

METROFILE HOLDINGS LIMITED

UNAUDITED SUMMARISED CONSOLIDATED
GROUP INTERIM FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

metrofile



Salient features



Revenue

R537m
7%


Operating profit*

R100m
11%


Improvement in net debt**

R521m**3%**

EPS

7.8c
40%


HEPS

8.1c
38%


DPS

4c
43%

* Operating profit before retrenchment, settlement and closure costs, loss on disposal of assets held for sale and impairment of goodwill

** Excluding lease obligations

Summarised consolidated statement of profit and loss

R'000	Notes	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited 12 months ended 30 June 2024
Revenue		537 426	577 047	1 140 546
Operating profit before interest, taxation, depreciation and amortisation (EBITDA)	5	147 704	159 760	287 337
Depreciation on property, plant and equipment		(22 584)	(22 232)	(37 603)
Depreciation on right-of-use asset		(18 865)	(18 166)	(36 162)
Amortisation		(6 727)	(7 895)	(13 802)
Operating profit before items below		99 528	111 467	199 770
Retrenchment, settlement and closure costs		(14 936)	–	(19 914)
Loss on disposal of assets held for sale		(1 316)	–	–
Impairment of goodwill		–	–	(53 588)
Operating profit		83 276	111 467	126 268
Net finance costs		(37 767)	(32 465)	(67 533)
Finance income		465	372	688
Finance costs		(31 261)	(26 461)	(54 362)
Finance costs on lease liabilities		(6 971)	(6 376)	(13 859)
Profit before taxation		45 509	79 002	58 735
Taxation		(11 944)	(20 472)	(36 119)
Profit for the period		33 565	58 530	22 616
Attributable to:				
Owners of the parent		32 948	55 022	16 615
Non-controlling interests		617	3 508	6 001
Profit attributable to owners of the parent:				
Basic earnings per share (cents)	3	7.8	13.0	3.9
Diluted earnings per share (cents)	3	7.4	12.7	3.8

Summarised consolidated statement of other comprehensive income

R'000	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited 12 months ended 30 June 2024
Profit for the period	33 565	58 530	22 616
Other comprehensive income for the period			
Currency movement on translation of foreign subsidiaries	5 040	(10 718)	(4 141)
Total comprehensive income for the period	38 605	47 812	18 475
Attributable to:			
Owners of the parent	37 790	46 800	12 688
Non-controlling interest	815	1 012	5 787

Summarised consolidated statement of financial position

R'000	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited 12 months ended 30 June 2024
ASSETS			
Non-current assets			
Property, plant and equipment	597 735	604 476	611 966
Goodwill	307 174	372 936	307 107
Intangible assets	61 455	64 297	60 854
Right-of-use assets	87 496	93 968	104 413
Deferred taxation assets	17 473	11 286	16 295
Total non-current assets	1 071 333	1 146 963	1 100 635
Current assets			
Inventories	7 881	18 626	14 418
Trade receivables	225 160	223 525	231 452
Other receivables	76 900	70 798	72 713
Vendor consideration	–	3 500	–
Taxation receivable	14 982	4 310	12 736
Cash and cash equivalents	82 257	71 535	62 169
	407 180	392 294	393 488
Assets classified as held-for-sale	–	–	15 000
Total current assets	407 180	392 294	408 488
Total assets	1 478 513	1 539 257	1 509 123
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the parent	524 343	566 898	516 105
Non-controlling interests	6 948	4 737	6 133
Non-current liabilities	731 456	626 309	738 579
Interest-bearing liabilities	599 008	499 787	599 525
Lease liabilities	88 300	87 149	90 251
Deferred taxation liabilities	44 148	39 373	48 803
Current liabilities	215 766	341 313	248 306
Trade and other payables	122 004	115 440	153 983
Provisions	4 639	3 714	22 874
Deferred revenue	48 768	23 029	19 786
Taxation payable	11 207	8 412	12 473
Bank overdraft	4 454	78 914	10
Lease liabilities	24 694	30 422	39 180
Acquisition related liabilities	–	81 382	–
Total equity and liabilities	1 478 513	1 539 257	1 509 123

Summarised consolidated statement of changes in equity

R'000	Share capital and share premium	Accumulated profit/(loss)	Other reserves	Attributable to owners of the parent	Non-controlling interest	Total equity
Balance as at 30 June 2023	540 072	23 683	(1 196)	562 559	6 069	568 628
IFRS 2 expense	–	–	7 495	7 495	–	7 495
Dividends declared	–	(67 623)	–	(67 623)	(4 856)	(72 479)
Subsequent measurement of acquisition related liability	–	4 510	–	4 510	–	4 510
Transactions with non-controlling interests	–	867	–	867	(867)	–
Share buy-back	(4 391)	–	–	(4 391)	–	(4 391)
Total comprehensive income for the year ended 30 June 2024	–	16 615	(3 927)	12 688	5 787	18 475
Balance as at 30 June 2024 (audited)	535 681	(21 948)	2 372	516 105	6 133	522 238
Dividends declared	–	(29 552)	–	(29 552)	–	(29 552)
Total comprehensive income for the period ended 31 December 2024	–	32 948	4 842	37 790	815	38 605
Balance as at 31 December 2024 (unaudited)	535 681	(18 552)	7 214	524 343	6 948	531 291

Summarised consolidated statement of cash flows

R'000	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited 12 months ended 30 June 2024
Cash flows from operating activities			
Cash generated from operations before net working capital changes	132 385	154 540	266 922
Decrease/(increase) in net working capital	(11 276)	(11 265)	42 065
Cash generated from operations	121 109	143 275	308 987
Finance cost paid	(38 585)	(32 919)	(68 608)
Finance income received	465	372	688
Taxation paid	(14 752)	(24 682)	(41 692)
Net cash inflow from operating activities	68 237	86 046	199 375
Cash flows from investing activities			
Capital expenditure: expansion	(10 858)	(16 649)	(48 504)
Capital expenditure: replacement	(4 930)	(8 723)	(4 477)
Long-term vendor consideration	–	–	3 500
Proceeds from sale of property, plant and equipment	15 000	–	1 986
Net cash outflow from investing activities	(788)	(25 372)	(47 495)
Cash flows from financing activities			
Interest-bearing liabilities raised	–	9 207	108 584
Payment of lease liabilities	(18 777)	(17 808)	(36 037)
Purchase of treasury shares	–	(4 391)	(4 391)
Settlement of acquisition related liabilities	–	–	(79 719)
Acquisition of non-controlling interest	–	(6 999)	–
Dividends paid to non-controlling interest	–	(2 344)	(4 856)
Dividends paid	(30 320)	(38 022)	(66 135)
Net cash outflow from financing activities	(49 097)	(60 357)	(82 554)
Net increase/(decrease) in cash and cash equivalents	18 352	317	69 326
(Overdraft)/cash and cash equivalents at the beginning of the period	62 159	(4 407)	(4 407)
Effects of exchange rate movement on cash balances	(2 708)	(3 289)	(2 760)
Net cash and cash equivalents/(overdraft) at the end of the period	77 803	(7 379)	62 159
Represented by:			
Cash and cash equivalents	82 257	71 535	62 169
Bank overdraft	(4 454)	(78 914)	(10)

Notes to the financial statements

1. Basis of preparation and accounting policies

The directors take full responsibility for the preparation of these unaudited summarised consolidated Group interim financial results. The unaudited summarised consolidated Group interim financial results have been prepared in accordance with the framework concepts, measurement and recognition requirements of IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), the SA financial reporting requirements, and as a minimum contain the information as required by IAS 34: Interim Financial Reporting, the JSE Listings Requirements and the requirements of the Companies Act of South Africa. The accounting policies and basis of preparation for the financial statements are in all material respects consistent with those applied in the 2024 annual financial statements.

The unaudited summarised consolidated Group interim financial results have been prepared under the supervision of the Chief Financial Officer, Mr S Mansingh CA(SA) MBA. The consolidated unaudited summarised Group interim results have not been audited or reviewed by the Company's auditor, BDO South Africa Incorporated (BDO).

2. Summarised segmental information

The segmental information is based on information provided to the chief operational decision makers and operating profit is the key measure of segmental performance. Segmental disclosure consists of Metrofile Records Management ("MRM") South Africa, MRM Rest of Africa, MRM Middle East, Cloud and Content Services South Africa, and Central and Eliminations.

R'000	Revenue			EBITDA		
	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited 12 months ended 30 June 2024	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited 12 months ended 30 June 2024
MRM South Africa**	352 449	398 953	768 606	132 552	115 562	225 690
MRM Rest of Africa	53 774	48 838	104 315	18 723	29 440	56 920
MRM Middle East	57 026	61 112	119 601	694	7 662	7 148
Cloud and Content Services South Africa**	74 177	68 144	148 024	16 057	19 104	37 124
Central and Eliminations	–	–	–	(20 322)	(12 008)	(39 545)
Total	537 426	577 047	1 140 546	147 704	159 760	287 337
South African operations	426 626	467 097	916 630	128 287	122 658	223 269
Non-South African operations	110 800	109 950	223 916	19 417	37 102	64 068

R'000	Operating profit			Tangible assets*		
	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited 12 months ended 30 June 2024	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited 12 months ended 30 June 2024
MRM South Africa**	108 377	91 395	178 413	814 716	788 784	812 234
MRM Rest of Africa	6 723	18 474	39 777	145 235	154 099	157 218
MRM Middle East	(2 206)	5 560	2 148	102 694	100 807	110 551
Cloud and Content Services South Africa**	10 257	11 441	29 836	73 516	63 753	56 249
Central and Eliminations	(23 623)	(15 403)	(50 404)	(43 750)	(16 705)	(11 385)
Total	99 528	111 467	199 770	1 092 411	1 090 738	1 124 867
South African operations	95 011	87 433	157 845	844 482	835 832	857 097
Non-South African operations	4 517	24 034	41 925	247 929	254 906	267 770

* Tangible assets comprise property, plant and equipment, right-of-use asset, inventories, trade and other receivables, tax and loan receivables and cash and cash equivalents.

** In the current year, the Group updated its segment reporting. Products and Services South Africa is now represented by Cloud and Content Services South Africa. The prior year figures have been updated for comparable purposes.

Notes to the financial statements continued

2. Summarised segmental information continued

R'000	Revenue streams		
	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited 12 months ended 30 June 2024
Secure storage	324 172	311 140	624 028
Digital services	144 462	151 206	298 317
Products and solutions	39 792	84 072	157 619
Business support services	29 000	30 629	60 582
Total	537 426	577 047	1 140 546

3. Reconciliation of headline earnings

R'000	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited 12 months ended 30 June 2024
Reconciliation of headline earnings			
Profit attributable to owners of the parent	32 948	55 022	16 615
Profit on disposal of plant and equipment	(51)	–	(480)
Loss on disposal of assets held for sale	1 316	–	–
Impairment of goodwill	–	–	53 588
Tax effect of above items	14	–	130
Headline earnings	34 227	55 022	69 853
Reconciliation of normalised headline earnings			
Headline earnings	34 227	55 022	69 853
Retrenchment, settlement and closure costs	14 936	–	19 914
Tax effect of above items	(4 033)	–	(5 377)
Normalised headline earnings	45 130	55 022	84 390
Weighted average number of shares in issue ('000)	422 175	422 634	422 634
Diluted weighted average number of shares in issue ('000)	448 119	431 651	440 329
Earnings per share (cents)			
– Basic	7.8	13.0	3.9
– Diluted	7.4	12.7	3.8
Headline earnings per share (cents)			
– Basic	8.1	13.0	16.5
– Diluted	7.6	12.7	15.9
Normalised headline earnings per share (cents)			
– Basic	10.7	13.0	20.0
– Diluted	10.1	12.3	19.2
Dividend per share (cents)			
– Interim dividend per share paid (cents)	4.0	7.0	7.0
– Final dividend per share proposed/paid (cents)	–	–	7.0

Notes to the financial statements continued

4. Financial risk

The Group is exposed to fixed and variable interest rates (3 month JIBAR interest rate benchmark plus interest rate scale) within its debt profile.

The interest rate exposure of the existing facilities is as follows:

R'000	Total facilities	Unutilised as at 30 Dec 2024	Capital outstanding as at 31 Dec 2024	Variable interest rate
RCF loan facility	150 000	–	150 000	3 month JIBAR plus margin
Bullet loan facility	352 000	–	352 000	3 month JIBAR plus margin
Accordion bullet RCF	100 000	–	100 000	3 month JIBAR plus margin
Working capital facility	150 000	145 546	4 454	Prime interest rate minus 1%
Total committed facilities	752 000	145 546	606 454	
Total uncommitted facilities	100 000	100 000		

Interest rate scale – margin premium

	Bullet/RCF loan (3 month JIBAR plus) %	Accordion loan (3 month JIBAR plus) %
Gross debt/EBITDA multiple		
Greater than 2.5 times	2.75	2.50
Greater than 2.0 times, less than 2.5 times	2.50	2.25
Less than 2.0 times	2.25	2.00

5. Operating profit before interest, taxation, depreciation and amortisation (EBITDA)

R'000	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited 12 months ended 30 June 2024
Items included in EBITDA for the period are as follows:			
Materials and consumables	(42 021)	(65 474)	(128 549)
Staff costs	(194 726)	(212 364)	(413 455)
Other operating expenses	(201 415)	(205 633)	(336 712)
Other operating income*	507	17 926	25 507

* Included in other operating income in the prior year 1HFY2024 was an amount of R8 million relating to the settlement of a long outstanding debtor, as well as a R5 million fair value adjustment relating to acquisition related liabilities.

Notes to the financial statements continued

6. Retrenchment and closure costs

During the period under review, various restructuring initiatives continued, specifically in the segments of Central and Eliminations as well as MRM South Africa. The amount incurred during the period was R15 million.

7. Statement of financial position movements

Trade receivables has decreased in the period due to the continued improvement in collections. Other receivables has increased due to work being done but not yet billed as well as VAT receivable not yet being received. Right-of-use assets and the corresponding lease liabilities have decreased due to utilisation and no renewals have been processed during 1HFY2025. Cash and cash equivalents has increased due to funds received in advance for certain project work to be completed, and the corresponding credit has resulted in an increase in deferred revenue.

8. Fair value estimates

The carrying value of financial instruments approximates their fair value.

9. Commitments

Capital investment plans for the full financial year are expected to amount to R67 million (FY2024: R68 million).

10. Subsequent events

No subsequent events have occurred after the reporting date of 31 December 2024.

11. Assets held for sale

In the current year, the sale of the assets held for sale was concluded and proceeds of R15 million were received. The Group disposed of the asset held for sale and recognised a loss of R1 million.

12. Going concern

Performance

Revenue decreased by 7% primarily due to the exit of the Tidy Files manufacturing operations. Due to continued challenges, particularly in the Middle East as well as the Rest of Africa, offset by growth in MRM South Africa, EBITDA declined by 8% to R148 million.

Cash generated from operations amounted to R121 million. Collections from debtors improved in the last 6 months. The Group's net cash overdraft amounted to R4 million as at 31 December 2024 and the Group has unutilised facilities of R146 million. Improvement of working capital and margins continues to be the Group's operational priority.

Solvency and liquidation

As at 31 December 2024, the consolidated statement of financial position reflected total equity of R531 million.

The Group has externally imposed capital requirements in terms of debt covenants. The covenants, which are calculated on a basis pre IFRS 16 Leases, require the Group to maintain a net debt to EBITDA of less than 2.5 times and an EBITDA to net interest expense ratio of no less than 3.5 times.

At 31 December 2024, in line with the requirements of the Group's covenants, net debt to EBITDA was 2.36 times and net interest ratio was 3.8 times. The requirements are expected to continue to be met in the foreseeable future.

The Group continues to strictly monitor capital expenditure in order to ensure positive working capital management.

Commentary on the results continued

The Group in context

Over the past four decades, Metrofile has established a credible and trusted reputation of being a leader in information governance and management offering quality products and services to organisations of all sizes and sectors across South Africa, Kenya, Botswana, Mozambique and the Middle East. We operate from 70 facilities at 35 locations covering 120 630 square meters of warehousing space. Metrofile's services assist clients in structuring, managing and accessing their information in any format, in any location, at any given time. Our clients are guided to ensure that adherence to all legislative requirements is met and that their most valuable asset, their information, is protected. We partner with our clients on their digital transformation journey with our digital services and solutions, whilst retaining our core offerings, such as the physical management of records and information. These digital offerings include the provision of data management services, including cloud backup, disaster recovery and specialised hosting in a private cloud, as well as business process optimisation through the use of advanced electronic information management systems. By providing end-to-end services across all aspects of the information management lifecycle, we are well placed to meet the evolving demands of our clients and to assist them on their digital transformation journey, which includes digitising processes from end-to-end. Empowerment partner and strategic shareholder, Mineworkers Investment Company, owns 39.20% (30 June 2024: 39.20%) of Metrofile's equity (net of treasury shares).

Results overview

Results overview for the period:

- Revenue decreased by 7% to R537 million mainly due to the exit of the Tidy Files manufacturing operation in the prior financial year. Excluding the Tidy Files contribution, revenue was up by 4% mainly as a result of growth in secure storage and cloud services, offset by a reduction in content services and image processing.
- Operating profit decreased by 11% to R100 million and EBITDA decreased by 8% to R148 million. The turnaround in MRM South Africa resulted in an improvement of 19% to R108 million in operating profit for this segment however this was offset by challenges in the Rest of Africa and Middle East.
- EPS decreased by 40% to 7.8c, HEPS decreased by 38% to 8.1c and NHEPS decreased by 18% to 10.7c.
- Dividend per share decreased by 43% with an interim dividend of 4c declared.
- Net debt reduced by 3% as a result of continued strong cash generation.

Results review

Results for the six months ended 31 December 2024 were positively impacted by the turnaround in MRM South Africa, however low volume growth and margin challenges persisted in Rest of Africa and Middle East. Pleasingly, strong cash generation continued, resulting in a reduction in net debt of 3% to R521 million (June 2024: R537 million).

Financial review

Revenue

Revenue decreased by 7% to R537 million (1HFY2024: R577 million), mainly due to the reduction in product sales following the exit of the Tidy Files manufacturing operation. Excluding the Tidy Files contribution, revenue was up by 4% mainly as growth in secure storage and cloud services was offset by a reduction in content services and image processing. Demand for cloud services remained strong and now contributes 36% (1HFY2024: 31%) of our digital services revenue.

Secure storage contributed 60% to Group revenue and was up 4% mainly as a result of price increases as well as additional revenue generated from paper services, specifically destruction of overdue boxes. We have noted an increase in the number of destruction requests from our clients that has placed pressure on storage box volumes. Closing box volumes for the Group as at 31 December 2024 were 11.1 million (30 June 2024: 11.1 million) as net box volume remained the same. Gross box volume intake increased by 3% from new and existing clients and was offset by destructions and withdrawals of 3%. Net box volumes decreased in South Africa by 1% but showed growth in the Rest of Africa and the Middle East of 2% and 5% respectively.

Digital services contributed 27% to Group revenue and reduced by 4% year-on-year following a reduction in content services and the digitisation of physical records, particularly in South Africa. This reduction was offset by continued growth in cloud services, with a notable increase in hosting. Digital services continued to be our second largest revenue contributor and despite a weaker period, this solution offering has been our largest growth area over the recent years.

Products and solutions' revenue decreased by 53% mainly due to the exit of the Tidy Files manufacturing operation. Business support services decreased by 5% following a reduction in work area recovery services. Products and solutions and business support services contributed 8% and 5% respectively to Group revenue.

Commentary on the results

Operating profit

Operating profit, before retrenchment, settlement and closure costs, reduced by 11% to R100 million (1HFY2024: R111 million). Positive progress has been made in resolving operational challenges from the prior year particularly in MRM South Africa that has yielded a significant improvement in operating profit for this segment. This was offset by volume decline in workflow sales, inflationary cost pressures as well as a reduction in profit margins in the Middle East.

Cash and debt

Net finance costs were 16% higher at R38 million (1HFY2024: R32 million) following the settlement of the final payment in relation to the IronTree acquisition at the end of the previous financial year. Net debt reduced by 3% to R521 million (FY2024: R537 million) as a result of continued strong cash generation.

Review of operations

MRM South Africa

Revenue from MRM South Africa's continuing operations increased by 3% primarily due to the growth in secure storage and product sales, which was offset by a reduction in image processing volumes. Following a challenging prior year, 2HFY2024 in particular, the action plans to address these challenges have resulted in improvements in financial performance, particularly towards the end of 1HFY2025. An enhanced focus on customer service, as well as the resolution of various operational challenges, has seen a recovery in margin as well as an increase in the sales pipeline. Revenue, including the Tidy Files manufacturing operation which were exited in the prior year, reduced by 12% to R352 million (1HFY2024: R399 million).

As a result of the positive progress due to the turnaround initiatives, operating profit increased by 19% to R108 million (1HFY2024: R91 million) and EBITDA increased by 15% to R133 million (1HFY2024: R116 million). Furthermore, when compared to the second half of the previous financial year, EBITDA has improved by 20%. Cash collections have increased and contributed to the overall group improvement in cash generated from operations following the successful resolution of various long-standing customer queries, enhanced customer engagement and the successful resolution of some operational challenges.

We anticipate continued recovery in the financial performance into the second half of the financial year.

MRM Rest of Africa

MRM Rest of Africa consists of operations in Kenya, Botswana and Mozambique. Revenue increased by 10% to R54 million (1HFY2024: R49 million) and operating profit decreased by 64% to R7 million (1HFY2024: R18 million). Botswana and Mozambique continue to generate growth and increased profitability in the period by 11%. The reduction in operating profit from the prior year was mainly due to the inclusion in the prior year of a once-off gain following the positive resolution of a long-standing dispute with a customer in Kenya. During the current period under review, additional costs incurred in Kenya related to Cloud Services' setup costs in line with the strategic introduction of the cloud offering, as well as higher operating costs. Excluding these items, the margin was similar and operating profit increased when compared to the prior year.

MRM Middle East

MRM Middle East consists of operations in the United Arab Emirates, Oman and Saudi Arabia. Following a slow down in the intake of projects, revenue decreased by 7% to R57 million (1HFY2024: R61 million). The region incurred an operating loss of R2 million (1HFY2024: R6 million operating profit) due to continued challenges on margins, however the performance has seen a slight improvement when compared to the second half of the prior year. While we do not expect an immediate change in the environment in the Middle East, we have implemented various measures to mitigate these challenges.

Cloud and Content Services South Africa

Our Cloud and Content Services South Africa suite of offerings includes Metrofile VYSION and Metrofile Cloud (previously IronTree). Overall, revenue increased by 9% to R74 million (1HFY24: R68 million) with operating profit decreasing by 10% to R10 million (1HFY24: R11 million). Metrofile Cloud continued to demonstrate consistent growth and improved operating profit by 10% to R11 million (1HFY24: R10 million), mainly as a result of growth in hosting services. Metrofile VYSION, which includes workflow automation services, had a challenging period as operating profit declined to a loss of R1 million (1HFY24: operating profit of R1 million).

Commentary on the results continued

Dividend declaration

The dividend cover policy range of between 1.5x and 2.0x remains in place. The Board declared an interim cash dividend of 4 cents per share.

Notice is hereby given that an interim gross cash dividend of 4 cents per share in respect of the period ended 31 December 2024 has been declared payable from income reserves to the holders of ordinary shares recorded in the books of the Company on Friday, 4 April 2025. The last day to trade cum-dividend will therefore be Tuesday, 1 April 2025 and Metrofile shares will trade ex-dividend from Wednesday, 2 April 2025. Payment of the dividend will be on Monday, 7 April 2025. Share certificates may not be dematerialised or rematerialised from Wednesday, 2 April 2025 to Friday, 4 April 2025, both days inclusive. Withholding tax on dividends will be deducted for all shareholders who are not exempt in terms of the legislation at a rate of 20% which will result in a final net cash dividend of 3.2 cents per share. The Company's issued share capital at the period end was 433 699 958 shares (422 175 219 net of treasury shares) and the Company's tax number is 9375/066/71/0.

Changes to the Board of Directors

The following changes were made to the Board for the six months ended 31 December 2024 and up to the date of this announcement:

- Effective 30 September 2024 Pfungwa Serima resigned as Group Chief Executive Officer and Thabo Seopa was appointed effective 1 October 2024.
- Effective 1 January 2025 Phumzile Langeni relinquished her role as Independent Non-Executive Chairman and was appointed as Executive Deputy Chairman. Lindiwe Mthimunye was appointed as the Independent Non-Executive Chairman.

Shareholders are further referred to the SENS announcement published on 24 February 2025 advising that Bradley Swanepoel, BCompt Hons, CA(SA), has been appointed as Group Chief Financial Officer and an Executive Director of Metrofile. The commencement date of this appointment is in line with Bradley's notice period of 6 months, which is currently being negotiated and could result in an earlier start date. Shareholders will be kept informed in this regard. Shivan Mansingh assumed the role of Managing Director of Metrofile Records Management South Africa with effect from 1 October 2024 and will continue to serve as an Executive Director of Metrofile.

Outlook

Whilst we expect the turnaround in MRM South Africa to continue into the second half of the financial year, we anticipate trading conditions to remain challenging in the Middle East and Rest of Africa. As part of the turnaround, there will be a review of the geographical footprint of Metrofile. Leadership changes announced during the first half of this financial year have had a positive impact and we expect this to continue. Our focus is to ensure we build a robust digital offering and lay the foundation for our next generation of technology driven solutions. We remain agile in our approach as we adapt to the change in competitive landscape and we expect to continue to generate positive free cash flow for the remainder of the 2025 financial year, with a focus on de-gearing our balance sheet.

Forward-looking statement

Statements on future financial performance have not been reviewed or audited by the Group's external auditors. The Group cannot guarantee that any forward-looking statement will materialise, and accordingly, readers are cautioned not to place undue reliance on these. The Group disclaims any intention and assumes no obligation to update or revise any forward-looking statement, even if new information becomes available as a result of future events or for any other reason other than as stipulated by the JSE Listings Requirements.

Lindiwe Mthimunye
Chairman of the Board

Thabo Seopa
Group Chief Executive Officer

Illovo
3 March 2025

Corporate information

Directors

LE Mthimunye (Chairman)^{^*}, P Langeni (Executive Deputy Chairman), STP Seopa (CEO), S Mansingh (CFO), SV Zilwa^{†*}, MS Bomela^{*}, A Khumalo^{^*}, CS Seabrooke^{^*}, DL Storum^{*}, L Rood (Alternate)^{^*}.

[^]Independent

^{*}Non-executive

[†]Lead independent

Company Secretary

EM Smuts

Registered office

First Floor, 28 Fricker Road, Illovo, 2196, Gauteng, South Africa

www.metrofile.com

Sponsor

The Standard Bank of South Africa Limited

Transfer secretaries

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, Gauteng, South Africa

Investor relations

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METROFILE HOLDINGS LIMITED:
Incorporated in the Republic of South Africa
(Registration number 1983/012697/06)
Share code: MFL ISIN: ZAE000061727
("Metrofile" or "the Company" or "the Group")

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