

**PRESENTATION TO ANALYSTS
FOR THE YEAR ENDED
30th JUNE 2016**

21st September 2016

OPERATING ENVIRONMENT

- Overall CPI decline
- Market liquidity continues to deteriorate
- Shortage of physical cash notes
- Increasing levels of unemployment
- Delays in foreign payments
- Increased price sensitivity
- Regional maize supplies under pressure
- Power supply stable

CORPORATE REORGANISATION

- ❑ Group structure reconfigured into a simplified portfolio of light manufacturing businesses

- ❑ Significant restructuring undertaken
 - Quick Service Restaurants (QSR) Unbundled
 - Speciality Retail & Distribution (SRD) Unbundled
 - SPAR Corporate Stores exited
 - SPAR DC closed
 - Shearwater disposed
 - Negotiations underway to dispose of remaining Zambian investments

- ❑ Scaling up of light manufacturing portfolio
 - Acquisition of a non-controlling stake in ProBrands
 - Acquisition of a non-controlling stake in Pure Oils

- ❑ Group Head Office Restructured

BASIS OF REPORTING

- ❑ Financial statements presented in terms of IFRS
- ❑ Essentially split into Continuing and Discontinuing operations
- ❑ Continuing Operations
 - Light Manufacturing
 - Head Office Services
- ❑ Discontinuing Operations
 - QSR in for 3 months vs 12 months prior year
 - SRD in for 9 months vs 12 months prior year
 - Transerv in for 9 months vs Nil
 - SPAR in for 6 months vs 12 months prior year
 - Shearwater in for 6 months vs 12 months prior year
 - SPAR Zambia & The River Club (TRC)
- ❑ Statement of Financial Position reflecting SPAR Zambia and TRC as discontinued operations

SUMMARISED GROUP STATEMENT OF COMPREHENSIVE INCOME



Continuing Operations

Revenue

EBITDA

Impairment loss of PPE and intangibles

Financial Income

Depreciation & amortisation

Fair value adjustments

PBIT

Net interest

Equity accounted earnings

PBT

Taxation

Profit for the period

Profit after tax from discontinuing operations

Profit for the period from continuing and discontinuing operations

EPS - US cents (continuing and discontinuing)

EPS - US cents (continuing)

HEPS - US cents (continuing)

Cash DPS - US cents

Dividend in specie per share - US cents

Total DPS - US cents

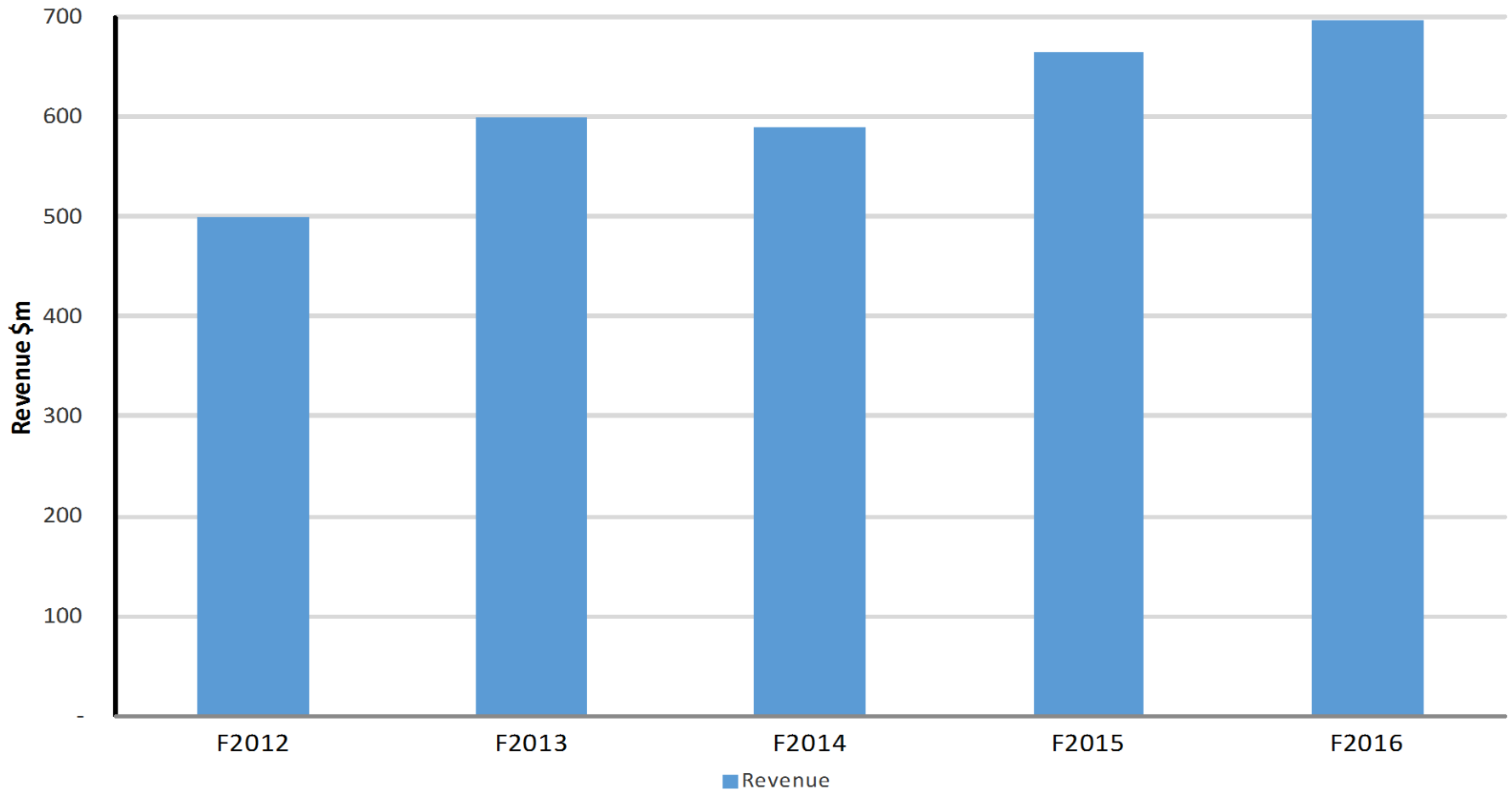
	<u>F2016 Audit</u> <u>USD</u> <u>millions</u>	<u>F2015 Restated</u> <u>USD</u> <u>millions</u>
	586.91	554.29
	55.03	43.55
	(1.71)	(0.42)
	1.42	0.91
	(15.97)	(14.29)
	0.31	0.68
	39.08	30.43
	(4.84)	(2.13)
	4.76	2.87
	39.00	31.18
	(8.52)	(8.04)
	30.48	23.14
	0.96	14.50
	31.44	37.64
	2.90	3.37
	3.20	1.59
	3.40	1.64
	0.90	1.10
	10.56	-
	11.46	1.10

GROUP REVENUE BY SEGMENT

	<u>F2016</u> <u>USD</u> <u>millions</u> <u>(actual)</u>	<u>F2015</u> <u>USD</u> <u>millions</u> <u>(actual)</u>	<u>%</u> <u>Variance</u>
Light Manufacturing	586.91	554.29	6%
TOTAL CONTINUING OPERATIONS	586.91	554.29	6%
LIKE FOR LIKE - DISCONTINUED OPERATIONS			
Specialty Retail and Distribution	147.95	149.10	-1%
Quick Service Restaurants	38.33	38.25	0%
Other Businesses	62.80	74.98	-16%
TOTAL DISCONTINUING OPERATIONS	249.08	262.33	-5%
Intersegment Revenue	(27.10)	(20.43)	33%
AMALGAMATED REVENUE	808.88	796.19	2%

GROUP REVENUE

**Amalgamated Group Revenue
Operating Businesses**

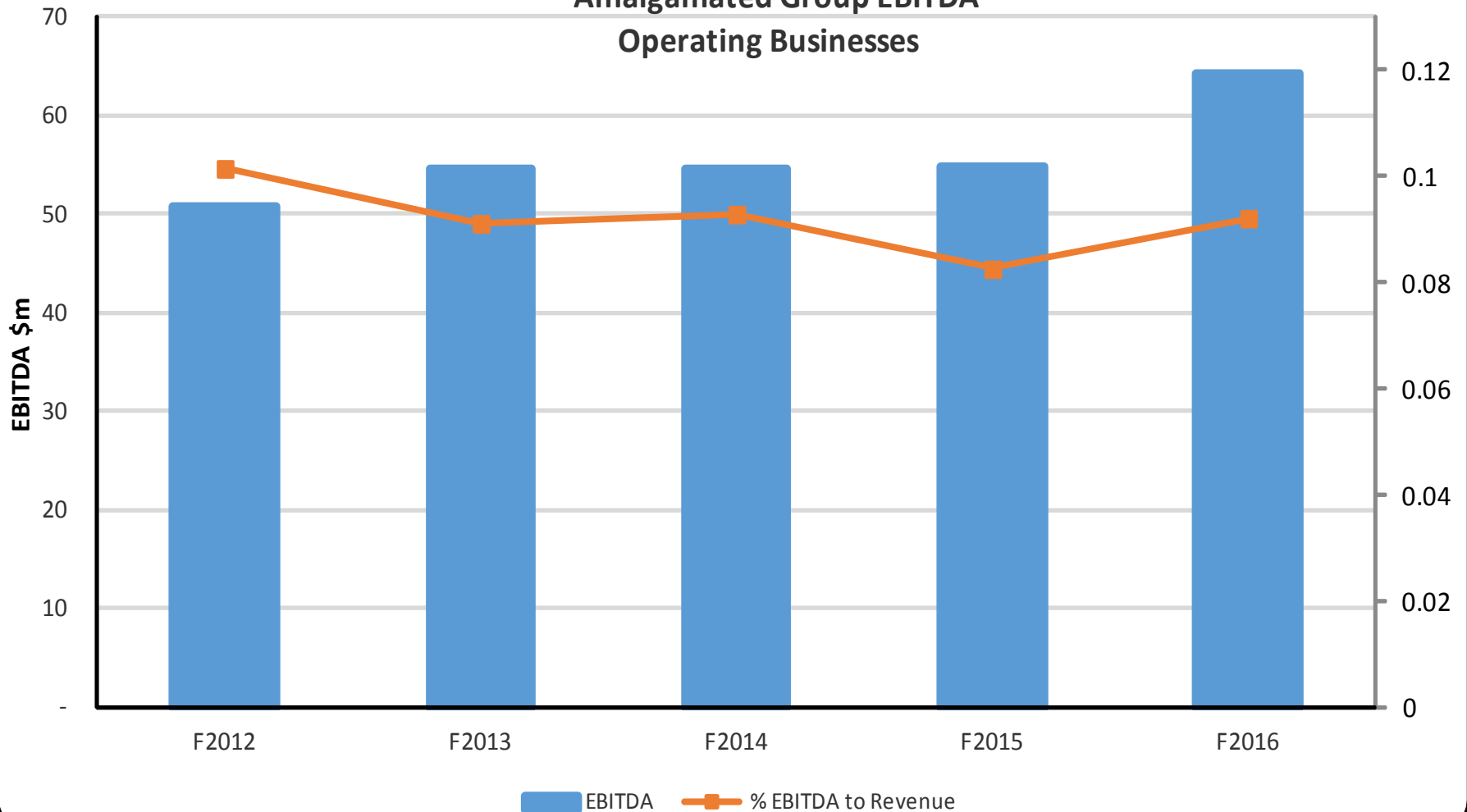


GROUP EBITDA BY SEGMENT

	<u>F2016</u> <u>USD</u> <u>millions</u> <u>(actual)</u>	<u>F2015</u> <u>USD</u> <u>millions</u> <u>(actual)</u>	<u>%</u> <u>Variance</u>
Light Manufacturing	56.19	46.20	22%
Head Office Services and Other	(1.17)	(2.65)	56%
TOTAL CONTINUING OPERATIONS	55.02	43.55	26%
LIKE FOR LIKE - DISCONTINUED OPERATIONS			
Specialty Retail and Distribution	15.88	16.51	-4%
Quick Service Restaurants	4.83	4.66	4%
Other Businesses	(8.66)	1.09	-894%
TOTAL DISCONTINUING OPERATIONS	12.05	22.26	-46%
AMALGAMATED EBITDA	67.06	65.81	2%

GROUP EBITDA

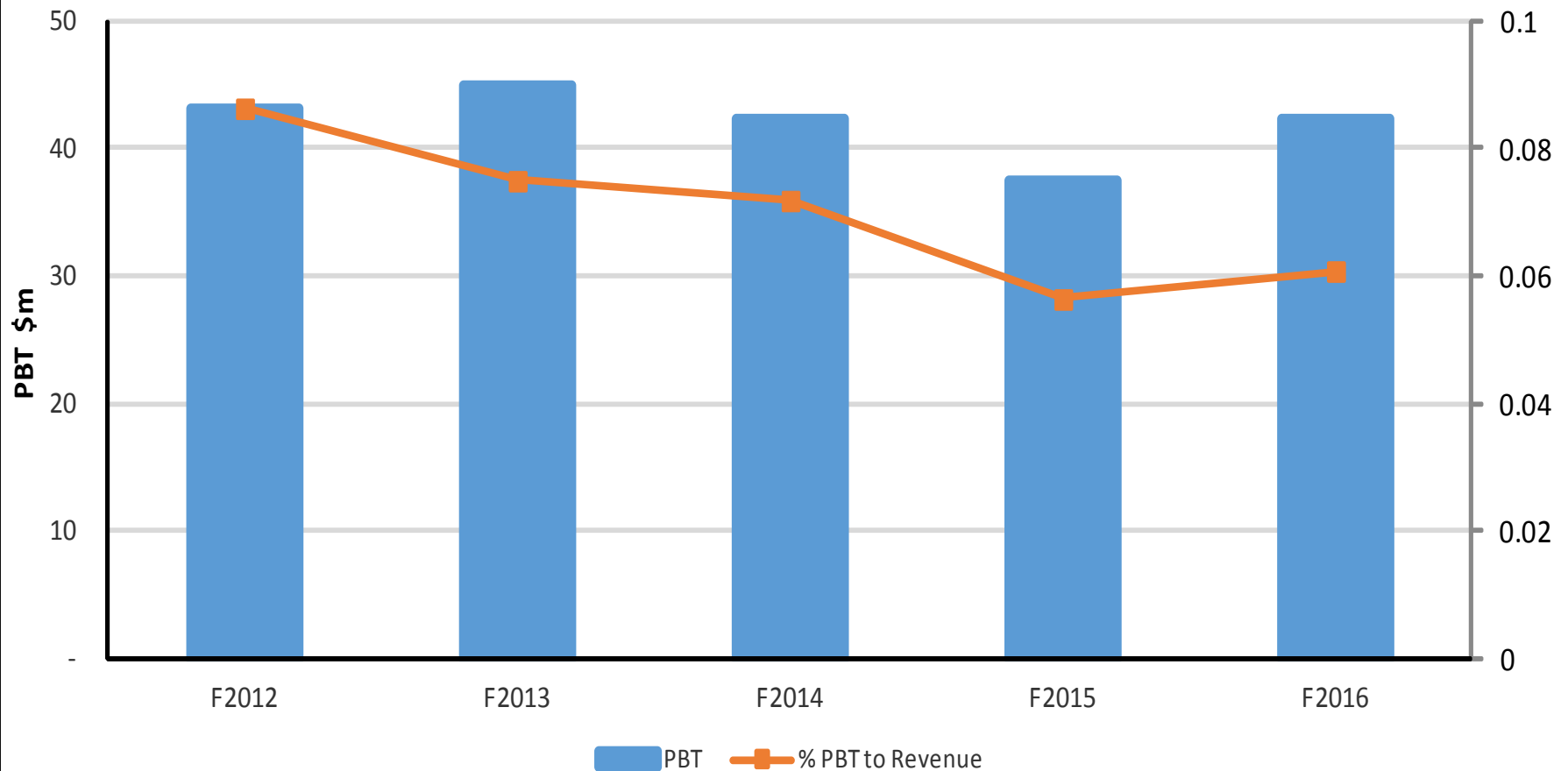
Amalgamated Group EBITDA Operating Businesses



GROUP PBT BY SEGMENT

	<u>F2016</u> <u>USD</u> <u>millions</u> <u>(actual)</u>	<u>F2015</u> <u>USD</u> <u>millions</u> <u>(actual)</u>	<u>%</u> <u>Variance</u>
Light Manufacturing	39.33	32.74	20%
Head Office Services and Other	(0.33)	(1.56)	79%
TOTAL CONTINUING OPERATIONS	39.00	31.18	25%
LIKE FOR LIKE - DISCONTINUED OPERATIONS			
Specialty Retail and Distribution	15.03	15.41	-2%
Quick Service Restaurants	2.88	2.87	0%
Other Businesses	(11.95)	(1.70)	-603%
TOTAL DISCONTINUING OPERATIONS	5.96	16.58	-64%
AMALGAMATED PBT	44.96	47.75	-6%

Amalgamated Group PBT Operating Businesses



SUMMARISED GROUP STATEMENT OF COMPREHENSIVE INCOME



Continuing Operations

Revenue

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EPS - US cents (continuing and discontinuing)

EPS - US cents (continuing)

HEPS - US cents (continuing)

Cash DPS - US cents

Dividend in specie per share - US cents

Total DPS - US cents

	<u>F2016 Audit</u> <u>USD</u> <u>millions</u>	<u>F2015 Restated</u> <u>USD</u> <u>millions</u>
Revenue	586.91	554.29
EBITDA	55.03	43.55
Impairment loss of PPE and intangibles	(1.71)	(0.42)
Financial Income	1.42	0.91
Depreciation & amortisation	(15.97)	(14.29)
Fair value adjustments	0.31	0.68
PBIT	39.08	30.43
Net interest	(4.84)	(2.13)
Equity accounted earnings	4.76	2.87
PBT	39.00	31.18
Taxation	(8.52)	(8.04)
Profit for the period	30.48	23.14
Profit after tax from discontinuing operations	0.96	14.50
Profit for the period from continuing and discontinuing operations	31.44	37.64
EPS - US cents (continuing and discontinuing)	2.90	3.37
EPS - US cents (continuing)	3.20	1.59
HEPS - US cents (continuing)	3.40	1.64
Cash DPS - US cents	0.90	1.10
Dividend in specie per share - US cents	10.56	-
Total DPS - US cents	11.46	1.10

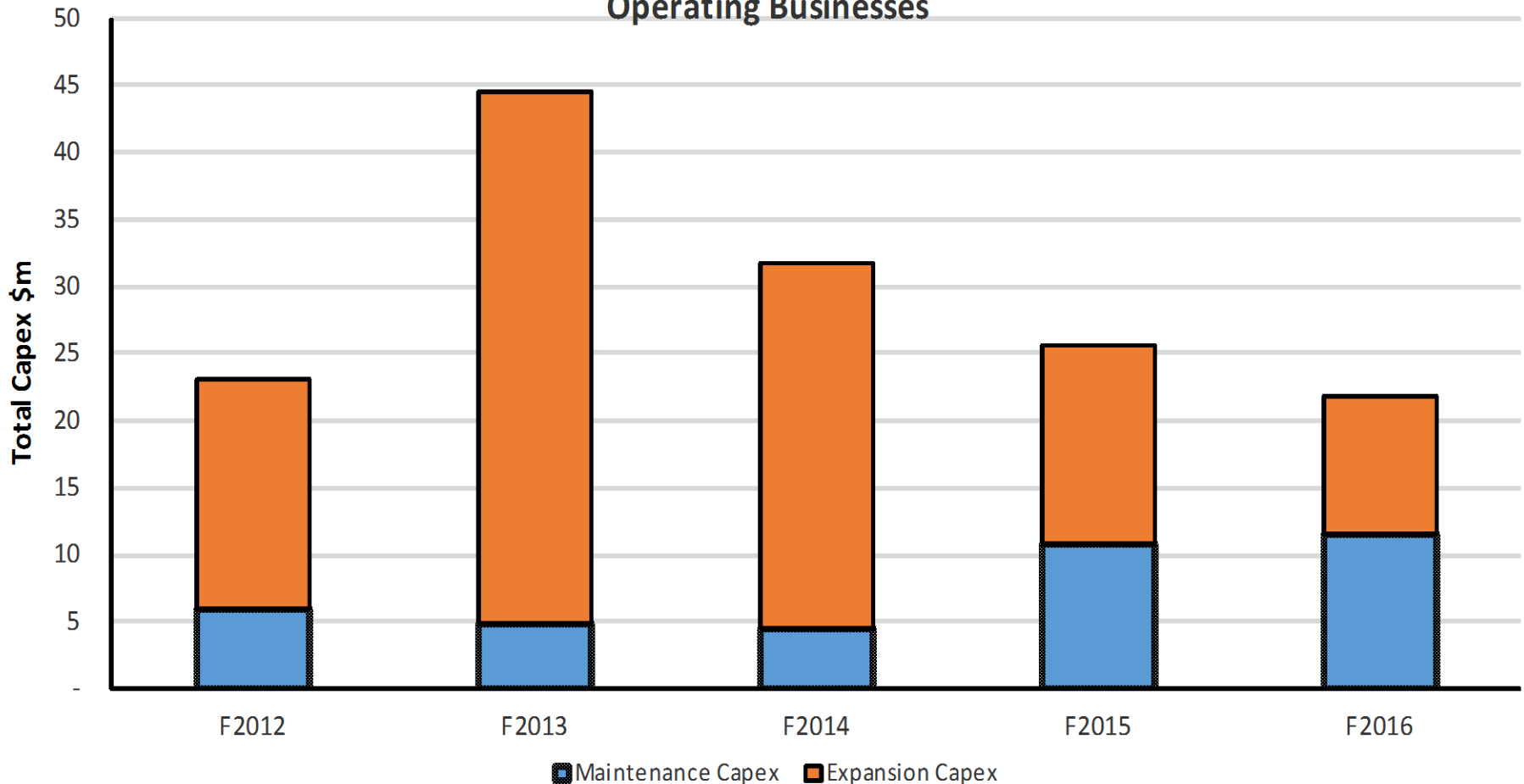
SUMMARISED GROUP STATEMENT OF FINANCIAL POSITION



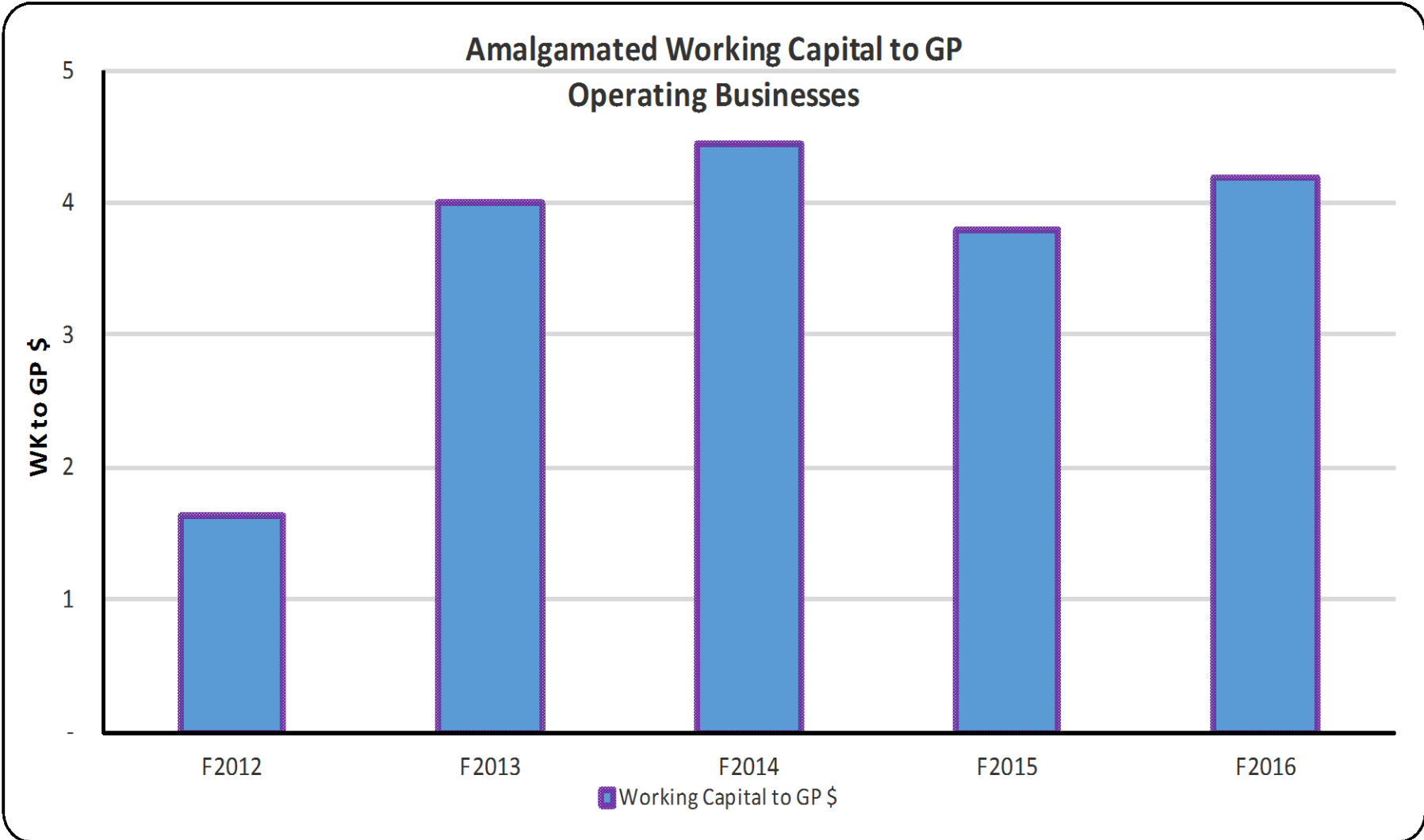
	<u>F2016</u> <u>USD</u> <u>millions</u>	<u>F2015</u> <u>USD</u> <u>millions</u>
Non current assets	245.36	309.95
Net current assets	83.97	95.37
Net cash resources	(37.92)	(40.35)
Taxation liabilities	(27.13)	(33.03)
Total Shareholders' Equity	264.28	331.94
Net Gearing Ratio	11.48%	9.93%
PAT ROE (average shareholders' funds)	10.55%	11.60%

GROUP CAPITAL EXPENDITURE

Amalgamated Group Capital Expenditure Operating Businesses



GROUP WORKING CAPITAL



SUMMARISED GROUP STATEMENT OF CASH FLOWS



	<u>F2016</u> <u>USD</u> <u>millions</u>	<u>F2015</u> <u>USD</u> <u>millions</u>
EBITDA	<u>67.06</u>	<u>74.97</u>
Cash generated from operating activities	53.05	66.85
Net interest paid	(6.11)	(4.45)
Tax paid	(11.55)	(15.51)
Investing activities	(30.79)	(40.48)
Financing activities	(10.37)	(9.68)
Net cash outflow for the year	<u>(5.77)</u>	<u>(3.27)</u>
Capex	(23.47)	(38.01)
expansion	(9.82)	(24.90)
maintenance	(13.65)	(13.11)

LOOKING AHEAD

- ❑ Conclude Head Office Restructuring
- ❑ Conclude disposal of the remaining non-core businesses
- ❑ Continue our strategy of building a leading, focused set of light manufacturing businesses
- ❑ Much work still to be done
 - Organic growth
 - Further cost reduction
 - Improved efficiencies
 - Better use of Group resources
 - Improved free cash generation
- ❑ Pursue complimentary/adjacent growth opportunities

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