NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS
CONTINUED

for the year ended 31 May 2025

1. RESULTS OF OPERATIONS continued

1.5 Earnings per share continued

Use of adjusted measures continued

(d) Analysis of core headline earnings

	2025 R'000	2024 R'000
Reconciliation between net profit and core headline earnings for the year:		
Net profit for the year	**2 484 243**	647 386
Amortisation of intangibles raised through business combinations net of tax and non-controlling interest	**50 890**	21 791
Core net profit for the year	**2 535 133**	669 177
Headline earnings adjustments	**1 612 163**	10 311
Core headline earnings	**4 147 296**	679 488

1.6 Cash generated by operations

	2025 R'000	2024 R'000
Reconciliation of operating profit to cash generated by operations:		
Operating profit	**1 411 316**	1 061 596
Adjustments for:		
Depreciation of property, plant and equipment	**70 086**	69 179
Depreciation on leased assets	**24 303**	13 105
Amortisation of intangible assets	**399 183**	398 228
Fair value gain on financial instruments	**(376 324)**	(4 846)
Fair value loss on financial instruments	**204 891**	188
Fair value gain on surety receivable	**(2 883)**	(2 555)
Impairment of intangible assets	**—**	1 500
Impairment of property, plant and equipment	**22 150**	12 417
(Impairment reversal)/impairment of loans	**(293 251)**	124 466
Impairment of inventory	**8 034**	9 684
Loss on disposal of property, plant and equipment	**1 998**	966
Loss on disposal of intangible assets	**16**	—
Termination of lease	**(284)**	(123)
Loss on modification/derecognition of financial instruments	**52 872**	32 576
Equity compensation benefit expense	**69 391**	41 048
Loss on sale of joint venture	**7 902**	—
Changes in working capital:		
Increase in inventories	**(264 243)**	(1 583 783)
Increase in trade and other receivables	**(1 063 727)**	(76 652)
Increase/(decrease) in trade and other payables	**694 757**	(270 136)
(Increase)/decrease in advances to customers	**(478 647)**	942 522
	487 540	769 380