



**Long4Life Limited**  
(previously Long4Life Proprietary Limited)  
(Incorporated in South Africa)  
(Registration Number: 2016/216015/06)  
("Long4Life" or "the Company")

## **MEDIA RELEASE**

### **RESULTS ANNOUNCEMENT**

*"Long4Life has completed its first eleven months since listing in April 2017. We have assembled a well-experienced, entrepreneurial team, and accumulated the company's foundation assets, namely, Sportsmans Warehouse, Outdoor Warehouse and Performance Brands, Sorbet, Inhle Beverages, and more recently (after year end), Chill Beverages. Our results for this period include the contributions from the newly-acquired companies for a four-month period only, while we show interest earned and corporate costs for the full eleven months. Our leisure and lifestyle businesses have since been organised into our core divisions and have been repositioned for future growth.*

*"We have had a small, but exciting and successful start, and our big vision of creating a growth focused investment company that delivers superior growth to shareholders, and benefits to all our other stakeholders, remains firmly intact. We continue to actively assess investment opportunities, which complement the existing assets, as well as other opportunistic possibilities."*

**Brian Joffe, CEO**

#### **KEY FEATURES (for the eleven-month period ended 28 February 2018)**

- **Successfully listed on the JSE on 7 April 2017: R2 billion capital raised**
- **Acquisitions of Sportsmans Warehouse, Outdoor Warehouse and Performance Brands (housed within previously listed Holdsport Limited), Sorbet and Inhle Beverages, as well as Chill Beverages (post period end)**
- **Decentralised operating structure implemented**
- **Reported results include trading results of acquired companies for a four month period while interest earned on capital raised pursuant to the listing, net of corporate expenses, is for the full eleven months**
- **Strong balance sheet with R1,7 billion in cash**
- **Well-resourced to continue pursuit of growth opportunities including additional acquisitions**
- **Maiden dividend declared of 5,4 cents per share**

**Johannesburg, 9 May 2018:** Investment company, Long4Life, which was listed on the JSE Limited on 7 April 2017 and which has acquired Sportsmans Warehouse, Outdoor Warehouse, Performance Brands, Sorbet and Inhle Beverages, as well as Chill Beverages (post period end), has reported group revenue for the period ended 28 February 2018, amounting to R730.66 million.

The reported results include trading results of the acquired companies for a four-month period while interest earned on capital raised pursuant to the listing, net of corporate expenses, is for the full eleven months.

The acquired businesses have performed in line with expectations and have been positioned for growth. The companies are primarily wholly owned, which enables the full benefit of cash flows. Management is currently focused on numerous opportunities that exist to leverage off the foundation of these assets, including the extension of existing products and services, expanding the geographic footprint, as well as through complementary and bolt-on acquisitions.

The group's operating profit for the four months totalled R117.04 million, while interest earned for eleven months on cash balances, which totalled R1.7 billion at the end of the period, amounted to R128.48 million. Basic earnings attributable to shareholders of the Company was R168.95 million with headline earnings at R170.39 million. Based on 564,066,872 weighted average number of outstanding shares in issue, this translated into basic earnings and headline earnings of 30.0 cents and 30.2 cents, respectively.

The board has declared a maiden dividend of 5,4 cents per ordinary share in respect of the period ended 28 February 2018.

CEO, Brian Joffe, commented, "Our focus since listing has been on the constitution of the board and bringing together an executive team that has a proven entrepreneurial business record and operating philosophy. Foundation assets, primarily in the leisure and lifestyle sector, were targeted and acquired, and positioned into our decentralised divisional structures of Sport and Recreation, Personal Care and Wellness, and Beverages".

Long4Life's emphasis on the decentralisation of operations and management responsibility is complemented by strategic and financial input, guidance and support to the management teams within the various structures, which include:

- **Sport and Recreation Division:** The acquisition of Sportsmans Warehouse, Outdoor Warehouse and Performance Brands (all previously held under the Holdsport company structure) has been transformational for Long4Life. It has added substance and scale while presenting considerable opportunity over and above the existing product and service offering that was already firmly established at the time of purchase. Trading at Sportsmans Warehouse has been in line with expectation, while Outdoor Warehouse has been trading above expectation. The division's Performance Brands, specifically, First Ascent, Cape Storm, Second Skins and African Nature are well-established in the market and are gaining momentum, while progress has been good in terms of the fledgling e-commerce strategy which is showing exciting potential for robust future sales and profitability.

- **Personal Care and Wellness Division:** Sorbet was acquired to form the basis for the group's foray into the wellness, health and beauty sector, which has the potential for significant expansion through acquisition and bolt-on opportunities. The full extent and the leverage of Sorbet's offering, new products and ongoing initiatives is still to be derived. Additionally, meaningful benefits are anticipated through planned refinements to the supply chain and improved efficiencies in several areas of the business.
- **Beverages Division:** Long4Life's first acquisition in this division was Inhle Beverages, this subsequently having been complemented by the acquisition (post period end) of Chill Beverages. Through these acquisitions, Long4Life has managed to accelerate its entrée into the beverage industry. The various synergies that exist and which can be brought to bear between these complementary businesses, coupled with a broader national coverage afforded by their respective operational locations, presents exciting opportunities for Long4Life to enhance its presence in the growing South African beverage space.

## **BBBEE**

Long4Life is committed to enhancing black economic empowerment and participation, and to this end is currently negotiating the introduction of additional BBBEE shareholders. If successfully implemented, it is anticipated that this will increase existing effective BBBEE ownership in Long4Life to approximately 20%.

## **VENTURE CAPITAL**

Long4Life's board recently approved the allocation of R100 million to venture capital opportunities. The fund will provide seed-funding in selected opportunities aimed at enhancing our vision in leisure and lifestyle. Additionally, this will assist in the development of South Africa's vast collective of emerging entrepreneurs, by supporting individuals and small- to medium-sized companies in the pursuit of their respective endeavours of bringing products and services to market. An early investment for the fund is the acquisition of a 49% stake in lifestyle footwear company, Veldskoen Shoes. This company owns the iconic Veldskoen and Plakkies trademarks and operates the website [www.veldskoen.shoes](http://www.veldskoen.shoes).

## **PROSPECTS**

As the South African economy transforms further under its new political leadership, and even though the full extent and benefit of these changes is still to materialise, Long4Life is ideally positioned to take advantage of the opportunities that will result. This relates not only to the current portfolio of assets that have the capability of expansion and an ability to enhance efficiencies to adapt to current market circumstances, but also to pursue other value enhancing businesses. The Company's overriding objectives continue to be expansion at a pragmatic rate and delivering above-average growth. This will be achieved by ensuring quality operating earnings from strong cash generating businesses and acquisitions with appropriately assessed risk characteristics.

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**NOTE TO EDITORS:**

**ISSUED ON BEHALF OF:** LONG4LIFE

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