



Johannesburg, 27 May 2025

Zeda Delivers double digit earnings growth, affirming the strength of its diversified product portfolio and robust operating model

Johannesburg, 27 May 2025 - Zeda Limited (“Zeda” or “the Group”), the integrated mobility solutions provider across sub-Saharan Africa, today announced its interim results for the half-year ended 31 March 2025. The Group delivered solid financial performance despite a challenging trading environment.

“This reaffirms the strength of our robust operating model, our diversified portfolio and disciplined strategy execution. We’ve delivered double-digit earnings growth, superior margins and solid returns in a revenue-constrained environment, said Group CEO Ramasela Ganda.

Key Performance Highlights (H1 FY2025)

- **Revenue of R5.2 billion and EBITDA margins maintained at 34%**
- **Operating profit up 5.4% and superior margins of 16%, an increase of 100 basis points**
- **HEPS and BEPS grew 11.2% and 11.1% respectively**
- **ROIC of 12.2% above WACC of 11.8%**
- **Solid ROE of 21.8%**
- **Registered the DMTN program with the JSE, with the first bond issue of R850 million in March 2025**
- **Dividend declaration of 55 cents, a 10% growth compared to prior year**
- **Reduction in scope 1 and 2 carbon emissions**

“In a period where traditional car rental and vehicle sales faced mounting pressure, our Leasing, Subscription, and Greater Africa strategies delivered, helping grow earnings, improve margins, and continue investing for the long term. We achieved this through a stringent implementation of the operating model of financing right, buying right, using right and disposing right,” remarked Ganda

The leasing business segment delivered a solid performance, with revenue increasing by 5.6% to R1 414 million, underpinned by increased penetration within the corporate, heavy commercial fleet, and Greater Africa businesses. The heavy commercial segment remains a steady growth pillar for the Company, with a healthy order book. Our strategy has consistently improved results as we diversify our fleet mix and revenue streams. The heavy commercial segment’s fleet grew by 31% to contribute 15% to the leasing revenue. Greater Africa delivered a solid performance, with



revenue up 6% and operating profit up 15%, primarily driven by performances in Zambia, Namibia, and Lesotho.

Encouragingly, the rental days increased by 2.5%, primarily driven by a 49% rise in the short-term subscription business, following an improvement in technology that made transactions easier for customers. However, this was offset by a decline in the replacement and inbound segments. The compression on the replacement segment was driven by the low claims rate in the insurance industry, and the reduction in the number of insurance customers opting for car rental as an option. Lower damage incidents, shorter turnaround times on out-of-service fleets, and fleet optimisation per region resulted in a significant improvement in the fleet utilisation rate from 72% to 75%.

Strategic Execution & Outlook

Our strategy remains unchanged, and our key strategic pillars for growth remain intact. The bedrock of our growth pillars consists of the subscription business, the corporate leasing book, Greater Africa, and the used car business. These pillars provide us with access to vehicles, markets, and a disposal channel, which are core to our fundamentals, which remain strong despite the challenging trading environment.

“Our interim results reflect operational resilience and strong fundamentals, with the headwinds in the key focus regions, we will prioritise efficiencies to contain our operating costs below inflation. We are also implementing a multi-year efficiency programme that aligns with our portfolio review to enhance the performance of our services and improve branch profitability, Ganda concluded

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