



# AXIA PRESENTATION

For the Year Ended 30<sup>th</sup> June 2017

# INTRODUCTION

- ◆ Who We Are Chief Executive Officer
- ◆ Financial Review Finance Director
- ◆ Conclusion Chief Executive Officer



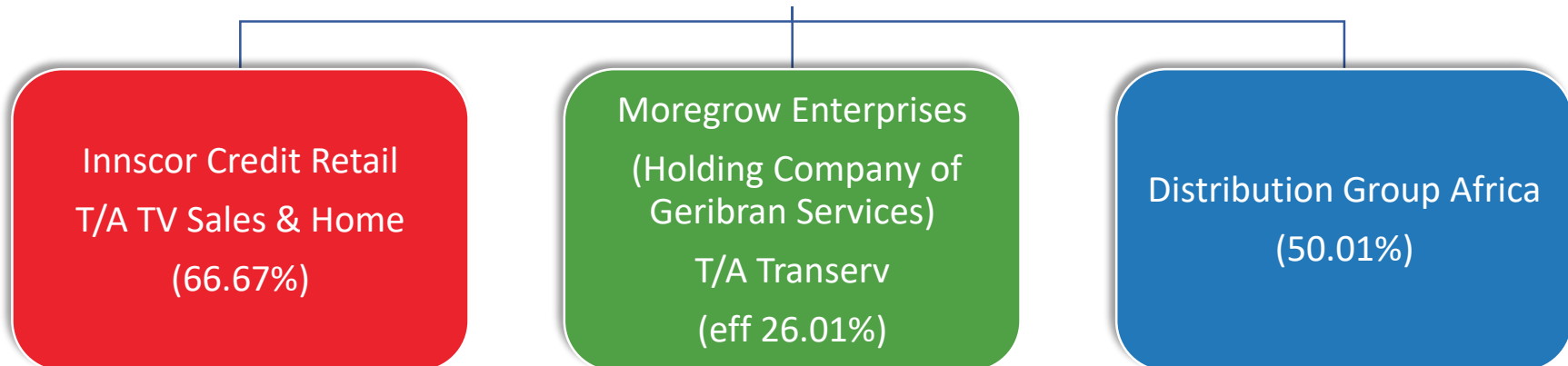
**Who Are We?**

# OUR COMPANIES



***TRANSERV*** 

# CORPORATE STRUCTURE



- ◆ Incorporated in February 2016
- ◆ Holding Company of 3 operating businesses (structure above)
- ◆ Involved in Speciality Retail and Distribution

# TV SALES & HOME

- ◆ 280 Employees
- ◆ 41 Retail Sites
- ◆ 28 Delivery Vehicles



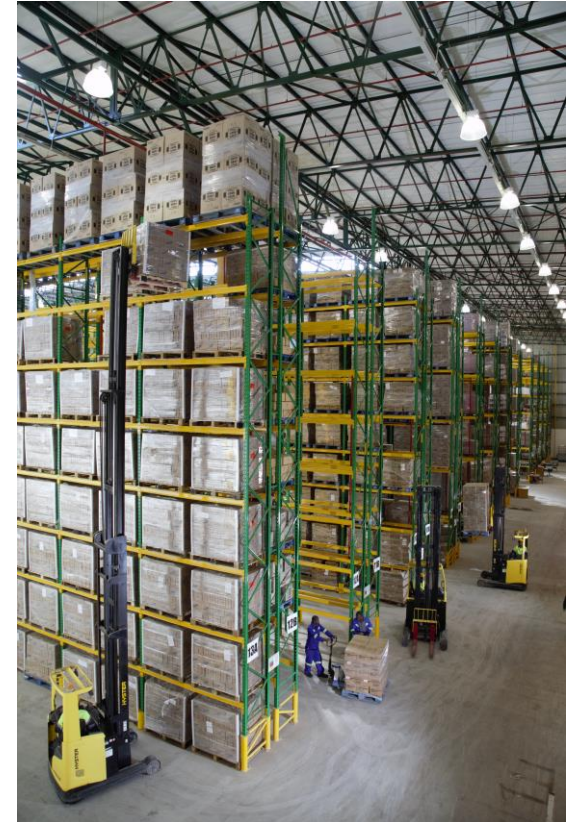
# TRANSERV

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



# DISTRIBUTION GROUP AFRICA

- ◆ 1,116 Employees
  - ★ 910 in Zimbabwe
  - ★ 132 in Zambia
  - ★ 74 in Malawi
- ◆ Owns two warehouses measuring 10,000 sqm and leases five warehouses measuring 20,176 sqm
- ◆ Has a fleet of 102 vehicles








# MACRO ECONOMIC ENVIRONMENT

- ◆ Challenges in acquiring some import licenses and making foreign payments
- ◆ Shortage of foreign currency
- ◆ Declining disposable income thus compressed consumer spending
- ◆ Increasing price sensitivity by customers














# FINANCIAL REVIEW

# INCOME STATEMENT

	<b>FY2017 ACTUAL USD '000</b>	<b>FY2016 ACTUAL USD '000</b>	<b>% Chg Actual vs. FY2016</b>
<b>REVENUE</b>	<b>248,262</b>	<b>197,506</b>	 <b>26%</b>
<b>OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION (EBITDA)</b>	<b>22,908</b>	<b>18,511</b>	 <b>24%</b>
<b>FINANCIAL INCOME</b>	<b>943</b>	<b>2,950</b>	 <b>-68%</b>
<b>DEPRECIATION &amp; AMORTISATION</b>	<b>(1,769)</b>	<b>(1,469)</b>	 <b>-20%</b>
<b>OPERATING PROFIT BEFORE INTEREST AND FAIR VALUE ADJUSTMENTS</b>	<b>22,082</b>	<b>19,992</b>	 <b>10%</b>

# INCOME STATEMENT (CON'T)

	FY2017 ACTUAL USD '000	FY2016 ACTUAL USD '000	% Chg Actual vs. FY2016
<b>OPERATING PROFIT BEFORE INTEREST AND FAIR VALUE ADJUSTMENTS</b>	<b>22,082</b>	<b>19,992</b>	 <b>10%</b>
FAIR VALUE ADJUSTMENTS ON LISTED EQUITIES	70	(35)	 <b>299%</b>
<b>PROFIT BEFORE INTEREST AND TAX</b>	<b>22,152</b>	<b>19,957</b>	 <b>11%</b>
NET INTEREST EXPENSE	(821)	(285)	 <b>-188%</b>
EQUITY ACCOUNTED EARNINGS	(577)	(112)	 <b>415%</b>
<b>PROFIT BEFORE TAX</b>	<b>20,754</b>	<b>19,560</b>	 <b>6%</b>
TAX EXPENSE	(5,479)	(5,101)	 <b>-7%</b>
<b>PROFIT AFTER TAX (USD)</b>	<b>15,274</b>	<b>14,459</b>	 <b>6%</b>
NON -CONTROLLING INTERESTS	(7,859)	(7,925)	 <b>1%</b>
<b>ATTRIBUTABLE PROFIT (BASIC)</b>	<b>7,415</b>	<b>6,534</b>	 <b>13%</b>
<b>ATTRIBUTABLE PROFIT (HEADLINE)</b> <i>*Excluding profit on disposal of BFC</i>	<b>7,415</b>	<b>5,933</b>	 <b>25%</b>
BASIC EARNINGS PER SHARE (CENTS)	1.37	1.21	13%
HEADLINE EARNINGS PER SHARE (CENTS)	1.37	1.09	25%
FINAL DIVIDEND PER SHARE (CENTS)	0.30		

# INCOME STATEMENT CONTRIBUTORS

	REVENUE		EBITDA	
TV Sales & Home	▲	37%	▲	82%
Moregrow (Transerv)	▲	3%	▼	-9%
Distribution Group Africa Zimbabwe	▲	38%	▲	20%
Distribution Group Africa Region	▼	-6%	▼	-47%

# STATEMENT OF FINANCIAL POSITION

## ASSETS BREAKDOWN

### ASSETS

#### Non-current assets

fixed assets	8,760
intangible assets	4,105
investments in associates	-
loan receivable from associate	1,321
deferred tax assets	1,632

30 JUNE 2016  
audited  
USD '000

8,722

4,223

231

1,220

873

% Change

15,818

15,269

▲ 4%

#### Current assets

financial assets	921
inventories	39,777
trade and other receivables	49,116
cash and cash equivalents	11,193

921

39,777

49,116

11,193

117

32,420

43,722

13,718

101,007

89,977

▲ 12%

#### Total Assets

116,825

105,245

▲ 11%

# STATEMENT OF FINANCIAL POSITION (CON'T)

## EQUITY AND LIABILITIES

	30 JUNE 2017 audited USD '000	30 JUNE 2016 audited USD '000	% Change
<b>Capital and reserves</b>			
share capital	54	54	-
share based payment reserve	14	-	
non distributable reserves	(2,535)	(2,727)	
distributable reserves	37,048	31,169	
<b>attributable to equity holders of parent</b>	<b>34,581</b>	<b>28,496</b>	<b>▲ 21%</b>
non-controlling interests	24,182	21,204	<b>▲ 14%</b>
<b>Total shareholders' equity</b>	<b>58,763</b>	<b>49,700</b>	<b>▲ 18%</b>
<b>Non-current liabilities</b>			
deferred tax liabilities	1,859	1,735	
interest bearing debt- third party	2,206	3,736	
	4,064	5,470	<b>▼ -26%</b>
<b>Current liabilities</b>			
interest bearing debt- third party	23,545	14,839	
trade and other payables	28,729	33,065	
provisions	702	898	
taxation	1,021	1,273	
	53,997	50,075	<b>▲ 8%</b>
<b>Total liabilities</b>	<b>58,062</b>	<b>55,545</b>	<b>▲ 5%</b>
<b>Total Equity and Liabilities</b>	<b>116,825</b>	<b>105,245</b>	<b>▲ 11%</b>
<b>Net Debt/Equity</b>	<b>24.77%</b>	<b>9.77%</b>	
<b>Net Gearing</b>	<b>17.23%</b>	<b>7.11%</b>	

# STATEMENT OF CASHFLOWS

	30 JUNE 2017 audited USD '000	30 JUNE 2016 audited USD '000
<b>Cash generated from operating activities</b>	<b>6,142</b>	<b>11,523</b>
net interest paid	(821)	(285)
tax paid	(6,374)	(5,635)
<b>Net cash (utilised in) / generated from operating activities</b>	<b>(1,054)</b>	<b>5,603</b>
<b>Investing activities</b>	<b>(2,048)</b>	<b>(3,943)</b>
<b>Net cash (outflow) / inflow before financing activities</b>	<b>(3,102)</b>	<b>1,659</b>
<b>Financing activities</b>	<b>577</b>	<b>3,369</b>
<b>(Decrease) / increase in cash and cash equivalents</b>	<b>(2,525)</b>	<b>5,029</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>13,718</b>	<b>8,689</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>11,193</b>	<b>13,718</b>

# CONCLUSION



**TRANSERV**

# CONTACT US

For further information, please contact:

John Koumides, Chief Executive Officer

T: +263 4 776 250

E: [johnk@axiaops.com](mailto:johnk@axiaops.com)

Ray Rambanapasi, Finance Director

T: +263 4 776 998

E: [rayr@axiaops.com](mailto:rayr@axiaops.com)

[www.axiacorpltd.com](http://www.axiacorpltd.com)

