


**Financial Highlights**

	Change	Unaudited 30 June 2024 USD	Unaudited 30 June 2023 USD
Revenue	30%	31,510,454	24,148,941
EBT	7%	4,878,091	4,580,266
EBITDFVA	176%	7,269,383	2,637,174
EBITDFVA/Turnover	111%	23%	11%
Basic earnings per share (cents)	5%	1.50	1.43
Diluted earnings per share (cents)	5%	1.50	1.43
Headline earnings per share (cents)	6%	1.51	1.43

**PRELIMINARY ANNOUNCEMENT TO SHAREHOLDERS**
**CHAIRMAN'S STATEMENT**
**INTRODUCTION**

I am pleased to present my report for the half year ended 30 June 2024. The Group's financial statements have been prepared in accordance with the relevant International Financial Reporting Standards (IFRS).

**OPERATING ENVIRONMENT**

For the past few years, the operating environment has remained challenging and the first half of the year 2024 has been no exception. Financial capital has become scarce, with infrastructure development failing to reach the level required to ensure financial robustness, job creation and sustainability.

The Zimbabwean dollar (ZWL) continued to depreciate against other currencies in the first quarter. In order to arrest this depreciation, the Reserve Bank of Zimbabwe introduced the structured currency, the Zimbabwe Gold (ZWG) in the second quarter. The introduction of ZWG, coupled with implementation of a contractionary monetary policy, resulted in the stabilisation of inflation rates in the second quarter of the reporting period.

**REVIEW OF OPERATIONS**

The Contracting business delivered good results in the period under review. Notwithstanding, conversion of the order book has been below projections due to liquidity challenges which forced the unit to exercise extra caution in managing the scope of contracts to be executed.

The Quarry mining operations continued to support the Contracting business with provision of aggregates, recording a 100% growth in volumes to comparative period. However, higher volumes could have been achieved if they had not been affected by liquidity challenges in the Contracting unit.

The Property segment contributed positively to the Group's performance and had a 100% occupancy in the period under review.

**REVIEW OF FINANCIAL PERFORMANCE**

Revenue for the half year under review increased by 30% to USD31,5 million (2023: USD24,1 million). The improved performance was on the back of a solid order book in the roads & earthworks, mining, housing infrastructure and buildings segment. The proportion of the United States dollar denominated revenues reduced to 63% (2023: 71%) mainly impacted by the composition of the order book skewed towards Government funded projects.

Notwithstanding the challenging macro-economic environment, the Group recorded a 7% increase in profit before taxation for the period at USD4,9 million (2023: USD4,6 million). The Group's focus on cost discipline and operational efficiencies resulted in this improved profitability performance.

The Group's financial position remained robust with a strong and firm asset base, as total assets closed the period at USD79,6 million (2023: USD85,8 million). The Group's liquidity ratios improved with the current and quick ratios at 1.18 (2023: 1.01) and 1.07 (2023: 0.94), respectively.

As at end of financial period, total borrowings were at USD1,3 million (2023: USD1,9 million), resulting in low gearing ratios of 4% (2023: 8%). Given the current lending rates and economic outlook, the Group's levels of borrowings are sustainable.

**OCCUPATIONAL HEALTH AND SAFETY ASSESSMENT SYSTEM (OHSAS)**

Protecting the safety and wellbeing of our workforce and the communities where we operate is of the highest importance and is underpinned by our values. Lost Time Injury Frequency Rate (LTIFR) remained at zero, consistent with the comparative period.

The Group is certified to the International Organisation for Standardisation (ISO) 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System.

**SUSTAINABILITY REPORTING**

The Group is committed to social value and sustainability. Through this commitment, we aim reduce the environmental impact of our operational activities. The Group continues to engage with the local community by employing a majority of locals. As a result, local engagements constituted 51% (2023: 60%) of our employment levels. Further, as of the reporting date, the Group has employed 85 (2023: 63) students in its Graduate Development Trainee, Apprenticeship, Training Outside Professional Practice and Student Attachment programmes.

**OUTLOOK**

GDP growth has been revised downwards to close the year at 2.0%, primarily due to below-average agricultural output inadvertently affected by the El Niño weather phenomenon. The mining sector is also expected to remain subdued because of lower international mineral prices. However, the Group's order book continues to strengthen, closing the reporting period at USD254 million (2023: USD248 million), primarily focused on public sector funded projects.

We have adopted a disciplined approach to capital allocation, ensuring we invest for value. Our resilient financial position and the discipline embedded in our strategic foundations will continue to provide us with the financial strength and flexibility to fund our growth and deliver healthy returns to shareholders.

In order to contain inflationary pressures in the economy, the Government has implemented various policy measures. However, the stability of the local currency remains uncertain.

**DIVIDEND DECLARATION**

The board, having considered the business' profitability, its future cashflows and solvency, has proposed an interim cash dividend for the half year ended 30 June 2024 of USD0.20 cents and ZWG1.46 cents per share (2023: Nil).

**DIRECTORATE**

There were no changes to the Directorate in the period under review.

**APPRECIATION**

I would like to thank our valued clients for their continued support. Further, I extend my sincerest gratitude to my fellow board members whose invaluable contributions have been critical to the success of the Group. Last but not least, I express my appreciation to our dedicated employees for their continued support in growing the brand.

**For and on behalf of the Board**


**G. Sebborn**  
Chairman

27 September 2024

**Dividend Declaration Notice**

Notice is hereby given that the Masimba Holdings Limited board has declared an interim cash dividend for the half year ended 30 June 2024 of USD0.20 cents per share and ZWG1.46 cents per share.

The dividend will be payable in full to all shareholders of the Company registered at the close of business on Friday 18 October 2024.

The payment of the dividend will take place on or about Tuesday 22 October 2024. The applicable shareholder tax will be deducted from the gross dividends.

The shares of the Company will trade cum dividend on the Zimbabwe Stock Exchange up to the market day of Tuesday 15 October 2024 and ex-dividend starting Wednesday 16 October 2024.

**BY ORDER OF THE BOARD**


**P. Mutiti**  
Company Secretary

27 September 2024

**Abridged Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 30 June 2024**

Notes	Unaudited 30 June 2024 USD	Unaudited 30 June 2023 USD
<b>Revenue</b>	<b>31,510,454</b>	<b>24,148,941</b>
Profit before depreciation and fair value adjustments	7,269,383	2,637,174
Fair value adjustment	-	2,200
Depreciation	(2,232,633)	(740,093)
<b>Operating profit</b>	<b>5,036,750</b>	<b>1,899,281</b>
Net interest paid	(158,659)	(120,697)
Net monetary loss	-	2,801,682
<b>Profit before tax</b>	<b>4,878,091</b>	<b>4,580,266</b>
Income Tax	(1,253,687)	(1,132,242)
<b>Profit for the period</b>	<b>3,624,404</b>	<b>3,448,024</b>
Number of shares in issue (millions)	239	242
Basic earnings per share (cents)	1.50	1.43
Diluted earnings per share (cents)	1.50	1.43
Headline earnings per share (cents)	1.51	1.43

**Abridged Consolidated Statement of Comprehensive Income for the half year ended 30 June 2024**

	Unaudited 30 June 2024 USD	Unaudited 30 June 2023 USD
Profit for the period	3,624,404	3,448,024
Other comprehensive income:		
Gain on revaluation of property, plant and equipment	-	9,789,270
Fair value adjustment on financial assets carried at fair value through other comprehensive income	(33,616)	62,811
Deferred tax charge on other comprehensive income	447	(3,687,066)
Other comprehensive income for the period, net of tax	(33,169)	6,165,015
<b>Total comprehensive income for the period</b>	<b>3,591,235</b>	<b>9,613,039</b>

**Abridged Consolidated Statement of Financial Position as at 30 June 2024**

Notes	Unaudited 30 June 2024 USD	Audited 30 December 2023 USD
<b>Assets</b>		
Property, plant and equipment	3.3 21,568,656	23,630,406
Investment property	3.4 7,800,930	7,800,930
Investments	3.5 44,688	78,304
	<b>29,414,274</b>	<b>31,509,640</b>
<b>Current assets</b>		
Inventories	4,454,927	4,580,974
Contracts in progress and accounts receivable	3.6 43,607,531	46,962,352
Cash and cash equivalents	2,165,459	2,731,700
	<b>50,227,917</b>	<b>54,275,026</b>
<b>Total assets</b>	<b>79,642,191</b>	<b>85,784,666</b>
<b>Equity and Liabilities</b>		
Share capital	2,316,175	2,316,175
Share premium	455,177	455,177
Reserves	7,393,616	7,426,896
Retained earnings	17,653,291	14,028,887
	<b>27,818,259</b>	<b>24,227,135</b>
<b>Non-current liabilities</b>		
Deferred tax	<b>9,106,460</b>	<b>7,861,646</b>
<b>Current liabilities</b>		
Interest bearing borrowings	3.7 1,265,615	1,880,547
Accounts payable	3.8 41,451,857	51,815,338
	<b>42,717,472</b>	<b>53,695,885</b>
<b>Total equity and liabilities</b>	<b>79,642,191</b>	<b>85,784,666</b>







## Abridged Consolidated Statement of Cashflows for the half year ended 30 June 2024

	Unaudited 30 June 2024 USD	Unaudited 30 June 2023 USD
Net cashflow generated from operating activities	222,865	1,665,346
Net cashflow utilised in investing activities	(174,173)	(823,592)
Net cashflow generated from / (utilised by) financing activities	(614,932)	(884,906)
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(566,240)</b>	<b>(43,152)</b>

## Abridged Consolidated Statement of Changes In Equity for the half year ended 30 June 2024

	Unaudited 30 June 2024 USD	Unaudited 31 December 2023 USD
Shareholders' equity at the beginning of the period	24,227,135	29,924,703
Share based payments reserve	-	25,044
Dividend paid	(33,280)	-
Share cancellation	-	(1,058,351)
Total comprehensive income	-	(22,656)
Effects of translation	3,624,404	(4,641,605)
<b>Shareholders' equity at the end of the period</b>	<b>27,818,259</b>	<b>24,227,135</b>

## SUMMARY OF INFORMATION

### 1. Basis of Presentation

#### Statement of Compliance

The abridged financial statements for the six months ended 30 June 2024 have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as well as the requirements of the Companies and Other Business Entities Act (Chapter 24:31). The same accounting policies, presentation and methods followed in the abridged financial results are as applied in the Group's latest annual financial statements.

#### 1.2 IAS 21 Effects of Changes in Exchange Rates

Due to the limited amount of currency available to the Foreign Exchange Auction Market, directors do not believe that the official exchange rates prevailing during the year were at all times, reflective of a spot exchange rate, being the exchange rate for immediate delivery as defined in IAS 21. The directors further believe this lack of exchangeability to be long-term in nature and as such have estimated exchange rates with reference to what would have applied to an orderly transaction between market participants and reflecting the prevailing economic conditions.

### 2. Functional and Presentation Currency

The abridged financial statements are presented in United States Dollars (USD), being the functional and reporting currency of the primary economic environment in which the Group operates.

### 3. Notes to the abridged consolidated financial statements for the half year ended 30 June 2024

	Unaudited 30 June 2024 USD	Unaudited 30 June 2023 USD
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#### 3.1 Profit before tax

Profit before tax is shown after charging/(crediting) the following items:

Depreciation	2,232,633	740,093
Staff costs	1,527,596	1,027,023

#### 3.2 Income tax

Current tax	8,873	(27,520)
Deferred tax	1,244,814	1,159,762
	<b>1,253,687</b>	<b>1,132,242</b>

#### Tax reconciliation

Profit before tax	4,878,091	4,580,266
Tax at standard rate	(1,256,108)	(1,132,242)
Adjusted for:		
Effects of expenses not deductible for tax	12,235	746,169
Effects of other permanent differences	2,497,560	1,518,315
Effects of income taxed at special rates	<b>1,253,687</b>	<b>1,132,242</b>

#### 3.3 Property, plant and equipment

##### Movement for the period:

	Unaudited 30 June 2024 USD	Audited 31 December 2023 USD
Balance at the beginning of the year	23,630,406	19,944,208
Capital expenditure	222,773	4,167,677
Depreciation	(2,232,633)	(4,427,128)
Carrying amount of disposals	(307,046)	(187,871)
Effects of translation	-	4,048,518
Depreciation elimination on disposal	255,156	85,002
<b>Balance at the end of the period</b>	<b>21,568,656</b>	<b>23,630,406</b>

#### 3.4 Investment property

##### Movement for the period:

	Unaudited 30 June 2024 USD	Audited 31 December 2023 USD
Balance at beginning of the period	7,800,930	9,802,065
Fair value adjustments	-	2,200
Additions	-	82,160
Disposals during the period	-	(2,562,232)
Effects of translation	-	476,737
<b>Balance at end of the period</b>	<b>7,800,930</b>	<b>7,800,930</b>

The Directors conducted an internal valuation of the investment property as at 30 June 2024 using fair value basis.

#### 3.5 Financial Assets carried at fair value through other comprehensive income

	Unaudited 30 June 2024 USD	Audited 31 December 2023 USD
Balance at the beginning of the period	78,304	215,051
Fair value adjustment	(33,616)	(136,747)
<b>Balance at the end of the period</b>	<b>44,688</b>	<b>78,304</b>

#### 3.6 Contracts in progress and accounts receivable

	Unaudited 30 June 2024 USD	Audited 31 December 2023 USD
Contract receivables and contract work in progress	35,549,306	36,428,707
Prepayments	7,650,956	9,898,205
Deposits and other receivables	653,193	884,661
	<b>43,853,455</b>	<b>47,211,573</b>
Less: Allowance for doubtful receivables	(245,924)	(249,221)
	<b>43,607,531</b>	<b>46,962,352</b>

The Company provides for receivables aged above 90 days on a case-by-case basis where subsequent developments suggest that recovery of the amount is in doubt.

#### 3.7 Interest bearing borrowings

	Unaudited 30 June 2024 USD	Audited 31 December 2023 USD
Short term	1,265,615	1,880,547
	<b>1,265,615</b>	<b>1,880,547</b>

The short-term loans have a tenure of 1 year and accrue interest at an effective rate of 14% per annum for USD and 26% per annum for ZWG denominated loans. These loans are fully secured against immoveable property and a notarial general covering bond over movable assets including a cession of book debts.

#### 3.8 Accounts payable

	Unaudited 30 June 2024 USD	Audited 31 December 2023 USD
Trade	2,321,091	2,045,291
Unearned revenue (Advance receipts from customers)	18,645,276	24,664,843
Contract accruals and other payables	20,141,474	19,021,594
Tax liabilities	16,373	21,610
Subcontractor liabilities	327,643	6,062,000
	<b>41,451,857</b>	<b>51,815,338</b>

#### 4 Going Concern

In assessing the going concern ability of the Group, the Directors have considered the Group's order book together with the cashflow forecast for a period of at least twelve (12) months and concluded that the Group will continue to operate as a going concern and believe that the preparation of these abridged interim consolidated financial statements on a going concern basis is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these abridged interim consolidated financial statements.

