



Homechoice International plc

Unaudited results for the six months ended 30 June 2018 and cash dividend declaration

| Group | | 6 months ended 30 June 2018* | 6 months ended 30 June 2017 (restated)** | % change (June to June) | 12 months ended 31 Dec 2017 (audited) (restated)** |
|--------------------------------|---------|------------------------------|--|-------------------------|--|
| Revenue | (Rm) | 1 524 | 1 313 | 16.1 | 2 993 |
| EBITDA | (Rm) | 406 | 354 | 14.7 | 793 |
| Operating profit | (Rm) | 374 | 327 | 14.4 | 744 |
| Operating profit margin | (%) | 24.5 | 24.9 | | 24.9 |
| Headline EPS | (cents) | 249.6 | 217.7 | 14.7 | 503.8 |
| Basic EPS | (cents) | 249.6 | 217.7 | 14.7 | 496.3 |
| Cash generated from operations | (Rm) | 240 | 174 | 37.9 | 359 |
| Interim dividend declared/paid | (cents) | 95.0 | 82.0 | 15.9 | 191.0 |
| Retail | | | | | |
| Revenue | (Rm) | 1 167 | 997 | 17.1 | 2 328 |
| Retail sales | (Rm) | 856 | 720 | 18.9 | 1 749 |
| Gross profit margin | (%) | 51.9 | 50.1 | | 51.2 |
| EBITDA | (Rm) | 230 | 196 | 17.3 | 467 |
| EBITDA margin | (%) | 19.7 | 19.7 | | 20.1 |
| Financial Services | | | | | |
| Loan disbursements | (Rm) | 853 | 656 | 30.0 | 1 468 |
| Revenue | (Rm) | 357 | 316 | 13.0 | 666 |
| EBITDA | (Rm) | 168 | 145 | 15.9 | 314 |
| EBITDA margin | (%) | 47.1 | 45.9 | | 47.1 |

* IFRS 9, Financial Instruments, adopted effective 1 January 2018. IAS 39 applied for the 2017 financial year.
** Restated based on the application of IFRS 15, Revenue from Contracts with Customers.

The contents of this short-form announcement are the responsibility of the directors and is a summary of the information contained in the full announcement, published on SENS on 27 August 2018 and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on a consideration of the full announcement, which is available for viewing on SENS and on the group's website. Investors and/or shareholders may request copies of the full announcement by contacting the company secretary at the details below.

For a more detailed discussion of our financial results and outlook, please refer to the investor section on our website, at www.homechoiceinternational.com

Directorate
Non-executive directors
S Portelli* (Chairman), A Chorn*, R Garratt, E Gutierrez-Garcia, R Hain*, C Rapa*, A Ogunsanya (alternate)
* Independent

Executive directors
G Lartigue (Chief Executive Officer), P Burnett, S Maltz

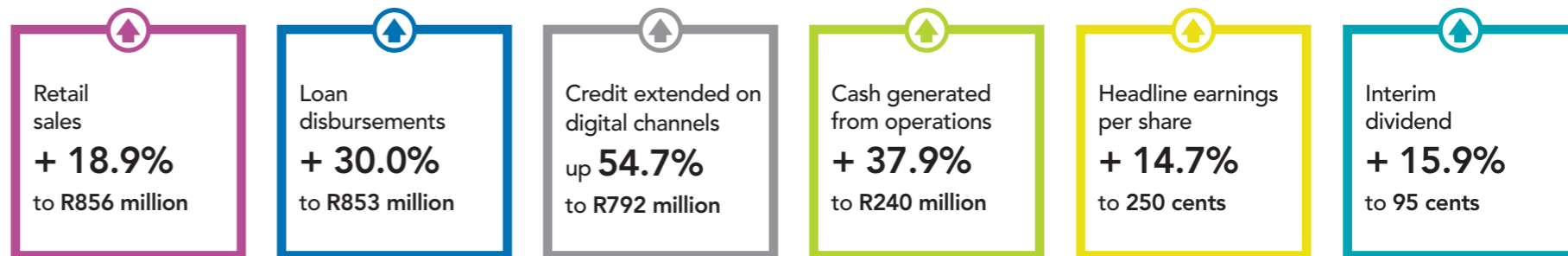
Company secretary
G Said

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
PO Box 61051, Marshalltown, 2107

Sponsor
Rand Merchant Bank, a division of FirstRand Bank Limited
1 Merchant Place, Corner of Fredman Drive and Rivonia Road, Sandton, 2196

HomeChoice International PLC
(Incorporated in Malta)
Registration number: C66099
JSE share code: HIL | ISIN: MT0000850108

Registered office
93 Mill Street, Qormi, QRM3012, Republic of Malta



HomeChoice International plc is an investment holding company listed on the JSE Limited. The group has specialised in the provision of retail and financial services to the mass market in southern Africa for more than 30 years. HomeChoice services its large, primarily female and LSM 4 – 8 customer base through two trading operations, HomeChoice (Retail) and FinChoice (Financial Services).

CONTINUED STRONG TRADING AND FINANCIAL PERFORMANCE

The group has delivered a strong financial and operational performance in a challenging retail and credit market. Group revenue growth substantially outperformed the market, increasing by 16.1% to R1.5 billion. Operating profit increased by 14.4% to R374 million. Headline earnings per share increased by 14.7% to 250 cents, continuing its growth trajectory and pleasingly ahead of the five-year annual compound growth in HEPS of 13.2%.

Retail sales increased by 18.9% and EBITDA by 17.3%, driven by strong volume growth in homeware textiles and the roll-out of further external brands which proved popular with customers. The group now sells more than 100 external brands and is well advanced on its journey to become a digital department store.

Financial Services grew revenue by 13.0% and EBITDA by 15.9%, supported by a 30.0% increase in loan disbursements, as well as good growth in insurance revenue and strong adoption by customers of our mobi-wallet concept, MobiMoney™. A notable 86% of loan customers are registered for FinChoice's digital platforms, underscoring its status as a leading FinTech services provider in the mass market.

The group continues to acquire more than 20 000 new customers per month, contributing to a 5.0% growth in the group's customer base to 836 000 during the period.

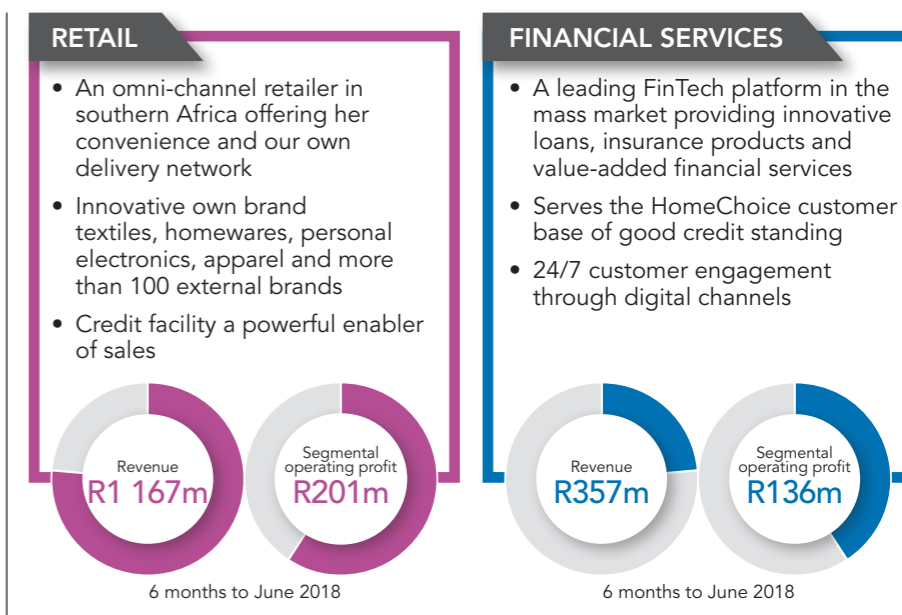
The group has continued to invest strongly in technology infrastructure, showrooms and a new distribution centre, to improve customer experience and accelerate digital transformation. Excellent progress was achieved in digital transformation across the group during the period. Credit extended from digital platforms now accounts for 39.1% of all credit, from 32.0% in 2017.

CASH DIVIDEND DECLARATION

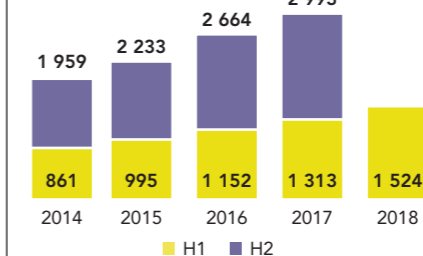
The board of directors has declared an interim gross dividend of 95 cents payable on 17 September 2018. The last day of trade to receive a dividend is 11 September 2018.

OUTLOOK

Whilst the group continues to position itself strongly for ongoing growth as a leading digital player in the mass market, it remains cognisant of the tough trading environment. In this environment continued strategic investment, tight credit policies, robust cash collections and cost control will remain key management priorities.



REVENUE
Rand million



EBITDA
Rand million

