

Zeda Limited  
Incorporated in the Republic of South Africa  
Registration number: 2022/493042/06  
JSE share code: ZZD  
ISIN: ZAE000315768  
("Zeda" or the "Company" or the "Group")

## ANNUAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 AND CASH DIVIDEND DECLARATION 2024

### GROUP FINANCIAL HIGHLIGHTS

#### Financial performance

- Revenue: Record high revenue of R10.5 billion, up 14.5% compared to prior year
- EBITDA up by 0.8% with EBITDA margin at 32%
- Operating profit down by 5.6% with operating margin of 14%

#### Shareholder returns

- ROIC of 14.3% greater than WACC of 11.8%
- ROE of 23.1%
- TSR of 24.6%
- Dividend: Final dividend declared of 50 cents taking total annual dividend to 100 cents

#### Financial position

- Net debt to EBITDA improved to 1.4x (FY2023: 1.5x)
- Net debt of R4 669 million (FY2023: 4 826 million)
- Cash and cash equivalent of R1.2 billion (FY2023: 842 million)

Zeda remained resolute in the execution of its integrated mobility strategy despite the tough trading conditions. The 2024 financial year ("FY2024") was characterised by high interest rates, inflation, fuel hikes, a challenging competitive landscape, and the end of super profits in the used car market. Notwithstanding these challenges, the fundamentals of the business remained strong, and this was demonstrated by FY2024 annual results which produced double-digit top-line growth, a healthy financial position and solid returns from the capital deployed in the business, albeit with reduced profitability.

The strategy to drive integrated mobility, which is centered around diversified mobility solutions, continues to pay off by mitigating against the changing market conditions, which are more pronounced in the short term mobility businesses and geographies.

The Group generated revenue of R10 468 million, an increase of 14.5% compared to the prior year, driven by strong performance in the Leasing Business and the quality of vehicles and market intelligent in car sales to drive the volumes.

The long-term Leasing Business delivered double-digit revenue growth of 12.3%. This was in line with the strategic focus on growing the corporate sector, heavy commercial and Greater Africa. The adoption of iLease in its first year of operation was rather slow, but it continues to be a key growth element as it disrupts the status quo.

From a short-term rental business perspective, we reported a 15.2% growth in revenue driven by double-digit growth in used car sales across the retail and wholesale channels. The rental business revenue increased by 4% driven by growth in the corporate business, inbound, and local businesses. This was, however, negatively impacted by the replacement market, which is highly price-sensitive. The subscription business is down 5.6%. We have taken note of customer feedback on the system challenges when subscribing to the offering. We have started seeing an increase in volume and revenue as we address these challenges towards the end of the financial year.

Despite the strong top-line performance, the challenging used car market, driven by big discounts on new vehicles and declining consumer disposable income, continues to put pressure on used car sales. This environment constrained profitability, with the Group's EBITDA margin reducing to 32% (FY2023: 36.3%) and the operating profit margin

declining to 14%.

We view FY2025 as a year of rebasing used car margins across the industry, signalling the end of the exceptional profits seen since the pandemic. To address this shift, Zeda remains agile in the size of outright acquisitions and the make range model in these changing times. Other efficiency measures, such as the launch of a digital dealership in November 2024, are being implemented to enhance the market reach.

Earnings were further impacted by the normalisation of the effective tax rate to 26.2% compared to last year's significantly lower rate of 21%, coupled with sustained high interest rates. Additionally, the impact of foreign exchange fluctuations related to the significant depreciation of the Ghana Cedi also affected Group earnings. Basic earnings per share ("BEPS") and Headline Earnings Per Share ("HEPS") declined by 17.3% and 18.1% respectively.

Our capital allocation methodology continues to bear fruit. Capital deployed to the business generated solid returns, achieving a return on equity ("ROE") of 23.1% for the year. In FY2024, Zeda grew its equity much faster than debt, shifting the capital structure to 67:33 debt to equity ratio compared to 70:30 in FY2023. The return on invested capital ("ROIC") of 14.3% was higher than the weighted average cost of capital ("WACC") of 11.8%, generating returns for shareholders.

The positive shareholder returns were also demonstrated in the equity capital markets, with Zeda achieving a Total Shareholder Return ("TSR") of 24.6%, consisting of capital appreciation and the dividend. This follows the end of the unbundling flowback and reinstating the dividend policy. The Board declared a final dividend of 50 cents, taking the annual dividend to 100 cents for FY2024.

Net debt improved to R4 669 million (FY2023: R4 826 million) with net debt to EBITDA improving to 1.4x (FY2023: 1.5x). During FY2024, the Board approved the registration of a Domestic Medium-Term Note ("DMTN") programme for up to R5 billion with the JSE and the development of sustainability finance fundraising framework for Zeda, in line with our strategy to diversify funding.

#### Outlook statement

The fundamentals of this business remain strong, despite the challenging trading environment. Our recipe for success is a strong operating model that covers the full value chain of integrated mobility, which is anchored in the digital transformation of the business.

Following the approval of the five-year strategy, we developed the sustainability finance fundraising framework (i.e. use of proceeds and sustainabilitylinked) to support our ESG strategy and commitment to sustainability, while pursuing an integrated mobility solutions strategy. The framework aligns Zeda's sustainability strategy with its fundraising strategy.

The DMTN programme and sustainable finance framework provides cost and execution-efficient access to the debt capital markets. These initiatives will allow Zeda to access various funding sources, lengthen its debt maturity profile and bring about cost of funding savings to meet the Group's funding requirements. The first issuance in the debt capital markets is planned to be in the first half of FY2025.

Our key strategic pillars for growth remain intact; the bedrock of our growth pillars is subscription, long-haul and last-mile business, Greater Africa, Asset light business, with focus on service and maintenance plans and the used car business. These growth pillars will be elevated by investments in technology as part of Zeda's Digital Transformation Journey.

With the growth in equity and the capital allocation framework, the business is well-positioned to seize valueaccretive opportunities in the market.

From a subscription perspective, we are seeing an improved performance in short-term subscriptions as a result of enhanced customer experiences. We have implemented targeted initiatives to address challenges encountered in the first

year of lease to ensure that we attract the right market.

Growth in the leasing book will be driven by heavy commercial and last mile, in Corporate South Africa and Greater Africa.

We are seeing an increase in public sector activities, and this bodes well for growing our leasing book. We expect to launch in Zimbabwe through corporatising a short-term rental business and launching a leasing business.

We expect the used car market to normalise after years of elevated profits while economic growth is expected to remain subdued. The expected decline in interest rates bodes well for the industry outlook. As we continue to invest in technology to drive growth, the launch of the Digital Dealership earlier this month has attracted good quality customers. We expect to grow the business, which has its genesis in cost efficiency and digital process.

Our strategy is underpinned by technology. We will continue to deploy technology to drive innovation in our business. We have generated solid equity and given ourselves a good buffer on our gearing levels to consider inorganic growth that is in line with our core and market.

#### Dividend declaration

On 25 November, the Board has declared an annual dividend (dividend number 2) of 50.00000 cents per share in respect of the gross annual dividend for the year ended 30 September 2024, subject to the applicable dividend withholding tax rate of 20% levied in terms of the Income Tax Act (Act No. 58 of 1962) (as amended). Accordingly, for those shareholders that are not exempt from paying dividend withholding tax, the net ordinary dividend will be 40.00000 cents per share. The dividend has been declared out of income reserves and the number of ordinary shares in issue at the date of this declaration is 189 641 787, and the Company tax number is 9042025305.

The following dates are applicable to the dividend:

Last date to trade cum dividend	Tuesday, 4 February 2025
Ordinary shares trade ex-dividend	Wednesday, 5 February 2025
Record date	Friday, 7 February 2025
Payment date	Monday, 10 February 2025

Share certificates may not be dematerialised or rematerialised between Wednesday, 5 February 2025, and Friday, 7 February 2025, both days inclusive.

#### CHANGE IN DIVIDEND POLICY

Shareholder rewards are considered in the context of a holistic capital allocation framework wherein capital is allocated to reinvest in the business and return cash to the shareholders. Our dividend policy aligns with Zeda's capital allocation framework, which takes into account its long-term strategic growth and cash generation capabilities. Based on Zeda's growth ambitions and the expected cash to be generated by the business in the medium term, the Board has resolved to increase the dividend policy from 20% to 30% of profit after tax to an accumulative annual payout ratio within a range of 30% to 50% of profit after tax subject to sufficient cash available. The dividend policy is effective from the 2025 financial year.

Notwithstanding its adopted dividend policy and intention, the Board retains absolute discretion to determine actual dividend declarations, and the Company may revise its dividend policy from time to time.

#### FLEET SERVICES GHANA LIMITED

The Board of Directors has been considering strategic options for the Group's subsidiary, Fleet Services Ghana Limited, in which the Group has a controlling interest of 100% through its subsidiary, Avis Southern Africa Proprietary Limited.

Subsequent to the report date, but prior to the approval of the Group's annual financial statements, the Board resolved to explore options to disinvest from its Ghana investment, as capital allocation to Ghana no longer fits the Group's growth focus, given its isolation within the West African market, and to effectively allocate the Group's resources to stable and profitable operations.

To the knowledge of the directors, no material events have occurred, apart from the three stated above, between the reporting date and the date of approval of these financial statements that would affect the ability of the users of the financial statements to make proper evaluations and decisions.

#### GROUP PERFORMANCE

R'million	2024	2023	%
Revenue	10 468	9 145	14.5
EBITDA	3 347	3 321	1
EBITDA margin (%)	32	36	(11)
Operating profit before capital items	1 449	1 537	0.5
Operating profit	1 465	1 552	(6)
Operating margin (%)	14	17	(18)
Basic earnings per share (cents)	320	387	(17)
Headline earnings per share (cents)	312	381	(18)
Net debt to EBITDA (x) - rolling 12 months	1.4	1.5	6.3
Return on Equity (ROE) (%) - rolling 12 months	23.1	36.7	0.7
Dividend per share (cents)	50	-	-

Lwazi Bam  
Chairman

Ramasela Ganda  
Group Chief Executive Officer

26 November 2024

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#### DISCLAIMER

This statement contains forward-looking statements. All statements, other than statements of historical facts, including, among others, statements regarding our strategy, future financial position and plans, objectives, projected costs and anticipated cost savings and financing plans and projected levels of growth in the communications markets, are forward-looking statements. Forward-looking statements can be identified by terminology such as "may", "might", "should", "expect", "envisage", "intend", "plan", "project", "estimate", "anticipate", "believe", "hope", "can", "is designed to", or similar phrases. However, the absence of such words does not necessarily mean a statement is not forward-looking. Forward-looking statements involve several known and unknown risks, uncertainties and other factors that could cause our actual results and outcomes to be materially different from historical results or any future results expressed or implied by such forward-looking statements. Factors that could cause our actual results or outcomes to differ materially from our expectations include, but are not limited to, those risks identified in Zeda financial reports available at [www.zeda.co.za](http://www.zeda.co.za)

Zeda cautions readers not to place undue reliance on these forward-looking statements. All written and verbal forward-looking statements attributable to Zeda, or persons acting on behalf of Zeda, are qualified in their entirety by these cautionary statements. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of publication of this document so that they conform either to the actual results or to changes in our expectations.

Any forward-looking information disclosed in these annual results for the year ended 30 September 2024 ("results announcement") has not been reviewed, audited, or otherwise reported on by our independent external auditors.

FURTHER INFORMATION

The short-form annual financial results announcement is the responsibility of the Board of Directors of Zeda. It is only a summary of the information contained in the annual financial statements for the year ended 30 September 2024 ("annual financial statements") and does not contain full or complete details.

Any investment decisions should be based on the annual financial statements published on the JSE's cloudlink on Tuesday, 26 November 2024. The annual financial statements have been audited by the Company's auditors, SizweNtsalubaGobodo Grant Thornton Inc., who have expressed an unqualified audit opinion. The annual financial statements, including the auditor's audit opinion, is available on the Company's website at:  
<https://zeda.co.za/investors/annual-results/> and on the JSE's cloudlink at:  
<https://senspdf.jse.co.za/documents/2024/jse/isse/ZZDE/ye2024.pdf>

Copies of the annual financial statements may be requested from Investor Relations at: [investorrelations@zeda.co.za](mailto:investorrelations@zeda.co.za)