



# CA SALES HOLDINGS

(Incorporated in the Republic of South Africa)  
South Africa registration number 2011/143100/06, Botswana registration number EX2017/18292  
Share code: CAS, ISIN: ZAE400000038

## REVIEWED CONDENSED ANNUAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2017  
AND CASH DIVIDEND DECLARED

### COMMENTARY

#### Nature of business

CA Sales operates within the Fast-Moving Consumer Goods industry and delivers route-to-market services to blue chip manufacturers. The service offering includes selling, merchandising, warehousing, distribution, shopper promotions, training and debtor's administration. The group has diverse geographical presence across Southern Africa including in Botswana, Lesotho, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe.

#### Financial Highlights

CA Sales is pleased to announce a strong set of results for the financial year ending 31 December 2017. Revenue increased by 17% to over R4.7 billion through a combination of acquisitions, addition of principals, growth in product offerings and new business development. A continued focus on margin retention and cost containment assisted in attaining a robust increase of 15% in gross profit to R724 million and over 28% in headline earnings to R137 million. Total assets increased by 18% to R2.1 billion. The group is particularly delighted in achieving this performance against the backdrop of a challenging economic environment and difficult trading conditions.

Despite these conditions all major operations exceeded expectations. The distributor footprint was also further expanded into Zambia, opening a new territory for the group. In addition an acquisition in the marketing and promotions industry expanded the group's current service offering.

The successful listing on the Botswana Stock Exchange and the 4AX was a fitting end to an excellent year for the group.

#### Future Strategy

As part of the group strategy, CA Sales will continue its expansion through a mixture of growing its principal & customer networks and making value-adding acquisitions to widen its footprint further across the African continent.

Although it is expected that the challenging economic environment and demanding trading conditions will prevail for the time being, the group believes that it is well positioned with its strong balance sheet and a diverse geographical presence across Southern Africa to take advantage of any opportunities that might arise.

The pleasing maiden results as a listed entity provide a solid foundation and ensure a confident future outlook.

HEADLINE EARNINGS PER SHARE  
**(cents)**  
33.2  
▲ 26.6%

TOTAL DIVIDEND PER SHARE  
**(cents)**  
5.99  
▲ 14.0%

NET ASSETS VALUE PER SHARE  
**(cents)**  
256.9  
▲ 8.6%

REVENUE (Rm)  
4 715.9  
▲ 17.0%

EBITDA (Rm)  
267.6  
▲ 14.3%

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	31 December 2017	31 December 2016
	R'000	R'000
Opening balance	1 025 820	906 689
<b>Total comprehensive income for the year</b>	<b>167 849</b>	<b>124 418</b>
Profit	171 848	136 423
Other comprehensive income net of taxation	(9 999)	(12 005)
Currency translation differences	(3 998)	(12 300)
Share of other comprehensive income of associated companies	(1)	295
Transactions with owners:		
Shares issued	132 582	-
Share-based payment costs	4 333	3 928
Acquisition of subsidiary	3 641	5 410
Change in ownership	(117 577)	(6 350)
Dividends paid	(32 779)	(8 275)
<b>Closing balance</b>	<b>1 183 869</b>	<b>1 025 820</b>

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended 31 December 2017	12 months ended 31 December 2016
	R'000	R'000
Cash generated from operations	247 901	235 930
Working capital changes	(222 378)	6 147
Taxation paid	(59 250)	(48 875)
Net cash flow generated from operating activities	(33 725)	193 202
Net cash flow used in investment activities	(85 173)	(30 591)
Net cash flow used in financing activities	83 775	(118 590)
Net movement in cash and cash equivalents	(35 123)	44 021
Effects of exchange rate changes on cash and cash equivalents	(690)	(1 776)
Cash and cash equivalents at the beginning of the period	132 395	90 150
Cash and cash equivalents at the end of the period	96 582	132 395
Bank overdrafts	107 558	50 483
Cash and cash equivalents reported per the statement of financial position	204 140	182 878

### RECONCILIATION BETWEEN PROFIT AFTER TAXATION, ATTRIBUTABLE TO THE OWNERS OF THE PARENT AND HEADLINE EARNINGS:

	12 months ended 31 December 2017	12 months ended 31 December 2016
	R'000	R'000
Profit for the period	144 738	109 882
Profit on disposal of assets	(1 479)	(2 418)
Impairment of associated companies	2 537	6 000
Loss on sale of associated companies	-	3 757
Fair value (gain)/loss from step-up from associated company to subsidiary	4 886	(619)
Gain on bargain purchase	(14 221)	-
Unutilised discontinued operations provision	-	(11 438)
Tax effect on above	141	727
Non-controlling interest on above	281	548
Headline earnings attributable to owners of the parent	136 883	106 439
Headline earnings per share (cent)	33.23	26.26
Diluted headline earnings per share (cent)	32.59	26.00
Dividends paid per share (cent)	5.25	3.57
Issued number of shares	444 634 430	405 400 800
Weighted average number of shares	411 939 738	405 400 800
Weighted average number of diluted shares	420 047 838	409 454 850
Shareholders are reminded of the 1,400 : 1 share split that took place in October 2017 ("Share Split"). Adjusted weighted average shares of 405 400 800 (288 572 x 1,400) have therefore been used in the calculation of the previous period results.		

### CONDENSED SEGMENTAL RESULTS

	31 December 2017	31 December 2016
	R'000	R'000
<b>Segmental revenue</b>	<b>2 956 226</b>	<b>2 750 408</b>
Botswana	544 459	544 912
South Africa	478 875	202 430
Namibia	636 288	532 856
Swaziland	2 057	-
Other countries	4 715 905	4 030 606
<b>Segmental EBITDA</b>	<b>111 449</b>	<b>101 298</b>
Botswana	78 629	69 944
South Africa	23 869	16 379
Namibia	60 874	56 327
Swaziland	148	1 133
Other countries	(7 329)	(10 886)
Group transactions	267 640	234 215
<b>Segmental profit after tax</b>	<b>68 702</b>	<b>57 040</b>
Botswana	44 888	40 870
South Africa	22 400	14 200
Namibia	38 353	32 805
Other countries	(18)	1 133
Group transactions	(2 477)	(9 625)
<b>Segmental assets</b>	<b>1 162 868</b>	<b>1 120 502</b>
Botswana	417 882	286 588
South Africa	255 435	141 465
Namibia	231 100	191 139
Other countries	3 669	4 104
Group transactions	22 982	28 212
<b>Segmental liabilities</b>	<b>673 364</b>	<b>638 619</b>
Botswana	64 110	63 315
South Africa	153 426	48 348
Namibia	118 451	72 914
Other countries	3 087	(77 006)
Group transactions	(102 371)	136 423
Reconciliation from EBITDA to profit after tax:	217 640	234 215
EBITDA	(95 913)	(44 244)
Depreciation & amortisation	(2 909)	(11 321)
Net finance cost	(96 970)	(42 227)
Taxation	171 848	136 423
Profit after tax	910 077	746 190

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2017	31 December 2016
	R'000	R'000
<b>Assets</b>	<b>695 142</b>	<b>682 331</b>
<b>Non current assets</b>	<b>100 807</b>	<b>97 129</b>
Property, plant and equipment	566 592	533 939
Intangible assets	16 273	29 261
Investments accounted for using the equity method	12 470	6 002
Deferred income tax assets	-	16 000
Loans and advances	1 397 804	1 089 679
<b>Current assets</b>	<b>313 551</b>	<b>277 777</b>
Inventories	878 388	627 840
Trade and other receivables	1 725	1 184
Income tax receivable	204 140	182 878
Cash and cash equivalents (excluding overdrafts)	2 093 946	1 772 010
<b>Total assets</b>	<b>1 183 869</b>	<b>1 025 820</b>
<b>Equity and liabilities</b>	<b>841 526</b>	<b>708 944</b>
<b>Equity</b>	<b>14 398</b>	<b>14 042</b>
Stated capital	286 146	236 122
Other reserves	41 799	66 712
Retained earnings	27 532	29 145
Non-controlling interest	23 307	24 484
<b>Non current liabilities</b>	<b>4 225</b>	<b>4 681</b>
Long term borrowings	882 545	717 045
Deferred income tax liabilities	595 743	593 372
<b>Current liabilities</b>	<b>5 557</b>	<b>6 832</b>
Trade and other payables	281 245	116 841
Income tax payable	2 093 946	1 772 010
Borrowings		
<b>Total equity and liabilities</b>	<b>1 183 869</b>	<b>1 025 820</b>

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	12 months ended 31 December 2017	12 months ended 31 December 2016
	R'000	R'000
<b>Revenue</b>	<b>4 715 905</b>	<b>4 030 606</b>
Cost of sales	(3 992 271)	(3 401 698)
Gross profit	723 634	628 908
Other operating expenses	(520 051)	(445 768)
Other operating income	27 680	12 105
<b>Operating profit</b>	<b>231 263</b>	<b>195 245</b>
Share of profit/(loss) of investments accounted for using the equity method	464	(5 274)
<b>Profit before financing</b>	<b>231 727</b>	<b>189 971</b>
Finance cost	(16 174)	(16 210)
Finance income	13 265	4 889
<b>Profit before taxation</b>	<b>228 818</b>	<b>178 650</b>
Taxation	(56 970)	(42 227)
<b>Profit after taxation</b>	<b>171 848</b>	<b>136 423</b>
Attributable to:		
Owners of the parent	144 738	109 882
Non-controlling interest	27 110	26 541
<b>Other comprehensive income:</b>	<b>(3 999)</b>	<b>(12 005)</b>
<b>Items that will be reclassified to profit or loss net of taxation</b>	<b>(3 998)</b>	<b>(12 300)</b>
Foreign currency translation differences	(1)	295
Share of other comprehensive income of associated companies	167 849	124 418
<b>Total comprehensive income</b>	<b>140 761</b>	<b>98 093</b>
Attributable to:		
Owners of the parent	27 088	26 325
Non-controlling interest	35 114	27 10
Earnings per share (cent)	34.46	26.84
Diluted earnings per share (cent)		

### NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL INFORMATION

**1. Basis of preparation and accounting policies**  
The condensed consolidated financial results are extracts from the reviewed and audited consolidated financial statements. The extract has not been reviewed by the auditors. The accounting policies applied in the preparation of the consolidated annual financial statements from which the condensed consolidated financial statements were derived are consistent with those accounting policies applied in the preparation of the previous year's consolidated annual financial statements. The financial information is presented in South African Rand (rounded to the nearest thousand), which is considered the reporting currency. The condensed consolidated financial statements for the year ended 31 December 2017 have been reviewed by PricewaterhouseCoopers Inc and have been prepared in accordance with accounting standards applicable in South Africa. The condensed consolidated financial statements and/or share holders should be based on the consideration of the complete set of the condensed consolidated financial statements which is available for inspection at the offices of CA Sales Holdings Ltd and on its website: www.casholdings.co.za.

**2. Change in ownership transactions**  
The major transactions for the year are detailed below:  
On 9 November 2017, the group acquired an additional 16.9% of the issued shares of Pack 'n Stack Investment Holdings (Pty) Ltd for a cash amount of R25.3 million and equity instruments to the value of R25.3 million, totalling R50.7 million.  
On 9 November 2017, the group acquired an additional 18.9% of the issued shares of Logico Unlimited (Pty) Ltd for equity instruments to the value of R46.1 million.

**3. Events after balance sheet date**  
CA Sales is finalising the purchase of warehouses in Botswana. These will grow its asset base in Botswana and show its commitment to invest in the country. There were no other significant events that occurred after the reporting date that require adjustment or disclosure in the consolidated annual financial statements for the year ended 31 December 2017.

**4. Declaration of dividend**  
Notice is hereby given that the final dividend of 5.99 (2016: 5.25) cents (or BWP equivalent) per share in respect of the year ended 31 December 2017 was declared on Friday 23 March 2018, for payment to the ordinary shareholders of the company at the close of business on Friday 20 April 2018. In line with the company's dividend policy, the dividend was maintained at approximately 20% of the headline earnings.

The last date to trade shall be Friday 13 April 2018 and shall commence trading ex-dividend on 16 April 2018. The record date to appear in the register to participate in the dividend will be 13 April 2018 and the dividend will be paid on Friday 20 April 2018. The South African register will be closed for the purposes of dematerialisation, re-materialisation from 11 April 2018 to 16 April 2018, both dates inclusive, and for transfers between the South African register and the South African and Botswana registers between 11 April 2018 and 20 April 2018, both dates inclusive. The exchange of shares between the Botswana Stock Exchange register and the South African register will be confirmed in a separate announcement to be released on BSE X-news on 3 April 2018, being the finalisation date. The number of issued shares at the declaration date is 444 634 430. The dividend has been declared from income reserves. The tax registration number of the company is 9390266170.

As per the double tax agreement between Botswana and South Africa, withholding on the 15% is deducted from dividends distributed to shareholders registered on the Botswana Stock Exchange. This dividend is treated as a foreign dividend. In respect of shareholders registered on the 4AX Stock Exchange, the dividends payable is subject to withholding tax as required under the South African Income Tax Act resulting in a net dividend of 4,792 cents per share.

For and on behalf of the board

Chairman: JA Holtzhausen  
Chief Executive Officer: FW Britz  
Johannesburg  
23 March 2018