



# Axia Presentation





# Contents

- ◆ Introduction Chief Executive Officer
- ◆ Financial Review Finance Director
- ◆ Conclusion & Outlook Chief Executive Officer



# Introduction





# TV Sales & Home

- ◆ 326 Employees
- ◆ 43 Retail Sites
- ◆ 35 Delivery Vehicles

*\* Information as at 30<sup>th</sup> June 2018*





# Transerv

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

*\* Information as at 30<sup>th</sup> June 2018*





# Distribution Group Africa

- ◆ 1,177 Employees
  - ★ 942 in Zimbabwe
  - ★ 154 in Zambia
  - ★ 81 in Malawi
- ◆ Owns two warehouses measuring 10,000 sqm and leases five warehouses measuring 16,182 sqm
- ◆ Has a fleet of 99 vehicles

*\* Information as at 30<sup>th</sup> June 2018*





# Macro Economic Environment

- ◆ Shortage of foreign currency
- ◆ Challenges in acquiring some import licenses
- ◆ Constrained consumer disposable income
- ◆ Increasing price sensitivity by customers
- ◆ Loss of value of liquid assets (cash)
- ◆ Economic difficulties in Zambia



# Financial Review







# Income Statement

	<b>FY2018 ACTUAL USD '000</b>	<b>FY2017 ACTUAL USD '000</b>	<b>% Chg Actual vs. FY2017</b>
<b>REVENUE</b>	<b>275,925</b>	<b>224,943</b>	<b>▲ 23%</b>
<b>GROSS MARGIN</b>	<b>66,472</b>	<b>53,105</b>	<b>▲ 25%</b>
TOTAL OVERHEADS	39,979	36,567	▲ 9%
<b>OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION (EBITDA)</b>	<b>25,808</b>	<b>16,538</b>	<b>▲ 56%</b>
FINANCIAL INCOME	1,274	1,200	
DEPRECIATION & AMORTISATION	(1,913)	(1,606)	
FAIR VALUE ADJUSTMENTS ON LISTED EQUITIES	68	70	
<b>PROFIT BEFORE INTEREST AND TAX</b>	<b>24,818</b>	<b>16,202</b>	<b>▲ 53%</b>



# Income Statement (continued)

	<b>FY2018 ACTUAL USD '000</b>	<b>FY2017 ACTUAL USD '000</b>	<b>% Chg Actual vs. FY2017</b>
<b>PROFIT BEFORE INTEREST AND TAX</b>	<b>24,818</b>	<b>16,202</b>	<b>▲ 53%</b>
NET INTEREST EXPENSE	(1,282)	(687)	
EQUITY ACCOUNTED EARNINGS	799	840	
<b>PROFIT BEFORE TAX</b>	<b>24,335</b>	<b>16,355</b>	<b>▲ 49%</b>
TAX EXPENSE	(7,452)	(4,408)	
<b>PROFIT AFTER TAX (USD)</b>	<b>16,883</b>	<b>11,947</b>	<b>▲ 41%</b>
NON -CONTROLLING INTERESTS	(5,930)	(4,531)	
<b>ATTRIBUTABLE PROFIT (BASIC)</b>	<b>10,953</b>	<b>7,415</b>	<b>▲ 48%</b>
<b>ATTRIBUTABLE PROFIT (HEADLINE)</b>	<b>10,964</b>	<b>7,402</b>	
HEADLINE EARNINGS PER SHARE (CENTS)	2.02	1.37	<b>▲ 48%</b>
TOTAL DIVIDEND PER SHARE (CENTS)	0.72	0.54	<b>▲ 33%</b>



# Income Statement Contributors

	Revenue		Gross Margin		EBITDA	
<b>TV Sales &amp; Home</b>	▲	36%	▲	37%	▲	59%
<b>Transerv</b>	▲	31%	▲	4%	▲	3%
<b>Distribution Group Africa Zimbabwe</b>	▲	17%	▲	15%	▲	55%
<b>Distribution Group Africa Region</b>	▲	29%	▲	33%	▲	29%



# Statement of Financial Position – Assets Breakdown

	<b>30 JUNE 2018</b> audited USD '000	<b>30 JUNE 2017</b> audited USD '000	
<b>ASSETS</b>			
<b>Non-current assets</b>			
fixed assets	9,085	6,737	
intangible assets	35	35	
investments in associates	5,618	4,719	
loan receivable from associate	-	1,321	
deferred tax assets	2,023	1,632	
	16,761	14,444	▲ 16%
<b>Current assets</b>			
financial assets	1,690	921	
inventories	47,750	30,948	
trade and other receivables	54,088	47,388	
cash and cash equivalents	7,297	10,738	
	110,825	89,995	▲ 23%
<b>Total Assets</b>	<b>127,586</b>	<b>104,439</b>	▲ 22%



# Statement of Financial Position – Equity & Liabilities

	30 JUNE 2018 audited USD '000	30 JUNE 2017 audited USD '000	
<b>Capital and reserves</b>			
ordinary share capital	54	54	
share based payment	162	14	
non-distributable reserves	(2,682)	(2,535)	
distributable reserves	43,350	36,612	
Minority interests	24,774	22,737	
<b>Total shareholders' equity</b>	<b>65,658</b>	<b>56,882</b>	▲ 15%
<b>Non-current liabilities</b>			
provision for deferred taxation	1,756	1,753	
interest bearing debt- third party	-	1,375	
	1,756	3,128	▼ 44%
<b>Current liabilities</b>			
interest bearing debt- third party	26,055	17,563	
trade and other payables	32,361	25,316	
provisions and other liabilities	944	634	
current tax liabilities	812	916	
	60,172	44,429	▲ 35%
<b>Total Liabilities</b>	<b>61,928</b>	<b>47,557</b>	▲ 30%
<b>Total Equity and Liabilities</b>	<b>127,586</b>	<b>104,439</b>	▲ 22%
<b>Net Gearing</b>	<b>20.45%</b>	<b>10.82%</b>	



# Foreign Inventory & Creditors

## INVENTORY

	Foreign USD '000	Local USD '000	Obsolescence Provision USD '000	30 June 2018 Total USD '000	30 June 2018 Foreign %	30 June 2017 Total USD '000	30 June 2017 Foreign %
TV Sales & Home	8,547	7,638	(118)	16,068	53%	10,706	67%
Transerv	8,437	429	(831)	8,035	95%	8,829	93%
DGA Zim	20,098	5,571	(438)	25,231	78%	17,156	81%
DGA Region	4,596	1,984	(129)	6,451	70%	3,086	84%
Less: Transerv	(8,437)	(429)	831	(8,035)	-95%	(8,829)	(93%)
	<b>33,241</b>	<b>15,193</b>	<b>(685)</b>	<b>47,750</b>	<b>69%</b>	<b>30,948</b>	<b>78%</b>

## CREDITORS

	Foreign USD '000	Local USD '000	30 June 2018 Total USD '000	30 June 2018 Foreign %	30 June 2017 Total USD '000	30 June 2017 Foreign %
TV Sales & Home	159	5,729	5,888	3%	4,783	4%
Transerv	-	1,498	1,498	0%	4,284	73%
DGA Zim	7,951	14,031	21,983	36%	16,440	45%
DGA Region	3,536	3,387	6,922	51%	3,370	32%
Less: Transerv	-	(1,498)	(1,498)	0%	(4,284)	(73%)
Axia Corp	-	1,949	1,949	-	926	-
Axia Ops	-	1,034	1,034	-	2,524	-
Excalibur & ICRML	-	76	76	-	80	-
Adjustments - Intercompany & c	-	(5,490)	(5,490)	-	(2,807)	-
	<b>11,646</b>	<b>20,716</b>	<b>32,361</b>	<b>36%</b>	<b>25,316</b>	<b>38%</b>

Foreign creditors as a percentage of foreign inventory

35% (30 June 2018)

Foreign creditors as a percentage of foreign inventory

35% (30 June 2017)



# Statement of Cashflows

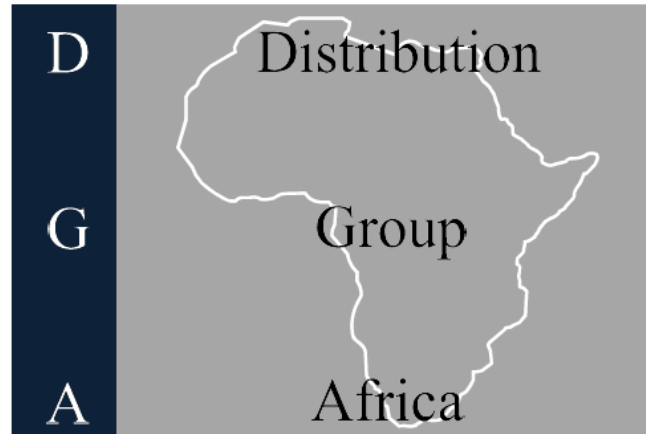
	<b>30 JUNE 2018</b> audited USD '000	<b>30 JUNE 2017</b> audited USD '000
<b>Cash generated from operating activities</b>	<b>10,136</b>	<b>3,874</b>
net interest paid	(1,282)	(354)
tax paid	(7,159)	(5,455)
<b>Net cash generated from / (utilised in) operating activities</b>	<b>1,694</b>	<b>(1,934)</b>
<b>Investing activities</b>	<b>(4,511)</b>	<b>(1,977)</b>
<b>Net cash outflow before financing activities</b>	<b>(2,817)</b>	<b>(3,912)</b>
<b>Financing activities</b>	<b>(625)</b>	<b>1,439</b>
<b>Decrease in cash and cash equivalents</b>	<b>(3,441)</b>	<b>(2,473)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>10,738</b>	<b>13,211</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>7,297</b>	<b>10,738</b>



# CONCLUSION



**TRANSERVA**®







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