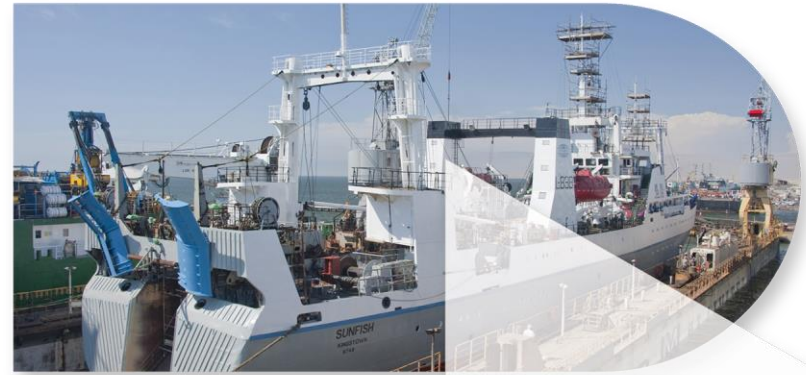


# Results for the year ended June 30 2016

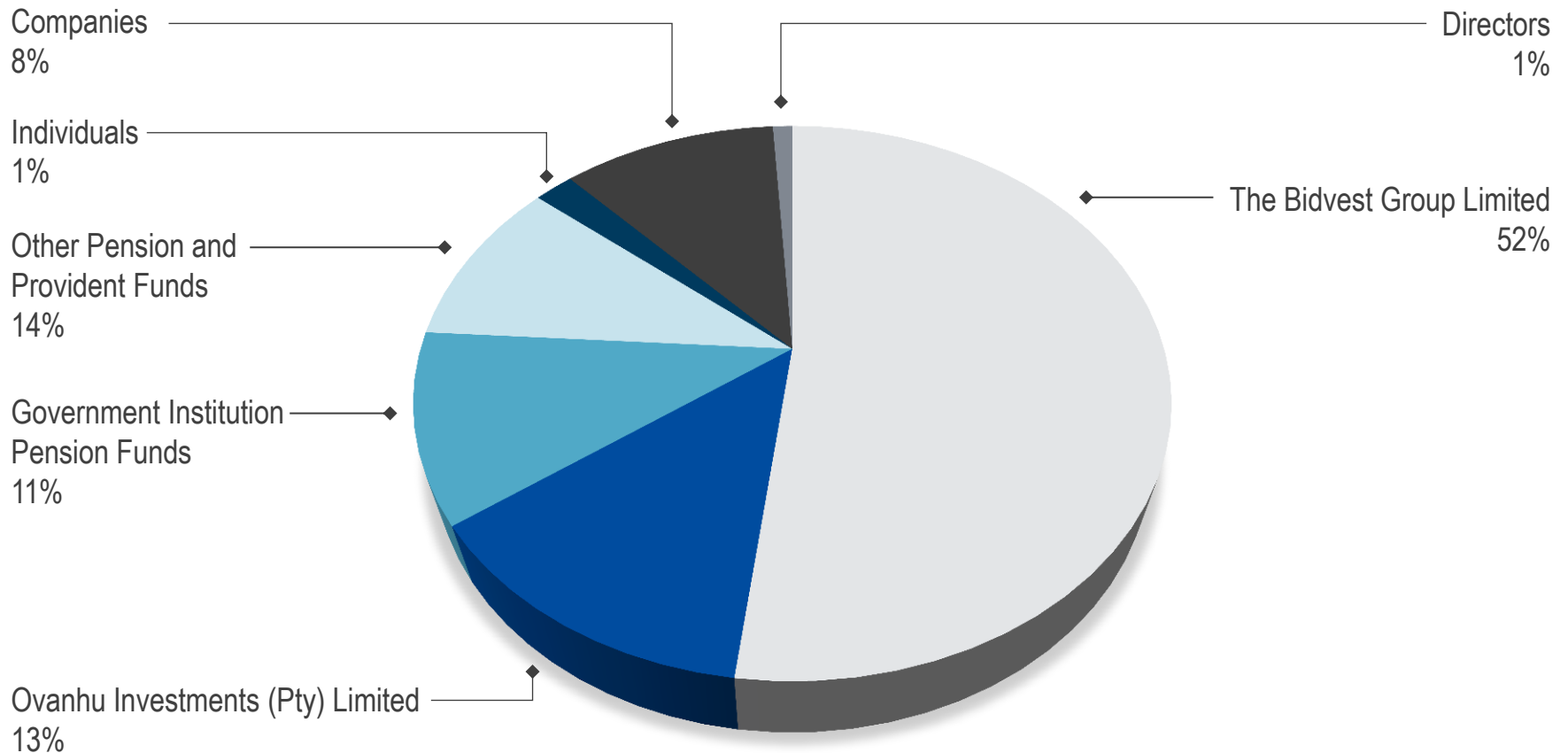
*Presentation to Investors and Analysts*

August 2016



# INTRODUCTION AND BUSINESS OVERVIEW

Bidvest Namibia listed on 26 October 2009 on the Namibian Stock exchange. Our shareholding is split as follows

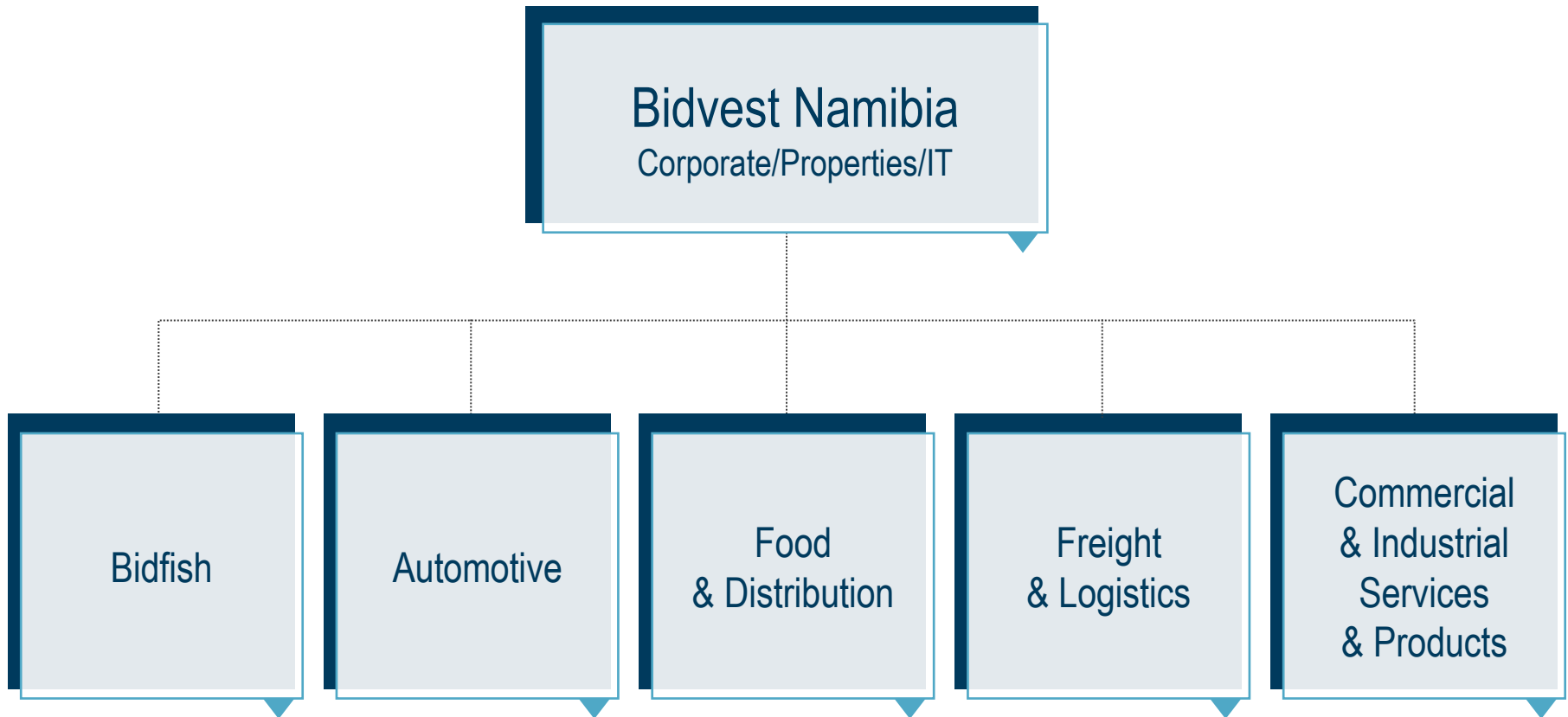


# MAIN HIGHLIGHTS - 2016



- Financial results disappointing given challenges faced in the Fishing, Freight & Logistics industries and Voltex
- Employment number decreased from 3319 to 2732 (2 vessels sold, less seasonal workers at UFE)
- Bidfish do not have enough own quota and additional quota is bought at a high cost; horse mackerel sales prices fell significantly due to over supply to traditional markets
- Freight & Logistics lacked project activity during the year
- Food & Distribution reflected a turnaround towards the latter half of the year which is not enough to overcome the obstacles in the first half year; N\$7 million settlement received from NPI
- BVN acquired Novel Motor Company for N\$ 238,8 million effective July 31 2015
- BVN acquired 49% shareholding in Namibia Bureau de Change effective July 16 2015 for N\$ 8,5 million
- BVN acquired 40% shareholding in Industria Alimentar Carnes de Mozambique, a distribution company in Mozambique for N\$61,9 million

# BUSINESS OVERVIEW



# FINANCIAL REVIEW



# THE KEY 2016 NUMBERS

## REVENUE



9,2% to NAD3,9bn

## TRADING PROFIT



28,0% to NAD294,9m

## EPS (cps)



36,2% to 86,9cps

## HEPS (cps)



16,5% to 86,2cps

## DIVIDEND (cps)



32% to 38cps

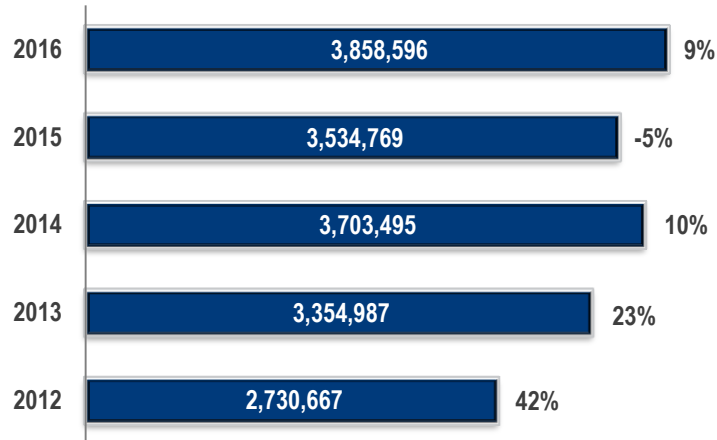
## NET TANGIBLE ASSET VALUE (cps)



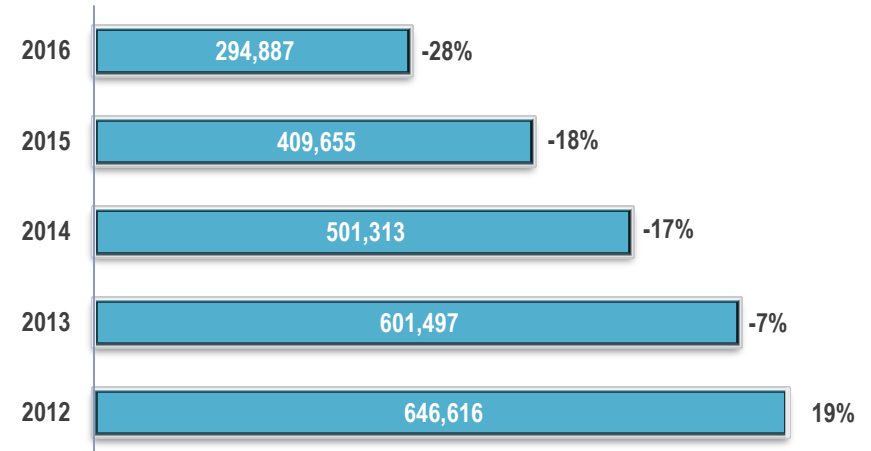
4,6% to 734cps

# GROWTH OVER THE PAST 5 YEARS

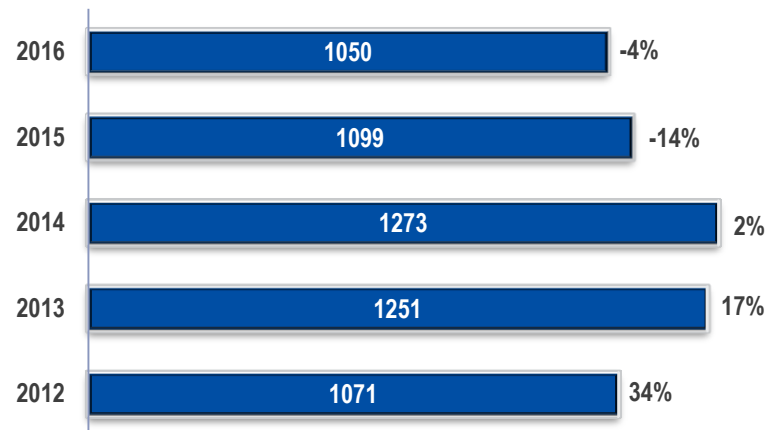
## Revenue growth



## Trading profit growth



## Share price growth



# FINANCIAL OVERVIEW

- Bidvest Namibia delivered disappointing results given the difficulties that were faced in the Fishing and Freight & Logistics divisions and Voltex
- Fishing's trading profit decreased by 41,8%. Our Angolan business struggled with vessel breakdowns, UFE made losses due to pressure on pilchard resource (canning factory not opened in 2016) and the horse mackerel business decreased in size (36,2% drop in volumes: Trachurus partners exited, Carapau JV), as well as a 21% drop in hard currency prices. The average exchange rate had a 26,1% positive impact on revenue, but had same impact in some USD denominated costs
- Freight & Logistics trading profit decreased by 66,9% due to low project activity during the year
- Trading profits in Food and Distribution increased by 104,6%, N\$7 million of which was attributable to the cancelled NPI contract; if excluded the trading profit increased by 31,3%
- The Commercial and Industrial Services and Products division declined by 19,3%, mainly due to Voltex which needs significant focus
- Three acquisitions were made during the current financial year, using cash resources which have added diversity and greater opportunities for the market.



# FINANCIALS

## - CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME



Year ended June 30 2016

**Note:** IFRS compliant

	<b>Audited</b>	Audited		%
NAD000's	<b>2016</b>	2015		Change
Revenue	<b>3 858 596</b>	3 534 769	↑	9,2%
Gross profit	<b>731 461</b>	752 252	↓	2,8%
Gross profit margin %	<b>18,9%</b>	21,3%		
Other income	<b>12 802</b>	17 252	↓	25,8%
Trading profit	<b>294 887</b>	409 655	↓	28,0%
Trading profit %	<b>7,6%</b>	11,6%		

- Revenue increased mainly as a result of the added revenue by the Automotive division. Without it, the revenue would reflect a decrease of 12.2%
- Rates of exchange came in at an average of US\$1 = N\$14,39 vs US\$1 = N\$11,41 in 2015
- Other income includes N\$7 million settlement received from NPI in Food & Distribution. (PY figure include dividends received on listing funds, which were fully utilized in July 2015 for acquisitions.

# FINANCIALS

## - CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME



Year ended June 30 2016

**Note:** IFRS compliant

	<b>Audited</b>	Audited		%
NAD000's	<b>2016</b>	2015		Change
Profit before tax	<b>323 362</b>	544 989	↓	40,7%
Taxation	<b>(88 248)</b>	(132 523)	↓	33,4%
Profit for the year	<b>235 114</b>	412 466	↓	43,0%
Profit attributable to non-controlling interest	<b>50 892</b>	123 230	↓	58,7%
Profit attributable to shareholders of the company	<b>184 222</b>	289 236	↓	36,3%
Headline earnings	<b>182 616</b>	218 777	↓	16,5%
HEPS (cps)	<b>86,2</b>	103,2	↓	16,5%
Dividends (cps)	<b>38,0</b>	56,0	↓	32,1%

- The Profit attributable to non-controlling interest decreased significantly with the exit of the Trachurus partners, reduced profits in the fishing division.

# FINANCIALS

## - CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



Year ended June 30 2016

**Note:** IFRS compliant

%  
Change

%  
Change

NAD000's

**2016 H2**

2015 H2

**2016 H1**

2015 H1

Attributable profit

**86 501**

183 991 ↓

53,0%

**97 721**

105 245 ↓

7,1%

# FINANCIALS

## - CONSOLIDATED STATEMENT OF FINANCIAL POSITION



Year ended June 30 2016

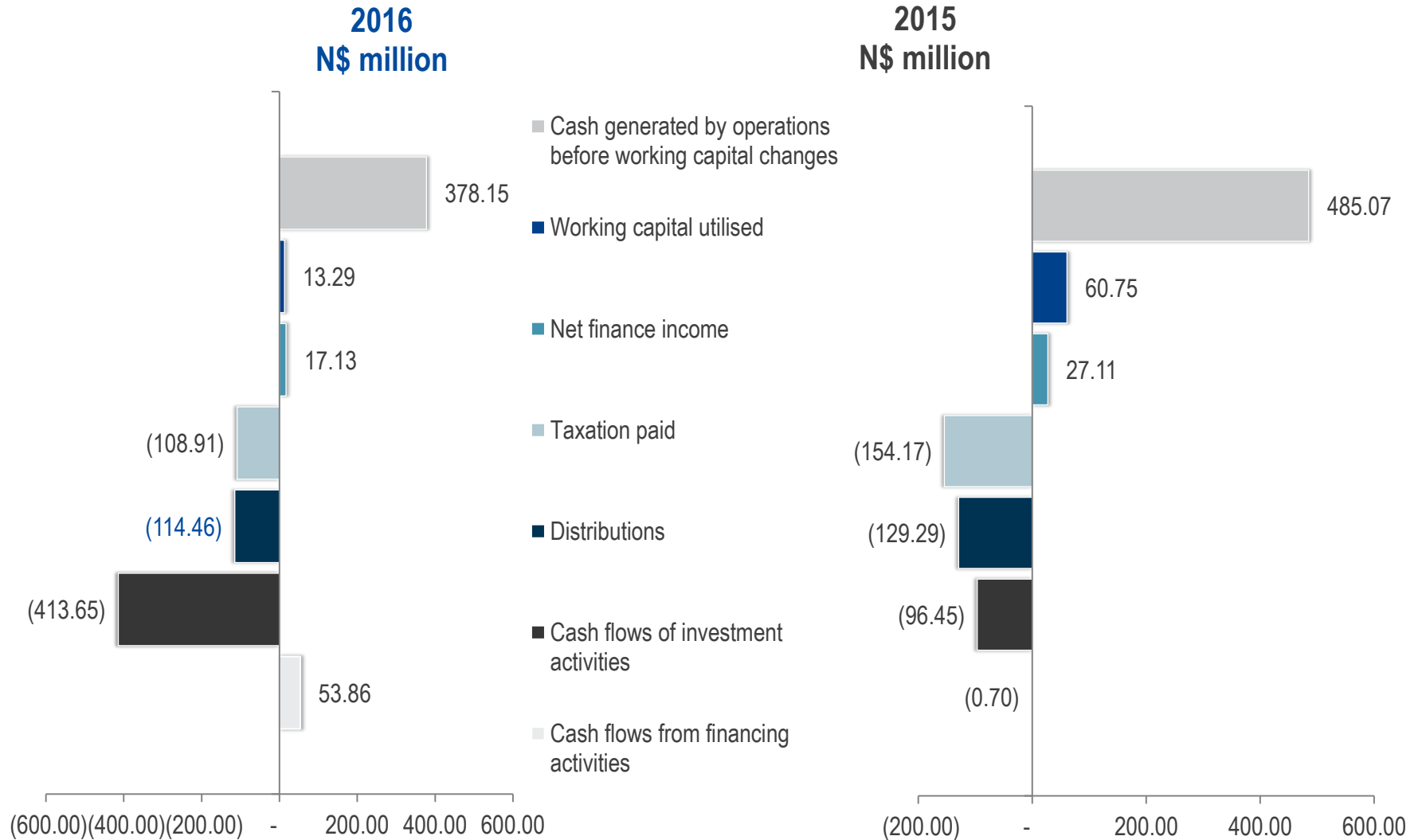
**Note:** IFRS compliant

	<b>Audited</b>	Audited		%
NAD000's	<b>2016</b>	2015		Change
Non-current assets	<b>1 315 698</b>	1 108 244	↑	18,7%
Current assets	<b>1 844 326</b>	1 916 335	↓	3,8%
<b>Total assets</b>	<b>3 160 024</b>	<b>3 024 579</b>	↑	<b>4,5%</b>
Capital and reserves	<b>2 303 911</b>	2 278 030	↑	1,1%
Non-current liabilities	<b>205 450</b>	220 459	↓	6,8%
Current liabilities	<b>650 663</b>	526 090	↑	23,7%
<b>Total equity and liabilities</b>	<b>3 160 024</b>	<b>3 024 579</b>	↑	<b>4,5%</b>
<b>Current assets/current liabilities</b>	<b>2,8</b>	3,6		

- Current ratio still reflecting strong liquidity

# FINANCIALS

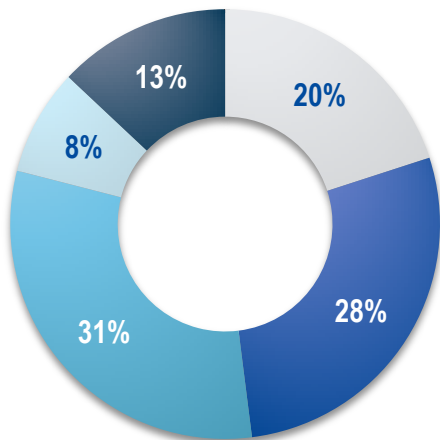
## - CONSOLIDATED CASHFLOWS



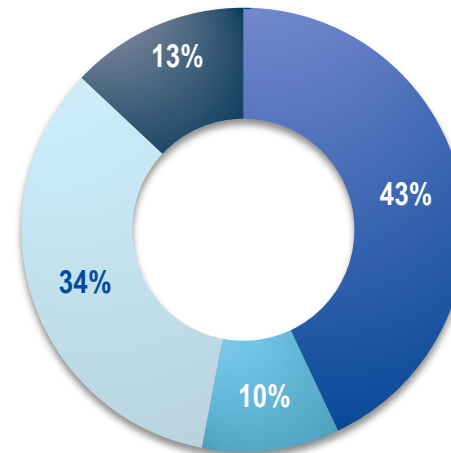
# FINANCIALS

## - SEGMENT REVENUE AND TRADING PROFIT

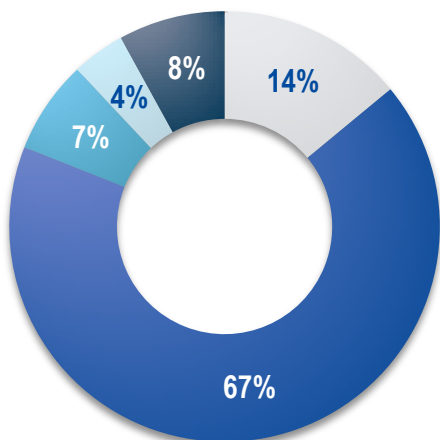
### REVENUE 2016



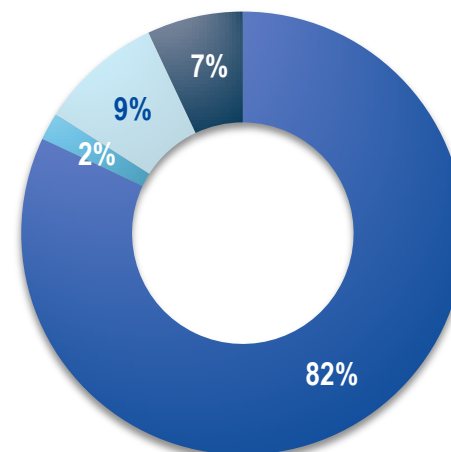
### REVENUE 2015



### TRADING PROFIT 2016



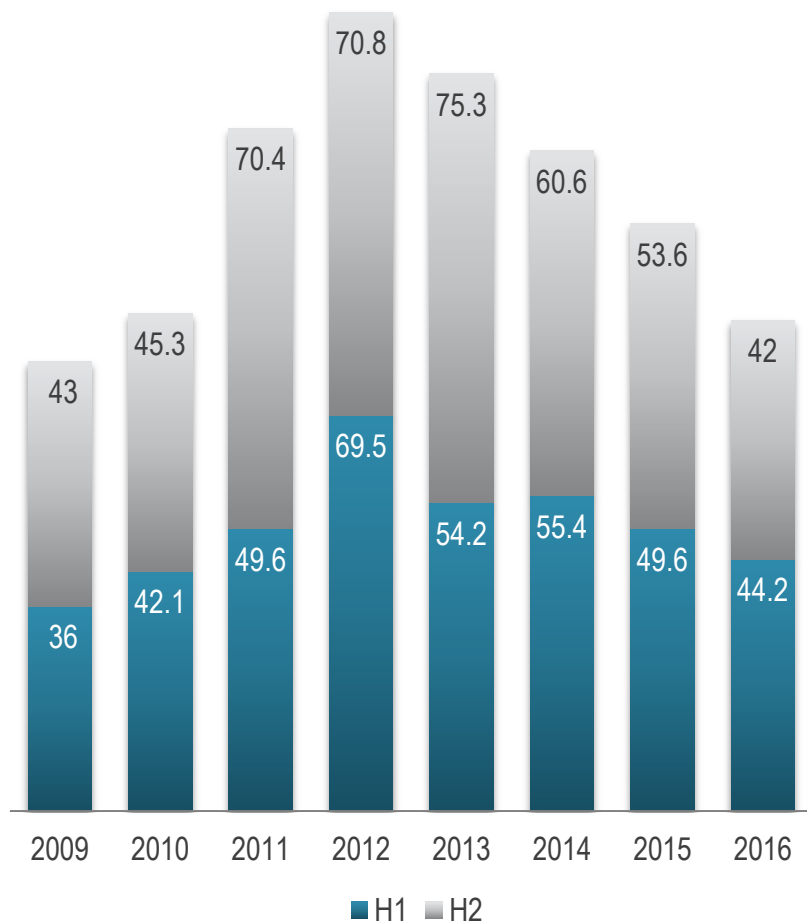
### TRADING PROFIT 2015



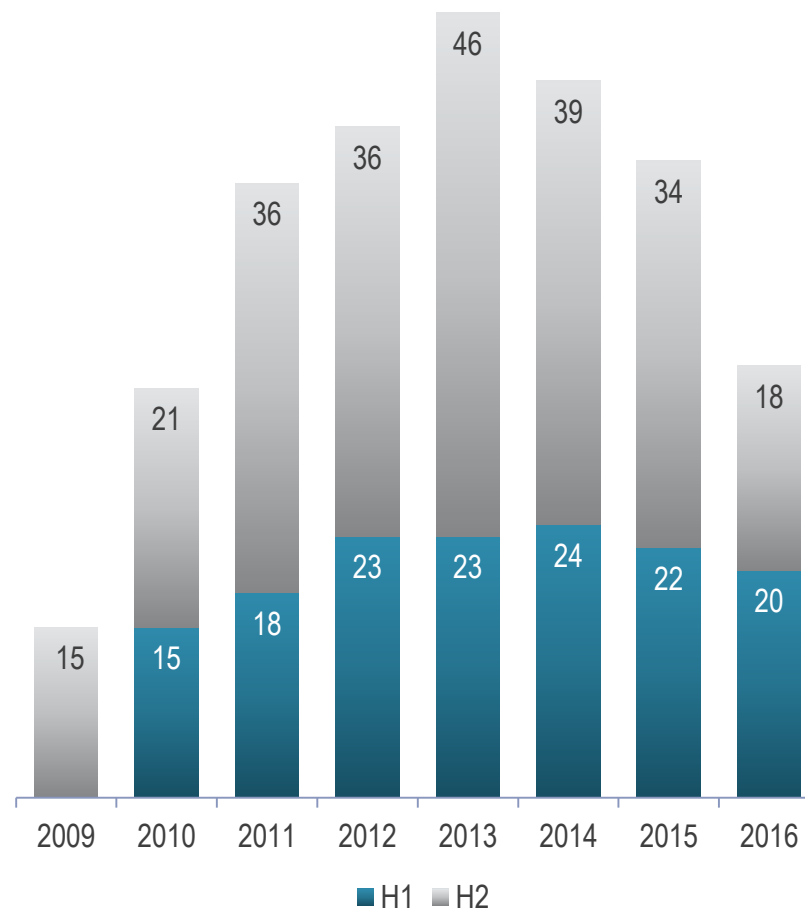
- Automotive
- Fishing
- Food & Distribution
- Freight & Logistics
- Commercial & Industrial Services & Products
- Corporate Services & Properties

# HISTORIC PERFORMANCE

## HEADLINE EARNINGS PER SHARE



## DIVIDENDS PER SHARE



# FINANCIALS

## - CONSOLIDATED VALUE ADDED STATEMENT



Year ended June 30 2016

**Note:** IFRS compliant

	Audited	Audited		%
NAD000's	2016	2015		Change
Revenue	3 858 596	3 534 769	↑	9,2%
Paid to suppliers	(2 856 110)	(2 362 105)	↓	20,9%
Income from investments	38 058	43 312	↓	12,1%
<b>Total wealth created</b>	<b>1 040 544</b>	<b>1 215 976</b>	↓	<b>14,4%</b>
Employees	595 728	577 896	↑	3,1%
Dividends to shareholders and non-controlling interest	164 809	212 750	↓	22,5%
Finance costs on borrowing	18 750	3 164	↑	492,6%
Central and local government	138 959	162 561	↓	14,5%
Re-invested in operations	122 298	259 605	↓	52,9%
<b>Total wealth distributed</b>	<b>1 040 544</b>	<b>1 215 976</b>	↑	<b>14,4%</b>



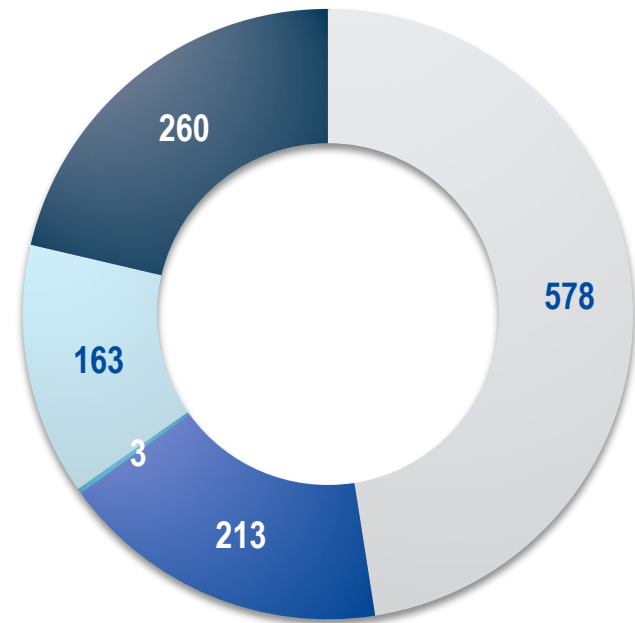
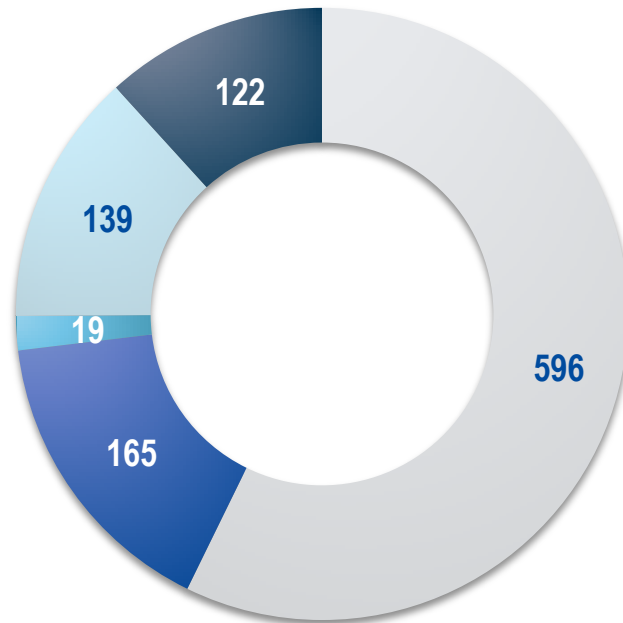
# FINANCIALS

- CONSOLIDATED VALUE ADDED GRAPH FOR THE YEAR ENDED 30 JUNE 2016

2016

N\$ million

2015



- Employees
- Dividends to shareholders & non-controlling interest
- Finance cost on borrowings
- Central and local government
- Re-invested in operations

# BIDFISH



# BUSINESS OVERVIEW



## BIDFISH

Namsof Fishing Enterprises (Horse mackerel)	69.55%
Namibia Sea Products (Pelagic)	69.55%
Tetelestai (Aquaculture)	69.55%
Pesca Fresca (Pelagic – Angola)	34%
Trachurus (Horse mackerel)	69.55%
Twafika (Monk)	52.2%
Carapau (Horse Mackerel)	17.4%
Industria Alimentar Carnes De Mocambique	27.8%

## Horse mackerel

- Trachurus: bought back shares of minorities, only 1 in-house quota company remaining
- Quota shortage and resultant vessel idle time impacted negatively
- Carapau is doing well, 25% minority share is equity accounted for
- Market prices decreased in comparison to prior year
- Weaker Namibian dollar assisted returns

## Angola

- Stable resource, local market prices and demand are satisfactory
- Declining exchange rate AKZ/USD affects revenue negatively







## Pilchards

- Steep decline in TAC and quota allocations following poor survey results
- Canning outsourced since low quota and catches does not warrant own canning operations

## Aquaculture

- Behind expectations due to excess cadmium levels and export restrictions
- Oysters now also being farmed at Salt works within lagoon area however risk of sulphur outbreak now eminent

## Take on the individual fishing businesses

Namsov , Carapau (Horse Mackerel)	
Namsea (Pilchards)	
Twafika (Monk)	
Comet / Pesca Fresca (Angola)	
Tetelestai (Oysters)	
Downstream Distribution Mozambique JV	

# BIDFISH OUTLOOK

## Horse mackerel

- Concern over catch effort in Namibia and Angola on shared resource
- New partner liaisons are being explored
- Concern over decline in fish sizes
- Market prize dropped further after year-end

## Angola

- Operations expected to improve
- Currency issues remain challenging

## UFE

- Challenged with reduced TAC and quotas
- Glenryck brand to yield benefits

Oyster business continues to seek more profitable solutions

## Joint Venture in Mozambique (downstream distribution)

- Credible partner
- Cash positive from year 1

# COMMERCIAL AND INDUSTRIAL SERVICES AND PRODUCTS



# BUSINESS OVERVIEW



## CISP

Commercial and Industrial Services and Products

### Cecil Nurse

Manufacturer and retailer of office furniture and shop fittings

### Kolok

Distributor of printer consumables and hardware

### Minolco

Licensed distributor of Konica Minolta branded copiers, printers, etc

### Plumblink

Specialised plumbing services

### Rennies Travel

Established travel management company

### Steiner

Hygiene rental equipment and consumables

### Voltex

Wholesaler and retailer of electrical equipment

### Waltons

Wholesaler / Retailer of stationery, office furniture and corporate gifts



**Cecil Nurse** had another good year with large projects inter alia from SME's. This does however affect GP as these projects are very competitive

**Kolok** managed to perform extremely well by managing prices and controlling their stock levels to ensure ability to service customer demand

**Minolco** performed well copy-clicks on the rise and increased business from internal rentals rather than outright sales

**Plumblink** has opened its doors end April 2016. We are carefully optimistic about the returns seen in the last two months of the current year

**Rennies Travel** performed marginally above prior year despite a competitive market mainly due to strong customer orientated service and long standing relationships

**Steiner** has done well in line with prior year with a growing hygiene rental customer base and the added pest control services

**Voltex** continued to struggle in a very competitive market. A strict view on credit control which was necessary to implement has unfortunately had a negative impact on the business and the effects are felt on the bottom line. Voltex SA is now actively supporting the turnaround effort

**Waltons** – shows clear signs of growth from prior year, focus on retail has been increased and margin management has become key to the daily success of business

## Take on the Commercial businesses

Cecil Nurse	○
Kolok	○
Minolco	○
Plumblink	+
Rennies Travel	○
Steiner	+
Voltex	+
Waltons	○

- The economy is slowing down and is becoming stagnant
- The lack of rain and income in the Northern part of Namibia can be felt in the spending in each area
- Significant growth is therefore not expected in the current entities, unless it is of an acquisitive or expanding nature
- The aim is to remain competitive and to be the preferred supplier to the nation
- Bidvest Namibia Plumblink is investigating expansion opportunities into other regions of Namibia
- More acquisitive growth is explored

# FREIGHT AND LOGISTICS





## FREIGHT AND LOGISTICS

### Freight & Logistics

- Woker Freight Services
- Supply Chain Logistics

### Marine Services

- Ocean Liner Services
- MOL
- MACS
- Luderitz Bay Shipping & Forwarding

### Cargo Management

- Warehousing & Container Terminal
- Rennies Material Handling
- Walvis Bay Stevedoring
- Walvis Bay Airport Services

### Trading

- Lubrication Specialists
- Monjasa

- There was no project activity during the entire year under review
- Projects have a positive spin-off to all areas in the division, therefore all entities in this division are facing challenging times during this zero project year
- The business was compacted into four strategic pillars, with closure of some smaller divisions that given the lack of project activity, were no longer warranted
- No retrenchments have been made, resources have been redeployed, vacancies created by resignations not filled unless absolutely necessary
- A new MD has been appointed, Mr Mike Samson who has extensive experience in the logistics industry
- Every effort is made to ensure that the oil and gas industry is knowledgeable about the service offering that Manica could provide, should a project surface
- Manica is well positioned to be an excellent all-in-one service provider for any large project emerging

## Take on the Freight and Logistics businesses

Manica Group Namibia



- Focus remains on containing costs and to compact the business
- Simultaneously a drive to secure projects is underway
- However, to date no further projects have been announced.  
The industry is quiet

# FOOD & DISTRIBUTION





# BUSINESS OVERVIEW



Taeuber & Corssen  
Wholesaler of dry and frozen  
products

Caterplus  
Provider of products for the  
hospitality industry


## Taeuber & Corssen

- The dispute with Namibian Poultry Industries was settled and an amount of N\$7 million was recorded under Other Income
- Less consumer spending, stock shortages due to non-supply by principals and generally less products being sold have impacted the business
- A firm turnaround plan which was implemented has borne fruit and will ensure profitability in the future

## Caterplus

- The quota of imported chicken remains a challenge, alternative proteins are being sought
- Effort is being made to regain market share in the franchised product business and obtaining other principals

## Take on the Food and Distribution businesses

Taeuber & Corssen	
Caterplus	

- Taeuber & Corssen has actively implemented its turnaround strategy and should show a better performance over the next few months
- Initiatives include inter alia reducing stock shortages, finding new principals, boosting sales through promotions and active stock and credit control
- Caterplus is striving to reduce claims from customers

# AUTOMOTIVE



# BUSINESS OVERVIEW



## AUTOMOTIVE

Novel Motor Company



**VOLVO**

- New to the Bidvest Namibia basket is Novel Motor Company, acquired on 31 July 2015 effectively
- The transition to Bidvest Namibia was an easy and smooth process with support from management and staff all round
- The existing management remained in place after take over
- A new showroom for Mazda was occupied during the year
- Dealership managed to perform strongly in a declining new vehicle market
- Impact of grey imports and stock dumping has affected the used car market
- Bidvest Call A Car was launched, an online tool to search for used cars available in the market

## Take on the Automotive business

Novel Motor Company



- The prospects are good even in a declining new vehicle market, which might have a positive effect on the used vehicle market

# Conclusion

