



## **PRESENTATION OF INTERIM FINANCIAL RESULTS**

For the period ending 11 July 2015



## STRATEGIC AND OPERATIONAL UPDATE



## FINANCIAL REVIEW



## LOOKING FOWARD







GET YOUR  
**Jet**  
CREDIT

**6 months to pay**

Requirements

- Current payslip
- National ID Card
- Proof of residence

**Jet** Financial Services

\*AVAILABLE IN ALL JET STORES NATIONWIDE



STRATEGIC AND OPERATIONAL UPDATE



# KEY STRATEGIC LEVERS

## Sales Growth

- Credit in Jet Chain
- Improved assortments, compelling prices and product differentiation within the chains
- Promotions
- Expanded overlay products
- Financial Inclusion: credit options to customers in the informal and SME sector

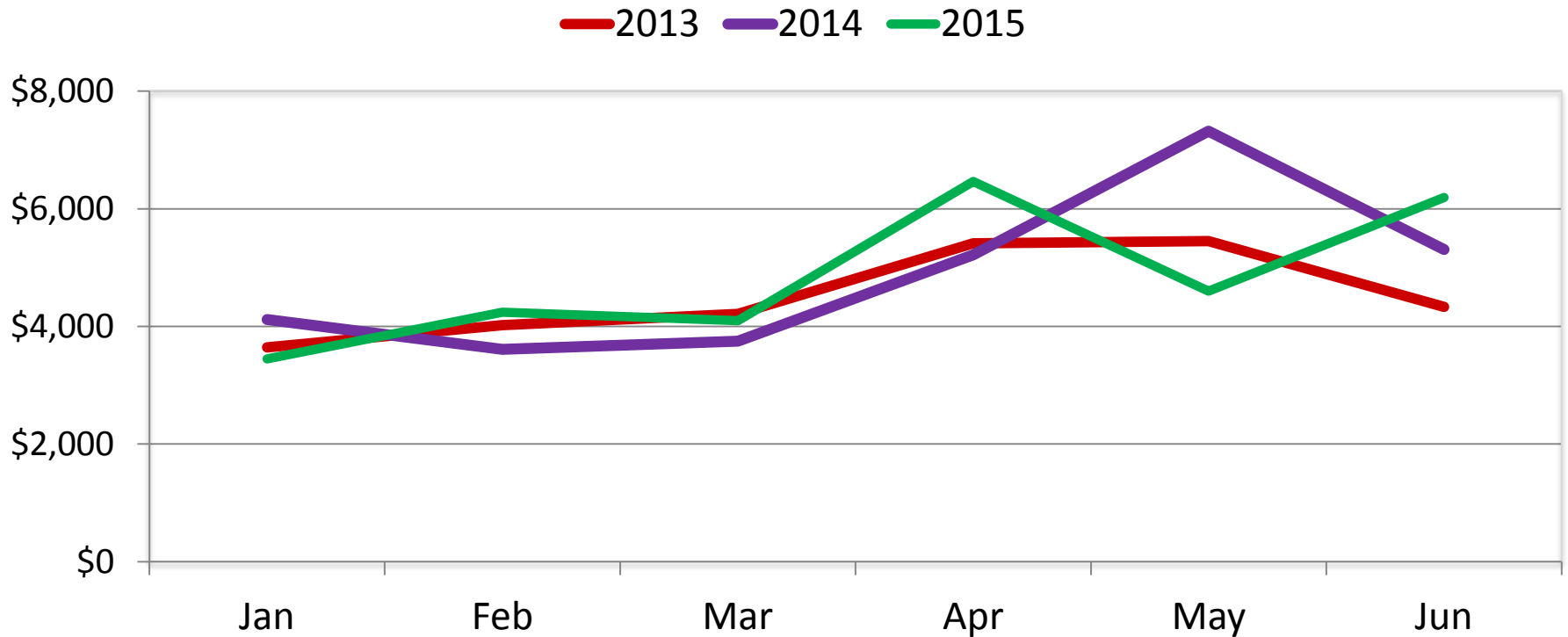
## Improved support function efficiencies

- ERP implementation to increase efficiency once complete
- Cost reduction
- Productivity push

## Working capital management

- Closely monitored stock levels
- Positive operational cash flows and reduced gearing
- Tightening credit policies

# TURNOVER PERFORMANCE - \$000



- Edgars Chain turnover down by 12.5% from LY and 4.6% when compared with 2013, which is more revealing due to surge on 12MTP in 2014.
- Jet Chain turnover grew by 42.3% over last year.
- 12MTP and The Club launched in May 2014 and Jet credit in April 2015.

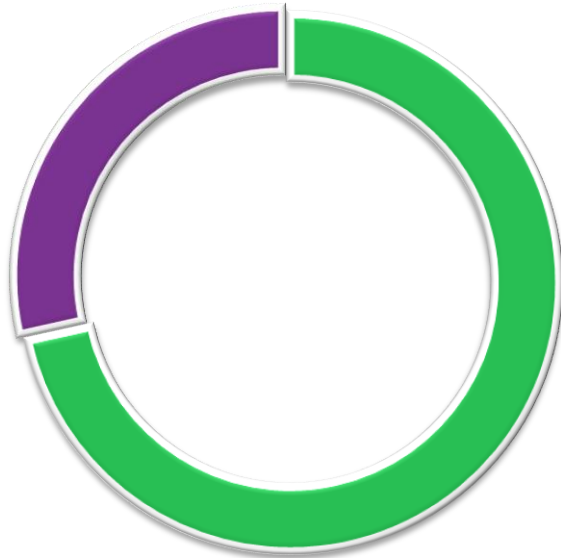
**13.0%**  
Group  
Profit  
After  
Tax



# TURNOVER SPLIT

## CASH vs CREDIT

Cash Sales  
28.5%



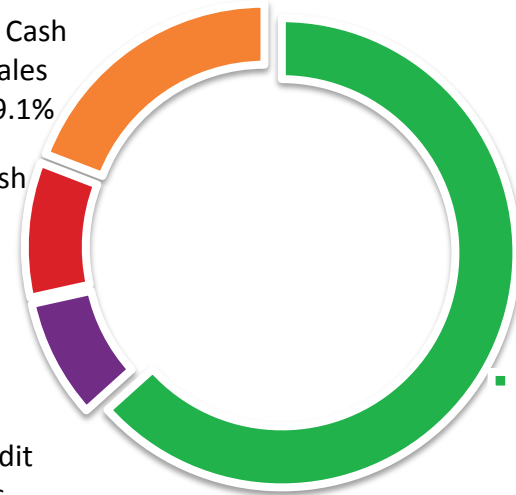
Credit Sales  
71.5%

## BY CHAIN

Jet Cash Sales  
19.1%

Edgars Cash Sales  
9.3%

Jet Credit Sales  
8.2%



Edgars Credit Sales  
63.3%

- Cash Sales growth of 5.6% for the first half of the year.
- Decrease in Edgars Chain credit sales of 13.9% over last year.
- Average purchasing accounts per month increase of 4.0% over last year.



3.3%

Group Credit Sales



**thank U**

ENJOY THE BENEFITS - BE REWARDED FOR YOUR LOYALTY!

- FOR EVERY \$1 PURCHASE, YOU EARN 10 POINTS
- POINTS ARE REDEEMABLE AT 1000 POINTS AS A DISCOUNT ON YOUR NEXT PURCHASE

**Sign up for**

Enjoy your rewards!

# CHAIN STATISTICS

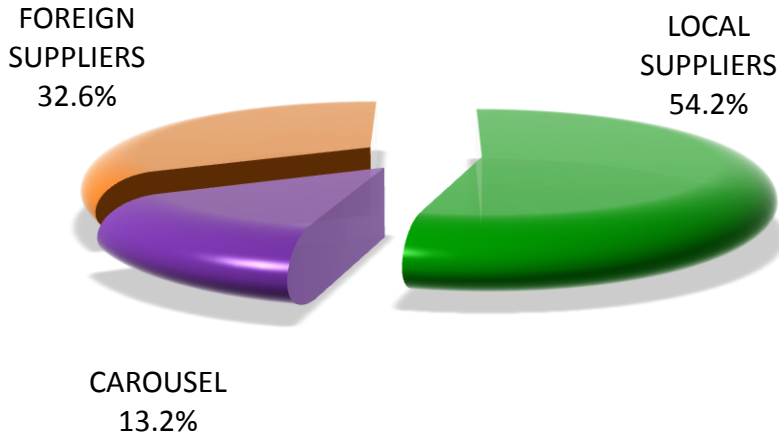
## EDGARS CHAIN

## JET CHAIN

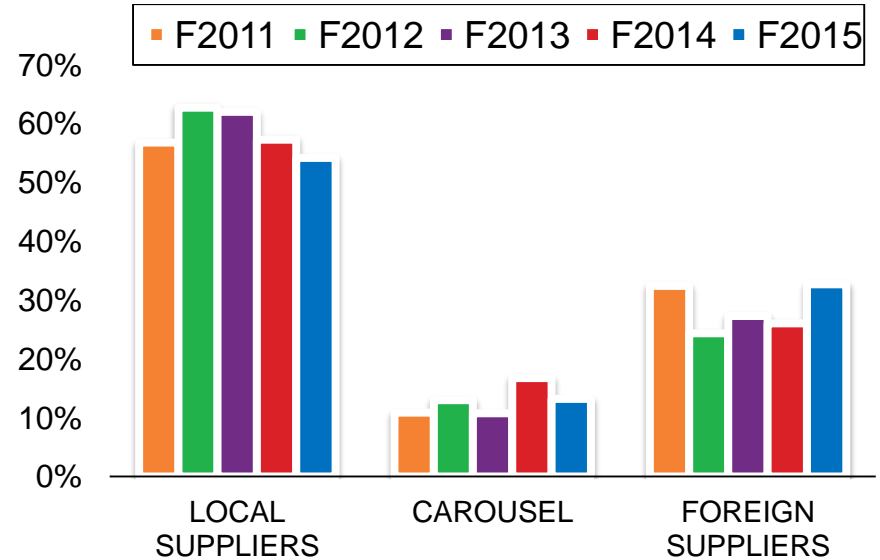
	HY2015	HY2014	%change	HY2015	HY2014	%change
No. of stores	28	28	-	25	25	-
Trading space (sqm)	28,486	28,486	-	11,796	11,796	-
Turnover per sqm (\$)	1,875	1,861	0.8	1,524	1,154	32.1
Unit sales '000	1,029	1,222	(15.8)	823	616	33.6

# MERCHANDISE - PROCUREMENT


HY2015



YOY – JUNE YTD



- Total merchandise purchases grew by 17.1% over HY2014.
- Strong growth was recorded in merchandise procured from Foreign Suppliers.
- Procurement from local suppliers grew by 10.8% in the first half of F2015



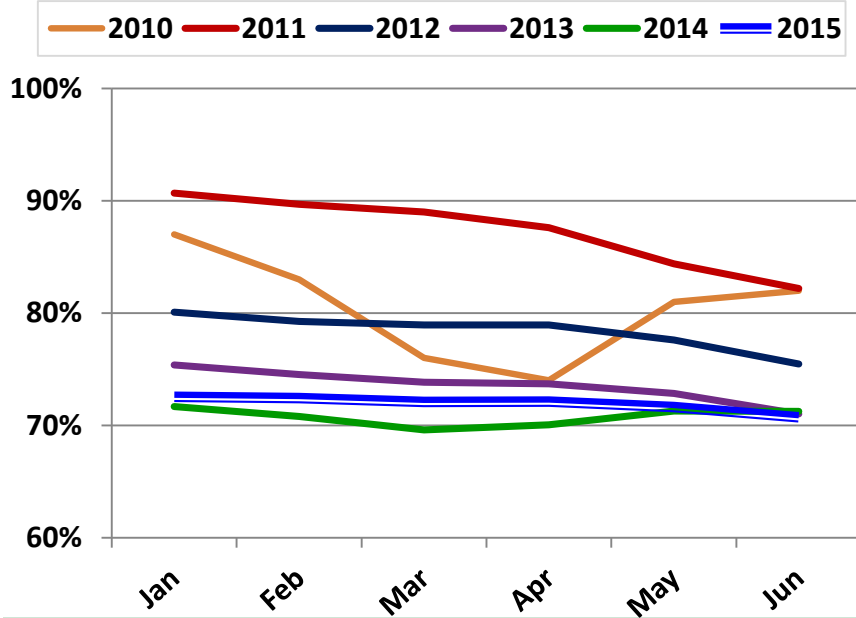
**46.8%**  
Foreign Suppliers



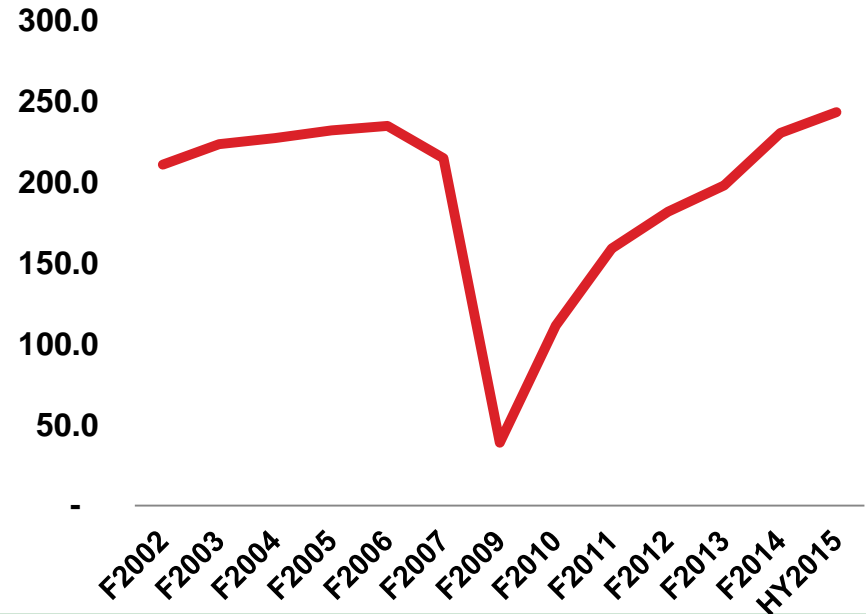


# ACCOUNTS PERFORMANCE

## ACTIVE ACCOUNTS %AGE

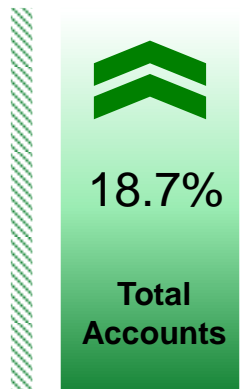


## TOTAL ACCOUNTS (000s)



- Accounts growth spurred by the launch of 12MTP and Jet Credit.

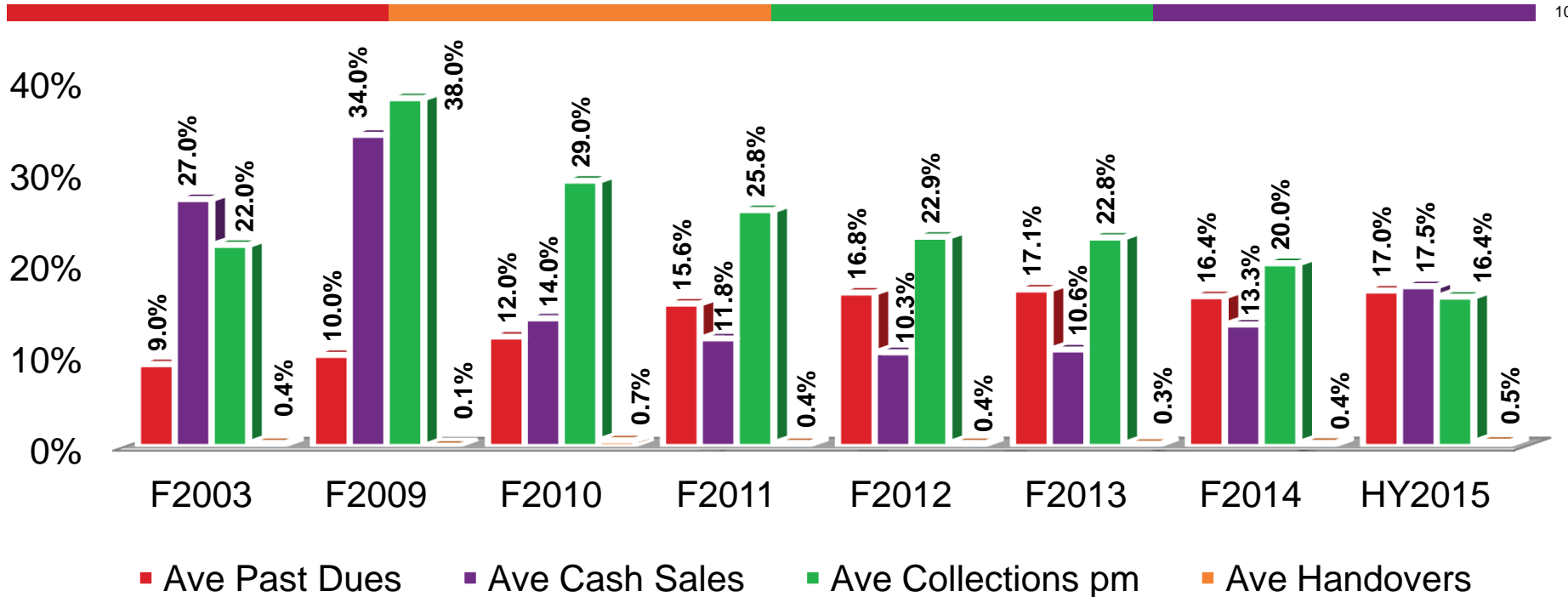
Number of accounts	2015	2014
Edgars	217 370	203 728
Jet	<u>25 761</u>	<u>1 064</u>
	<b><u>243 131</u></b>	<b><u>204 792</u></b>



18.7%

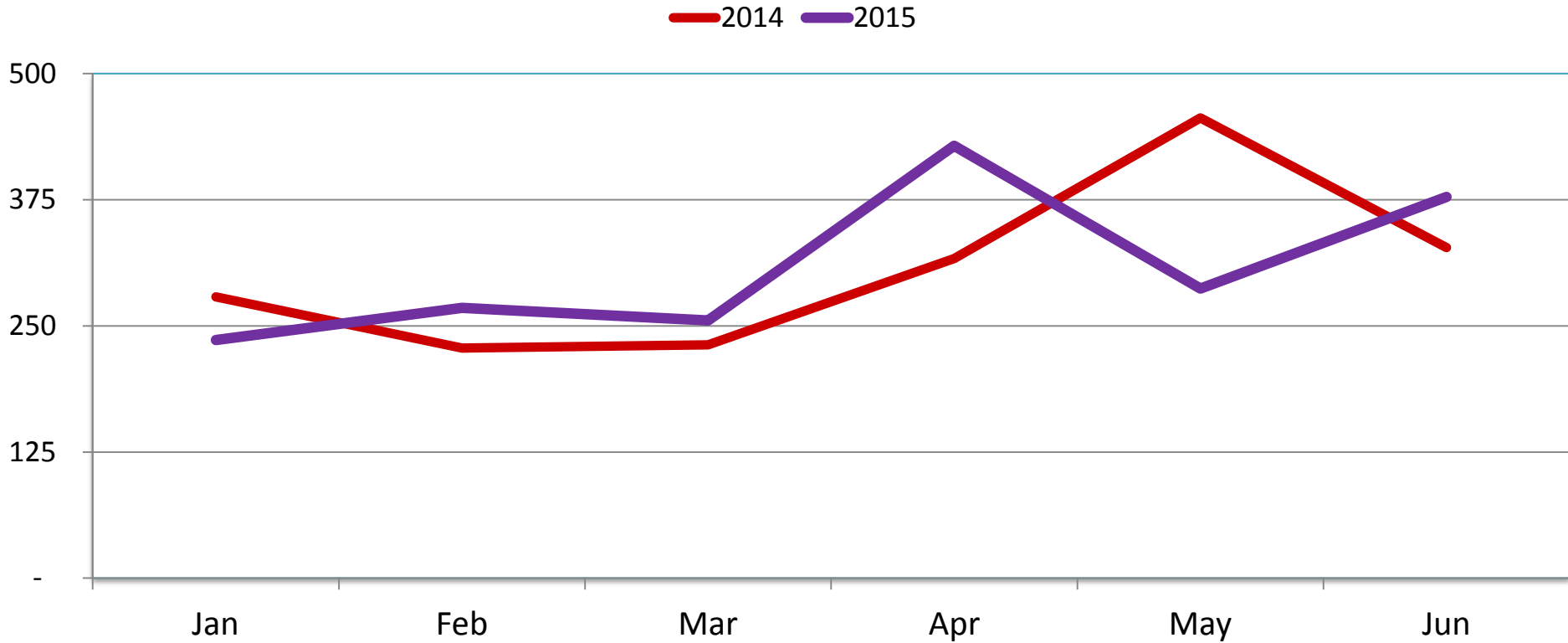
Total Accounts

# CREDIT MANAGEMENT – DEBTORS STATISTICS



- The downward trend in collections does not show deterioration in collections. It reflects movements from 3MTP to 6MTP (2010/11); 12MTP and 9MTP (2014/15).
- FY2014 & HY2015 ratios include Jet Chain which launched full credit in April 2015.
- Monthly collection rates continue to come down due to introduction of longer term credit to customers.

# UNIT SALES '000



Group unit sales grew by 0.8% over HY2014.

- Edgars Chain was 15.8% below last year.
- Jet Chain sold 33.6% more units than last year.





## FINANCIAL REVIEW



# FINANCIAL HIGHLIGHTS

	HY2015	HY2014	% change
Retail Sales	29,268,372	29,497,625	(0.8)
Net Profit Margin %	4.0	3.5	14.3
Earnings per Share (cents)	0.46	0.44	4.5
Trade and Other Receivables \$	31,376,086	22,707,233	38.2
No. of Accounts	243,131	204 792	18.7
Gearing (Gross)	1.00	0.94	(6.4)
Net Equity per Share (cents)	9.05	6.93	30.6
Cash flow from operations \$	(1,597,364)	299,199	(633.9)
Borrowings @ period end \$	23,199,551	16,730,179	(38.7)



# STATEMENT OF COMPREHENSIVE INCOME

\$ 000	HY2015	HY2014	% change
Retail Sales	29,268	29,498	(0.8)
Gross Profit	13,753	14,009	(1.8)
Gross Profit Margin %	47.0	47.5	(1.1)
Operating Profit	(1,782)	697	(355.6)
Finance income	4,991	1,825	173.4
Finance costs	(1,301)	(908)	(43.2)
Profit before Tax	1,909	1,614	18.3
Taxation	(727)	(569)	(27.9)
Profit after tax	1,181	1,045	13.0

# STATEMENT OF FINANCIAL POSITION

	<b>HY2015</b>	<b>HY2014</b>	<b>% change</b>
Inventory \$	15 225 663	13 110 182	+16%
<i>Stock cover</i>	14.3weeks	11.7weeks	-22%
<i>Heavily stocked at HY2015 as sales were less than forecast. However, corrective measures were taken and position has since improved.</i>			
Trade receivables \$	29 834 514	21 881 898	+36%
<i>of which interest bearing: \$</i>	<i>21 818 623</i>	<i>7 493 274</i>	<i>+191%</i>
Interest bearing loans and borrowings \$	23 199 551	16 730 179	+39%
<i>Gross gearing:</i>	1.00	0.94	-6%
<i>Net gearing :</i> <i>(Debt net of interest bearing debtors)</i>	0.06	0.52	+88%



LOOKING FOWARD



Edgars Stores  
Limited

# OUR PROMISE FOR FY2015

	FY2015 Target
Turnover	6-10% less than 2014
Gross Margin	> 44.9%
Finance Costs as % of turnover	< 3.5%
Profit after Tax as % of turnover	>7%
Positive operating cash flow	> \$1.5m
No. of Accounts	275,000
Gearing	Improved



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