

## MARKET UPDATE FOR QUARTER ENDED 30 SEPTEMBER 2018

**BauMart Holdings Limited (ASX: BMH)** ("BauMart" or the "Company") is pleased to present its quarterly cash report for the period ended 30 September 2018 and advises:

### Materials Handling Supply Division

- Another strong quarter of revenue for the division, bolstered by stable recurring orders from long-term customers
- The acceleration of revenues is very pleasing and validates the decision to establish a presence in the major states of Australia which has enabled the division to directly service each region
- Results were boosted by cyclical capital orders from customers in the pharmaceutical and food & beverage industries. The pipeline of these capital orders remains strong
- A tightened sales strategy is focusing on developing these opportunities to generate recurring revenues for export projects
- Stronger commodity pricing has resulted in an increase of orders from the resources industry, the most vibrant activity the division has seen for 2 years
- The December quarter is the busiest on the supply chain calendar, in planning for this the division has invested in additional stock to meet anticipated demand and to ensure existing deliveries for ongoing purchase orders are not delayed

### Building Materials Supply Division

- Sale and distribution of glass products continued its positive trend during the quarter
- The natural stone division completed a successful marketing trip to the eastern states during the quarter
- The sales team visited major pool building projects it has supplied in Queensland (see photos below) and is working towards a preferred supplier status for each of these customers. Queensland is the division's most vibrant region in Australia and the establishment of a distribution centre is planned in the December quarter
- Sales of natural stones and wood plastic composite decking are on a positive growth trend with momentum continuing into FY19



Figure 1 - Fortitude Valley, QLD apartment pool project



Figure 2 - Another QLD pool project

## Other Income

- The Company's operator of its glass processing equipment recorded a profit for FY18 and continue to progress options for profitable growth in the eastern states market
- The Company's continued focus on ensuring that its asset is operated to its full potential is reflected in the operator's improved performance for the quarter

## Unaudited quarter results

Sales Revenue	Sep 2018 Qtr. \$	Sep 2017 Qtr. \$
Materials Handling	823,920	389,933
Building Materials	294,129	139,093
Other Income	144,281	164,595
<b>Total</b>	<b>1,262,330</b>	<b>693,621</b>

## **AUTHORISED BY:**

Matthew Logan

**Executive Director**

## About BauMart Holdings Limited

BauMart Holdings Limited is listed on the Australian Securities Exchange (ASX: BMH). It is a supplier of building products to the residential and commercial construction industries. The Company has invested in automated glass-processing equipment that is capable of producing a range of custom-made glass products for supply to the building construction industry. In addition to this, BauMart is a leading supplier of plastic materials handling products, such as pallets and crates, to the pharmaceutical, agricultural, industrial, mining, energy and export markets in Australia. BauMart is headquartered in Perth and has operations in Sydney, Melbourne and Brisbane.

## For further information, please contact:

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

**BAUMART HOLDINGS LIMITED**

**ABN**

**87 602 638 531**

**Quarter ended ("current quarter")**

**30 SEPTEMBER 2018**

<b>Consolidated statement of cash flows</b>	<b>Current quarter (September 2018) \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,189	1,189
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(10)	(10)
(d) leased assets	-	-
(e) staff costs	(116)	(116)
(f) administration and corporate costs	(70)	(70)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material) <sup>1</sup>	(1,261)	(1,261)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(267)</b>	<b>(267)</b>

1. Payments for inventory and other general working capital

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-

Consolidated statement of cash flows		Current quarter (September 2018) \$A'000	Year to date (3 months) \$A'000
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) <sup>1</sup>	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	-	-

1. Short term secured loan (net)

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	439	439
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(267)	(267)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter (September 2018) \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter/year to date</b>	<b>172</b>	<b>172</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	13	280
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) <sup>1</sup>	159	159
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>172</b>	<b>439</b>

1. Cash placed on deposit to secure bank guarantees in respect of obligations entered into for office/warehouse rental

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	(60)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Director's wages/fees and superannuation

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. <b>Estimated cash outflows for next quarter<sup>1</sup></b>	<b>\$A'000</b>
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(19)
9.4 Leased assets	-
9.5 Staff costs	(133)
9.6 Administration and corporate costs	(69)
9.7 Other (provide details if material) <sup>2</sup>	(939)
<b>9.8 Total estimated cash outflows</b>	<b>(1,160)</b>

1. Estimated cash outflows for the next quarter do not include any sales receipts
2. Payments for inventory to support sales and other general working capital

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	Nil	Nil
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
(Executive Director)

Date: **12 OCTOBER 2018**

Print name: Matthew Logan

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.