

## **PREMIER GROUP LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 2007/016008/06)  
JSE share code: PMR  
ISIN: ZAE000320321  
(Premier, the "Group" or the "Company")

## **UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

### **FINANCIAL OVERVIEW**

- Revenue increased by 3.7% to R9.7 billion
- EBITDA<sup>1</sup> increased by 13.5% to R1.2 billion
- Operating profit increased by 17.3% to R945 million
- Earnings per share ("EPS") increased by 34.2% to 438 cents per share
- Headline earnings per share ("HEPS") increased by 32.4% to 438 cents per share

<sup>1</sup> EBITDA defined as earnings before finance income and costs, foreign exchange (losses)/gains on cash and intergroup loan, share of net profit in equity-accounted investments, tax, depreciation and amortization.

### **COMMENTARY ON PERFORMANCE**

We take pleasure in delivering the interim results for the six months ended 30 September 2024 for Premier Group Limited and its subsidiaries (together "Premier" or the "Group"). Premier has achieved an encouraging set of results, with moderate revenue growth despite high interest rates, soft commodity volatility and a depressed consumer environment during the period under review. The Group's improvement in operational earnings was driven by a continued focus on margin management, cost saving initiatives and the delivery of material operational efficiencies across both manufacturing and the Group's logistics and distribution channels. The ongoing commitment to our long-held strategy of investing in our assets, from state-of-the-art facilities to a skilled and committed workforce, continued to bear fruit.

The Group's revenue increased by 3.7% to R9.7 billion, driven by increases in both the Millbake and Groceries and International categories of 2.6% and 9.7%, respectively. The suspension of loadshedding has been a welcome relief for the economy and the consumer.

EBITDA increased by 13.5% to R1.2 billion, mainly driven by the growth in Millbake EBITDA of 15.8%. Groceries and International EBITDA declined by 2.1%, largely as a result of macro-economic conditions experienced by the Group's business in Mozambique. The Group's EBITDA margin improved by 100 basis points, to 11.9%.

Operating profit increased by 17.3% to R945 million and the operating profit margin improved by 110 basis points to 9.7%.

Net finance costs decreased by 18.2% to R166 million primarily due to the debt repayments made on borrowings during the previous financial year. The Group's share of net profit in equity-accounted investments increased to R12 million as a result of the Group's acquisition of a 30% shareholding in Goldkeys with effect from 3 June 2024.

Earnings per share ("EPS") increased by 34.2% to 438 cents and headline earnings per share ("HEPS") increased by 32.4% to 438 cents.

Cash generated from operations increased by 13.5% to R944 million, driven by the growth in the Group's EBITDA and supported by disciplined working capital management.

### **MILLBAKE**

The Millbake division continued to deliver robust results for the six months ended 30 September 2024. Revenue increased by 2.6% to R8.1 billion and EBITDA increased by

15.8% to R1.1 billion. The EBITDA margin improved by 160 basis points to 13.9%. The moderate increase in Millbake's revenue is attributable to price/mix growth of 1% and volume growth of 2%, which is encouraging given the constrained consumer environment.

## **GROCERIES AND INTERNATIONAL**

The Groceries and International division delivered an encouraging performance for the six months ended 30 September 2024. The division's revenue increased by 9.7% to R1.6 billion, however, EBITDA decreased by 2.1% to R105 million. The EBITDA margin contracted to 6.4% from 7.2%.

The Sugar Confectionery category delivered a robust set of results. Revenue was up, driven by a favourable product and customer mix. EBITDA was slightly up through tight margin management and site optimisation. The Mister Sweet acquisition was confirmed to be in-line with the original investment objectives following a three-year progress review. Exciting private label launches have been introduced with further ranges in the pipeline, as well as new pack sizes and innovations which are driving growth.

The Home and Personal Care category posted good results, with increases in both revenue and EBITDA. The investment in additional capacity at the Durban facility has enabled growth, and tampon manufacturing and packaging is ahead of efficiency targets. The eCommerce channel in the United Kingdom ("UK") continues to gain traction with significant year-on-year growth.

## **OUTLOOK**

Going into the second half of the year, Premier will focus on sustaining the level of success we have achieved year-to-date. We intend to further capitalise on the efficiencies evidenced by the investment in our capital projects and to leverage our facilities to unleash further growth. The Group is well positioned for growth, and the Board and management will therefore remain disciplined in the allocation of capital. Investment in our people through training and upliftment, to ensure we are an employer of choice, will remain a key focus area.

Collaboration with all levels of government is critical to our business, ensuring operational continuity, and our team engages regularly to maintain open dialogue and mutually beneficial relationships. We will continue to align our corporate strategy with our sustainability journey supporting a long-standing commitment to our purpose.

## **DIVIDENDS**

Premier's dividend policy is to declare an annual dividend based on a pay-out ratio of 30 - 60% of diluted headline earnings per share. As such and given the Group's strong performance and cash generation, we intend to declare a full-year dividend in terms of the aforesaid policy when we release our FY2025 results in June 2025.

## **ABOUT THIS ANNOUNCEMENT**

The contents of this results announcement are the responsibility of the directors of the Company and have not been reviewed or audited by the Group's auditor. Any forecast financial information contained in this announcement has not been reviewed or reported on by the Group's auditor.

This announcement is a summary of information in the full unaudited interim results for the six months ended 30 September 2024 ("interim results") and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on the full interim results. The full interim results are available on the JSE's cloudlink at

<https://senspdf.jse.co.za/documents/2024/JSE/ISSE/PMRE/20241112.pdf> and published on the Company's website, <https://www.premierfmcg.com/investors/results-reports> on 12 November 2024.

Non-executive directors

I van Heerden (Chairman), JER Matthews, PRN Hayward-Butt (Alternate Director to JER Matthews)

Independent non-executive directors

FN Khanyile (Lead Independent), DD Ferreira, H Ramsumer and W Sihlobo

Executive directors

JJ Gertenbach (Chief Executive Officer), F Grobbelaar (Chief Financial Officer)

Company Secretary: B Baker

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

12 November 2024