



# SPAR GROUP RESULTS 2012



## AGENDA

- ④ Financial overview
- ④ Retail performance
- ④ Distribution update
- ④ Looking forward
- ④ Questions



## SPAR International

- Retail turnover           € 30bn
- Stores                       12 136
- Countries                   35



## Size of Operation

### Retail

Turnover	R 66 bn
Stores	1 725

### Wholesale & distribution

Turnover	R 43.2 bn
DC's (7)	227 000m <sup>2</sup>
Cases despatched	195.1m



## Financial Overview

### R million

	<u>2011</u>	<u>2012</u>	<u>% Change</u>
Turnover	38 459	43 166	12.2
PBT	1 404	1 510	8.1
PAT	953	1 059	11.2
HEPS	557.1	616.3	10.6
Dividend (cents)	377	430	14.1



## Financial Overview

### Turnover (Rm)

	<u>2011</u>	<u>2012</u>	<u>% Change</u>
SPAR/TOPS	34 556	38 540	11.5
Build it	3 903	4 626	18.5
<b>TOTAL</b>	<b>38 459</b>	<b>43 166</b>	<b>12.2</b>
Liquor sales (TOPS/SPAR)	2 605	3 081	18.3



## Financial Overview

### Gross margins

	Turnover Rm	2011	2012
Normal business	42 232	7.8	7.7
Retail division	780	15.1	15.6
Imports – Build it	154	19.9	18.6
<b>Group</b>	<b>43 166</b>	<b>8.1</b>	<b>8.0</b>



## Financial Overview

### Expenses

	Expenses Rm	% Increase
SPAR / Tops	2 069	10.9
Retail division	150	16.3
Build it	97	37.0
Group	2 316	12.1



## Cash Flow

	Rm
Cash flow from trading	1 685
Working capital changes	622
	2 307
Capex	(166)
Acquisition – Retail Store	(9)
Tax	(488)
Dividends	(671)
Loans/shares	(113)
Net cash inflow	860



## Retail Performance

### Retail Turnover (Rbn)

	<u>2011</u>	<u>2012</u>	<u>% Incr.</u>
SPAR	48.1	53.7	11.5
TOPS	4.2	5.0	21.2
Build it	6.4	7.5	17.0
	<u>58.7</u>	<u>66.2</u>	<u>12.8</u>



## Retail Stores

	<u>2011</u>	<u>2012</u>	<u>Net Change</u>
SUPERSPAR	275	295	20
SPAR	446	439	(7)
KWIKSPAR	138	134	(4)
	<u>859</u>	<u>868</u>	<u>9</u>
Sqm 000's	925	955	3.2%
Remodels	126	147	



## Retail Stores

	<u>2011</u>	<u>2012</u>	<u>Net Change</u>
SPAR	859	868	9
TOPS	501	538	37
Build it	269	281	12
Savemor	11	17	6
Pharmacy	6	21	15
TOTAL	<u>1 646</u>	<u>1 725</u>	<u>79</u>



## DISTRIBUTION



## SOUTH RAND



60 000m<sup>2</sup>

## NORTH RAND



33 600m<sup>2</sup>



## KZN DRY



39 500m<sup>2</sup>

## KZN PERISHABLES



10 000m<sup>2</sup>

## WESTERN CAPE



33 500m<sup>2</sup>

## EASTERN CAPE



24 000m<sup>2</sup>

## LOWVELD



18 000m<sup>2</sup>

## IMPORTS WAREHOUSE



10 000m<sup>2</sup>

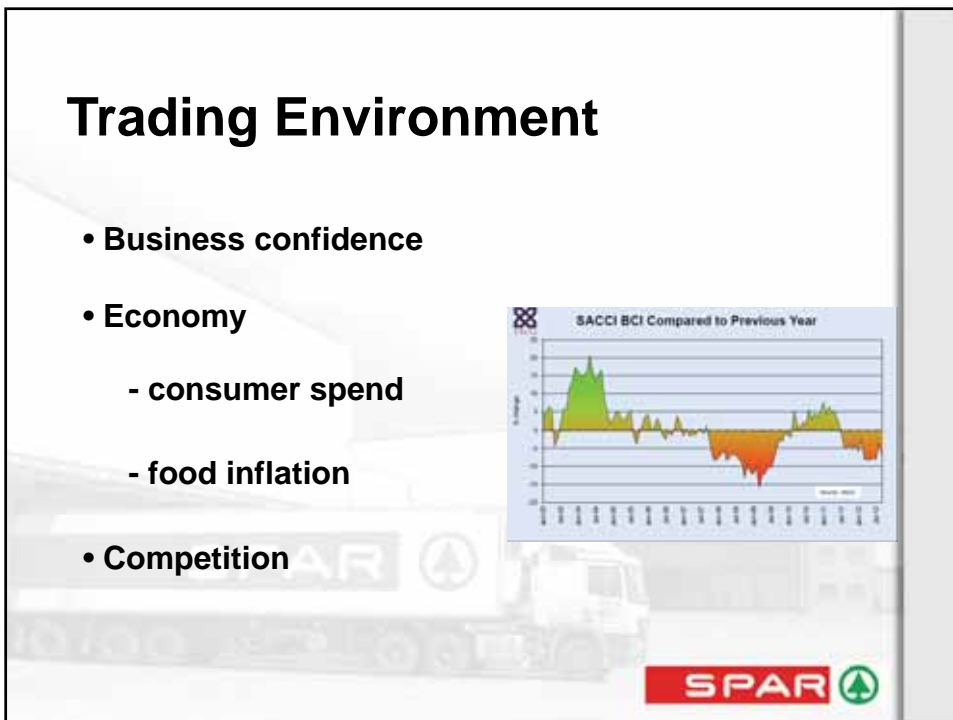
## Looking forward...

- Trading environment
- Key issues



## Trading Environment

- Business confidence
- Economy
  - consumer spend
  - food inflation
- Competition



## Key issues

### Retail

- Growth
  - existing stores
  - new sites



## Key issues

### New Stores

	<u>2012</u>	<u>Projected</u> <u>2013</u>
SUPERSPAR	295	10
SPAR	439	13
KWIKSPAR	<u>134</u>	<u>3</u>
	<u>868</u>	<u>26</u>
Sqm	955	3.2%
TOPS	538	33
Build it	281	22
Savemor	17	12
Pharmacy	21	12
<b>Total</b>	<b><u>1 725</u></b>	<b><u>105</u></b>



# Key issues

## Retail

- Growth
  - existing stores
  - new sites
  - Africa





## Key issues

### Retail

- Growth
  - existing stores
  - new sites
  - Africa
- Marketing



SPAR



## Key issues

### Retail

- Growth
  - existing stores
  - new sites
  - Africa
- Marketing
- Retail profitability



SPAR



# Key issues

## Retail

- Growth
  - existing stores
  - new sites
  - Africa
- Marketing
- Retail profitability
- Retail division



# Key issues

## Wholesale

- Warehouse facilities
- Supply chain optimisation
- Lean organisation
- DC systems modernisation



# QUESTIONS

