

**ANALYSTS PRESENTATION
FOR THE YEAR ENDED
30TH JUNE 2015**

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FY2015 REPORTING

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- ❑ Reorganised the reporting of operations into four core reporting business sectors:
 - Light Manufacturing
 - Logistics & Distribution
 - Quick Service Restaurants (QSR)
 - Retail & Wholesale

- ❑ 2014 AFS include \$39.03M fair value adjustment

- ❑ IFRS 5 requires businesses that have been or to be disposed to be disclosed separately

- ❑ Profeeds includes 1 month only

EXTERNAL OPERATING ENVIRONMENT MAKES FOR A NUMBER OF CHALLENGES

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- ❑ Increasing levels of unemployment
- ❑ Increasing level of debt delinquency
- ❑ Declining disposable income
- ❑ Changes in import regulations & duty structures to varying degrees
- ❑ Increasing levels of competition
- ❑ Depreciating Rand – South Africa producers dumping products
- ❑ Increasing price sensitivity by customers

INTERNAL ENVIRONMENT ADDS TO THE CHALLENGE

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- ❑ A complex agenda with much change
- ❑ Significant restructuring undertaken
 - SPAR (Corporate Stores: DC)
 - FF Zimbabwe
 - Bakery
- ❑ Operational management challenges in key businesses
 - SPAR Zambia
 - Bakery
- ❑ Group portfolio reconfigured
- ❑ Legacy issues impact earnings

SALIENT FEATURES

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	ACTUAL FY 2015	ACTUAL FY 2014		ACTUAL vs. PRIOR
REVENUE	951,079,896	1,010,916,667	▼	-5.92%
GROSS PROFIT	334,281,475	343,282,050	▼	-2.62%
GP %	35%	34%	▲	1.19%
OPERATING EXPENSES	267,145,964	274,131,901	▼	2.55%
PROFIT BEFORE TAX	51,601,988	53,382,275	▼	-3.33% *
As a percentage of Revenue (%)	5%	5%		
TOTAL EQUITY	331,938,136	316,850,331	▲	4.76%
TOTAL BORROWINGS	74,194,303	64,070,079	▲	-15.80%
NET GEARING	12%	9%	▲	-3.65%
CASH GENERATED FROM OPERATION	66,849,325	106,822,736	▼	-37.42%
RETURN ON EQUITY	12%	16%	▼	-4.00% *
RETURN ON INVESTED CAPITAL	10%	14%	▼	-3.70% *
RETURN ON ASSETS	7%	9%	▼	-2.17% *

* Growth calculated after excluding fair value adjustments on consolidation of NFL & IZIM of \$39.03 million from PAT.

DETAILED GROUP STATEMENTS OF COMPREHENSIVE INCOME

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	<u>F2015</u> <u>USD</u> <u>millions</u>	<u>F2014</u> <u>USD</u> <u>millions</u>	<u>Variance</u> <u>%</u>	
Revenue	951.08	1,010.92	-6%	• Revenue down by 6%
EBITDA	77.56	80.56	-4%	• A number of businesses produced revenue growth: Irvine's, Capri, Natpak, Distribution Group, Regional QSR & TV Sales & Home)
Impairment loss of PPE	(0.88)	(1.83)	52%	• Key businesses however underperformed individually: Bakery & NFL
Depreciation & amortisation	(23.72)	(23.37)	-1%	Effective cost of sales management & effective price management led to 120bp increase in margin QSR, SPAR DC & SPAR Retail
Fair value adjustments	0.68	1.79	-62%	Interest cost down 32% (\$1.64M)
PBT*	53.64	57.15	-6%	Tax charge up to 28.2% compared to prior year to 13.9%
Net interest	(4.45)	(6.10)	27%	HEPS down by 15% due to the impact of Bakery
Equity accounted earnings	2.41	2.34	3%	D.P.S of 1.10 US cents
PBT	51.60	53.39	-3%	The total dividend in specie iro of QSR at 30 th June 2015 amounts to 4.80 US cents, taking total dividend per share to 5.90 US cents
Taxation	(13.96)	(13.61)	-3%	
Profit for the year	37.64	39.78	-5%	
PAT incl FV	-	78.81		
EPS - US cents	3.37	11.16	-70%	
HEPS - US cents	3.48	4.11	-15%	
Cash DPS - US cents	1.10	1.30	-15%	

* excluding fv adjustment of US\$39.03M

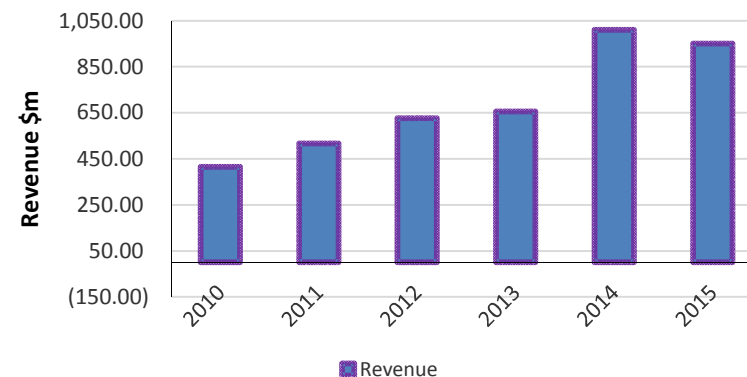
REVENUE CONTRIBUTION BY REPORTING SEGMENT (NFL & IZIM IN F2014 & F2015)

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	<u>F2015</u> <u>USDM</u>		<u>F2014</u> <u>USDM</u>	
Light Manufacturing	554.25	58%	588.51	58%
Logistics & Distribution	113.42	12%	92.73	9%
Quick Service Restaurants	153.14	16%	152.89	15%
Retail & Wholesale	164.12	17%	199.46	20%
Corporate Services	2.26	0%	3.03	0%
Intersegment Revenue	(36.12)	-4%	(25.70)	-2%
CONSOLIDATED REVENUE	951.08		1,010.92	

Annual Actual \$ Sales



Businesses reflecting revenue growth:

- Irvine's
- Appliances
- Natpak
- DGA Zimbabwe
- Freshpro
- QSR Region
- TV Sales

Businesses reflecting declining revenues:

- NFL
- Colcom
- Bakeries
- DGA Zambia
- DGA Malawi
- SPAR Retail

• Inter group revenue grew 40% - success of restructuring & improved collaboration

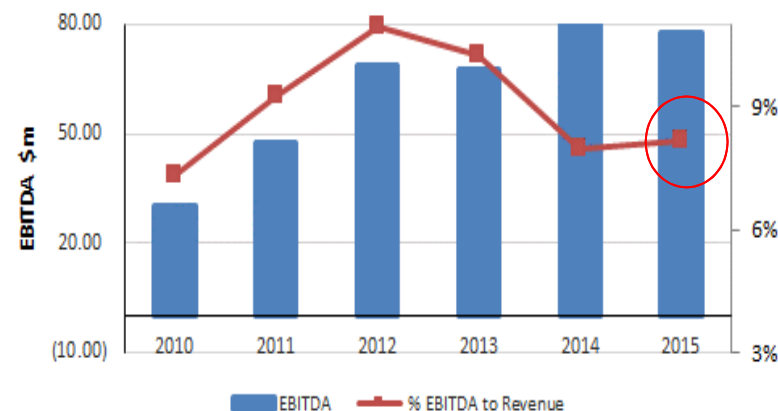
OPERATING PROFIT CONTRIBUTION BY REPORTING SEGMENT – (NFL & IZIM IN F2014& F2015)

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	<u>F2015</u> <u>USDM</u>		<u>F2014</u> <u>USDM</u>	
Light Manufacturing	46.86	60%	57.12	71%
Logistics & Distribution	8.51	11%	8.02	10%
Quick Service Restaurants	16.93	22%	14.80	18%
Retail & Wholesale	7.51	10%	9.60	12%
Corporate Services	(2.25)	-3%	(8.98)	-11%
CONSOLIDATED IAL OPS	77.56		80.56	

EBITDA \$ and EBITDA to Revenue %



Ebitda growth:

- Capri
- SPAR Distribution
- QSR Zimbabwe & Region
- Irvine's
- Profeeds
- Colcom
- Distribution Group Zimbabwe & Region

Ebitda decline:

- TV Sales & Home
- National Foods
- Bakery
- Natpak

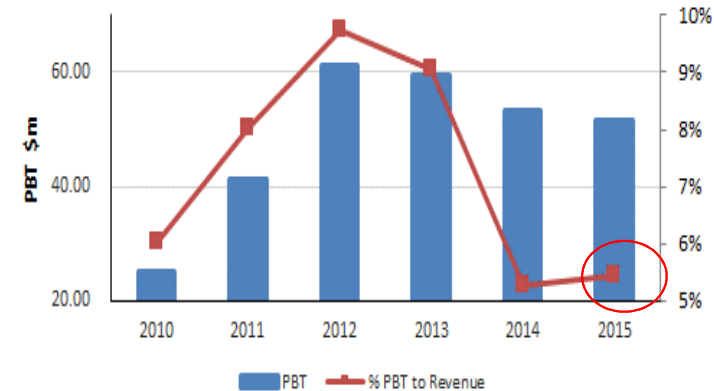
PROFIT BEFORE TAX CONTRIBUTION BY REPORTING SEGMENT (NFL & IZIM IN F2014 & F2015)

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	<u>F2015</u> <u>USDM</u>		<u>F2014</u> <u>USDM</u>	
Light Manufacturing	32.74	63%	42.89	80%
Logistics & Distribution	7.13	14%	6.73	13%
Quick Service Restaurants	9.66	19%	8.07	15%
Retail & Wholesale	4.06	8%	4.67	9%
Corporate Services	(1.99)	-4%	(8.96)	-17%
PBT Before Fair Value	51.60		53.38	
Adjustments	-		39.03	
CONSOLIDATED PBT	51.60		92.42	

PBT \$ and PBT to Revenue %



PBT growth:

- Capri
- SPAR
- QSR Zimbabwe & Region
- Irvine's
- Profeeds
- Colcom
- Distribution Zimbabwe & Region

PBT decline:

- National Foods
- Bakery
- Natpak

SUMMARISED GROUP STATEMENT OF FINANCIAL POSITION

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	<u>F2015</u> <u>USDM</u>	<u>F2014</u> <u>USDM</u>
Non current assets	309.95	295.69
Net current assets	95.37	83.30
Net cash resources	(40.35)	(26.95)
Taxation liabilities	(33.03)	(35.19)
Total Shareholders' Equity	331.94	316.85
		*
Net Gearing Ratio	12.16%	8.51%
PAT ROIC	10.40%	14.10%
PAT ROE (average shareholders' funds)	11.60%	15.61%
PAT ROA (average total assets)	6.70%	8.87%

- Total Assets increased by 5.08% to \$576M
- Total Borrowings increased by \$10M to \$74.2M
 - acquisition of minorities
 - capex
 - trading inventory
- Net Working Capital (excl biological assets) \$78,5M
 - strategic raw materials
 - trading inventory
- Net Gearing up to 12.16%

* Includes equity impact of FV adjustment

SUMMARISED GROUP STATEMENT OF FINANCIAL POSITION

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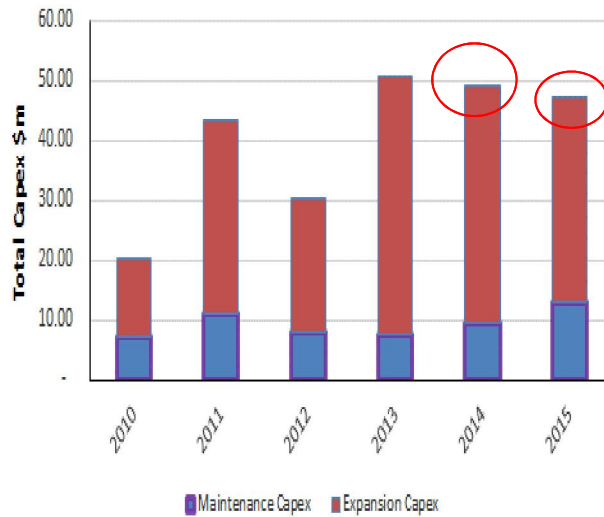
	<u>F2015</u> <u>USDM</u>	<u>F2014</u> <u>USDM</u>
EBITDA	77.56	80.56
Cash generated from operating activities	66.85	106.82
Net interest paid	(4.45)	(6.10)
Tax paid	(15.51)	(12.69)
Investing activities	(40.48)	(47.84)
Financing activities	(9.68)	(26.26)
Net cash (outflow)/inflow for the year	(3.27)	13.93
Capex	(38.01)	(48.93)
expansion	(24.90)	(39.33)
maintenance	(13.11)	(9.60)

KEY RATIOS

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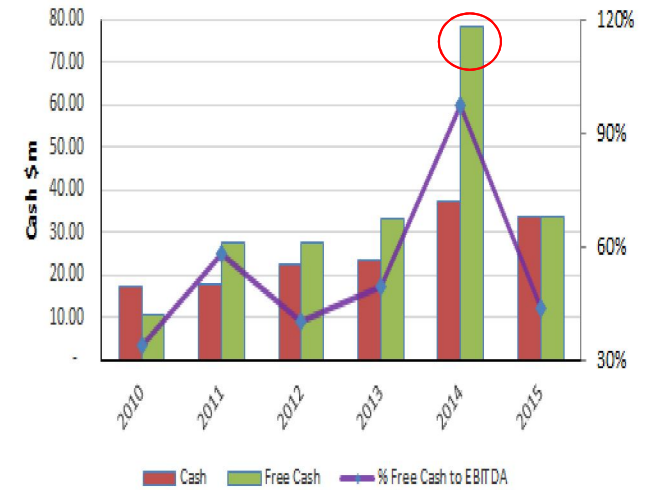
Capital Expenditure



Working Capital to GP %



Cash and Free Cash Generated



Key drivers of capex spend:

- National Foods
- Natpak
- Irvine's
- Capri
- DGA Zim
- QSR Region
- SPAR Zambia

Key drivers of working capital movements:

- National Foods (strategic raw materials)
- Colcom
- QSR
- SPAR Grp
- TV Sales & Home
- Corporate & Group
- These positions are expected to unwind in FY2016 contributing positively to trading profits
- The working capital profile of the Group changed as a result of the consolidation of National Foods & Irvine's. This will also be impacted by the QSR unbundling

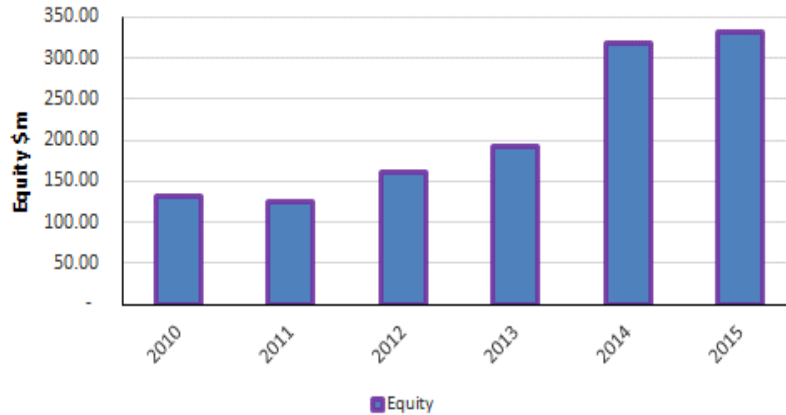
Businesses that achieved > 60% of Ebitda

- SPAR DC
- Natpak
- Irvine's
- Colcom
- Shearwater
- QSR Region & QSR Southern
- Capri

Businesses that achieved < 60% of Ebitda

- QSR Northern
- DGA Zimbabwe & Region
- TV Sales & Home
- National Foods
- Profecds
- SPAR Retail

Total Shareholders' Equity



Borrowings



NOTE:

growth noted in FY2014 is as a result of including National Foods and Irvine's

Key drivers of increased borrowings:

- SPAR Zambia to fund working capital
- Group & Treasury to fund acquisitions of minorities & strategic inventory

PROGRESS ON OUR STRATEGIC AGENDA

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- ❑ Growth
 - Organic
 - clear growth plans for each company; many companies showed growth in 2015

 - Acquisitions
 - Transerv
 - Profeeds

- ❑ Costs
 - Structures
 - Headcount
 - Processes

- ❑ Reconfigure group to unlock value
 - QSR
 - Freshpro
 - Breathaway
 - Rolls & Confectionary (BI)
 - Vital Logistics. Group Logistic capability

- ❑ Vertical Integration
 - improved collaboration drives efficiencies

- ❑ Country Diversification
 - No progress

LOOKING AHEAD

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- ❑ Expect difficult conditions to continue
- ❑ Achieving planned growth will be a challenge, but we believe achievable
- ❑ Focused & clear plans to deal with the environment
- ❑ New management teams & MDs' in place to ensure effective execution
- ❑ Key Priorities
 - Growth
 - Cost of sales
 - Cost reduction
 - Cash generation
 - Optimal capital allocation
- ❑ Continue to explore all opportunities to create value by further optimising our portfolio

SUMMARISED GROUP STATEMENTS OF COMPREHENSIVE INCOME – PER PRESS STATEMENT

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	<u>F2015</u> <u>USD</u> <u>millions</u>	<u>F2014</u> <u>USD</u> <u>millions</u>	<u>Variance</u> <u>%</u>
Continuing Operations			
Revenue	814.40	871.16	-7%
EBITDA	60.63	65.76	-8%
Impairment loss of PPE	(0.42)	(1.74)	76%
Depreciation & amortisation	(17.64)	(17.50)	-1%
Fair value adjustments	0.68	1.79	-62%
PBIFV	43.25	48.31	-10%
Fair value adjustments on conversion of associates to subsidiaries	-	39.03	-100%
PBIT	43.25	87.34	-50%
Net interest	(3.53)	(5.17)	32%
Equity accounted earnings	2.22	2.18	2%
PBT	41.94	84.35	-50%
Taxation	(11.81)	(11.69)	-1%
Profit for the year	30.13	72.66	-59%
Discontinued operations			
Profit after tax from discontinuing operations	7.51	6.14	22%
Profit for the year from continuing and discontinuing operations	37.64	78.81	-52%
EPS - US cents	3.37	11.16	-70%
HEPS - US cents	3.48	4.11	-15%
Cash DPS - US cents	1.10	1.30	-15%

SUMMARISED GROUP STATEMENT OF FINANCIAL POSITION – PER PRESS STATEMENT

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	<u>F2015</u> <u>USD</u> <u>millions</u>	<u>F2014</u> <u>USD</u> <u>millions</u>
Continuing Operations		
Non current assets	262.08	295.69
Net current assets	110.53	83.30
Net borrowings	(37.49)	(26.95)
Taxation liabilities	(29.18)	(35.19)
Discontinuing Operations		
net-assets of disposal group classified as held for distribution	26.00	-
Total Shareholders' Equity	331.94	316.85
Net Gearing Ratio	11.29%	8.51%
PAT ROIC	8.39%	11.93%
PAT ROE (average shareholders' funds)	11.60%	15.61%
PAT ROA (average total assets)	6.70%	8.87%

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