



Trellidor Holdings Limited

31 December 2023

Half Year Results Presentation

7 March 2024 | 10:00 | Hosted by PSG Capital

WELCOME

We will begin shortly

holdings.trellidor.co.za

TRELLIDOR HOLDINGS LIMITED

HALF YEAR RESULTS FOR THE SIX MONTHS
ENDED 31 DECEMBER 2023



INTRODUCTION

KEVIN HODGSON

Independent Non-Executive Chairperson



OPERATIONAL REVIEW

TERRY DENNISON
Group Chief Executive Officer



DOMESTIC MARKET OVERVIEW

Challenges

- Continued weak economic climate domestically.
- High interest rates and constrained disposable income.
- Supply chain challenges increasing lead times on imports.
- Metal prices remain at high levels but have stabilised.
- Consumer uncertainty – elections in May.
- Labour wage negotiations for metal industries due for mid-year 2024.

Opportunities

- Interest rate reduction possible in the second half of the calendar year.
- Continued reduction in inflation.
- Improved port logistics with Private Public partnerships being implemented in the container terminal in Durban.

SALIENT FEATURES FOR THE SIX MONTHS

Revenue	R 292.2 million (2023: R273.3 million)
Operating profit margin	12.3% (2023: 13.1%)
Headline earnings per share	21.4 cents (2023: 25.5 cents)
Cash from operations	R 39.5 million (2023: R 7.0 million)
Net debt	R 116.8 million (2023: R 140.3 million)

CHALLENGES FACED

The Group faced two significant challenges through the period:

- Declining revenue in the domestic market
- High opening debt levels as at 30 June 2023, at higher interest rates.

In response to the challenges, the following was achieved:

- Revenue from international markets increased to R82.4 million representing 28.2% of the Group's revenue.
- Net debt was reduced from R146.7 million as at 30 June 2023, to R116.8 million, partly driven by improvements in the investment in working capital.

CONTINUED FOCUS

In response to continued ongoing domestic macro-economic challenges, strategies remain focused on:

- Restructuring and optimally reducing the current level of net debt.
- Further improved working capital management.
- Rigorous cost control.
- Optimising revenue generation domestically.
- Leveraging revenue growth opportunities abroad.

FINANCIAL REVIEW

DAMIAN JUDGE

Group Chief Financial Officer



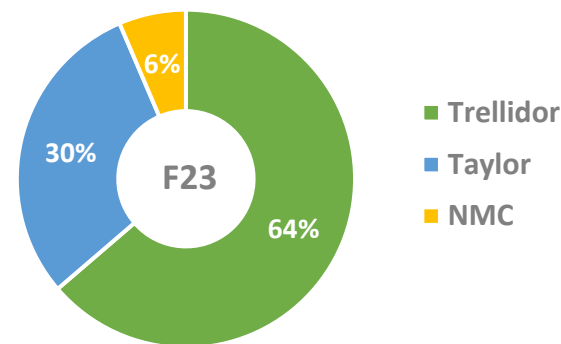
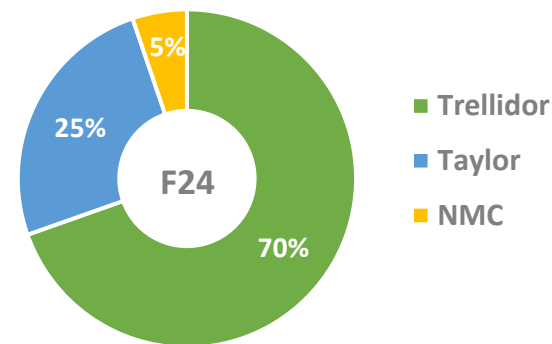
GROUP FINANCIAL PERFORMANCE

Revenue	Operating Profit	HEPS
R 292.3 million	R 36.1 million	21.4 c
up 6.9%	up 0.5%	down 16.1%

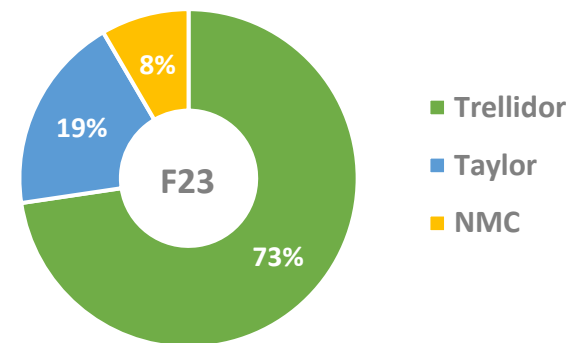
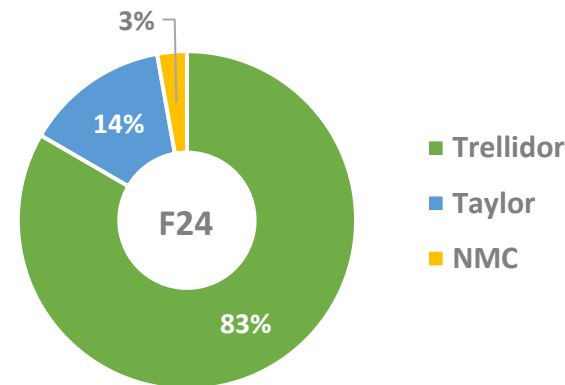
- Strong performance from international divisions, offset by weak demand in South Africa.
- Operating profit margin decreased to 12.3% driven by the under-recovery of semi-fixed and fixed costs because of lower volumes from the domestic market.
- Headline earnings and earnings per share declined 16.1% on the back of increased interest costs.

GROUP SEGMENTAL ANALYSIS

Revenue*



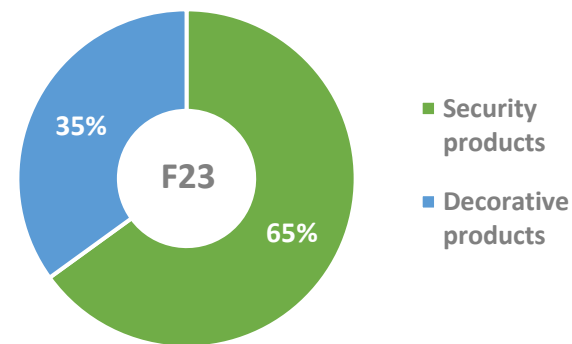
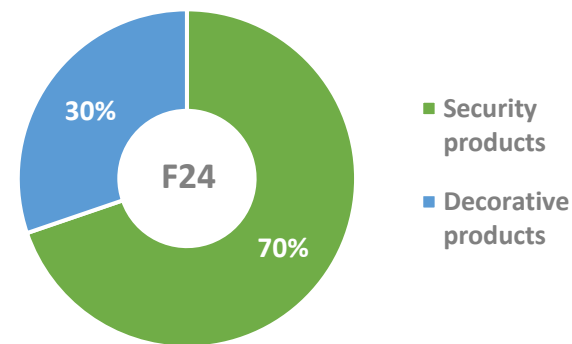
Operating Profit



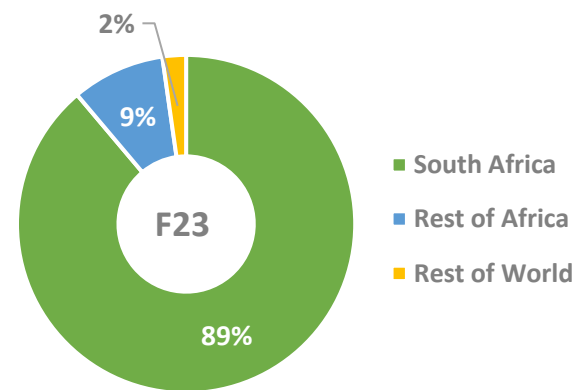
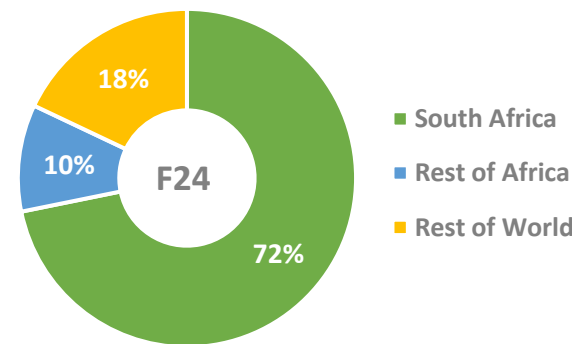
*Before intersegmental eliminations

GROUP SEGMENTAL ANALYSIS

Product Source



Geographical Source



TRELLIDOR FINANCIAL PERFORMANCE

Revenue

R 204.0 million

up 14.6%

Operating Profit

R 27.7 million

up 3.3%

Operating Margin

13.6%

from 15.6%

- Strong performance from international divisions, offset by weak demand in South Africa.
- Disappointingly operating profit only increased by 3.3% primarily as a result of lower volumes through the factory in South Africa.

TAYLOR FINANCIAL PERFORMANCE

Revenue

R 73.8 million

down 11.5%

Operating Profit

R 4.8 million

down 33.3%

Operating Margin

6.5%

from 8.6%

- Demand in the market for Taylor's decorative products was muted.
- Reduced demand negatively impacted operating profit due to the under-recovery of fixed and semi-variable costs.

NMC FINANCIAL PERFORMANCE

Revenue

R 15.2 million

down 14.9%

Operating Profit

R 1.0 million

down 68.7%

Operating Margin

6.6%

from 17.8%

- As with Taylor, NMC has also experienced reduced demand through the period impacting margins.
- Volumes from the Gauteng operation are the most significantly impacted.

GROUP FINANCIAL POSITION

Net debt

R 116.8 million

down 16.8%

Net working capital

R 107.5 million

down 24.7%

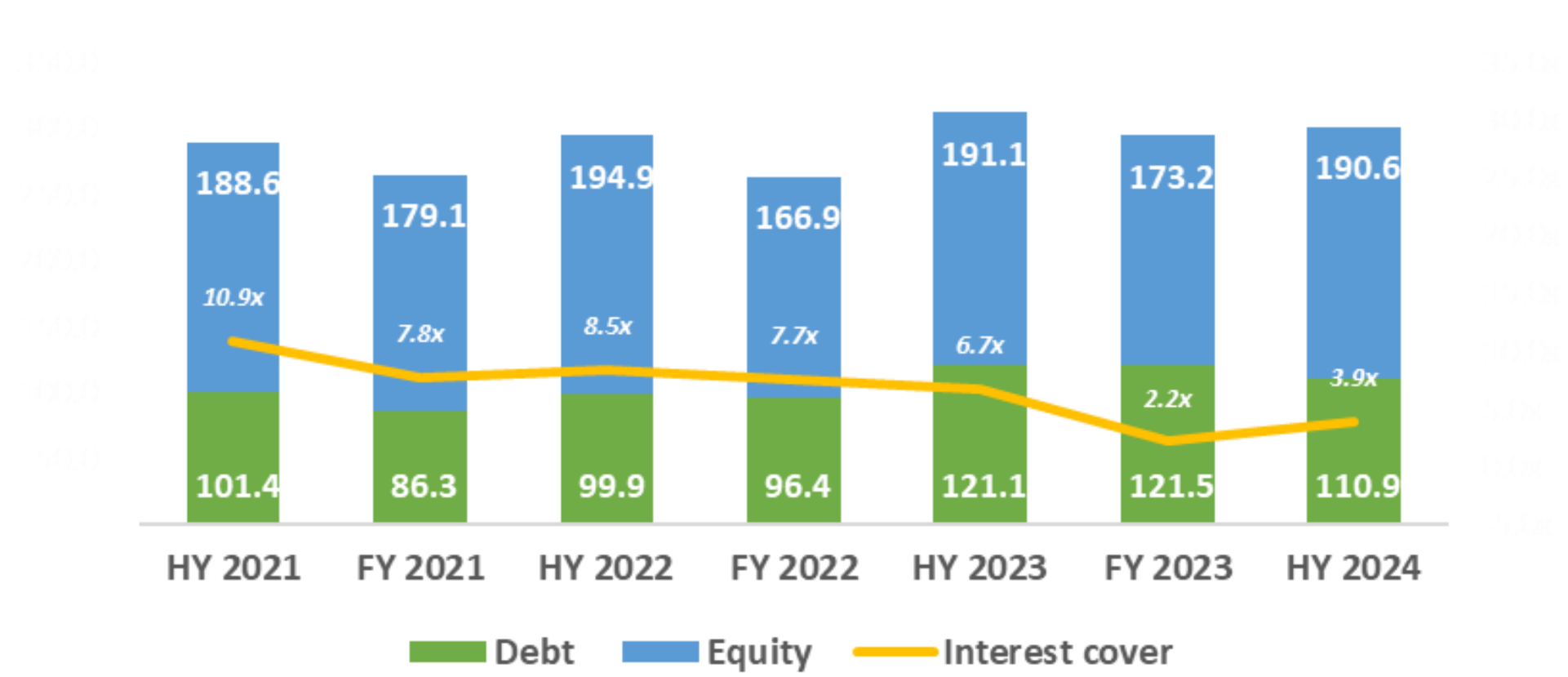
Cash from operations

R 39.5 million

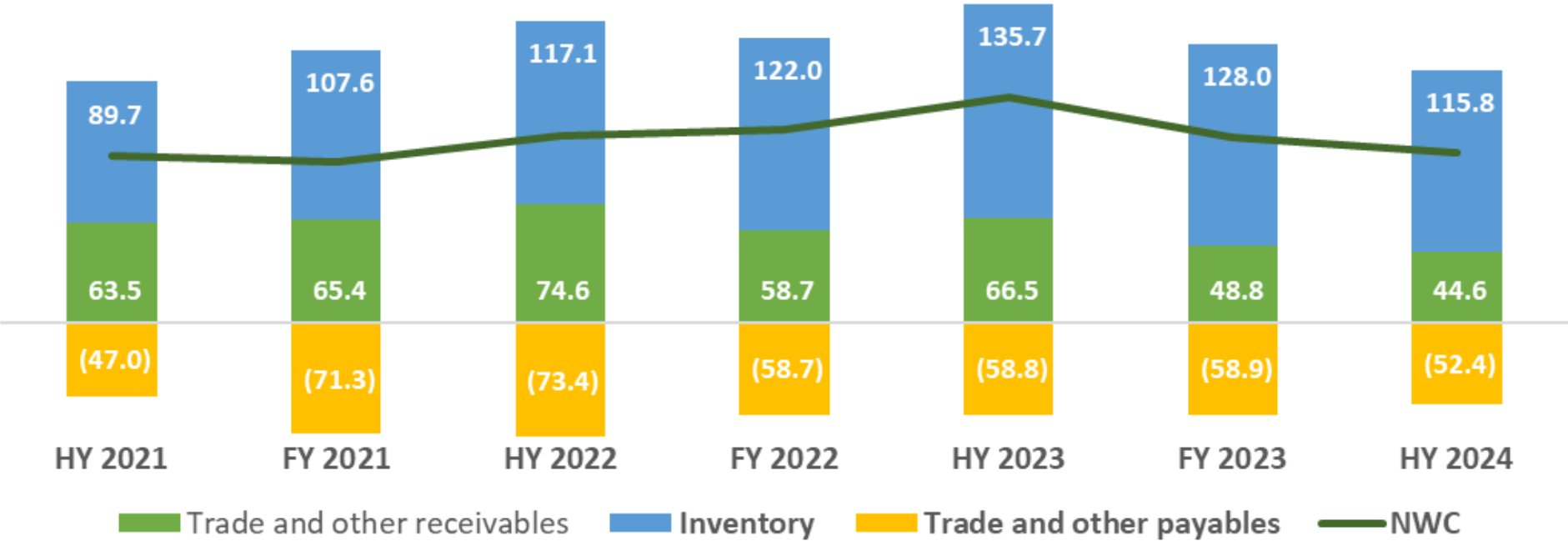
up 465.3%

- On 16 November 2023, the Group advised shareholders that the primary lender had condoned the covenant breaches.
- No amendments to the existing financial covenants or imposing of any additional covenants or conditions was implemented.
- Significant progress has been made in reducing net debt level, these levels have not yet normalised.
- As result, the Board has taken a decision not to declare an interim dividend.

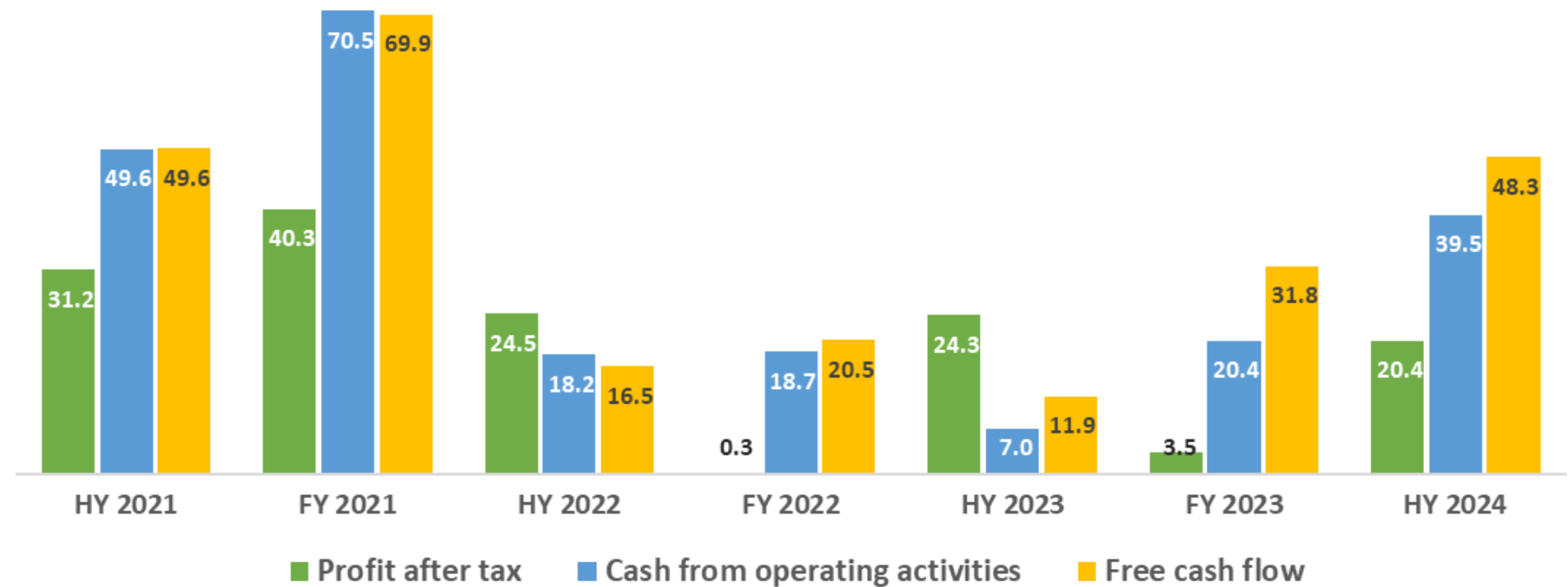
GROUP BALANCE SHEET



GROUP NET WORKING CAPITAL



GROUP SUMMARISED CASH FLOW





TERRY DENNISON
GROUP CEO



DAMIAN JUDGE
GROUP CFO

Q & A

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APPENDIX

TRELLIDOR
THE ULTIMATE CRIME BARRIER

TAYLOR
BLINDS & SHUTTERS Est.1959

nmc DESIGN
ELEMENTS

GROUP FINANCIAL PERFORMANCE

	HY 2021	FY 2021	HY 2022	FY 2022	HY 2023	FY 2023	HY 2024	HY 24 vs HY 23	5 YR CAGR
Revenue	281.6	518.4	283.5	513.2	273.3	502.3	292.2	7%	1%
Gross profit	125.6	219.4	113.7	197.2	119.5	193.4	120.3	1%	-1%
EBITDA	57.8	85.4	46.5	29.3	42.0	41.6	46.7	11%	-4%
Profit after tax	31.2	40.3	24.5	0.3	24.3	3.5	20.4	-16%	
Dividends paid	-	17.7	10.5	-	-	-	-	-100%	
Diluted EPS (cents)	30.6	40.7	25.4	0.4	25.5	3.7	21.4	-16%	
Diluted HEPS (cents)	30.6	40.8	25.4	0.4	25.5	4.2	21.4	-16%	
Gross margin	44.6%	42.3%	40.1%	38.4%	43.5%	38.5%	41.2%	8%	
EBITDA margin	20.5%	16.5%	16.4%	5.7%	15.4%	8.3%	16.0%	-6%	
Weighted avg shares in issue (millions)	99.3	97.7	95.2	95.2	95.2	95.2	95.2		

EARNINGS PER SHARE

	HY 2021	FY 2021	HY 2022	FY 2022	HY 2023	FY 2023	HY 2024	HY 24 vs HY 23
Profit attributable to ordinary shareholders	30.4	39.8	24.1	0.4	24.3	3.5	20.4	-16%
Adjusted for:								
Profit on disposal of property, plant and equipment	(0.0)	0.1	(0.0)	(0.0)	-	0.5	-	
Impairment of goodwill	-	-	-	-	-	-	-	
Impairment of PPE	-	-	-	-	-	-	-	
Headline earnings	30.4	39.8	24.1	0.4	24.3	4.0	20.4	-16%
Weighted average number of ordinary shares	99.3	97.7	95.2	95.2	95.2	95.2	95.2	
Earnings per share (cents)	30.6	40.7	25.4	0.4	25.5	3.7	21.4	-16%
Headline earnings per share (cents)	30.6	40.8	25.4	0.4	25.5	4.2	21.4	-16%

GROUP FINANCIAL POSITION

	HY 2021	FY 2021	HY 2022	FY 2022	HY 2023	FY 2023	HY 2024
Non current assets							
Property, plant and equipment	58.2	57.6	60.5	59.9	63.3	69.0	66.9
RoU Assets	20.0	15.4	47.1	42.2	40.0	40.6	39.5
Goodwill and other intangibles	89.6	88.5	94.2	99.4	101.3	105.8	109.0
Deferred Tax	3.2	7.6	7.8	16.2	17.0	16.7	17.1
Other financial assets	4.8	4.8	2.7	3.3	3.2	6.5	7.3
	175.9	173.8	212.3	221.0	224.8	238.6	239.9
Current assets							
Inventories	89.7	107.6	117.1	122.0	135.7	128.0	115.8
Trade and other receivables	60.2	61.5	74.6	55.3	66.5	48.8	45.8
Cash	34.2	17.8	22.1	13.5	10.5	7.4	25.5
Other (Tax + Other)	4.9	4.1	4.6	3.4	3.2	7.8	3.9
	189.0	190.9	218.4	194.2	215.9	191.9	191.0
Non current liabilities							
Debt	76.6	63.7	83.7	81.8	108.3	0.0	95.8
Lease liabilities	9.3	7.4	35.8	31.2	31.4	29.8	27.8
Deferred tax	0.2	0.4	0.4	0.8	0.8	1.6	1.9
	86.2	71.4	119.9	113.8	140.5	31.4	125.5
Current liabilities							
Debt	24.8	22.6	16.2	14.6	12.8	121.5	15.1
Lease liabilities	11.3	7.6	10.0	10.3	5.5	10.2	10.8
Trade Payables	46.7	70.9	73.4	58.4	58.5	58.9	52.4
Other (Tax + Other)	0.3	0.5	3.2	29.9	1.9	2.6	5.0
Bank overdraft	7.0	12.6	13.0	21.4	30.3	32.6	31.3
	90.2	114.2	115.8	134.6	109.1	225.9	114.7
Equity	188.6	179.1	194.9	166.9	191.1	173.2	190.6

GROUP CASH FLOW

	HY 2021	FY 2021	HY 2022	FY 2022	HY 2023	FY 2023	HY 2024
EBITDA	57.8	85.4	46.5	29.3	42.0	41.6	46.7
Movement in non cash items (incl provisions)	(1.4)	(2.6)	0.3	31.1	0.6	2.8	(4.2)
Net working capital movement	7.5	13.5	(18.4)	(21.3)	(25.1)	(5.3)	8.7
Inventory	6.4	(11.8)	(9.5)	(15.2)	(13.6)	(6.0)	12.2
Accounts receivable	2.1	1.2	(13.2)	5.7	(11.2)	(1.4)	2.9
Accounts payable	(1.0)	24.1	4.3	(11.8)	(0.3)	2.1	(6.4)
Cash generated from operations	63.9	96.3	28.4	39.1	17.5	39.1	51.2
Tax paid	(12.8)	(19.3)	(6.2)	(11.3)	(2.1)	(2.5)	(1.4)
Net Cash from operations (excl finance costs)	51.1	77.0	22.2	27.8	15.4	36.6	49.8
Net Investment in PPE	(3.7)	(9.3)	(7.6)	(7.3)	(3.5)	(4.8)	(1.5)
FCF	47.4	67.7	14.6	20.5	11.9	31.8	48.3
Net interest costs	(3.5)	(6.5)	(4.0)	(9.1)	(8.4)	(16.7)	(10.3)
Repayment/raising of debt / equity / leases	(18.5)	(42.8)	13.7	(1.8)	(12.2)	2.8	(15.3)
Labour Appeal Court Settlement	-	-	-	-	-	(32.1)	-
Business combinations/Intangibles	(6.3)	(11.5)	(10.1)	(12.1)	(2.2)	(3.4)	(2.4)
Investing and financing activities	(28.3)	(60.8)	(0.3)	(23.0)	(22.7)	(49.4)	(28.0)
Cash available to shareholders	19.1	6.9	14.3	(2.5)	(10.8)	(17.7)	20.3
Dividend paid to shareholders	(8.0)	(17.7)	(10.5)	(10.5)	-	-	-
Cash movement for the year	11.1	(10.8)	3.8	(13.0)	(10.8)	(17.7)	20.3
Opening cash balance	16.1	16.1	5.2	5.2	(7.9)	(7.9)	(25.2)
Effect of exchange rate movement				(0.1)	(1.0)	0.4	(0.9)
Closing cash balance	27.2	5.3	9.0	(7.9)	(19.7)	(25.2)	(5.8)