



**Edgars Stores
Limited**

**Analysts' Presentation on Interim
Results for the 26 weeks ended
5 July 2014**



Presentation outline

- Retail environment
- Progress on March 2014 promise
- Financial highlights
- Operational performance
- Credit management
- New customer offerings
- 2014 targets revisited



Retail environment

- Tight liquidity
- Sluggish economic growth
- Company closures
- Price based competition in the cash market
- Unfair playing field



Progress on March 2014 promise

	Progress	vs Promise
Gross margin	49%	> 47.5 %
Turnover	\$29.5m	\$ 70m
Trading profit (plus debtors finance income)	7.98% of retail sales	> 8 % of retail sales
Finance costs	3.08% of retail sales	< 2.7% of retail sales
Profit after tax	\$1.05m	\$ 4.7m



Financial highlights

	2014	vs 2013
Retail sales	\$29 497 625	+8%
Profit before tax	\$1 614 087	+0%
Earnings per share (cents)	0.41	-6%
Trade and other receivables	\$22 707 233	+19%
No. of accounts	203 728	+8%
Gearing	0.94	-28%
Net equity per share (cents)	6.93c	+54%



Operational performance

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



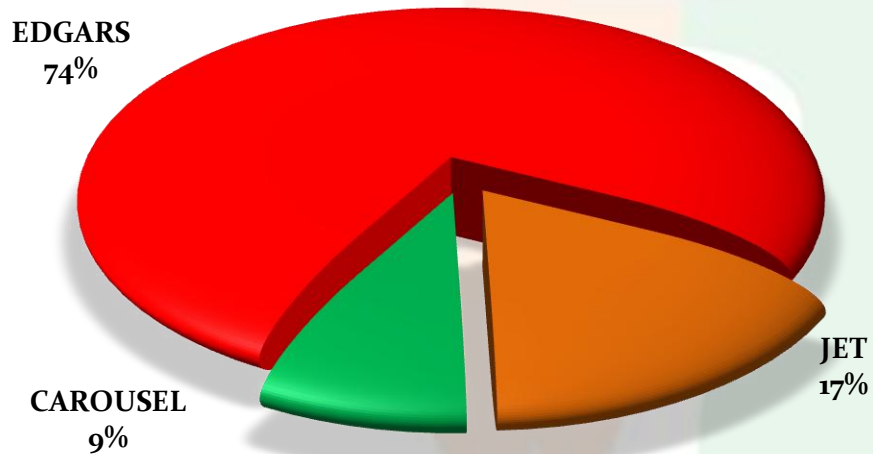
Edgars and Jet chain statistics

	EDGARS		JET	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Number of stores	28	24	25	18
Trading area m ²	28 486	26 020	9 343	11 796
Sales per m ² (\$)	130.40	107.60	90.20	85.70
Unit sales	1 222 397	1 137 604	616 291	538 026

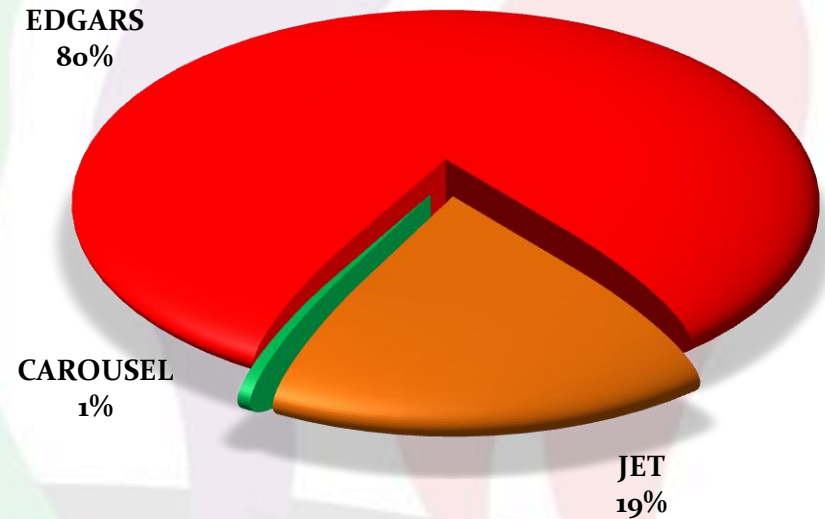


Turnover analysis- segment contribution

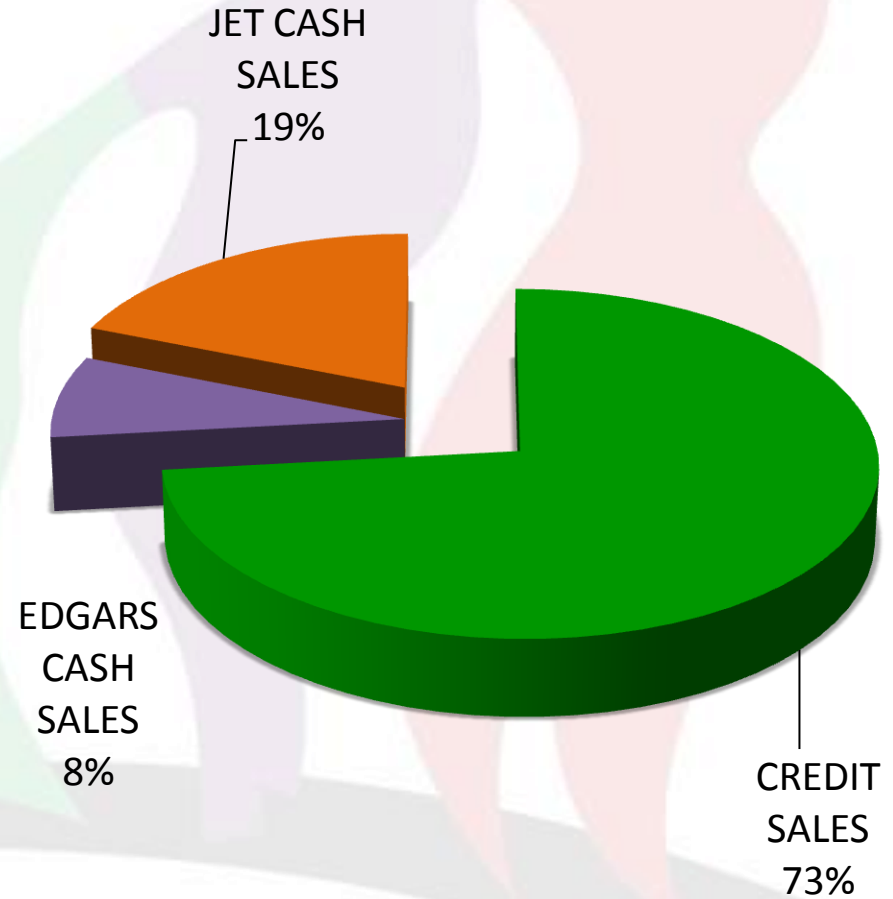
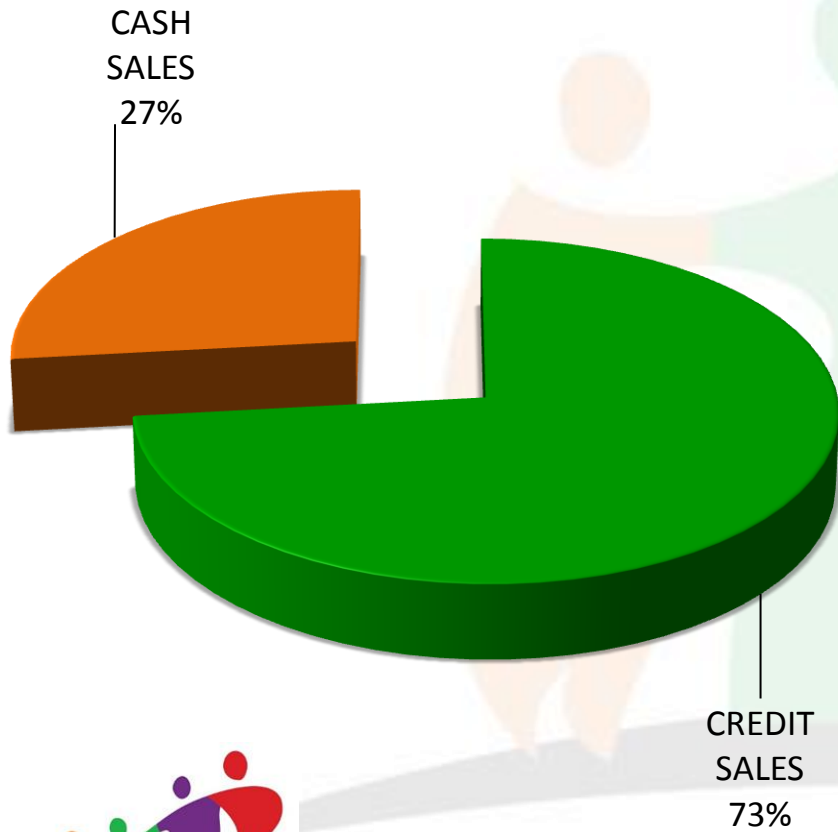
Unconsolidated



Consolidated



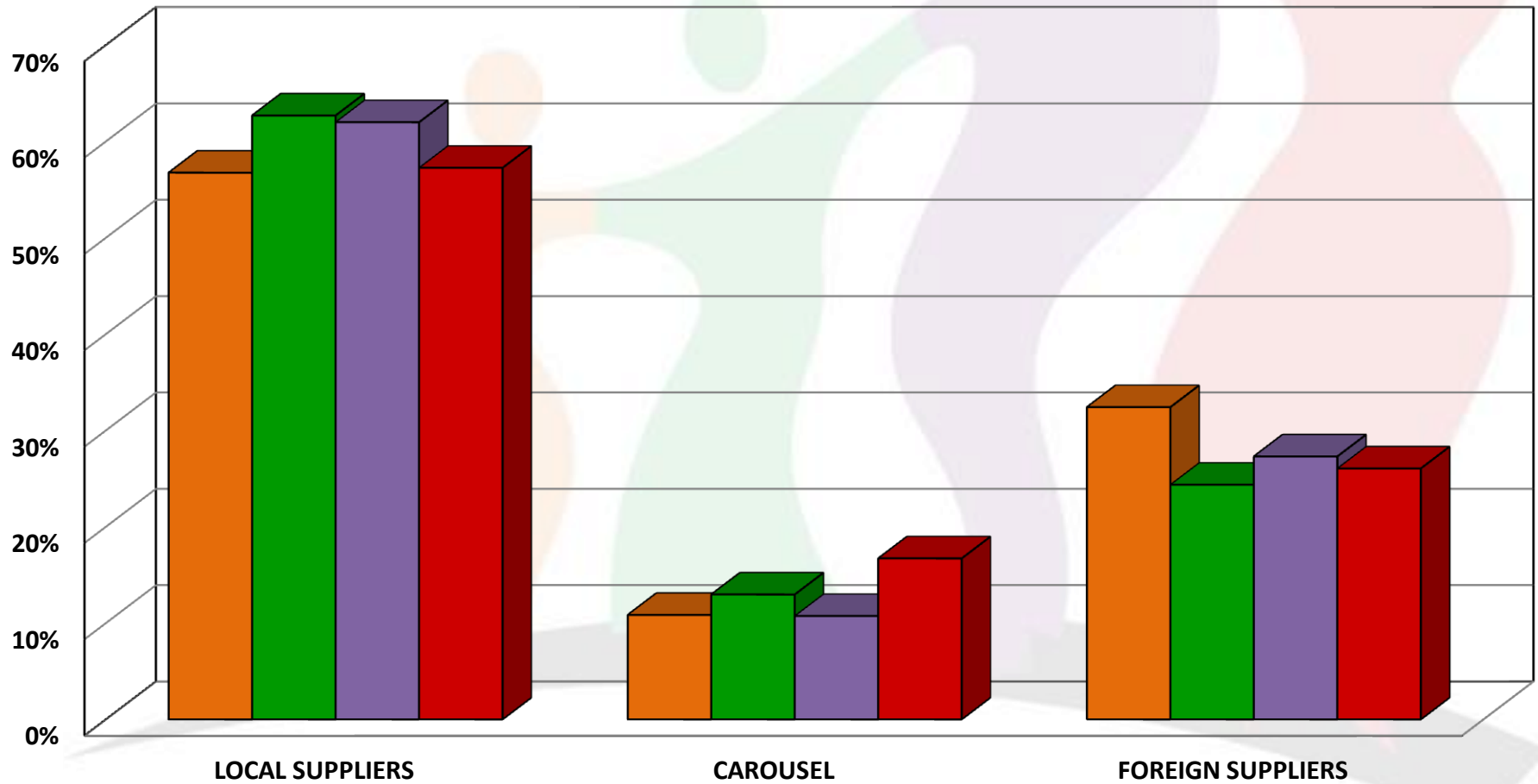
Turnover analysis- cash/ credit split



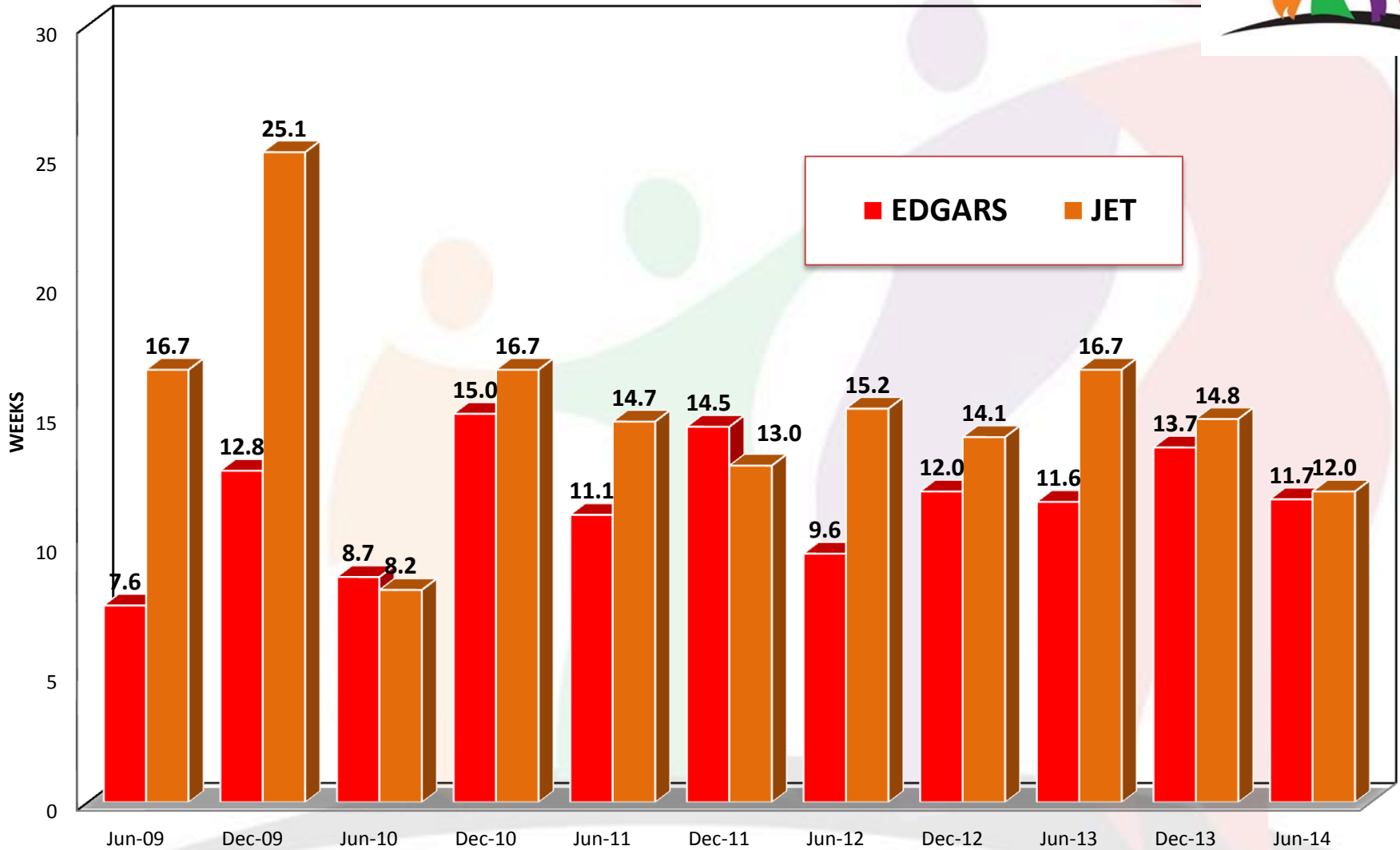
Merchandise- procurement



F2011 F2012 F2013 F2014



Merchandise- stock cover

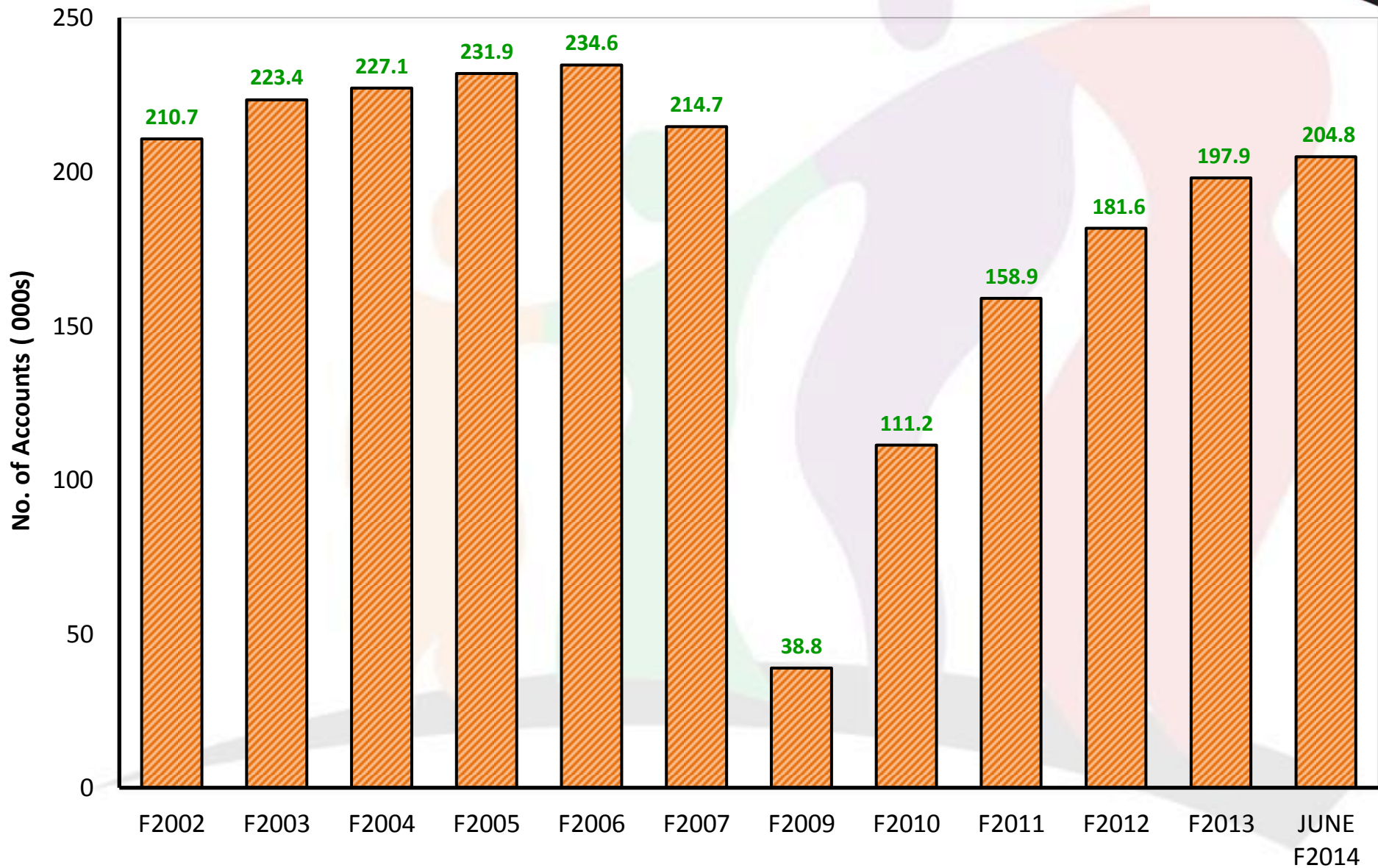


Credit management

- Account growth
- Active accounts
- Debtors stats



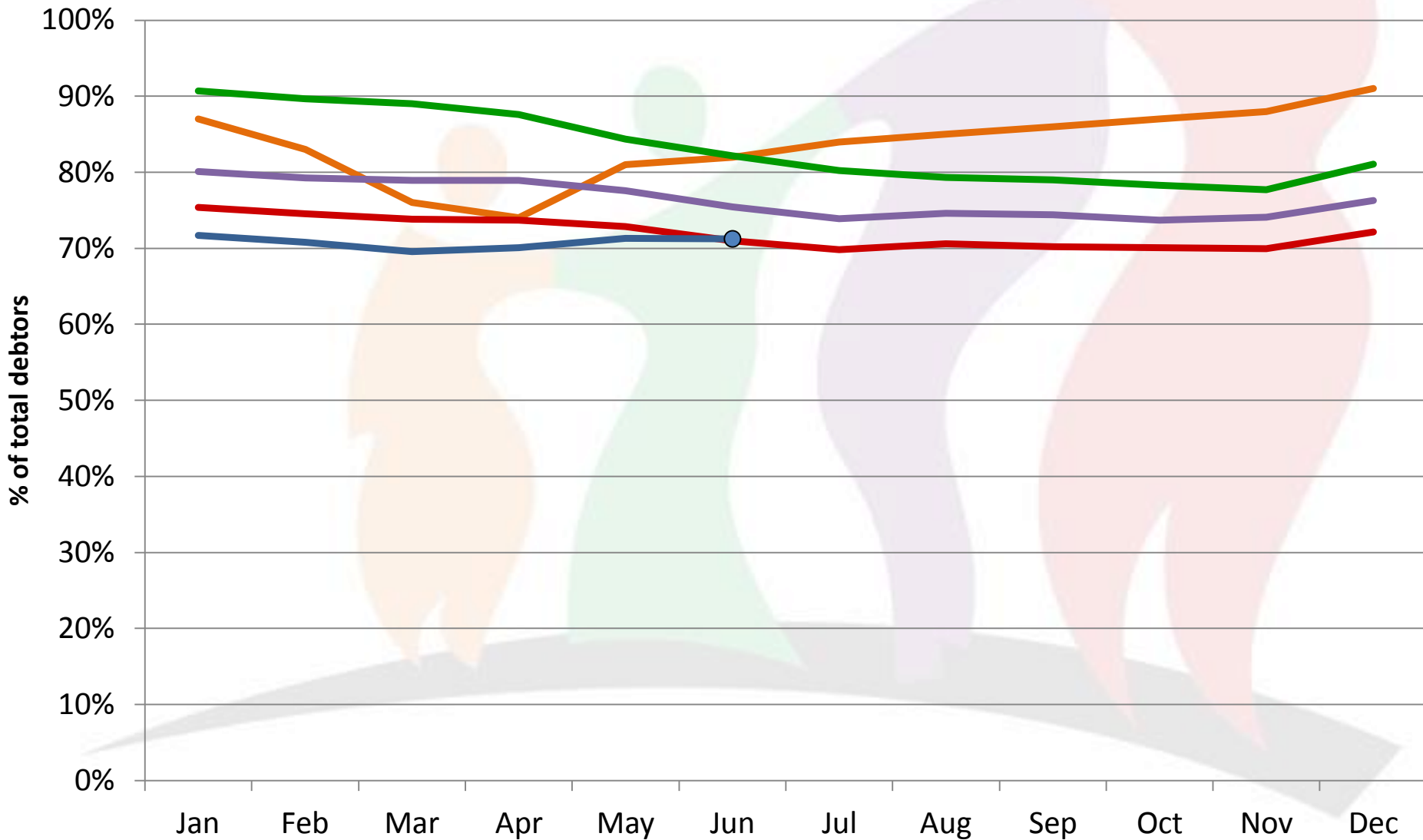
Credit management- account growth



Credit management- active accounts



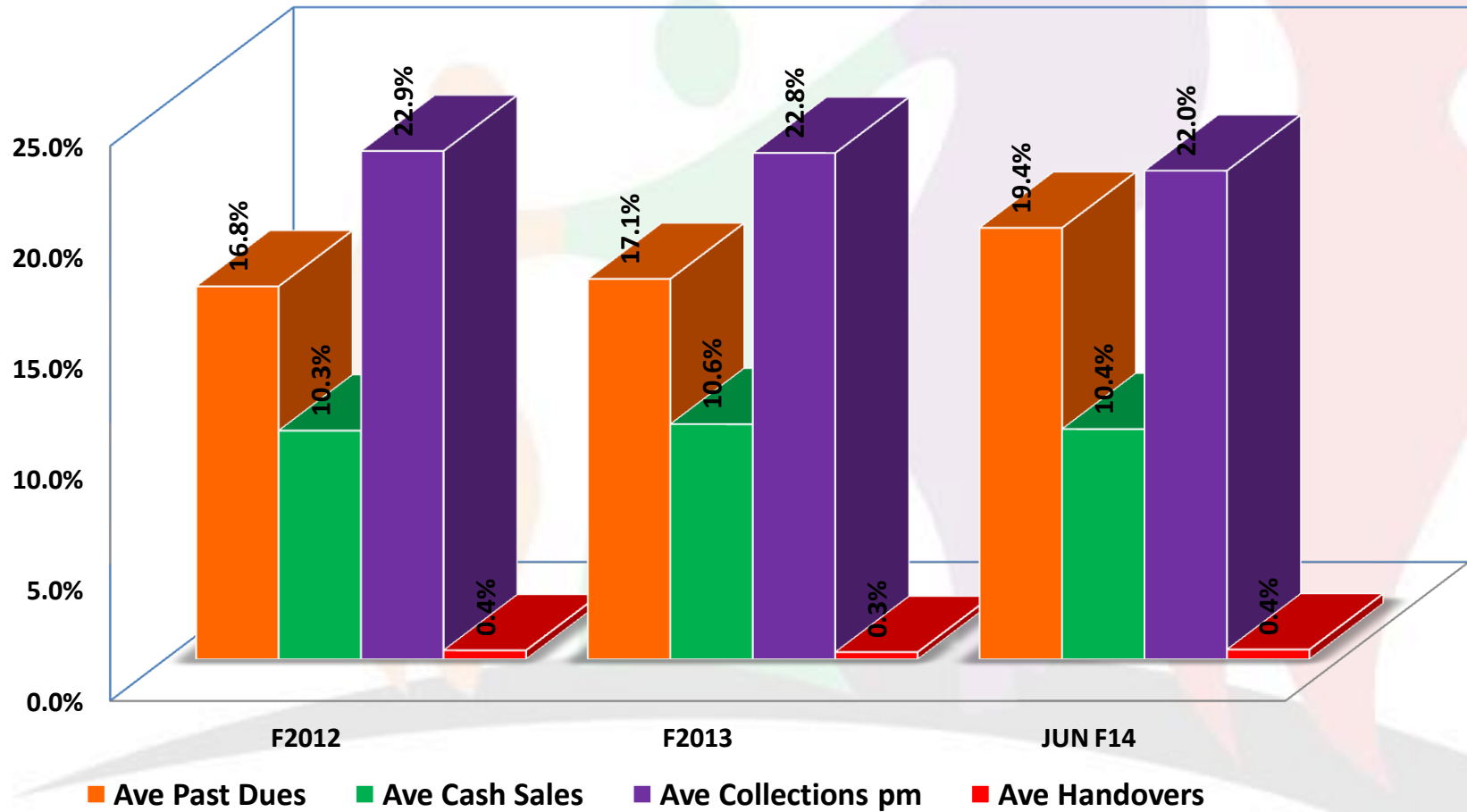
— 2010 — 2011 — 2012 — 2013 — 2014



Credit management- debtors statistics



DEBTORS STATS



New customer offerings



The **Edgars Club** launched in April 2014 offering our customers:

- Bi-monthly magazine
- Option to convert to 12MTP account
- Exclusive discounts
- Hospital cash plan cover
- Monthly cash giveaways including donations to rural schools chosen by customers



Edgars

club

AUGUST-SEPTEMBER 2014

Zimbabwe

NOT FOR SALE

SEASON TREND PREVIEW
All the colours
All the styles

ALL THE WINNERS
We show you who won our competitions to date

SPRING 2014
Welcoming a new season into your home, wardrobe and kitchen in style

BACKYARD TOURISM
A look at the hot-spots in & around Nyanga

Our Gifts CASH CHALLENGE, MOVIE TICKETS & DISCOUNT COUPONS

NOW IN-STORE

12 MONTHS TO PAY

- UP TO 75% MORE CREDIT
- 2% INTEREST PER MONTH
- ACCESS TO HOSPITAL CASH PLAN
- NO SERVICE COSTS OR ADMIN FEES
- EXCLUSIVE TO CLUB MEMBERS

Get

EXTENDED CREDIT

www.edgarsstores.co.zw

OWN YOUR LOOK ■ Edgars

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TRIAL & LOAN ONLY

ENJOY great value

JOIN THE EDGARS CLUB, SIGN UP
FOR THE EDGARS HOSPITAL CASH
PLAN AND ENJOY GREAT BENEFITS

NEED TO KNOW!

- WHAT EDGARS CLUB
MEMBERS GET FOR FREE:
- * \$100 A DAY AFTER 48hrs
OF HOSPITALISATION
 - * \$200 ACCOUNT CREDIT
RELIEF FOR 7 DAYS SPENT IN
HOSPITAL
 - * 100% DEBT RELIEF
ON DEATH

ADVANTAGES FOR YOU

- * Use the cash in any way you wish to i.e paying school fees, utility bills etc
- * Cash payouts of US\$100 and US\$50 for adults and kids respectively
- * Pays up to \$3,000 and \$1,500 for adults and kids per event if you are in hospital (after 48 hours)
- * Pre-existing conditions/ailments covered (including HIV/Aids)
- * Should you be diagnosed with HIV/Aids or any chronic ailment after the commencement of your policy, you will be covered
- * Debt relief or credit of \$200 for hospitalisation of 7 days and above for an Edgars account holder.
- * Debt relief of the whole amount outstanding on your account if the principal account holder dies.

For more details visit www.edgarsstores.co.zw or email theclub@edgars.co.zw

Exclusive to Edgars Club members and Underwritten by Eagle Insurance Company Limited

2014 targets

Gross margin	> 47.5 %
Turnover	\$ 70m
Trading profit (plus debtors finance income)	> 8 % of retail sales
Finance costs	< 2.7% of retail sales
Profit after tax	\$ 4.7m



Have questions?

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