

Summary of our five-year financial review

Statement of comprehensive income	R'000	5-year compound growth %	2018	2017	2016	2015	2014
Turnover		17%	19 560 462	17 268 475	15 061 293	12 910 594	10 320 999
Cost of sales		17%	(14 790 890)	(13 059 154)	(11 534 533)	(9 917 018)	(7 845 447)
Gross profit		18%	4 769 572	4 209 321	3 526 760	2 993 576	2 475 552
Other income		24%	686 271	604 861	439 676	364 814	290 733
Other expenses		19%	(4 330 728)	(3 679 386)	(3 059 758)	(2 681 942)	(2 155 396)
Transaction costs			-	(8 074)	-	-	-
Operating profit		16%	1 125 115	1 126 722	906 678	676 448	610 889
Net finance costs		223%	(160 082)	(225 240)	(89 151)	(19 064)	(1 464)
- Finance income		40%	28 321	23 977	7 315	6 416	7 286
- Finance costs		115%	(188 403)	(249 217)	(96 466)	(25 480)	(8 750)
Share of profit from associates			-	501	344	59	65
Profit before tax		12%	965 033	901 983	817 871	657 443	609 490
Taxation		10%	(266 706)	(246 871)	(242 116)	(187 552)	(182 096)
Total comprehensive income for the year, net of tax		13%	698 327	655 112	575 755	469 891	427 394
Profitable attributable to:							
- Equity holders of the parent		14%	684 279	612 346	512 775	433 654	408 593
- Non-controlling interest		-7%	14 048	42 766	62 980	36 237	18 801
			698 327	655 112	575 755	469 891	427 394
Earnings per share							
- Basic	cents		79.6	75.0	212.0	239.2	231.5
- Diluted	cents		79.6	75.0	212.0	239.2	231.5

Statement of financial position	R'000	5-year compound growth %	2018	2017	2016	2015	2014
ASSETS							
Non-current assets			1 664 286	1 191 740	1 064 929	462 969	358 424
Property, plant and equipment		54%	1 182 394	995 401	918 979	291 401	207 934
Intangible assets		85%	300 461	40 310	35 253	31 406	25 457
Deferred tax		10%	181 431	156 029	108 762	138 552	123 035
Investment in associates			-	-	1 935	1 610	1 998
Current assets			5 465 123	4 704 921	4 104 904	3 070 001	2 598 326
Inventory		20%	3 947 937	3 233 911	2 806 572	2 334 035	1 925 327
Trade and other receivables		18%	1 113 313	1 091 901	767 807	607 683	567 493
Loans receivables		67%	113 876	72 270	198 672	62 958	14 724
Taxation receivables		(38%)	9 998	12 141	58 644	38 373	67 446
Cash and cash equivalents		86%	279 999	294 698	273 209	26 952	23 336
Total assets		25%	7 129 409	5 896 661	5 169 833	3 532 970	2 956 750
EQUITY AND LIABILITIES							
Equity attributable to equity holders of parent of parent			1 632 057	1 106 902	722 566	1 218 194	941 512
Share capital		142%	6 155 554	6 140 554	1 352 074	199 101	178 401
Common control reserve			-	(990 991)	(990 991)	161 982	143 282
Retained earnings		(37%)	98 546	(4 042 661)	361 483	857 111	619 829
Other reserves			(4 622 043)	-	-	-	-
Non-controlling interests		(3%)	55 147	23 581	117 117	83 346	63 578
Total equity			1 687 204	1 130 483	839 683	1 301 540	1 005 090
Non-current liabilities			1 388 846	1 522 378	822 551	248 296	196 449
Finance lease liability		281%	621 543	622 907	651 679	2 207	2 938
Operating lease obligation		2%	213 198	179 162	170 872	246 089	193 511
Loans payable			499 605	647 000	-	-	-
Contingent consideration			54 500	73 309	-	-	-

Summary of our five-year financial review continued

Statement of financial position	R'000	5-year compound growth %	2018	2017	2016	2015	2014
Current liabilities			4 053 359	3 243 800	3 507 599	1 983 134	1 755 211
Trade and other payables		28%	3 255 259	2 641 215	1 754 293	1 305 040	1 194 493
Employee obligations		26%	146 014	125 391	102 441	87 419	58 814
Deferred revenue		(2%)	81 292	95 364	77 026	65 342	89 219
Contingent consideration			21 749	24 003	-	-	-
Finance lease obligation		42%	9 943	2 390	2 541	2 467	2 453
Loans payable		-13%	198 798	173 659	27 026	32 150	345 096
Taxation payable		67%	32 790	14 719	14 564	18 469	4 167
Bank overdraft		50%	307 514	167 059	1 529 708	472 247	60 969
Total equity and liabilities		25%	7 129 409	5 896 661	5 169 833	3 532 970	2 956 750

Statement of cash flows	R'000	5-year compound growth %	2018	2017	2016	2015	2014
Cash flow from operating activities		61%	348 473	159 160	(668 312)	(234 976)	51 903
Cash inflow from trading operations			1 323 624	1 276 127	991 682	859 320	820 353
Movement in working capital			(295 931)	218 460	(326 868)	(702 697)	(104 939)
Finance income received			23 836	23 977	7 315	6 416	7 286
Finance costs paid			(164 424)	(201 997)	(66 327)	(25 480)	(8 750)
Taxation paid			(305 743)	(247 480)	(236 502)	(159 694)	(259 229)
Dividends paid			(232 889)	(909 927)	(1037 612)	(212 841)	(402 818)

Statement of cash flows (continued)	R'000	5-year compound growth %	2018	2017	2016	2015	2014
Cash flow from investing activities (mainly due to capex spend)		19%	(396 050)	(221 539)	(142 892)	(211 369)	(199 650)
Additions to property, plant and equipment and intangible assets							
- To maintain operations			(78 242)	(73 234)	(44 930)	(43 370)	(19 960)
- To expand operations			(295 586)	(148 225)	(179 721)	(168 574)	(70 099)
Proceeds on disposal of tangible and intangible assets			1 123	7 432	81 759	246	136
Decrease/(increase) in investments			-	-	-	329	(2 036)
Acquisition of subsidiary net of cash acquired			-	(7 512)	-	-	(107 691)
Acquisition of assets and liabilities in business combination, net of cash acquired			(23 345)	-	-	-	-
Cash flow from financing activities (mainly due to share issues)			(107 577)	1 446 517	-	38 683	176 708
Shares issued			-	4 381 052	-	20 700	89 201
Shares issued in Dis-Chem Distribution			-	-	-	18 700	83 240
Capitalised share costs			-	(42 294)	-	-	-
Repurchase of shares			-	(3 631 052)	-	-	-
Long term loans (repaid)/ received			(153 410)	800 000	-	-	-
Contingent consideration			(22 941)	-	-	-	-
Finance lease repayment			(6 226)	(351)	-	(717)	4 267
Change in ownership interest in subsidiary			75 000	-	-	-	-
Acquisition of non-controlling interests			-	(60 838)	-	-	-
Net decrease in cash and cash equivalents			(155 154)	1 384 138	(811 204)	(407 662)	28 961
Cash and cash equivalents at beginning of year			127 639	(1 256 499)	(445 295)	(37 633)	(66 594)
Cash and cash equivalents at end of year			(27 515)	127 639	(1 256 499)	(445 295)	(37 633)

Summary of our five-year financial review *continued*

Performance indicators and other information		5-year average	2018	2017	2016	2015	2014
Like-for-like/comparable retail turnover growth	%	9.6%	6.6%	9.1%	8.5%	10.6%	13.0%
Product inflation	%	4.8%	2.9%	6.5%	4.8%	5.0%	
Gross profit margin	%	23.9%	24.4%	24.4%	23.4%	23.2%	24.0%
EBITDA margin	%	6.8%	6.6%	7.5%	7.0%	6.2%	6.9%
Operating margin	%	5.9%	5.8%	6.5%	6.0%	5.2%	5.9%
EPS	cps	167.5	79.6	75.0	212.0	239.2	231.5
Headline earnings	R'000	526 995	684 261	610 314	498 232	433 515	408 651
HEPS	cps	166.2	79.6	74.7	206.0	239.1	231.6
Inventory days	Days	84	89	84	81	78	90
Debtors days	Days	19	20	20	17	17	20
Creditors days	Days	57	73	61	48	46	56
Net working capital days	Days	46	36	43	50	49	54
Return on equity	%	52.5%	50.0%	66.9%	52.8%	40.2%	
Number of stores (all with pharmacies)			129	108	98	84	73
Retail trading density	R'000/m ²		96.1	95.6	90.5	87.2	86.4
Total size of retail stores	m ²		187 141	163 699	150 055	133 124	115 659
Average size of retail stores	m ²		1 451	1 516	1 531	1 585	1 584
Employees			15 223	14 136	11 990	10 207	8 792
Share performance		5-year compound growth %	2018	2017	2016	2015	2014
Actual shares at year-end*	('000)	48%	860 084	859 274	794 446	181 818	180 000
WANOS	('000)	49%	860 073	816 617	241 831	181 320	176 474
Share price at year end	cps		34.40	23.98	n/a	n/a	n/a
Net asset value per share (WANOS)	cps	(23%)	196.17	138.43	347.22	717.81	569.54
Net asset value per share (actual shares at year-end)	cps	(23%)	196.17	131.56	105.69	715.85	558.38

* After share split in September 2016