
















01 Our Huge story

Creating Huge Value for Stakeholders

| |  SHAREHOLDERS |  FUNDERS |  EMPLOYEES |  CUSTOMERS |  SERVICE PROVIDERS |  BUSINESS PARTNERS |  PROFESSIONAL ADVISORS |
|---|---|---|---|--|--|--|--|
| How did this stakeholder assist Huge to deliver the Growing Huge Strategy? | Shareholders provide Huge with equity capital. Huge requires the equity capital to grow. Shareholders provide the equity capital in the hope of a return. | Debt providers provide Huge with debt capital, which we require in order to grow. This debt capital is provided in return for an acceptable rate of interest. | Employees provide Huge with the skills to deliver on a services-based business model. Employees assisted Huge in generating returns on capital employed. Given the substitution of capital in place of labour in a modern enterprise, the human component retained in a business is central to its ability to function. | Huge's customer real estate is the reason why Huge is in business and continues to operate. Huge's customer real estate underpins the Growing Huge Strategy and provides the foundation from which Group is able to deliver value to its other stakeholders. | Service providers supply Huge with good quality products and services which are suitable to enable Huge to deliver value to our customer real estate. | Business Partners provide Huge with an efficient, effective, fast and broad-based method of distributing our products and services to our customer real estate. | A key tenant of Huge's risk management is based on utilising suitably experienced and expert professional advisors. Doing so enables Huge to structure transactions and commercial arrangements in a manner which best protects the value of its stakeholders. |
| How did Huge create value for this stakeholder? | <p>Huge has increased the return on shareholders' capital significantly, with earnings per share increasing from 12.8c to 56.4c in the last five years.</p> <p>Huge distributed circa R21.9 million to shareholders in the form of a dividend, bringing total dividends paid to R27 million.</p> <p>This shift in emphasis toward cash generation had several consequences for the Group, including the appointment of suitably aligned personnel and a change in the contractual commitments with service providers.</p> | Huge offers debt providers with interest income. During FY2019, Huge paid R12.5 million to Futuregrowth in interest payments on our facilities. | In three years, Huge's staff complement has grown from 120 to 344 employees. For FY2019 Huge paid salaries of R130 million. | Huge continues to seek ways of providing its customer real estate with simple, understandable, quality services at good value. Communications is an essential service or utility without which customers have no way of conducting their business. Huge provides its customer real estate with access to connections and facilitates economic expansion. | Service providers are a direct beneficiary of the Growing Huge Strategy. They are first in line to share in Huge's success. Over the past years, Huge has spent R242 million with our service providers. | Huge's business model of relying largely on an indirect distribution model has facilitated the incubation and growth of many Business Partners. At the end of FY2019 the Group had 560 active Business Partners. During FY2019, Huge paid R44.1 million to its Business Partners in the form of commissions. Where Huge has not built a large direct sales capacity in the form of a direct distribution model, we have created the potential for substantial employment and value creation among our Business Partners network. | During FY2019, Huge paid R7 million in fees to professional advisors. |
| How do we plan to continue creating value with this stakeholder in the future? | Ultimately Huge aspires to becoming a top 100 listed company on the JSE, with a market capitalisation in excess of R11.5 billion. | Huge can create avenues for debt investment if we are successful in delivery of the Growing Huge Strategy. | Huge continues to seek new ways of growing organically and growing organically at a greater rate. We will also continue to seek new ways of creating efficiencies and we are in the process of developing models which reward employees for their participation in the Growing Huge Strategy. Huge's growth aspirations must be achieved in an environment where people want to come to work and enjoy their work experiences. Fostering the Group's culture is key to the Growing Huge Strategy. | Huge recognises that it has the ability to assist SMEs in remaining sustainable in a challenging economic environment. Huge looks forward to continuing to play a role in assisting SMEs in growing the South African economy. Referrals will assist Huge to grow its customer real estate. | Huge intends working with its service providers to bring new and innovative services to Huge's customer real estate. We also intends to work with services providers to continue delivering cost effective and efficient solutions through an expanded network of trusted Business Partners. | While there are sectors of the Group which support a direct sales approach, Huge continues to rely mainly on our Business Partners. Huge will seek to add to our network of Business Partners. In addition, Huge facilitates the formation of new entities and in a number of cases, new empowerment entities. | As the Board views risk management as central to the delivery of the Growing Huge Strategy, it anticipates that it will continue to rely on professional advisors who support the development of Huge. |
| Link to Six Capitals Report |  |  |  |   |  |  |  |