

# Creating Opportunities Growing People Unlocking Potential



## Interim financial results for the half-year ended December 31 2015

Revenue:

**7,9% increase  
to N\$1,8 billion**

Trading profit:

**32,5% decrease  
to N\$118,9 million**

Headline earnings per share:

**10,8% decrease  
to 44,2 cents**

Earnings per share:

**7,2% decrease  
to 46,1 cents**

Dividends per share:

**9,1% decrease  
to 20 cents**

### Commentary

#### Financial performance

Bidvest Namibia is reporting a less favourable result than expected. Although revenue increased by 7,9% to N\$1,8 billion, trading profit has decreased by 32,5% to N\$118,9 million. The increase in revenue is mainly due to the acquisition of Novel Motor Company, which has added N\$350 million to revenue. The Commercial and Industrial Products and Services division also increased revenue by 9,4%.

The Fishing industry is still facing challenges, whilst the Food and Distribution has started to turn around, however this is not yet evident in the profit. Unfortunately the Freight division was unable to secure any large projects during the period which is reflected in an 80,3% decline in trading profit.

The main constituent of trading profit remains the Fishing division (56%). The decline in trading profit was primarily due to horse mackerel quota shortages following a smaller initial allocation. The tons of horse mackerel sold decreased by 42%, compared to the previous period, while hard currency prices also fell by 18,8%. The exchange rate benefits helped to offset the lower volumes. Poor pilchard catches in the 2015 season, slow pilchard sales, reduced horse mackerel tonnages and vessel breakdowns in Angola all had a negative impact on results in this division.

The level of project activity in the Freight division is not expected to change significantly in the foreseeable future and structural changes will now be made in the division to align cost structures and focus on areas of greater potential.

Food and Distribution performed on par with the previous period, however, this includes a N\$7 million settlement received from the Namibian Poultry Industry regarding a cancellation of a distribution agreement was settled. The division is still facing current economic difficulties. Margins have however increased which raises hope for a more prosperous future.

Commercial and Industrial Products and Services is in line with the prior year. The lack of rain in the north of the country can be felt in consumer spending in all areas. The performance of Voltex remains a concern.

In the Automotive division, the newly acquired Novel Motor Company, brings diversification to the existing portfolio. It is smoothly aligning itself to the Bidvest Namibia group structure, contributing 17% of the group trading profit.

Cash resources have decreased mainly due to the acquisition of Novel Motor Company and a 40% shareholding in a food distribution company in Mozambique.

#### Prospects

The Fishing division continues to face challenges regarding horse mackerel quotas and do not have access to enough quota to fully utilise its catching capacity. The division is also in advanced stages with a feasibility study for shore-based processing. The main focus and challenge for management continues to be creating sustainable access to quotas.

The Freight division will focus on streamlining its businesses to a more compact and effective operation.

We are convinced that despite all barriers we are faced with, there remains untapped opportunities. The real challenge lies in exploiting them.

For and on behalf of the board

**L Ralphs**  
Chairman

**S Kankondi**  
Chief executive

#### Dividend declaration

Notice is hereby given that an interim cash dividend of 20 cents per share, has been awarded to members recorded in the register of the company at the close of business on Friday, March 11 2016. Shareholders are advised that the last day to trade "CUM" the distribution will be Friday, March 4 2016. The shares will trade "EX" the distribution as from Monday, March 7 2016. Payment will be made on Wednesday, March 30 2016.

For and on behalf of the board

**V Hocutt**  
Company secretary

Windhoek, February 26 2016

#### Analyst presentation

The presentation to investors will be available on the Bidvest Namibia website from 10:00 on February 29 2016.

#### Directors

(all executive unless stated otherwise) Lindsay Ralphs\*\* (Chairman), Brian Joffer\*\* (resigned November 25 2015), Sebulon Inotila Kankondi (CEO), Jan Arnold, David Edward Cleasby\*\*, Birgit Eimbeck\*\* (resigned November 25 2015), Jerome D Davis\*\* (appointed December 1 2015), Martina Kebitsemang Mokgatlhe-Aukhumes\*\*, Hans-Harald Müsseler\*\*, Martin Kaali Shipanga\*\*, Pieter Christiaan Steyn\*\*, Theresa Weitz

\*\*Non-executive \*Independent \*\*South African

#### Sponsor and corporate advisor

PSG Wealth Management Namibia (Proprietary) Limited – Member of the Namibian Stock Exchange

Share code: BVN

ISIN: NAO00A0Q5TNO



Further detailed information regarding our group can be found on the Bidvest Namibia website:

[www.bidvestnamibia.com.na](http://www.bidvestnamibia.com.na)

### Consolidated statements of comprehensive income

N\$'000	Half-year ended December 31		2014 Unaudited	2015 Audited	% Change
	2015 Unaudited	2014 Unaudited			
Revenue	1 842 734	1 707 813		3 534 769	7,9
Cost of sales	(1 529 825)	(1 362 862)		(2 782 517)	
Gross profit	312 909	344 951	(9,3)	752 252	
Other income	14 824	11 024	34,5	17 252	
Operating expenses	(208 792)	(179 637)	16,2	(359 849)	
Trading profit	118 941	176 338	(32,5)	409 655	
Net capital items	2 565	83		102 267	
Operating profit	121 506	176 421	(31,1)	511 922	
Net finance income	10 380	8 494		27 111	
Finance income	19 162	10 235		30 275	
Finance charges	(8 782)	(1 741)		(3 164)	
Share of joint venture	1 920	3 284		3 565	
Share of associate	6 176	–	100,0	2 391	
Profit before taxation	139 982	188 199	(25,6)	544 989	
Taxation	(26 830)	(53 357)		(132 523)	
Profit for the period	113 152	134 842	(16,1)	412 466	
Other comprehensive income					
Actuarial loss on valuation of post-retirement medical obligation	–	–		409	
Movement on translation of foreign subsidiary	28 500	8 584		11 986	
Total comprehensive income	141 652	143 426	(1,2)	424 861	
Profit attributable to:					
Shareholders of the Company	97 721	105 246	(7,1)	289 236	
Non-controlling interest	15 431	29 596		123 230	
	113 152	134 842	(16,1)	412 466	
Comprehensive income attributable to:					
Shareholders of the company	111 686	113 350	(1,5)	295 518	
Non-controlling interest	29 966	30 076		129 343	
	141 652	143 426	(1,2)	424 861	
Shares in issue					
Total ('000)	211 953	211 953		211 953	
Weighted ('000)	211 953	211 953		211 953	
Basic earnings per share (cents)	46,1	49,7	(7,2)	136,5	
Headline earnings per share (cents)	44,2	49,6	(10,8)	103,2	
Dividend per share (cents)	20,0	22,0	(9,1)	56,0	
Headline earnings	93 764	105 163	(10,8)	218 777	

### Consolidated statements of cash flows

N\$'000	Half-year ended December 31		2014 Unaudited	2015 Audited
	2015 Unaudited	2014 Unaudited		
Cash flows from operating activities	(58 218)	36 540		206 006
Operating profit (including dividends received from investments)	121 506	176 421		511 922
Depreciation, amortisation and impairment charges	38 177	35 789		71 839
Other non-cash items	3 091	3 049		(104 649)
Cash generated by operations before changes in working capital	162 774	215 259		479 112
Changes in working capital	(60 322)	28 403		66 704
Cash generated by operations	102 452	243 662		545 816
Net finance income received	10 380	8 494		27 111
Taxation paid	(58 471)	(68 441)		(154 171)
Dividends paid to equity holders of the company	(72 064)	(82 662)		(129 291)
Dividends paid to non-controlling interest	(40 515)	(64 513)		(83 459)
Cash effects of investment activities	(400 008)	(45 675)		(96 453)
Net additions to property, plant and equipment	(79 296)	(45 522)		(95 249)
Net additions to intangible assets	(25 131)	(153)		(1 204)
Net acquisition of subsidiaries, businesses, associates and investments	(295 581)	–		–
Cash effects of financing activities	–	–		(704)
Borrowings raised	–	–		989
Loan	–	–		(1 693)
Net (decrease)/increase in cash and cash equivalents	(458 226)	(9 135)		108 849
Net cash and cash equivalents at the beginning of the period	891 033	780 139		780 139
Exchange rate adjustment	6 700	254		2 045
Net cash and cash equivalents at the end of the period	439 507	771 258		891 033
Net cash equivalents are made up as follows:				
Cash on hand and in the bank	483 569	799 494		908 363
Overdrafts	(44 062)	(28 236)		(17 330)
	439 507	771 258		891 033

### Consolidated statements of changes in equity

N\$'000	December 31		2015 Audited
	2015 Unaudited	2014 Unaudited	
Equity attributable to shareholders of the company			
Share capital	2 120	2 120	2 120
Balance at the beginning of the period	2 120	2 120	2 120
Share premium	660 272	660 272	660 272
Balance at the beginning of the period	660 272	660 272	660 272
Foreign currency translation reserve	33 875	18 242	19 910
Balance at the beginning of the period	19 910	14 037	14 037
Arising during the current period	13 965	4 205	5 873
BEE share-based payment reserve	16 988	16 988	16 988
Balance at the beginning of the period	16 988	16 988	16 988
Share-based payment reserve	3 224	2 072	2 200
Balance at the beginning of the period	2 200	1 443	1 443
Arising during the current period	1 024	629	757
Retained earnings	1 089 455	936 289	1 074 059
Balance at the beginning of the period	1 074 059	913 705	913 705
Attributable profit	97 721	105 246	289 236
Actuarial profit/(loss) on valuation of post retirement medical obligation	–	–	409
Transfer of reserves as a result of changes in shareholding of subsidiaries	(10 261)	–	–
Dividends declared and paid	(72 064)	(82 662)	(129 291)
	1 805 934	1 635 983	1 775 549
Equity attributable to non-controlling interest			
Balance at the beginning of the period	502 481	456 596	456 597
Attributable profit	15 431	29 596	123 230
Dividends paid	(40 515)	(64 513)	(83 459)
Movement in foreign currency translation reserve	14 535	4 379	6 113
Transfer of reserves as a result of changes in shareholding of subsidiaries	10 261	–	–
Acquisition of non-controlling interest without change in control	(70 402)	–	–
	431 791	426 058	502 481
Total equity	2 237 725	2 062 041	2 278 030

### Consolidated statements of financial position

N\$'000	December 31		2015 Audited
	2015 Unaudited	2014 Unaudited	
ASSETS			
Non-current assets	1 422 984	1 018 940	1 108 244
Property, plant and equipment	925 437	861 417	828 668
Intangible assets	53 149	29 157	27 721
Goodwill	250 861	118 917	118 918
Interest in joint venture	1	1	1 299
Interest in associates	79 035	–	3 203
Long-term lease receivables	–	–	143
Other financial assets	12 716	–	12 714
Deferred tax asset	10 170	9 448	11 236
Loan receivable	91 615	–	104 342
Current assets	1 631 090	1 790 984	1 916 335
Inventories	555 941	445 206	432 002
Biological assets	3 172	2 938	4 064
Short-term portion of lease receivables	26 536	10 385	3 557
Trade and other receivables	557 276	531 548	546 409
Cash and cash equivalents	483 569	799 494	908 363
Current tax assets	4 596	1 413	6 650
Assets classified as held for sale	–	–	15 290
Total assets	3 054 074	2 809 924	3 024 579
EQUITY AND LIABILITIES			
Capital and reserves	2 237 725	2 062 041	2 278 030
Attributable to equity holders of the company	1 805 934	1 635 983	1 775 549
Non-controlling interest in equity	431 791	426 058	502 481
Non-current liabilities	202 657	219 416	220 459
Deferred tax liability	175 942	195 061	203 646
Post-employment obligations	13 049	13 009	15 820
Operating lease liability	120	629	850
Long-term portion finance lease liability	–	–	143
Long-term portion of trade and other payables	13 546	10 717	–
Current liabilities	613 692	528 467	526 090
Trade and other payables	420 031	486 063	503 885
Short-term portion of finance lease liability	1 714	5 316	3 557
Taxation	2 215	8 852	329
Short-term portion of borrowings	189 732	28 236	18 319
Total equity and liabilities	3 054 074	2 809 924	3 024 579
Number of shares in issue	211 953	211 953	211 953
Net tangible asset value per share (cents)	709	702	769
Net asset value per share (cents)	852	772	838

### Segmental analysis

N\$'000	Half-year ended December 31		2014 Unaudited	% Change	2015 Audited
	2015 Unaudited	2014 Unaudited			
Revenue					
Fishing	479 124	677 255	(29,3)	1 505 754	
Freight and Logistics	141 962	152 888	(7,1)	368 467	
Food and Distribution	625 523	653 521	(4,3)	1 193 985	
Commercial and Industrial products and services	238 418	217 887	9,4	452 903	
Automotive	350 391	–	100,0	–	
Corporate Services	7 316	6 262	16,8	13 660	
	1 842 734	1 707 813	7,9	3 534 769	
Trading profit					
Fishing	66 853	127 519	(47,6)	339 516	
Freight and Logistics	4 312	21 921	(80,3)	35 845	
Food and Distribution	16 287	15 199	7,2	9 555	
Commercial and Industrial products and services	13 538	13 611	(0,5)	28 370	
Automotive	20 265	–	100,0	–	
Corporate Services	(2 314)	(1 912)	(21,0)	(3 631)	
	118 941	176 338	(32,5)	409 655	

#### Note 1 – Reporting entity

Bidvest Namibia Limited is a company incorporated in the Republic of Namibia. The condensed consolidated financial statements of the company as at and for the half-year ended December 31 2015 comprise the company and its subsidiaries (together referred to as "Bidvest