



Financial Highlights

	Change	Audited 31 December 2024 USD	Audited 31 December 2023 USD
Revenue	4%	56,093,117	53,834,005
EBT	7%	8,407,387	7,878,994
EBITDFVA	8%	13,610,854	12,582,527
EBITDFVA/Turnover	4%	24%	23%
Basic earnings per share (cents)	-15%	2.67	3.16
Diluted earnings per share (cents)	-15%	2.61	3.07
Headline earnings per share (cents)	-24%	2.35	3.08

PRELIMINARY ANNOUNCEMENT TO SHAREHOLDERS

CHAIRMAN'S STATEMENT

OPERATING ENVIRONMENT

The operating environment remained challenging and volatile for the greater part of the financial period. Inflationary pressures were significant at the beginning of the year, and gradually subsided by the fourth quarter. The introduction of the Zimbabwe Gold (ZWG) in the second quarter played a pivotal role in stabilizing exchange rate disparities, contributing to cost stabilisation. However, tight monetary policy has created liquidity challenges that dampened overall market activity, particularly impacting rising material costs and access to financing for infrastructure projects. If these constraints persist, there is a risk that economic growth could shift toward contraction in the short term.

Additionally, ongoing power shortages have exacerbated cost pressures, as alternative power sources are significantly more expensive than grid electricity. Despite these challenges, government initiatives aimed at infrastructure development have created opportunities for public-private partnerships. The agriculture sector continues to recover from the El Niño weather phenomenon, facing persisting challenges but also possibilities for growth as conditions improve.

REVIEW OF OPERATIONS

The Contracting order book remained robust, particularly in the roads sector. However, a lack of liquidity within the market hampered effective execution, leading to cash flow challenges and an increasing debtors' book. This constrained the business' ability to fund ongoing projects and manage operational expenses, causing delays in project execution. The growing debtors' book further strained financial stability, exacerbating the liquidity crunch and creating a cycle of financial pressure that limited growth and operational efficiency.

During the review period, the Fabrication unit demonstrated its capabilities by successfully completing significant work at the new Mbare Musika vendor market, erecting 134 tons of steel in record time. This achievement showcased the unit's efficiency, technical expertise, and commitment to delivering high-quality results within tight deadlines, reinforcing our promise of excellence delivery to our clients.

Properties under rental management achieved a remarkable 100% occupancy, with significant progress made in unlocking value in the land bank.

Stemrich Investments (Private) Limited provided aggregates to the Contracting unit and diversified its product range to include precast units, positively contributing to the Group's performance.

REVIEW OF FINANCIAL PERFORMANCE

Revenues for the year at USD56.1 million (2023: 53.8 million) were 4% above prior year, driven by a strong and stable order book primarily from the roads and mining civils segments. However, the tight monetary policy hindered target execution.

Earnings before Interest, Tax, Depreciation and Fair Value Adjustments (EBITDFVA) were USD13.6 million (2023: USD12.6 million), an 8% improvement driven by enhanced operational efficiencies across project sites and cost containment initiatives.

Capital expenditure for the year stood at USD2.5 million (2023: USD4.2 million), primarily allocated to modern equipment to enhance operational efficiencies. This investment was financed through vendor financing structured over a five year period, aligning with the long term perspective of capital expenditure acquisition and ensuring sustainable financial planning. Total borrowings increased to USD2.5 million (2023: USD2.0 million), reducing the gearing ratio to 7% (2023: 8%).

Total assets increased by 7% to USD92.3 million (2023: USD85.9 million), driven by Contracts in progress and contracts receivables.

OCCUPATIONAL HEALTH AND SAFETY ASSESSMENT SYSTEM (OHSAS)

During the year, zero fatalities were recorded (2023: Nil). At the NSSA Awards in October 2024, the Group received three Gold Awards, reflecting its commitment to safety and well-being. The Group maintained its International Organization for Standardization (ISO) certifications, ISO 9001:2015 (Quality Management), ISO14001:2015 (Environmental Management), and ISO45001:2018 (Occupational Health and Safety).

SUSTAINABILITY REPORTING

Our commitment to upholding the tenets of Economic, Social and Governance best practice is evident in how we conduct our business operations, from ethical supply-chain management, compliance with environmental laws, optimization of waste and energy management to promoting employee safety and well-being. Additionally, we dedicate resources towards various sustainability initiatives that include the clearing of three hectares of land for sustainable wheat planting at Mushandike High School in Masvingo, enhancing local food security. In partnership with Karo Mine, we are constructing a new classroom block at Katawa Primary School in Ngezi, expected to be completed by April 2025. We also support the Dance Trust of Zimbabwe by erecting a stage for the annual Starlight Dance event, promoting youth well-being. Furthermore, we commemorated the 2024 International Day of the Girl Child by engaging with students at Tsungayi Primary School in Harare, empowering the girls and advocating for gender equality. These initiatives reflect our dedication to Environmental, Social, and Governance principles, furthering community development.

OUTLOOK

Despite a forecasted GDP growth of 6% for 2025, driven by strong agricultural and mining performance, the Group anticipates continued operating constraints. To navigate these challenges, the Group will prioritise cost containment and operational efficiencies while pursuing revenue growth initiatives.

Government economic stabilisation efforts may lead to improved investor confidence, facilitating public and private sector projects. Infrastructure development remains a priority, supported by both governmental initiatives and foreign investment. However, challenges such as inflation, tight monetary policy, and regulatory hurdles could hinder growth. A focus on sustainable building practices may also emerge, driven by global trends. Overall, while opportunities for growth exist, careful navigation of risks will be essential for the sustainability and success of the construction sector.

Despite the above, the Group projects growth in turnover and profitability in 2025, supported by a strong order book and diversification strategies in the infrastructure development space.

DIVIDEND DECLARATION

The Board, having considered the business' profitability, its future cashflows, and solvency, has proposed a final dividend of the full year ended 31 December 2024 of USD 0.15 cents and ZWG 1.71 cents per share. Combined with the interim cash dividend, this will bring the total dividend to USD 0.35 cents and ZWG 3.17 cents per share (2023: Nil).

DIRECTORATE

The company announces key changes to its Board of Directors.

Mr. Mark Mario Di Nicola and Mr. Malcolm William McCulloch resigned from the board on 19 September 2024 and 28 November 2024, respectively. We extend our gratitude for their invaluable insights and leadership throughout the years.

We welcome Dr. Kupukile Mlambo, appointed on 19 September 2024. Dr. Mlambo is an accomplished Economist Consultant and Development Specialist who served as the Deputy Governor of the Reserve Bank of Zimbabwe, overseeing key economic initiatives and fintech development. He also held the position of Regional Director for East Africa at the African Development Bank.

Professor Hodson Makurira, who joined the board on 3 October 2024, is the Pro Vice Chancellor for Infrastructure Development and Digitalisation at the University of Zimbabwe. With over 30 years of experience in the water sector, he holds a PhD in Hydrology and Water Management and has previously served as Dean of the Faculty of Engineering and the Built Environment.

We look forward to the expertise and fresh perspectives that both Dr. Mlambo and Professor Makurira will bring as we continue our journey forward.

APPRECIATION

On behalf of the Board, I would like to thank our valued customers, including the Government, our suppliers and other stakeholders for their continued support. I would also like to thank my fellow board members, management, and staff, for their unwavering commitment to duty.

For and on behalf of the Board


G. Sebborn
Chairman

31 March 2025

Dividend Declaration Notice

Notice is hereby given that the Masimba Holdings Limited board has declared a final cash dividend for the year ended 31 December 2024 of USD0.15 cents and ZWG1.71 cents per share.

The dividend will be payable in full to all shareholders of the Company registered at the close of business on Thursday 17 April 2025.

The payment of the dividend will take place on or about Thursday 15 May 2025. 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 Monday 14 April 2025 and ex-dividend starting Tuesday 15 April 2025.

BY ORDER OF THE BOARD



P. Mutiti
Company Secretary

31 March 2025

AUDITOR'S STATEMENT

These abridged consolidated financial statements are derived from the complete set of consolidated financial statements of Masimba Holdings Limited and its subsidiaries for the financial year ended 31 December 2024. They should be read in conjunction with the complete audited consolidated financial statements for the year, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe). The auditor's report has been signed by Edmore Chimhova, Registered Public Auditor 0470.

A qualified opinion was issued regarding non-compliance with International Accounting Standard (IAS) 21 – 'The Effect of Changes in Foreign Exchange Rates' in the prior financial year.

The auditor's report on the consolidated financial statements and the full set of the audited consolidated financial statements is available for inspection at the Company's registered office and the auditor's report has been lodged with the Zimbabwe Stock Exchange.

Abridged Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024

Notes	Audited 31 December 2024 USD	Audited 31 December 2023 USD
Revenue	56,093,117	53,834,005
Profit before depreciation and fair value adjustments	13,610,854	12,582,527
Fair value adjustment	-	2,200
Depreciation and impairment	(4,847,354)	(4,342,126)
Operating profit	8,763,500	8,242,601
Net interest paid	(356,113)	(363,607)
Profit before tax	8,407,387	7,878,994
Income Tax	(2,011,717)	(325,225)
Profit for the year	6,395,670	7,553,769
Number of shares in issue (millions)	239.39	239.39
Basic earnings per share (cents)	2.67	3.16
Diluted earnings per share (cents)	2.61	3.07
Headline earnings per share (cents)	2.35	3.08

Abridged Consolidated Statement of Comprehensive Income for the year ended 31 December 2024

	Audited 31 December 2024 USD	Audited 31 December 2023 USD
Profit for the year	6,395,670	7,553,769
Other comprehensive income:		
Revaluation surplus	725,000	-
Movement in financial assets through other comprehensive income	(23,107)	(136,747)
Deferred tax charge on other comprehensive income	(36,019)	1,367
Other comprehensive income for the period, net of tax	665,874	(135,380)
Total comprehensive income for the year	7,061,544	7,418,389

Abridged Consolidated Statement of Financial Position as at 31 December 2024

Notes	Audited 31 December 2024 USD	Audited 31 December 2023 USD
Assets		
Property, plant and equipment	3.3 22,132,144	23,630,406
Investment property	3.4 7,800,930	7,800,930
Investments	3.5 55,197	78,304
	29,988,271	31,509,640
Current assets		
Inventories	6,973,735	4,580,974
Contracts in progress and accounts receivable	3.6 52,850,049	46,962,352
Cash and cash equivalents	2,559,425	2,886,806
	62,383,209	54,430,132
Total assets	92,371,480	85,939,772
Equity and Liabilities		
Share capital	2,316,175	2,316,175
Share premium	455,177	455,177
Reserves	8,113,006	7,426,896
Retained earnings	19,810,305	14,028,887
	30,694,663	24,227,135
Non-current liabilities		
Interest bearing borrowings	3.7 1,092,623	-
Deferred tax	9,876,337	7,861,646
	10,968,960	7,861,646
Current liabilities		
Interest bearing borrowings	3.7 1,434,739	2,035,653
Accounts payable	3.8 49,273,118	51,815,338
	50,707,857	53,850,991
Total equity and liabilities	92,371,480	85,939,772




**Abridged Consolidated Statement of Cashflows
for the year ended 31 December 2024**

	Audited 31 December 2024 USD	Audited 31 December 2023 USD
Net cashflow generated from operating activities	2,948,951	5,297,505
Net cashflow utilised in investing activities	(2,433,103)	(4,150,995)
Net cashflow (utilised by)/generated from financing activities	(843,229)	202,282
(Decrease)/increase in cash and cash equivalents	(327,381)	1,348,792

**Abridged Consolidated Statement of Changes In Equity
for the year ended 31 December 2024**

	Audited 31 December 2024 USD	Audited 31 December 2023 USD
Shareholders' equity at the beginning of the year	24,227,135	29,924,703
Share based payments reserve	20,236	25,044
Dividend paid	(614,252)	(1,058,351)
Share cancellation	-	(22,656)
Effects of translation	-	(12,059,994)
Total comprehensive income	7,061,544	7,418,389
Shareholders' equity at the end of the year	30,694,663	24,227,135

SUMMARY OF INFORMATION
1. Basis of Presentation
Statement of Compliance

The abridged consolidated financial results have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and Companies and Other Business Entities Act (Chapter 24:31). The same accounting policies, presentation and methods followed in the abridged consolidated financial results are as applied in the Group's latest annual financial statements. The principal accounting policies of the Group have been applied consistently in all material respects with those from previous years. These financial statements have been prepared under the assumption that the Group will continue to operate as a going concern.

1.2 IAS 21 Effects of Changes in Exchange Rates

The abridged financial statements are presented in United States Dollars (USD), being the functional and reporting currency of the Group. The Group's consolidated financial statements are presented in United States Dollar currency, and the Directors have applied interbank rates to convert all Zimbabwe Gold (ZWG) transactions and balances to the Group's functional currency, the United States Dollar (USD).

2. Functional and Presentation Currency

The abridged consolidated financial statements are presented in United States Dollars (USD), being the functional and reporting currency of the Group.

**3. Notes to the Abridged Consolidated Financial Statements
for the year ended 31 December 2024**

	Audited 31 December 2024 USD	Audited 31 December 2023 USD
3.1 Profit before tax		
Profit before tax is shown after charging the following items:		
Depreciation and impairment	4,847,354	4,342,126
Staff costs	2,989,763	2,455,873
3.2 Income tax		
Current tax	33,045	21,610
Deferred tax	1,978,672	303,615
	2,011,717	325,225
Tax reconciliation		
Profit before tax	8,407,387	7,878,994
Tax at standard rate (25.75%)	2,164,902	1,947,687
Adjusted for:		
Effects of expenses not deductible for tax	(73,298)	(621,612)
Effects of other permanent differences	(79,887)	(1,000,850)
	2,011,717	325,225
3.3 Property, plant and equipment		
Movement for the year:		
Balance at the beginning of the year	23,630,406	19,944,208
Capital expenditure	2,525,964	4,167,677
Depreciation	(4,585,574)	(4,427,128)
Impairment of assets	(261,780)	-
Revaluation	725,000	-
Elimination on revaluation	145,000	-
Disposals-cost	(2,007,479)	(187,871)
Depreciation elimination on disposal	1,960,607	85,002
Effects of translation	-	4,048,518
Balance at the end of the year	22,132,144	23,630,406
3.4 Investment property		
Movement for the year:		
Balance at beginning of the period	7,800,930	9,802,065
Land-Additions	-	82,160
Fair Value adjustments	-	2,200
Transfer to inventory	-	(2,562,232)
Effects of translation	-	476,737
Balance at end of the period	7,800,930	7,800,930
The investment property was revalued at the end of December 2024 by Independent valuers on the open market basis.		
3.5 Investments		
Balance at the beginning of the year	78,304	215,051
Fair value adjustment	(23,107)	(136,747)
Balance at the end of the period	55,197	78,304

3.6 Contracts in progress and accounts receivable

	Audited 31 December 2024 USD	Audited 31 December 2023 USD
Contract receivables and contract work in progress	51,240,841	36,428,707
Prepayments	1,534,026	9,898,205
Deposits and other receivables	427,077	884,661
	53,201,944	47,211,573
Less: Allowance for credit losses	(351,895)	(249,221)
	52,850,049	46,962,352

In determining trade recoverability of trade receivables, the Group considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risks is limited due to the customer base being large and unrelated.

3.7 Interest bearing borrowings

	Audited 31 December 2024 USD	Audited 31 December 2023 USD
Long term loans	1,092,623	-
Short term loans	915,060	1,880,547
Bank overdraft	519,679	155,106
	2,527,362	2,035,653

The short term loans represent a reclassification to current liabilities as per IFRS 7, the loans have a tenure of 60 months and accrue interest at an effective rate of 12% per annum (2023: 10%). These loans are fully secured against immoveable property and a notarial general covering bond over moveable assets including a cession of book debts.

3.8 Accounts payable

	Audited 31 December 2024 USD	Audited 31 December 2023 USD
Trade payables	2,182,799	2,045,291
Unearned revenue (Advance receipts from customers)	25,381,730	24,664,843
Contract accruals and other payables	13,270,786	19,021,594
Tax liabilities	32,793	21,610
Subcontractor liabilities	8,405,010	6,062,000
	49,273,118	51,815,338

3.9 Contingent liabilities

	Audited 31 December 2024 USD	Audited 31 December 2023 USD
Construction contracts bank guarantees in respect of performance, advance payments, retentions and bids.	818 324	8 506 761

4 Going Concern

The Directors have assessed the ability of the entity to continue operating as a going concern and believe that the preparation of the 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 of the entity 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 the consolidated financial statements. In confirming the validity of the going concern basis of preparation, the Group has considered the following specific factors:

- The Group reported a profit before tax of USD 8,407,387 for the year.
- Liquidity needs of the Group have been assessed on 12 months rolling cash-flow forecast and net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout periods, which is typically 12 months from the date of authorisation of these financial statements.

