

Trellidor Holdings Limited
30 June 2024
Full Year Results Presentation

27 September 2024 | 14:00 | Hosted by PSG Capital

WELCOME

We will begin shortly

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TRELLIDOR HOLDINGS LIMITED

SUMMARISED CONSOLIDATED
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024



OPERATIONAL REVIEW

TERRY DENNISON
Group Chief Executive Officer



BLINDS & SHUTTERS

Est.1959

taylorblinds.co.za

DOMESTIC MARKET OVERVIEW

Challenges

- The domestic market remains weak, with low levels of disposable income.
- Interest rates remain high but have peaked.
- Import supply chain lead times have stabilised but remain extended which pressures inventory levels.
- Metal prices remain at high levels but have now started to decline.
- Labour wage negotiations were successfully concluded in May without industrial action. The industry and labour union have a new three-year wage agreement.

Opportunities

- The first interest rate cut for the year was announced last week, reducing the cost of debt and providing some good news to the domestic market.
- Inflation appears to be under control which will support further interest rate cuts and free up some disposable income.

INTERNATIONAL MARKET OVERVIEW

Review

- While growth was achieved in our Africa markets, shortages of foreign exchange in certain territories constrained sales in those territories.
- The UK has shown significant growth due primarily to contract work received.
- The normalised UK market continues to grow albeit at a slower pace.

Opportunities

- Focus on Africa will continue on a low capital, low risk basis.
- Opportunity for growth in the UK on a sustainable basis has been identified and resources are in place to develop this market further.

SALIENT FEATURES FOR THE YEAR

Revenue	R 565.8 million (2023: R502.3 million)
Headline earnings per share	36.1 cents (2023: 4.2 cents)
Cash from operations	R 51.1 million (2023: R 20.2 million excl. the Labour Appeal Court Settlement)
Net debt	R 115.7 million (2023: R 146.7 million)

CHALLENGES FACED

The Group faced two significant challenges through the period:

- Declining revenue in the domestic market.
- Elevated 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 R173.0 million.
- Net debt was reduced from R146.7 million as at 30 June 2023, to R115.7 million at year end driven by increased profitability and improvements in working capital. This has reduced in the current year to date.
- Debt facilities were successfully restructured effective September 2024, reducing cash pressure on monthly debt servicing.

CONTINUED FOCUS

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

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

FINANCIAL REVIEW

DAMIAN JUDGE

Group Chief Financial Officer



TRELLIDOR
THE ULTIMATE CRIME BARRIER

TAYLOR
BLINDS & SHUTTERS Est. 1959

nmc DESIGN ELEMENTS

TRUSTED PROTECTION
AND PEACE OF MIND
011-792 9600



TRELLIDOR
THE ULTIMATE CRIME BARRIER

TAYLOR
BLINDS & SHUTTERS Est. 1959

nmc DESIGN ELEMENTS

GROUP FINANCIAL PERFORMANCE

Revenue

R 565.8 million

from R502.3 million

Operating Profit

R 62.5 million

from R21.9 million

HEPS

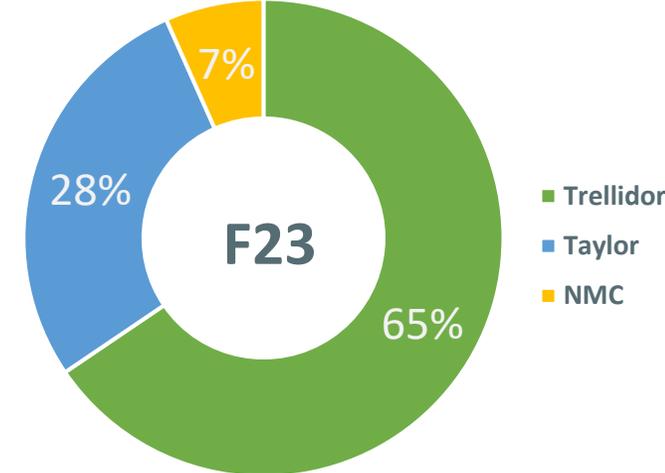
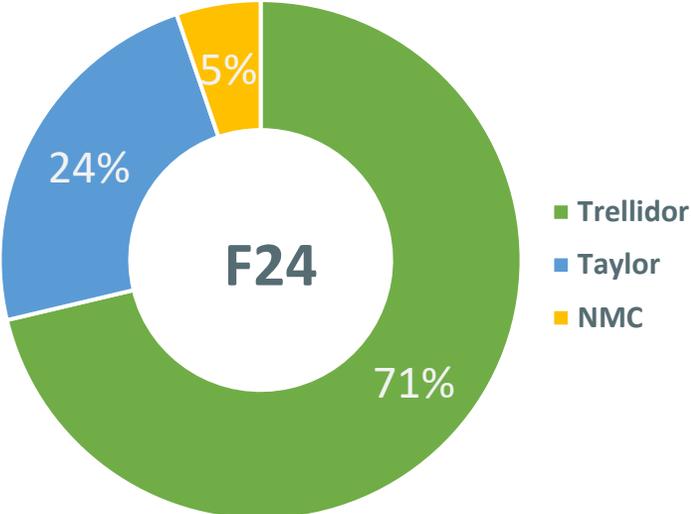
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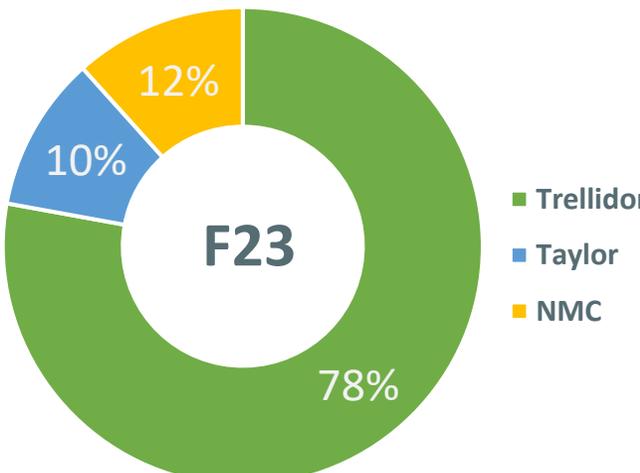
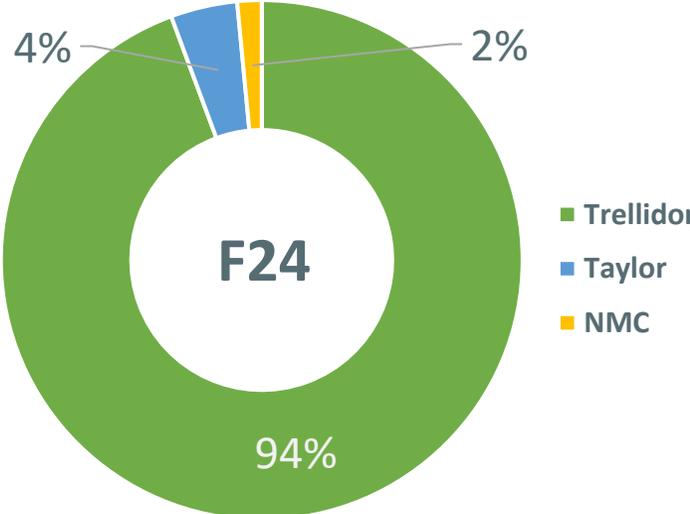
- Revenue up 12.6%
- Strong performance from international divisions, offset by weak demand in South Africa.
- Operating profit margin increased to 11.1% from 4.4% driven by increased top line and cost control.
- Headline earnings and earnings per share increased to 36.1 cps.

GROUP SEGMENTAL ANALYSIS

Revenue*



Operating Profit*



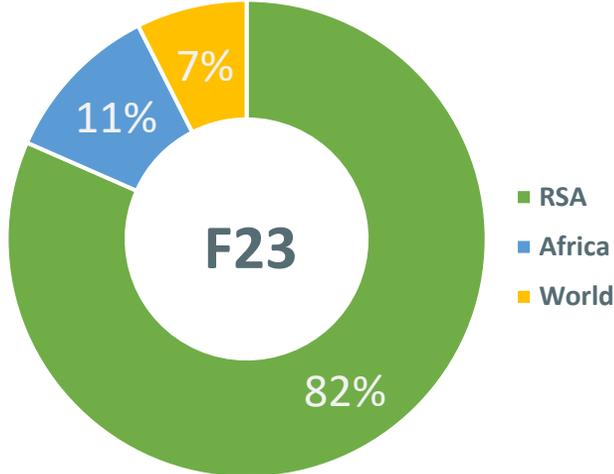
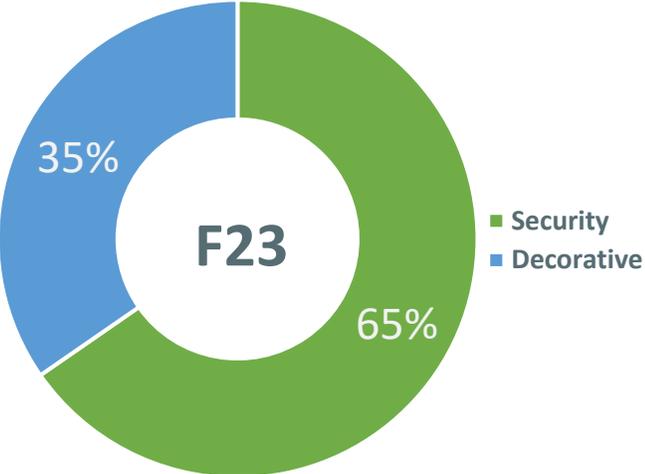
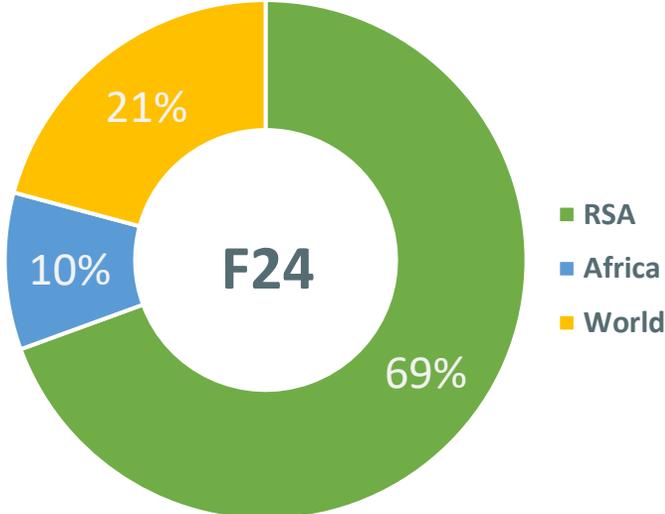
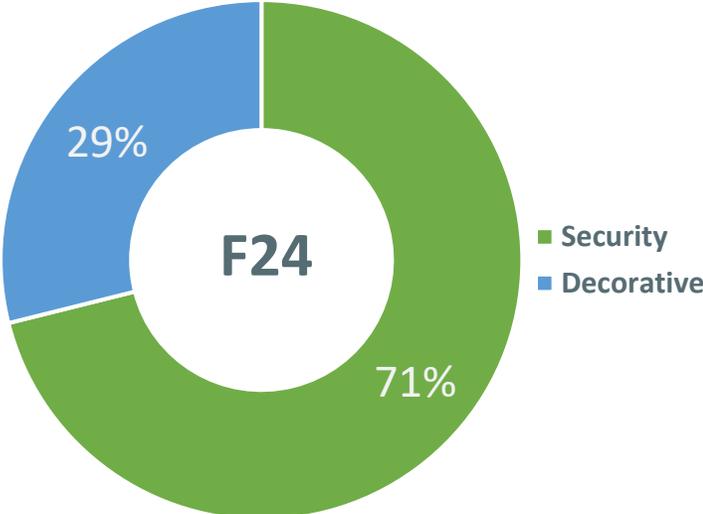
*Before intersegmental eliminations

*Before intersegmental eliminations

GROUP SEGMENTAL ANALYSIS

Product Source

Geographical Source



TRELLIDOR FINANCIAL PERFORMANCE

Revenue

R 404.2 million

from R 329.6 million

Operating Profit

R 57.8 million

from R 15.9 million

Operating Margin

14.3%

from 4.8%

- Revenue increased by 22.6%
- Strong performance from international divisions, offset by weak demand in South Africa.
- Operating profit increased to 14.3% primarily as a result of increased topline and cost control.

TAYLOR FINANCIAL PERFORMANCE

Revenue

R 133.2 million

from R 140.2 million

Operating Profit

R 2.5 million

from R 3.0 million

Operating Margin

1.9%

from 2.1%

- Revenue decreased 5.0% (F24 H1: 11.5% decrease)
- 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 29.7 million

from R 33.4 million

Operating Profit

R 0.9 million

from R 3.3 million

Operating Margin

3.0%

from 6.6%

- Revenue decreased 10.2% (F24 H1: 14.9% decrease)
- 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 115.7 million

from R 146.7 million

Net working capital

R 126.4 million

from R 117.8 million

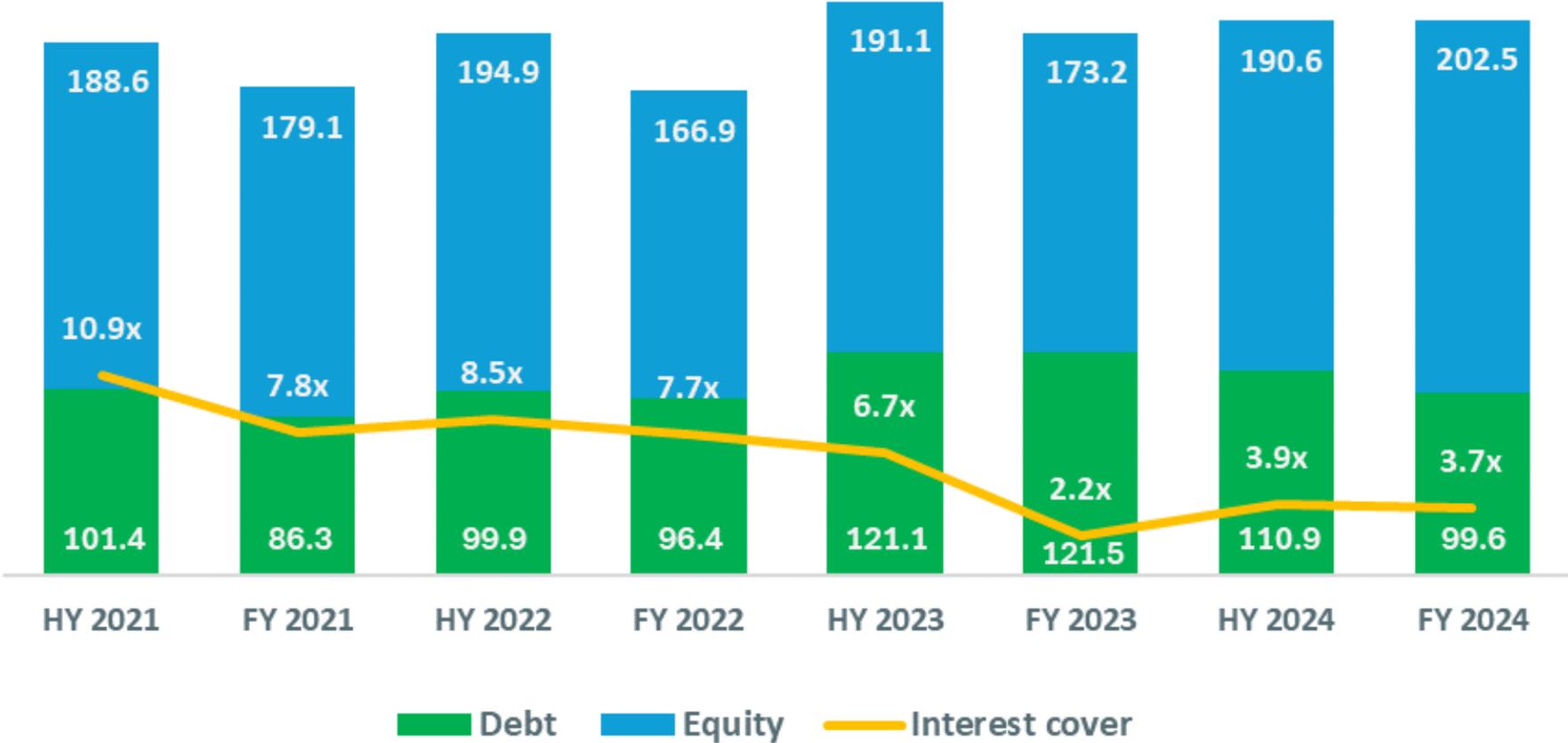
Cash from operations

R 51.1 million

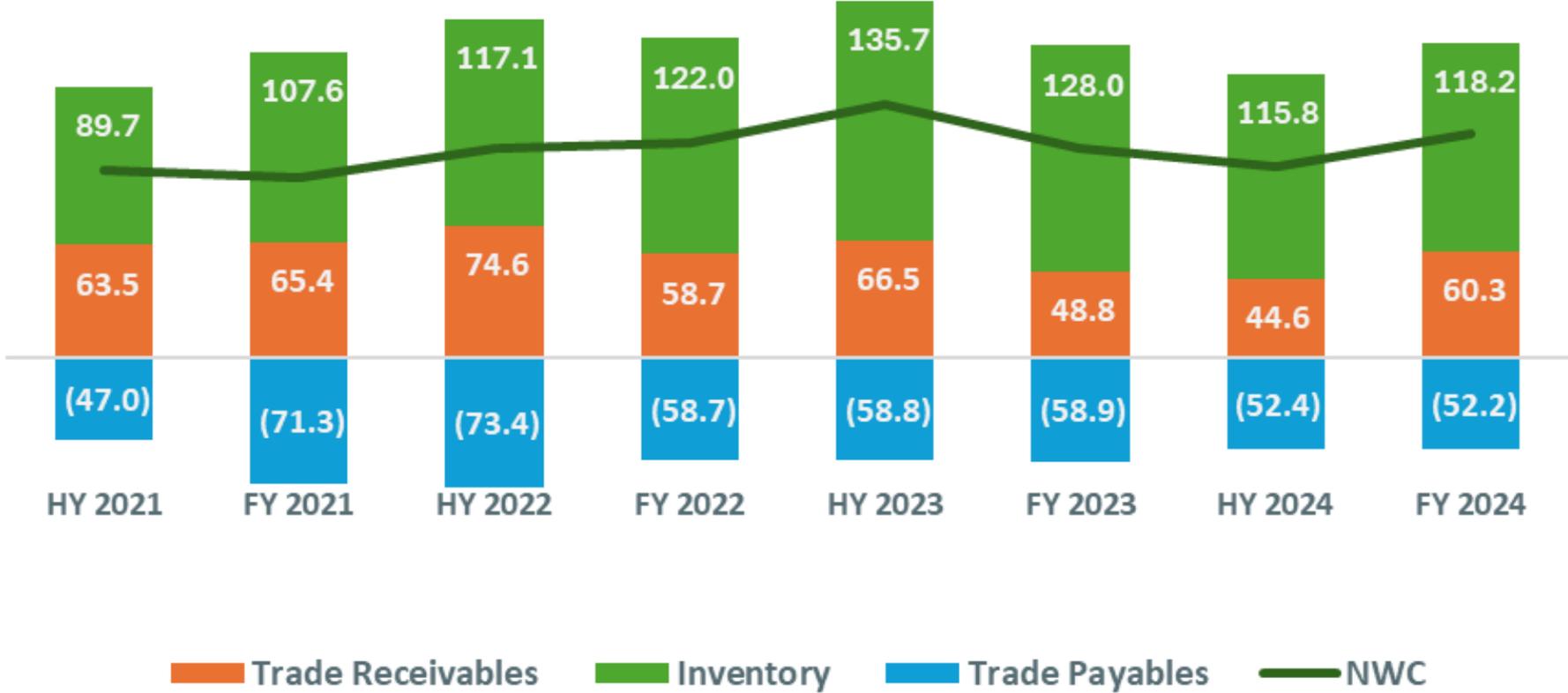
from R20.2 million

- R31.0 million reduction in debt during the year.
- Debt restructure complete through F25 Q1 which will reduce capital and interest servicing.
- Increase in working capital driven by phase 2 of UK project following successful execution of phase 1.
- UK project investment offset 17.8% decrease in working capital by Taylor (23.2% decrease in inventory).
- R30.9 million increase in Cash from operations from F23.

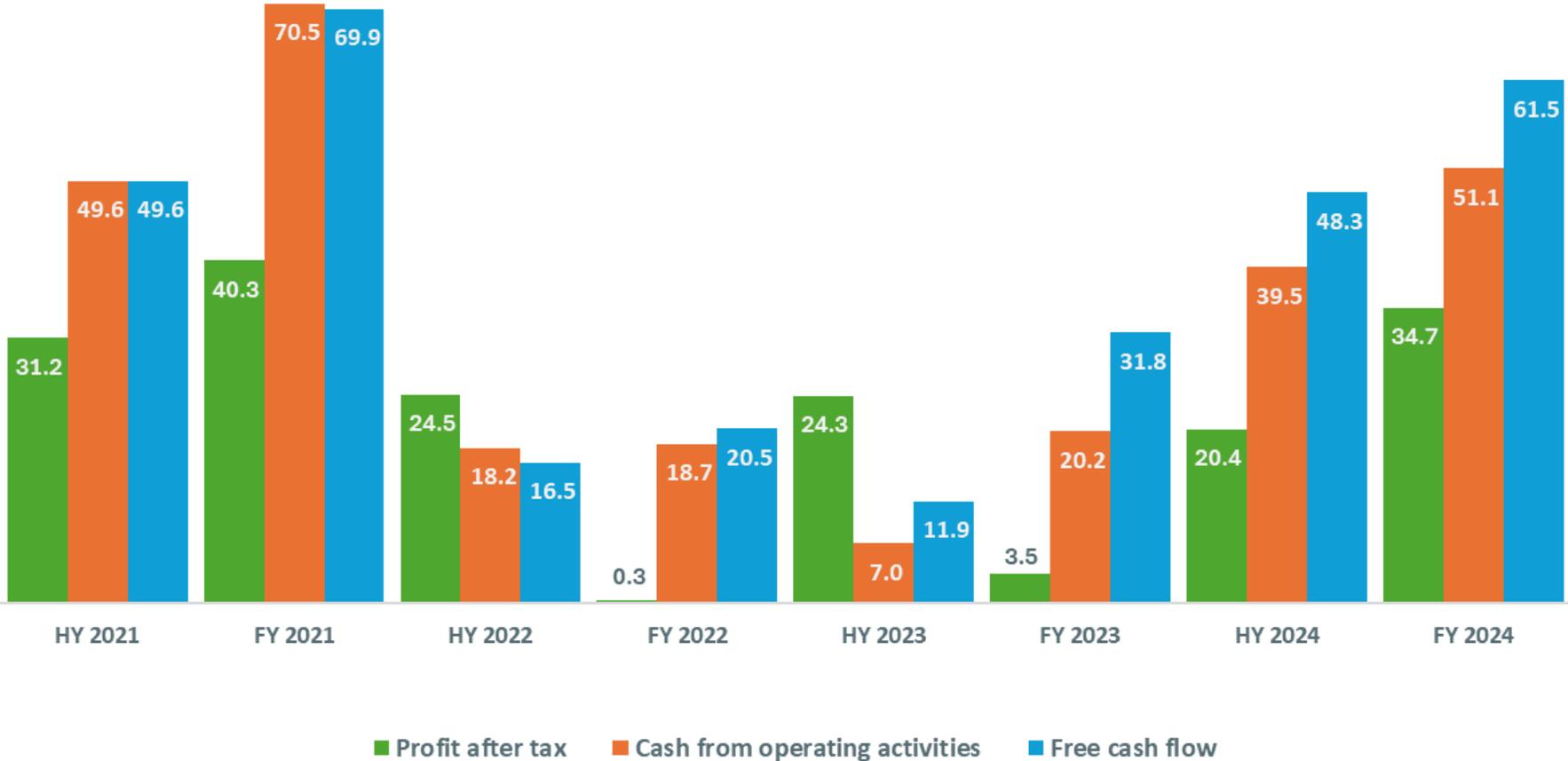
GROUP BALANCE SHEET



GROUP NET WORKING CAPITAL



GROUP SUMMARISED CASH FLOW





TERRY DENNISON
GROUP CEO



DAMIAN JUDGE
GROUP CFO

Q & A

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APPENDIX



GROUP FINANCIAL PERFORMANCE

									FY 24 vs	
	HY 2021	FY 2021	HY 2022	FY 2022	HY 2023	FY 2023	HY 2024	FY 2024	FY 23	CAGR
Revenue	281.6	518.4	283.5	513.2	273.3	502.3	292.2	565.8	13%	3%
Gross profit	125.6	219.4	113.7	197.2	119.5	193.4	120.3	240.3	24%	3%
EBITDA	57.8	85.4	46.5	29.3	42.0	41.6	46.7	84.1	102%	0%
Profit after tax	31.2	40.3	24.5	0.3	24.3	3.5	20.4	34.7	891%	
Dividends paid	-	17.7	10.5	-	-	-	-	-	0%	
Diluted EPS (cents)	30.6	40.7	25.4	0.4	25.5	3.7	21.4	36.1	876%	
Diluted HEPS (cents)	30.6	40.8	25.4	0.4	25.5	4.2	21.4	36.1	760%	
Gross margin	44.6%	42.3%	40.1%	38.4%	43.7%	38.5%	41.2%	42.5%		
EBITDA margin	20.5%	16.5%	16.4%	5.7%	15.4%	8.3%	16.0%	14.9%		
Weighted avg shares in issue (millions)	99.3	97.7	95.2	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	FY 2024	FY 24 vs FY 23
Profit attributable to ordinary shareholders	30.4	39.8	24.1	0.4	25.6	3.5	20.4	34.4	883%
Adjusted for:									
Profit on disposal of property, plant and equipment	(0.0)	0.0	(0.0)	(0.0)	-	0.5	-	(0.1)	
Impairment of goodwill	-	-	-	-	-	-	-	-	
Impairment of fixed assets	-	-	-	-	-	-	-	0.1	
Headline earnings	30.4	39.8	24.1	0.4	25.6	4.0	20.4	34.4	760%
Weighted average number of ordinary shares	99.3	97.7	95.2	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	36.1	877%
Headline earnings per share (cents)	30.6	40.8	25.4	0.4	25.5	4.2	21.4	36.1	760%

GROUP FINANCIAL POSITION

	HY 2021	FY 2021	HY 2022	FY 2022	HY 2023	FY 2023	HY 2024	FY 2024
Non current assets								
Property, plant and equipment	58.2	57.6	60.5	59.9	63.3	69.0	66.9	64.3
RoU Assets	20.0	15.4	47.1	42.2	40.0	40.6	39.5	35.6
Goodwill and other intangibles	89.6	88.5	94.2	99.4	101.3	105.8	109.0	109.6
Deferred Tax	3.2	7.6	7.8	16.2	17.0	16.7	17.1	19.2
Other financial assets	4.8	4.8	2.7	3.3	3.2	6.5	7.3	4.7
	175.9	173.8	212.3	221.0	224.8	238.6	239.8	233.4
Current assets								
Inventories	89.7	107.6	117.1	122.0	135.7	128.0	115.8	118.2
Trade and other receivables	60.2	61.5	74.6	55.3	66.5	48.8	45.8	60.3
Cash	34.2	17.8	22.1	13.5	10.5	7.4	25.5	12.0
Other (Tax + Other)	4.9	4.1	4.6	3.4	3.2	7.8	3.9	5.2
	189.0	190.9	218.4	194.2	215.9	191.9	191.0	195.7
Non current liabilities								
Debt	76.6	63.7	83.7	81.8	108.3	0.0	95.8	75.3
Lease liabilities	9.3	7.4	35.8	31.2	31.4	29.8	27.8	21.8
Deferred tax	0.2	0.4	0.4	0.8	0.8	1.6	1.9	3.0
	86.2	71.4	119.9	113.8	140.5	31.4	125.5	100.0
Current liabilities								
Debt	24.8	22.6	16.2	14.6	12.8	121.5	15.1	24.3
Lease liabilities	11.3	7.6	10.0	10.3	5.5	10.2	10.8	11.9
Trade Payables	46.7	70.9	73.4	58.4	58.5	58.9	52.4	52.2
Other (Tax + Other)	0.3	0.5	3.2	29.9	1.9	2.6	5.0	10.2
Bank overdraft	7.0	12.6	13.0	21.4	30.3	32.6	31.3	28.0
	90.2	114.2	115.8	134.6	109.1	225.9	114.7	126.6
Equity	188.6	179.1	194.9	166.9	191.1	173.2	190.6	202.5

GROUP CASH FLOW

	HY 2021	FY 2021	HY 2022	FY 2022	HY 2023	FY 2023	HY 2024	FY 2024
EBITDA	57.8	85.4	46.5	29.3	42.0	41.6	46.7	84.1
Movement in non cash items (incl provisions)	(1.4)	(2.6)	0.3	31.1	0.6	5.9	(4.2)	(5.9)
Net working capital movement	7.5	13.5	(18.4)	(21.3)	(25.1)	(8.5)	8.7	(11.5)
Inventory	6.4	(11.8)	(9.5)	(15.2)	(13.6)	(6.9)	12.2	10.3
Accounts receivable	2.1	1.2	(13.2)	5.7	(11.2)	(2.2)	2.9	(14.3)
Accounts payable	(1.0)	24.1	4.3	(11.8)	(0.3)	0.6	(6.4)	(7.5)
Cash generated from operations	63.9	96.3	28.4	39.1	17.5	39.0	51.2	66.7
Tax paid	(12.8)	(19.3)	(6.2)	(11.3)	(2.1)	(2.5)	(1.4)	(0.6)
Net Cash from operations (excl finance costs)	51.1	77.0	22.2	27.8	15.4	36.5	49.8	66.1
Net Investment in PPE	(3.7)	(9.3)	(7.6)	(7.3)	(3.5)	(9.2)	(1.5)	(4.6)
FCF	47.4	67.7	14.6	20.5	11.9	27.3	48.3	61.5
Net interest costs	(3.5)	(6.5)	(4.0)	(9.1)	(8.4)	(16.7)	(10.3)	(14.9)
Repayment/raising of debt, lease liab. & equity	(18.5)	(42.8)	13.7	(1.8)	(12.2)	(27.5)	(15.3)	(34.7)
Business combinations	(6.3)	(11.5)	(10.1)	(12.1)	(2.2)	(0.8)	(2.0)	(2.0)
Investing and financing activities	(28.3)	(60.8)	(0.3)	(23.0)	(22.7)	(45.0)	(27.6)	(51.6)
Cash available to shareholders	19.1	6.9	14.3	(2.5)	(10.8)	(17.7)	20.7	9.9
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)	20.7	9.9
Opening cash balance	16.1	16.1	5.2	5.2	(7.9)	(7.9)	(25.2)	(25.2)
Effective of exchange rate movement	-	-	-	(0.1)	(1.0)	0.4	(1.3)	(0.7)
Closing cash balance	27.2	5.3	9.0	(7.9)	(19.7)	(25.2)	(5.8)	(16.0)