

Interim financial results for the half-year ended 31 December 2017



Revenue – 9,8% decrease to N\$1,8 million	Trading profit – 79,9% decline to N\$4,4 million	Earnings per share – 31,3% increase to 12,6 cents	Net tangible asset value per share – 2,5% increase to 745 cents	Cash generated by operations – improved from N\$30,2 million utilised to N\$61,5 million generated
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Commentary

Financial performance

The performance of the Group for the six months ended 31 December 2017 has not been satisfactory. The majority of the trading divisions experienced a decline in revenue. Although some divisions showed improved trading profits, the Group's overall trading profit declined significantly.

Challenges in the Fishing division, operational challenges in Food and Distribution together with a slowdown in the Namibian economy all had a negative impact on the Group's overall results.

The Fishing division sold another fishing vessel in the period to align the asset base with activity levels and made a capital profit of N\$48,8 million. Revenue were negatively impacted by lower hard currency prices, as well as the strengthening of the Namibian Dollar against the US Dollar. New and increased legislative levies impacted the division negatively. A three-year moratorium has been placed by the Ministry of Fisheries and Marine Resources on the pilchard fishery for the period 1 January 2018 until 31 December 2020 due to insufficient resource available.

Freight and Logistics division improved its trading profit, despite a decrease in revenue. The results were boosted mainly by the increased project activities in a southern coastal town of Namibia.

Food and Distribution remains a great concern. The division continues to incur losses. New management had been put in place and are busy restructuring the businesses and processes.

Commercial and Industrial Services and Products division improved trading profit despite revenue being flat compared to the same period in the previous year.

The Automotive division experienced a significant drop in both revenue and trading profit. This division was mainly affected by lower consumer spending caused by the economic recession in the country.

Cash generation improved markedly and the net tangible asset value of the Group increased.

Prospects

Operational challenges in all the divisions are being addressed including the implementation of cost-savings initiatives.

Structural and procedural changes in Food and Distribution should reduce operational losses in this division in the next six months.

Segmental analysis

	Half-year ended 31 December			Year ended 30 June 2017
	2017 Unaudited	2016 Unaudited	% change	2017 Audited
REVENUE				
Automotive	315 508	391 859	(19,5)	701 012
Fishing	465 783	530 956	(12,3)	1 081 932
Freight and Logistics	120 307	128 440	(6,3)	264 493
Food and Distribution	608 377	650 616	(6,5)	1 232 682
Commercial and Industrial Services and Products	242 829	242 804	–	473 665
Corporate Services and Properties	13 790	13 216	4,3	22 664
	1 766 594	1 957 891	(9,8)	3 776 448
TRADING PROFIT				
Automotive	4 255	16 493	(74,2)	23 028
Fishing	(8 452)	(9 214)	8,3	39 856
Freight and Logistics	7 981	3 878	105,8	11 658
Food and Distribution	(15 975)	(2 134)	(648,6)	(8 175)
Commercial and Industrial Services and Products	11 073	9 233	19,9	16 764
Corporate Services and Properties	5 501	3 547	55,1	9 390
	4 383	21 803	(79,9)	92 521

Condensed Group statements of changes in equity

	Half-year ended 31 December			Year ended 30 June 2017
	2017 Unaudited	2016 Unaudited	% change	2017 Audited
Equity attributable to shareholders of the Company				
Share capital	2 120	2 120		2 120
Balance at beginning of the period	2 120	2 120		2 120
Share premium	660 272	660 272		660 272
Balance at beginning of the period	660 272	660 272		660 272
Foreign currency translation reserve	20 859	28 502		23 486
Balance at beginning of the period	23 486	31 767		31 766
Arising during the current period	(2 627)	(3 265)		(8 280)
BEE share-based payment reserve	16 988	16 988		16 988
Balance at beginning of the period	16 988	16 988		16 988
Share-based payment reserve	5 110	4 960		4 552
Balance at beginning of the period	4 552	4 193		4 192
Arising during the current period	558	767		360
Retained earnings	1 151 453	1 115 623		1 137 488
Balance at the beginning of the year	1 137 488	1 133 353		1 133 355
Attributable profit	26 682	20 422		50 610
Actuarial income on valuation of post-retirement medical obligation	–	–		153
Dividends declared and paid	(12 717)	(38 152)		(46 630)
	1 856 802	1 828 465		1 844 906
Equity attributable to non-controlling interest				
Balance at beginning of the year	384 874	455 218		455 218
Attributable profit	18 323	5 237		11 208
Dividends declared and paid	(106 672)	(49 467)		(72 981)
Movement in foreign currency translation reserve	(2 702)	(3 399)		(8 571)
	293 823	407 589		384 874
Total equity	2 150 625	2 236 054		2 229 780

Bidvest Namibia has rightsized the horse mackerel fishing fleet. All fishing assets are being evaluated critically.

Automotive is focusing on improving revenue streams other than the sale of new vehicles.

Overall, the Group remains focused on growing its current business, optimising operational structures and processes as well as alert to potential acquisition opportunities.

No interim dividend has been declared.

Cautionary announcement

Cautionary announcements dated 8 November 2017, 20 December 2017 and 31 January 2018 have been issued to advise shareholders that Bidvest Namibia has entered into negotiations to dispose of its interest in Bidvest Namibia Fisheries Holdings (Proprietary) Limited ("Bidfish"), excluding certain assets. If successfully concluded, it may have a material effect on the price of the Company's shares.

Accordingly, shareholders are advised to exercise caution when dealing in the Company's securities until further announcements are made.

For and on behalf of the Board

L P Ralps **S Kankondi**
Chairman Chief executive

V Hocutt
Company secretary

Windhoek

23 February 2018

Analyst presentation

The presentation to investors will be available on the Bidvest Namibia website from 10:00 on 26 February 2018.

Condensed Group statements of profit or loss and other comprehensive income

	Half-year ended 31 December			Year ended 30 June 2017
	2017 Unaudited	2016 Unaudited	% change	2017 Audited
REVENUE	1 766 594	1 957 891	(9,8)	3 776 448
Cost of sales	(1 513 205)	(1 677 697)	(9,8)	(3 204 399)
Gross profit	253 389	280 194	(9,6)	572 049
Other income	11 491	6 406	79,4	5 971
Operating expenses	(260 497)	(264 797)	(1,6)	(485 499)
Trading profit	4 383	21 803	(79,9)	92 521
Net capital items	48 776	(57)		6 414
Operating profit	53 159	21 746	144,5	98 935
Net finance income	1 846	6 593	(72,0)	12 457
Finance income	17 094	19 620		34 419
Finance charges	(15 248)	(13 027)		(21 962)
Share of joint venture	–	–		(82)
Share of associates	3 967	(1 034)	(483,7)	7 834
Profit before taxation	58 972	27 305	116,0	119 144
Taxation	(13 967)	(1 646)	748,5	(57 326)
Profit for the period	45 005	25 659	75,4	61 818
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial income on valuation of post-retirement medical obligation	–	–		153
Items that are or may be reclassified subsequently to profit or loss				
Movement on translation of foreign subsidiary	(5 329)	(6 664)		(16 851)
Total comprehensive income for the period	39 676	18 995	108,9	45 120
Profit attributable to:				
Shareholders of the Company	26 682	20 422	30,7	50 610
Non-controlling interest	18 323	5 237		11 208
	45 005	25 659	75,4	61 818
Comprehensive income attributable to:				
Shareholders of the Company	24 055	10 359	132,2	42 483
Non-controlling interest	15 621	8 636		2 637
	39 676	18 995	108,9	45 120
Shares in issue				
Total ('000)	211 953	211 953		211 953
Weighted ('000)	211 953	211 953		211 953
Basic earnings per share (cents)	12,6	9,6	31,3	23,9
Headline earnings per share (cents)	(2,9)	9,7	(129,9)	22,4
Dividend per share (cents)	–	4,0	(100,0)	10,0
HEADLINE EARNINGS				
The following adjustments to profit attributable to shareholders were taken into account in the calculation of headline earnings:				
Profit attributable to shareholders of the Company	26 682	20 422		50 610
Adjusted for:				
(Profit)/loss on disposal of property, plant and equipment	(47 266)	57		(4 300)
Bargain purchase	–	–		(140)
Impairment of intangible assets	–	–		57
Non-controlling interest	14 524	40		1 262
Headline earnings	(6 060)	20 519		47 489

Condensed Group statements of financial position

	31 December		Year ended 30 June 2017
	2017 Unaudited	2016 Unaudited	2017 Audited
ASSETS			
Non-current assets	1 157 198	1 288 586	1 200 637
Property, plant and equipment	763 981	845 056	790 606
Intangible assets	32 863	42 666	37 574
Goodwill	244 254	244 311	244 254
Interest in associates	93 775	81 404	90 228
Other financial assets	696	12 542	–
Deferred tax assets	1 827	10 892	1 772
Trade and other receivables	19 802	51 715	36 203
Current assets	1 854 667	1 844 731	1 886 213
Inventories	473 773	554 368	528 233
Biological assets	2 496	3 921	2 705
Short-term portion of lease receivables	34	71	34
Other financial assets	–	–	12 714
Trade and other receivables	674 451	658 744	556 946
Current tax assets	15 493	17 705	6 042
Cash and cash equivalents	648 781	559 359	742 986
Assets classified as held for sale	39 639	50 563	36 553
Total assets	3 011 865	3 133 317	3 086 850
EQUITY AND LIABILITIES			
Capital and reserves	2 150 625	2 236 054	2 229 780
Attributable to equity holders of the Company	1 856 802	1 828 465	1 844 906
Non-controlling interest in equity	293 823	407 589	384 874
Non-current liabilities	156 611	185 734	166 487
Deferred tax liability	127 170	151 080	137 857
Post-employment obligations	17 177	16 307	16 956
Borrowings	10 895	17 181	10 230
Long-term finance lease liability	1 369	1 166	1 444
Current liabilities	704 629	711 529	690 583
Trade and other payables	537 827	481 302	459 200
Borrowings	162 098	227 381	229 223
Short-term portion of finance lease liability	34	71	34
Current tax payable	4 670	2 775	2 126
Total equity and liabilities	3 011 865	3 133 317	3 086 850
Number of shares in issue ('000)	211 953	211 953	211 953
Net tangible asset value per share (cents)	745	727	737
Net asset value per share (cents)	876	863	870

Condensed Group statements of cash flows

	Half-year ended 31 December		Year ended 30 June 2017
	2017 Unaudited	2016 Unaudited	2017 Audited
Cash flows from operating activities	(87 676)	(157 416)	(12 160)
Operating profit (including dividends received from investments)	53 159	21 746	98 935
Depreciation, amortisation and impairment charges	38 817	43 208	81 429
Other non-cash items	(48 218)	824	(4 901)
Cash generated by operations before changes in working capital	43 758	65 778	175 463
Changes in working capital	17 726	(95 942)	13 611
Cash generated/(utilised) by operations	61 484	(30 164)	189 074
Net finance income received	1 846	6 593	13 673
Taxation paid	(31 617)	(46 226)	(95 296)
Dividends paid to equity holders of the Company	(12 717)	(38 152)	(46 630)
Dividends paid to non-controlling interest	(106 672)	(49 467)	(72 981)
Cash effects of investment activities	33 757	(25 195)	8 518
Net disposals/(additions) to property, plant and equipment	33 468	(24 668)	10 006
Net additions to intangible assets	(178)	(527)	(1 488)
Dividends from equity-accounted investees	467	–	–
Cash effects of financing activities	12 615	20 441	6 723
Borrowings (repaid)/raised	(14 127)	17 090	(12 751)
Repayment from other entity	12 018	–	–
Repayments from a related party	14 724	3 351	19 474
Net (decrease)/increase in cash and cash equivalents	(41 304)	(162 170)	3 081
Net cash and cash equivalents at the beginning of the period	669 269	673 070	673 070
Exchange rate adjustment	(755)	(1 388)	(6 882)
Net cash and cash equivalents at end of the period	627 210	509 512	669 269
Net cash equivalents are made up as follows:			
Cash on hand and in the bank	648 781	559 359	742 986
Overdrafts	(21 571)	(49 847)	(73 717)
	627 210	509 512	669 269

NOTE 1

Reporting entity
Bidvest Namibia Limited is a company incorporated in the Republic of Namibia. The condensed consolidated financial statements of the Company as at and for the half-year ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as "Bidvest Namibia").

NOTE 2

Basis of presentation of financial statements
The condensed financial information has been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the information as required by IAS 34 *Interim Financial Reporting*. The report has been prepared using accounting policies that comply with IFRS which are consistent in all material respects with those applied in the financial statements for the year ended 30 June 2017. The results have not been audited or reviewed by the Group's auditors, Deloitte & Touche.

NOTE 3

Exchange rates
The following exchange rates were used in the conversion of foreign interests and foreign transactions during the periods:

	31 December		% change	2017
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