



# Bowler Metcalf Analysts Annual Results Presentation

## June 2019



Bowler Metcalf

Growing in a VUKA economy the  
Bowler way



# Agenda

1. Group Results, Cash Flow and Dividends
2. Bowler Plastics
3. Properties
4. Growth Focus
5. Questions

# Group Results



R'm	2019	2018
Attributable Profit / (Loss)	R211,9	R140,3
	increase	51%
Continued Operations Only	R71,9	R78,4
	decrease	8%
Discontinued Operations Only	R140,0	R61,9
<i>Relates to the finalisation of the SoftBev deal</i>		

# Group Cash Flow



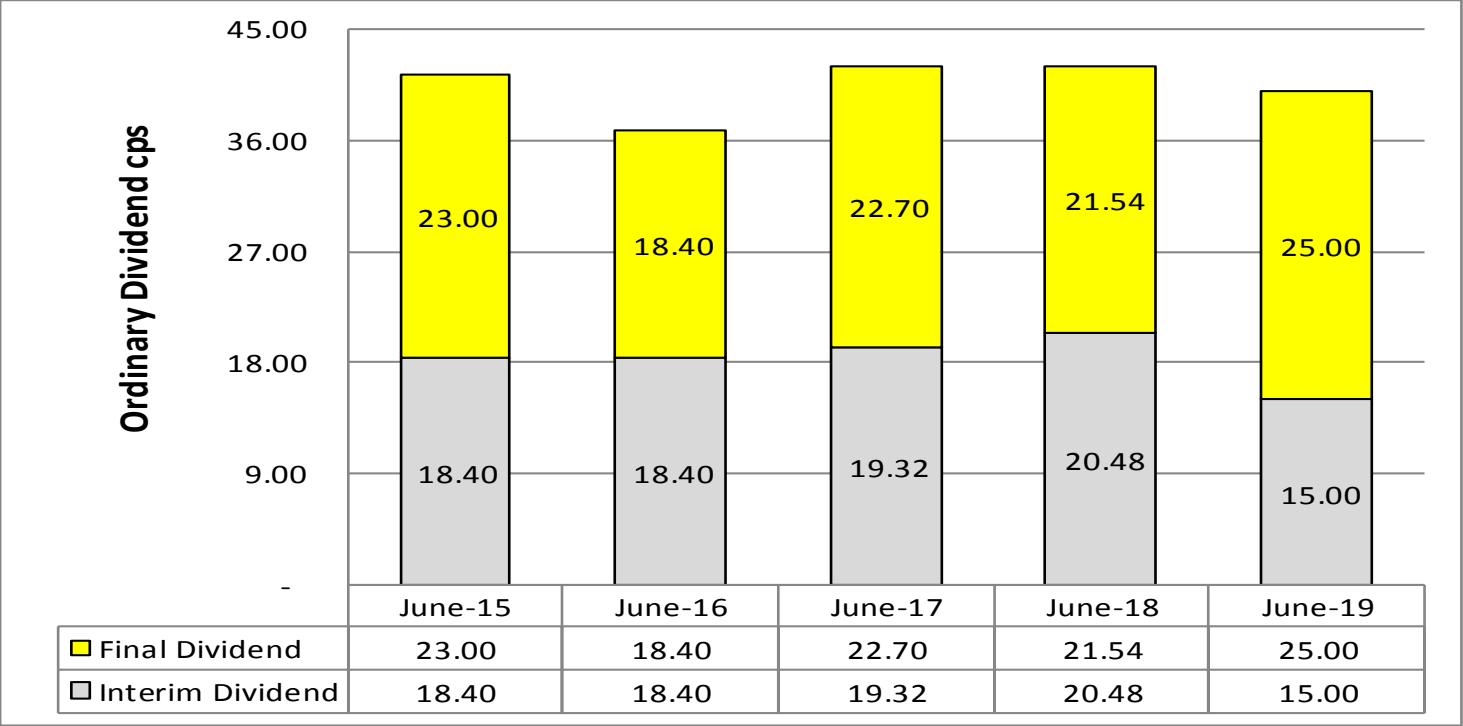
- Lower capex testimony to depressed market for new products / innovation
- Working capital...
  - Inventory and Debtors days are steady
  - Worsening economic climate does pose “unexpected” risks

R'm	2019	2018
Capex	R20,7	R24,0
Cash Increase	R190,3	R51,0
Increase mainly as result of net SoftBev proceeds and “special shareholder returns”		

# Group Dividends



➤ Total ordinary dividend reasonably consistent with prior year, despite decrease in continued earnings



"Special Shareholder Returns"	R'm
Special dividend Nov'18	R268m
Share buy-back round 1	R19,0m
Share buy-back round 2 (after year end)	R18,6m



# Plastics Overview



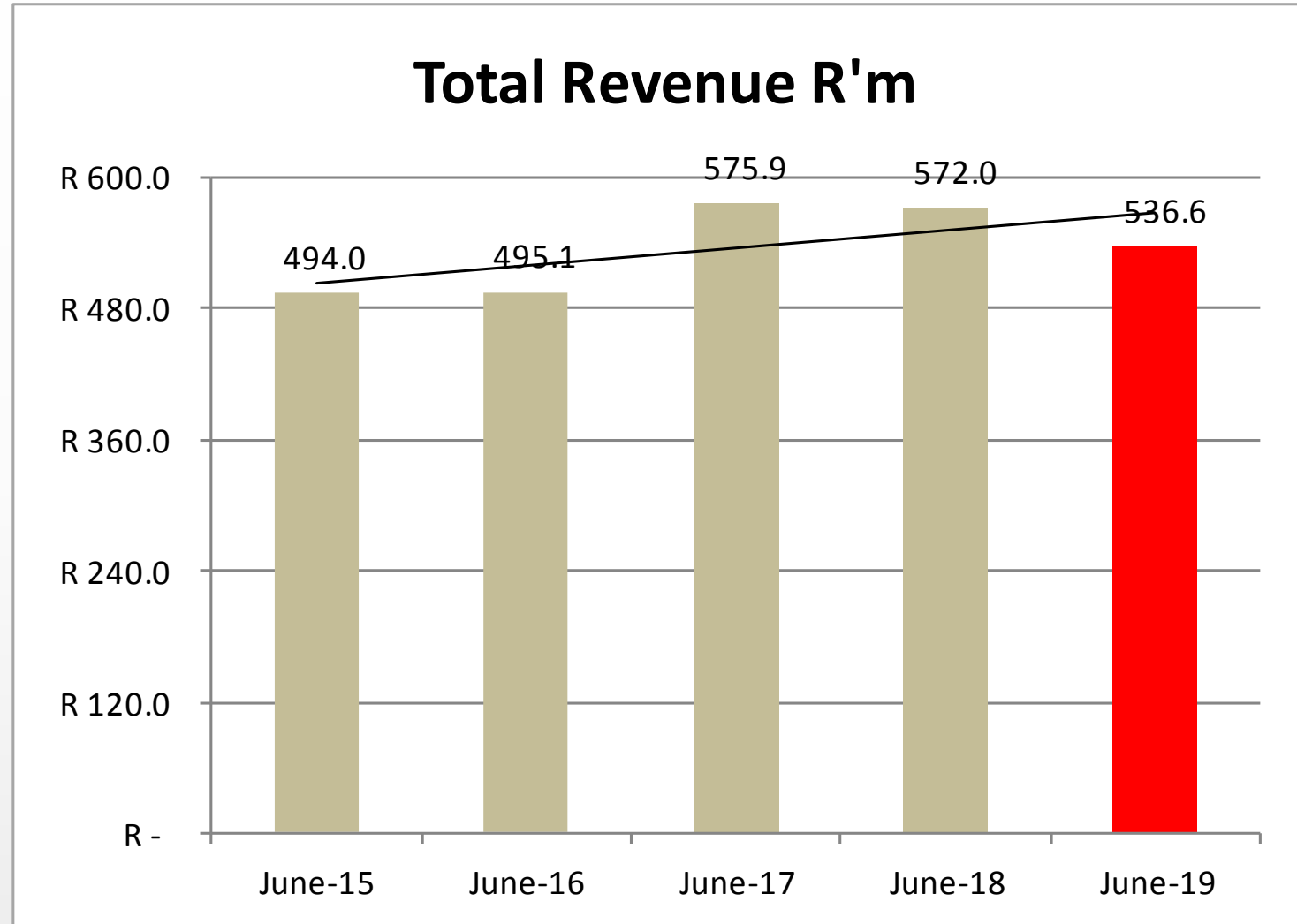
**Awareness drives the change**



# Plastics Revenue



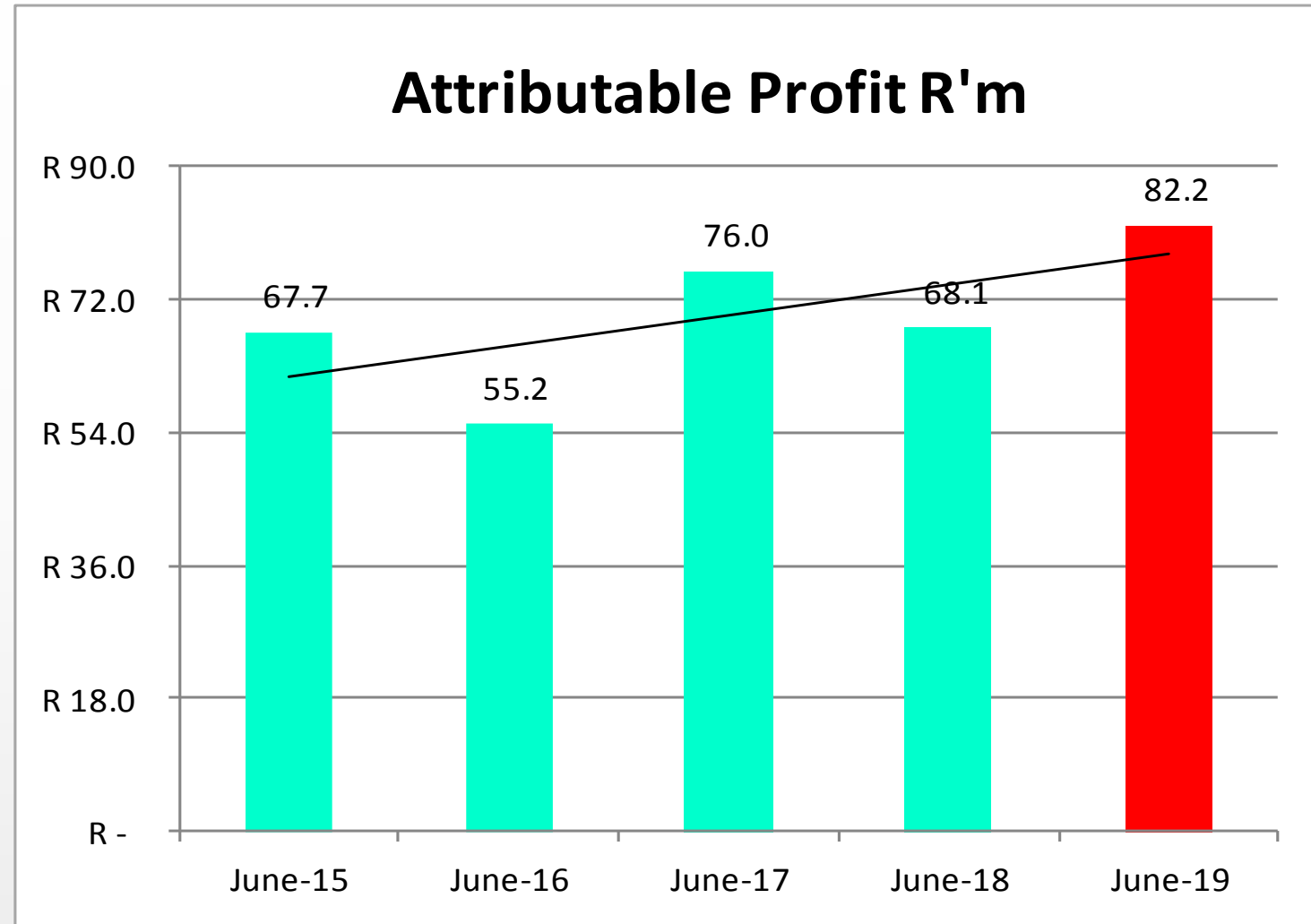
- ❖ Revenue lower than PY
- ❖ Volumes down
- ❖ Business loss
- ❖ Demand low
- ❖ Pricing flat
- ❖ New Business sentiment low



# Plastics Attributable Profits



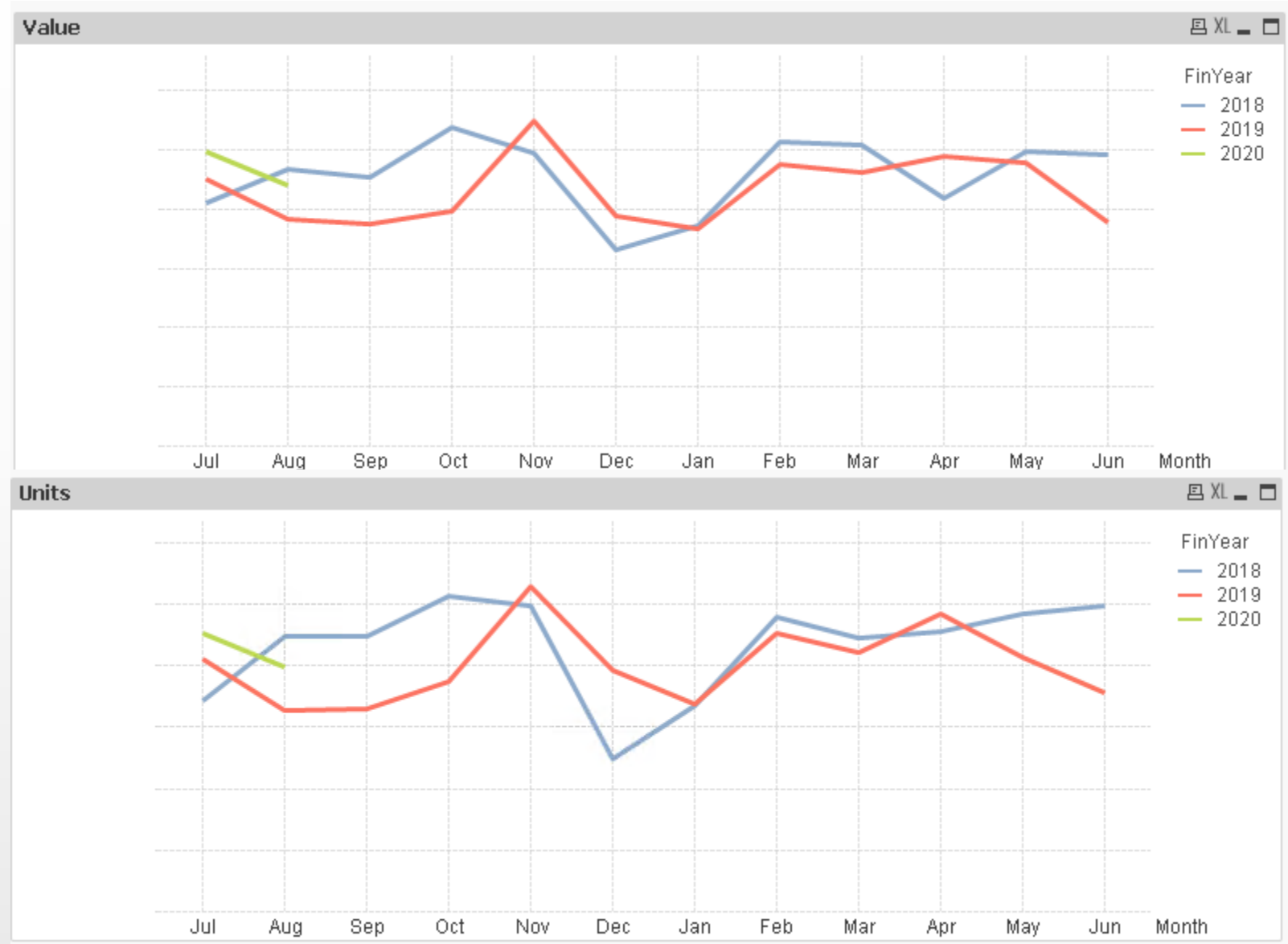
- Include "Holdings" Finance Income for comparative purposes
- 2019 includes:
  - Increased Finance Income
  - Special dividend of R17,1m
- "Adjusted" Operating profit under tremendous pressure....
  - Volume decrease
  - Continued margin squeeze
  - Cost impact of strike
    - Some costs continued
  - Factory Costs were well controlled



# Plastics Focus FY20



- ❖ Stabilise and Recover
- ❖ Rolling Rejuvenation
- ❖ Projects Environment
- ❖ Plastic-related Capex
  - ❖ Replacements - R11mil
  - ❖ Improvement / De-risking – R23 mil
  - ❖ Capacity linked Requirement – R14mil
  - ❖ R&D and NBD – R12mil
  - ❖ Buildings - R47mil





# Property Overview

R'm	2019	2018
Attributable Profit / (Loss)	R8,9	R12,6
Affected by water tank write off of R4,7m		
Director's Valuations	R202,4	R238,2
	decrease	15%

- Property segment is undergoing an initial strategic overview in critically assessing current portfolio to future needs
  - Used higher cap rates to better reflect current marketability
  - Reality of higher expense costs used in operating expense ratios
- ❖ SDP capex for 2 Cape Properties – R72mil approx.



## Growth Focus

- ❖ Various Opportunities assessed and evaluated
- ❖ Sentiment in SA cautious
- ❖ Careful Resource management on doing Bowler business well
- ❖ Readiness for responding to the “right “ proposition
- ❖ Update 7<sup>th</sup> November AGM & review of cash allocation



# Questions?



# Thank You