



Bid Corporation Ltd

8 October 2018



Recommendation

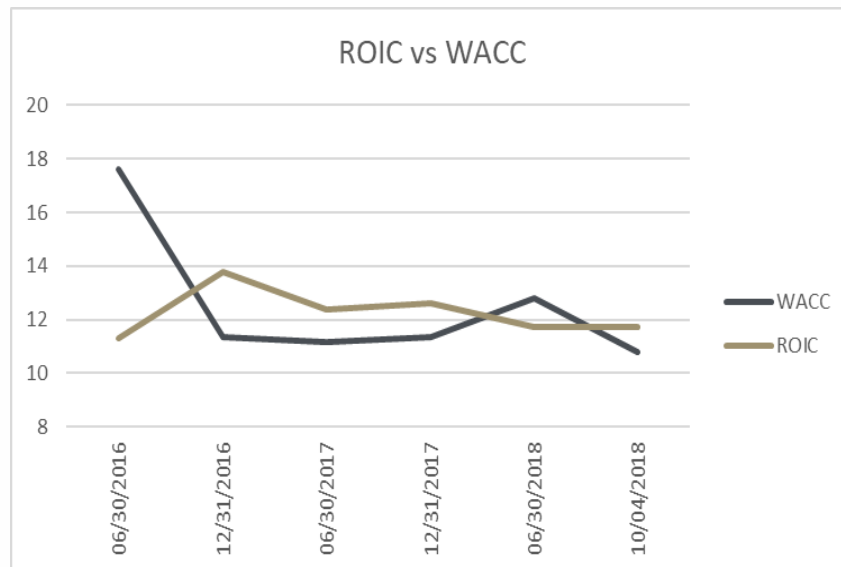
- Well-diversified and highly cash generative
- Organic growth is expected
- Margins should improve
- Above average earnings growth in the medium term
- Share price movements driven by South African currency
- Forward P/E ratio of 20x
- Fundamentals are fairly reflected in the share price
- Trading at a premium relative to its peers



Financial Highlights

Debt

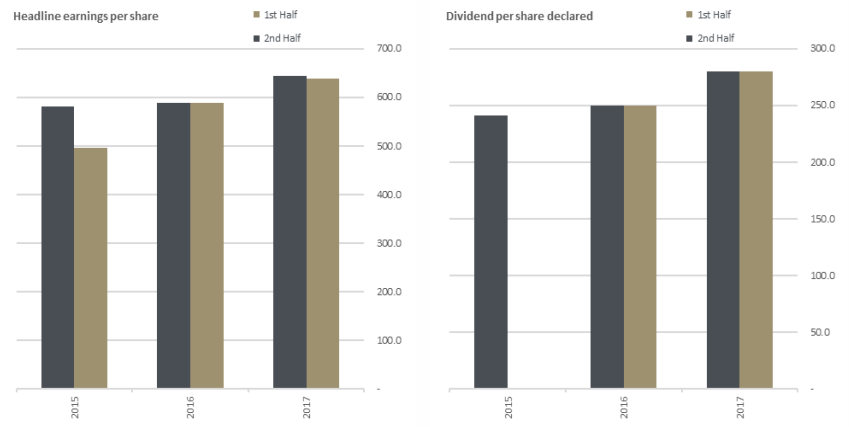
- Net debt increased to R3.6bn
- Debt-to-equity increased to 13.5%
- Interest cover remains healthy at 25.2x with a target of 5x - 6x
- WACC decreased to 10.78%
- ROIC decreased to 11.72%
- EVA of 0.94% indicating investments are generating sufficient earnings to recover the cost of capital used



Financial Highlights

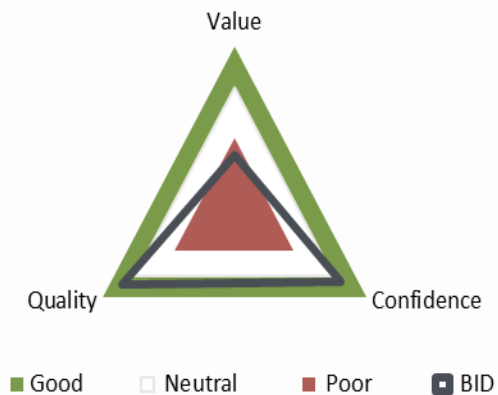
Earnings

- Revenue increased by 8.0% to R119.4bn for the year
- Operating profit increased by 9.0%
- Operating margin grew from 4.8% to 4.9%
- Diluted HEPS from continuing operations was up by 9.0%
- HEPS was up by 9.2%
- A final dividend of 280cps was declared

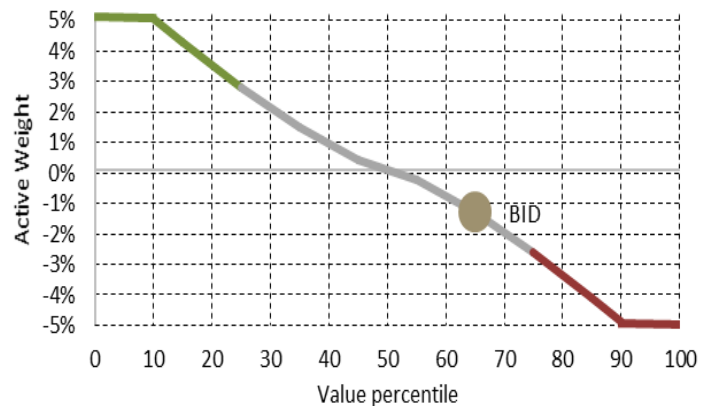


Portfolio Guidance

- Capped SWIX weighting of 2.00%
- Recommended portfolio exposure of up to 2.60%



Value profile



Place a trade

To place a trade please speak to your financial adviser or contact our dealing desk.



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