



# Edgars Stores Limited

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

## Interim Results

**26 weeks to 7 July 2012**



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**Je**  
GOODforLIFE



# Agenda

- Retail environment
- Progress on March 2012 promise
- Financial highlights
- Half-year results
- Operational performance
- Credit management
- 2012 targets revised

# Retail Environment

MORE  
STYLE  
LESS  
PRICE





# Retail Environment

- Poor liquidity in the economy
- Disposable incomes reduced by personal loans
- Slowdown in GDP growth
- Suitable/ affordable trading sites difficult to secure
- Agricultural performance below expectations due to drought



# Our Promise @March 2012

## Briefing

....and Progress at Half-Year:

	Progress		Promise
	Interim June 2012	vs	F2012 Budget
Turnover	24m		54m-60m
No of Debtors	169k		175k
Trading profit %	11		15.2
Fin costs % - t/o	5.5		4.0
Borrowings cover	1.73		1.6





# Financial Highlights

	<u>Growth</u>
Retail sales of \$24m	22%
Trading profit of \$2.6m	14%
Earnings per share of 0.38cents	90%
Net gearing improves to 1.78 from 3.48	49%
No. of debtors 169,717	27%





# Income Statement \$000's

	HALF YEAR 2012	HALF YEAR 2011	%
Turnover	24,069	19,583	22
Gross profit percentage	51.0%	51.3%	Change in product mix
Trading profit	2,641	2,317	14
Net Finance Costs	(1,314)	(1,621)	18
Profit Before Tax	1,327	696	90
Taxation	(390)	(200)	(94)
Profit for the Period	937	496	89



# Cash Flow Statements \$000's

	HALF YEAR 2012	HALF YEAR 2011	%
Cash EBITDA	3,408	3,142	8
Working capital movements	(1,546)	(1,854)	17
Cash generated/(utilised) operations	1,861	1,289	44
Finance costs paid	(1,315)	(1,625)	19
Taxation paid	(497)	(2)	(*)
Cash flow from operations	49	(338)	115
Net cash used in investing	(358)	(374)	5
Net cash from financing	295	1,057	(72)
Increase in cash & equivalents	(14)	345	(104)





# Financial Position \$000's

	Jun 2012	Dec 2011	Dec 2010
Non-current assets	4,868	4,572	3,076
Inventories	10,047	8,850	7,535
Trade and other receivables	17,554	19,515	15,893
Cash and cash equivalents	302	317	128
Total assets	32,771	33,254	26,632
Total equity	8,810	7,792	4,129
Borrowings	15,944	15,652	15,698
Other liabilities	8,017	9,810	6,805
Total equity and liabilities	32,771	33,254	26,632



# Borrowings

- Borrowings net of cash reduced to \$15,6million vs. \$16.3 million LY
- Borrowings cover (stock & debtors) improved to 1,73x from 1,65x LY
- Cost of borrowings improved to 14,48% from 14.6% LY (Jun 11)
- Negotiations for cheaper, longer term funding have reached an advanced stage

MORE  
STYLE  
LESS  
PRICE

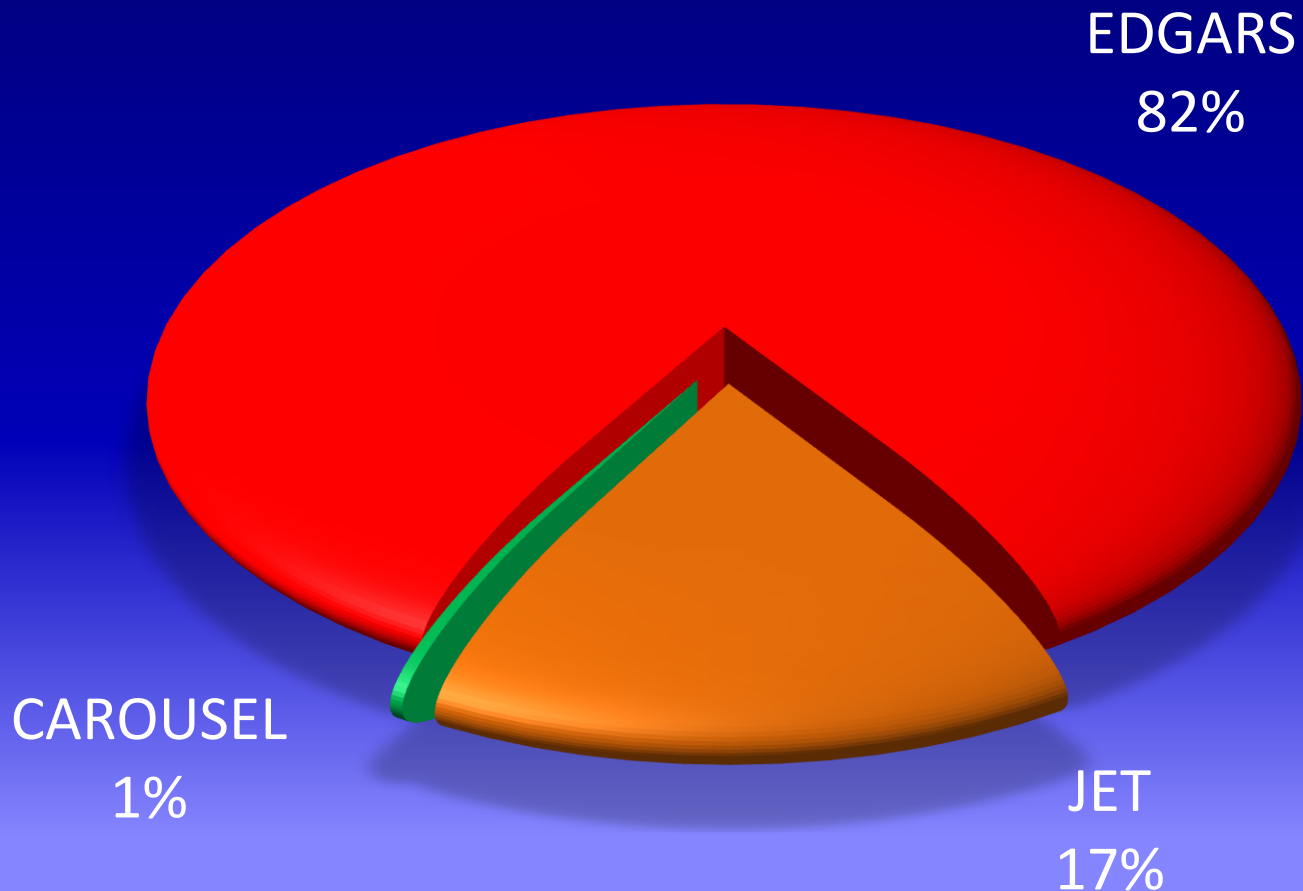


Operational Performance



# Turnover Contribution

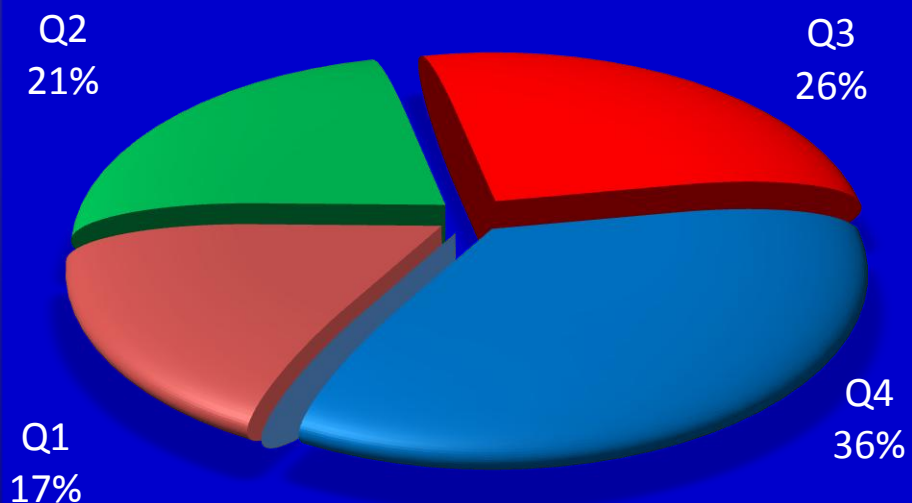
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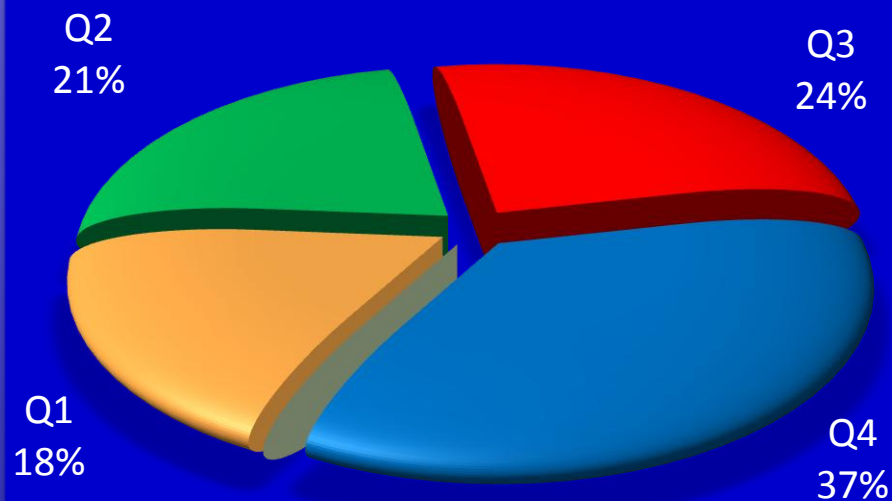


# Quarterly Sales

**F2011**

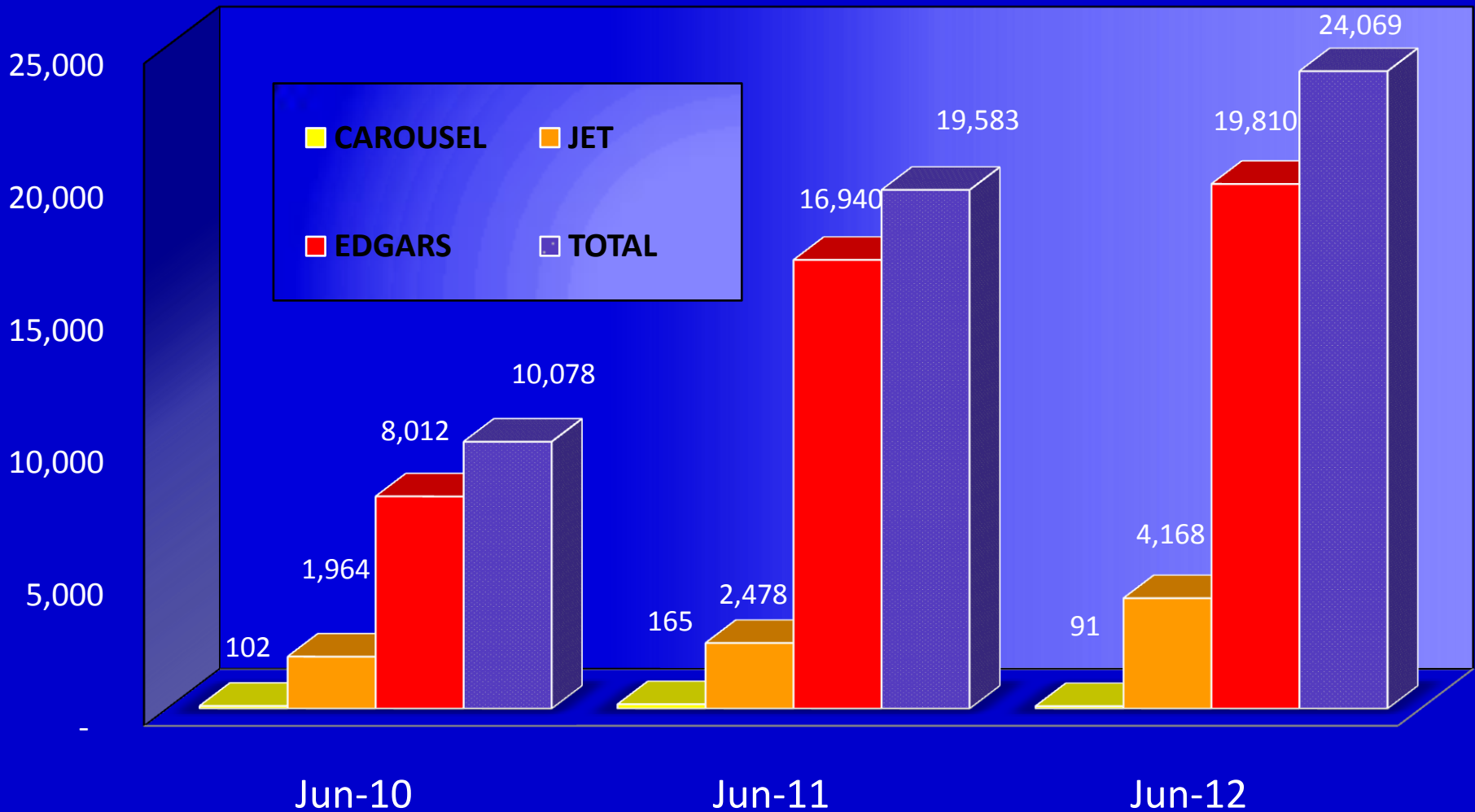


**F2012(P)**



*F2012 July-December (2nd Half is projection 1)*

# Turnover Group \$000's



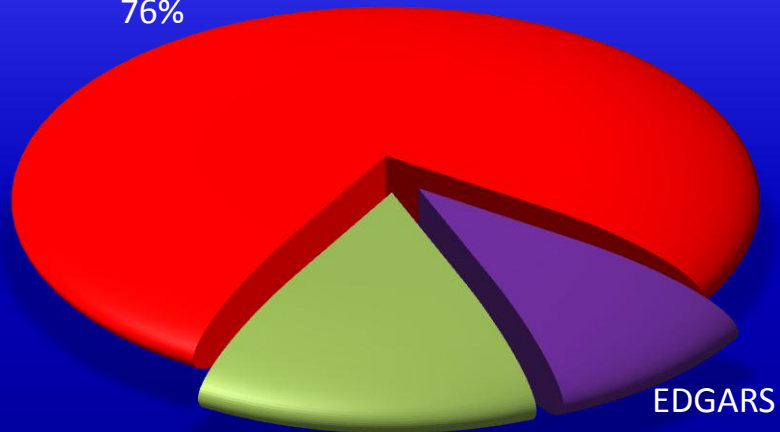




# Turnover Split

DECEMBER F2011

CREDIT  
SALES  
76%

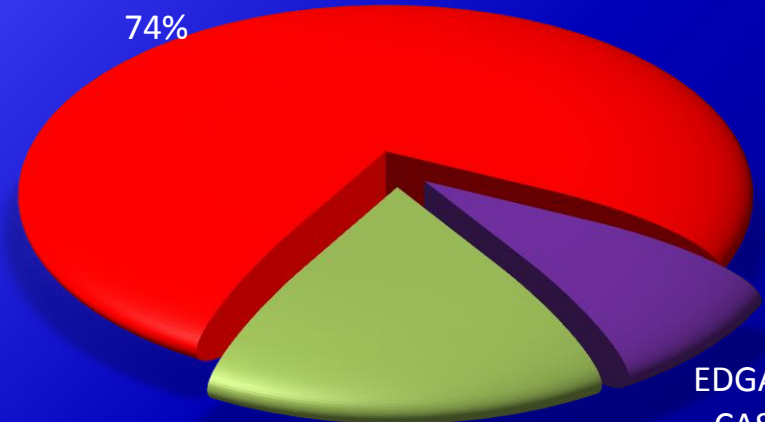


JET CASH  
SALES  
14%

EDGARS  
CASH  
SALES  
10%

JUNE F2012

CREDIT  
SALES  
74%

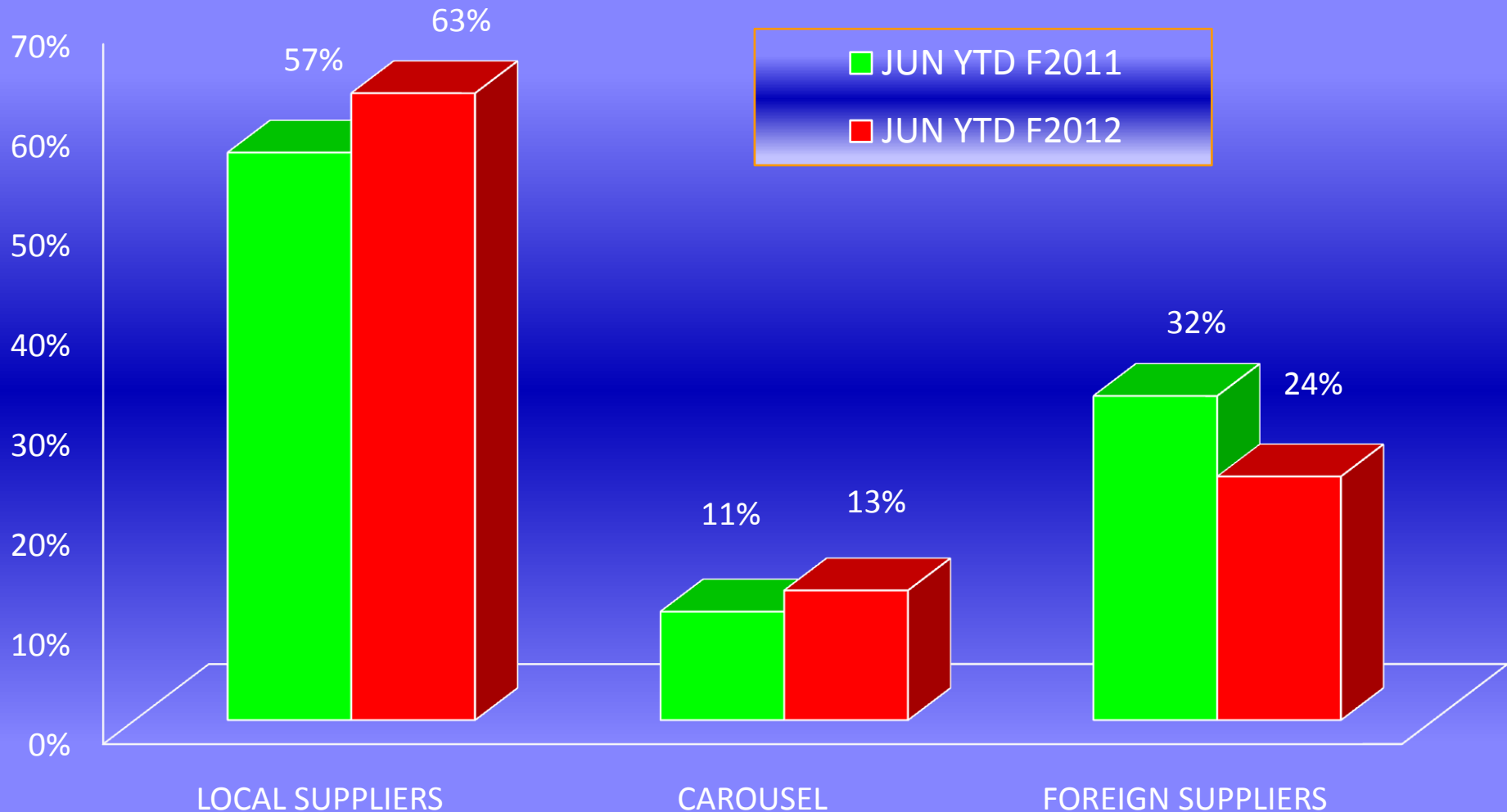


JET CASH  
SALES  
17%

EDGARS  
CASH  
SALES  
9%

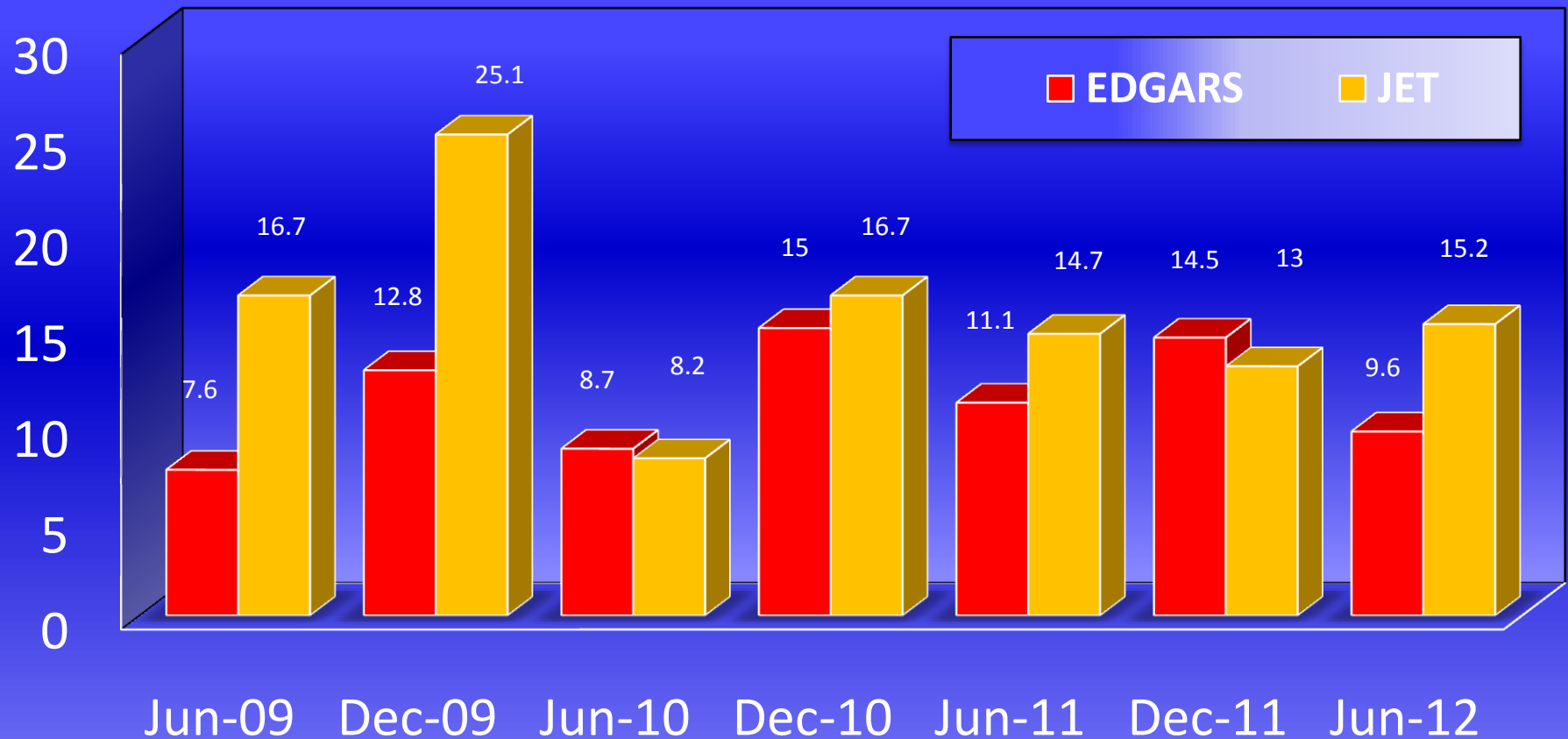


# Merchandise Procurement \$





# Merchandise Stock Cover in Weeks



# Credit Management



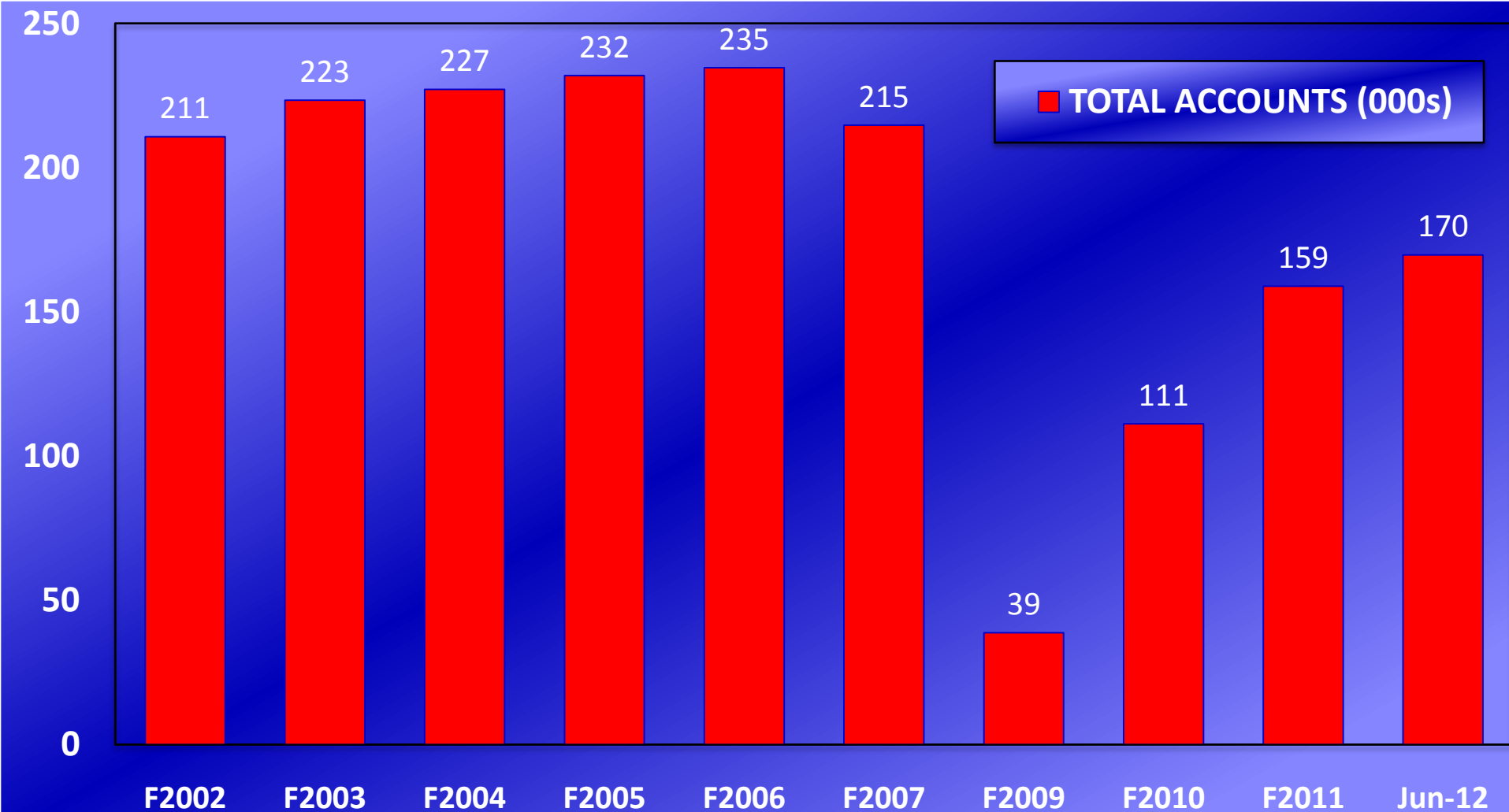
O/C  
CHARTER CLUB



D.G.G



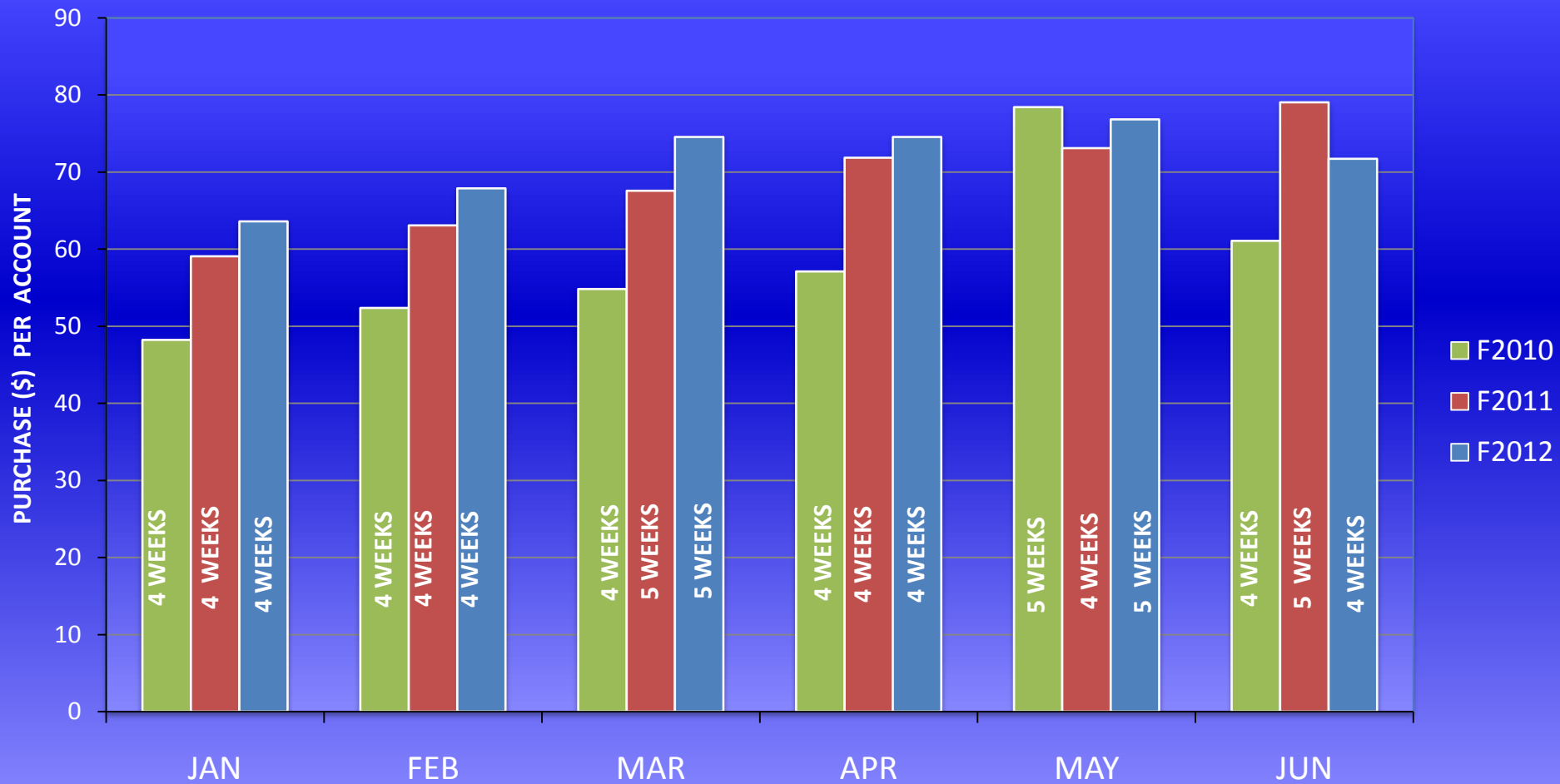
# Account growth





# Customer Spend

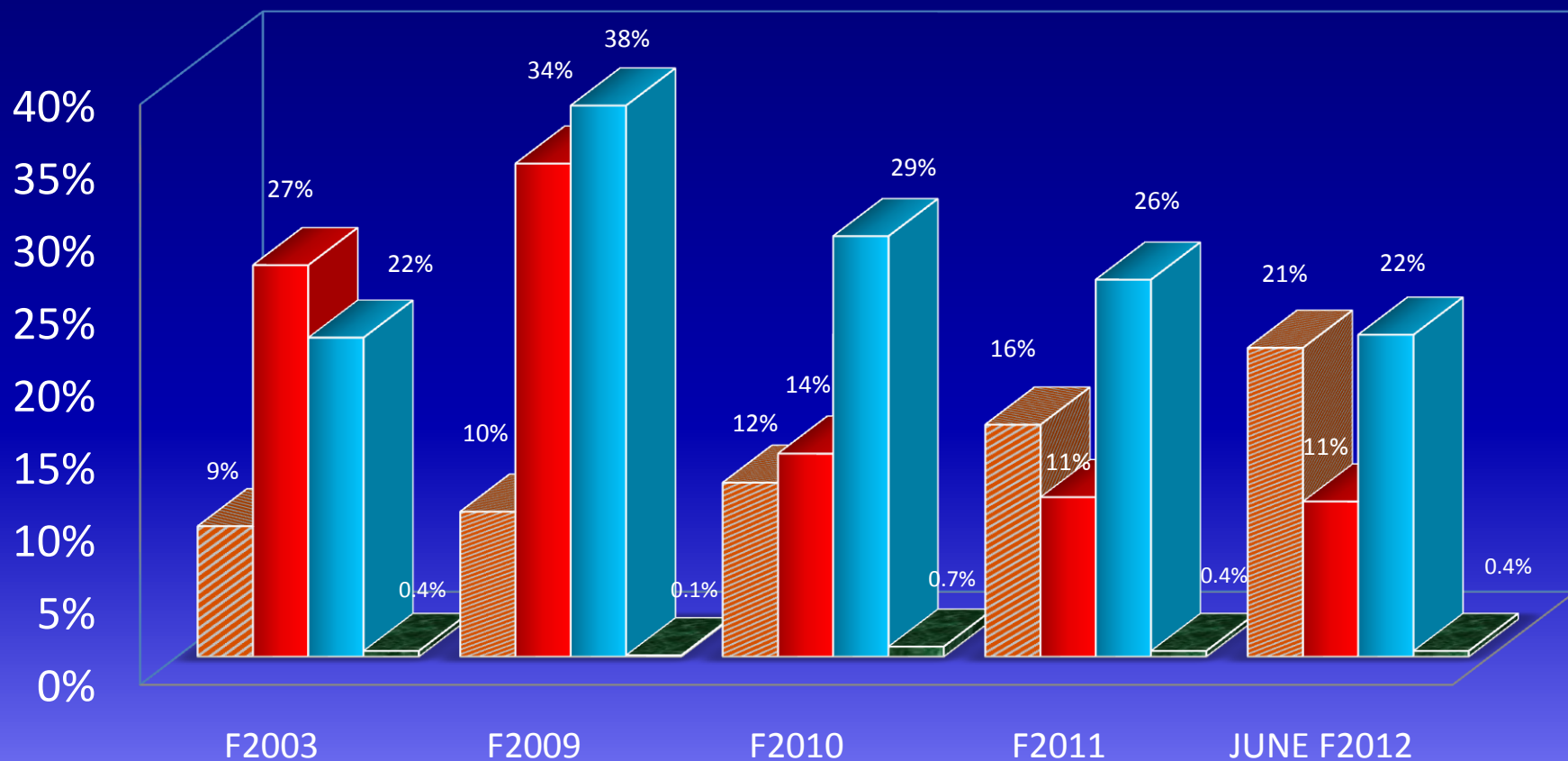
## AVE DOLLAR PURCHASES PER ACCOUNT







# Edgars Chain Debtors Stats



■ Ave Past Dues    ■ Ave Cash Sales    ■ Ave Collections pm    ■ Ave Handovers



# FY2012 targets revised..

- Turnover growth 16%-18% over LY
- Trading profit margin 14% of T/O
- Finance costs < 4.5% of T/O
- PAT 4.0m-4.5m



THE  
SUMMER  
BRIGHTS



JETUP

TO MORE STYLE

Questions?

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