



Edgars Stores
Limited

**Analysts' Briefing on
Final Results for the 52
weeks ended
4 January 2014**



Presentation outline

- Retail environment
- Financial highlights
- Operational performance
- Credit management
- Corporate social responsibility
- 2014 targets @ a glance
- Questions

Retail environment



Retail environment

- Shrinking economy
- Heavily borrowed customer base
- Increased competition
- Increased number of customers with paid up accounts
- An un-level playing field

Financial highlights

	2013	vs 2012
Retail sales	\$64.8m	+8%
Profit after tax	\$4.2m	+12%
Earnings per share	1.7cents	+10%
Cash from operations	\$3.6m	+227%
Trade and other receivables	\$23.7m	+1%
No. of accounts	197 932	+9%
Current ratio	2.76	+8%

Operational performance



Income Statement \$ 000's

	2013	% to sales	2012	% to sales	Inc/ (Dcr)
Retail sales	64 761	100.0	60 165	100.0	7.6%
Cost of sales	<u>(33 734)</u>	<u>(52.1)</u>	<u>(31 786)</u>	<u>(52.8)</u>	6.1%
Gross profit	31 027	47.9	28 379	47.2	18.1%
Occupancy costs	(4 807)	(7.4)	(4 284)	(7.1)	12.2%
Employment costs	(11 683)	(18.0)	(9 699)	(16.1)	20.5%
Trade receivable costs	(2 741)	(4.2)	(2 582)	(2.6)	6.2%
Late payment charges	2 731	4.2	2 142	3.6	27.5%
Other incl. depreciation	<u>(6 883)</u>	<u>(10.7)</u>	<u>(6 010)</u>	<u>(10.0)</u>	18.2%
Trading profit	<u>7 644</u>	<u>11.8</u>	<u>7 946</u>	<u>13.8</u>	-3.8%
Manufacturing profit/ (loss)	377	0.5	(281)	(0.6)	234%

Borrowings and finance costs

- Borrowing costs as % of revenue:
 - 2011- 5.4%
 - 2012- 4.4%
 - 2013- 2.6%
- Net finance costs \$1 698 671 vs \$2 651 473
(36% decrease)
- Total borrowings:
 - 2012- \$21 351 993
 - 2013- \$16 519 903

Edgars and Jet chain stats

	<u>EDGARS</u>		<u>JET</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Number of stores	26	24	23	16
Trading area m ²	26 572	26 020	11 125	8 337
Sales per m ² (\$)	1 934	1 909	1 168	1 333
Unit sales	2 631 608	2 656 477	1 465 824	1 344 203

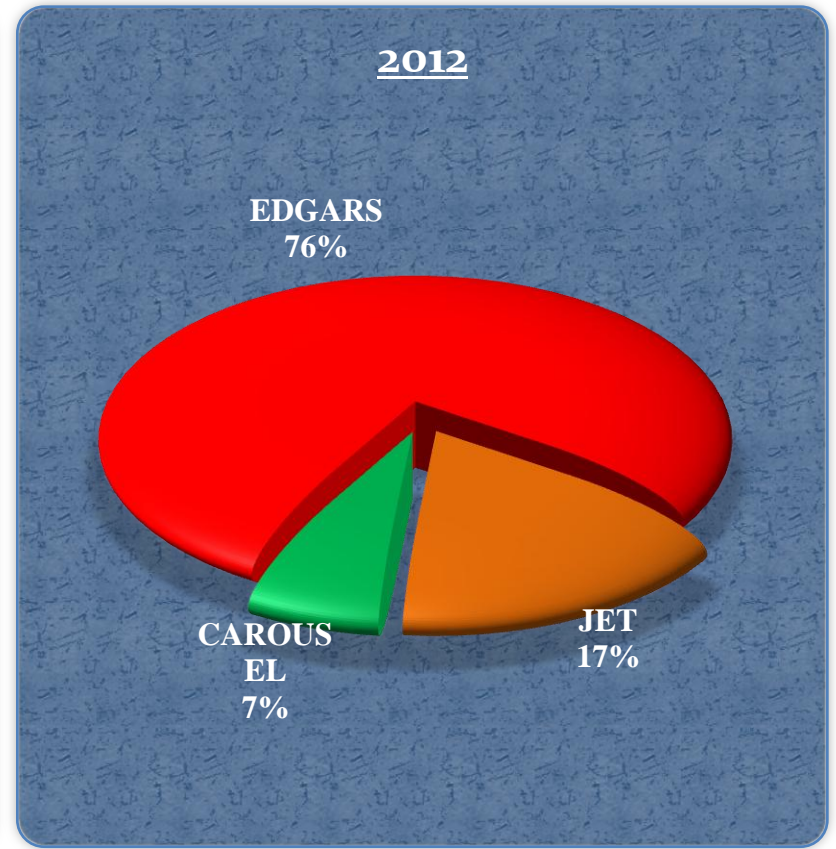
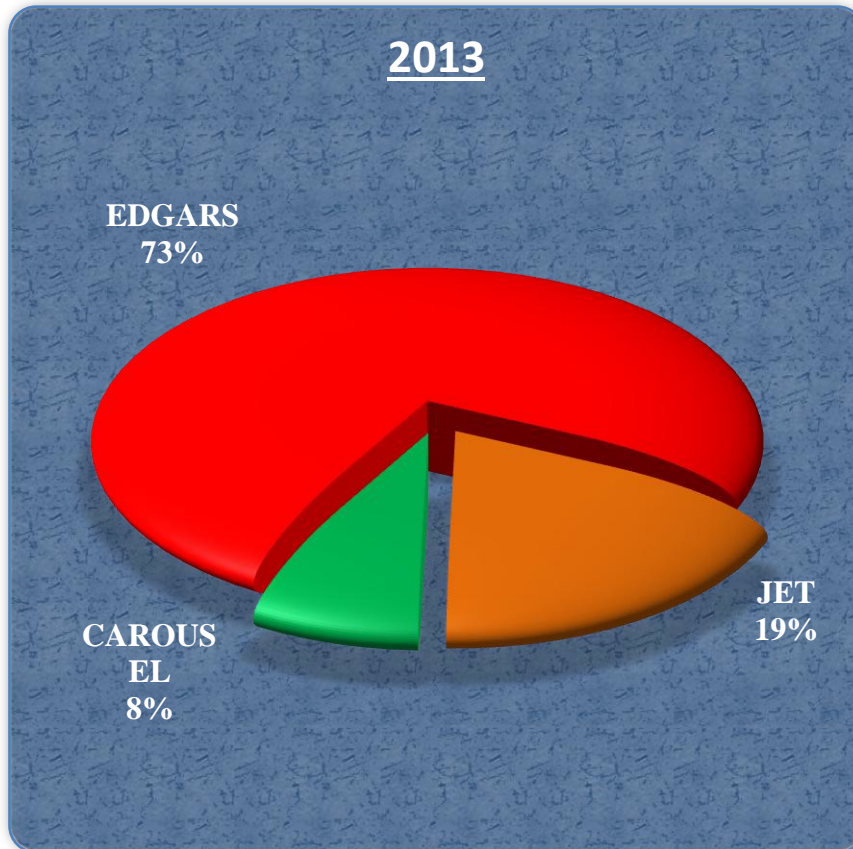
New Stores

Chain	Location	Date opened	Gross Trading Area m²	
			Edgars	Jet
Jet	Gokwe	18/06/2013		226
Jet	Cameron St. Harare	28/06/2013		780
Edgars	Chipinge	26/07/2013	423	
Jet	Chipinge	26/07/2013		250
Jet	Kariba	27/09/2013		251
Jet	Chiredzi	24/10/2013		448
Jet	Rezende St. Harare	15/11/2013		470
Jet	Westgate Harare	23/11/2013		363
Edgars	Bradfield Bulawayo	25/11/2013	<u>129</u>	
		TOTAL	552	2,788

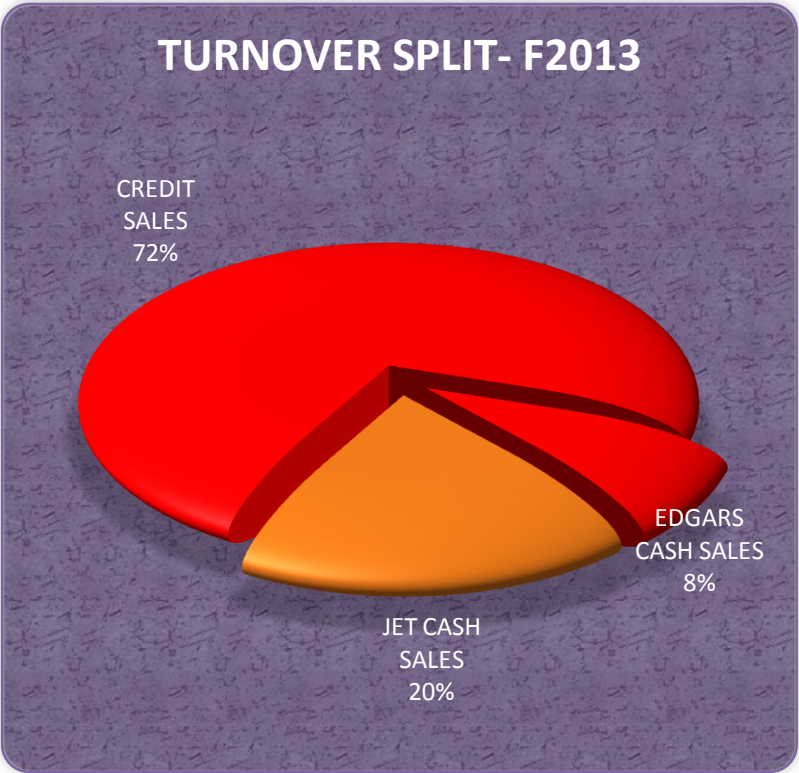
Turnover by region

	2013	2012
	%	%
Edgars- Southern	47	49
- Northern	<u>53</u>	<u>51</u>
	<u>100</u>	<u>100</u>
Jet- Southern	53	59
- Northern	<u>47</u>	<u>41</u>
	<u>100</u>	<u>100</u>

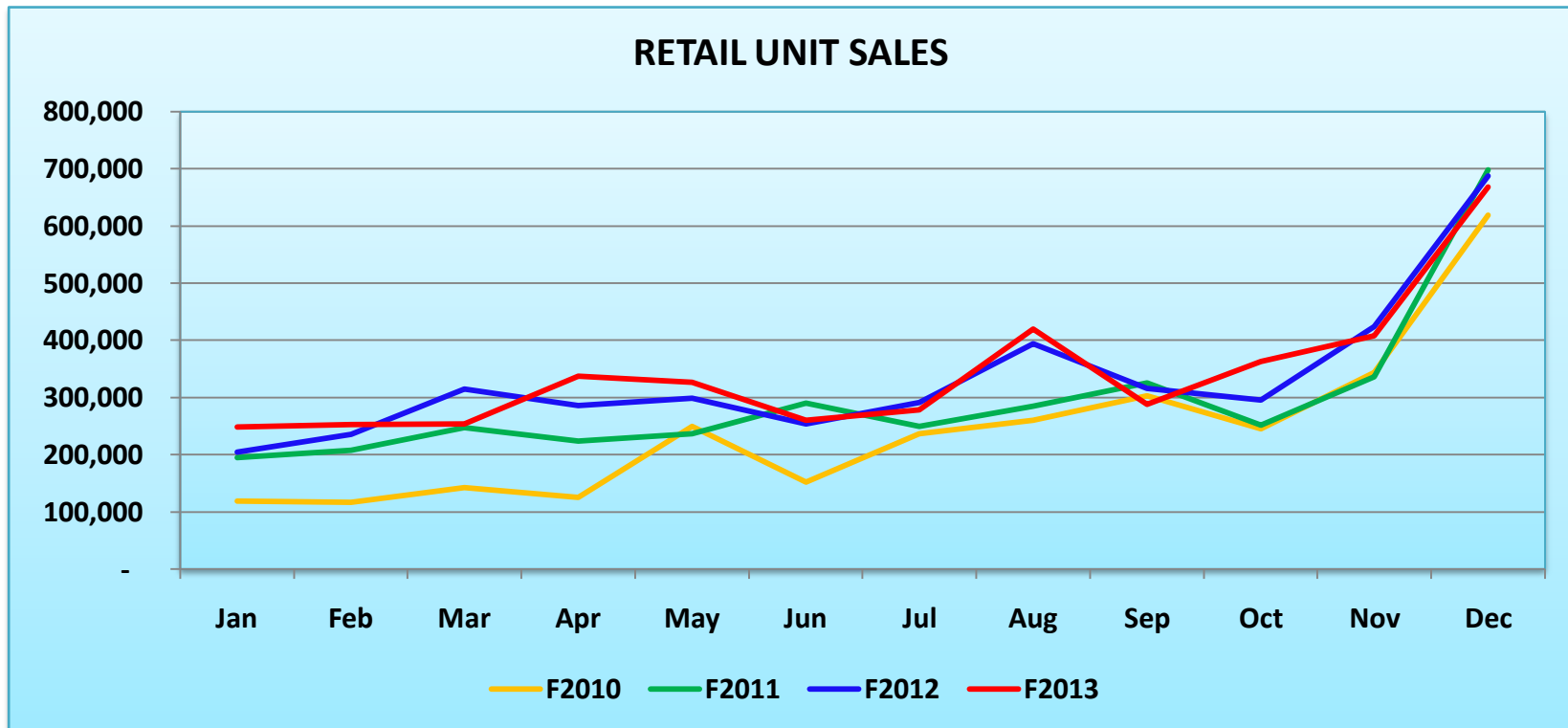
Turnover contribution- unconsolidated



Turnover split

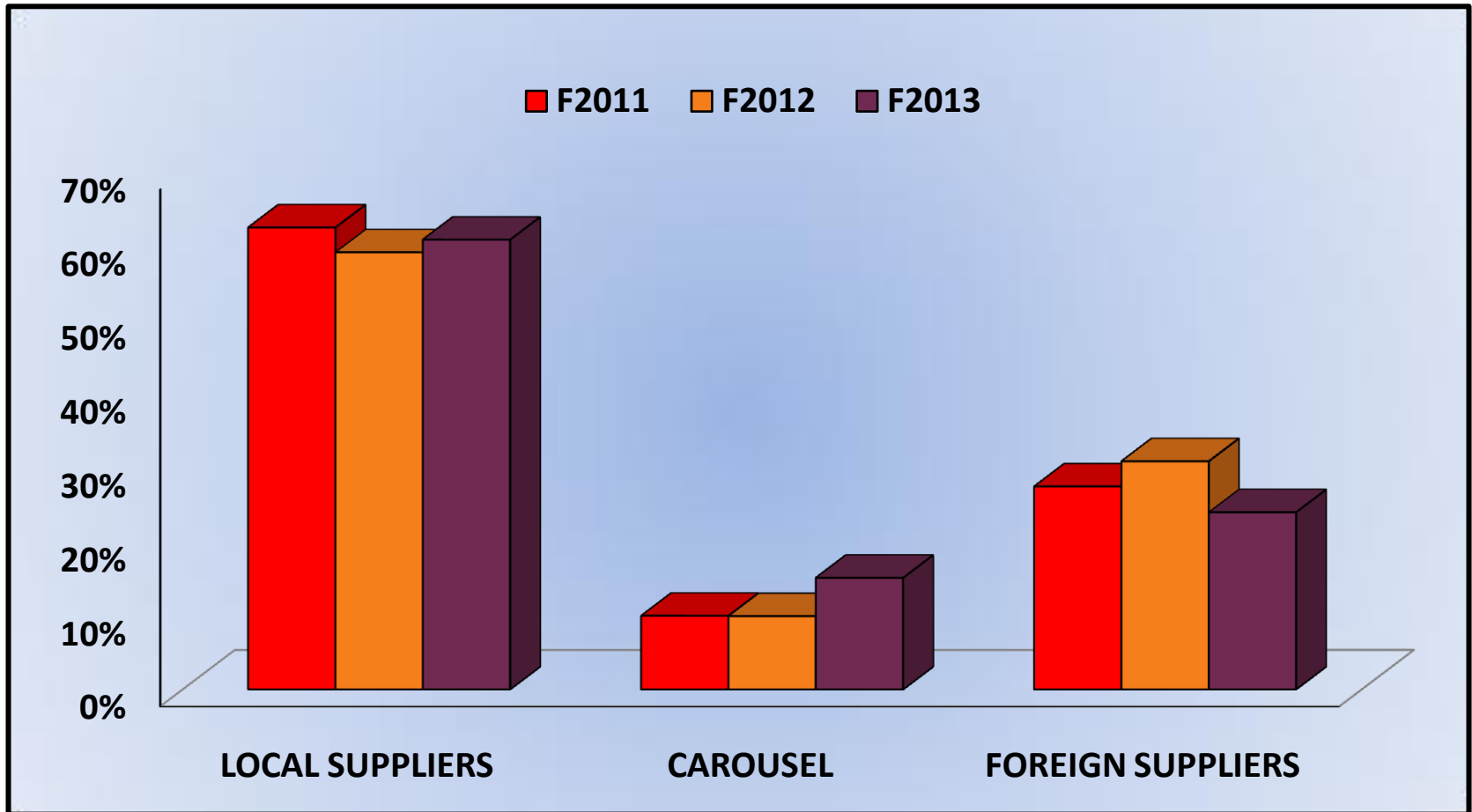


Unit sales- retail

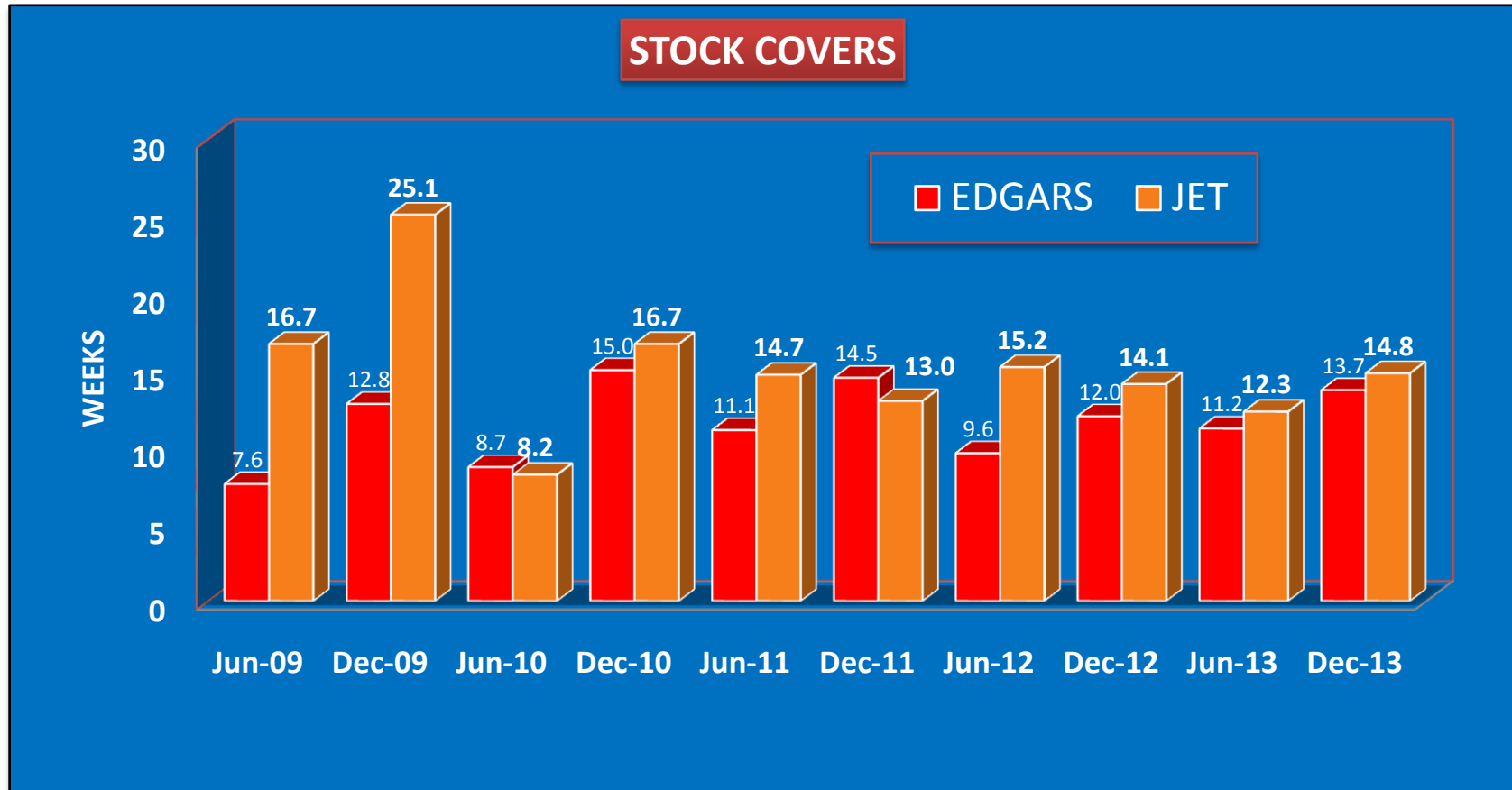


Total units sold	2012		2013	
	units	%	units	%
Edgars	2 656 477	66	2 631 608	64
Jet	<u>1 344 203</u>	<u>34</u>	<u>1 465 824</u>	<u>36</u>
	<u>4 000 680</u>	<u>100</u>	<u>4 097 432</u>	<u>100</u>

Merchandise procurement



Merchandise- Stock cover in weeks

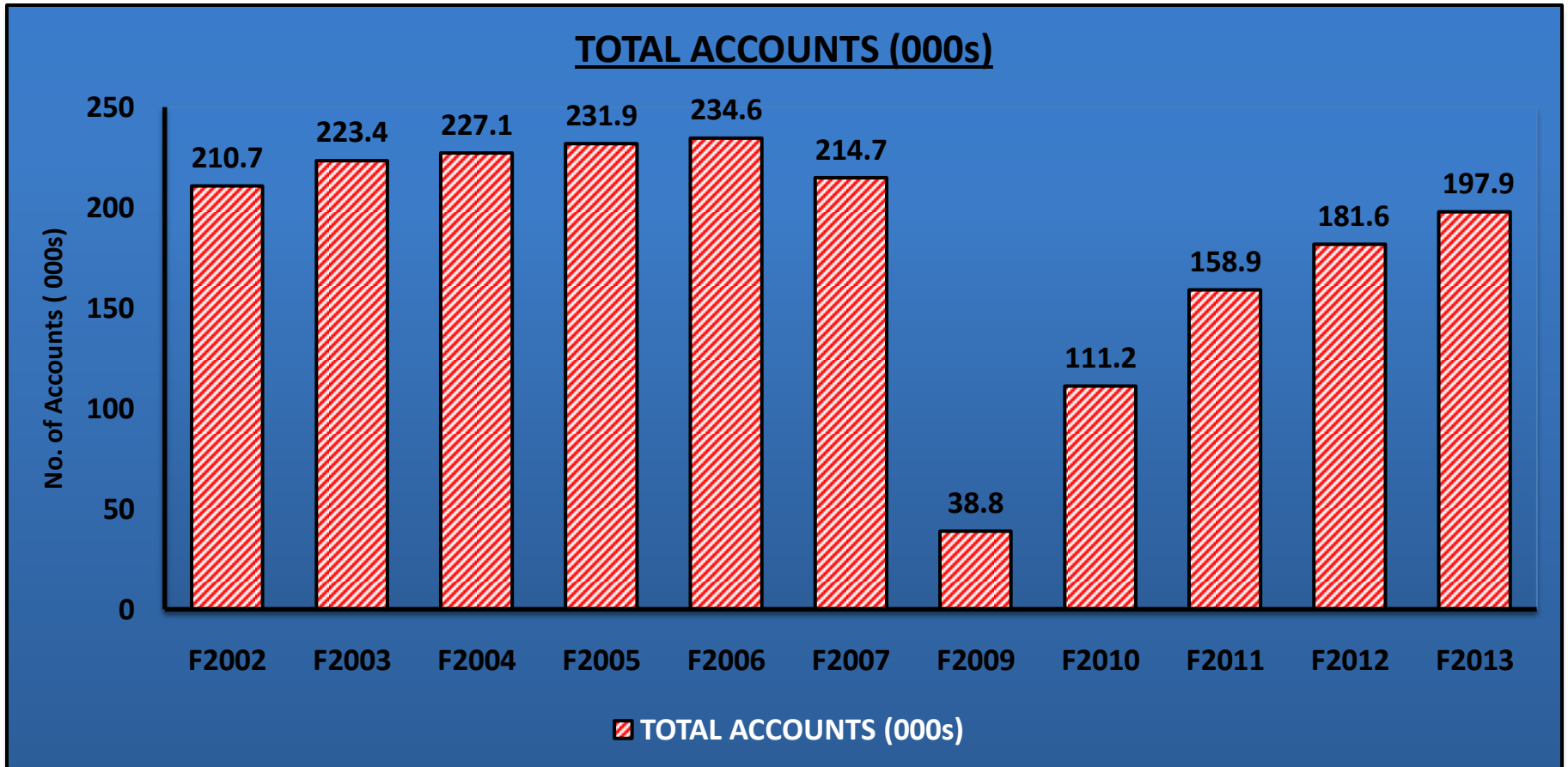


Stock turn	2012	2013
Edgars	5.5	5.0
Jet	4.5	4.0

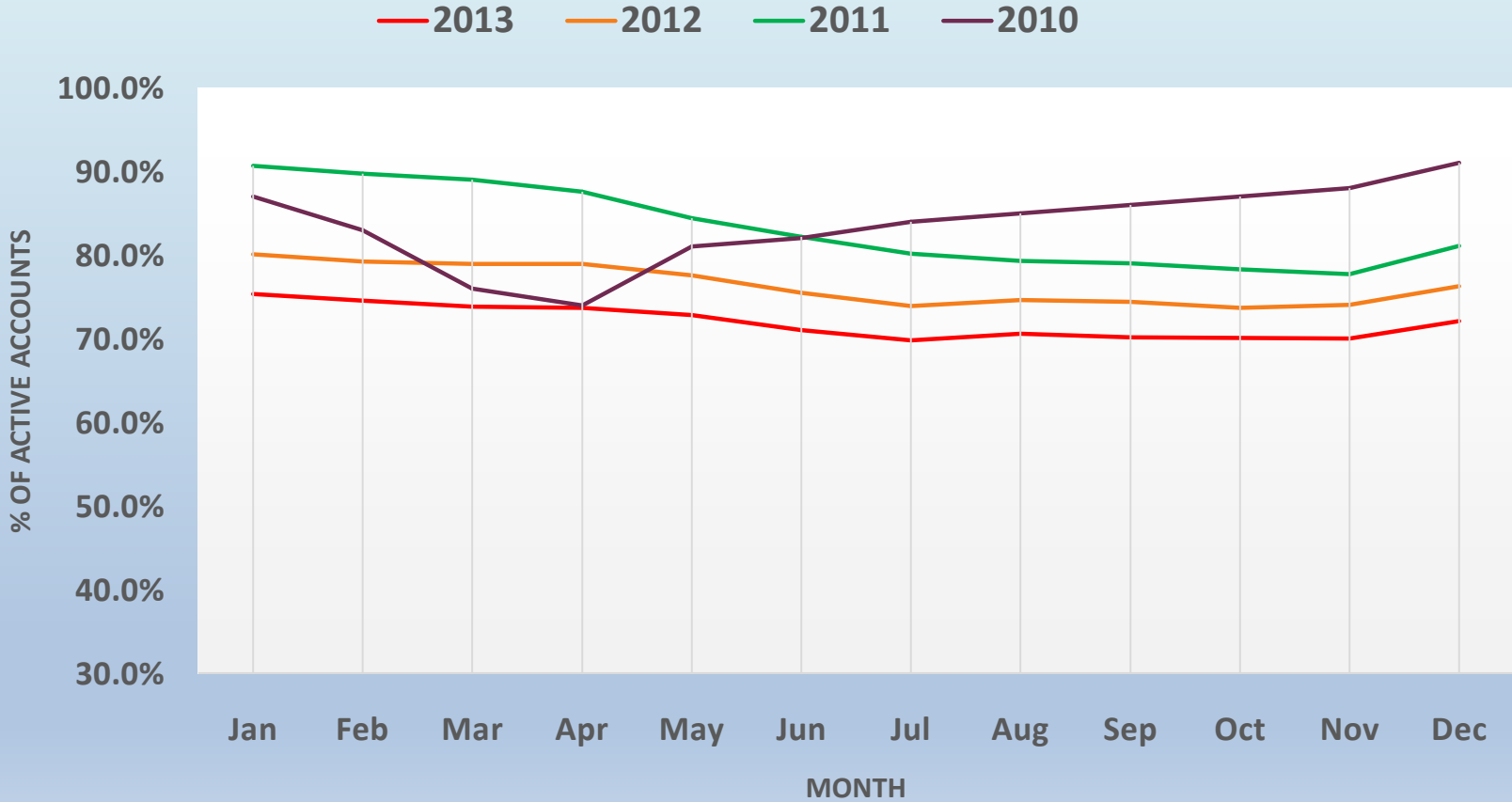
Credit Management



Account Growth

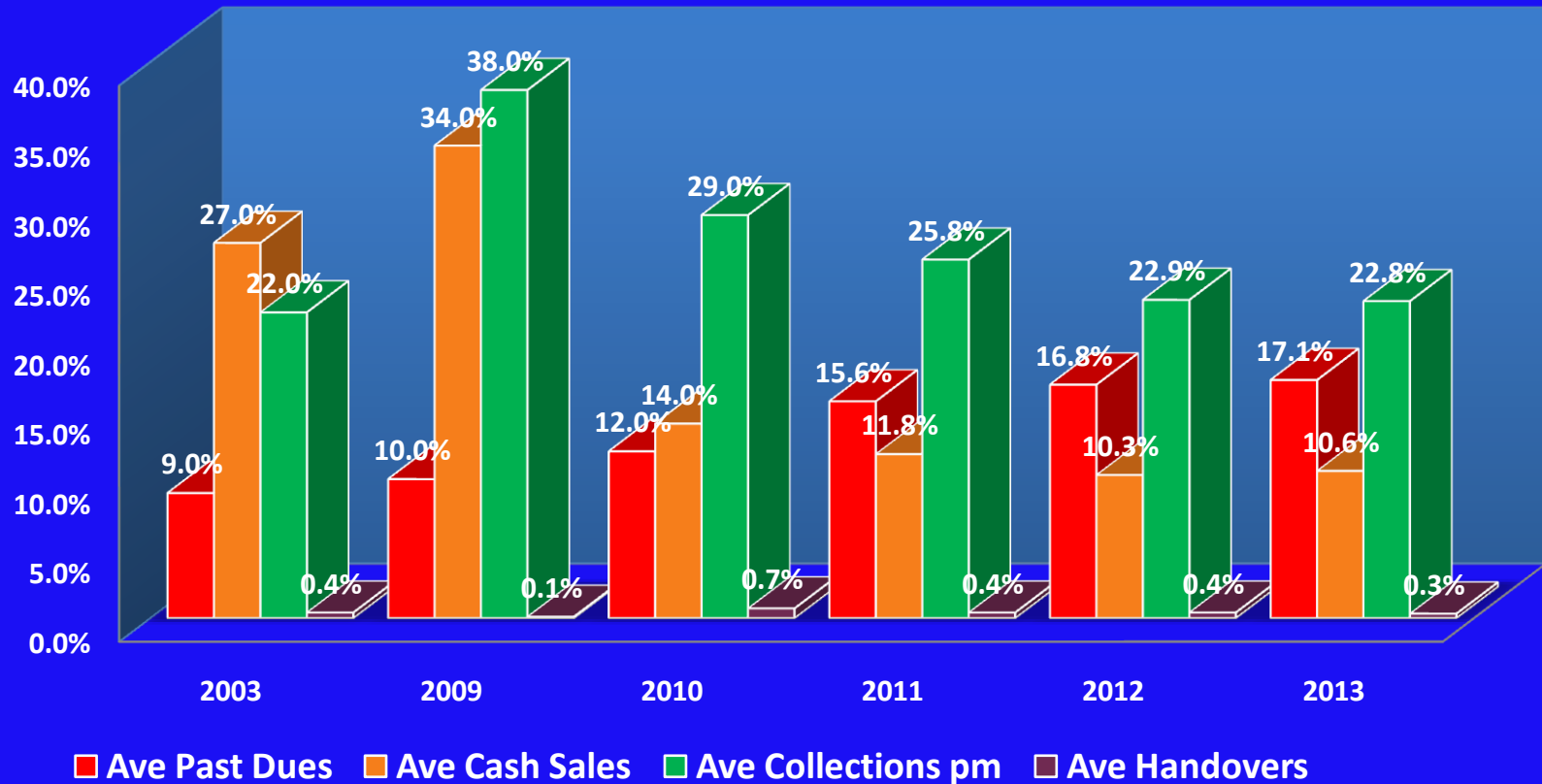


Active accounts



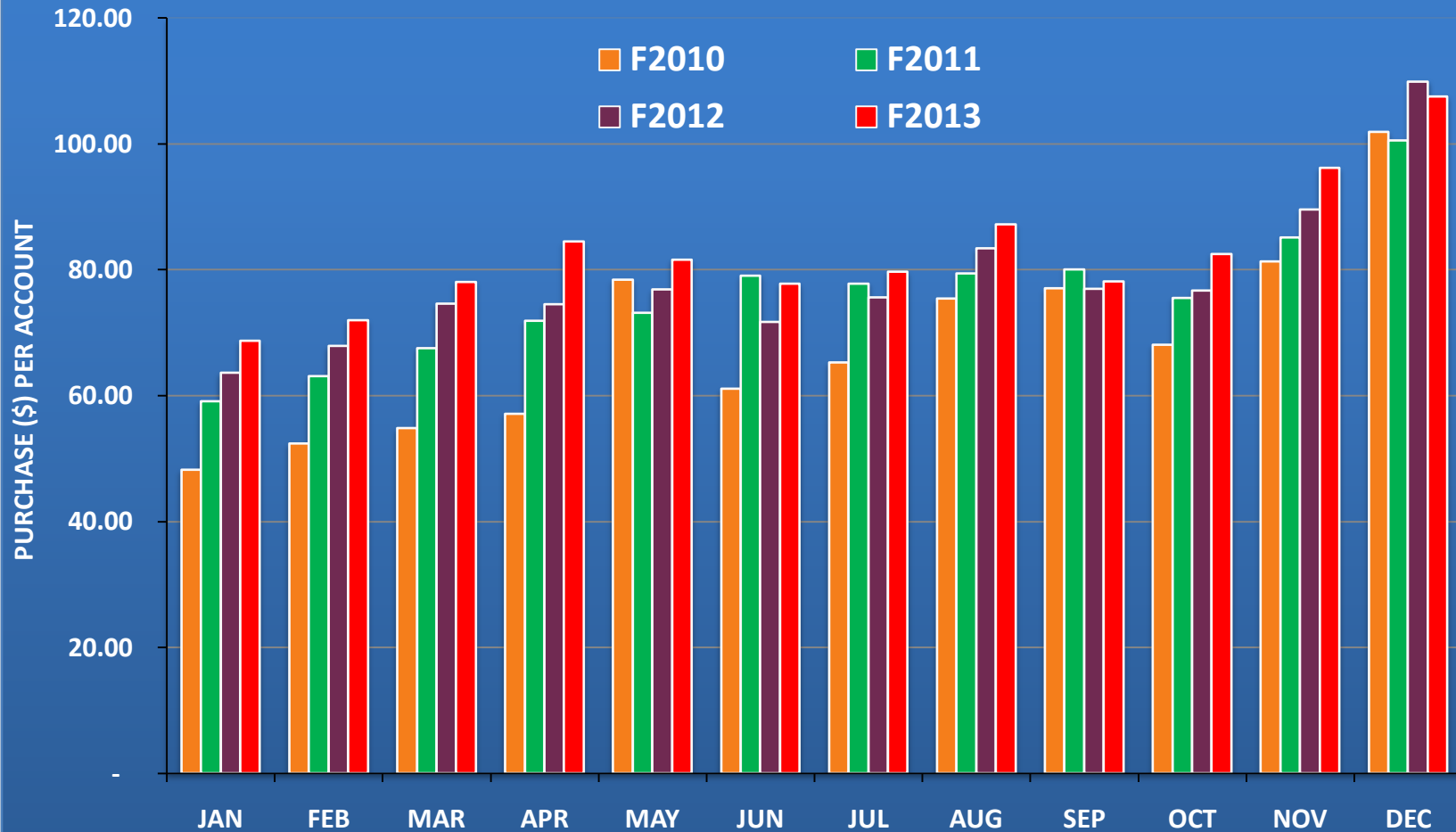
Edgars Chain Debtors Stats

DEBTORS STATS

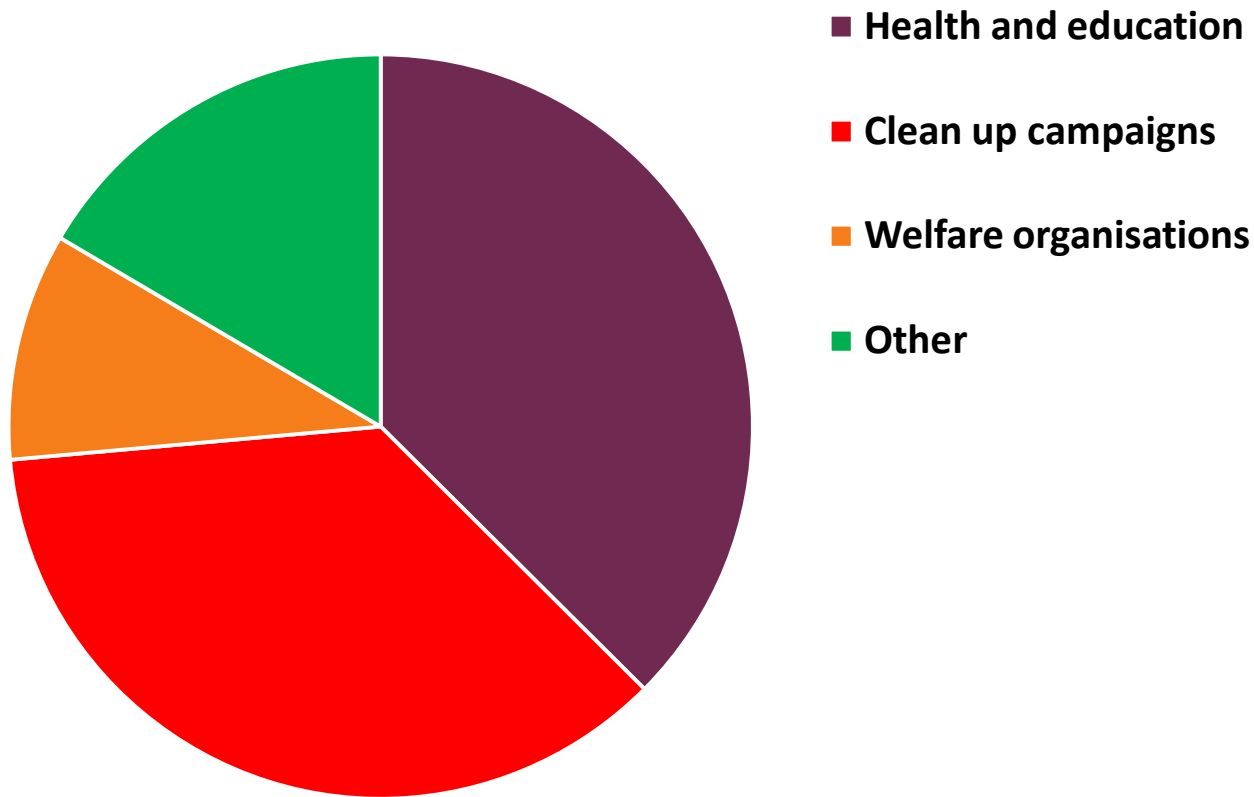


Customer spend

AVE DOLLAR PURCHASES PER ACCOUNT



Corporate Social Responsibility



FY 2014 Targets

Gross margin	> 47.5 %
Turnover	\$ 70m
Trading profit	> 8 % of turnover
Finance costs	< 2.7% of turnover
Profit after tax	\$ 4.7m

Focus will be on cost control, more fashion and less price and a wider choice for customers.

Questions?

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