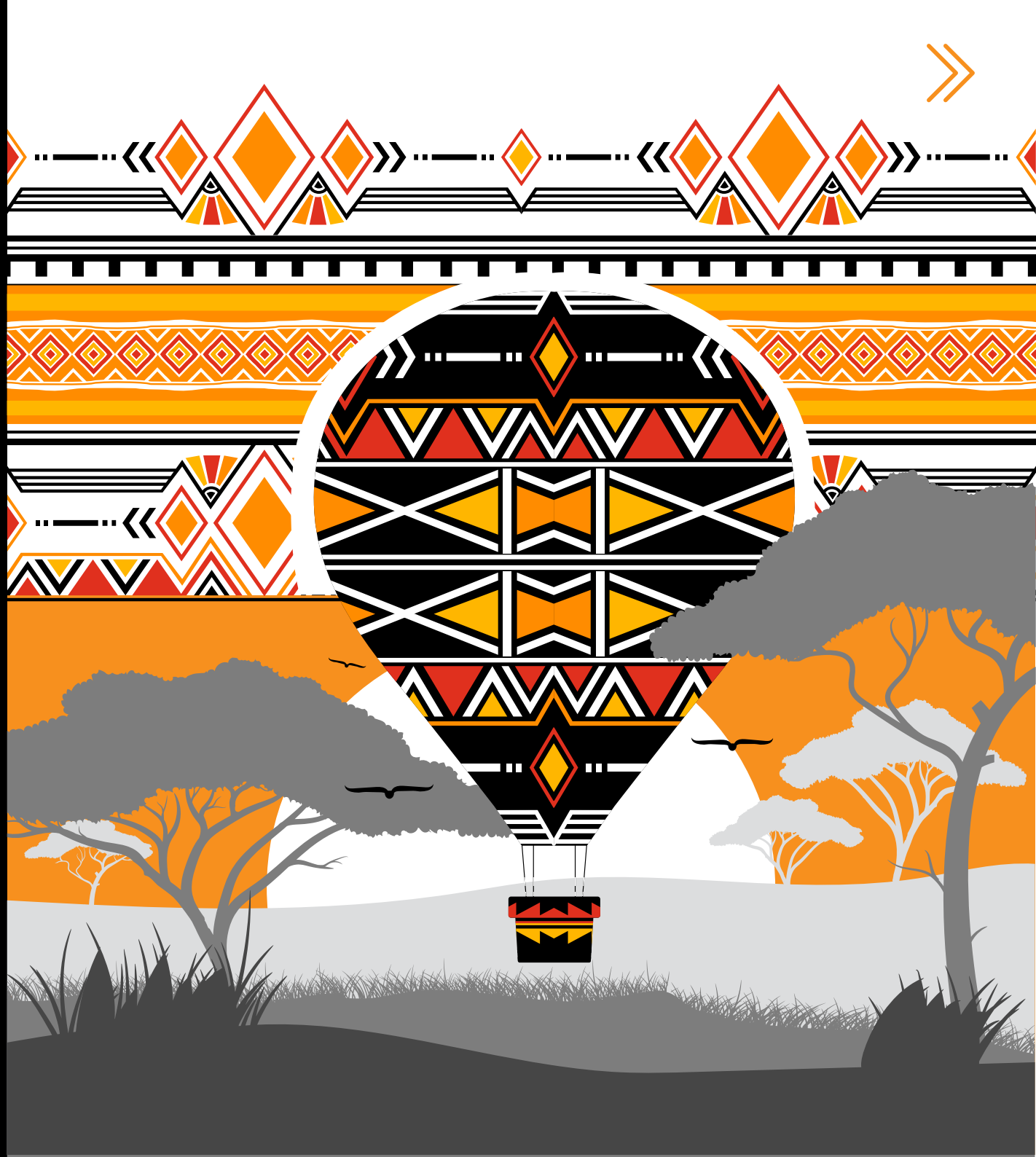




Africa Annual Review 2024

# FY24 reflections

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# FY24 reflections: Recognising significant achievements by our lines of service

## Performance summary

### Financial results

PwC Africa net revenues at FY24, constant rates in \$ '000s

Growth FY24	6.0% ↑	5.6% ↑	3.5% ↑	8.4% ↑	6.0% ↑
FY24	283,368	146,373	38,007	76,943	544,691
FY23	267,432	138,612	36,731	70,987	513,762
Africa LoS	Assurance	Consulting and Risk Services	Deals	Tax and Legal Services	Total LoS revenue

The year ended 30 June 2024 was marked by a challenging economic environment in most countries. Despite these difficulties, PwC Africa’s revenue was up 6% compared to the prior year, with varied performance across lines of service and territories. Currency volatility, rising inflation and the tough macroeconomic environment faced by clients and our business across territories were the main factors affecting performance. Despite these headwinds, our resilient teams remained focused on their purpose, delivering value and leveraging the strength of our brand.

We launched the South Africa Technology and Innovation Centre (SATIC) in July 2023, a joint venture between PwC SA and PwC UK. SATIC combines people and technology to create opportunities and address human needs. In its first year, SATIC employed over 120 people. By FY25, we aim to expand to 400 staff and broaden our services into East and West Africa and Europe. SATIC also tackles youth unemployment in South Africa with learnerships and youth development programmes, aiming for 1,000 employees by 2027.



### Assurance

#### Financial results

The Africa Core Assurance practice produced a robust financial performance in FY24, achieving an overall net revenue growth of 6.0%. Every aspect of our assurance services is meticulously designed to deliver the highest level of quality, ensuring that every opinion we sign is one you can trust.

#### Focus areas

##### Building trust in society

Trust in businesses and organisations is essential for a functioning society. Accurate financial reporting is a key pillar in building that trust. When we know that the numbers reported by organisations are accurate, fair and free from material misstatements, we can have confidence in them. A high-quality audit ensures that reporting can be trusted. As society’s expectations change and stakeholders’ demand for information evolves, building and maintaining trust remains at the very heart of our role as auditors. Through our deep technical knowledge, multidisciplinary expertise and cutting-edge technology, we ensure the quality, integrity and transparency of our work while continuing to build trust in what matters most.

##### Providing assurance over non-financial reporting

Organisations are now judged on more than just financial performance. Information on environmental, social and governance (ESG) considerations, regulation and technology is crucial in helping stakeholders understand the full enterprise value. Corporate reporting is the first port of call for many stakeholders, meaning non-financial reporting needs to be relevant, reliable and trusted. Stakeholders expect the same level of assurance as they do with financial statements. With formal assurance, you can demonstrate that you

meet the standards you claim, ensuring that investors, regulators and customers can trust your reporting.

#### ESG assurance

We combine ESG subject matter expertise with deep audit know-how to deliver robust assurance outcomes. The rapid development in new reporting requirements and challenges in obtaining the correct data are real but addressable. Our assurance opinions confirm whether ESG reporting is robust and fit for purpose. We provide assurance over a growing array of ESG measures such as sustainability and carbon reporting, diversity and inclusion reporting, social impact reporting, supply chain management reporting, green, social and sustainable financing and corporate governance.

#### Looking ahead

An emerging area of assurance is AI. AI technologies are transforming industries by introducing new capabilities and driving efficiencies. However, organisations can only realise the full potential of these opportunities if trust is built and managed from the outset. Our generative AI (genAI) assurance services focus on enhancing trust and transparency in controls over genAI data, modelling and validation. Regardless of where organisations are on their AI journey, strong governance will be integral to their control framework. As new and emerging business areas demand scrutiny, we can build assurance models to effectively scrutinise and challenge the data, metrics and controls established. When these areas require specific expertise, we call on subject matter experts from across PwC. These experts bring industry or technical knowledge to help us design the right assurance approach.

## Consulting and Risk Services

In FY24, we brought together our consulting, forensics, risk and broader assurance capabilities into a new line of service called Consulting and Risk Services (C&RS). This enables us to combine and integrate the full breadth of our capabilities in innovative and agile ways, allowing us to serve our clients better than ever before.

Our ambition is to be directly relevant and immersed in our clients' most pressing challenges and opportunities, particularly in the areas of sustainability, tech-led transformation and risk.

We believe organisations will need to fundamentally rethink their business models to meet the evolving expectations of their stakeholders from a climate perspective. Additionally, significant advancements in technology and AI pose both opportunities and threats, requiring decisive and clear-headed responses. Finally, executives must maintain trust with their stakeholders by ensuring their responses are responsible, sufficient and sustainable.



### Focus areas

We are aligning our investment and focus to help our clients deal with these complexities, build trust with their stakeholders and deliver sustained outcomes.

Most notably, we are enhancing our technology and AI capabilities, expanding our sustainability skills with a particular focus on climate risk, and broadening our risk transformation and modelling capabilities. In addition, we are bolstering our relationship with our Alliance partners, such as SAP, Oracle, Salesforce and Microsoft.

By combining our expertise and our Alliance partners' technology capabilities, we help our clients with their business transformation journeys and solve their most complex challenges.

### Looking ahead

In FY25, we will continue to focus on:

- Attracting smart, curious, agile people and helping them develop critical skills to build meaningful careers while serving our clients.
- Deepening and expanding our relationships with our clients.
- Collaborating with Alliance partners in a mutually beneficial manner.
- Co-creating compelling, integrated solutions with our Alliance partners and clients.

By doing this consistently, we will help our clients evolve their business models and thrive. We are leading the way and have evolved our own business model to focus our collective efforts on our clients' most pressing needs. These changes have enabled us to deliver on our purpose—to build trust and solve complex problems, as illustrated through the case studies below.



## Case studies

### Case study 1: Transforming financial services through a 'Fit for Growth and Intelligent Hyperautomation' initiative.

#### Background

PwC assisted a financial services provider in South Africa with a 'Fit for Growth and Intelligent Hyperautomation' initiative aimed at unlocking the following levers to achieve revenue uplift of between R400 million and R800 million:

- Reimagining the relationship and coverage model
- Enhancing the sales and service value chain
  - Through intelligent hyperautomation, to increase frontline capacity and improve the client experience
- Accelerating centralised servicing
  - Through a virtual desk.

#### How we delivered

##### Understanding costs and revenue levers

- We analysed the unit cost to sell and serve and the marginal cost to sell and serve, identifying the fixed and variable cost bases. We benchmarked these metrics within a South African and global context, considering the client's three-year plan.
- We conducted a high-level benchmark of the current spending base (fully allocated) for the channel business, identifying value at stake on a top-down basis.
- We identified and defined value extraction opportunities from the back and middle office.
- We detected duplication and overlaps within the channel business and other parts of the organisation.
- We identified opportunities for value extraction.

##### Coverage model development

- We developed a coverage model based on analysis to guide the go-to-market strategy.

##### Organisational structure optimisation


- We assessed and optimised management layers and organisational structure to right-size and remove

duplicate spans and layers across the organisation, focusing on geographic duplication.

#### Business process modernisation

- We evaluated and redesigned sales and service value chain processes to identify business and technology modernisation opportunities, enabling a release of frontline capacity and enhancing client experience through capabilities driven by intelligent hyperautomation.

#### Sustained outcome

- By unlocking a potential revenue uplift of R400m to R800m, the financial services provider can achieve more robust financial performance and create value for stakeholders.
  - By reimagining the relationship and coverage model and enhancing the sales and service value chain, the financial services provider can provide a superior client experience, likely resulting in higher customer satisfaction and retention rates.
  - Through process redesign and intelligent hyperautomation, the financial services provider can achieve increased frontline capacity and optimise operations, reduce costs and improve service delivery.
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### Case study 2: Empowering telecommunications through AI

#### Background

In the past year, PwC Nigeria has supported a leading telecoms company in establishing and running its AI centre of excellence to leverage AI to enhance business processes, improve operational efficiency and drive innovation.

#### How we delivered

The initiative embarked on several key projects to address various business challenges and opportunities by introducing an AI delivery framework covering the

design of the AI centre of excellence structure and people capabilities, setting up processes, and defining the required infrastructure for AI development and deployment.

#### Key projects and initiatives


- Radio congestion optimisation
- Sourcing AI agent
- AI fraud detection
- Enterprise business product recommendation
- Digital loyalty and campaign management
- GenAI for employee efficiency.

#### Knowledge bases

- Human capital FAQ
- Project management office
- Social network predictive analysis
- AIOps (capacity forecasting).

#### Sustained outcome

The initiatives have led to substantial advancements in AI-driven solutions, significantly improving business processes and operational efficiency. The successful completion of critical projects like radio congestion optimisation and the HR chatbot demonstrates the potential of AI to transform business operations. Ongoing projects like the Sourcing AI agent and AI fraud detection are on track to further enhance capabilities and deliver value. The initiative continues to address challenges and leverage AI to drive innovation, ensuring sustained progress and impact across various business domains.





The page features a vibrant orange background with a large, stylized black silhouette of an acacia tree on the right side. A bright yellow sun is partially obscured by the tree's branches. In the upper right, a hot air balloon with a geometric pattern is visible. The top of the page is decorated with a black border containing a repeating pattern of white and orange geometric shapes. The bottom of the page has a grey band with a stylized grass texture.

## Tax and Legal Services

### Focus areas

There was strong growth in our Africa Tax and Legal Services businesses during the financial year. There was year-on-year growth across all regions in Africa, with the Deals Tax network, the International Tax network and the Tax Controversy and Dispute Resolution practice showing particularly strong performance. Year-on-year, revenue grew in excess of 8%. We intend to remain the most trusted, relevant and dominant tax services provider in Africa.

We seek to differentiate ourselves by building the strongest client delivery teams and working cohesively across countries, regions and specialisms to solve our clients' problems, ensuring they are well-positioned to thrive. Towards the end of the financial year, we held a tax policy conference, joined by government representatives, academics, clients and PwC partners from across the continent, to discuss the challenges of developing tax policy in the African context for the benefit of society. We also hosted several other client events across our three market areas—East, West and South—including country-specific fiscal budget events and specialism master classes on topics such as Transfer Pricing and Pillar Two global minimum tax regulations.

We continue to develop all our people on the continent to ensure they have the skills to deliver sustained outcomes for our clients. The development of these skills goes beyond the core tax technical skills and now includes training our 1,000 tax and legal staff on the latest digital technologies as we change how we deliver and what we deliver. Building a sustainable business means placing quality at the forefront of everything we do. In FY24, we rolled out our Global Tax Code of Conduct, which sets out what we do, who we act for and how we act as we provide clients with objective and high-quality tax advice.

### Looking ahead

As we move into FY25, we have a clear strategy, primarily focusing on connected tax compliance across Africa. We are leveraging our digital tools to provide our clients with a comprehensive compliance solution. This extends beyond the preparation of tax returns to support clients in extracting data from their systems, harnessing it to meet tax authority requirements and providing insights into their data to manage any queries raised by tax authorities. We will achieve this with our connected teams across the continent, ensuring that our clients' data and insights are seamlessly integrated.

## Deals

### Focus areas

Our Deals practice's strategy is focused on being the most trusted and relevant Deal advisor in Africa, advising our clients and other stakeholders to realise value before, during and after their transactions. We deliver differentiated insights through best-in-class technology to distinguish ourselves from our competitors.

The Deals team delivered a credible performance in FY24, as all three of our market areas faced challenging market conditions stemming from continued higher interest rates and macroeconomic uncertainty.

West Market Area (WMA) delivered a standout performance for the year, with excellent growth and high profitability. Both the Nigerian and Ghanaian practices delivered outstanding results.

### Looking ahead

The focus areas for Deals as we look to FY25 are:

- **Clients:** The successful execution of our strategy relies on relentless client focus, building client relationships and accelerating demand generation and origination. Initiatives include working on and contributing to the firm's various priority account programmes.
- **Digital:** To deliver differentiated insights efficiently on our projects requires accelerated best-in-class technology investment. We will focus on the rollout of:
  - Connected Deals Experience (CDE): A comprehensive project management platform that integrates essential tools like MS365, MS Teams, Junction, Workbench, SaveIT and DealsIQ, enhancing the efficiency and quality of Deals delivery.
  - AI and Deals data strategy: Enabled by the CDE ecosystem, genAI is leveraged to unlock project insights and draft client deliverables. Global Deals teams are piloting other AI initiatives to inform investment decisions.
  - Junction Next: This is where we connect with our clients. Not simply a replacement for PowerPoint, PDF, and Power BI reports, Junction Next brings together people, data and technology (including genAI based on GPT-4) in one seamless platform to deliver quality outcomes for every deal.
- **Investments in Deals:** Deals has invested in new services and skilled resources over the past few years. The focus is on increased market traction for these investments to realise a return on our investments. We have also identified investment areas in the East Market Area (EMA) and WMA on which the teams in these market areas will focus.
- **People:** Our market across the African continent is skills constrained. We need to offer a world-class employee value proposition and a clear career path to succeed. Succession across our business requires continued attention.

### Case studies – Deals

#### Case study: Renaissance Africa Energy's acquisition of SPDC

The PwC Nigeria Deals and Tax team's holistic advisory support enabled Renaissance Africa Energy Company Limited (Renaissance) to be selected as the preferred bidder for the acquisition of the largest oil and gas company in Africa—The Shell Petroleum Development Company of Nigeria Limited (SPDC).

#### Background

PwC was awarded the buy-side mandate to advise Renaissance on the acquisition of up to 100% shareholding of SPDC. PwC acted as a mergers and acquisitions (M&A)/financial and tax advisor on all aspects of this landmark transaction. The consideration payable to Shell as part of the transaction is \$1.3bn. The buyer will make an additional cash payment of up to \$1.1bn, subject to regulatory approvals.

#### How we delivered

PwC's Deals team provided tailored financial advisory services to Renaissance, involving buy-side financial advisory and due diligence services. M&A support on the transaction included strategic advice, stakeholder engagement, structuring advice and project management. The due diligence services included financial, tax, human resources, and environmental, social and governance diligence services.

#### Sustained outcome

Given our industry knowledge, our PwC team used the insights gained through the due diligence process to successfully advise Renaissance and be selected as the preferred bidder in a competitive process. The share purchase agreement (SPA) was signed on 15 January 2024. Following the successful delivery of the initial mandate, PwC has been engaged to provide post-SPA advisory services to the client during the transition phase to ensure business continuity after handover.



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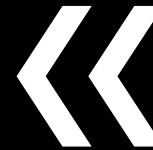
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**pwc**

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