



ANNUAL RESULTS AND DIVIDEND DECLARATION

FOR THE YEAR ENDED 26 JUNE 2022

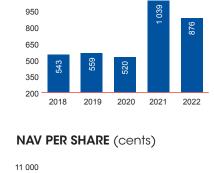


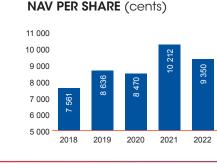
HEADLINE EARNINGS (Rm)

600

500







Summary consolidated income statement – audited

R'000	26 June 2022	27 June 2021	%
	(52 weeks)	(52 weeks)	change
Revenue	11 145 107	12 615 629	(12)
Cost of sales	(8 216 677)	(9 226 014)	(11)
Gross profit Selling and marketing expenses Administrative expenses Other operating expenses Other income	2 928 430	3 389 615	(14)
	(1 912 972)	(1 995 881)	(4)
	(325 713)	(385 536)	(16)
	(27 995)	(3 363)	>100
	213 971	33 984	>100
Operating profit Finance cost Finance income	875 721	1 038 819	(16)
	(161 602)	(162 502)	(1)
	72 672	91 327	(20)
Profit before taxation Tax expense	786 791	967 644	(19)
	(307 835)	(297 557)	3
Profit for the year Profit attributable to: - Owners of the company - Non-controlling interests	478 956	670 087	(29)
	473 849	664 682	(29)
	5 107	5 405	(6)
Earnings per share (cents) Diluted earnings per share (cents)	478 956	670 087	(29)
	2 094.7	2 935.7	(29)
	2 089.4	2 932.6	(29)

Summary consolidated statement of comprehensive income - audited

R'000	Year ended 26 June 2022 (52 weeks)	Year ended 27 June 2021 (52 weeks)
Profit for the year Other comprehensive income reclassifiable to profit or loss:	478 956	670 087
Total movement in foreign currency translation reserve (FCTR) Attributable to:	(24 465)	(17 308)
- Owners of the company - Non-controlling interests	(26 498) 2 033	(11 578) (5 730)
Total comprehensive income for the year	454 491	652 779
Total comprehensive income attributable to: - Owners of the company - Non-controlling interests	447 351 7 140 454 491	653 104 (325) 652 779

Summary consolidated statement of financial position - audited

R'000	26 June 2022	27 June 2021
ASSETS		
Non-current assets	3 018 230	3 090 832
Property, plant and equipment	2 442 951	2 464 385
Intangible assets	424 994	423 464
Investment property	39 953	43 007
Investment in associate	30 000	30 000
Deferred tax	80 332	129 976
Current assets	3 617 334	4 241 101
Inventories	1 520 302	1 545 878
Trade and other receivables	135 797	129 179
Prepayments	22 596	19 664
Cash and deposits	1 938 639	2 546 380
Non-current assets held for sale	950	-
Total assets	6 636 514	7 331 933
EQUITY AND LIABILITIES		
Shareholders' equity	2 365 006	2 587 954
Share capital and reserves	2 336 557	2 551 860
Non-controlling interests	28 449	36 094
Non-current liabilities	1 444 264	1 517 518
Lease liabilities	1 379 734	1 467 717
Joint operation loan payable	18 619	16 783
Deferred tax	45 911	33 018
Current liabilities	2 827 244	3 226 461
Trade and other liabilities	2 536 064	2 914 923
Lease liabilities	233 162	202 092
Current tax	58 018	109 446
Total equity and liabilities	6 636 514	7 331 933

Additional information

R'000	Year ended 26 June 2022	Year ended 27 June 2021
Net asset value per share (cents)	9 350	10 212
Net asset value per share (excluding treasury shares)	10 329	11 258
Ordinary shares ('000s):		
- In issue	24 990	24 990
- Weighted-average	22 621	22 642
- Diluted weighted-average	22 679	22 665
Capital investment	263 223	196 096
Depreciation of property, plant and equipment	374 293	364 044
Amortisation of intangible assets	4 056	4 308
Capital commitments	24 657	74 502
Contingent liabilities	9 458	8 524

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 (318 at the end of this financial year which includes 54 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 12%. Revenue for stores in existence prior to July 2020 (pre-existing stores - 304 stores) decreased by 13% and our 14 new stores contributed 1% growth. Gross profit decreased by 14% with gross profit margin percentage decreasing from 26.9% to 26.3%. Selling price inflation was 7.2% at the end of June 2022 when compared to June 2021.

Operating expenses, including new stores, were well controlled in line with the revenue decline, decreasing by 13% (existing stores reduced by 15% and new stores contributed a 2% increase) resulting in the operating profit decreasing by 16%. Basic earnings per share decreased by 29% with headline earnings per share also decreasing by 33% from the prior year.

Cash and cash equivalents decreased to R1 939 million due to the 2021 higher final dividend paid during the year. Stock levels, including new stores have decreased by 2% with stockholding at 81 days (June 2021: 74 days) at year end. Net asset value per share decreased by 8%, from 10 212 cents (June 2021)

The effective tax rate of 39% for the year is higher than the prior year, due to withholding taxes on foreign country dividends declared during the year.

During the year, Cashbuild opened 4 new Cashbuild stores, refurbished 21 Cashbuild stores and relocated 1 Cashbuild store. During the financial year, 4 Cashbuild and 1 P&L Hardware stores were closed. The closures relate to the looting that occurred during July 2021 and two continuous non-performing stores. Cashbuild will continue its store expansion, relocation and refurbishment strategy in a controlled manner, after considering its continuously evolving feasibility process.

Prospects

Group revenue for the six weeks subsequent to period end is 3% lower than the prior year's comparative six week period. Management expects trading conditions to remain challenging. This information has not been reviewed nor audited by the Company's auditor.

Civil unrest and looting

During the year, July 2021, 36 (32 Cashbuild and 4 P&L Hardware) stores across the Group were impacted by the unrest and looting. Stores were looted and damaged which led to the scrapping of various categories of property, plant and equipment (R20.4 million) and inventory (R136 million). Cashbuild has insurance cover for such events to minimise losses to the Group and submitted insurance claims of R143 million for inventory, R71 million for property, plant and equipment, R9 million for additional operational costs as well as R100 million for business interruption to its respective insurers.

The insurance recovery claims have been recognised in cost of sales (R143 million) and other income (R181 million). The Group has received payments for all claims relating to asset losses of R224 million. An interim payment of R50 million was received on 30 April 2022 for business interruption claim of R100 million. Of the 36 stores looted, 28 have since re-opened, 3 permanently closed and the remaining 5 are either in process of being rebuilt or under consideration for closure

For illustrative purposes, the summary Consolidated Income Statements table below has been presented on a comparative basis to highlight the civil unrest and looting effects on the current and prior year. This has been provided so that users may be able to assess the impact of looting and the trading results of the remaining business and is the responsibility of the directors of Cashbuild.

Civil unrest and looting effects

	June 2022	June 2022	June 2022		June 2021	June 2021	June 2021
	Statutory results	Looted stores	Excluding looted stores	Variance %	Excluding looted stores	Looted stores	Statutory results
Revenue	11 145 107	672 423		(7)		1 392 153	12 615 629
Cost of sales	(8 216 677)	(488 992)	(7 727 685)	(6)	(8 192 355)	(1 033 659)	(9 226 014)
Gross profit	2 928 430	183 431	2 744 999	(9)	3 031 121	358 494	3 389 615
Gross profit %	26.3	27.3	26.2		27.0	25.8	26.9
Selling and marketing expenses	(1 912 972)	(194 986)	(1 717 986)	(3)	(1 774 554)	(221 327)	(1 995 881)
Administrative expenses	(325 713)	-	(325 713)	(16)	(385 536)	-	(385 536)
Other operating expenses	(27 995)	(29 575)	1 580	(>100)	(3 363)	-	(3 363)
Other income	213 971	180 705	33 266	(2)	33 984	-	33 984
Operating profit	875 721	139 575	736 146	(18)	901 652	137 167	1 038 819
Operating profit %	7.9		7.0		8.0		8.2
Attributable earnings	473 849	84 547	389 302	(33)	582 067	82 615	664 682
Earnings per share	2 094.7		1 721.0	(33)	2 570.8		2 935.7
Headline earnings per share	1 929.4		1 718.4	(31)	2 507.8		2 872.6

Summary consolidated statement of cash flows – audited

R'000	Year ended 26 June 2022 (52 weeks)	27 June 2021 (52 weeks)
Cash flows from operating activities		
Cash generated from operations	845 540	1 507 716
Finance cost paid	(161 602)	(162 502)
Finance income received - non-investing	132	` 11
Tax paid	(296 726)	(239 643)
Net cash generated from operating activities	387 344	1 105 582
Cash flows from investing activities		
Net investment in assets	(260 376)	(173 233)
Insurance income relating to property, plant and equipment	71 514	-
Finance income received	72 540	91 316
Net cash utilised in investing activities	(116 322)	(81 917)
Cash flows from financing activities		
Lease liability payments	(179 921)	(180 149)
Shares purchased by Cashbuild South Africa for the Forfeitable		
Share Plan	(36 646)	(13 591)
Dividends paid:		(000 015)
- Own equity	(651 956)	(229 915)
- Non-controlling interests	(14 785)	(1 980)
Net cash utilised in financing activities	(883 308)	(425 635)
Net (decrease)/increase in cash and cash equivalents	(612 286)	598 030
Cash and cash equivalents at beginning of the year	2 546 380	1 951 582
Effect of exchange rate movements on cash and cash		
equivalents balances	4 545	(3 232)
Cash and cash equivalents at end of the year	1 938 639	2 546 380

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

2 Handel Road, Ormonde, Johannesburg, 2091, PO Box 90115, Bertsham, 2013 **Transfer Secretaries:**

JSE Investor Services Proprietary Limited, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001

Nedbank Corporate and Investment Bankina, 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:

ISIN ZAF000028320

Notes to the summary	consolidated	tinancial	Information
•			

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

The annual financial statements have been prepared under the supervision of the Finance Director, Mr AE Prowse CA(SA), and the supervision of the Finance Director, Mr AE Prowse CA(SA), and the supervision of the Finance Director, Mr AE Prowse CA(SA), and the supervision of the Finance Director, Mr AE Prowse CA(SA), and the supervision of the Finance Director, Mr AE Prowse CA(SA), and the supervision of the Finance Director, Mr AE Prowse CA(SA), and the supervision of the Finance Director, Mr AE Prowse CA(SA), and the supervision of the Finance Director, Mr AE Prowse CA(SA), and the supervision of the Finance Director, Mr AE Prowse CA(SA), and the supervision of the Finance Director, Mr AE Prowse CA(SA), and the supervision of the Finance Director, Mr AE Prowse CA(SA), and the supervision of the Finance Director, Mr AE Prowse CA(SA), and the supervision of the Finance Director ofand approved by the board on 30 August 2022.

2. Independent audit by the auditor

These summary financial statements were derived from the consolidated financial statements for the year ended 26 June 2022. 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. Declaration of dividend The Board has declared a final dividend (No. 59) of 677 cents (June 2021: 2 211 cents) per ordinary share, out of income

reserves to all shareholders of Cashbuild Limited. This is based on the updated Group dividend cover policy of 1.5 times. The dividend per share is calculated based on 24 989 811 (June 2021: 24 989 811) shares in issue at the date of the dividend declaration. The net local dividend amount is 541.6 cents per share for shareholders liable to pay Dividends Tax and 677 cents per share for shareholders exempt from paying Dividends Tax. The total dividend for the year amounts to 1 264 cents (June 2021: 2 935 cents). Local Dividends Tax is 20%. Cashbuild Limited's tax reference number is 9575168712. Date dividend declared:

Monday, 26 September 2022 Date of payment: Share certificates may not be dematerialised or rematerialised between Wednesday, 21 September 2022 and Friday, 23 September 2022, both dates inclusive.

Earnings per share

Record date:

Earnings per share is calculated by dividing the earnings attributable to owners of the company for the period by the weighted-average number of 22 620 597 ordinary shares in issue at period-end (June 2021: 22 641 712 shares).

5. Headline earnings per ordinary share

Last day to trade "CUM" the dividend:

Date to commence trading "EX" the dividend:

The calculations of headline earnings and diluted headline earnings per ordinary share are based on headline earnings of R436.5 million (June 2021: R650.4 million) and a weighted-average of 22 620 597 (June 2021: 22 641 712) shares and fully diluted of 22 679 398 (June 2021: 22 665 031) ordinary shares in issue.

R'000 June 2022 Net profit attributable to the owners of the company 473 849 664 682 Loss/(profit) on sale of assets after taxation 1 914 (2.268)(11 999) Net Impairment/(Impairment reversals) after taxation 3 136 Net profit effect of property, plant and equipment from insurance income after taxation (42 448) Headline earnings 436 451 650 415 (33) 2 872.6 (33) Headline earnings per share (cents) 1 929.4

6. Events after the reporting period

Diluted headline earnings per share (cents)

On 31 May, 2022, the Board of Directors approved management's proposal to close the Zambian operations. The decision was taken due to the continued losses being made after various attempts to make the operations profitable Necessary processes were initiated as required to ensure operations are effectively wound up by end of September 2022. On 31 July 2022, the Zambia stores were officially closed to the public. The remaining period will be used to restore the stores back to their acceptable condition as required by the lease agreements. Property, plant and equipment has either been sold to third parties or to Cashbuild South Africa. Long term assets associated will only qualify as held for sale when the operations have been completely closed and become available for sale. On behalf of the board

Alistair Knock

Werner de Jager Chief Executive

Johannesbur 30 August 2022

(33)

Tuesday, 20 September 2022 Wednesday, 21 September 2022

Friday, 23 September 2022

Summary consolidated statement of changes in equity - audited

, , , , , , , , , , , , , , , , , , , ,	Attributable to owners of the company						
R'000	Share capital	Share premium	Share-based payments reserve	FCTR	Retained earnings	Non- controlling interests	Total equity
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 Shares purchased by Cashbuild South Africa for the Forfeitable Share Plan Dividends paid Recognition of share-based payments	- - - -	- (13 591) - -	- - - 25 646	(11 578) - - -	664 682 - (229 915) -	(325) - (1 980) -	652 779 (13 591) (231 895) 25 646
Balance at 27 June 2021	227	(288 005)	120 908	12 794	2 705 936	36 094	2 587 954
Total comprehensive income for the year Shares purchased by Cashbuild South Africa for the Forfeitable Share Plan Dividends paid Recognition of share-based payments	-	(36 646) - -	- - - 25 948	(26 498) - - -	473 849 - (651 956) -	7 140 - (14 785) -	454 491 (36 646) (666 741) 25 948
Balance at 26 June 2022	227	(324 651)	146 856	(13 704)	2 527 829	28 449	2 365 006

Summary consolidated segmental analysis - audited

dariiriary combondatod togitioriidi dirarytio dadiiod				South Africa						
	Gro	Group Cashbuild business				Other members of common monetary area*		Botswana, Malawi and Zambia		
R'000	Year ended 26 June 2022	Year ended 27 June 2021	Year ended 26 June 2022	Year ended 27 June 2021	Year ended 26 June 2022	Year ended 27 June 2021		Year ended 27 June 2021	Year ended 26 June 2022	Year ended 27 June 2021
Income statement										
Revenue	11 145 107	12 615 629	8 984 025	10 154 307	922 337	1 158 633	724 830	732 188	513 915	570 501
Operating profit	875 721	1 038 819	765 368	872 124	12 275	28 907	68 018	80 278	30 060	57 510
Statement of financial position										
Segment assets	6 636 514	7 331 933	5 103 933	5 397 017	802 611	824 852	458 859	704 450	271 111	405 614
Segment liabilities	4 271 508	4 743 979	3 010 974	3 491 978	757 688	777 623	251 417	243 514	251 429	230 864
Other segment items										
Number of stores	318	319	233	233	54	55	18	18	13	13
Depreciation	374 293	364 044	317 358	296 165	25 160	36 160	17 817	14 727	13 958	16 991
Amortisation	4 056	4 308	3 911	4 169	96	51	23	33	26	54
Capital investment	263 223	196 096	254 299	161 533	7.036	18 421	1 198	881	690	15 261