ADDING VALUE TO LIFESTYLE

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

UNAUDITED RESULTS FOR THE 12 MONTHS ENDED 30 JUNE 2016

PERIOD UNDER REVIEW

MARKUS JOOSTE

CEO

PERIOD UNDER REVIEW

STEINHOFF INTERNATIONAL HOLDINGS N.V.

STEINHOFF UNAUDITED GROUP RESULTS FOR THE 12 MONTHS ENDED 30 JUNE 2016 FROM CONTINUING OPERATIONS (12MFY16)

€13.1bn	€1.5bn	29.5c
REVENUE	OPERATING PROFIT [1]	DILUTED ADJUSTED EARNINGS PER SHARE[3]

CONTINUING OPERATIONS	12MFY16	12MFY15[2]	Growth
Revenue (€m)	13 059	9 818	33%
Operating profit[1] (€m)	1 474	1 115	32%
Profit for the period[1] (€m)	1 186	929	28%
Diluted weighted average number of shares in issue (m)	4 099	3 269	25%
Diluted adjusted earnings per share[3] (c)	29.5	30.3	(3%)

[1] *Before capital items*

[2] *Audited results 12 months ended 30 June 2015*

[3] *Diluted adjusted earnings per share is calculated using diluted earnings per share as determined by IAS 33* Earnings per Share*, and then excluding specific capital items, net of related taxation and related non-controlling interests. This number is required to be reported by the JSE, where the group has its secondary listing, and is defined by Circular 2/2015* Headline Earnings*.*

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS (continuing operations)	12MFY16	12MFY15	Growth
Revenue (€m)	13 059	9 818	33%
Operating profit* (€m)	1 474	1 115	32%
Operating margin	11.3%	11.4%	

Group margin at 11.3% consistent notwithstanding the low margins inherent in the general merchandise category (Pepkor) acquired on 31 March 2015

General Merchandise	12MFY16	Pro Forma 12MFY15
Revenue (€m)	3 455	3 281
Operating profit (€m)	349	312
Operating margin	10.1%	9.5%

Household Goods	12MFY16	12MFY15
Revenue (€m)	8 394	7 622
Operating profit (€m)	1 087	956
Operating margin	12.9%	12.5%

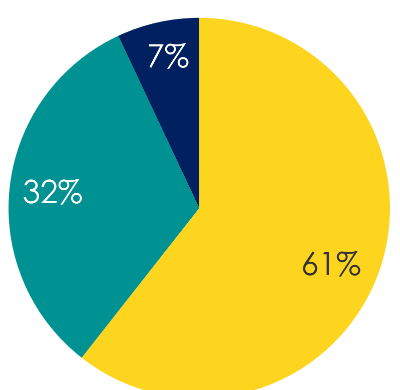
**Operating profit before capital items*

GEOGRAPHICAL ANALYSIS

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

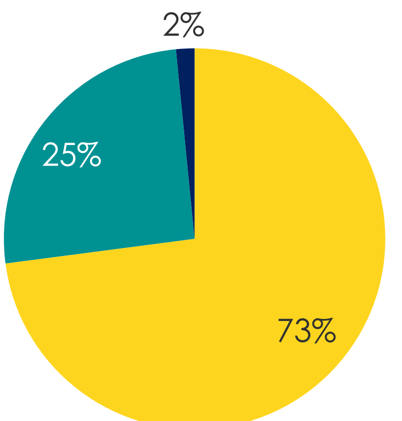
GEOGRAPHICAL ANALYSIS	**Revenue** 12MFY16 €m	Pro forma 12MFY15 €m	% Change	**Operating profit** 12MFY16 €m	Pro forma 12MFY15 €m	% Change
Europe (including UK)	**7 911**	6 736	17%	**1 089**	937	16%
Africa	**4 236**	4 571	(7%)	**362**	358	1%
Australasia	**912**	904	1%	**23**	12	92%
TOTAL	**13 059**	12 211	7%	**1 474**	1 307	13%

Revenue



Europe and UK
Africa
Australasia

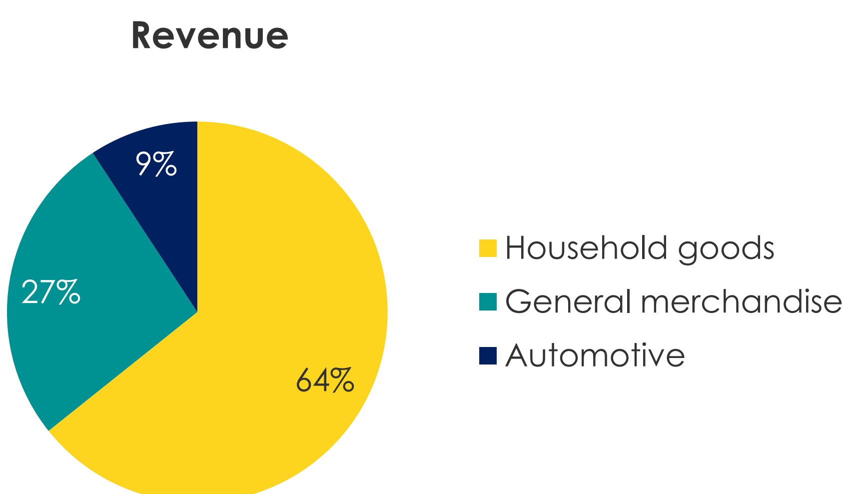
Operating profit

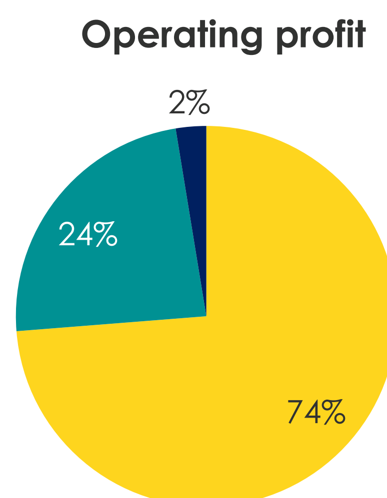


SEGMENTAL ANALYSIS

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

BUSINESS SEGMENTS	Revenue			Operating profit		
	12MFY16 €m	Pro forma 12MFY15 €m	% Growth	**12MFY16 €m**	Pro forma 12MFY15 €m	% Growth
Household goods	**8 394**	7 622	10%	**1 087**	956	14%
General merchandise	**3 455**	3 281	5%	**349**	312	12%
Automotive	**1 210**	1 308	(7%)	**38**	39	(3%)
TOTAL	**13 059**	12 211	7%	**1 474**	1 307	13%





OPERATIONAL REVIEW

HOUSEHOLD GOODS

HOUSEHOLD GOODS

CONFORAMA

RESULTS	**12MFY16**	12MFY15	Growth	Constant currency
Revenue (€m)	**3 499**	3 226	8%	8%
Operating profit (€m)	**179**	160	12%	
Operating margin	**5.1%**	5.0%	10bps	

- Like-for-like sales increased by 4%
- Strong performance in Spain and Portugal continues
- Market share gains in higher margin (core) product categories, although UEFA cup supported strong TV sales (non-core), constraining margin
    - Furniture up 9%
    - Homeware up 9%
    - Television and related products up 13%
- Online sales increased by 16%, representing 6% of total Conforama sales (8% of French sales)

HOUSEHOLD GOODS

ERM

ERM (including kika-Leiner)	12MFY16	12MFY15	Growth	Constant currency (ex kika)
Revenue (€m)	**1 983**	1 391	43%	5%
Operating profit (€m)	**191**	140	36%	
Operating margin	**9.6%**	10.1%	(50 bps)	

- Austria (kika-Leiner) included for seven months (since December 2015) contributing €542million
- Continuous investment in German stores (5 new stores)
- Like-for-like sales in Germany increased by 1%
- German margin benefits from sales mix and low exposure to dollar strength in its procurement strategy
- Repositioning and restructuring in Austrian business on track (like-for-like sales, down)
- Eastern European operations performed well (like-for-like sales, strong growth)

HOUSEHOLD GOODS

UK

RESULTS	**12MFY16**	12MFY15	Growth	Constant currency
Revenue (€m)	**747**	657	14%	12%
Operating profit (€m)	**60**	57	5%	
Operating margin	**8.0%**	8.7%	(70bps)	

- Bedding market continues to grow
    - Benefiting organic growth in Bensons for Beds (#1 bedding retailer in the UK)
- Improved trading densities resulting from store refurbishments
    - 81% of UK estate has been refurbished
- Like-for-like sales increased by 8%

HOUSEHOLD GOODS

AUSTRALASIA

RESULTS	12MFY16	12MFY15	Growth	Constant currency
Revenue (€m)	**304**	286	6%	13%
Operating profit (€m)	**23**	18	28%	
Operating margin	**7.6%**	6.3%	130bps	

- Successful expansion of bedding category in Freedom stores
- Sales from new store format continues to exceed expectations
- Like-for-like sales increased by 12%
- Supply chain and logistics restructure improves efficiencies and margins

HOUSEHOLD GOODS

AFRICA

RESULTS	**12MFY16**	12MFY15	Growth	Constant currency
Revenue (€m)	**804**	980	(18%)	(4%)
Operating profit (€m)	**38**	41	(7%)	
Operating margin	**4.7%**	4.2%	50 bps	

- Challenging economic environment, like-for-like sales down 10% as a result of moving away from credit-dependent customers
  - Improved furniture business model is showing encouraging signs
    - More sustainable cash versus credit mix
      - Credit sales mix reduced to 17% in 12MFY16 (12MFY15: 55%)
- Strong performance from bedding and DIY retail formats
- Good progress made with brand and cost rationalisation programmes

HOUSEHOLD GOODS

STEINHOFF INTERNATIONAL HOLDINGS N.V.

Main developments per business unit 12MFY16 versus 12MFY15

	Revenue	Operating profit	Margin	
TOTAL INTEGRATED RETAIL	% Growth	% Growth	**12MFY16 %**	12MFY15 %
Conforama	8%	12%	**5.1%**	5.0%
ERM	43%	36%	**9.6%**	10.1%
UK	14%	5%	**8.0%**	8.7%
Australasia	6%	28%	**7.6%**	6.3%
Africa	(18%)	(7%)	**4.7%**	4.2%
Total Retail	**12%**	**18%**	**6.7%**	**6.4%**

HOUSEHOLD GOODS

INTEGRATED SUPPLY CHAIN

	12MFY16 €m	12MFY15 €m	Growth
Internal supply chain	**143**	124	15%
External supply chain	**211**	196	8%
Total contribution	**354**	320	11%

- US dollar strength
- European operations benefit from weakening eastern European currencies (against strong dollar) and increased volume
- Benefits from the synergies in optimising the global supply chain include:
  - Increased intra-group trading
  - Additional purchasing volume
- Additional group volume and other rebates
- Logistics cost savings (ocean freight and warehousing)

HOUSEHOLD GOODS

STEINHOFF INTERNATIONAL HOLDINGS N.V.

PROPERTIES

	12MFY16	12MFY15	Growth
Operating profit (€m)	**242**	220	10%
Property value at cost (€m)	**3 335**	3 055	9%
Average property yield (annualised)	**7.6%**	7.2%	

- Additions to property portfolio includes kika-Leiner eastern European properties and Swiss warehouse

HOUSEHOLD GOODS

STEINHOFF INTERNATIONAL HOLDINGS N.V.

TOTAL INTEGRATED RETAIL	Revenue		Operating profit		Margin	
	12MFY16 €m	12MFY15 €m	**12MFY16 €m**	12MFY15 €m	**12MFY16 %**	12MFY15 %
Conforama	**3 499**	3 226	**179**	160	**5.1%**	5.0%
ERM	**1 983**	1 391	**191**	140	**9.6%**	10.1%
UK	**747**	657	**60**	57	**8.0%**	8.7%
Australasia	**304**	286	**23**	18	**7.6%**	6.3%
Africa	**804**	980	**38**	41	**4.7%**	4.2%
Total Retail	**7 337**	6 540	**491**	416	**6.7%**	6.4%
Integrated supply chain (internal)	**-**	-	**143**	124		
Integrated supply chain (external)	**1 016**	1 005	**211**	196		
Properties	**41**	77	**242**	220		
Total integrated retail	**8 394**	7 622	**1 087**	956	**12.9%**	12.5%

OPERATIONAL REVIEW

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

GENERAL MERCHANDISE

GENERAL MERCHANDISE

PEPKOR

RESULTS	12MFY16	Pro Forma 12MFY15*	Growth %	Constant currency
Revenue (€m)	**3 455**	3 281	5%	19%
Operating profit (€m)	**349**	312	12%	
Operating margin	**10.1%**	9.5%	60 bps	

- Market share gains across most territories
  - Store network increased by net 579 stores, predominantly in eastern Europe and South Africa
    - Africa: Resilient sales growth despite depressed consumer, like-for-like sales growth of 9%, with South Africa representing 92% of revenue
    - Eastern Europe: Strong growth, like-for-like sales growth of 19%
    - Australasia: Turn around performance in Australia, like-for-like sales growth of 1%
    - UK and France: Trading as expected, business still in test phase
- Margins benefiting from operating leverage
- Strong cost control

For 12 months

OPERATIONAL REVIEW

STEINHOFF INTERNATIONAL HOLDINGS N.V.

AUTOMOTIVE

AUTOMOTIVE

RESULTS	12MFY16	12MFY15	Growth %	Constant currency
Revenue (€m)	**1 210**	1 308	(7%)	9%
Operating profit (€m)	**38**	39	(3%)	
Operating margin	**3.1%**	3.0%	10bps	

- Like-for-like sales growth 6% despite challenging economic environment

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

RESULTS (continuing operations)	**12MFY16**	12MFY15	Growth
Revenue (€m)	**13 059**	9 818	33%
Operating profit* (€m)	**1 474**	1 115	32%
Operating margin	**11.3%**	11.4%	
Diluted weighted average number of shares in issue (m)	**4 099**	3 269	25%
Diluted adjusted earnings per share (c)	**29.5**	30.3	(3%)

- Effect of rand devaluation on operating profit €61m
- Group margin consistent notwithstanding the low margins inherent in the general merchandise category (Pepkor) acquired on 31 March 2015
  - Solid margin growth in household goods and general merchandise segment, largely as a result of improved efficiencies inherent in the group's vertically integrated supply chain
- Diluted adjusted earnings per share down 3% despite
  - 25% increase in number of weighted shares (relating to Pepkor acquisition in 2015)
  - 17% devaluation in South African rand

**Operating profit before capital items*

FINANCIAL REVIEW

STEINHOFF INTERNATIONAL HOLDINGS N.V.

INCOME STATEMENT

	12MFY16 €m	12MFY15 €m	Change
Revenue	**13 059**	9 818	33%
EBITDA	**1 706**	1 277	34%
Depreciation and amortisation	**(232)**	(162)	43%
Operating profit before capital items	**1 474**	1 115	32%
Capital items	**(13)**	182	
Operating profit	**1 461**	1 297	13%
Net finance costs	**(143)**	(128)	12%
Equity accounted earnings	**65**	41	59%
Taxation	**(205)**	(96)	114%
Profit from continuing operations	**1 178**	1 114	6%
Discontinued operations	**(5)**	(155)	(97%)
Profit for the period	**1 173**	959	22%

- Increase in finance costs impacted largely by:
  - Repurchase of shares
  - Additional debt as a result of the Pepkor acquisition towards the end of the prior year

- Associate income increases as a result of the inclusion of PSG Group
  - Recognised as associate on 30 June 2015

FINANCIAL REVIEW

STEINHOFF INTERNATIONAL HOLDINGS N.V.

CASH FLOW

	12MFY16 €m	12MFY15 €m
Cash flow from operating activities before working capital	**1 712**	1 375
Working capital changes	**(554)**	568
Cash generated from operations	**1 158**	1 943
Finance charges, dividends, tax and other	**(357)**	(468)
Net cash inflow from operations	**801**	1 475
Net cash flow from investing activities	**(1 479)**	(1 536)
Replacement capex	**(217)**	(109)
Expansion capex	**(392)**	(235)
Other investing activities	**(870)**	(1 192)
Net cash inflow from financing activities	**1 587**	1 721
Net increase in cash and cash equivalents	**909**	1 660
Effects of exchange rate translations on cash and cash equivalents	**(134)**	13
Cash and cash equivalents at beginning of period	**2 794**	1 121
Cash and cash equivalents at end of period	**3 569**	2 794

FINANCIAL REVIEW

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

STATEMENT OF FINANCIAL POSITION

	30 June 2016 €m	30 June 2015 €m
Goodwill and intangible assets	9 595	9 955
Property plant and equipment	4 789	4 296
Other non-current assets	2 007	1 663
Working capital	(593)	(413)
Other current assets	1 023	656
Net debt	(2 812)	(1 926)
Deferred tax	(931)	(803)
Net assets	13 078	13 428
Total equity	13 078	13 428

- Rand translation rate devalued with 21% against the euro at reporting date
  - African assets amounts to approximately one third of the group's assets
  - €1.3bn unrealised decreasing effect on equity

QUESTIONS & ANSWERS

THANK YOU

THE WORLD OF STEINHOFF
ADDING VALUE
TO YOUR
lifestyle