



PRESENTATION OF FINANCIAL RESULTS

For the year ended 10 January 2015



Edgars Stores
Limited

STRATEGIC AND OPERATIONAL UPDATE



FINANCIAL REVIEW



LOOKING FOWARD





STRATEGIC AND OPERATIONAL UPDATE



KEY STRATEGIC LEVERS

Sales Growth

- Improved assortments
- Compelling prices
- In-store experience
- Promotions

Improved support function efficiencies

- Still to complete ERP implementation
- Cost containment

Credit and Financial Services

- Expanded credit products on offer
- More credit
- Maintained quality

GROWTH

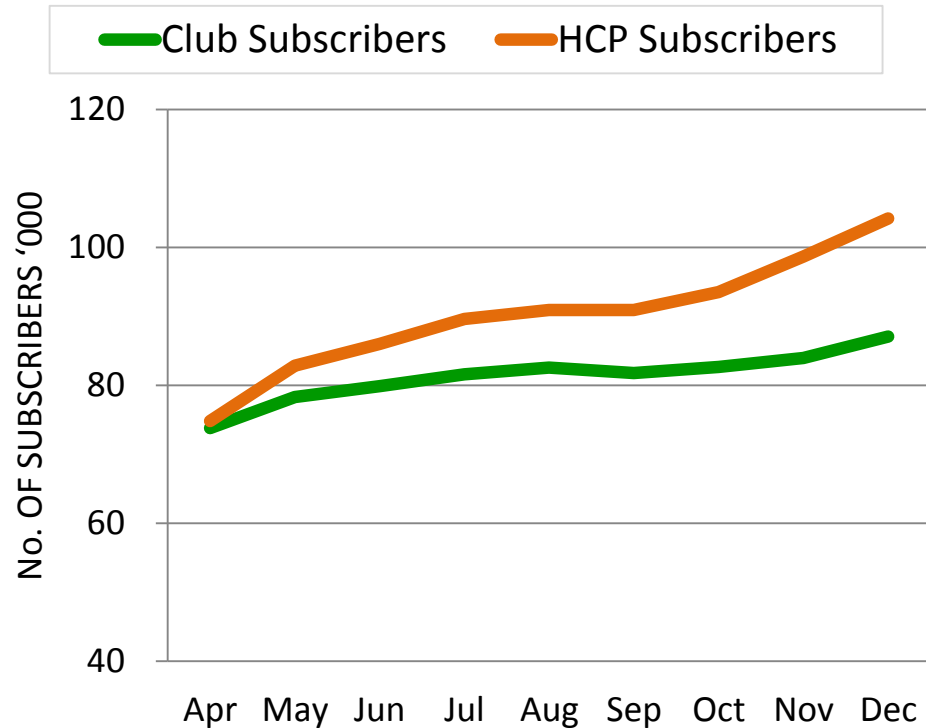
The Group launched the following new products and service offerings for its customers:

- Credit for the informal sector (test phase)
- 12 Months to Pay credit with interest
- The Club Magazine
- Hospital Cash Plan (HCP)
- Jet Credit in selected stores
- The Quote Brand by Carousel (Manufacturing Division)

New stores opened in FY2014:

Edgars Chain	Jet Chain
Vic Falls	Beitbridge
Bank St -Harare	Chitungwiza

CLUB MAGAZINE AND HCP – '000



THE CLUB and HOSPITAL CASH PLAN

CLUB – Corporate Social Responsibility

- Club members through a competition won amounts totaling \$1,000 in every issue.
- 10 times this amount was donated to a rural school of the Club member's choice in every issue.

CLUB Rural Schools Awarded:

Number of Issues	5
Number of Schools	15
Value of Donations	\$ 50,000



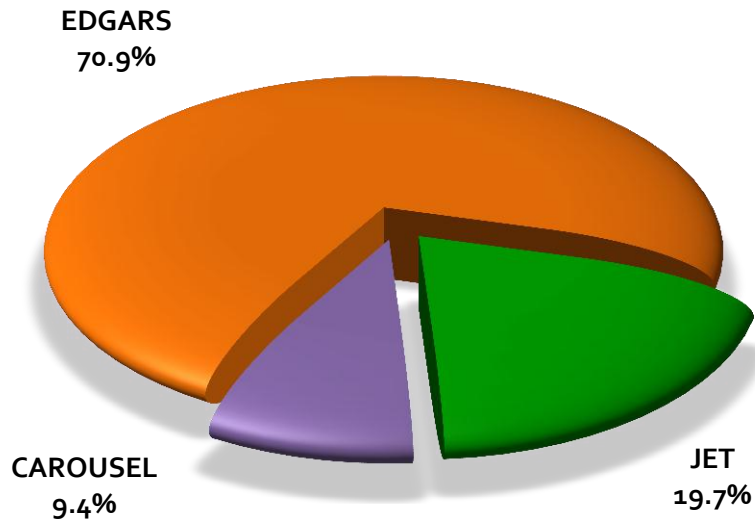
HCP Benefits FY2014

	No. of Claims	Value of Claims
EHCP claims	293	\$ 119,886
Death Claims	127	\$ 19,914
Credit Relief -\$ 200 after 7 Days Hospitalisation	44	\$ 8,800
Total Claims Processed	464	\$ 148,600



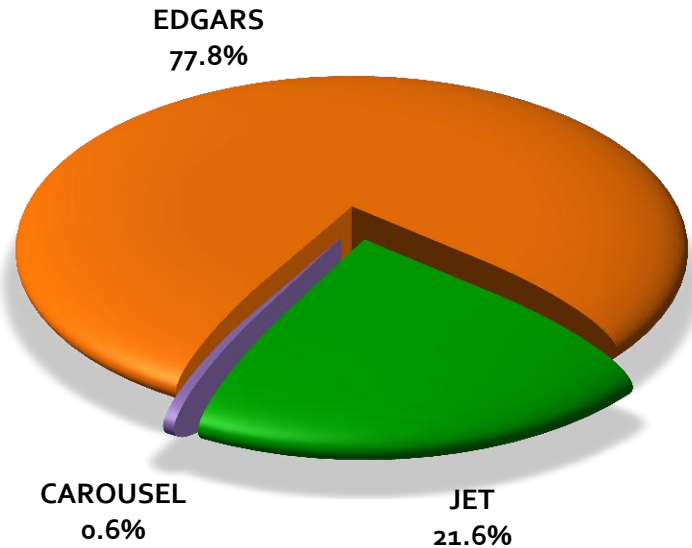
SEGMENT ANALYSIS – TURNOVER CONTRIBUTION

Unconsolidated



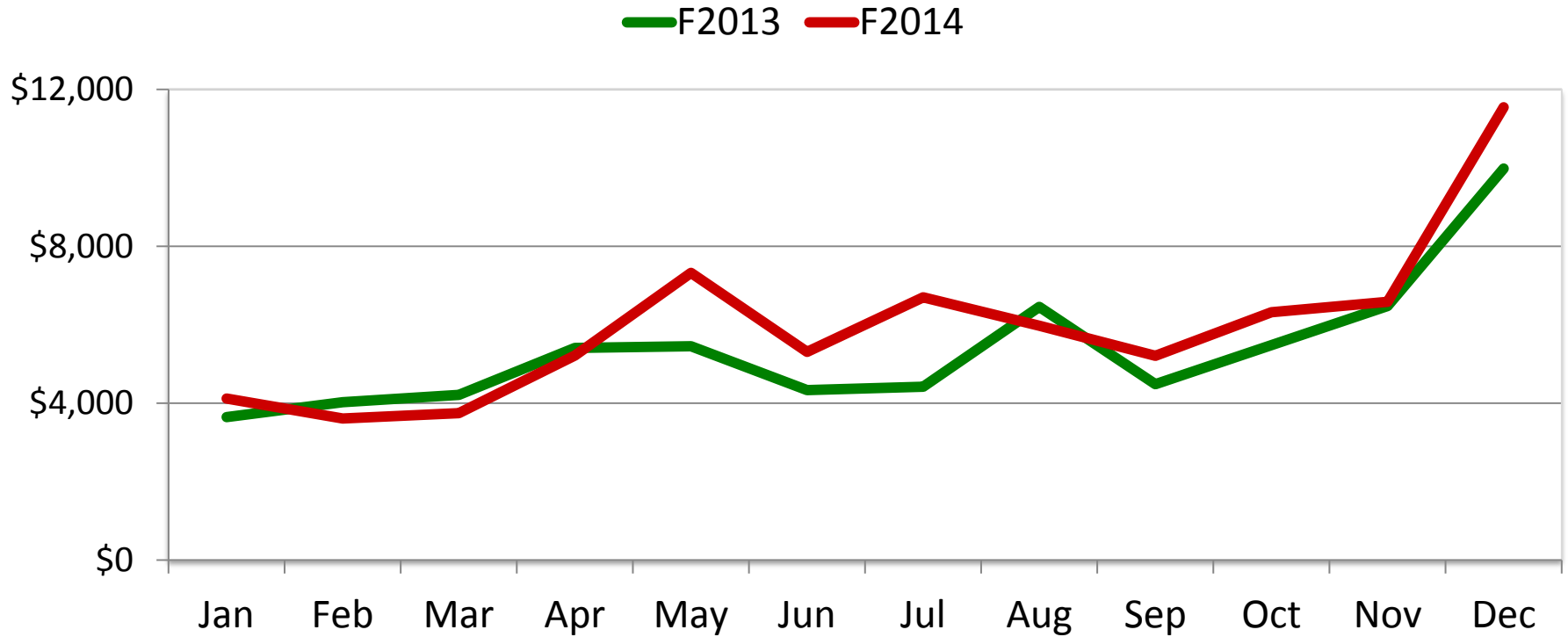
- Efforts to increase Jet Chain contribution by introducing credit.

Consolidated



- Carousel to improve third party sales through promotion of the Quote Brand and Ladies workwear.

TURNOVER PERFORMANCE - \$000



- Group turnover grew by 11.3%.
- Growth driven by credit.
- Trading year was 53 weeks (52 weeks FY2013)



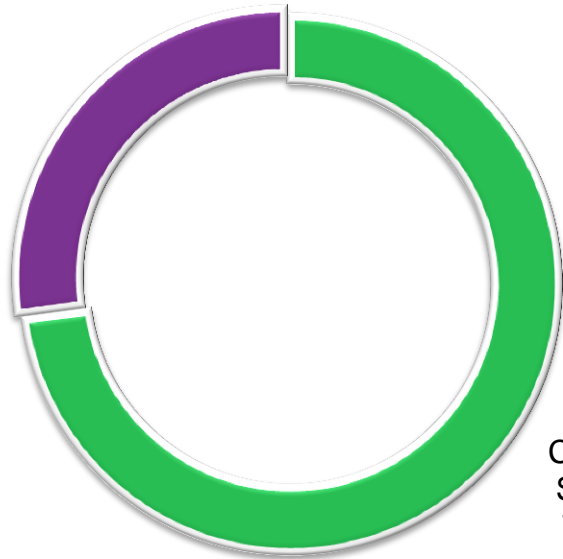
6.9%
Group
Trading
Space



TURNOVER SPLIT

CASH vs CREDIT

CASH
SALES
27.1%



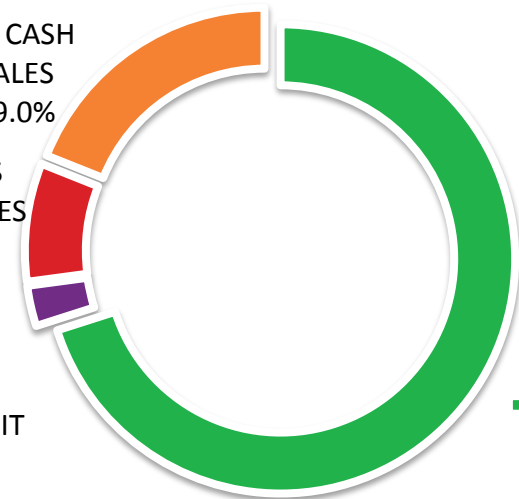
CREDIT
SALES
72.9%

BY CHAIN

JET CASH
SALES
19.0%

EDGARS
CASH SALES
8.2%

JET CREDIT
SALES
2.8%



EDGARS
CREDIT
SALES
70.1%

- Cash Sales growth of 6.1%.
- Increase in credit sales with the launch of new credit offerings.
- Average dollar purchases per account increase of 5.2%.



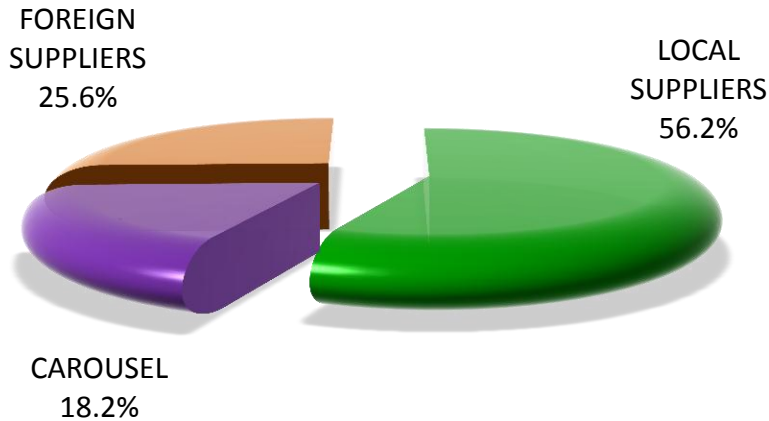
13.4%

Group
Credit
Sales

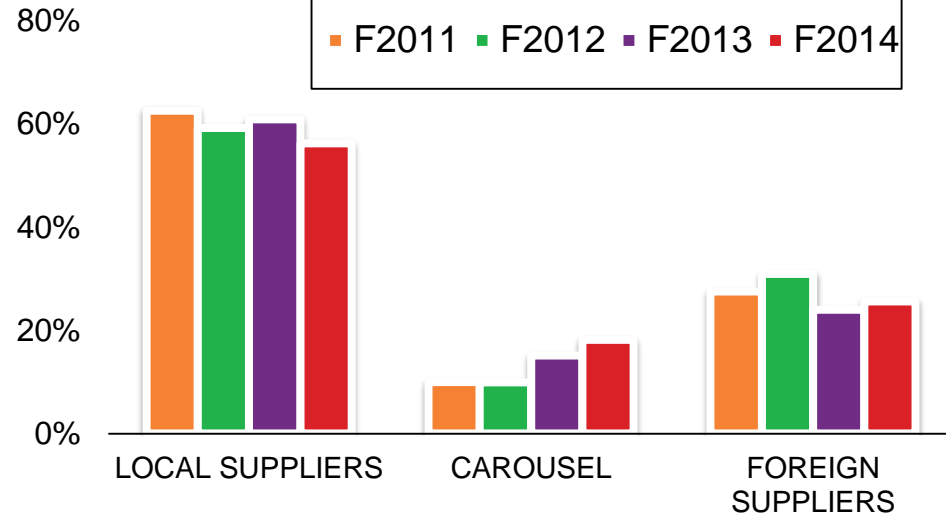


MERCHANDISE - PROCUREMENT

2014



YOY



- Total merchandise purchases grew by 8.4% over FY2013.
- Strong growth was recorded from merchandise procured from Carousel.
- Procurement from local suppliers remained in the same range as last year.



30.2%

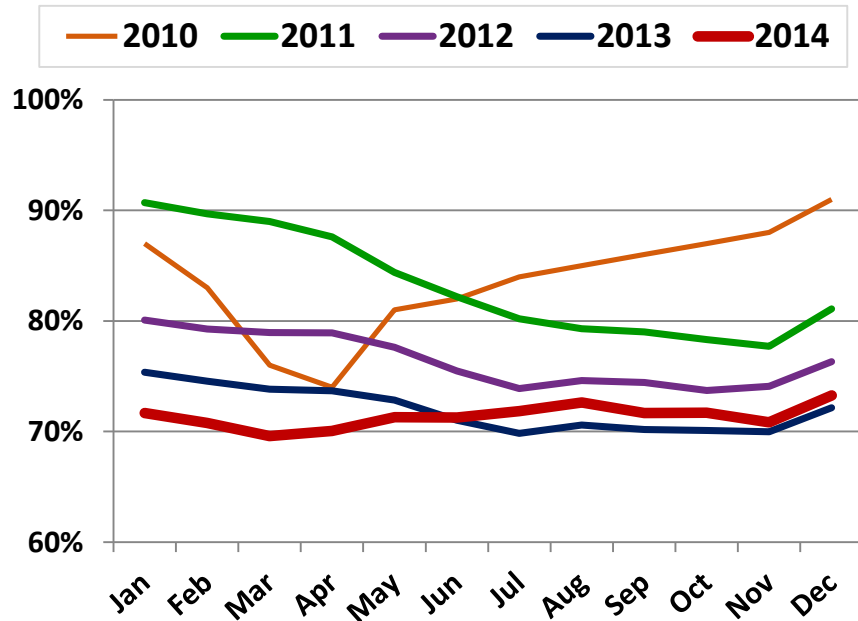
Carousel Purchases



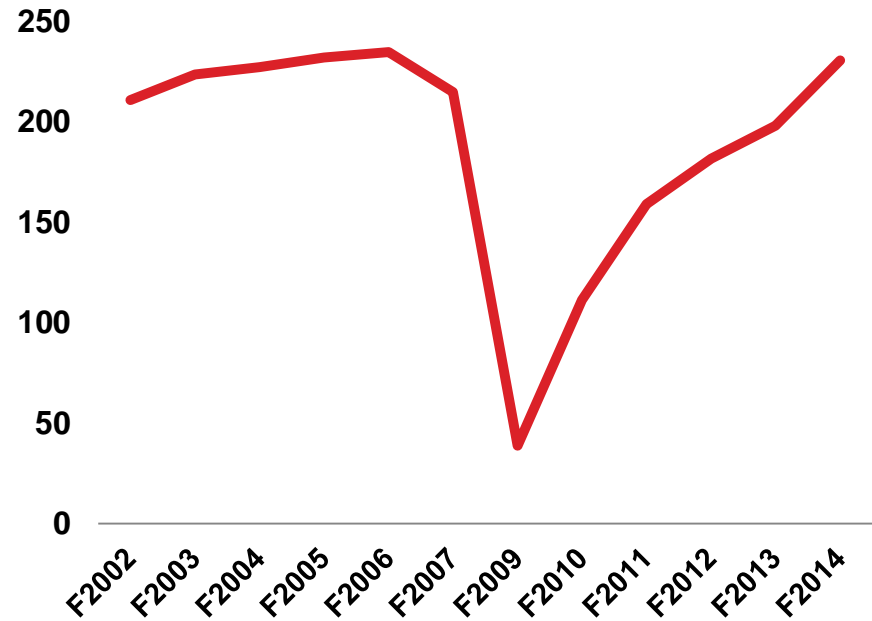
Sleek
MakeUP

ACCOUNTS PERFORMANCE

ACTIVE ACCOUNTS %AGE



TOTAL ACCOUNTS (000s)



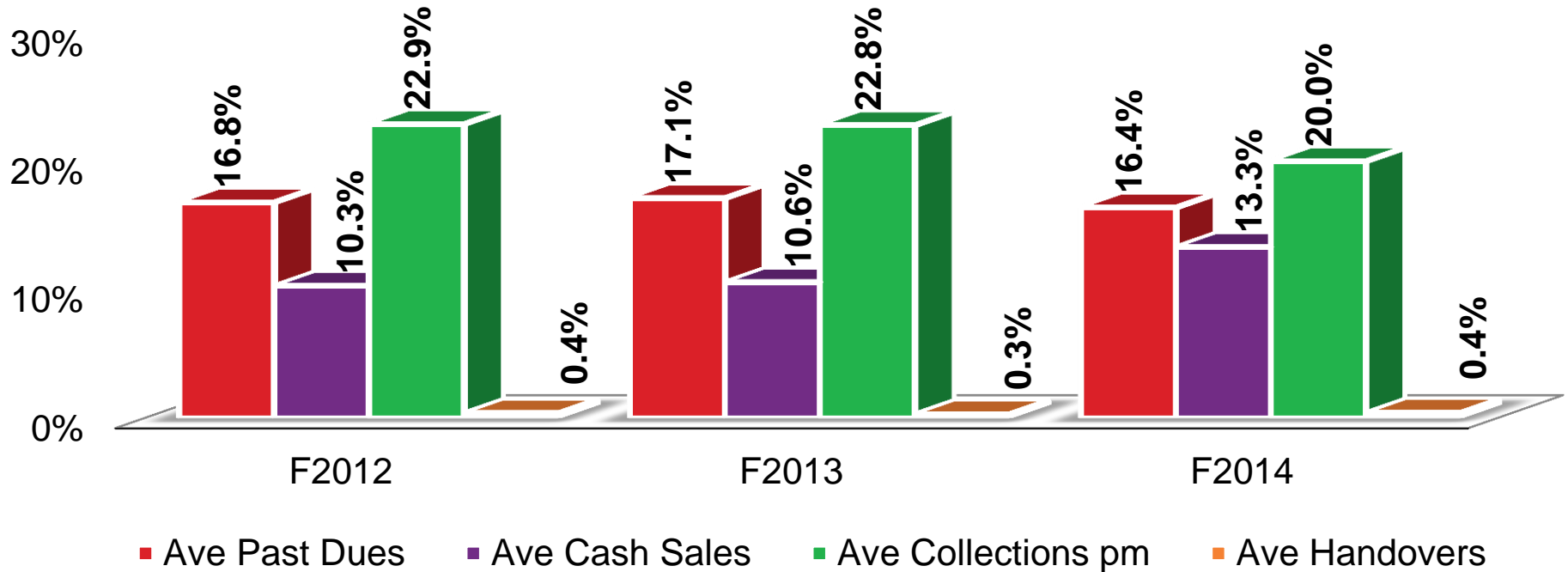
- Accounts growth spurred by the launch of 12MTP and Jet Credit.
- Average number of new accounts per month – 3,694 accounts
- Average active accounts percentage -71.4%



16.4%

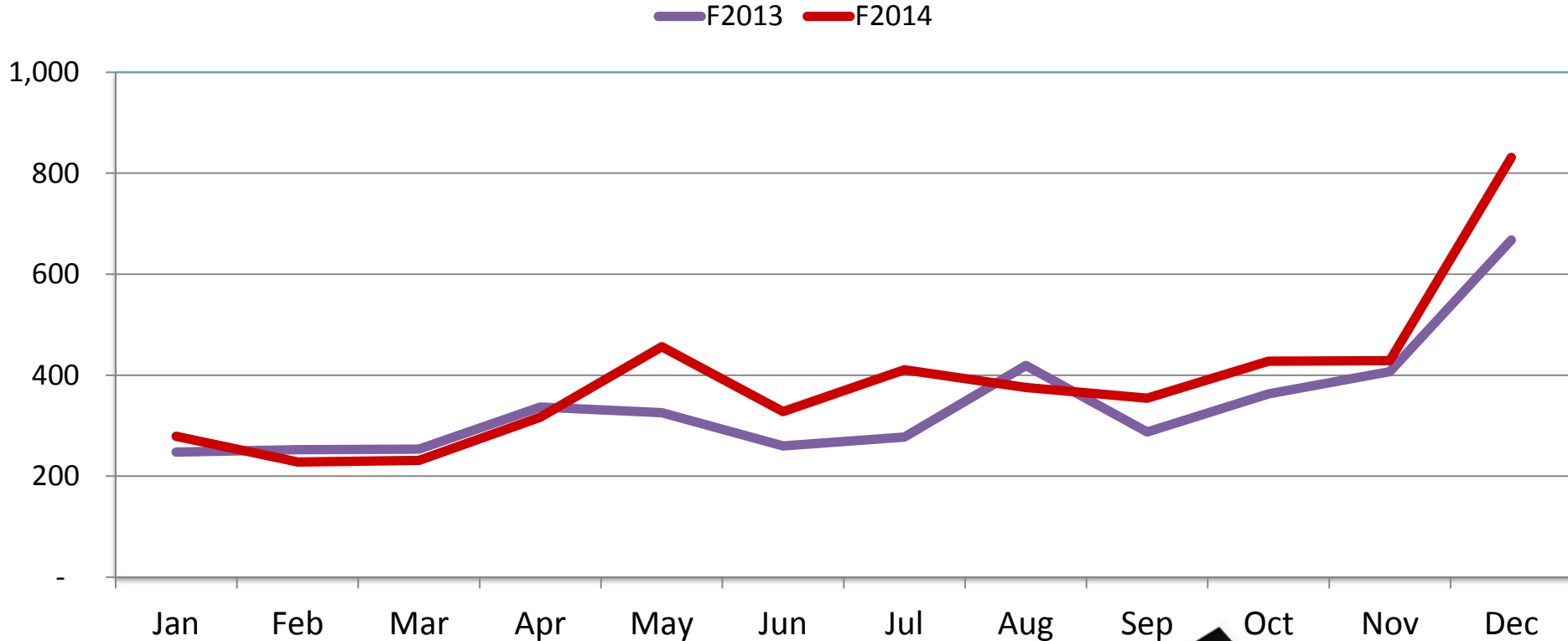
Total Accounts

CREDIT MANAGEMENT – DEBTORS STATISTICS



- FY2014 ratios include Jet Chain which launched credit in selected stores.
- Collection rates came down due to introduction of longer term credit to customers.
- Cash sales percentage grew due to the inclusion of Jet Chain in FY2014.

UNITS '000



Group unit sales grew by 13.9% over FY2013.

- Edgars Chain was 8.7% higher than last year.
- Jet Chain sold 23.2% more units than last year.





FINANCIAL REVIEW



**Edgars Stores
Limited**

FINANCIAL HIGHLIGHTS

	FY2014	FY2013	% change
Retail Sales	72,071,863	64,761,574	11.3
Net Profit Margin %	7.2	6.5	9.9
Earnings per Share (cents)	2.02	1.68	20.2
Trade and Other Receivables \$	34,315,693	23,679,486	44.9
No. of Accounts	230,381	197,932	16.4
Gearing	0.94	1.00	6.0
Net Equity per Share (cents)	8.56	6.53	31.2
Cash flow from operations \$	(2,231,256)	3,609,283	(161.8)
Borrowings @ year end \$	20,342,034	16,519,903	(23.1)

STATEMENT OF COMPREHENSIVE INCOME

\$ 000	FY2014	FY2013	% change
Retail Sales	72,072	64,762	11.3
Gross Profit	33,421	31,027	7.7
Gross Profit Margin %	46.4	47.9	(3.2)
Operating Profit	4,296	4,913	(12.6)
Finance income	5,123	2,767	85.2
Finance costs	(1,944)	(1,735)	12.0
Profit before Tax	7,475	5,945	25.7
Taxation	(2,292)	(1,707)	34.2
Profit after tax	5,184	4,238	22.3

CHAIN STATISTICS

EDGARS CHAIN

JET CHAIN

	FY2014	FY2013	%change	FY2014	FY2013	%change
No. of stores	28	26	7.7	25	23	8.7
Trading space (sqm)	28,486	26,572	7.2	11,796	11,125	6.0
Turnover per sqm (\$)	1,968	1,934	1.8	1,322	1,168	13.2
Unit sales '000	2,862	2,632	8.7	1,806	1,466	23.2



LOOKING FOWARD



Edgars Stores
Limited

OUR PROMISE FOR FY2015

	FY2015 Target
Turnover Growth	Positive
Gross Margin	> 44.9%
EBITDA	> 12%
Finance Costs	< 3.5%
Operating profit growth	Positive
Borrowings @ year end	+/- \$26m
No. of Accounts	275,000
Gearing	Improved



b.galloway@edgars.co.zw