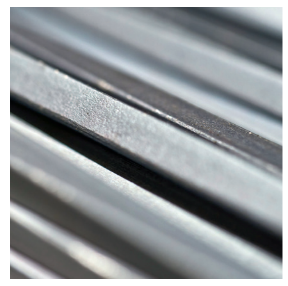
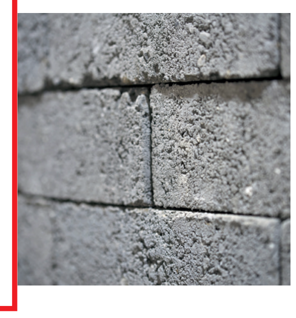
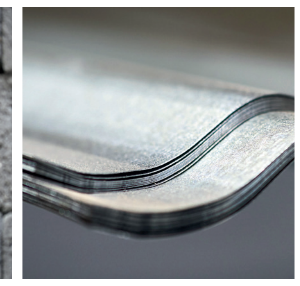
ANNUAL RESULTS AND DIVIDEND DECLARATION
for the year ended 27 June 2021




Summary consolidated income statement – audited

R'000	Year ended 27 June 2021 (52 weeks)	Year ended 28 June 2020 (52 weeks)	% change
Revenue	12 615 629	10 090 910	25
Cost of sales	(9 226 014)	(7 565 860)	22
Gross profit	3 389 615	2 525 050	34
Selling and marketing expenses	(1 995 881)	(1 765 022)	13
Administrative expenses	(385 536)	(282 531)	36
Other operating expenses	(3 363)	(4 377)	(23)
Other income	33 984	47 192	(28)
Operating profit	1 038 819	520 312	100
Finance cost	(162 502)	(191 518)	(15)
Finance income	91 327	65 182	40
Profit before income tax	967 644	393 976	146
Income tax expense	(297 557)	(121 306)	145
Profit for the year	670 087	272 670	146
Attributable to:			
– Owners of the company	664 682	267 371	149
– Non-controlling interests	5 405	5 299	2
	670 087	272 670	146
Earnings per share (cents)	2 935.7	1 176.7	149
Diluted earnings per share (cents)	2 932.6	1 176.1	149

Summary consolidated statement of comprehensive income – audited

R'000	Year ended 27 June 2021 (52 weeks)	Year ended 28 June 2020 (52 weeks)
Profit for the year	670 087	272 670
Other comprehensive income reclassifiable to profit or loss:		
Total movement in foreign currency translation reserve (FCTR)	(17 308)	25 882
Attributable to:		
– Owners of the company	(11 578)	22 223
– Non-controlling interests	(5 730)	3 659
Total comprehensive income for the year	652 779	298 552
Total comprehensive income attributable to:		
– Owners of the company	653 104	289 594
– Non-controlling interests	(325)	8 958
	652 779	298 552

Summary consolidated statement of financial position – audited

R'000	27 June 2021	28 June 2020
ASSETS		
Non-current assets	3 090 832	2 974 780
Property, plant and equipment	2 464 385	2 394 577
Intangible assets	423 464	423 101
Investment in associate	30 000	–
Investment property	43 007	57 924
Deferred income tax assets	129 976	99 178
Current assets	4 241 101	3 370 868
Inventories	1 545 878	1 266 587
Trade and other receivables	129 179	103 677
Prepayments	19 664	40 319
Assets held for sale	–	8 703
Cash and deposits	2 546 380	1 951 582
Total assets	7 331 933	6 345 648
EQUITY AND LIABILITIES		
Shareholders' equity	2 587 954	2 155 015
Share capital and reserves	2 551 860	2 116 616
Non-controlling interests	36 094	38 399
Non-current liabilities	1 517 518	1 467 728
Lease liabilities	1 467 717	1 432 590
Joint investment loan payable	16 783	–
Deferred income tax liability	33 018	35 138
Current liabilities	3 226 461	2 722 905
Trade and other liabilities	2 914 923	2 521 681
Lease liabilities	202 092	182 610
Current income tax liabilities	109 446	18 614
Total equity and liabilities	7 331 933	6 345 648

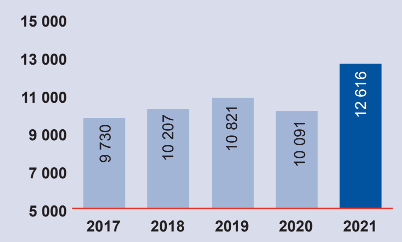
Additional information

R'000	Year ended 27 June 2021	Year ended 28 June 2020
Net asset value per share (cents)	10 212	8 470
Net asset value per share (excluding treasury shares)	11 258	9 315
Ordinary shares ('000s):		
– In issue	24 990	24 990
– Weighted-average	22 642	22 722
– Diluted weighted-average	22 665	22 734
Capital investment	196 096	170 093
Depreciation of property, plant and equipment	364 044	349 545
Amortisation of intangible assets	4 308	5 275
Capital commitments	74 502	158 344
Contingent liabilities	8 524	6 794

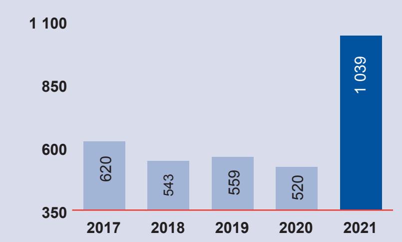
Summary consolidated statement of cash flows – audited

R'000	Year ended 27 June 2021 (52 weeks)	Year ended 28 June 2020 (52 weeks)
Cash flows from operating activities		
Cash generated from operations	1 507 716	2 108 499
Interest paid	(162 502)	(191 518)
Interest received – non-investing	11	800
Taxation paid	(239 643)	(135 748)
Net cash generated from/(utilised in) generated from operating activities	1 105 582	1 782 033
Cash flows from investing activities		
Net investment in assets	(173 233)	(135 772)
Additions to investment property	–	(29 766)
Interest received	91 316	64 382
Net cash utilised in investing activities	(81 917)	(101 156)
Cash flows from financing activities		
Finance lease payments	(180 149)	(135 717)
Shares purchased by Cashbuild South Africa for the Forfeitable Share Plan	(13 591)	–
Dividends paid:		
– Own equity	(229 915)	(196 978)
– Non-controlling interests	(1 980)	(1 258)
Net cash utilised in financing activities	(425 635)	(333 953)
Net increase/(decrease) in cash and cash equivalents	598 030	1 346 924
Cash and cash equivalents at beginning of year	1 951 582	590 150
Effect of exchange rate movements on cash and cash equivalents	(3 232)	14 508
Cash and cash equivalents at end of year	2 546 380	1 951 582

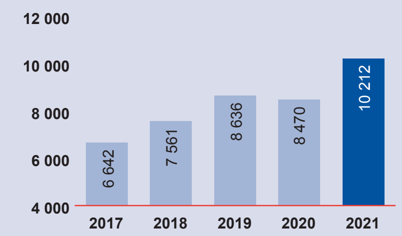
REVENUE (Rm)



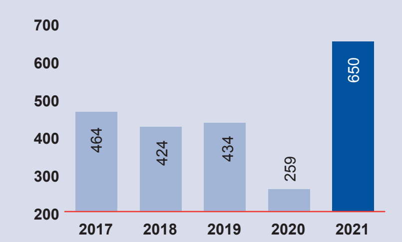
OPERATING PROFIT (Rm)



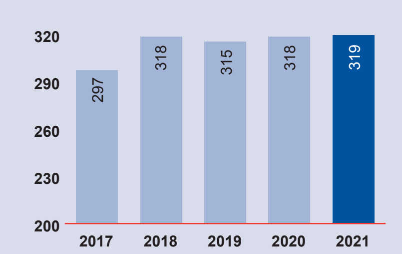
NAV PER SHARE (cents)



HEADLINE EARNINGS (Rm)



NUMBER OF STORES



Directors:
AGW Knock (British) (Chairman)*, WF de Jager (Chief Executive), M Bosman (Ms)*, M Bosman (Mr)*, Dr DSS Lushaba*, AJ Mokgwatsane*, AE Prowse, GM Tapon Njamo*, SA Thoresson, WP van Aswegen (*Non-executive)
Company Secretary:
Takie Nengovhela
Registered Office:
101 Northern Parkway, Ormonde, Johannesburg, 2091, PO Box 90115, Bertsham, 2013
Transfer Secretaries:
JSE Investor Services Proprietary Limited, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001
Auditor:
PricewaterhouseCoopers Inc.
Sponsor:
Nedbank Corporate and Investment Banking, a division of Nedbank Limited
Investor Relations:
Keyter 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: CSB **ISIN**: ZAE000028320

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 chain of stores (319 at the end of this financial year which includes one DIY store and 55 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 increased by 25%. Revenue for stores in existence prior to July 2019 (pre-existing stores – 298 stores) increased by 23% and our 21 new stores contributed 2% growth. Gross profit increased by 34% with gross profit percentage increasing from 25.0% to 26.9%. Selling price inflation was 7% at end June 2021 when compared to June 2020.

Operating expenses, including new stores, were well controlled considering the revenue growth, increasing by 17% (existing stores 15% and new stores contributed 2% of the increase) resulting in the operating profit increasing by 100%. Basic earnings per share increased by 149% with headline earnings per share also increasing by 152% from the prior year.

The effective tax rate of 30.8% for the year is in line with the effective tax rate of the prior year.

Cash and cash equivalents increased to R2 546 million mainly driven by increased profitability. Creditors' balances are higher due to supplier deliveries normalising from the low base a year ago post lockdown. Stock levels, including new stores have increased by 22% with stockholding at 74 days (June 2020: 60 days). Net asset value per share increased by 21%, from 8 470 cents (June 2020) to 10 212 cents.

During the year, Cashbuild opened 10 stores (9 Cashbuild; 1 P&L Hardware), refurbished 29 stores (28 Cashbuild; 1 P&L Hardware) and relocated 5 stores (3 Cashbuild; 2 P&L Hardware). Furthermore, 2 Cashbuild and 7 P&L Hardware stores were closed at the expiration of their lease agreements. Cashbuild will continue its store expansion, relocation and refurbishment strategy in a controlled manner considering Covid-19 pandemic uncertainties, applying the same rigorous processes as in the past.

Prospects
Group revenue for the first six weeks after year end has declined by 10% when compared to the comparable six weeks of the prior year. Management expects trading conditions to remain uncertain due to the ongoing Covid-19 pandemic and its economic impact. This information has not been reviewed nor audited by the company's auditor.

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 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 2021.

2. **Independent audit by the auditor**
These summary financial statements were derived from the consolidated financial statements for the year ended 27 June 2021. 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 Organization declared the novel Coronavirus (Covid-19) outbreak a public health emergency on 11 March 2020. There have been various levels of lockdown during the 2021 financial year, which has not materially affected the groups operational results. No stores were closed due to these lockdown adjustments.

The Group's suppliers struggled to secure raw materials locally and also had challenges with importing products. Raw material shortages included steel, timber, cement, PVC and copper and to date there are still shortages in steel, timber and copper product lines. However, we were able to secure stock due to the strong relationships with our suppliers, early identification of issues, stock prioritisation and stock forecasting. This contributed to the increase in sales and there are currently no stores out of these stock items.

4. **Declaration of dividend**
The Board has declared a final dividend (No. 57), of 2 211 cents (June 2020: 272 cents) per ordinary share, out of income reserves to all shareholders of Cashbuild Limited. This is a once-off in recognition of the excellent results reported for this year. It however does not change the stated 2 times dividend cover policy. The dividend per share is calculated based on 24 989 811 (June 2020: 24 989 811) shares in issue at the date of the dividend declaration. The net local dividend amount is 1 768.8 cents per share for shareholders liable to pay Dividends Tax and 2 211 cents per share for shareholders exempt from paying Dividends Tax. The total dividend for the year amounts to 2 935 cents (June 2020: 707 cents), which is aligned with the total earnings for this exceptional year. Local Dividends Tax is 20%.

Cashbuild Limited's tax reference number is 9575168712.

Date dividend declared:	Tuesday, 31 August 2021
Last day to trade "CUM" the dividend:	Monday, 20 September 2021
Date to commence trading "EX" the dividend:	Tuesday, 21 September 2021
Record date:	Thursday, 23 September 2021
Date of payment:	Monday, 27 September 2021

Share certificates may not be dematerialised or rematerialised between Tuesday, 21 September 2021 and Thursday, 23 September 2021, both dates inclusive.

5. **Earnings per share**
Earnings per share is calculated by dividing the earnings attributable to owners of the company for the period by the weighted-average number of 22 641 712 ordinary shares in issue at period-end (June 2020: 22 722 350 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 R650.4 million (June 2020: R258.7 million) and a weighted-average of 22 641 712 (June 2020: 22 722 350 shares) shares and fully diluted of 22 665 031 (June 2020: 22 734 169) ordinary shares in issue.

R'000	June 2021	June 2020	% change
Net profit attributable to the owners of the company	664 682	267 371	149
(Profit)/loss on sale of assets after taxation	(2 268)	1 405	
Impairment reversals after taxation	(12 000)	(10 094)	
Headline earnings	650 415	258 682	151
Headline earnings per share (cents)	2 872.6	1 138.5	152
Diluted headline earnings per share (cents)	2 869.7	1 137.9	152

7. **Events after the reporting period**
During the second week of July 2021, violent protests and looting occurred in South Africa, particularly in Gauteng and KwaZulu-Natal, which negatively impacted Cashbuild. A total number of 36 stores (32 Cashbuild and 4 P&L Hardware stores) were damaged and looted and were unable to trade. Cashbuild has insurance cover in place for such events to minimise losses to the Group. Cashbuild initiated a process of rebuilding, restoring and restocking the affected stores in order to resume trading as soon as practicably possible. Cashbuild is in the process of determining the impact of the looting and losses incurred. The table below contains a summary of the financial information of the affected stores for the current reporting period. The revenue and operating profit represents the performance of the affected stores for this financial year from 29 June 2020 to 27 June 2021. The property, plant and equipment and inventories value represents the balance as at 27 June 2021.

R'000	Amount
Comprehensive income	
Revenue	1 401 919
Operating profit	142 217
Financial position	
Property, plant and equipment	60 026
Inventories	187 608

On behalf of the board

Alistair Knock – *Chairman*
Werner de Jager – *Chief Executive*
Johannesburg
31 August 2021

Summary consolidated statement of changes in equity – audited

R'000	Share capital	Share premium	Share-based payments reserve	FCTR	Retained earnings	Non-controlling interests	Total equity
	Attributable to owners of the company						
Balance at 30 June 2019	227	(274 414)	79 137	2 149	2 200 776	30 699	2 038 574
Total comprehensive income for the year	–	–	–	22 223	267 371	8 958	298 552
Dividends paid	–	–	–	–	(196 978)	(1 258)	(198 236)
Recognition of share-based payments	–	–	16 125	–	–	–	16 125
Balance at 28 June 2020	227	(274 414)	95 262	24 372	2 271 169	38 399	2 155 015
Total comprehensive income for the year	–	–	–	(11 578)	664 682	(325)	652 779
Shares purchased by Cashbuild South Africa for the Forfeitable Share Plan	–	(13 591)	–	–	–	–	(13 591)
Dividends paid	–	–	–	–	(229 915)	(1 980)	(231 895)
Recognition of share-based payments	–	–	25 646	–	–	–	25 646
Balance at 27 June 2021	227	(288 005)	120 908	12 794	2 705 936	36 094	2 587 954

Summary consolidated segmental analysis – audited

R'000	Group		South Africa – Cashbuild business		South Africa – P&L Hardware business		Other members of common monetary area*		Botswana, Malawi and Zambia	
	Year ended 27 June 2021	Year ended 28 June 2020	Year ended 27 June 2021	Year ended 28 June 2020	Year ended 27 June 2021	Year ended 28 June 2020	Year ended 27 June 2021	Year ended 28 June 2020	Year ended 27 June 2021	Year ended 28 June 2020
Income statement										
Revenue	12 615 629	10 090 910	10 154 307	7 919 278	1 158 633	1 125 009	732 188	579 031	570 501	467 592
Operating profit	1 038 819	520 312	872 124	443 444	28 907	17 108	80 278	31 213	57 510	28 547
Statement of financial position										
Segment assets	7 331 933	6 345 648	5 397 017	4 416 716	824 852	864 073	704 450	652 373	405 614	412 486
Segment liabilities	4 743 979	4 190 633	3 491 978	2 857 876	777 623	829 040	243 514	251 049	230 864	252 668
Other segment items										
Number of stores	319	318	233	228	55	61	18	16	13	13
Depreciation	364 044	349 545	296 165	279 352	36 160	33 095	14 727	16 084	16 991	21 014
Amortisation	4 308	5 275	4 169	5 003	51	3	33	93	54	176
Capital investment	196 096	170 093	161 533	135 079	18 421	6 387	881	9 722	15 261	18 905

* Includes Namibia, Swaziland and Lesotho

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