



Bidvest Namibia



Summarised audited consolidated annual financial results for the year ended 30 June 2018

**Dividends
per share
10 cents**

**Headline
earnings
per share
3,8 cents**

**Net tangible
asset value
per share
703 cents**

**Cash
generated by
operations
N\$37,5 million**

Commentary

Financial performance

Bidvest Namibia ("Bidvest") had another disappointing year in most of its trading segments. Bidvest sold its entire shareholding in Bidvest Namibia Fisheries ("Bidfish") to Tunacor Fisheries Limited with effect from 30 June 2018, enabling it to act on its strategic decision to exit the fishing industry. The Fishing division faced pressure in terms of revenue, profit and cash flow. The fish size mix remained under pressure and competition from foreign operators was rife, market prices remained depressed and margins suffered. New taxes and levies, and an export levy added to the cost of doing business negatively impacted earnings, while additional costs arose following the required application of income taxes to foreign crew. One Horse Mackerel vessel was sold during the year under review. The disposal of Bidfish to Tunacor excludes the Angolan and Mozambican businesses, and certain vessels, plant and equipment. Bidvest is actively seeking the disposal of these assets. Glenryck is now reported as part of Food & Distribution. Namso Industrial Properties (Proprietary) Limited and United Fishing Enterprises (Proprietary) Limited were acquired by Bidvest for a net cash outflow of N\$74,9 million. All the other divisions experienced pressure on revenue due to the recession in Namibia. The Automotive division faced an extremely tough year as reflected in the 14% decline in industry sales. The used-vehicle market did not make up for the overall negative performance. Efforts continue to reduce the dependence on the new-vehicle segment in this division. Although Freight & Logistics revenues were flat year on year, they improved trading profit in the current year through cost savings. There are prospects of certain Oil and Gas projects on the immediate horizon. Food & Distribution revenue excluding Glenryck did not grow in line with expectations and generated losses for the year. The year saw a management and structural shakeup in this division with cost savings and overall business rationalisation projects underway. The economic climate affected all entities in the Commercial & Industrial Services and Products division negatively, except for Cecil Nurse, Kolok, Minolco, Steiner and Waltons. Voltex continued to generate losses despite actions taken to turn the business around. The effective tax rate is high due to losses incurred in certain statutory entities, for which no deferred tax assets were raised. Current assets include amounts of N\$188 million relating to dividends receivable from Bidfish, this was received in full post-year-end, and of the N\$190,7 million due by Tunacor Fisheries Limited relating to the disposal of Bidfish, N\$175,4 million was paid in July 2018 with the balance due within five business days after delivery of the financial statements. Non-current assets have reduced by 40,9% mainly due to the disposal of Bidfish. The Angolan and Mozambican businesses are disclosed as assets held for sale at year-end. Bidvest is in a net cash position at year-end.

Summarised segmental analysis

for the year ended 30 June

N\$'000	2018	2017 (Restated)*	% change
Revenue			
Automotive	582 980	701 012	(16,8)
Freight and Logistics	263 109	264 493	(0,5)
Food and Distribution	1 346 904	1 410 690	(4,5)
Commercial and Industrial Services and Products	490 249	474 665	(3,3)
Corporate Services and Properties	27 300	22 664	20,8
Continuing operations	2 710 612	2 873 524	(5,7)
Fishing (discontinued operation)	670 413	902 924	(26,0)
Total	3 381 025	3 776 448	
Trading profit			
Automotive	6 118	23 028	(73,4)
Freight and Logistics	16 734	11 658	43,5
Food and Distribution	(34 306)	(7 680)	(346,7)
Commercial and Industrial Services and Products	20 461	16 764	22,1
Corporate Services and Properties	19 481	9 390	107,5
Continuing operations	28 488	53 160	(46,4)
Fishing (discontinued operation)	(10 355)	39 361	(125,0)
Total	18 133	92 521	

Summarised consolidated statement of changes in equity

for the year ended 30 June

N\$'000	2018	2017
Equity holders' interest		
Share capital	2 120	2 120
Balance at the beginning and end of the year	2 120	2 120
Share premium	660 272	660 272
Balance at the beginning and end of the year	660 272	660 272
Foreign currency translation reserve	23 565	23 486
Balance at the beginning of the year	23 486	31 766
Arising during the year	79	(8 280)
BEE share-based payment reserve	16 988	16 988
Balance at the beginning and end of the year	16 988	16 988
Share-based payment reserve	3 186	4 552
Balance at the beginning of the year	4 552	4 192
Arising during the year	(1 366)	360
Retained earnings	1 027 628	1 137 488
Balance at the beginning of the year	1 137 488	1 133 355
Attributable (loss)/profit	(40 140)	50 610
Acquisition of minority share in subsidiaries	(58 781)	-
Actuarial income on valuation of post-retirement medical obligation	1 778	153
Dividends declared and paid	(12 717)	(46 630)
Capital and reserves attributable to equity holders of the Company	1 733 759	1 844 906
Non-controlling interest in equity		
Balance at the beginning of the year	384 874	455 218
Attributable profit	10 199	11 208
Acquisition of minority share in subsidiaries	58 781	-
On disposal of business	(87 327)	-
Dividends declared and paid	(245 807)	(72 981)
Movement in foreign currency translation reserve	29	(8 571)
Total equity	1 854 508	2 229 780

Prospects

Presently there is no indication that the Group's market segments and economic climate will improve in the short term. Going forward, after the conclusion of the disposal of the Fishing division, the operational challenges in all divisions are receiving significant focus with loss-making operations under the spotlight. Overall, the Group remains open to acquisitive growth, but the emphasis will be to optimise current operational structures and processes. The Group remains optimistic that profitability will regain momentum in the near future despite the recessionary economic climate.

For and on behalf of the Board

L P Ralphs
Chairman

S Kankondi
Chief executive

Dividend declaration

Notice is hereby given that a final cash dividend of 10 cents per share has been awarded to members recorded in the register of the Company at the close of business on Friday, 5 October 2018.

Shareholders are advised that the last day to trade "cum" the distribution will be Friday, 28 September 2018.

The shares will trade "ex" the distribution as from Monday, 1 October 2018 and the record date will be Friday, 5 October 2018.

Payment will be made on Friday, 19 October 2018.

For and on behalf of the Board

V Hocutt
Company secretary
Windhoek

31 August 2018

Analyst presentation

The presentation to investors will be available on the Bidvest Namibia website from 10:00 on 3 September 2018.

Summarised consolidated statements of profit or loss and other comprehensive income

for the year ended 30 June

N\$'000	2018	2017 (Restated)*
Continuing operations		
Revenue	2 710 612	2 873 524
Cost of sales	(2 227 099)	(2 407 774)
Gross profit	483 513	465 750
Other income	23 623	5 971
Operating expenses	(478 648)	(418 561)
Trading profit	28 488	53 160
Net capital items	(3 211)	(1 595)
Operating profit	25 277	51 566
Net finance income	(24 457)	(13 194)
Finance income	4 553	5 878
Finance charges	(29 010)	(19 072)
Share of associates	1 273	935
Profit before taxation	2 093	39 307
Taxation	(22 181)	(27 423)
(Loss)/profit for the year from continuing operations	(20 088)	11 884
Discontinued operations		
(Loss)/profit after tax from discontinued operations	(9 854)	49 934
(Loss)/profit for the year	(29 942)	61 818
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Actuarial income on valuation of post-retirement medical obligation	1 778	153
Items that are or may be reclassified subsequently to profit or loss		
Movement on translation of foreign subsidiary	98	(16 851)
Total comprehensive (loss)/income for the year	(28 066)	45 120
(Loss)/profit attributable to:		
<i>Equity holders of the company</i>		
From continuing operations	(20 828)	12 765
From discontinued operations	(19 313)	37 845
	(40 141)	50 610
<i>Non-controlling interest</i>		
From continuing operations	740	(881)
From discontinued operations	9 459	12 089
	10 199	11 208
(Loss)/profit for the year	(29 942)	61 818
Comprehensive (loss)/income attributable to:		
Equity holders of the company	(38 294)	42 483
Non-controlling interest	10 228	2 637
	(28 066)	45 120
Shares in issue		
Total ('000)	211 953	211 953
Weighted and diluted ('000)	211 953	211 953
Basic (loss)/earnings per share (cents)	(18,9)	23,9
Headline earnings from continuing operations per share (cents)	3,8	22,4
Dividends per share (cents)	10,0	10,0
Interim	-	4,0
Final	10,0	6,0

Headline earnings

N\$'000

N\$'000	2018	2017
The following adjustments to profit attributable to equity holders were taken into account in the calculation of headline earnings:		
(Loss)/profit attributable to equity holders of the company	(40 141)	50 610
Adjusted for the after tax effect of:		
Profit on disposal of property, plant and equipment	(41 045)	(4 300)
Loss on sale of business	8 152	-
Bargain purchase	-	(140)
Impairment of intangible assets	15 359	57
Impairment of other financial assets and loans	54 317	-
Impairment of property, plant and equipment	4 027	-
Other costs to sell related to disposal of business	17 890	-
Non-controlling interest	(10 524)	1 262
Headline earnings	8 035	47 489
Headline earnings per share (cents)	3,8	22,4

Summarised consolidated statement of financial position

as at 30 June

N\$'000	2018	2017
ASSETS		
Non-current assets	709 574	1 200 637
Property, plant and equipment	450 105	790 606
Intangible assets	19 915	37 574
Goodwill	224 368	244 254
Interest in associates	10 191	90 228
Deferred tax assets	4 995	1 772
Trade and other receivables	-	36 203
Current assets	1 983 038	1 886 213
Inventories	392 857	528 233
Biological assets	-	2 705
Short-term portion of lease receivables	20	34
Other financial assets	419	12 714
Trade and other receivables	952 333	556 946
Current tax assets	4 289	6 042
Cash and cash equivalents	299 035	742 986
Assets classified as held for sale	334 085	36 553
Total assets	2 692 612	3 086 850
EQUITY AND LIABILITIES		
Capital and reserves	1 854 508	2 229 780
Attributable to equity holders of the Company	1 733 759	1 844 906
Non-controlling interest in equity	120 749	384 874
Non-current liabilities	77 729	166 487
Deferred tax liability	58 939	137 857
Post-employment obligations	14 932	16 956
Borrowings	2 137	10 230
Long-term finance lease liability	1 721	1 444
Current liabilities	760 375	690 583
Trade and other payables	494 954	459 200
Borrowings	200 083	229 223
Short-term portion of finance lease liability	20	34
Current tax payable	945	2 126
Liabilities related to assets held for sale	64 373	-
Total equity and liabilities	2 692 612	3 086 850
Number of shares in issue	211 953	211 953
Net tangible asset value per share (cents)	703	737
Net asset value per share (cents)	818	870

Summarised consolidated statement of cash flow

for the year ended 30 June

N\$'000	2018	2017 (Restated)*
Cash flows from operating activities	(157 053)	(12 160)
Operating profit (including dividends received from investments)	25 277	51 566
Depreciation, amortisation and impairment charges	39 129	32 205
Other non-cash items	2 412	3 228
Cash generated by operations before changes in working capital	66 818	86 999
Changes in working capital	(29 264)	(31 723)
Cash generated by operations	37 554	55 275
Net finance income received	(23 153)	(11 977)
Taxation paid	(19 759)	(29 773)
Dividends paid to equity holders of company	(12 717)	(46 630)
Dividends paid to non-controlling interest	-	(779)
Net operating cash flows from discontinued operations	(138 978)	21 723
Cash effects of investment activities	(190 740)	8 518
Proceeds from other financial instruments	12 295	-
Net additions to intangible assets	(777)	(1 488)
Property, plant and equipment acquired	(30 324)	(42 916)
Proceeds on disposal of property, plant and equipment	4 688	1 864
Net investing cash flows from discontinued operations	(176 622)	51 058
Cash effects of financing activities	(92 032)	6 723
Borrowings repaid	(33 251)	(3 757)
Acquisition of non-controlling interest in subsidiary	(58 781)	-
Net financing cash flows from discontinued operations	-	10 480
Net (decrease)/increase in cash and cash equivalents	(439 824)	3 081
Net cash and cash equivalents at the beginning of the year	669 270	673 070
Exchange rate adjustment	(145)	(6 881)
Net cash and cash equivalents at the end of the year	229 300	669 269
Net cash equivalents are made up as follows		
Cash on hand and in the bank	299 035	742 986
Overdrafts	(69 735)	(73 716)
	229 300	669 270

NOTE 1

Reporting entity

Bidvest Namibia Limited is a company incorporated in the Republic of Namibia. The summarised consolidated financial statements of the Company as at and for the year ended 30 June 2018 comprise the Company and its subsidiaries (together referred to as "Bidvest Namibia").

NOTE 2

Basis of presentation of summarised financial statements

These summarised consolidated annual financial statements for the year ended 30 June 2018 are the responsibility of the directors, have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and have been extracted from the annual audited consolidated financial statements prepared in compliance with IFRS. The accounting policies used in the preparation of these results are in accordance with IFRS and are consistent in all material respects with those used in the audited consolidated annual financial statements for the year ended 30 June 2017.

The directors take full responsibility for the preparation of the report and that the financial information has been correctly extracted from the underlying annual financial statements.

* 2017 results have been restated for discontinued operations

The external auditors, Deloitte & Touche, have issued their opinion on the consolidated annual financial statements for the year ended 30 June 2018. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. These summarised consolidated annual financial statements have been derived from and are consistent in all material respects with the audited consolidated annual financial statements but are themselves not audited. A copy of their audit report and the full set of audited consolidated annual financial statements is available for inspection at the Company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors.

NOTE 3

Exchange rates

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

N\$/US\$	30 June		
	2018	2017	% change
Closing rate	13,75	12,94	6,3
Average rate	12,87	13,55	(5,0)

NOTE 4

Subsequent events

Subsequent to the year end the proceeds and dividends receivable by the Group relating to the sale of the fishing business were received in cash during in July and August 2018, with the exception of a remaining N\$15 million of the purchase consideration which is payable within five days from delivery of the effective date financial statements. Bidvest Namibia Properties Holdings concluded purchase agreements for two properties situated in Walvis Bay for the Automotive business during August 2018.

Sponsor and corporate adviser

PSG Wealth Management Namibia Proprietary Limited – Member of the Namibian Stock Exchange

Share Code: BVN ISIN: NA0000A0Q5TND

Directors: (all executive unless stated otherwise) Lindsay Ralphs* (Chairman), Sebulon Inotlia Kankondi (CEO), Martina Kebitsemang Mokgatle-Aukhumes*, Hans-Harald Museser**, Martin Kaali Shipanga**, Pieter Christiaan Steyn**, Jerome Delmonte Davis**, Mark Steyn* (appointed 23 May 2018)

*Non-executive **Independent **South African

Further detailed information regarding our group can be found on the Bidvest Namibia website: