

- Turnover up 8% to R6,4 billion
- Operating profit down 3% to R655 million

CONSUMER-RELATED PRODUCTS

Headline earnings per share up 3% to 1 289 cents









Distributor of wireless networking, VolP and video products and the NiRO provision of after-sales service and

radio commi

technical support

Distributor of a comprehensive

and integrator of radio systems

Distributor of integrated security and life safety solutions, including

CCTV, access control, fire detection, public address and perimeter detection products

range of quality fasteners, including blind rivets, self-drilling screws, hexagonal bolts, nuts and washers

ation equipment



Distributor of automotive spares nd accessories

fasteners

solar batteries

PENTAG®N







Distributor of electronic security equipment, including the Texecom range of intruder detection solutions, as well as related consumables

Distributor of bearings,

chains, seals, electric motor

transmission and allied products

square, hexagonal and hollow bar

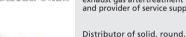
vevor beltina

Distributor of stand-by and





Distributor of DEUTZ diesel engines, DEUTZ spare parts, HJS exhaust gas aftertreatment systems and provider of service support DEUTZ DIESELPOWER





cialised pes, fittings and

- Some arranges of the second se **Final dividend maintained at 380 cents per share** Cash generated from operations R468 million
- Hudaco Industries is a South African group specialising in the importation and distribution of high-quality branded utomotive, industrial and electronic consumable products, mainly in the southern African region. Hudaco businesses serve markets that fall into two primary categories: The automotive aftermarket, power tool, battery, security and communication equipment businesses supply products

into markets with a bias towards consumer spending. The mechanical and electrical power transmission, diesel engine, hydraulics and pneumatics, steel, thermoplastic fittings and bearings businesses supply engineering consumables mainly to mining and manufacturing customers.

Value added includes product specification, technical advice, application and installation training and troubleshooting, combined with availability at a fair price. Results

2018 began with much optimism but by year end hopes were frustrated, for the time being at least, by a combination 2018 began with much optimism but by year end hopes were frustrated, for the time being at least, by a combination of economic inertia and political rhetoric. We started the year with a new president and a new hope for our country and its economy. In his maiden State of the Nation Address, the president outlined a recovery plan for South Africa, much of which we felt was likely to translate into investment in those sectors of the economy that were traditional Hudaco markets. This would have enabled those of our businesses that have been in austerity mode for the past few years to thrive once again. Notwithstanding the positive steps that have been in austerity mode for the past few corruption and boost the economy, specifically mining and manufacturing, it is clear that past mismanagement means it is going to take longer than anticipated for us to see the benefits. Unfortunately this delay had a negative effect on the economy, with the first two quarters showing negative growth pushing South Africa into a technical recession, the first since 2009.

irst since 2009. The extreme volatility of the Rand in 2018 made pricing exceptionally challenging. The currency strengthened in the first four months and subsequently declined in the remaining eight months. In the period March to September, the Rand weakened 33% against the US\$ from R11,67 to R15,54. The last quarter of our year is generally our strongest but this year, although we managed to grow sales marginally, the gross margin suffered as the decline in the currency was too sharp for us to be able to put through the corresponding increases in selling prices. The more the economy came under pressure from the likes of increases in VAT, periol, currency and drought the more pressure was put on prices.

There were two notable changes in turnover from the market sectors we serve. Sales to the wholesale and retail sector grew 17% (acquisitions and MiRO) and to the security sector shrank 7%. Annual sales were up 8% to R6.4 billion, whilst operating profit decreased 3% to R655 million. Ongoing operations' sales for the group increased 3% to R6 billion, whilst operating profit decreased 3% to R655 million. Ongoing operations' related products segment were up 6% while operating profit decreased 1%, whereas engineering consumables' sales from ongoing operations increased 1% and its operating profit declined 11%. battery equipment to the traction battery market. Designs, builds and manages battery bays for warehouses and distribution centres

Headline earnings per share were up 3% to 1 289 cents, while comparable earnings per share fell 4% to 1 198 cents

because a positive fair value adjustment on the vendor liability (required to be reflected in headline earnings but, in our view, not an item that should be in comparable earnings) was deducted. The return on equity was 16%. The final dividend has been maintained at 380 cents, giving us a total dividend for 2018 up 1,8% at 570 cents. Comparable earnings cover the full dividend 2,1 times, which falls within our long-standing dividend policy range of paying between 40% and 50% of comparable earnings.



The financial position remains healthy but the cash generation was not as good as usual, mainly because of an investment in readily saleable inventories that was higher than planned. The group had R1 163 million in net bank borrowings at year end, up from R860 million in 2017, after R242 million was spent on acquisitions. More importantly, interest payments were covered seven times by operating profits, compared with our internal benchmark of at least five times. We have significant additional bank borrowing facilities available so there is still capacity for acquisitions, and we continue to look for businesses in growth areas to further diversify and strengthen our portfolio.

Inventories at year end of R1 822 million are higher than we anticipated because some of our businesses turned out to be over ambitious in stocking up for the last quarter. Rutherford, Partquip and MiRO have a total of R140 million more stock than last year. It is all run-rate stock which will turn into cash in 2019. Inventories in the rest of the group are up 8,5%, excluding take-on inventory of acquisitions of R66 million. The return on net operating assets including goodwill (2004) in 2018 is 11.2014. (RONA) in 2018 is 17 3%

Consumer-related products

The consumer-related products segment comprises 14 businesses. In 2018, it made up 55% of Hudaco's sales and 65% of operating profit. The segment increased sales by 14% to R3,5 billion and operating profit by 8% to R462 million. Operating profit margin

was 13.2% MiRO, our distributor of wireless connectivity products, achieved another year of strong growth as it continued to add to its impressive basket of wireless technology products. The automotive spares and accessories businesses, Partquip, A-Line and Abes, had another good year. There was good organic growth from our battery businesses of SBS, Deltec and Eternity. This mainly in the alternative energy and wholesale and retail sectors.

Rutherford, the second largest business in this segment and the main activity of which is the distribution of Makita power tools and garden equipment, had a tough year, as sales to the big box stores declined. The move at the beginning of the year to a larger, more effective distribution centre at City Deep has already started paying dividends including through the year y smooth physical integration of Boltworld, which was acquired to bolster FTS, the fastener division of Rutherford. The combined business now trades under the name FTS Boltworld. Distributor of Makita power tools, Mercury marine engines, survey instrumentation, rivets and

Unfortunately, we had disappointing results from our security businesses, Elvey and Pentagon, and our commun business, SS Telecoms. These businesses have dampened what would otherwise have been a good result for the consumer-related products segment.

Engineering consu

The 21 businesses that constitute engineering consumables made up the other 45% of sales and 35% of operating The segment sales were up 1,7% to R2,9 billion whilst operating profit decreased by 9,7% to R246 million. Operating profit margin decreased to 8,4% .

The majority of businesses in 6,4 %. The majority of businesses in this segment distribute mature industrial products to mature economic segments (mainly mining and manufacturing). These market sectors have been in decline for the last approximately ten years partly due to natural boom and bust cyclicality of resources but also in recent years due to conditions in South Africa not being investment friendly. Whilst Hudaco businesses in this segment are now sized correctly for current market conditions, profits are not growing. We are modifying the structures of some of these businesses to extract synergies where it makes sense. It is important to note however that the returns in most of these businesses are acceptable and they generate the cash we use to diversify and expand our portfolio of businesses.

Deutz Dieselpower and our steel businesses of Ambro, Bosworth and The Dished End Company performed well. HERS, supplying automotive drive trains to the platinum mining sector, also had a much-improved year. Disappointing results came from Astore Keymak (thermoplastic pipes and fittings), Powermite (electrical), Ernest Lowe, Berntel and GPM

(hydraulic and pneumatic businesses) and Joseph Grieveson Lawsuit against Bravura and certain associates

Declaration of final dividend no 64

Final dividend number 64 of 380 cents per share (2 4 March 2019 to ordinary shareholders recorded in

The timetable for the payment of the dividend is as

We are pleased to report that a court date has now been set for our claim against Bravura, Cadiz and certain of their associates for up to R490 million. The matter is to be heard in the last quarter of 2019. Hudaco has brought the action to recover, *inter alia*, secret profits made on the financing arrangements around the Hudaco BEE transaction that ran from August 2007 to February 2013. We note with interest the announcement by another listed company that was also advised by Bravura on its BEE structure that it too has settled with SARS.

Prospects Prospects for Hudaco will depend largely on how the economy performs and, in 2019, that is bound to be influenced by Prospects for Hudaco will depend largely on now the economy performs and, in 2019, that is bound to be influenced by the lead-up to and outcome of the national elections in May. We expect that in the first half we will experience more of the same inertia as business adopts a wait and see approach. We are hoping for a positive electoral outcome coupled with some meaningful action and implementation from the government on the economic front. This should kick-start the economy and will hopefully translate into investment in those sectors that are traditional Hudaco markets. Our businesses are well placed to benefit immediately from such a scenario. We expect a stronger year in cash generation as the excess stock in our mainly growth industry businesses is sold. We look forward to the contribution from the new senior management we have brought on board to strengthen our team, as well as the synergies to be gained from the planed restructure of the engineering consumables portfolio and the bolt-on acousisitions in the consumer-related

roducts segment

SJ Connelly (Chairman)*

LFJ Meiring

MR Thompson* * Non-executive

D Naidoo*

GR Dunford (Chief executive

CV Amoils (Financial director, N Mandindi*

	30 Nov	30 Nov
R million	2018	2017
ASSETS		
Non-current assets	1 875	1 843
Property, plant and equipment	277	270
nvestment in joint venture	9	9
Goodwill	1 505	1 480
ntangible assets	49	70
Deferred taxation	35	14
Current assets	3 167	2 777
nventories	1 822	1 538
Trade and other receivables	1 278	1 156
Taxation	4	2
Bank deposits and balances	63	81
TOTAL ASSETS	5 042	4 620
EQUITY AND LIABILITIES		
Equity	2 579	2 376
Equity holders of the parent	2 509	2 295
Non-controlling interest	70	81
Non-current liabilities	1 124	891
Amounts due to bankers	1 014	675
Amounts due to vendors of businesses acquired	109	215
Deferred taxation	1	1
Current liabilities	1 339	1 353
Trade and other payables	989	943
Bank overdraft	212	266
Amounts due to vendors of businesses acquired	105	116
Taxation	33	28
TOTAL EQUITY AND LIABILITIES	5 042	4 620

GROUP STATEMENT OF COMPREHENSIVE INCOME

R million	30 Nov 2018	%	30 Nov 2017	Comprehe
Turnover	6 381	change 8,1	5 902	the year
– Ongoing operations	5 967	3,2	5 784	Movement
– Operations acquired after December 2016	414	-,-	118	compensa
Cost of sales	4 060		3 704	Dividends
Gross profit	2 321	5,6	2 198	Balance a
Operating expenses	1 666	9,5	1 522	Less: Sha
 Ongoing operations 	1 576	5,1	1 499	con
 Operations acquired after December 2016 	90		23	Net balan 2017
Operating profit	655	(3,0)	676	
 Ongoing operations 	589	(10,7)	660	Balance a
 Operations acquired after December 2016 	66		16	Comprehe the year
Impairment of goodwill and intangible assets	(34)			Movement
Adjustment to fair value of amounts due to				compensa
vendors of businesses acquired	11		(20)	Dividends
 Adjustment to estimated capital amounts due 	34		2	Balance a
 Adjustment for time-value of money 	(23)		(22)	Less: Sha
Profit before interest	632	(3,5)	656	con
Finance costs	91	()	81	Net balan
Profit before taxation	541	(5,7)	575	2018
Taxation	144	(5.2)	156	
Profit after taxation	397	(5,2)	419	
Income from joint venture Profit for the year	400	(5,2)	422	SUPPLEN
Other comprehensive income (loss)	400	(5,2)	(2)	The conso
Movement on fair value of cash flow			(2)	Interim Fin issued by 1
hedges			2	Reporting
Exchange gain (loss) on translation of foreign				of the Sou
operations	3		(4)	the adopti <i>Tax</i> and IF
Total comprehensive income for			10.0	presentati
the year	403	(3,9)	420	this abridg
Profit attributable to:	381	(4,1)	397	statement amounts c
 Equity holders of the parent Non-controlling shareholders 	19	(4,1)	25	to fair valu
Non-controlling shareholders	400	(5,2)	422	been com
		(-/-/		The direct and ensuri
Total comprehensive income attributable to:	202		200	the underl
- Equity holders of the parent	383	(3,0)	396	
 Non-controlling shareholders 	20 403	(3,9)	420	
Earnings per share (cents)	405	(3,9)	420	Average n
– Basic	1 202	(4,1)	1 254	Operating
– Headline	1 289	2,6	1 256	Average N
– Comparable	1 198	(4,2)	1 251	Return on
Diluted earnings per share (cents)				Average n
– Basic	1 173	(5,5)	1 241	PBITA mar
– Headline	1 258	1,2	1 243	Average N
– Comparable	1 168	(5,6)	1 237	5
Calculation of headline earnings				Return on
Profit attributable to equity holders of the parent	381	(4,1)	397	Net asset
Adjusted for:	501	(4,1)	557	Return on
Impairment of goodwill and intangible				Operatin
assets	34			into acco
(Profit) loss on disposal of plant and				– Deprecia
equipment	(2)		1	– Amortisa
Non-controlling interest and tax	(5) 	2.6	398	Capital ex
Headline earnings Calculation of comparable earnings	408	2,6	590	– Incurred
Headline earnings	408	2,6	398	– Authoris
Adjusted for:		_,-		Commitm
Fair value adjustment on capital amounts				– Operatir
due to vendors of businesses acquired	(34)		(2)	
Non-controlling interest	5			Acquisitio
Comparable earnings	379	(4,2)	396	On 1 June 1 Septemb
Dividends				considerat
- Per share (cents)	570		560	Plant and
– Amount (Rm)	180		177	of R16 mil
Shares in issue (000) – Total (000)	31 646 34 154		31 646 34 154	assets of F
– Held by subsidiary (000)	(2 508)		(2 508)	These valu
Weighted average shares in issue	(2000)		(= 500)	Had these
– Total (000)	31 646		31 646	R148 millio the group
– Diluted (000)	32 435		31 981	have been

GROUP STATEMENT OF CASH FLOWS 30 Nov 30 Nov million 2018 2017 Cash generated from trading 760 772 ncrease in working capital (292) (61) Cash generated from operations 468 711 (131) Taxation paid (164) 580 Net cash from operating activities 304 Net investment in new operations (242) (210) Net investment in property, plant and equipment (51) (47) Dividend received 4 Net cash from investing activities (289) (257) ncrease (decrease) in non-current amounts due to bankers (35) 339 (16) Share-based payments (18) (91) (81) inance costs paid Dividends paid (211) (177) 19 (309) Net cash from financing activities 34 14 Decrease in net bank overdraf Foreign exchange translation gain (loss) 2 (4) Net bank overdraft at beginning of the year (185) (195) Net bank overdraft at end of the year (149) (185)

GROUP STATEMENT OF CHANGES IN EQUITY

55	99	2 355	2 509	70	2 579
		(19)	(19)		(19)
55	99	2 374	2 528	70	2 598
		(180)	(180)	(31)	(211)
	18	(7)	11		11
	3	380	383	20	403
55	78	2 181	2 314	81	2 395
55	78	2 162	2 295	81	2 376
		(19)	(19)		(19)
55	78	2 181	2 314	81	2 395
		(169)	(169)	(8)	(177)
	16	(13)	3		3
	(2)	398	396	24	420
55	64	1 965	2 084	65	2 149
premium	reserves	income	parent	interest	Equity
and		Retained			
	premium 55 55 55 55 55 55	capitaldistribut- ablepremiumreserves5564(2)(2)16(2)557855785578331899	capital distribut- and able Retained premium reserves income 55 64 1 965 55 64 1 965 (2) 398 16 (13) (169) (169) 55 78 2 181 55 78 2 162 55 78 2 181 655 78 2 181 655 78 2 181 65 78 2 181 63 380 380 64 18 (7) 78 2 374 34 655 99 2 374	capital distribut- holders and able Retained of the premium reserves income parent 55 64 1 965 2 084 55 64 1 965 2 084 (2) 398 396 (16) (13) 3 (16) (13) 3 (169) (169) (169) 55 78 2 162 2 295 55 78 2 162 2 295 55 78 2 181 2 314 (19) (19) (19) 55 78 3 80 383 3 380 383 18 (7) 11 (180) (180) (180) 55 99 2 374 2 528	capital distribut- holders control- and able etained parent ling premium reserves income parent interest 55 64 1 965 2 084 65 (2) 398 396 24 16 (13) 3 (169) (169) 55 78 2 162 2 295 81 55 78 2 162 2 295 81 55 78 2 162 2 295 81 55 78 2 162 2 295 81 55 78 2 162 2 295 81 55 78 2 181 2 314 81 55 78 2 181 2 314 81 55 78 2 181 2 314 81 55 78 2 181 2 314 81 55 99 2 374 2 528 70 (19) (19) (19) 19 19

UPPLEMENTARY INFORMATION

he consolidated financial statements have been prepared in accordance with IAS 34: terim Financial Reporting. International Financial Reporting Standards (IFRS) as sued by the International Accounting Standards Board (IASB), SAICA Financial eporting Guides as issued by the Accounting Practices Committee, the requirements the South African Companies Act and the JSE Listings Requirements. Except for e adoption of the amendments to IAS 7: Statement of Cash Flows, IAS 12: Income ax and IFRS 12: Disclosure of Interest in Other Entities, the same accounting policies, resentation and measurement principles have been followed in the preparation of his abridged report as were applied in the preparation of the group's annual financial tements for the year ended 30 November 2017. In addition, interest imputed on nounts due to vendors in 2017 has been reclassified from finance costs to adjustment fair value of amounts due to vendors of businesses acquired. These results have een compiled under the supervision of the financial director, CV Amoils, CA (SA). ne directors of Hudaco take full responsibility for the preparation of the abridged report d ensuring that the financial information has been correctly extracted from

ALL MUTHEN D	engineering steels
Chine Keymak	Distributor of specialised thermoplastic pipes, fittings a Keymak PVC hose
BAUER	Distributor of geared motors, hellical gearboxes, frequency inverters and electric motors
🦉 1 1 15 19 10 19 19 19 19 19 19	Distributor of conveyor belting industrial hose, fluid sealing a process control products
BERNTEL	Distributor of pneumatic and process components
Round	Manufacturer of conveyor pulleys, steel fabrication, plat rollings and distributor of she rubber
GREWTECH	Distributor of plastic and stair steel slat chains, modular belt and conveyor components and manufacturer of plastic engineering parts
	Supplier and repairer of hydra pumps and motors

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strial hose, fluid sealing and	The timetable for the payment of the dividence	115 05 1
ess control products	Last day to trade cum dividend	
	Trading ex dividend commences	
	Record date	
ributor of pneumatic and	Payment date	
ess components	Share certificates may not be dematerialised o 1 March 2019, both days inclusive. The certific	r rema ated re
	In terms of the Listings Requirements of the JS	
ufacturer of conveyor	is disclosed:	
eys, steel fabrication, plate	 The dividend has been declared from incom 	ne reser
ngs and distributor of sheet per	 The dividend withholding tax rate is 20%; 	
	 The net local dividend amount is 304 cents share for shareholders exempt from Divider 	
	 Hudaco Industries Limited has 34 153 531 s 	hares i
ributor of plastic and stainless I slat chains, modular belting	 Hudaco Industries Limited's income tax refe 	rence r
conveyor components	Directorate	
manufacturer of plastic	Royden Vice, who was an independent non-ex	kecutiv
neering parts	from March 2008, retired from the board on 5 group and his contribution will be missed both	o April . 1 perso
	Royden's retirement, Stephen Connelly assum	
	lead independent non-executive director.	
olier and repairer of hydraulic	We welcome Louis Meiring as an executive dir	
ps and motors	with the Zest WEG Group for the past 27 year engineering consumables industry will signific	
	executive team.	
	Results presentation and annual general	meetir
ufacturer of hydraulic and	Hudaco will host presentations on the financia	
umatic equipment and blier of water valves and	Monday, 4 February 2019, respectively. Anyor	ne wish
age processing systems	+27 11 657 5000.	
	The slides which form part of the presentation	
olier of filtration solutions,	The company's 34th annual general meeting v Hill Office Park, Emerald Boulevard, Greenstor	vill be i ne Hill
omised exhaust systems, kits	proxy form for the company's annual general	meetin
accessories	2019 and will be included in the integrated re	port the
	Approval of financial statements	
ufacturer and assembler of	The financial statements have been approved	
iron hydraulic gear pumps	has signed an unqualified audit opinion on the auditor's report are available for inspection at	
	This abridged report is extracted from audited	
	The auditors' report does not necessarily cove	
ufacturer and repairer of	therefore advised that, in order to obtain a ful	l under
aulic cylinders and repairer rivetrain components	copy of the report together with the accompa	
provide the second s	Announcement regarding change in audi	
	Shareholders are advised in terms of paragrap of Hudaco's audit firm, Grant Thornton, merg	
ufacturer of ferrous and	audit. Because the audit commenced before t	
-ferrous castings	Grant Thornton and BDO became Hudaco's au	
	The Audit and Risk Management Committee of	
ributor of electric cabling,	the JSE Listings Requirements and has recomn BDO as auditors be submitted for approval at	
strial plugs, sockets, electric	designated audit partner, Vanessa de Villiers,	
er systems and crane ponents	For and on behalf of the board	
	SJ Connelly	
ufacturer of mining	Non-executive chairman	
	31 January 2019	
nectors and lighting systems		
nectors and lighting systems	Nedbank Corporate and Investment Bank	ing
nectors and lighting systems	Nedbank Corporate and Investment Bank	ing
ributor of special steels and	Sponsor	-
		-
ributor of special steels and	Sponsor	vw.hud Reg
ributor of special steels and ider of heat treatment	Sponsor These results are available on the internet: wv	vw.hud Reg 1st
ributor of special steels and ider of heat treatment ufacturer of dished and	Sponsor These results are available on the internet: ww COMPANY INFORMATION Hudaco Industries Limited Incorporated in the Republic of	vw.hud Reg
ributor of special steels and ider of heat treatment ufacturer of dished and ged ends, pressing & flanging nall conical sections, push	Sponsor These results are available on the internet: ww COMPANY INFORMATION Hudaco Industries Limited Incorporated in the Republic of South Africa	vw.hud Reg 1st I Gre Eme Hill,
ributor of special steels and ider of heat treatment	Sponsor These results are available on the internet: ww COMPANY INFORMATION Hudaco Industries Limited Incorporated in the Republic of	vw.hud Reg 1st Gre Eme Hill, Tel -
ributor of special steels and ider of heat treatment ufacturer of dished and ged ends, pressing & flanging nall conical sections, push	Sponsor These results are available on the internet: ww COMPANY INFORMATION Hudaco Industries Limited Incorporated in the Republic of South Africa Registration number: 1985/004617/06	vw.hud Reg 1st I Gre Eme Hill, Tel - Ema
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ributor of special steels and ider of heat treatment ufacturer of dished and ged ends, pressing & flanging nall conical sections, push 's and weld caps ibutor of electrical cable ssories and electrical	Sponsor These results are available on the internet: ww COMPANY INFORMATION Hudaco Industries Limited Incorporated in the Republic of South Africa Registration number: 1985/004617/06 JSE share code: HDC ISIN code: ZAE000003273 Transfer secretaries Computershare Investor Services	vw.hud Reg 1st I Gre Eme Hill, Tel - Ema
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n board to strengthen our team, as well as the s	ynergies to be gained from the	
consumables portfolio and the bolt-on acquisition	ons in the consumer-related	Total comprehensive incom
		– Equity holders of the pare
per share (2017: 380 cents per share) is declared recorded in the register at the close of business	payable on Monday, on Friday, 1 March 2019.	– Non-controlling sharehold
vidend is as follows:		
	Tuesday, 26 February 2019	Earnings per share (cents
	Wednesday, 27 February 2019 Friday, 1 March 2019	– Basic
	Monday, 4 March 2019	– Headline
lised or rematerialised between Wednesday, 27 certificated register will be closed for this period		– Comparable
the JSE Limited regarding Dividends Tax, the fol		Diluted earnings per sha
income reserves;		– Basic
0%;	uidends Tay and 200 cents per	– Headline
cents per share for shareholders liable to pay Di Dividends Tax;		– Comparable
531 shares in issue (which includes 2 507 828 t ax reference number is 9400/159/71/2.	reasury shares); and	Calculation of headline e
		Profit attributable to equity
non-executive director from June 2007 and serv		the parent
d on 5 April 2018 after the annual general meet d both personally and professionally. We wish h assumed the role of non-executive chairman and	im well in his retirement. On	Adjusted for:
r.	,	Impairment of goodwill and
ive director with effect from 14 January 2019. L 7 years and served as its Group CEO from 2012.	ouis, an electrical engineer, was His extensive experience of the	assets
ignificantly enhance the skills, capacity and lead	ership capability of the Hudaco	(Profit) loss on disposal of p
neral meeting		equipment
nancial results in Johannesburg and Cape Town		Non-controlling interest and
Anyone wishing to attend should contact Sebol	a Masekwameng at	Headline earnings
tation will be available on the company's websi	te from Friday, 1 February 2019.	Calculation of comparabl
eting will be held at Hudaco's corporate office si	tuated at Building 9, Greenstone	Headline earnings
enstone Hill, Edenvale at 11:00 on Tuesday, 19 M neral meeting will be posted to shareholders du	ring the last week of February	Adjusted for:
ted report that will be published on Hudaco's w	ebsite during February 2019.	Fair value adjustment on ca due to vendors of businesse
roved by the board and abridged for purposes o on the annual financial statements. Both the fin		Non-controlling interest
ion at the company's registered office.		Comparable earnings
udited information, but is not itself audited.		Dividends
y cover all of the information contained in this a n a full understanding of the nature of the audit		– Per share (cents)
companying financial information from the regis	tered office of the company.	
audit firm due to merger	at the Johannechurg office	– Amount (Rm)
agraph 3.75 of the JSE Listings Requirements th merged with BDO South Africa Inc. (BDO) durir	ig the conduct of the Hudaco	Shares in issue (000)
fore the merger, it was completed on 31 Januar co's auditors immediately thereafter.	y 2019 under the auspices of	– Total (000)
ittee of Hudaco has followed the process detail		– Held by subsidiary (000)
ecommended to the Hudaco board that the app val at the next annual general meeting of the co		Weighted average shares
lliers, will remain unchanged.		– Total (000)
GR Dunford		– Diluted (000)
Chief executive		
		SEGMENT INFORMATIC
Banking		
et: www.hudaco.co.za		D million
Registered office	Group secretary	R million
1st Floor, Building 9 Greenstone Hill Office Park	R van Zyl	Consumer-related produ
Greenstone Hill Office Park Emerald Boulevard, Greenstone	Sponsor	- Ongoing operations
Hill, Edenvale Tel +27 11 657 5000	Nedbank Corporate and Investment Banking	- Operations acquired after
Email: info@hudaco.co.za		Engineering consumable
Directors		- Ongoing operations
SJ Connelly (Chairman)*		

ION

		Turnover		Оре	erating pro	fit	Average r	net operatii	ng assets
R million	30 Nov 2018	% change	30 Nov 2017	30 Nov 2018	% change	30 Nov 2017	30 Nov 2018	% change	30 Nov 2017
Consumer-related products	3 491	14,4	3 051	462	7,9	428	1 935	21,6	1 592
- Ongoing operations	3 128	5,7	2 958	414	(1,3)	419	1 649	7,8	1 528
- Operations acquired after December 2016	363		93	48		9	286		64
Engineering consumables	2 910	1,7	2 861	246	(9,7)	272	1 821	6,5	1 710
– Ongoing operations	2 859	0,8	2 836	228	(14,1)	265	1 748	4,7	1 670
– Operations acquired after December 2016	51		25	18		7	73		40
Total operating segments	6 401	8,3	5 912	708	1,0	700	3 756	13,7	3 302
Head office, shared services and eliminations	(20)		(10)	(53)		(24)	25		109
Total group	6 381	8,1	5 902	655	(3,0)	676	3 781	10,9	3 411

"Value-added distribution – our core competency"

ne underlying financial statements.

	30 Nov 2018	30 Nov 2017
Average net operating assets (NOA) (Rm)	3 781	3 411
Operating profit margin (%)	10,3	11,5
Average NOA turn (times)	1,7	1,7
Return on average NOA (%)	17,3	19,8
Average net tangible operating assets (NTOA) (Rm)	2 211	1 970
BITA margin (%)	10,7	11,9
Average NTOA turn (times)	2,9	3,0
Return on average NTOA (%)	31,0	35,7
let asset value per share (cents)	7 927	7 252
Return on average equity (%)	16,3	18,7
Operating profit has been determined after taking nto account the following charges (Rm)		
Depreciation	49	46
Amortisation	30	28
Capital expenditure (Rm)		
Incurred during the period	56	52
Authorised but not yet contracted for	76	66
Commitments		
Operating lease commitments on properties (Rm)	300	301

cquisition of businesses

n 1 June 2018 the group acquired 100% of the business of Boltworld and on September 2018 100% of the business of TPA Security Distributors. The total physideration paid was R136 million.

ant and equipment of R3 million, inventories of R66 million, trade and other receivables FR16 million, trade and other payables of R16 million, cash of R1 million, intangible sets of R8 million and goodwill of R58 million were recognised at dates of acquisition. nese values approximate the fair values as determined under IFRS 3.

ad these acquisitions been made at the beginning of the year, additional turnover of 148 million and profit after interest and tax of R7 million would have been included in e group results and the turnover and profit after interest and tax for the group would ave been R6 529 million and R404 million, respectively.