling culture. "Our continued and successful involvement with the international Top Employer programme provides an objective assessment as to the success of these endeavours. We therefore remain deeply appreciative to all our staff and management teams who continue to perform at the highest level of excellence despite the challenges thrown their way."

**-Ends-**

**Issued on behalf of:** OneLogix Group Limited  
**Contact:** Ian Lourens, CEO  
**Tel:** 011 920 9150

**Compiled and released by:** Keyter Rech Investor Solutions  
**Contact:** Renee Botha  
**Tel:** 087 351 3811  
**Email:** renee@kris.co.za

**JSE code:** OLG  
**Website:** [www.onelogix.co.za](http://www.onelogix.co.za)