



ANALYSTS PRESENTATION

For the Half Year Ended 31st December 2017

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Introduction

OUR COMPANIES

TV SALES & HOME

- ◆ 291 Employees
- ◆ 42 Retail Sites
- ◆ 43 Delivery Vehicles



OUR COMPANIES

TRANSERV

- ◆ 340 Employees
- ◆ 43 Retail Branches and Fitment Centers

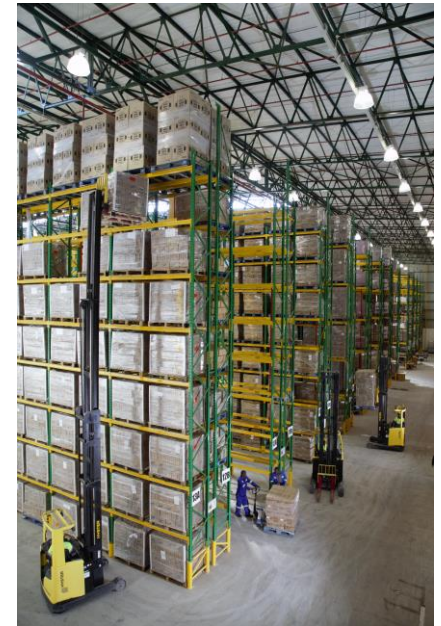
ONE WAY
TO BEST BRANDS & BEST PRICES



OUR COMPANIES

DISTRIBUTION GROUP AFRICA

- ◆ 1,170 Employees
 - ★ 939 in Zimbabwe
 - ★ 152 in Zambia
 - ★ 79 in Malawi
- ◆ Owns two warehouses measuring 10,000 sqm and leases four warehouses measuring 20,176 sqm
- ◆ Has a fleet of 100 vehicles



MACRO ECONOMIC ENVIRONMENT

- ◆ Shortage of foreign currency
- ◆ Challenges in acquiring some import licenses and making foreign payments
- ◆ Constraints in supply of some local products
- ◆ Declining disposable income thus compressed consumer spending



FINANCIAL REVIEW

INCOME STATEMENT

	31 DECEMBER 2017 unaudited ACTUAL USD '000	31 DECEMBER 2016 restated ACTUAL USD '000	% change
Revenue	134,328	101,340	▲ 33%
Gross Margin	31,538	22,944	▲ 37%
Operating profit before impairment, depreciation and amortisation	13,333	8,641	▲ 54%
financial income	1,522	513	
depreciation and amortisation	(864)	(691)	
Operating profit before interest and fair value adjustments	13,970	8,463	▲ 65%
fair value adjustments on listed equities	72	53	
Profit before interest and tax	14,043	8,516	▲ 65%
net interest	(696)	(47)	
equity accounted earnings	426	452	
Profit before tax	13,773	8,921	▲ 54%

INCOME STATEMENT (CON'T)

	31 DECEMBER 2017 unaudited ACTUAL USD '000	31 DECEMBER 2016 restated ACTUAL USD '000	% change
Profit before tax taxation	13,773 (3,685)	8,921 (2,290)	▲ 54%
Profit after tax non-controlling interests	10,088 (3,659)	6,631 (2,597)	▲ 52%
Net profit attributable to shareholders dividends	6,430 (1,706)	4,034 (284)	▲ 59%
Profit retained for the year	4,724	3,750	
Basic earnings per share (cents)	1.187	0.74	▲ 59%
Headline earnings per share (cents)	1.190	0.74	▲ 60%
Interim dividend declared (cents)	0.40	0.24	▲ 67%

INCOME STATEMENT CONTRIBUTORS

	REVENUE		GROSS MARGIN		EBITDA	
TV Sales & Home	▲	33%	▲	45%	▲	73%
Moregrow (Transerv)	▲	34%	▲	2%	▲	3%
Distribution Group Africa Zimbabwe	▲	35%	▲	33%	▲	41%
Distribution Group Africa Region	▲	19%	▲	23%	▲	2%

STATEMENT OF FINANCIAL POSITION

ASSETS

Non-current assets

fixed assets
intangible assets
investments in associates
loan receivable from associate
deferred tax assets

Current assets

financial assets
inventories
trade and other receivables
cash and cash equivalents

Total Assets

	31 DECEMBER 2017 unaudited USD '000	Restated 30 JUNE 2017 audited USD '000	% change
fixed assets	8,320	6,737	
intangible assets	35	35	
investments in associates	5,145	4,719	
loan receivable from associate	-	1,321	
deferred tax assets	1,456	1,632	
	14,955	14,445	▲ 3%
financial assets	1,446	921	
inventories	45,674	30,948	
trade and other receivables	50,703	47,388	
cash and cash equivalents	11,107	10,738	
	108,930	89,995	▲ 17%
	123,885	104,440	▲ 16%

STATEMENT OF FINANCIAL POSITION (CON'T)

	31 DECEMBER 2017 unaudited USD '000	Restated 30 JUNE 2017 audited USD '000	% change
EQUITY AND LIABILITIES			
Capital and reserves			
share capital	54	54	
share based payment reserve	52	14	
non distributable reserves	(2,729)	(2,535)	
distributable reserves	41,529	37,048	
Attributable to equity holders of parent	38,905	34,581	▲ 11%
non-controlling interests	25,794	23,173	▲ 10%
Total shareholders' equity	64,699	57,753	▲ 11%
Non-current liabilities			
deferred tax liabilities	1,706	1,753	
interest bearing debt- third party	676	1,375	
	2,381	3,129	▼ -31%
Current liabilities			
interest bearing debt- third party	22,159	17,563	
trade and other payables	32,208	24,445	
provisions and other liabilities	872	634	
taxation	1,566	915	
	56,804	43,558	▲ 23%
Total liabilities	59,186	46,686	▲ 21%
Total Equity and Liabilities	123,885	104,440	▲ 16%
Net Debt/Equity Ratio	18.13%	24.78%	▼ -37%
Net Gearing ratio	13.40%	10.69%	▲ 20%

FOREIGN INVENTORY AND CREDITORS

INVENTORY

	Foreign	Local	Obsolescence provision	Total	% Foreign 31-Dec-17	% Foreign 30-Jun-17
TV Sales & Home	9,274	6,034	(110)	15,199	61%	67%
Moregrow	10,437	666	(963)	10,140	94%	93%
Less: Moregrow	(10,437)	(666)	963	(10,140)	-94%	-93%
DGA Zim	18,169	7,725	(217)	25,677	70%	82%
DGA Region	3,541	1,313	(55)	4,799	73%	84%
	30,984	15,072	(382)	45,674	67%	81%

CREDITORS

	Foreign	Local	Total	% Foreign 31-Dec-17	% Foreign 30-Jun-17
TV Sales & Home	331	5,066	5,397	6%	4%
Moregrow	112	503	615	18%	73%
Less: Moregrow	(112)	(503)	(615)	-18%	-73%
DGA Zim	6,329	16,270	22,598	28%	45%
DGA Region	2,176	3,026	5,202	42%	32%
Axia Corp	-	732	732	-	-
Axia Ops	-	1,601	1,601	-	-
Excalibur & ICRML	-	83	83	-	-
Adjustments - Intercompany and other	-	(3,405)	(3,405)	-	-
	8,836	23,372	32,208	27%	38%

STATEMENT OF CASHFLOWS

	6 Months Ended 31-Dec-17 unaudited USD '000	Restated 6 Months Ended 31-Dec-16 unaudited USD '000
Cash generated from operating activities	4,269	5,883
net interest paid	(696)	(47)
tax paid	(2,492)	(1,703)
Net cash generated from operating activities	1,081	4,133
Investing activities	(3,632)	(2,858)
Net cash (outflow) / inflow before financing activities	(2,551)	1,274
Financing activities	2,920	780
Increase in cash and cash equivalents	369	2,054
Cash and cash equivalents at the beginning of the period	10,738	13,211
Cash and cash equivalents at the end of the period	11,107	15,265

CONCLUSION



TRANSERV

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