

2024
unaudited
interim
financial
results

for the 6 months ended
30 september 2024



H1 F2025 at a glance

REVENUE

increased by **14%**
to R517.3 million

OPERATING PROFIT

increased by **9%**
to R14.3 million

PROFIT BEFORE TAXATION

increased by **13%**
to R17.1 million

EARNINGS PER SHARE

increased by **17%**
to 17.53 cents

HEADLINE EARNINGS PER SHARE

increased by **17%**
to 17.53 cents

INTERIM DIVIDEND PER SHARE

increased by **20%**
to 3.00 cents

NET ASSET VALUE PER SHARE

increased by **10%**
to 273 cents

TANGIBLE NET ASSET VALUE PER SHARE

increased by **12%**
to 234 cents

NET CASH

increased by **24%**
to R75.1 million



condensed consolidated statement of profit or loss and other comprehensive income

for the six months ended 30 September 2024

	Unaudited September 2024 R'000	Unaudited September 2023 R'000	Audited March 2024 R'000
Revenue	517 290	455 036	950 613
Cost of sales	(454 735)	(399 074)	(838 375)
Gross profit	62 555	55 962	112 238
Other income	364	159	331
Operating expenses	(48 581)	(42 980)	(88 703)
Operating profit	14 338	13 141	23 866
Interest income	2 910	2 167	4 827
Interest expense	(195)	(213)	(395)
Profit before taxation	17 053	15 095	28 298
Taxation	(3 691)	(3 285)	(3 078)
PROFIT AND TOTAL COMPREHENSIVE INCOME	13 362	11 810	25 220
Profit and total comprehensive income attributable to:			
Ordinary shareholders of the company	13 117	11 523	24 962
Non-controlling interests	245	287	258
PROFIT AND TOTAL COMPREHENSIVE INCOME	13 362	11 810	25 220
Basic earnings per share (cents)	17.53	15.02	32.57



condensed consolidated statement of financial position

as at 30 September 2024

	Unaudited September 2024 R'000	Unaudited September 2023 R'000	Audited March 2024 R'000
ASSETS			
NON-CURRENT ASSETS	48 946	55 161	49 372
Property, equipment and vehicles	8 870	9 688	9 204
Investment properties	3 500	3 500	3 500
Right-of-use assets	1 777	2 622	1 333
Goodwill	26 164	26 164	26 164
Intangible assets	1 252	2 750	1 720
Deferred tax asset	7 383	10 437	7 451
CURRENT ASSETS	243 778	203 553	231 670
Inventories	26	44	32
Trade and other receivables	166 468	140 761	164 247
Contract cost assets	2 232	2 275	1 299
Cash and cash equivalents	75 052	60 473	66 092
TOTAL ASSETS	292 724	258 714	281 042
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES	196 473	182 530	191 137
Ordinary share capital and share premium	2 319	2 365	2 365
Treasury shares	(21 130)	(20 678)	(23 695)
Retained earnings	222 381	209 103	219 810
Equity attributable to equity holders of the company	203 570	190 790	198 480
Non-controlling interests	(7 097)	(8 260)	(7 343)
NON-CURRENT LIABILITIES	4 467	6 432	5 764
Finance liabilities	800	877	264
Contingent consideration	3 667	5 555	5 500
CURRENT LIABILITIES	91 784	69 752	84 141
Trade and other payables	84 299	58 540	76 035
Finance liabilities	1 575	2 276	1 812
Contingent consideration	3 667	3 612	3 667
Taxation payable	2 243	5 324	2 627
TOTAL EQUITY AND LIABILITIES	292 724	258 714	281 042



condensed consolidated statement of changes in equity

for the six months ended 30 September 2024

	Unaudited September 2024 R'000	Unaudited September 2023 R'000	Audited March 2024 R'000
Opening balance	191 137	176 508	176 508
Total comprehensive income	13 117	11 523	24 962
Acquisition of treasury shares	(549)	(419)	(3 249)
Dividends paid	(7 477)	(5 369)	(7 342)
Non-controlling interests	245	287	258
CLOSING BALANCE	196 473	182 530	191 137

condensed consolidated statement of cash flows

for the six months ended 30 September 2024

	Unaudited September 2024 R'000	Unaudited September 2023 R'000	Audited March 2024 R'000
Cash generated from operations	23 965	14 135	27 836
Interest income	2 910	2 167	4 827
Interest expense	(70)	(52)	(124)
Tax paid	(3 523)	(344)	(3 448)
Cash flows generated from operating activities	23 282	15 906	29 091
Cash flows utilised in investing activities	(4 683)	(9 733)	(10 960)
Purchase of property, equipment and vehicles	(211)	(6 038)	(6 316)
Purchase of contract cost assets	(2 639)	(1 916)	(2 865)
Contingent consideration paid	(1 833)	(1 779)	(1 779)
Cash flows utilised in financing activities	(9 639)	(7 310)	(13 649)
Acquisition of treasury shares	(549)	(419)	(3 249)
Payment of finance liabilities	(1 613)	(1 522)	(3 058)
Dividends paid	(7 477)	(5 369)	(7 342)
Total cash movement for the period	8 960	(1 137)	4 482
Cash and cash equivalents at beginning of period	66 092	61 610	61 610
CASH AND CASH EQUIVALENTS AT END OF PERIOD	75 052	60 473	66 092



segmental analysis

for the six months ended 30 September 2024

	Unaudited September 2024 R'000	Unaudited September 2023 R'000	Audited March 2024 R'000
REVENUE			
Services rendered to external clients	517 290	455 036	950 613
BUSINESS SEGMENT OPERATING PROFIT			
Integrated Business Support Services	23 560	18 915	42 297
Shared Services	(9 222)	(5 774)	(18 431)
OPERATING PROFIT	14 338	13 141	23 866
SEGMENT ASSETS			
Integrated Business Support Services	209 532	179 976	195 566
Shared Services	83 192	78 738	85 476
TOTAL	292 724	258 714	281 042
SEGMENT LIABILITIES			
Integrated Business Support Services	88 008	68 692	80 809
Shared Services	8 243	7 492	9 096
TOTAL	96 251	76 184	89 905
SEGMENT NET ASSETS			
Integrated Business Support Services	121 524	111 284	114 757
Shared Services	74 949	71 246	76 380
TOTAL	196 473	182 530	191 137



notes to the condensed consolidated interim results

for the six months ended 30 September 2024

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 September 2024 have been prepared in accordance with the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and are also in accordance with IAS 34 Interim Financial Reporting, the Companies Act of South Africa, as amended and the Listings Requirements of the JSE. The accounting policies applied in the preparation of these interim financial statements are in terms of IFRS and are consistent with those applied in the previous annual financial statements. The results are presented in Rand, which is Primeserv's reporting currency and are rounded to the nearest thousand.

The company's directors are responsible for the preparation and fair presentation of the unaudited condensed consolidated results. The results were prepared by the Group Financial Director R Sack CA(SA).

	Unaudited September 2024 R'000	Unaudited September 2023 R'000	Audited March 2024 R'000
2. HEADLINE EARNINGS PER SHARE			
ATTRIBUTABLE EARNINGS	13 117	11 523	24 962
Headline earnings adjustments			
Loss on disposal of equipment and vehicles	–	7	83
Gross loss	–	9	113
Tax effect	–	(2)	(30)
ATTRIBUTABLE HEADLINE EARNINGS	13 117	11 530	25 045
HEADLINE EARNINGS PER SHARE (CENTS)	17.53	15.03	32.68
WEIGHTED AVERAGE NUMBER OF SHARES ('000)	74 809	76 718	76 639
3. NET ASSET VALUE PER SHARE			
NUMBER OF SHARES IN ISSUE AT END OF PERIOD (NET OF TREASURY SHARES)	74 579	76 669	74 825
NET ASSET VALUE PER SHARE (CENTS)	273	249	265
TANGIBLE NET ASSET VALUE PER SHARE (CENTS)	234	209	226

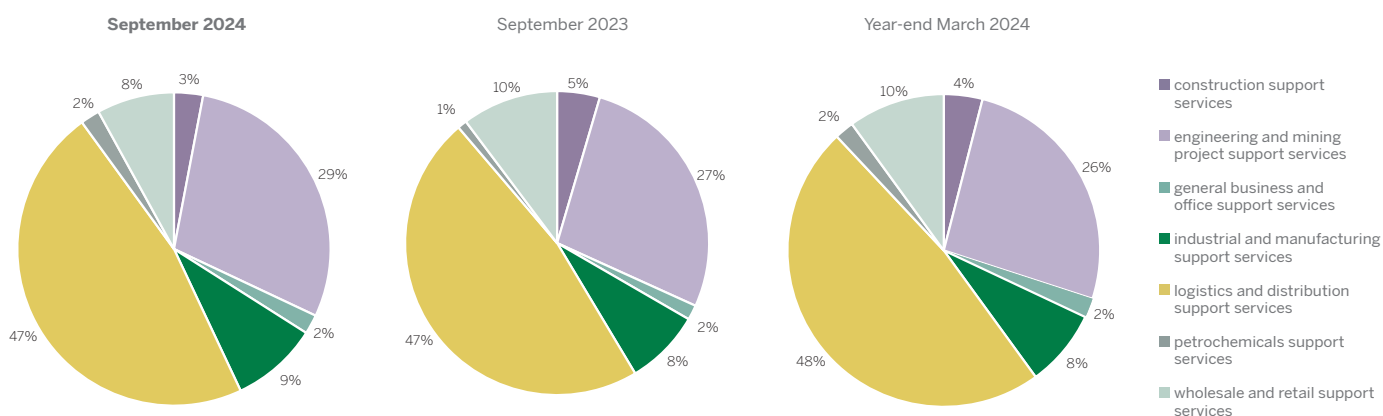


notes to the condensed consolidated interim results (continued)

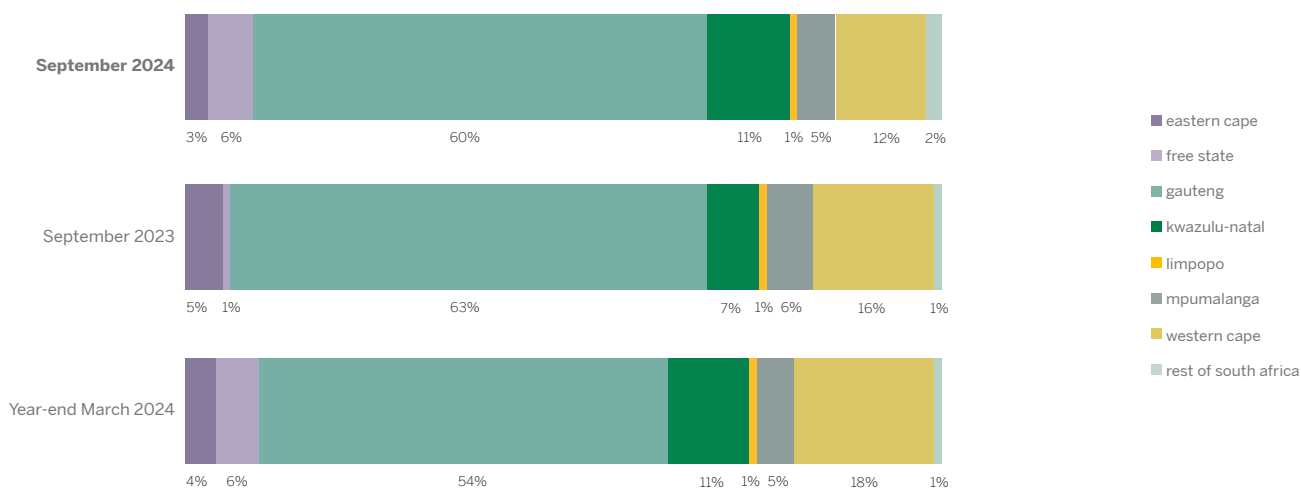
for the six months ended 30 September 2024

4. DISAGGREGATION OF REVENUE

Revenue by sector



Revenue by region



notes to the condensed consolidated interim results (continued)

for the six months ended 30 September 2024

5. INTERIM DIVIDEND

ORDINARY DIVIDEND NUMBER 31

Notice is hereby given that a gross cash dividend of 3.00 cents per share for the interim period was declared on Wednesday, 20 November 2024, payable to the shareholders recorded in the share register of the company at the close of business on the record date appearing below.

The salient information and dates pertaining to the interim dividend are as follows:

Tax reference number	9408002716
Shares in issue on declaration date	114 522 101
Company registration number	1997/013448/06
Last day to trade "cum" the cash dividend	Tuesday, 21 January, 2025
Shares commence trading "ex" the dividend	Wednesday, 22 January, 2025
Record date	Friday, 24 January, 2025
Payment date	Monday, 27 January, 2025

Shareholders may not dematerialise or rematerialise their share certificates between Wednesday, 22 January 2025 and Friday, 24 January 2025, both dates inclusive.

Shareholders who are not exempt from Dividends Withholding Tax of 20% will therefore receive a net dividend of 2.40 cents per share.

The dividend is being paid out of income reserves.

All times provided in this announcement are South African local times.

Where applicable, dividends in respect of certificated shareholders will be transferred to shareholders' bank accounts on the payment date. Ordinary shareholders who hold dematerialised shares will have their accounts credited at their Central Securities Depository Participant ("CSDP") or broker on Monday, 27 January 2025.

6. EVENTS AFTER THE REPORTING DATE

Management is not aware of any material events that have occurred subsequent to the end of the financial period under review.

7. AUDITORS' RESPONSIBILITY

The results have not been reviewed or audited by the group's external auditors, PKF Octagon Incorporated.



notes to the condensed consolidated interim results (continued) for the six months ended 30 September 2024

8. FORWARD-LOOKING STATEMENTS

Certain statements contained in this report are forward-looking statements which Primeserv believes are reasonable and which consider information up to the date of publication. These statements could differ materially due to various factors, such as changes in economic and market conditions, or changes to the regulatory environment. As a result, these forward-looking statements are not guarantees of future performance. Forward-looking statements have not been reviewed nor audited by the group's external auditors, PKF Octagon Incorporated.

9. DIRECTORS

DL Rose[#] (Chairperson), M Abel (CEO), LM Maisela[#], KM Matjila[#], R Sack (FD)

[#] *Independent non-executive*

On behalf of the Board

DL Rose
Chairperson

M Abel
CEO

R Sack
FD

20 November 2024
Illovo, Sandton



commentary

Primeserv's performance for the interim reporting period to 30 September 2024 continues to reflect the solid growth trend of the past few years. Revenue for the six months increased by 14 percent from R455.0 million to R517.3 million arising in the main from organic growth across the group's client base. Operating margins across the group remained stable despite a tough operating environment, with gross profit increasing by 12 percent from R56.0 million to R62.6 million. Operating expenses during the period increased by 13 percent arising from inflationary pressure and additional costs associated with the further broadening of the group's national infrastructure. Effective working capital management and efficient capital allocation resulted in continuing improvement in the group's cash resources, thereby positively impacting interest income which increased by 32 percent from R2.2 million to R2.9 million for the six months. The group's operating profit improved by 9 percent from R13.1 million to R14.3 million. Net profit before tax increased by 13 percent from R15.1 million to R17.1 million, with attributable income improving by 14 percent from R11.5 million to R13.1 million. Earnings per share increased by 17 percent from 15.02 cents per share to 17.53 cents per share. Headline earnings per share has, similarly, increased by 17 percent from 15.03 cents per share to 17.53 cents per share.

Cash flows from operating activities have shown a significant improvement from R15.9 million to R23.3 million, an increase of 47 percent. Investing activities decreased by 52 percent from an outflow of R9.7 million in the comparable period to R4.7 million for the six months under review. Cash flows relating to financing activities increased by 32 percent from an outflow of R7.3 million in the six months to September 2023 to R9.6 million in the current review period. This is primarily attributable to funds returned to shareholders, in the form of share buybacks and dividends, which together increased by 38 percent from R5.8 million to R8.0 million. Days sales outstanding was 50 days compared to 47 days at the end of September 2023. The group remains ungeared and closed the reporting period with net cash of R75.1 million.

The group's balance sheet reflects a strong group-wide performance with the net asset value per share increasing by 10 percent from 249 cents per share to 273 cents per share at the end of September 2024.

Given the strong financial performance of the group over the six-month period, as outlined above, the interim dividend has been increased by 20 percent to 3.00 cents per share.

The national elections in May and the formation of the government of national unity have lent a certain degree of comfort to the country's macro-economic prospects albeit that these positive signs are still to be meaningfully felt across the economy. The operating environment remains uncertain and erratic across most of the sectors within which the group operates. High unemployment, supply chain constraints, and delayed starts to major capital projects, which the group anticipated participating in, amongst other headwinds, continue to hamper growth. Notwithstanding these tough operating conditions Primeserv's nationwide Integrated Business Support Services' operating units delivered a pleasing performance over the interim reporting period. Each of the group's operating units continued to deliver the distinctive Primeserv brand-driven and client centric-service excellence that meets the specific needs of our clients in an ever-changing business environment. More specifically, the group's specialised operating units providing support services to the logistics and distribution and wholesale and retail sectors continued to experience fluctuating demand, often associated with supply chain related delays beyond their control. The units servicing engineering, construction and manufacturing experienced constrained conditions, while those providing support services to mining and related projects were subject to an uneven business environment during this review period. The training services unit continues to support the group's strategic initiatives while also delivering its niche-based value-added support services to a broad range of clients.

The dramatically changing macro environment in conjunction with the national operating landscape that the group is exposed to remains inherently challenging and uncertain. Despite these conditions the group continues to invest in expanding its reach and capability so as to meet opportunities as they arise, while also seeking out acquisitions aligned to its integrated business support services offering.



corporate information

PRIMESERV GROUP LIMITED

(Incorporated in the Republic of South Africa)
Registration number 1997/013448/06
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Werksmans

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integrated business support services

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