



Premier

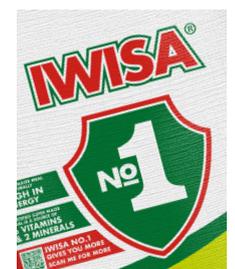
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Growing Together Since 1824

UNAUDITED INTERIM RESULTS

for the six months ended
30 September 2024

2025



Dove

100% pure organic cotton
80 fine cotton wool rounds

SUNBLEST

MACARONI

MACARONI IS NATURALLY HIGH IN ENERGY. 1. NATURALLY FREE FROM...



FINANCIAL HIGHLIGHTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

<p>Revenue</p> <p>R9.7 billion</p> <p>↑ 3.7%</p>	<p>EBITDA</p> <p>R1.2 billion</p> <p>↑ 13.5%</p>	<p>EBITDA margin</p> <p>11.9%</p> <p>(H1 2024: 10.9%)</p>
<p>Operating profit</p> <p>R945 million</p> <p>↑ 17.3%</p>	<p>Operating profit margin</p> <p>9.7%</p> <p>(H1 2024: 8.6%)</p>	<p>Net profit margin</p> <p>5.8%</p> <p>(H1 2024: 4.5%)</p>
<p>EPS</p> <p>438 cps</p> <p>↑ 34.2%</p>	<p>HEPS</p> <p>438 cps</p> <p>↑ 32.4%</p>	<p>Cash generated from operations</p> <p>R944 million</p> <p>↑ 13.5%</p>
<p>ROIC⁽¹⁾</p> <p>22.7%</p> <p>(H1 2024: 20.7%)</p>	<p>Group leverage ratio</p> <p>1.0x</p> <p>(H1 2024: 1.4x)</p>	<p>ROE⁽²⁾</p> <p>31.9%</p> <p>(H1 2024: 27.3%)</p>

(1) Refers to return on average invested capital adjusted for the 2008 historical revaluation of intangibles of R722 million.

(2) Refers to return on equity adjusted for the 2008 historical revaluation of intangibles of R722 million.

COMMENTARY

OVERVIEW

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 successful transition to a Government of National Unity, after the national election in May, appears to have boosted market sentiment and the green shoots of economic recovery are evident. The subsequent strengthening of the Rand, the decrease in fuel prices and loosening of interest rates are anticipated to translate into economic growth, positively impacting consumer spending and ultimately improving government finances for investment. The stabilisation in global soft commodity inflation and the suspension of loadshedding has seen manufacturers return to full production, which has normalised service levels across the industry. Within this competitive landscape, Premier intends to focus on Being Brilliant at the Basics and to ensure we continue delivering exceptional quality products, at the lowest cost, and with an unrelenting focus on efficiencies and service excellence.

The acquisition of a 30% shareholding in Goldkeys International (Pty) Ltd (“Goldkeys”), a rice distributor based in KwaZulu-Natal, concluded in June 2024, has produced a resilient performance in the face of high rice import prices. Subsequent to the elections in India and a better-than-expected crop, global rice shortages have abated, and prices have normalised.

As a result of the improved liquidity provided by Brait’s placement of 15 million additional ordinary shares into the market in March 2024, Premier was included in the FTSE/JSE All Share Index (“ALSI”) in September 2024. The ALSI, a benchmark index of the JSE, represents 99% of the full market capitalisation of all eligible securities listed on the Main Board of the JSE, subject to minimum free float and liquidity criteria. The index is designed for use in the creation of index-tracking funds and derivatives.

The Group is focused on monitoring price leadership for our customers and will continue to invest in our strategy of earning the right to operate in the communities where we trade.

Premier looks forward to providing investors with the opportunity to share in its growth story and to delivering sustainable shareholder returns to a wider investor base.

FINANCIAL REVIEW

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.

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 amortisation (“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.

The effective tax rate decreased from 29.8% to 28.0%.

Net profit increased by 33.0% to R565 million improving the margin by 130 basis points to 5.8%.

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

COMMENTARY (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

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.

Cash outflows from investing activities increased by 138.4% to R572 million and were comprised primarily of the payment of R314 million for the acquisition of 30% shareholding in Goldkeys, as well as the ongoing capital expenditure ("capex") (including prepaid capex) on the Aero-ton bakery project.

The cash inflow from financing facilities mainly relates to the repayment of R161 million on the Standard Bank facility and R200 million received upon the refinancing of the Syndicated Term and RCF facilities. The refinancing resulted in a reduction of the interest rates to JIBAR plus 1.25% and extended maturity dates to 30 September 2028. At 30 September 2024, R1.1 billion on the RCF facility remains available to drawdown for future funding requirements.

Other material cash flows include the payment of Premier's maiden dividend for FY2024 of R287 million, net interest paid of R164 million, and tax paid of R242 million.

The Group's net debt (including lease liabilities but excluding the trade financing facility) on 30 September 2024 was R2.2 billion translating into a Group leverage ratio of 1.0x (H1 2024: 1.4x).

Property, plant and equipment increased by R112 million from 31 March 2024, mainly attributable to additions of R308 million, which was partially offset by depreciation of R155 million, disposals of R5 million and exchange translation movement of R36 million. Capex, including prepayments, translated into capex to revenue of 2.9% (H1 2024: 2.6%). Significant projects undertaken during the year include the purchase and installation of a new liquorice line as well as several optimisation projects to streamline sugar confectionery manufacturing. Further site optimisation at the Home and Personal Care ("HPC") manufacturing facility in Durban, including upgrades to, and automation of the end-of-line packaging solution for liners, is anticipated to improve throughput and enhance packaging solutions. Vehicle upgrades to maintain optimal efficiencies in the Group's logistics capability also constitute a key element of the capex. The capex programme is on track to deliver expenditure to be in line with the previous guidance.

Return on invested capital ("ROIC") improved by 200 basis points to 22.7%. ROIC is calculated by using net operating profit after tax (including net profit in equity-accounted investments) divided by average invested capital for the period which has been reduced for the historical revaluation of intangibles of R722 million.

Return on equity ("ROE") increased by 460 basis points to 31.9%. ROE is calculated using net profit attributable to the owners of the Company divided by equity reduced by the historical revaluation of intangibles of R722 million.

There were no material events after the interim period up to the date of this report that may have affected the reported results at the financial reporting date.

SEGMENTAL REVIEW

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.

The improvement in EBITDA is a product of our ongoing commitment to optimise the core of our business operations through investment in efficiencies in manufacturing, service level excellence and a disciplined focus on cost containment. The upgrades to several of our bakeries and wheat mills in prior years continue to improve quality and consistency of our premium Millbake products. Our bread products consistently rank highly on taste and demand for our market-leading flour brand, Snowflake, remain strong. Continuous Improvement Projects initiatives to improve efficiency in milling are yielding positive results. The Aero-ton mega-bakery is on track to be commissioned in the second half of FY2026.

Playing our part in providing food security for the nation is integral to our strategy and commitment to serving our low-income customers. With our broad staples product offering, low-cost production model and extensive distribution capability, we remain well positioned to fulfil this role.

COMMENTARY (CONTINUED)

SEGMENTAL REVIEW (CONTINUED)

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. A new all-natural formulation in the Super C recipe, removing artificial colourants, has been introduced and the recently launched Super C beverage product, where Premier has licensed the brand to a third party, is proving to be a successful innovation. The new liquorice line is on track to be operational by December 2024.

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.

The Group's subsidiary in Mozambique, CIM, has seen an improvement in revenue, but EBITDA is down on the prior period. Macro-economic constraints still exist in Mozambique and widespread poverty continued to impact demand. CIM management is applying extensive efforts on cost saving initiatives to contain expenses to improve profitability.

CHANGES TO DIRECTORATE

There have been no changes to the Board during the period.

OUTLOOK⁽¹⁾

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.

APPRECIATION

On behalf of the Board, we would like to express our gratitude to all our shareholders, our people, our customers, suppliers and all other stakeholders for their valued support.

For and on behalf of the Board

I van Heerden
Chairman

JJ Gertenbach
Chief Executive Officer

Waterfall

12 November 2024

(1) Any reference to future performance included in this announcement has not been reviewed or reported on by the Group's external auditors.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE

	Note	Unaudited Six months ended 30 September 2024 R'000	Unaudited Six months ended 30 September 2023 R'000	Audited Financial year ended 31 March 2024 R'000
Revenue from contracts with customers	4	9 698 812	9 353 508	18 587 224
Cost of sales		(6 300 407)	(6 317 311)	(12 289 261)
Gross profit		3 398 405	3 036 197	6 297 963
Other operating income		12 418	8 516	39 412
Credit loss allowances raised		(2 661)	(5 994)	(4 800)
Sales and marketing expenses		(985 947)	(889 517)	(1 804 292)
Distribution expenses		(516 967)	(471 221)	(969 558)
Administration expenses		(960 426)	(872 761)	(1 925 735)
Operating profit		944 822	805 220	1 632 990
Finance income		6 646	9 206	28 413
Finance costs	5	(172 820)	(212 443)	(395 597)
Foreign exchange (losses)/gains		(6 304)	2 965	(605)
Share of net profit/(loss) in equity-accounted investments	6	12 157	(76)	132
Profit before tax		784 501	604 872	1 265 333
Income tax expense		(219 988)	(180 545)	(344 719)
Profit for the period		564 513	424 327	920 614
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement gain on defined benefit obligations		-	-	(1 980)
Deferred tax on remeasurements		-	-	495
Total items that will not be reclassified to profit or loss		-	-	(1 485)
Items that may be reclassified to profit or loss:				
Foreign currency translation reserve		(82 173)	42 661	40 173
Other comprehensive income for the period net of tax		(82 173)	42 661	38 688
Total comprehensive income for the period		482 340	466 988	959 302
Profit attributable to:				
Owners of the Company		564 603	424 634	921 080
Non-controlling interest		(90)	(307)	(466)
		564 513	424 327	920 614
Total comprehensive income attributable to:				
Owners of the Company		482 430	467 295	959 768
Non-controlling interest		(90)	(307)	(466)
		482 340	466 988	959 302
Earnings per ordinary share attributable to the owners of the Company				
Basic earnings per share (cents)	7	438.0	326.4	714.5
Basic earnings per share - diluted (cents)	7	424.2	326.4	705.2

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT

	Note	Unaudited 30 September 2024 R'000	Unaudited 30 September 2023 R'000	Audited 31 March 2024 R'000
ASSETS				
Non-current assets				
Property, plant and equipment ¹		4 080 354	3 932 159	3 967 510
Right-of-use assets		214 461	221 316	200 246
Goodwill		233 147	233 147	233 147
Intangible assets		1 463 305	1 448 265	1 490 199
Equity-accounted investments	6	332 825	6 850	7 246
Loans receivable		6 657	25 913	27 339
Deferred income tax		37 502	36 218	38 145
		6 368 251	5 903 868	5 963 832
Current assets				
Inventories		2 230 235	2 433 576	2 064 230
Trade and other receivables		1 929 229	1 955 220	1 588 366
Prepayments ²		133 397	-	160 971
Income tax receivable		3 638	9 395	9 641
Restricted cash		2 551	2 361	2 454
Cash and cash equivalents	9	289 886	449 799	636 006
		4 588 936	4 850 351	4 461 668
Total assets		10 957 187	10 754 219	10 425 500
EQUITY				
Share capital		2 464 267	2 464 267	2 464 267
Reserves		(116 117)	(29 760)	(34 682)
Retained income		2 055 326	1 242 752	1 756 998
Equity attributable to the equity holders of the Company		4 403 476	3 677 259	4 186 583
Non-controlling interest		7 046	6 448	7 874
Total equity		4 410 522	3 683 707	4 194 457
LIABILITIES				
Non-current liabilities				
Borrowings	8	2 260 000	2 664 453	2 194 703
Lease liabilities		230 883	234 439	224 011
Deferred income tax		627 576	590 269	618 939
Employee benefit obligations		31 913	24 569	38 421
		3 150 372	3 513 730	3 076 074
Current liabilities				
Trade and other payables		1 710 222	1 522 634	1 694 748
Trade financing facility		572 054	884 190	478 560
Refund liabilities		630 129	530 181	481 192
Employee benefit obligations		415 026	375 048	384 081
Borrowings	8	-	24 023	25 813
Lease liabilities		47 803	41 839	34 937
Income tax payable		21 059	73 030	55 638
Bank overdraft	9	-	105 837	-
		3 396 293	3 556 782	3 154 969
Total liabilities		6 546 665	7 070 512	6 231 043
Total equity and liabilities		10 957 187	10 754 219	10 425 500

¹ Property, plant and equipment increased by R112 million from 31 March 2024, mainly attributable to additions of R308 million, which was partially offset by depreciation of R155 million, disposals of R5 million and exchange translation movement of R36 million. R73 million of additions were prepaid for in the prior period.

² Prepayments mainly relate to payments made for capital expenditure on the upgrade of the Aero-ton bakery.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Foreign currency translation reserve R'000	Retained income R'000	Total attributable to equity holders of the group R'000	Non-controlling interest R'000	Total equity R'000
Balance at 01 April 2023	2 464 267	(72 421)	810 986	3 202 832	7 538	3 210 370
Total comprehensive income for the period	-	42 661	424 634	467 295	(307)	466 988
Profit for the period	-	-	424 634	424 634	(307)	424 327
Other comprehensive income	-	42 661	-	42 661	-	42 661
Share-based payment transactions	-	-	6 349	6 349	-	6 349
Changes in ownership interest-control not lost	-	-	783	783	(783)	-
Balance at 30 September 2023	2 464 267	(29 760)	1 242 752	3 677 259	6 448	3 683 707
Total comprehensive income for the period	-	(2 488)	494 961	492 473	(159)	492 314
Profit for the period	-	-	496 446	496 446	(159)	496 287
Other comprehensive income	-	(2 488)	(1 485)	(3 973)	-	(3 973)
Share-based payment transactions	-	-	18 436	18 436	-	18 436
Changes in ownership interest-control not lost	-	-	849	849	(849)	-
Other movements	-	(2 434)	-	(2 434)	2 434	-
Balance at 31 March 2024	2 464 267	(34 682)	1 756 998	4 186 583	7 874	4 194 457
Total comprehensive income for the period	-	(82 173)	564 603	482 430	(90)	482 340
Profit for the period	-	-	564 603	564 603	(90)	564 513
Other comprehensive income	-	(82 173)	-	(82 173)	-	(82 173)
Share-based payment transactions	-	-	20 409	20 409	-	20 409
Dividend distribution	-	-	(286 684)	(286 684)	-	(286 684)
Other movements	-	738	-	738	(738)	-
Balance at 30 September 2024	2 464 267	(116 117)	2 055 326	4 403 476	7 046	4 410 522

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE

	Note	Unaudited Six months ended 30 September 2024 R'000	Unaudited Six months ended 30 September 2023 R'000	Audited Financial year ended 31 March 2024 R'000
Cash flows from operating activities				
Cash flow from operations before working capital movements		1 184 107	1 053 837	2 144 672
Working capital movements		(240 387)	(222 488)	246 438
Cash generated from operations				
Finance income received		9 140	8 124	25 905
Finance costs paid		(172 820)	(212 443)	(395 597)
Tax paid		(241 861)	(171 029)	(325 787)
Cash available from operations				
Dividends paid		(286 684)	-	-
Net cash inflow from operating activities				
		251 495	456 001	1 695 631
Cash flows from investing activities				
Replacement of property, plant and equipment		(120 027)	(177 708)	(341 797)
Expansion of property, plant and equipment		(115 010)	(61 648)	(132 043)
Proceeds from disposal of property, plant and equipment		4 974	4 505	9 196
Purchase of intangible assets		-	-	(66 990)
Prepayments for capital expenditure		(46 021)	-	(160 971)
Payment for acquisition of equity-accounted investments	6	(313 664)	(7 051)	(7 051)
Insurance proceeds on property, plant and equipment		-	-	5 346
Proceeds from loans receivable		18 188	2 205	2 205
Increase in restricted cash		(97)	(89)	(180)
Net cash outflow from investing activities				
		(571 657)	(239 786)	(692 285)
Cash flows from financing activities				
Proceeds from borrowings		200 000	-	-
Repayment of borrowings		(160 516)	(260 496)	(728 456)
Payment of principal portion of lease liabilities		(21 931)	(26 703)	(53 955)
Net repayments of bank overdraft	9	-	(107 258)	(209 624)
Net cash inflow/(outflow) from financing activities				
		17 553	(394 457)	(992 035)
Net movement in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	9	636 006	595 402	595 402
Effect of exchange rate changes on cash and cash equivalents		(43 511)	32 639	29 293
Cash and cash equivalents at the end of the period				
	9	289 886	449 799	636 006

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 requirements of the JSE Limited Listings Requirements for interim financial statements and the requirements of the Companies Act. The condensed consolidated interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting, the framework concepts and the measurement and recognition requirements of IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The interim financial statements have not been audited or reviewed by the Group's auditors. The directors take full responsibility for the preparation of the condensed consolidated interim financial statements.

The condensed consolidated interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, the condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2024. They have been prepared under the supervision of the Chief Financial Officer, F Grobbelaar CA(SA).

2. ACCOUNTING POLICIES

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (continued)

3. OPERATING SEGMENTS

	Millbake R'000	Groceries and International R'000	Corporate office R'000	Total R'000
Six months ended 30 September 2024				
Revenue from contracts with customers - External	8 073 616	1 625 196	-	9 698 812
Sale of food products	8 056 647	1 018 770	-	9 075 417
Sale of personal care products	-	456 834	-	456 834
Sale of animal feeds	-	149 592	-	149 592
Rendering of services	16 969	-	-	16 969
Inter-segment sales	37 682	20 923	-	58 605
EBITDA	1 122 697	104 601	(72 705)	1 154 593
Depreciation and amortisation	142 878	30 038	36 855	209 771
Operating profit	979 819	74 563	(109 560)	944 822
Share of net profit/(loss) in equity-accounted investments	13 682	(1 525)	-	12 157
Capital expenditure ¹	154 504	88 320	38 234	281 058

¹ Includes capital expenditure that was prepaid to suppliers in the current period.

	Millbake R'000	Groceries and International R'000	Corporate office R'000	Total R'000
Six months ended 30 September 2023				
Revenue from contracts with customers - External	7 871 618	1 481 890	-	9 353 508
Sale of food products	7 865 339	931 218	-	8 796 557
Sale of personal care products	-	405 047	-	405 047
Sale of animal feeds	-	145 625	-	145 625
Rendering of services	6 279	-	-	6 279
Inter-segment sales	5 893	20 821	-	26 714
EBITDA	969 650	106 816	(59 512)	1 016 954
Depreciation and amortisation	140 773	38 355	32 606	211 734
Operating profit	828 877	68 461	(92 118)	805 220
Share of net profit/(loss) in equity-accounted investments	-	(76)	-	(76)
Capital expenditure	170 564	63 038	5 754	239 356

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (continued)

3. OPERATING SEGMENTS (continued)

	Millbake R'000	Groceries and International R'000	Corporate office R'000	Total R'000
Financial year ended 31 March 2024				
Revenue from contracts with customers - External	15 525 952	3 061 272	-	18 587 224
Sale of food products	15 504 452	1 963 704	-	17 468 156
Sale of personal care products	-	819 666	-	819 666
Sale of animal feeds	-	277 902	-	277 902
Rendering of services	21 500	-	-	21 500
Inter-segment sales	38 916	9 321	-	48 237
EBITDA	1 965 764	213 616	(126 654)	2 052 726
Depreciation and amortisation	286 382	65 772	67 582	419 736
Operating profit	1 679 382	147 844	(194 236)	1 632 990
Share of net profit/(loss) in equity-accounted investments	-	132	-	132
Capital expenditure ¹	502 504	120 545	11 762	634 811

¹ Includes capital expenditure that was prepaid to suppliers in the previous financial year.

	Unaudited 30 September 2024 R'000	Unaudited 30 September 2023 R'000	Audited 31 March 2024 R'000
Non-current assets by geography			
South Africa	5 247 055	4 789 633	4 788 692
Outside South Africa	1 077 037	1 052 104	1 109 656
	6 324 092	5 841 737	5 898 348
Loans receivable	6 657	25 913	27 339
Deferred income tax	37 502	36 218	38 145
Non-current assets per Statement of Financial Position	6 368 251	5 903 868	5 963 832

The Group's operating segments are differentiated as follows:

- **Millbake:** This segment comprises the milling and bakery operations in South Africa, Eswatini and Lesotho. The milling and bakery operations share similar economic characteristics as the flour from the milling operations is the main raw material used in the baking of bread. Income generated from services rendered is derived from the sales function, supply chain and distribution platform in the Millbake business.
- **Groceries and International:** This segment comprises home and personal care products and sugar-based confectionery products. Also included in this segment are the Group's subsidiary in the United Kingdom involved in the sales and distribution of home and personal care products and the Group's subsidiary in Mozambique which produces diversified products including wheat flour, maize meal, pasta, biscuits and animal feeds.

The corporate office presented comprises the costs incurred by the Group's corporate office.

The Group accounts for intersegment sales as if the sales were entered into under the same terms and conditions as would have been entered into in a market-related transaction.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (continued)

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Unaudited Six months ended 30 September 2024 R'000	Unaudited Six months ended 30 September 2023 R'000	Audited Financial year ended 31 March 2024 R'000
Sale of goods	9 681 843	9 347 229	18 565 724
Rendering of services	16 969	6 279	21 500
	9 698 812	9 353 508	18 587 224

The Group derives revenue from the sale of goods and the rendering of services at a point in time which have been disaggregated as follows:

	Unaudited Six months ended 30 September 2024 R'000	Unaudited Six months ended 30 September 2023 R'000	Audited Financial year ended 31 March 2024 R'000
Sale of goods			
Sale of food products	9 075 417	8 796 557	17 468 156
From operations in South Africa	7 859 708	7 764 387	15 259 126
From operations outside South Africa	1 215 709	1 032 170	2 209 030
Sale of personal care products	456 834	405 047	819 666
From operations in South Africa	265 281	225 352	453 042
From operations outside South Africa	191 553	179 695	366 624
Sale of animal feeds	149 592	145 625	277 902
From operations in South Africa	57 192	51 411	102 168
From operations outside South Africa	92 400	94 214	175 734
	9 681 843	9 347 229	18 565 724
Rendering of services in South Africa			
Sales, merchandising and customer management services	16 969	6 279	21 500

5. FINANCE COSTS

	Six months ended 30 September 2024 R'000	Six months ended 30 September 2023 R'000	Financial year ended 31 March 2024 R'000
Borrowings	110 840	140 047	258 318
Other payables	3 298	1 733	3 208
Lease liabilities	14 036	13 718	27 529
Bank overdraft	12 969	24 697	38 502
Trade financing facility	31 677	32 248	68 040
	172 820	212 443	395 597

Finance costs on borrowings and bank overdraft decreased mainly as a result of the debt repayments on borrowings and bank overdraft during the prior year.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (continued)

6. EQUITY-ACCOUNTED INVESTMENTS

	Unaudited 30 September 2024 R'000	Unaudited 30 September 2023 R'000	Audited 31 March 2024 R'000
Reconciliation of carrying amount of equity-accounted investments			
Carrying amount at the beginning of the period	7 051	-	-
Acquisition of investment in associate	313 664	7 051	7 051
Share of net profit/(loss) in equity-accounted investments	12 157	(76)	132
Effect of foreign currency movement	(47)	(125)	63
Carrying amount at the end of the period	332 825	6 850	7 246

During the current period the Group acquired a 30% shareholding in Goldkeys with effect from 3 June 2024.

The investment builds on the relationship that commenced on 10 May 2023, when Premier entered into a Sales, Merchandising and Route to Market Services Agreement with Goldkeys to assist Goldkeys in building its brands and sales outside of KwaZulu-Natal.

Goldkeys is a rice distributor based in KwaZulu-Natal that was founded in 1994 and is one of the largest rice importers into South Africa. It supplies branded Thai and Indian sourced rice under its brands "Golden Delight", "Golden Pride" and "Light & Right", as well as house brands to a number of South Africa retailers and independent wholesalers.

The investment is aligned with Premier's strategy to grow its branded product portfolio. Rice complements Premier's staple foods basket of bread, maize and wheat products offering synergies along the value chain. The investment in Goldkeys will benefit Premier's existing rice operations outside South Africa where it sources rice for sale under its own brands.

The following table lists the Group's investments in associates. The Group's investments in associates are measured using the equity method.

Name of entity	Ownership interest			Carrying amount		
	Unaudited 30 September 2024 %	Unaudited 30 September 2023 %	Audited 31 March 2024 %	Unaudited 30 September 2024 R'000	Unaudited 30 September 2023 R'000	Audited 31 March 2024 R'000
Goldkeys	30.00%	-	-	327 346	-	-
Science of Skin	35.06%	35.06%	35.06%	5 479	6 850	7 246
				332 825	6 850	7 246

Goldkeys' share capital consists of Ordinary A Shares and Ordinary B Shares. The Group acquired 30% shareholding in the Ordinary A Shares of Goldkeys which is the same as the proportion of voting rights held.

Science of Skin's share capital consists solely of ordinary shares. The proportion of ownership interest is the same as the proportion of voting rights held.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (continued)

7. EARNINGS PER SHARE

	Six months ended 30 September 2024 R'000	Six months ended 30 September 2023 R'000	Financial year ended 31 March 2024 R'000
Number of ordinary shares in issue	128 905 800	128 905 800	128 905 800
Weighted average number of ordinary shares in issue ¹	128 905 800	130 079 460	128 905 800
Diluted weighted average number of ordinary shares in issue ^{1,2}	133 086 780	130 079 460	130 605 598
Basic earnings per share (cents) ¹	438.0	326.4	714.5
Basic earnings per share - diluted (cents) ²	424.2	326.4	705.2
Headline earnings per share (cents) ¹	437.6	330.6	743.7
Headline earnings per share - diluted (cents) ²	423.9	330.6	734.0

¹ In the six months ended 30 September 2023, the 1 173 660 potential ordinary shares relating to the "A" and "A1" ordinary shares was included in the denominator of basic earnings per share and headline earnings per share. The impact was considered negligible and therefore no restatement was considered necessary.

² In the six months ended 30 September 2023, 170 031 potential ordinary shares relating to the equity-settled share-based payments were excluded from the denominator in the calculation of DEPS and DHEPS. The impact was considered negligible and therefore no restatement was considered necessary.

The reconciliation of the weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share is as follows:

	Six months ended 30 September 2024 R'000	Six months ended 30 September 2023 R'000	Financial year ended 31 March 2024 R'000
Weighted average number of ordinary shares in issue	128 905 800	130 079 460	128 905 800
<i>Adjusted for:</i>			
"A" and "A1" ordinary shares	2 337 151	- ¹	1 171 167
Equity-settled share-based payments	1 843 829	- ²	528 631
Weighted average number of shares for calculation of diluted earnings per share	133 086 780	130 079 460	130 605 598

¹ In the six months ended 30 September 2023, the 1 173 660 potential ordinary shares relating to the "A" and "A1" ordinary shares was included in the denominator of basic earnings per share and headline earnings per share and therefore not separately shown as an adjustment for that period.

² In the six months ended 30 September 2023, 170 031 potential ordinary shares relating to the equity-settled share-based payments were excluded from the denominator in the calculation of DEPS and DHEPS. The impact was considered negligible and therefore no restatement was considered necessary.

Reconciliation between net profit attributable to the owners of the Company and headline earnings:

	Six months ended 30 September 2024 R'000	Six months ended 30 September 2023 R'000	Financial year ended 31 March 2024 R'000
Profit attributable to the owners of the Company	564 603	424 634	921 080
<i>Adjusted for:</i>			
(Profit)/loss on disposal/scrapping of property, plant and equipment	(454)	5 575	45 444
Insurance proceeds on property, plant and equipment	-	-	(5 346)
Total non-controlling interest and tax effect of adjustments	(32)	(159)	(2 541)
Headline earnings	564 117	430 050	958 637

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (continued)

7. EARNINGS PER SHARE (continued)

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the earnings attributable to owners of the Company, after excluding those items as required by Circular 01/2023 Headline Earnings issued by SAICA as amended from time to time, and as required by the JSE Limited.

Weighted average number of ordinary shares in issue is calculated as the number of ordinary shares in issue at the beginning of the period, increased by ordinary shares issued during the period weighted on a time basis for the periods during which they have participated in the profit of the Group.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the net profit attributable to owners of the Company. The Company has dilutive potential ordinary shares which comprise of the Group's equity-settled SARs and the "A" and "A1" ordinary shares.

8. BORROWINGS

				Unaudited 30 September 2024 R'000	Unaudited 30 September 2023 R'000	Audited 31 March 2024 R'000
Secured bank loans	Currency	Interest rate	Maturity date			
Term loan facilities						
Syndicated Term facility	ZAR	JIBAR plus 1.25%	30 September 2028	1 500 000	-	-
Syndicated Term facility	ZAR	JIBAR plus 1.35%	2 November 2025	-	1 900 000	1 900 000
Standard Bank of South Africa Ltd	ZAR	Prime less 1.90% ¹	30 November 2025	-	172 512	160 516
Revolving loan facilities						
Standard Bank of Eswatini Ltd	SZL	Prime plus 0.45%	31 July 2026	80 000	80 000	80 000
First National Bank of Eswatini Ltd	SZL	Prime plus 0.45%	31 July 2026	80 000	80 000	80 000
Syndicated RCF	ZAR	JIBAR plus 1.25%	30 September 2028	600 000	-	-
Syndicated RCF	ZAR	JIBAR plus 1.45%	2 November 2026	-	455 964	-
				2 260 000	2 688 476	2 220 516
Non-current				2 260 000	2 664 453	2 194 703
Current				-	24 023	25 813
				2 260 000	2 688 476	2 220 516

¹ The interest rate on the Standard Bank of South Africa Limited facility was amended from Prime less 0.70% to Prime less 1.90% with effect from 29 December 2023.

During the interim period the Group repaid the Standard Bank of South Africa Limited facility in full and refinanced the Syndicated Term and RCF facilities on 30 September 2024. The refinancing of the Syndicated Term and RCF facilities resulted in reduced interest rates to JIBAR plus 1.25% and extended maturity dates to 30 September 2028. At 30 September 2024, R1.1 billion on the RCF facility remains available to drawdown for future funding requirements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (continued)

9. CASH AND CASH EQUIVALENTS

For purposes of the Statement of Financial Position, cash and cash equivalents and bank overdraft consist of:

	Unaudited 30 September 2024 R'000	Unaudited 30 September 2023 R'000	Audited 31 March 2024 R'000
Cash on hand	17 627	16 264	32 738
Bank balances	272 259	433 535	603 268
Cash and cash equivalents	289 886	449 799	636 006
Bank overdraft	-	(105 837)	-

For purposes of the Statement of Cash Flows, cash and cash equivalents consist of:

	Unaudited 30 September 2024 R'000	Unaudited 30 September 2023 R'000	Audited 31 March 2024 R'000
Cash on hand	17 627	16 264	32 738
Bank balances	272 259	433 535	603 268
Cash and cash equivalents	289 886	449 799	636 006

During the prior periods, the bank overdraft did not fluctuate from being overdrawn to a positive balance and therefore the bank overdraft did not form an integral part of the Group's cash management, and instead represented a form of financing. The related net proceeds in the prior periods were therefore presented as cash flows from financing activities.

10. RELATED PARTY TRANSACTIONS

During the interim period, in the ordinary course of business, certain companies within the Group entered into transactions with each other. Related party transactions also include a loan to an executive director, key management personnel compensation and share-based payments. All the intergroup transactions are similar to those in the prior year. The intergroup transactions with subsidiaries have been eliminated in the condensed consolidated interim financial statements.

11. COMMITMENTS

	Unaudited 30 September 2024 R'000	Unaudited 30 September 2023 R'000	Audited 31 March 2024 R'000
Capital expenditure approved not contracted	463 315	821 507	606 355
Capital expenditure contracted for not recognised as liabilities	87 482	86 178	221 042

12. EVENTS AFTER THE INTERIM PERIOD

There were no material events after the interim period up to the date of this report that may have affected the reported results at the financial reporting date.

GENERAL INFORMATION

Company Name	Premier Group Limited
Company registration number	2007/016008/06
Country of incorporation and domicile	Republic of South Africa
JSE share code	PMR
ISIN	ZAE000320321
Registered office and business address	Building 5 Maxwell Office Park Magwa Crescent West Waterfall, 2090 Private Bag X2127, Isando, 1600 Telephone +27 11 565 4300
Directors	I van Heerden (Non-executive Chairperson) FN Khanyile (Lead Independent Director) JJ Gertenbach (Chief Executive Officer) F Grobbelaar (Chief Financial Officer) DD Ferreira (Independent Non-executive Director) JER Matthews ¹ (Non-executive Director) H Ramsumer (Independent Non-executive Director) W Sihlobo (Independent Non-executive Director) ¹ PRN Hayward-Butt is an alternate director to JER Matthews
Bankers	FirstRand Bank Limited
Company secretary	Bronwyn Baker Email: companysecretary@premierfmcg.com
Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 Private Bag X9000, Saxonwold, 2132 Telephone +27 11 370 5000
Sponsor	Rand Merchant Bank (a division of FirstRand Bank Limited) 1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196 PO Box 786273, Sandton, 2146 Telephone +27 11 282 8000
Independent auditor	PricewaterhouseCoopers Inc. 4 Lisbon Lane, Waterfall City, Jukskei View, 2090 Private Bag X36, Sunninghill, 2157 Telephone +27 11 797 4000
Website	www.premierfmcg.com
Investor relations	Should you wish to be placed on the mailing list to receive email updates, please send an email to investor@premierfmcg.com
Tax reference number	9102629160
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