



Summary consolidated income statement – audited

R'000	Year ended 28 June 2020 (52 weeks)	Year ended 30 June 2019 (53 weeks)	% change
Revenue	10 090 910	10 821 235	(7)
Cost of sales	(7 565 860)	(8 101 229)	(7)
Gross profit	2 525 050	2 720 006	(7)
Selling and marketing expenses	(1 765 022)	(1 884 034)	(6)
Administrative expenses	(282 531)	(279 056)	1
Other operating expenses	(4 377)	(13 288)	(67)
Other income	47 192	15 397	>100
Operating profit	520 312	559 025	(7)
Finance cost	(191 518)	(4 190)	>100
Finance income	65 182	57 878	13
Profit before income tax	393 976	612 713	(36)
Income tax expense	(121 306)	(180 294)	(33)
Profit for the year	272 670	432 419	(37)
Attributable to:			
- Owners of the company	267 371	427 357	(37)
- Non-controlling interests	5 299	5 062	5
272 670	432 419	(37)	
Earnings per share (cents)	1 176.7	1 881.3	(37)
Diluted earnings per share (cents)	1 176.1	1 880.6	(37)

Summary consolidated statement of comprehensive income – audited

R'000	Year ended 28 June 2020 (52 weeks)	Year ended 30 June 2019 (53 weeks)
Profit for the year	272 670	432 419
Other comprehensive income reclassifiable to profit or loss:		
Total movement in foreign currency translation reserve (FCTR)	25 882	4 708
Attributable to:		
- Owners of the company	22 223	5 083
- Non-controlling interests	3 659	(375)
Total comprehensive income for the year	298 552	437 127
Total comprehensive income attributable to:		
- Owners of the company	289 594	432 440
- Non-controlling interests	8 958	4 687
298 552	437 127	

Summary consolidated statement of financial position – audited

R'000	28 June 2020	30 June 2019
ASSETS		
Non-current assets	2 974 780	1 716 090
Property, plant and equipment	2 394 577	1 129 283
Intangible assets	423 101	426 398
Rent prepayments	-	66 470
Investment property	57 924	28 158
Deferred income tax assets	99 178	65 781
Current assets	3 370 868	2 278 575
Inventories	1 266 587	1 541 295
Trade and other receivables	103 477	117 807
Prepayments	40 319	25 747
Assets held for sale	8 703	3 576
Cash and deposits	1 951 582	590 150
Total assets	6 345 648	3 994 665
EQUITY AND LIABILITIES		
Shareholders' equity	2 155 015	2 187 400
Share capital and reserves	2 116 616	2 156 701
Non-controlling interests	38 399	30 699
Non-current liabilities	1 467 728	224 285
Lease liabilities	1 432 590	-
Deferred operating lease liability	-	187 378
Deferred income tax liability	35 138	36 907
Current liabilities	2 722 905	1 582 980
Trade and other liabilities	2 521 681	1 554 567
Lease liabilities	182 610	-
Current income tax liabilities	18 614	28 413
Total equity and liabilities	6 345 648	3 994 665

Additional information

R'000	Year ended 28 June 2020 (52 weeks)	Year ended 30 June 2019 (53 weeks)
Net asset value per share (cents)	8 470	8 636
Net asset value per share (excluding treasury shares)	9 315	9 500
Ordinary shares ('000s):		
- In issue	24 990	24 990
- Weighted-average	22 722	22 716
- Diluted weighted-average	22 734	22 725
Capital investment	170 093	203 556
Depreciation of property, plant and equipment	349 545	131 380
Amortisation of intangible assets	5 275	6 517
Capital commitments	158 344	142 854
Property operating lease commitments	-	1 989 949
Contingent liabilities	6 794	16 022

Summary consolidated statement of cash flows – audited

R'000	Year ended 28 June 2020 (52 weeks)	Year ended 30 June 2019 (53 weeks)
Cash flows from operating activities	2 108 499	213 079
Cash generated from operations	(191 518)	(4 190)
Interest paid	800	337
Interest received - non-investing	(135 748)	(251 414)
Taxation paid	1 782 033	(42 188)
Net cash generated from/(utilised in) generated from operating activities	1 782 033	(42 188)
Cash flows from investing activities	(135 772)	(195 503)
Net investment in assets	(29 766)	-
Increase in investments	64 382	57 541
Interest received	(101 156)	(137 962)
Net cash utilised in investing activities	(101 156)	(137 962)
Cash flows from financing activities	(135 717)	(1 051)
Finance lease payments	(196 978)	(178 960)
Dividends paid:	(1 258)	(1 713)
- Own equity	(196 978)	(178 960)
- Non-controlling interests	(282)	(53)
Net cash utilised in financing activities	(333 953)	(181 724)
Net increase/(decrease) in cash and cash equivalents	1 346 924	(361 874)
Cash and cash equivalents at beginning of year	590 150	952 929
Effect of exchange rate movements on cash and cash equivalents	14 508	(905)
Cash and cash equivalents at end of year	1 951 582	590 150

Summary consolidated segmental analysis – audited

R'000	Group		South Africa		P&L Hardware business		Other members of common monetary area*		Botswana, Malawi and Zambia	
	Year ended 28 June 2020	Year ended 30 June 2019	Year ended 28 June 2020	Year ended 30 June 2019	Year ended 28 June 2020	Year ended 30 June 2019	Year ended 28 June 2020	Year ended 30 June 2019	Year ended 28 June 2020	Year ended 30 June 2019
	Income statement									
Revenue	10 090 910	10 821 235	7 919 278	8 475 594	1 125 009	1 258 394	579 031	613 587	467 592	473 660
Operating profit	520 312	559 025	443 444	524 629	17 108	(8 493)	31 213	35 074	28 547	7 815
Statement of financial position										
Segment assets	6 345 648	3 994 665	4 416 716	2 435 673	864 073	768 877	652 373	529 141	412 486	260 974
Segment liabilities	4 190 633	1 807 265	2 857 876	795 192	829 040	737 174	251 049	127 073	252 668	147 826
Other segment items										
Number of stores	318	315	228	224	61	59	16	18	13	14
Depreciation	349 545	131 380	279 352	103 674	33 095	11 575	16 084	8 073	21 014	8 058
Amortisation	5 275	6 517	5 003	6 253	3	8	93	162	176	94
Capital investment	170 093	203 556	135 079	166 203	6 387	12 037	9 722	19 642	18 905	5 674

* Includes Namibia, Swaziland and Lesotho

Commentary

Nature of business
Cashbuild is southern Africa's leading retailer of quality building materials and associated products, selling direct to a cash-paying customer base through our constantly expanding chain of stores (318 at the end of this financial year which includes one DIY store and 61 P&L Hardware stores). Cashbuild carries an in-depth quality product range tailored to the specific needs of the communities we serve. Our customers are typically home-builders and improvers, contractors, farmers, traders, as well as all other customers requiring quality building materials at the best value.

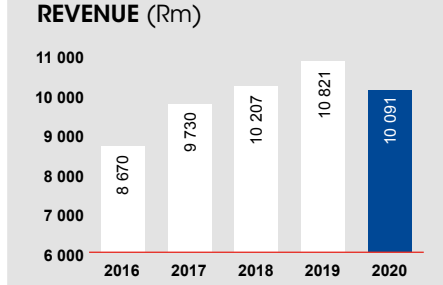
Cashbuild has built its credibility and reputation by consistently offering its customers quality building materials at the best value and through a purchasing and inventory policy that ensures customers' requirements are always met.

International Financial Reporting Standards
The Group is reporting its annual audited results in accordance with International Financial Reporting Standards ("IFRS").

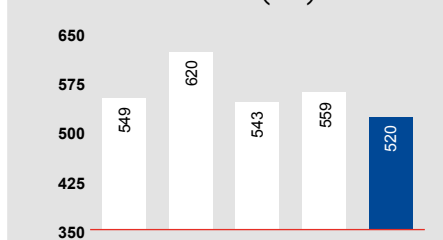
Financial highlights
Revenue for the year decreased by 7%. Revenue for stores in existence prior to July 2018 (pre-existing stores – 296 stores) decreased with 10% and our 22 new stores provided a 3% increase. Gross profit decreased by 7% with gross profit percentage decreasing from 25.1% to 25.0%. This was achieved in tough trading conditions impacted by Covid-19 with selling price inflation of 2%.

Operating expenses, including new stores, remained well controlled and decreased by 7% (existing stores 10% and new stores contributed a 3% increase) resulting in operating profit decreasing by 7%. Basic earnings per share decreased by 37% with headline earnings per share also decreasing by 40% from the prior year.

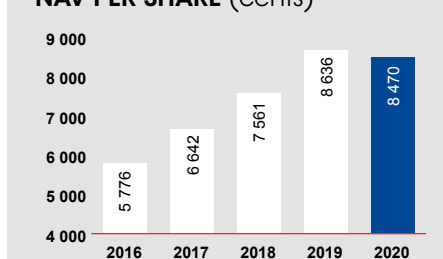
REVENUE (Rm)



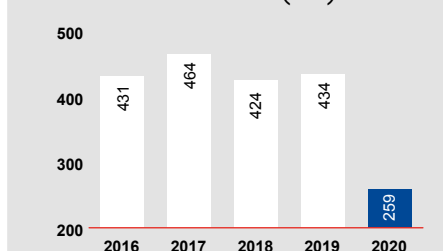
OPERATING PROFIT (Rm)



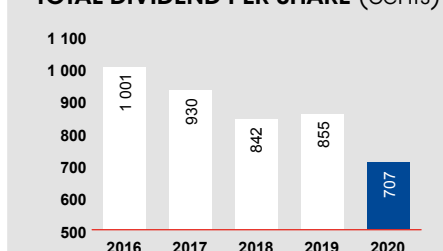
NAV PER SHARE (cents)



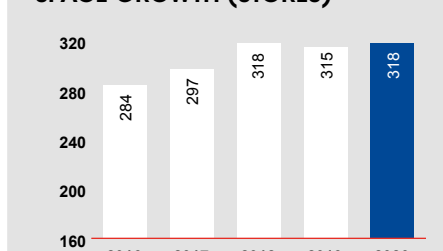
HEADLINE EARNINGS (Rm)



TOTAL DIVIDEND PER SHARE (cents)



SPACE GROWTH (STORES)



Directors:
Alistair Knock (British) (Chairman)*, WF de Jager (Chief Executive), NV Bosman*, A Hoffingh, HH Hickey*, Dr DSS Lushaba*, AE Prowse, NV Simamane*, GM Tapon Njomo*, SA Thoreson, WP van Aswegen (*Non-executive)

Company Secretary:
Taki Nengovhela

Registered Office:
101 Northern Parkway, Ormonde, Johannesburg, 2091, PO Box 90115, Berfsham, 2013

Transfer Secretaries:
Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196

Auditor:
PricewaterhouseCoopers Inc.

Sponsor:
Newbank CIB

Investor Relations:
Keyser Rech Investor Solutions CC (Incorporated in the Republic of South Africa)

Cashbuild Limited
(Registration number: 1986/001503/06) (Incorporated in the Republic of South Africa)
JSE code: C58 ISIN: ZAE00028320

R'million	Audited actual 2020 (52 wks)	COVID-19	IFRS 16	Unaudited Pro forma 2020 (52 wks)	% Change	Unaudited Pro forma 2019 (52 wks)	IAS 17	53rd week	Audited actual 2019 (53 wks)	IFRS 16 adoption impact	IFRS 16 adoption 1 July 2019
Comprehensive income											
Revenue	10 091	621	-	10 712	1	10 622	-	(199)	10 821	-	-
Gross profit	2 525	144	-	2 669	-	2 665	-	(55)	2 720	-	-
Operating expenses	2 005	35	149	2 189	3	2 135	(23)	(3)	2 161	-	-
Operating profit	520	109	(149)	480	(10)	530	23	(52)	559	-	-
Finance costs	(126)	2	188	64	19	54	-	-	54	-	-
Profit before tax	394	110	39	543	(7)	584	23	(52)	613	-	-
Headline earnings	259	76	28	363	(14)	421	23	(36)	434	-	-
Earnings per share (cents)	1 176.7	336.6	122.9	1 636.2	(10)	1 823.5	101.9	(159.7)	1 881.3	-	-
Headline earnings per share (cents)	1 138.5	336.6	122.9	1 598.0	(14)	1 852.5	101.9	(159.8)	1 910.4	-	-
Financial position											
Property, plant and equipment	2 395	-	(1 270)	1 125	-	1 129	-	-	1 129	1 225	2 354
Deferred tax	64	-	(95)	(31)	28	(24)	(53)	-	29	31	59
Lease liabilities	(1 615)	-	1 615	-	-	-	-	-	-	(1 518)	(1 518)
Deferred operating lease liability	-	-	-	-	-	-	185	-	(185)	185	-
Shareholders' equity	(2 155)	(76)	(178)	(2 409)	3	(2 337)	(23)	36	(2 350)	149	(2 201)
Net asset value per share (cents)	8 470	306	713	9 489	11	8 584	93	(145)	8 636	(596)	8 040

Notes to the summary consolidated financial information

1. Basis of preparation
The summary consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), the presentation and disclosure requirements of IAS 34 - Interim Financial Reporting as required by the JSE Limited Listings Requirements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa applicable to summary annual financial statements. The accounting policies applied in the preparation of the consolidated annual financial statements from which these summary consolidated annual financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements. The Group has adopted IFRS 16 Leases effective for the reporting period commencing on 1 July 2019.

IFRS 16 - Leases replaces IAS 17 - Leases, removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In adoption, the Group has applied the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 1 July 2019.

The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases in terms of IAS 17. Where necessary, they have been applied on a lease by lease basis:

- when a portfolio of leases contained reasonably similar characteristics, the Group applied a single discount rate to that portfolio;
- leases which were expiring within 12 months of 1 July 2019 were treated as short term leases, with remaining lease payments recognised as an expense on a straight-line basis;
- initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application;
- hindsight was applied where appropriate. This was specifically the case for determining the lease term for leases which contained extension or termination options.

When measuring lease liabilities, Group discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 10%.

The annual financial statements have been prepared under the supervision of the Finance Director, Mr AE Prowse CA(SA), and approved by the board on 31 August 2020.

2. Independent audit by the auditor
These summary financial statements were derived from the consolidated financial statements for the year ended 28 June 2020. The consolidated financial statements have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. A copy of their unqualified audit report is available for inspection at the registered office of the company.

3. COVID-19 impact on financial results
The World Health Organisation declared the novel Coronavirus (COVID-19) outbreak a public health emergency on 11 March 2020. On 17 March 2020, the South African government declared the Covid-19 pandemic a national disaster and shortly thereafter announced a national lockdown commencing at midnight 26 March 2020. Retailing of building materials was not classified as essential services and therefore all Cashbuild and P&L Hardware stores as well as the Support Offices, with the exception of the six stores in Swaziland, the two stores in Malawi and the three stores in Zambia, were closed for the period of the Level 5 lockdown (27 March 2020 to 16 April 2020).

The impact of COVID-19/lockdown level 5 on revenue as a result of stores closing during the lockdown is estimated to be a decrease of R621 million.

4. Declaration of dividend
The board has declared a final dividend (No. 55), of 272 cents (June 2019: 420 cents) per ordinary share out of income reserves to all shareholders of Cashbuild Limited. The dividend per share is calculated based on 24 989 811 (June 2019: 24 989 811) shares in issue at date of dividend declaration. Net local dividend amount is 217.6 cents per share for shareholders liable to pay Dividends Tax and 272 cents per share for shareholders exempt from paying Dividends Tax. The total dividend for the year amounts to 707 cents (June 2019: 855 cents) a 17% decrease on the prior year. Local Dividends Tax is 20%.

Cashbuild Limited's tax reference number is 9575168712.

Date dividend declared: Monday, 31 August 2020
Last day to trade "CUM" the dividend: Tuesday, 21 September 2020
Date to commence trading "EX" the dividend: Tuesday, 22 September 2020
Record date: Friday, 25 September 2020
Date of payment: Monday, 28 September 2020

Share certificates may not be dematerialised or rematerialised between Tuesday, 22 September 2020 and Friday, 25 September 2020, both dates inclusive.

5. Earnings per share
Earnings per share is calculated by dividing the earnings attributable to owners of the company for the year by the weighted average number of 22 722 350 ordinary shares in issue at year end (June 2019: 22 715 551 shares).

6. Headline earnings per ordinary share
The calculations of headline earnings and diluted headline earnings per ordinary share are based on headline earnings of R258.7 million (June 2019: R433.6 million) and a weighted average of 22 722 350 (June 2019: 22 715 551) shares and fully diluted of 22 734 169 (June 2019: 22 727 551) ordinary shares in issue.