

COMPANY ANNOUNCEMENT

The following is a company announcement issued by PG p.l.c. (C-78333) in terms of Capital Markets Rule 5.16.20 of the MFSA.

Date of Announcement:	19 December 2024
Ref.:	092/2024

APPROVAL OF INTERIM FINANCIAL STATEMENTS**QUOTE**

At its meeting held earlier today, 19 December 2024, the Board of Directors of PG p.l.c. (the “Company”) approved the Company’s unaudited financial statements and Interim Directors’ Report for the six months ended 31 October 2024.

A copy of these unaudited financial statements and Interim Directors’ Report are attached herewith and are also available for viewing at the registered office of the Company and on the Company’s website – www.pgggroup.com.mt.

UNQUOTE

By order of the Board.



Dr Emma Grech
Company Secretary

19 December 2024



HALF-YEARLY REPORT 2024-25



A member of PG Group

ZARA ZARAHOME



A member of PG Group

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Half-yearly directors' report

Trading performance

During the first six-month period ended 31 October 2024, the Group registered an increase in turnover of 0.5%.

The Group's emphasis during this period within the supermarket and associated retail segment remained focused on ensuring that it offers a competitively priced entry level product, across all major categories, even at the expense of margins. The sustained efforts made by the Group in this area are recognised by our clients, and this constitutes the main factor contributing to maintaining our turnover in line with the high levels also reported last year.

Growth was recorded in our franchise operations, with Zara and Zara Home sales recording an increase of 9.8% in turnover. These two brands have maintained their popularity with local consumers.

The pricing policy adopted by the Group inevitably had an impact on margins, and during the period under review the overall gross profit registered fell from 13.9% to 13.0%.

Profit before tax amounted to €9.3 million as compared to €10.1 million the previous year. After deducting taxation, the Group registered a profit after tax of €6.9 million compared to €7.2 million the previous year, a decrease of 3.6%.

Cash generated from operating activities amounted to €10.0 million, and at 31 October 2024 the Group's cash at bank, and marketable securities, exceeded its working capital overdraft by €15.0 million.

Future prospects

The Group is operating in an increasingly competitive commercial environment across all its operations. The supermarket retail segment has this last year seen new entrants and a number of new projects have been announced; while new shopping malls have opened, focused largely on clothing, that impact the group's franchise business.

In this environment, the results attained in the first six months of the financial year are encouraging. The Board notes that certain adverse factors remain, such as a broad economic outlook that reflects the high price inflation experienced over the recent two years; and the conflicts in Ukraine and the Middle East which remain a cause for great concern and further uncertainty. There are currently no indications, nevertheless, that recent performance levels will not be sustained in coming months.

In the meanwhile, the Group continues to invest for the longer term, and works have commenced on developing the substantial land site adjacent to Pavi that was acquired in 2022. The first phase of this development, which the group has committed to, relates to the construction of substructure warehousing, with overlying parking facilities.

Dividends

On the 26 November 2024, the Board of Directors resolved to distribute a net interim dividend of €2.75 million in respect of the first six months of this financial year ending 30 April 2025. These dividends were paid on 6 December 2024 to the ordinary shareholders registered on the books of the Group as at 29 November 2024.

On behalf of the Board



John Zarb
Chairman



Paul Gauci
Executive Vice-Chairman

Registered office:
PG Group Head Offices,
PAMA Shopping Village,
Valletta Road,
Mosta,
Malta

19 December 2024

Condensed consolidated statement of financial position

	As at 31 October	As at 30 April
	2024 €'000 (unaudited)	2024 €'000 (audited)
ASSETS		
Non-current assets	107,656	98,946
Current assets	29,165	33,381
Total assets	136,821	132,327
EQUITY AND LIABILITIES		
Total equity	71,184	68,739
Non-current liabilities	24,412	24,471
Current liabilities	41,225	39,117
Total liabilities	65,637	63,588
Total equity and liabilities	136,821	132,327

The notes on pages 7 to 9 are an integral part of this interim condensed consolidated financial information.

The condensed interim financial information on pages 3 to 10 were authorised for issue by the board of directors on 19 December 2024 and were signed on its behalf by:



John Zarb
Chairman



Paul Gauci
Executive Vice-Chairman

Condensed consolidated statement of comprehensive income

	Note	Six-months ended 31 October	
		2024 €'000 (unaudited)	2023 €'000 (unaudited)
Revenue		96,708	96,231
Gross profit		12,590	13,408
Operating profit		9,778	10,869
Finance income		423	37
Finance costs		(833)	(769)
Share of results of associates		(59)	(49)
Investment income		15	15
Profit before tax		9,324	10,103
Tax expense		(2,376)	(2,893)
Profit for the period		6,948	7,210
Earnings per share	4	€0.064	€0.067

The notes on pages 7 to 9 are an integral part of this interim condensed consolidated financial information.

Condensed consolidated statement of changes in equity

Group	Share capital €'000	Fair value reserve €'000	Retained earnings €'000	Total €'000
Balance at 1 May 2023	27,000	(12)	35,488	62,476
Comprehensive income				
Profit for the period	-	-	7,210	7,210
Other comprehensive income				
Fair value movement	-	(5)	-	(5)
Transactions with owners				
Dividends for the period	-	-	(4,500)	(4,500)
Balance at 31 October 2023	27,000	(17)	38,198	65,181
Balance at 1 May 2024	27,000	(42)	41,781	68,739
Comprehensive income				
Profit for the period	-	-	6,948	6,948
Other comprehensive income				
Fair value movement	-	(3)	-	(3)
Transactions with owners				
Dividends for the period	-	-	(4,500)	(4,500)
Balance at 31 October 2024	27,000	(45)	44,229	71,184

The notes on pages 7 to 9 are an integral part of this interim condensed consolidated financial information.

Condensed consolidated statement of cash flows

	Six-months ended 31 October	
	2024 €'000 (unaudited)	2023 €'000 (unaudited)
Net cash generated from operating activities	10,033	13,134
Net cash used in investing activities	(10,340)	(2,578)
Net cash used in financing activities	(4,702)	(6,286)
Movement in cash and cash equivalents	(5,009)	4,270
Cash and cash equivalents at beginning of period	6,291	9,094
Cash and cash equivalents at end of period	1,282	13,364

The notes on pages 7 to 9 are an integral part of this interim condensed consolidated financial information.

Notes to the half-yearly report

1. Basis of preparation

This report is being published pursuant to the terms of Chapter 5 of the Capital Markets Rules and the Prevention of Financial Markets Abuse Act 2005.

The financial information being published has been extracted from the PG Group's unaudited interim financial statements for the six months ended 31 October 2024, prepared in accordance with accounting standards adopted for use in the European Union for reported interim financial information (IAS 34 – Interim Financial Reporting). In terms of Capital Markets Rule 5.75.5, this interim report has not been audited by the Group's independent auditors.

2. Significant accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 30 April 2024.

Standards, interpretations and amendments to published standards effective during the reporting period

During the financial period under review, the Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1 May 2024.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these condensed consolidated interim financial statements, that are mandatory for the Group's accounting periods beginning after 1 May 2024. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Group's directors are of the opinion that there are no requirements that will have a possible significant impact on the Group's financial statements in the period of initial application.

3. Segmental information

The group's operations consist of the management of supermarket operations and associated retail operations, together with the operation, in Malta, of the Zara and Zara Home franchises (the franchise operations). These operations are carried out, predominantly, on the local market. An analysis by business segment of the group's turnover and operating profit for this reporting period is set out below:

Group	Supermarkets and associated retail operations €'000	Franchise operations €'000	Group €'000
Period ended 31 October 2024			
Revenue	97,530	18,190	115,720
Less: inter-segmental sales	(17,778)	(1,234)	(19,012)
	79,752	16,956	96,708
Segment results	7,251	2,527	9,778
Finance income			423
Finance costs			(833)
Share of associates results			(59)
Investment income			15
Profit before tax			9,324
Tax expense			(2,376)
Profit for the period			6,948
Period ended 31 October 2023			
Revenue	98,092	16,566	114,658
Less: inter-segmental sales	(17,298)	(1,129)	(18,427)
	80,794	15,437	96,231
Segment results	8,822	2,047	10,869
Finance income			37
Finance costs			(769)
Share of associates results			(49)
Investment income			15
Profit before tax			10,103
Tax expense			(2,893)
Profit for the period			7,210

4. Earnings per share

Earnings per share is based on the profit after taxation attributable to the ordinary shareholders of the company divided by the weighted average number of ordinary shares in issue during the period.

5. Related party transactions

The principal group transactions carried out with related parties during the period were as follows:

	Six-months ended 31 October	
	2024	2023
	€'000	€'000
Lease charge payable to associates	1,354	1,375

The group's balances with associates as at the end of the period are as follows:

	As at 31 October	As at 30 April
	2024	2024
	€'000	€'000
Current		
Net amounts owed to associates	(3,108)	(2,623)

Director's statement pursuant to Capital Markets Rule 5.75.3

I hereby confirm that to the best of my knowledge:

1. the condensed half-yearly report gives a true and fair view of the financial position of the group as at 31 October 2024, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34).
2. the interim directors' report includes a fair review of the information required in terms of Capital Markets Rules 5.81 to 5.84.



John Zarb
Chairman