

## Five-year review

	Financial definitions	2017 Rm	2016* Rm	2015* Rm	2014 Rm	2013 Rm	2012 Rm
<b>Extracts from statement of profit or loss</b>							
Revenue		119 517	118 849	110 487	103 567	92 382	80 830
Operating profit		6 538	6 382	6 235	6 185	6 090	5 638
Net financing costs		(1 680)	(1 440)	(1 194)	(926)	(744)	(681)
Share of result of associates and joint ventures		103	138	32	76	86	46
Income tax expense		(1 060)	(1 221)	(1 213)	(1 330)	(1 405)	(1 382)
Tax rate (%)		30,1	28,6	26,6	27,2	28,1	29,3
Net (loss)/profit attributable to NCI		(36)	184	332	355	392	408
Headline earnings		2 700	2 994	3 135	3 151	3 458	3 007
<b>Extracts from statement of cash flows</b>							
Cash generated by operations (before capital expenditure on rental assets, net financing costs and tax paid)*		9 076	8 143	9 058	5 973	7 191	7 440
Cash flow from investing activities (including capital expenditure on rental assets)		(3 648)	(3 199)	(6 482)	(2 927)	(4 708)	(4 230)
Net debt (raised)/repaid*		437	(1 657)	(1 902)	(1 972)	(2 250)	(625)
Free cash flow*	1	4 296	2 536	4 573	2 138	3 658	3 770
<b>Extracts from statement of financial position</b>							
Total assets		68 853	69 835	65 712	59 021	51 716	45 698
Operating assets	2	61 025	58 783	56 944	55 968	48 443	41 575
Operating liabilities*	3	26 000	24 777	23 774	22 802	21 174	18 046
Net working capital*	4	8 956	9 804	9 267	8 033	5 694	4 606
Net interest-bearing debt*	5	15 088	15 164	13 482	11 882	9 165	6 642
Imperial owners' interest		20 742	20 173	18 868	17 540	16 241	14 666
NCI		667	909	1 838	1 569	1 295	1 223
Contingent liabilities		649	770	405	317	294	46
<b>Ratios</b>							
<b>Efficiency</b>							
Revenue to average net operating assets (times)	6	3,5	3,5	3,3	3,4	3,6	3,9
Revenue relating to sales of goods to average inventory (times)	7	4,0	4,4	4,5	4,8	4,7	4,5
Revenue to average net working capital (times)		12,7	12,5	12,8	15,1	17,9	20,6
<b>Profitability</b>							
Operating profit to average net operating assets (%)	8	18,9	19,0	18,8	20,5	24,0	26,9
Operating profit to average gross operating assets (%)		10,9	11,0	11,0	11,8	13,5	15,2
Operating margin (%)	9	5,5	5,4	5,6	6,0	6,6	7,0
Return on average shareholders' interest (%)	10	12,7	15,4	16,8	19,4	21,3	22,4
ROIC (%)**	11	12,4	12,8	13,1	14,7	17,2	18,0
WACC (%)**	12	9,0	9,5	9,0	9,4	9,0	10,1
<b>Solvency</b>							
Interest cover by operating profit (times)		3,9	4,4	5,2	6,7	8,2	8,3
Net interest-bearing debt to EBITDA (times)		1,7	1,7	1,5	1,4	1,1	0,9
Total equity to total assets (%)		29,4	28,3	29,3	30,7	33,9	34,8
Net interest-bearing debt as a percentage of total equity (%)		74,5	76,7	70,1	65,6	52,3	41,8
<b>Liquidity</b>							
Free cash flow to net profit for the year (times)		1,67	0,80	1,35	0,59	0,99	1,11
Free cash flow to headline earnings (times)	13	1,59	0,85	1,46	0,68	1,06	1,25
Unutilised facilities		12 450	10 046	9 372	6 703	5 880	6 045

\* 2016 Restated to include Regent VAPS business. 2015 restated to reclassify interest-bearing supplier liabilities as accounts payable of R607 million.

\*\* Calculated on a revised basis. See financial definitions on page 34.

	Financial definitions	2017 Rm	2016* Rm	2015* Rm	2014 Rm	2013 Rm	2012 Rm
<b>Investing in the future</b>							
Cost of new acquisitions		1 796	352	1 076	911	776	2 241
Expansion capital expenditure		1 073	1 902	2 515	1 957	1 682	1 125
Net replacement capital expenditure		1 590	2 236	2 004	1 642	1 395	1 467
Capital commitments		1 448	1 309	2 289	2 285	935	1 112
<b>Statistics</b>							
Total new and used vehicles and motorcycles sold		198 257	209 432	211 412	208 740	206 462	198 131
Number of transport fleet vehicles (owned)		7 288	7 238	7 133	5 676	6 431	6 312
Number of vehicles for hire (car rental only)		13 750	13 903	14 917	15 356	17 602	16 599
Number of employees		49 364	51 256	51 361	51 671	51 007	47 699
Employee costs		16 623	16 528	15 647	14 576	12 824	10 703
Wealth created per employee		511	498	475	444	412	380
Total taxes and levies paid	14	1 510	1 661	1 496	1 748	1 438	1 572
<b>Share performance</b>							
Basic HEPS (cents)		1 390	1 552	1 624	1 625	1 805	1 566
Basic core EPS (cents)		1 626	1 720	1 754	1 815	1 872	1 623
Dividends per share (cents)		650	795	795	820	820	680
Earnings yield (%)	15	8,6	10,4	8,8	8,1	8,6	9,1
Price earnings ratio (times)	16	11,6	9,6	11,4	12,3	11,6	11,0
Net asset value per share (cents)	17	10 550	10 261	9 696	9 037	8 324	7 479
Market prices (cents)							
– Closing		16 100	14 948	18 550	20 000	20 968	17 200
– High		18 889	18 600	20 634	22 290	22 600	17 729
– Low		13 653	9 999	16 418	16 080	17 150	9 420
Total market capitalisation at closing prices	18	32 384	31 118	37 616	41 563	43 788	36 093
Value of shares traded		34 198	37 985	34 159	43 446	51 766	30 099
Value traded as a percentage of average capitalisation (%)		108	111	86	102	130	98
<b>Exchange rates used</b>							
Rand to Euro							
– average		14,81	16,10	13,73	14,07	11,43	10,38
– closing		14,92	16,31	13,55	14,51	13,04	10,39
Rand to US Dollar							
– average		13,58	14,51	11,44	10,38	8,84	7,75
– closing		13,06	14,70	12,15	10,62	10,01	8,20
Rand to British Pound							
– average		17,23	21,47	18,02	16,87	13,85	12,27
– closing		17,02	19,58	19,11	18,11	15,22	12,87
Rand to Nigerian Naira							
– average		0,04	0,05	0,06	0,06		
– closing		0,04	0,07	0,06	0,06		
Rand to Botswana Pula							
– average		1,29	1,34	1,20	1,17	1,09	1,05
– closing		1,26	1,35	1,23	1,21	1,16	1,07
Rand to Australian Dollars							
– average		10,24	10,56	9,54	9,52	9,06	7,99
– closing		10,04	10,95	9,40	9,96	9,01	8,40

\* 2016 Restated to include Regent VAPS business. 2015 restated to reclassify interest-bearing supplier liabilities as accounts payable of R607 million.

\*\* Calculated on a revised basis. See financial definitions on page 34.

Financial definitions:

1. Free cash flow – calculated by adjusting the cash flow from operating activities to exclude the expansion capital expenditure on rental assets and deducting replacement capital expenditure on other assets.
2. Operating assets – all assets less loans receivable, taxation assets, cash and cash equivalents and assets classified as held for sale.
3. Operating liabilities – all liabilities less all interest-bearing borrowings, taxation liabilities and liabilities directly associated to assets classified as held for sale.
4. Net working capital – consists of inventories, trade and other receivables, provisions for liabilities and other charges and trade and other payables.
5. Net interest-bearing debt – include total interest-bearing borrowings plus non-redeemable preference shares less cash resources.
6. Revenue to average net operating assets (times) – calculated by dividing revenue with average net operating assets.
7. Revenue relating to sales of goods to average inventory (times) – revenue relating to sales of goods divided by average inventory.
8. Operating profit to average net operating assets (%) – operating profit per the income statement divided by average net operating assets.
9. Operating margin (%) – operating profit per the income statement divided by revenue.
10. Return on average ordinary shareholders' interest (%) – net profit attributable to owners of Imperial divided by average shareholders' interest (calculated by using the opening and closing balances) attributable to Imperial Holdings' shareholders.
11. ROIC (%) – return divided by invested capital. Return is calculated by reducing the operating profit by a blended tax rate, which is an average of the actual tax rates applicable in the various jurisdictions in which we operate increased by the share of results of associates and joint ventures. Invested capital is a 12-month average of shareholders equity plus non-controlling interests, plus preference shares plus net interest bearing debt (interest-bearing borrowings long term and short term minus long term loans receivable minus non-financial services cash and cash equivalents).
12. WACC (%) – calculated by multiplying the cost of each capital component by its proportional weight and then summing, therefore: WACC = (after tax cost of debt % multiplied by average debt weighting) + (cost of equity multiplied by average equity weighting). The cost of equity is blended recognising the cost of equity in the different jurisdictions in which the group operates. This is different from prior year where a South African cost of equity was used.
13. Free cash flow to headline earnings ratio – free cash flow divided by headline earnings.
14. Total taxes and levies paid – made up of South African normal taxation, secondary taxation on companies, foreign taxation, rates and taxes, skills development and unemployment insurance fund levies.
15. Earnings yield (%) – the headline earnings per share divided by the closing price of a share.
16. Price earnings ratio (times) – the closing price of a share divided by the headline earnings per share.
17. Net asset value per share – equity attributable to owners of Imperial divided by total ordinary and preferred ordinary shares in issue net of shares repurchased (the deferred ordinary shares only participate to the extent of their par value of 0,04 cents).
18. Total market capitalisation at closing prices (Rm) – total ordinary shares in issue before treasury shares multiplied by the closing price per share.