

MARKET UPDATE FOR QUARTER ENDED 31 DECEMBER 2019

BauMart Holdings Limited (ASX: BMH) (“BauMart” or the “Company”) is pleased to present its quarterly cash report for the period ended 31 December 2019 and advises:

Materials Handling Supply Division

- Delivered strong quarter of revenue, achieving \$951K for Q2 FY20
- The operations team focused on closing sizeable pipeline opportunities from recent marketing trips to the eastern states
- The team continued to add complementary product ranges to the existing distribution platform with more expected during Q3 and Q4 FY20. The addition of highly synergistic products is a primary focus for the division
- Operational and sales infrastructure enhanced with additions to the support team. Perth distribution operations were relocated to more modern office and warehouse facilities during the quarter
- The division received its first order from a New Zealand reseller during the quarter, triggering a decision to progress with expansion plans in this region

Building Materials Supply Division

- During the quarter, backorders for natural stone projects in the eastern states were completed
- The natural stone partnership in Queensland has a good pipeline of confirmed orders with other higher volume opportunities expected to be completed during Q3 or Q4 FY20
- Partnership with a leading stone reseller in the Victoria region showing positive activity and giving management confidence to expand the natural stone distribution business in line with the division’s growth strategy
- The sales team is planning another marketing trip to the eastern states, but it is likely to be in Q3 or Q4 FY20
- Sales and distribution of wood plastic composite products ceased during the quarter, which resulted in a variance to the comparable period

Other Income

- The underground mining equipment project experienced an approximate 1-month delay following an unforeseen vessel breakdown during transit. The equipment is scheduled to arrive in the second week of February 2020 with commissioning to commence shortly after this. Interest income begun in Q2 FY20.
- The Company finished the quarter with no further updates in relation to the operator of its glass processing equipment

Unaudited results

Sales Revenue	Dec 2019 Qtr. \$	Dec 2018 Qtr. \$	FY20 \$	FY19 \$
Materials Handling	951,155	839,357	1,809,106	1,664,387
Building Materials	161,489	240,243	198,046	534,372
Other Income	250,882	144,281	399,492	288,562
Total	1,363,526	1,223,881	2,406,644	2,487,321

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:

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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")

31 DECEMBER 2019

Consolidated statement of cash flows	Current quarter (December 2019) \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,181	3,232
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(8)	(25)
(d) leased assets	-	-
(e) staff costs	(130)	(257)
(f) administration and corporate costs	(84)	(175)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	106	106
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	253
1.8 Other (provide details if material) ¹	(1,031)	(2,492)
1.9 Net cash from / (used in) operating activities	34	642

1. Payments for inventory and other general working capital

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(2)
(b) businesses (see item 10)	-	-

Consolidated statement of cash flows		Current quarter (December 2019) \$A'000	Year to date (6 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) ¹	(4)	(678)
2.6	Net cash from / (used in) investing activities	(5)	(680)

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

3.	Cash flows from financing activities		
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)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	269	336
4.2	Net cash from / (used in) operating activities (item 1.9 above)	34	642
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(680)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter (December 2019) \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter/year to date	298	298

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	139	110
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) ¹	159	159
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	298	269

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

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter
\$A'000

(60)

-

- 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

- 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

Current quarter
\$A'000

-

-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

N/A

8. Financing facilities available <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. Estimated cash outflows for next quarter¹	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(23)
9.4 Leased assets	-
9.5 Staff costs	(155)
9.6 Administration and corporate costs	(76)
9.7 Other (provide details if material) ²	(1,121)
9.8 Total estimated cash outflows	(1,375)

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. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
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: **29 JANUARY 2020**

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.