



# Edgars Stores Limited

[www.edgars.co.zw](http://www.edgars.co.zw)

## Interim Results 26 weeks to 6 July 2013

own your look  **Edgars**

**JeI**  
GOODforLIFE

**Carousel**  
(PVT) LTD

# Presentation outline

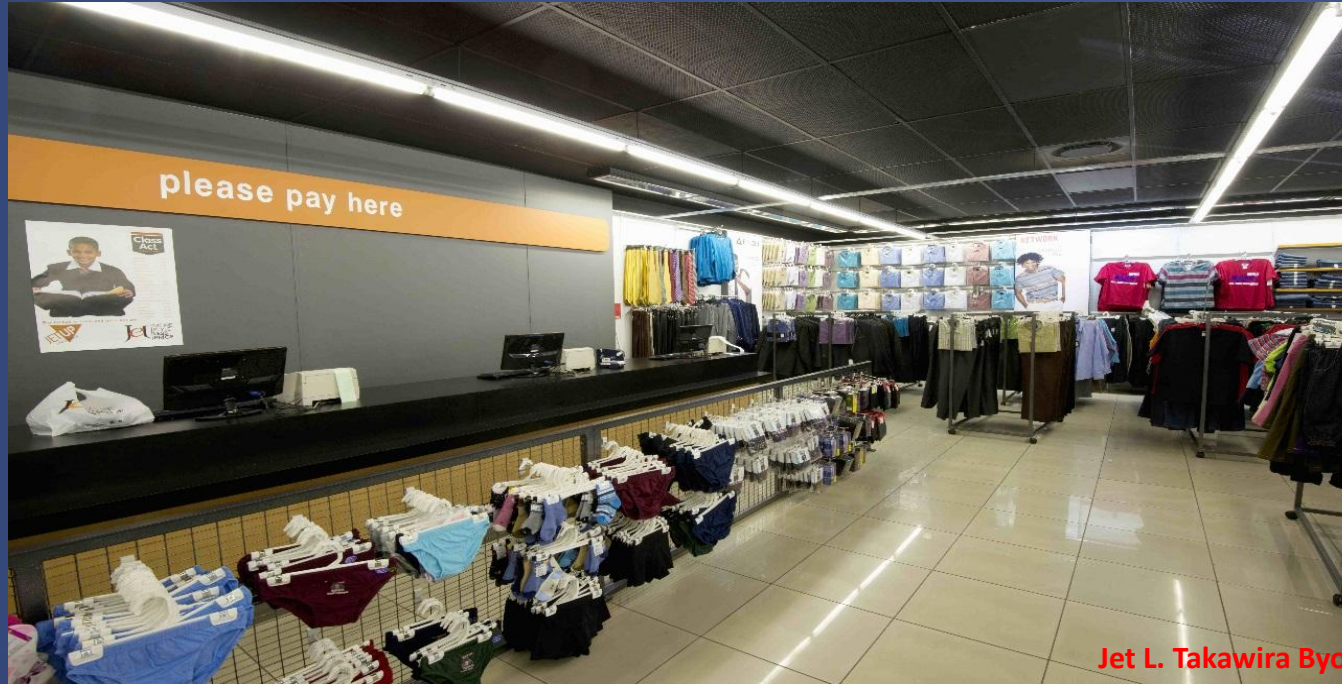


- Retail environment
- Progress on March 2013 promise
- Financial highlights
- Operational performance
- Credit management
- 2013 targets revised



# Retail Environment

- Suppressed economic activity and GDP growth forecasts revised downwards
- Reduced disposable incomes
- Increased competition



Jet L. Takawira Byo



# Progress on March 2013 Promise

|                                | <b>Progress</b><br><i>interim June</i><br><i>2013</i> | <b>vs</b> | <b>Promise</b><br><i>F2013 budget</i> |
|--------------------------------|---|-----------|---------------------------------------|
| Gross margin                   | 47.80%  |           | 46%                                   |
| Turnover                       | \$27.2m   |           | \$65 – \$67m                          |
| Trading profit %               | 9%  |           | >15%                                  |
| Finance costs % to<br>turnover | 3.20%   |           | <2.5%                                 |
| Profit after tax               | \$1.1m  |           | \$4.4– \$4.7m                         |



# Financial highlights

|                             | 2013    | vs 2012 |
|-----------------------------|---------|---------|
| Retail sales                | \$27.2m | +13%    |
| Profit after tax            | \$1.1m  | +17.1%  |
| Earnings per share          | 44c     | +14.6%  |
| Cash inflow from operations | \$1.1m  | +2 209% |
| No. of accounts             | 188 447 | +11%    |
| Gearing                     | 1.31    | +27.5%  |



# Operational performance

- Edgars and Jet chain statistics
- Turnover analysis
  - segment contribution
  - cash/ credit split
  - quarterly turnover analysis
- Merchandise
  - procurement
  - stock covers



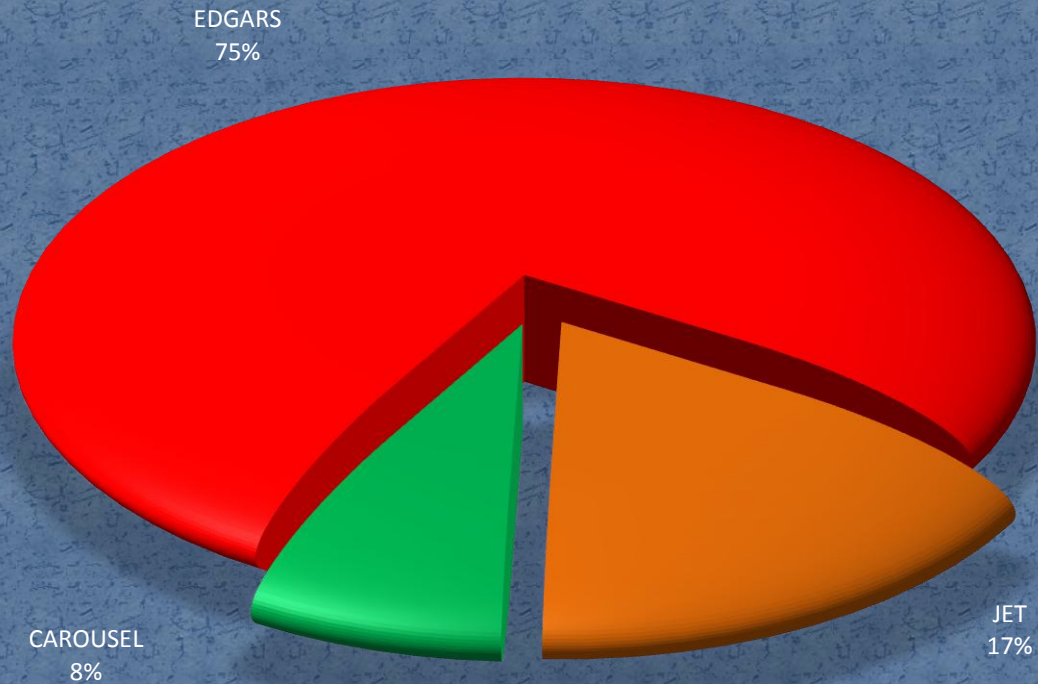
# Edgars and Jet chain Half Year stats

|  | <u>EDGARS</u> |             | <u>JET</u>  |             |
|--|---------------|-------------|-------------|-------------|
|  | <u>2013</u>   | <u>2012</u> | <u>2013</u> | <u>2012</u> |
| Number of stores                       | 24            | 23          | 18          | 13          |
| Trading area m <sup>2</sup>            | 26 020        | 24 632      | 9 343       | 7 701       |
| Trading density (\$) (MA Sales / area) | 2 491         | 2 414       | 1 555       | 1 408       |
| Unit sales                             | 1 137 604     | 1 089 303   | 538 026     | 504 229     |
| MA = moving average                    |               |             |             |             |



# Turnover analysis

## SEGMENT TURNOVER-Half Year-F2013 - (Unconsolidated)





# Turnover analysis

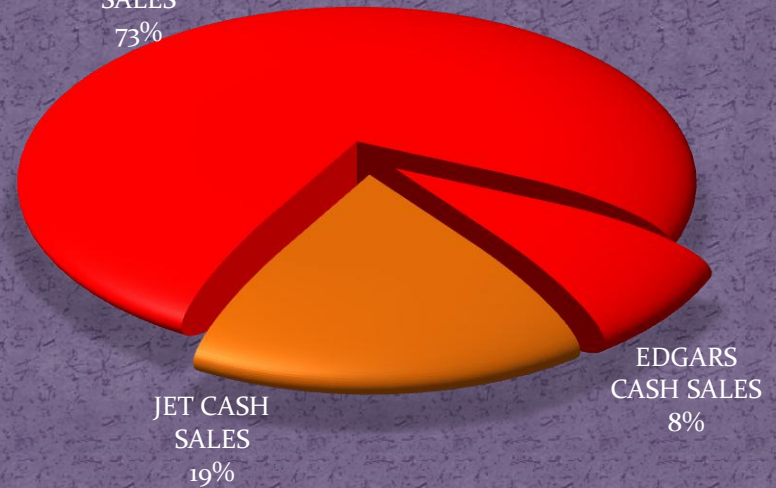
## TURNOVER SPLIT- Half Year-F2013

CREDIT  
SALES  
73%



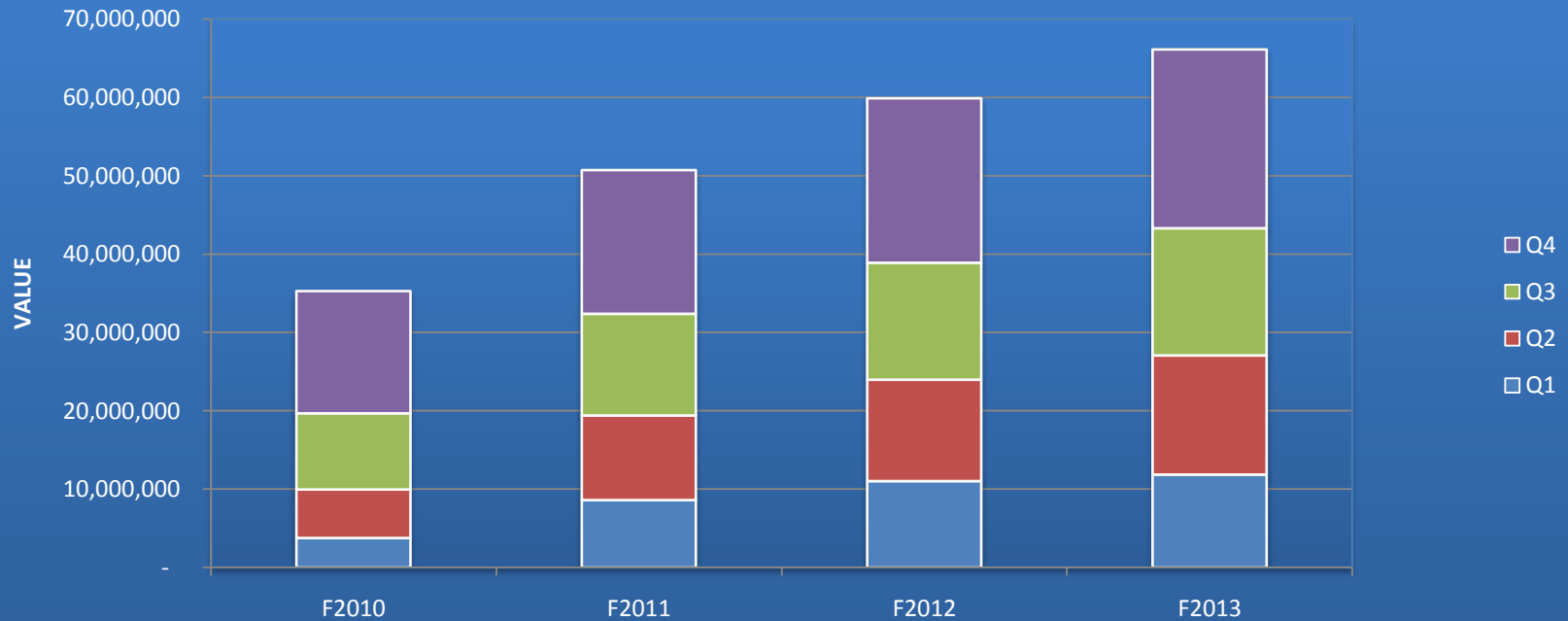
## TURNOVER SPLIT- F2012

CREDIT  
SALES  
73%



# Quarterly turnover analysis

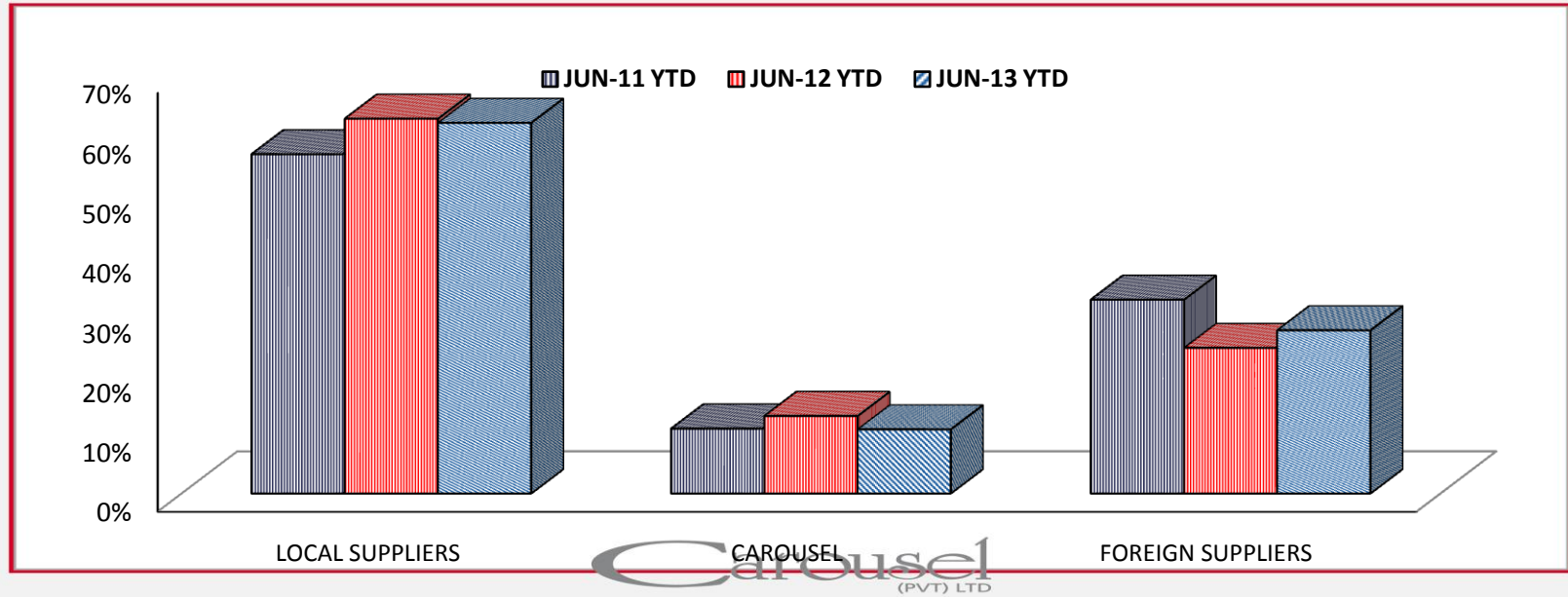
## GROUP TURNOVER





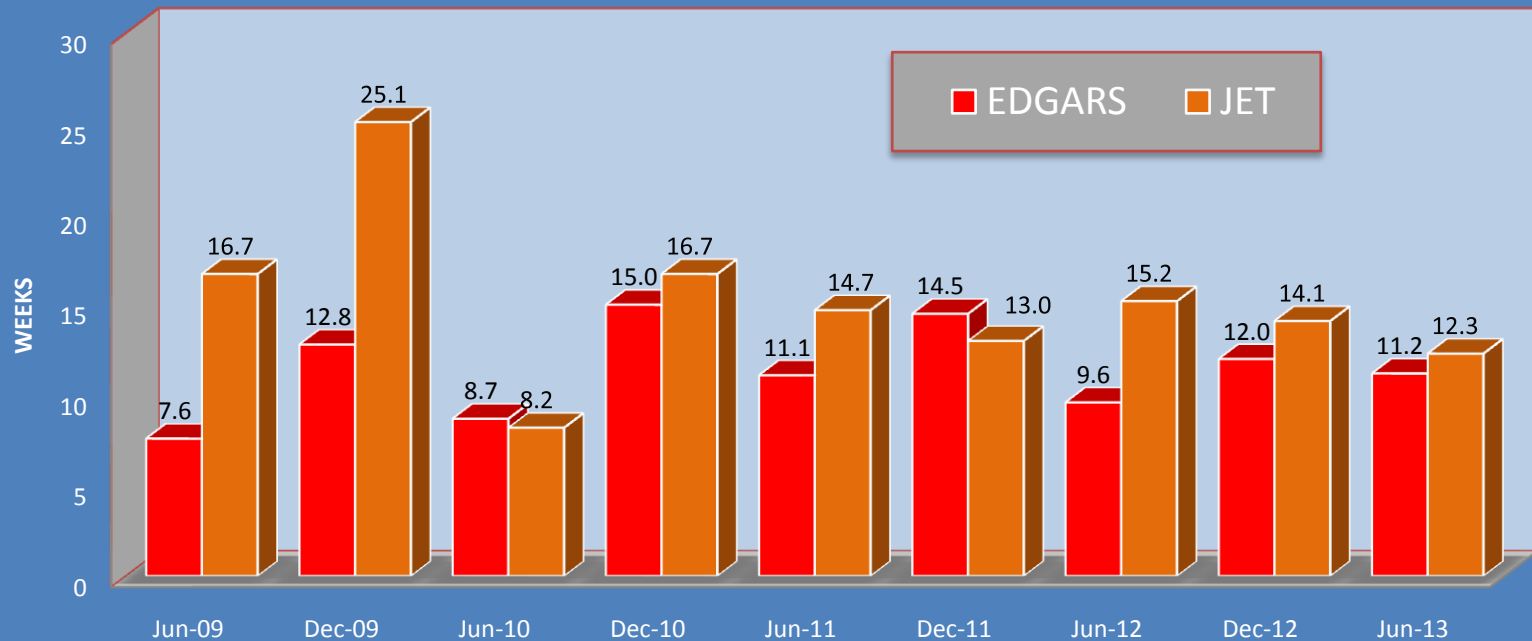
# Merchandise

## MERCHANDISE PROCUREMENT



# Merchandise

## STOCK COVERS



### Year end target stock covers

Edgars 8 weeks

Jet 8.8 weeks



# Credit management

Edgars J Moyo St Byo

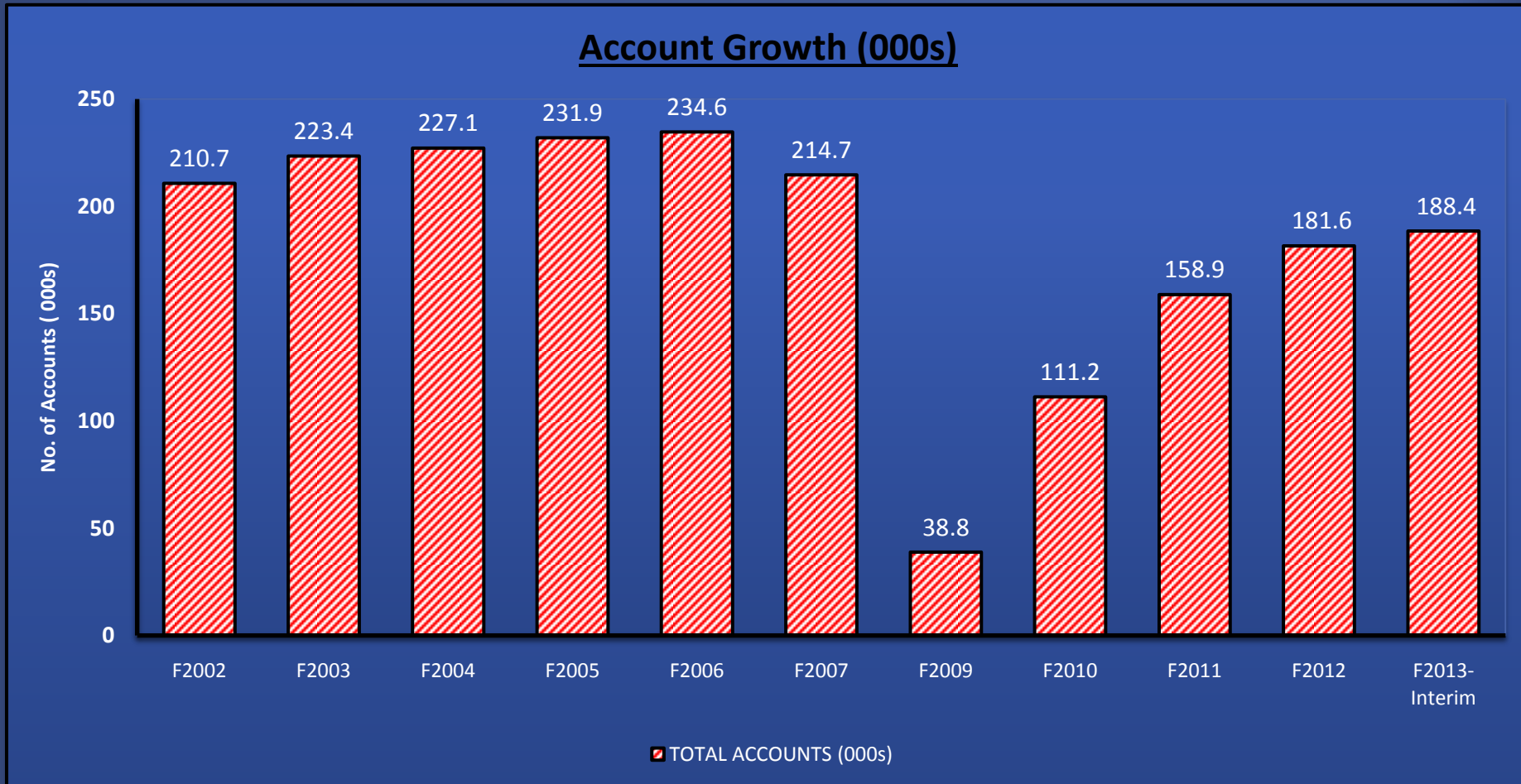


- Account growth
- Debtors stats



# Credit management

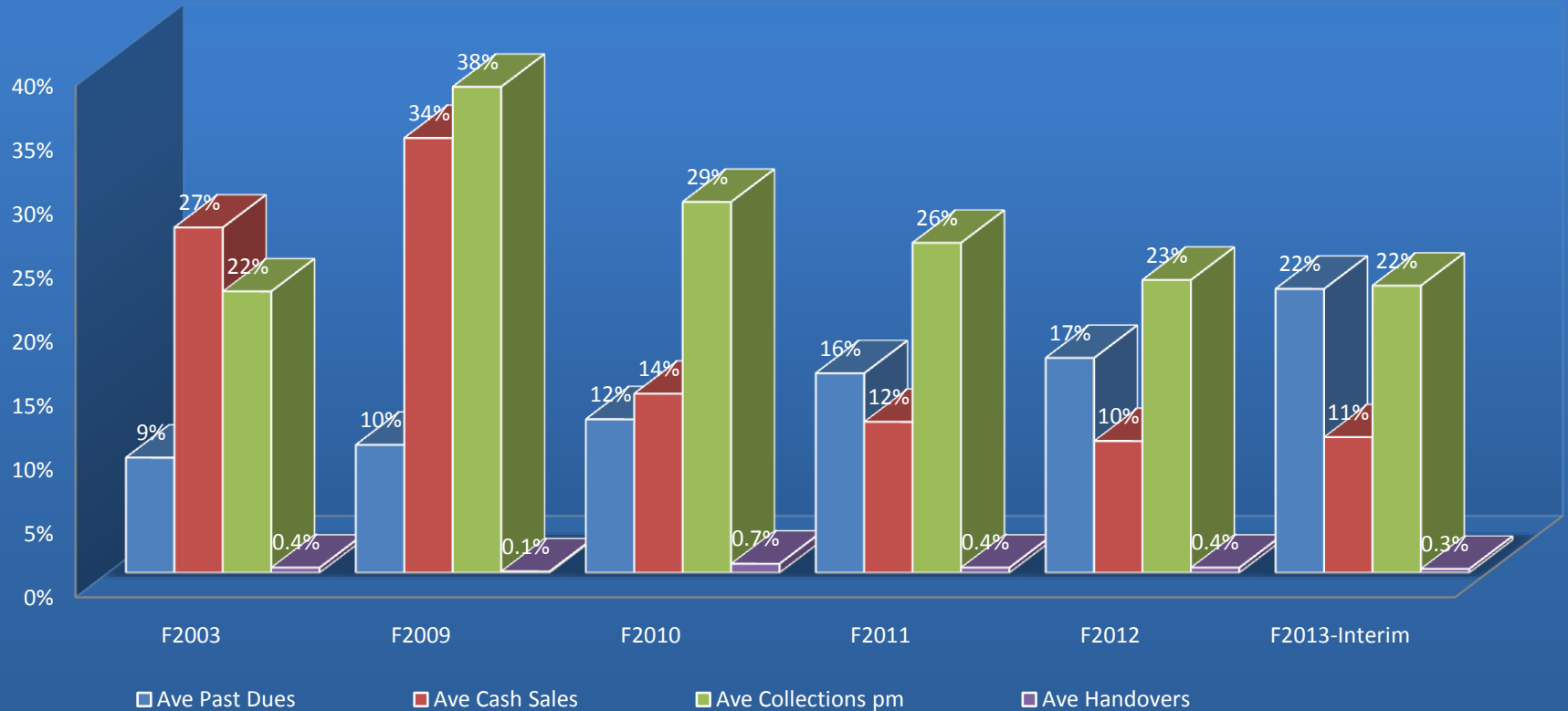
## *Account growth*



# Credit management

## *Debtors stats*

### DEBTORS STATS



# FY 2013 Targets revised

|                  |                  |
|------------------|------------------|
| Gross margin     | 45.5%            |
| Turnover         | \$65 – \$67m     |
| Trading profit   | 9½ - 10% of TO   |
| Finance costs    | 2.5% of turnover |
| Profit after tax | \$3.9m – \$4.3m  |



Carousel production lines