



# Bowler Metcalf Analysts Annual Results Presentation

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JUNE 2018



# Bowler Metcalf

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Focussed and agile to diversify and grow  
where it matters



# Agenda

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1. Group Results, Cash Flow and Dividends
2. SoftBev
3. Bowler Plastics
4. What's next?
5. Questions



# Group Results

R'm	2018	2017
Attributable Profit / (Loss)	R140,3	(R1,1)
Continued Operations Only	R78,3	R84,3
Discontinued Operations Only	R61,9	(R85,4)

- 2017 included SoftBev impairment and share of loss
- 2018
  - Reversal of SoftBev impairment
  - SoftBev Assets held for sale
  - Share of SoftBev income as discontinued operations



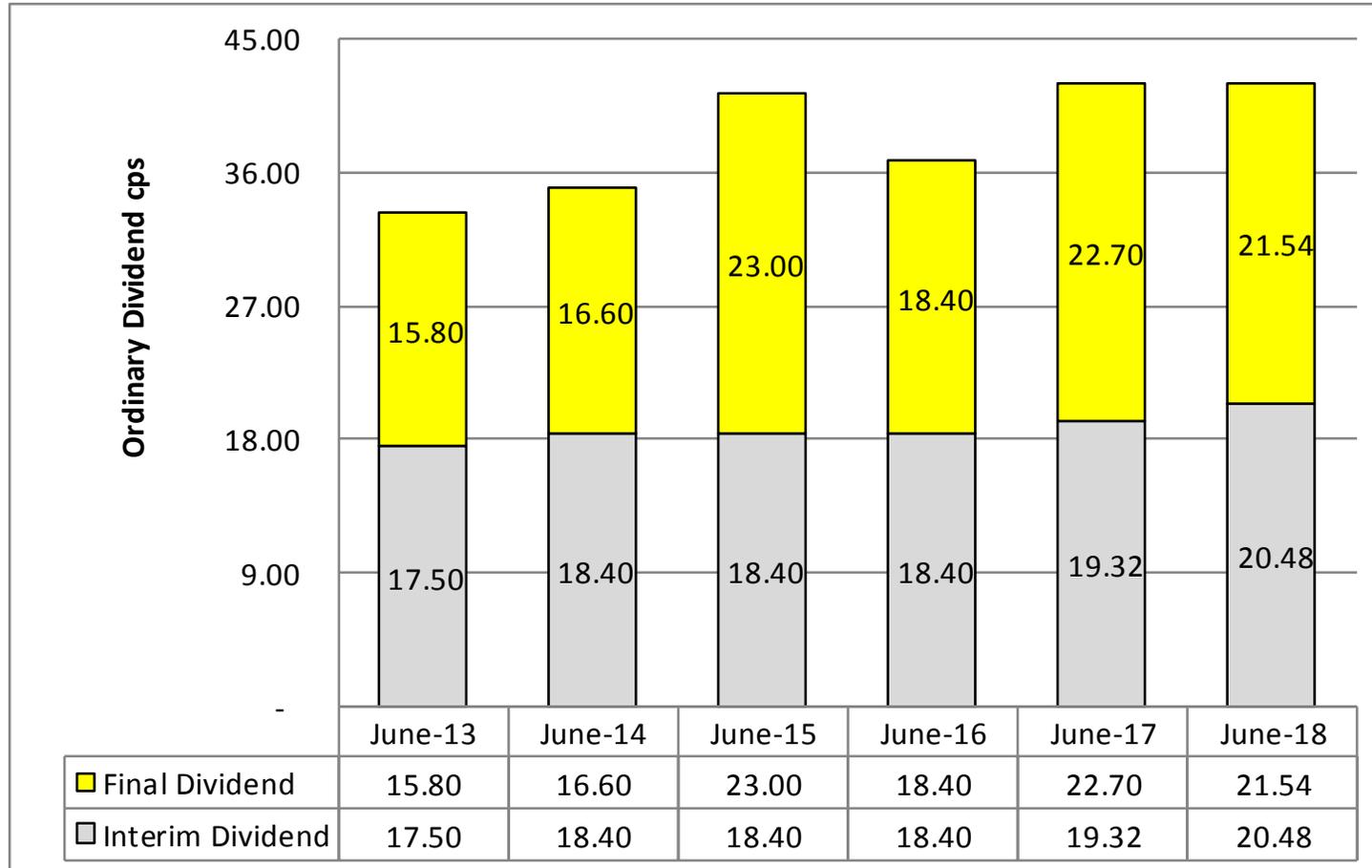
# Group Cash Flow

R'm	2018	2017
Capex	R24,0	R32,7
Cash Increase / (Decrease)	R50,9	(R6,2)

- Lower capex testimony to depressed market for new products / innovation
  - 2017 cash flow impacted by R30m advance to SoftBev
  - Working capital...
    - Escalating stock holdings “forced by customers”
    - Stretched debtors days
- both resulting mainly from tough economic environment



# Group Dividends



- Total dividend consistent with prior year
- From the 2019 financial year, a new “ex SoftBev” dividend regime will be implemented



- Disposal of SoftBev approved by shareholders on 29<sup>th</sup> June 2018
- All conditions precedent met 3<sup>rd</sup> August 2018
- The final value for SoftBev based on actual EBITDA (including certain pre-determined adjustments) for the year ended 30 June 2018, final net debt and working capital position as at 30 June 2018 and the final sellers' transaction costs
- Base consideration was received on Closing Date (6<sup>th</sup> August 2018)
- Deferred consideration will be settled shortly after the completion of SoftBev's audited financial statements for the year ended June 2018
- Post-Payment Period



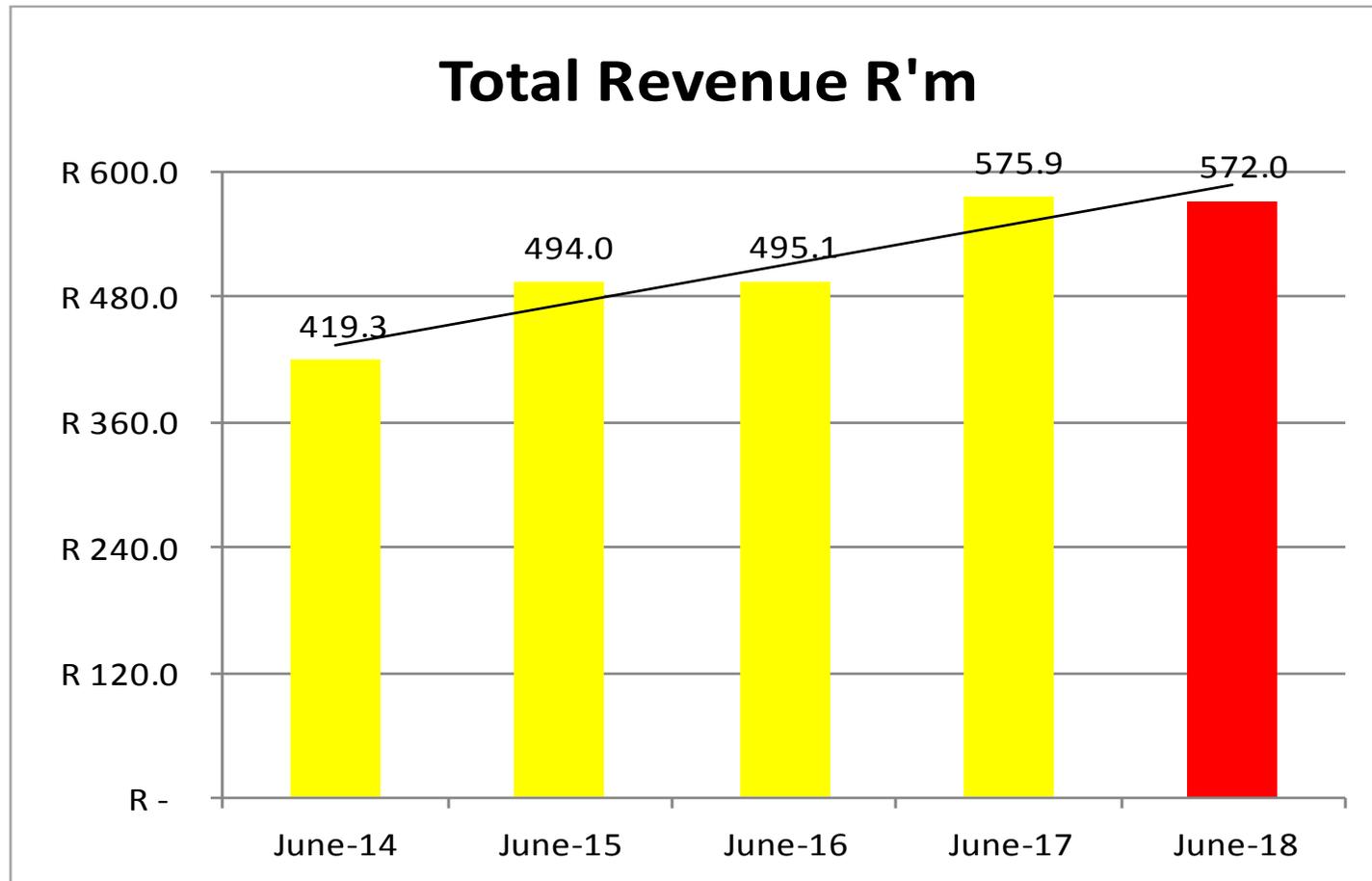
**SoftBev**® (continued)

R'm	Actual / Estimate
Base Consideration - shares	R349,4
Deferred Consideration – shares (estimate)	R40,0 to R55,0
Total	<u>R389,4 to R404,4</u>
Loan Account Repayment	R64,8
- settled by June 2018	R12,0

- Deferred consideration
- It's an estimate, not forecast
- Expected to be concluded in October 2018



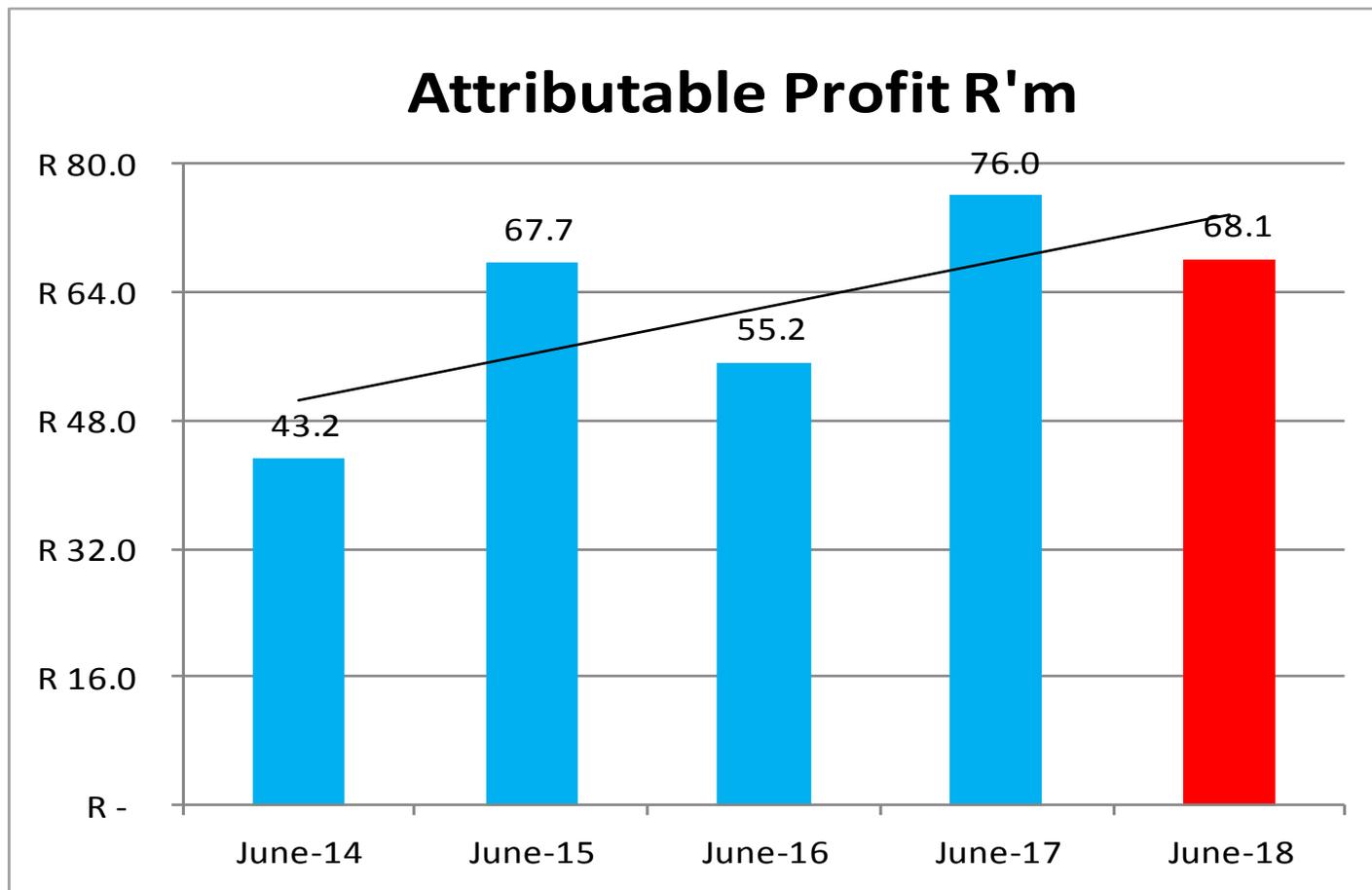
# Plastics – Revenue



- ❖ YOY compound growth 8,1%
- ❖ Decrease by 1% on the back of a very strong 2017, especially H2
- ❖ Volume up by 1%
- ❖ Price down by 2% - indicative of pricing pressures



# Plastics – Attributable profit



- “Holdings” added for comparative purposes
- Operating profit % under pressure....
- Flat revenue
- Margin and Variable Costs well controlled
- Escalated Fixed Costs due to breaching “next level” capacity creation e.g. skills, warehousing (knock-on effect on shunting costs)



# Plastics Overview

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- ❖ Market Dynamics
- ❖ Operational Focus
- ❖ Outlook



# What's Next?

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- ❖ Growth Focus
  - ❖ Target Market Focus (“...where it matters...”)
  - ❖ Diversification
    - Through R&D, Start-ups & Acquisitions
  - ❖ Property Development
- ❖ Cash Allocation
  - ❖ Commitments +/- 20%
  - ❖ Strategic Growth Initiatives +/- 50%
  - ❖ Return to Shareholder +/- 30% (2018 Q4 & 2019 Q1)
- ❖ AGM 7<sup>th</sup> November 2018 - Update



Questions?

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Thank You

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