

## **MARKET UPDATE FOR QUARTER ENDED 30 SEPTEMBER 2019**

**BauMart Holdings Limited (ASX: BMH)** ("BauMart" or the "Company") is pleased to present its quarterly cash report for the period ended 30 September 2019 and advises:

### **Materials Handling Supply Division**

- Positive quarter of revenue for the division, achieving \$858K for Q1 FY20, which is historically the quietest period of the year
- The sales team conducted several marketing trips to Sydney, Melbourne, Brisbane and Adelaide during the quarter to promote newly-developed pallets and crates. Management anticipate that these efforts will generate sizeable future orders for the division
- The addition of complementary product ranges to the existing distribution platform remains a key focus for FY20
- The division has also focused on optimising stock levels to narrow down lead times, better manage marketing campaigns and improve margins
- In addition, the operations team reduced variable costs on integrated supply chain components which is in line with key innovation and streamlining initiatives
- During the quarter the division commenced a feasibility study evaluating a new region expansion during FY20. The data looks promising and the division will progress the studies during Q2 – Q3 FY20

### **Building Materials Supply Division**

- Sizeable orders for natural stone projects in the eastern states have been confirmed during the quarter and is expected to be realised in Q2 FY20, subject to production completion and supply chain coordination
- The natural stone partnership in Queensland has a good pipeline of higher volume opportunities which is in line with the division's growth strategy to target custom-made orders
- The sales team is planning another marketing trip to the eastern states but it is likely to be in Q3 FY20
- Sale and distribution of glass products ceased during the quarter, which resulted in a significant variance to the comparable period

### **Other Income**

- During the quarter the Group finalised its R&D claim of \$253,251 under the Federal Government's Research and Development (R&D) Tax Incentive program. The funds were receipted during the quarter
- The Company finished the quarter with no further updates in relation to the operator of its glass processing equipment
- Subsequent to the end of the quarter, the Company announced a 3 year finance lease for the provision of underground mining equipment (see ASX: BMH release dated 4 October 2019). The underground mining equipment project is on track with final inspection scheduled at the end of October. It is expected to begin generating interest income in Q2 FY20

**Unaudited results**

| Sales Revenue      | Sep 2019 Qtr.<br>\$ | Sep 2018 Qtr.<br>\$ |
|--------------------|---------------------|---------------------|
| Materials Handling | 857,951             | 823,920             |
| Building Materials | 36,557              | 294,129             |
| Other Income       | 148,610             | 144,281             |
| <b>Total</b>       | <b>1,043,118</b>    | <b>1,262,330</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.

BauMart, through its wholly-owned subsidiary, Buildmart Services Pty Ltd, is focused on delivering high-quality project management services with experience in residential and commercial construction, and through its experienced management team, leverages its procurement expertise and supplier network to provide end-to-end supply and procurement services in a broad range of sectors.

**For further information, please contact:**

Matthew Logan, Executive Director

T: +61 8 6558 0814

E: [info@baumart.com.au](mailto:info@baumart.com.au)

## 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 2019**

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>(September 2019)<br/>\$A'000</b> | <b>Year to date<br/>(3 months)<br/>\$A'000</b> |
|-----------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                                                         |                                                |
| 1.1 Receipts from customers                               | 2,051                                                   | 2,051                                          |
| 1.2 Payments for                                          |                                                         |                                                |
| (a) research and development                              | -                                                       | -                                              |
| (b) product manufacturing and operating costs             | -                                                       | -                                              |
| (c) advertising and marketing                             | (17)                                                    | (17)                                           |
| (d) leased assets                                         | -                                                       | -                                              |
| (e) staff costs                                           | (127)                                                   | (127)                                          |
| (f) administration and corporate costs                    | (91)                                                    | (91)                                           |
| 1.3 Dividends received (see note 3)                       | -                                                       | -                                              |
| 1.4 Interest received                                     | -                                                       | -                                              |
| 1.5 Interest and other costs of finance paid              | -                                                       | -                                              |
| 1.6 Income taxes paid                                     | -                                                       | -                                              |
| 1.7 Government grants and tax incentives                  | 253                                                     | 253                                            |
| 1.8 Other (provide details if material) <sup>1</sup>      | (1,461)                                                 | (1,461)                                        |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>608</b>                                              | <b>608</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              | (1) | (1) |
| (b) businesses (see item 10)                   | -   | -   |

| Consolidated statement of cash flows |                                                       | Current quarter<br>(September 2019)<br>\$A'000 | Year to date<br>(3 months)<br>\$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) <sup>1</sup>      | (674)                                          | (674)                                 |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(675)</b>                                   | <b>(675)</b>                          |

1. Deposit payment for underground mining equipment project announced on 4 October 2019

|             |                                                                             |          |          |
|-------------|-----------------------------------------------------------------------------|----------|----------|
| <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)                                         | -        | -        |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                       | <b>-</b> | <b>-</b> |

|           |                                                                              |       |       |
|-----------|------------------------------------------------------------------------------|-------|-------|
| <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               | 336   | 336   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | 608   | 608   |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (675) | (675) |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | -     | -     |

| Consolidated statement of cash flows |                                                                 | Current quarter<br>(September 2019)<br>\$A'000 | Year to date<br>(3 months)<br>\$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>269</b>                                     | <b>269</b>                            |

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1 | Bank balances                                                                                                                                                        | 110                        | 177                         |
| 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>269</b>                 | <b>336</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<br>\$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<br>\$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><br><i>Add notes as necessary for an understanding of the position</i>                                                                                                                                                                             | Total facility amount<br>at quarter end<br>\$A'000 | Amount drawn at<br>quarter end<br>\$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                                  | (7)            |
| 9.4 Leased assets                                              | -              |
| 9.5 Staff costs                                                | (147)          |
| 9.6 Administration and corporate costs                         | (87)           |
| 9.7 Other (provide details if material) <sup>2</sup>           | (1,117)        |
| <b>9.8 Total estimated cash outflows</b>                       | <b>(1,358)</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: **22 OCTOBER 2019**

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.