

SUMMARISED AUDITED CONSOLIDATED ANNUAL RESULTS, DIVIDEND DECLARATION AND NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR ENDED 31 AUGUST 2023

FINANCIAL HIGHLIGHTS

CASH GENERATED FROM OPERATIONS	R 230,6	MILLION	
NET ASSET VALUE PER SHARE (CENTS)	7 179,9	CENTS	+ 6,4%
REVENUE	R 1 901,9	MILLION	- 11,6%
HEADLINE EARNINGS	R 70,6	MILLION	- 16,8%
DIVIDEND PROPOSED	R 28,2	MILLION	
DIVIDEND PER SHARE (CENTS)	125,3	CENTS	

	% Change	Year ended 31-Aug 2023 R000	Year ended 31-Aug 2022 R000
SUMMARISED GROUP STATEMENT OF COMPREHENSIVE INCOME			
Revenue	-11,6%	1 901 931	2 151 831
Net operating income		116 769	133 304
Depreciation – property, plant and equipment		2 397	2 645
Depreciation – right-of-use assets		19 041	17 282
Finance charges – right-of-use assets		4 817	4 567
Interest paid		2 133	4 455
Income before taxation		88 381	104 355
Taxation		17 426	19 525
Income after taxation		70 955	84 830
Share of associate company income		32	193
Net income for the year		70 987	85 023
Attributable to:			
Equity holders of the Company	-16,8%	70 578	84 818
Non-controlling interest		409	205
		70 987	85 023
Other comprehensive income:			
Exchange differences on translating foreign operations		51 224	68 664
Comprehensive net income for the year		122 211	153 687
Total comprehensive income attributable to:			
Non-controlling interest		481	955
Equity holders of the Company		121 730	152 732
		122 211	153 687

	%	Year ended 31-Aug 2023 R000	Year ended 31-Aug 2022 R000
Headline earnings reconciliation:			
Determination of attributable earnings and headline earnings:			
Basic earnings		70 578	84 818
Profit on disposal of property, plant and equipment and impairment of trademarks		(26)	(30)
Total tax effects of adjustment		7	6
Headline earnings	-16,8%	70 559	84 794
OTHER GROUP INFORMATION			
Dividend – proposed / paid		28 231	33 927
Earnings per share (cents)		329,9	394,3
Headline earnings per share (cents)	-16,3%	329,8	394,1
Diluted earnings per share (cents)		329,9	394,3
Dividend per share (cents)		125,3	149,8
Dividend cover (times)		2,5	2,5
Interest cover (times)		53,6	29,3
Shares in issue (total issued)		22 525 541	22 646 465
Shares in issue (less treasury shares)		21 392 442	21 513 366
Shares in issue – weighted		21 392 442	21 513 366
Net asset value per share (cents)	6,4%	7 179,9	6 745,7
Intangible assets			
Goodwill and amortisation			
Balance at beginning of year		33 860	32 098
Translation of foreign operations		541	1 762
Balance at end of year		34 401	33 860
Patents and trademarks			
Balance at beginning of year		28 611	28 611
Reversal of impairment during year		33	
Balance at end of year		28 644	28 611
Total intangible assets		63 045	62 471

There are no dilutionary instruments in issue.

The Company repurchased 120 924 shares in FY 2023 for a total consideration of R3 092 186 under its general authority to repurchase shares, approved at the previous annual general meeting held on 8 February 2023.

	Year ended 31-Aug 2023 R000	Year ended 31-Aug 2022 R000
SUMMARISED GROUP STATEMENT OF FINANCIAL POSITION		
ASSETS		
Non-current assets	143 803	163 727
Property, plant and equipment	20 830	21 466
Right-of-use assets	41 072	55 153
Intangible assets	63 045	62 471
Investment in associates	933	900
Deferred taxation	17 923	23 737
Current assets	1 614 046	1 484 896
Inventory	472 775	644 280
Stock in transit	80 661	74 155
Trade and other receivables	536 344	428 194
Cash and cash equivalents	524 266	338 267
Total assets	1 757 849	1 648 623
EQUITY AND LIABILITIES		
Total equity	1 544 970	1 459 775
Ordinary shareholders' funds	1 535 950	1 451 236
Non-controlling interest	9 020	8 539
Non-current liabilities	34 193	51 977
Lease liabilities	34 193	51 977
Current liabilities	178 686	136 871
Bank overdraft	54	
Lease liabilities	23 757	23 261
Trade and other payables	154 875	113 610
Total equity and liabilities	1 757 849	1 648 623

SUMMARISED GROUP STATEMENT OF CHANGES IN EQUITY

	Year ended 31-Aug 2023 R000	Year ended 31-Aug 2022 R000
Balance as at 1 September	1 451 236	1 354 894
Total attributable income for the year	70 578	84 818
Dividend paid	(33 924)	(56 390)
Shares repurchased	(3 092)	
Movement in foreign currency translation reserve	51 152	67 914
Balance as at 31 August	1 535 950	1 451 236

SUMMARISED GROUP STATEMENT OF CASH FLOWS

	Year ended 31-Aug 2023 R000	Year ended 31-Aug 2022 R000
Net cash flow from operating activities	198 602	(183 035)
Cash generated from/(expended on) operations	230 553	(99 503)
Investment income	16 979	2 466
Interest paid	(2 133)	(4 455)
Dividend paid	(33 924)	(56 390)
Normal tax on companies	(12 873)	(25 153)
Cash flows from investing activities	(1 762)	(837)
Purchase of tangible fixed assets	(2 755)	(981)
Proceeds on disposal of fixed assets	993	144
Cash flows from financing activities	(29 759)	(23 463)
Repayment of lease liabilities	(26 667)	(23 463)
Acquisition of share capital	(3 092)	
Net increase/(decrease) in cash and cash equivalents	167 081	(207 335)
Cash and cash equivalents at the beginning of the year	338 267	514 247
Effect on exchange rate changes on the balance of cash held in foreign currencies	18 864	31 355
Cash and cash equivalents at end of the year	524 212	338 267

NOTES TO THE SUMMARISED AUDITED CONSOLIDATED RESULTS

Note 1: Basis of Preparation

The financial information contained in this report is extracted from audited information, but is itself not audited or reviewed. This announcement does not include the information required pursuant to paragraph 16A(i) of IAS34. This summarised report is available on our website (<http://www.nuworld.co.za>), or at our offices upon request. The Directors take full responsibility for the preparation of this report and the financial information contained therein. The audited consolidated financial statements were audited by RSM South Africa Inc., who expressed an unmodified audit opinion. A copy of the auditor's report is available for inspection at the Company's registered office.

The summarised consolidated financial statements are presented in Rand rounded to the nearest thousand ('000).

The summarised consolidated financial statements have been prepared under the supervision of Graham Hindle CA (SA) in his capacity as Financial Director.

Note 2: Accounting policies

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports and the requirements of the Companies Act of South Africa. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the summarised consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements.

Note 3: Segmental information

	Year ended 31-Aug 2023 R000	Year ended 31-Aug 2022 R000
% Change		
Geographical revenue		
South Africa	1 258 998	1 637 502
Offshore subsidiaries	642 933	514 329
	-11,6%	1 901 931
Geographical income		
South Africa	31 962	45 156
Offshore subsidiaries	38 616	39 662
	-16,8%	70 578
		84 818

Note 4: Revenue from contracts with customers

	Year ended 31-Aug 2023 R000	Year ended 31-Aug 2022 R000
Revenue from contracts with customers		
Sale of goods	2 065 823	2 328 525
Rebate and trade discounts	(163 892)	(176 694)
	1 901 931	2 151 831
Regions		
Africa	1 399 154	1 801 320
Middle East, Asia and Europe	185 672	99 557
Australasia	456 017	404 796
South America	24 980	22 852
	2 065 823	2 328 525
Categories		
Consumer electronics	1 102 730	1 355 497
Home electrical appliances	724 878	698 308
Other consumer durables	238 215	274 720
	2 065 823	2 328 525

Note 5: Other comprehensive income

The year-end translation ZAR rate depreciated by 10,3% against the USD in FY 2023, compared to the ZAR depreciation of 17,0% to the USD in FY 2022. This resulted in the exchange differences on translating foreign operations of R51,2 million in FY 2023 and R67,9 million in FY 2022.

The full year transaction ZAR: USD rate depreciated by 13,4% to 18,80 in FY 2023 (0,9% in FY 2022).

COMMENTARY

Introduction and review

Nu-World is a company incorporated and domiciled in South Africa with subsidiaries in Australia, Brazil, United Arab Emirates, and Hong Kong. The main business of Nu-World and its subsidiaries includes the importing, assembling, marketing and distribution of branded consumer goods.

The Board presents the Nu-World summary results for the twelve months ended 31 August 2023. The Group's results to 31 August 2023 were disappointing due to a severely distressed South African economy and slowly recovering Global economy.

In SA, revenue decreased by 23,1% compared to the prior year due to a combination of weak volume growth, subdued selling price inflation and reduced consumer discretionary expenditure, although H2 2023 showed a remarkable improvement in profitability.

Offshore operations increased revenue by 25,0%, although impacted to some extent by the stronger USD, the increase was primarily attributed to better penetration in the markets we trade in.

Auditor's opinion

The consolidated financial statements for the year ended 31 August 2023 have been audited by RSM South Africa Inc., who expressed an unmodified audit opinion. A copy of the auditor's report is available for inspection at the Company's registered office together with the financial statements identified in the auditor's report.

Operating review

South Africa

General business conditions were challenging with consumer goods, sales volumes and profitability remaining under pressure for the entire FY 2023. The South African businesses performed well in H2 2023, showing a significant increase in after tax profits amounting to R18,5M compared to comparative period.

The South African economy remains under pressure due to infrastructure challenges in the utilities, as well as high inflation. The resultant issues have weighed negatively on consumer's disposable income. This in turn, has limited discretionary spending. High interest rates and high inflation has added to the negativity of consumers with less funds available for discretionary spending.

Sales came under pressure in the year under review, due to the issues mentioned previously. Management introduced new categories to assist with improving overall performance. These new categories started to gain traction in the latter part of H2 2023. These initiatives, in addition to cost cutting, resulted in an improvement in profitability for H2 2023.

The new categories include –

- Portable power stations under the brand "Conti Energy"
- Complete solar power system

Traditional categories started to show some improvement towards the end of H2 2023.

Unfortunately, the seasonal winter category was disappointing due to the warmer weather.

Offshore operations

Australia

Yale Prima managed to increase its topline sales substantially, in addition to improving its profitability by increasing margins and reducing operating costs and expenditure. New personnel have joined and are assisting the existing management team drive the company positively forward. The Australian operation is pushing to further widen its customer base and enter into new markets.

Other Offshore Markets

The Group is on an expansion program to increase existing markets and to firm up on new opportunities. Additional experienced personnel have been put in place during H2 2023, and positive results are already coming through. Travel and in-person meetings with customers is now possible, and this assists in understanding the markets and giving the required support.

FINANCIAL PERFORMANCE

STATEMENT OF COMPREHENSIVE INCOME

Group revenue decreased by 11,6% to R 1 901,9 million (August 2022 – R 2 151,8 million). Attributable income to equity holders of the company decreased by 16,8% to R 70,6 million (August 2022 – R 84,8 million).

The decreased profitability arose from reduced gross margins and operating expenditure pressures.

STATEMENT OF FINANCIAL POSITION

The balance sheet remains strong with total equity increasing by 5,8% to R 1 536,0 million (August 2022 – R 1 451,2 million).

Inventory levels of R 472,8 million decreased by 26,6% from August 2022 (R 644,3 million).

Directors and management remain focused on improving working capital management and stock turn rates. The Group managed to liquidate slower moving stock lines in the current year.

Trade and other receivable of R 536,3 million increased by 25,3% from prior year (August 2022 – R 428,2 million) mainly due to the increase in Offshore trade debtors.

Net asset value per share has increased by 6,4% to 7 179,9 cents (August 2022 – 6 745,7 cents).

BOARD OF DIRECTORS

There were no changes during the year under review.

CORPORATE ACTIVITIES

There were no corporate activities during the year under review.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ASPECTS

The Group complies with the Code on Corporate Governance Practices and Conduct as contained in the King IV Report on Corporate Governance. Nu-World is committed to operating in a way that is environmentally friendly, socially responsible, and ethically sound.

Nu-World is committed to transparent and integrated reporting in the spirit of King IV and the Global Reporting Initiative.

Nu-World continues its community support and corporate social investment.

DECLARATION OF FINAL DIVIDEND

Notice is hereby given that a final gross dividend of 125,3 cents per share was declared on 26 October 2023, payable to shareholders recorded in the register of Nu-World at the close of business on the record date appearing below. The dividend is payable out of cash reserves.

- Dividends have been declared out of profits available for distribution.
- Local Dividends Withholding Tax rate is 20%.
- The gross dividend amount is 125,3 cents per ordinary share.
- The net cash dividend amount is therefore 100,24 cents per ordinary share.
- The Company has 22 525 541 ordinary shares in issue as at the declaration.
- The Company's income tax reference number is 9100/085/71/2.

The salient dates pertaining to the final dividend are as follows:

Declaration announcement:	Thursday, 26 October 2023
Last date to trade "cum" dividend	Tuesday, 12 December 2023
Date trading commences "ex" dividend	Wednesday, 13 December 2023
Record date	Friday, 15 December 2023
Date of payment	Monday, 18 December 2023

Ordinary share certificates may not be dematerialised or rematerialised between Wednesday,

13 December 2023 and Friday, 15 December 2023, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 18 December 2023.

ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING (AGM)

The 2023 Integrated Annual Report and the notice of AGM will be issued on or prior to 29 November 2023.

The annual general meeting will take place at 10h00 on Wednesday, 7 February 2024, at the registered office of the Company. Shareholders are referred to the salient dates and venue below:

MEETING VENUE	The Boardroom Nu-World Holdings Limited, 682 Pretoria Main Road, Wynberg, Sandton
RECORD DATE – to determine which shareholders are entitled to receive the Notice of AGM	Friday, 17 November 2023
PUBLICATION/POSTING date	Monday, 27 November 2023
LAST DATE TO TRADE – last day to trade to determine eligible shareholders that may attend, speak and vote at the AGM	Tuesday, 23 January 2024
RECORD DATE – record date to determine eligible shareholders that may attend, speak and vote at the AGM	Friday, 26 January 2024
MEETING DEADLINE DATE (for administrative purposes, forms of proxy for the meeting to be lodged by 10h00)	Monday, 5 February 2024
MEETING DATE	Wednesday, 7 February 2024
PUBLICATION OF RESULTS on SENS	Wednesday, 7 February 2024
WEBSITE LINK	http://www.nuworld.co.za

PROSPECTS

Consumer demand is expected to remain constrained and trading conditions challenging. The focus of management is to grow both local and offshore market share in the consumer electronics and branded consumer durables. This, coupled with the expanded offshore territories in which the Group trades, should increase the contribution from these businesses in future years.

SUBSEQUENT EVENTS

No events material to the understanding of this report have occurred during the period between 31 August 2023 and the date of this report.

On behalf of the Board

J.A. Goldberg
Chief Executive Officer
26 October 2023

G.R. Hindle
Financial Director

COMPANY INFORMATION

Nu-World Holdings Limited

Registration number 1968/002490/06

(Incorporated in the Republic of South Africa)

JSE share code: NWL

ISIN code: ZAE000005070

("Nu-World" or "the Company" or "the Group")

Registered office

682 Pretoria Main Road,

Wynberg,

Sandton, 2199

Republic of South Africa

Tel +27 (11) 321 2111

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Transfer secretaries

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue,

Rosebank, 2196

Company secretary

B.H. Haikney

Sponsor

Questco Corporate Advisory

Ground Floor, Block C, Investment Place, 10th Road

Hyde Park, 2196

Auditors

RSM South Africa Inc.

Executive City, Cross Street and Charmaine Avenue

President Ridge, Randburg, 2194

Directors

M.S. Goldberg (Executive Chairman),

J.A. Goldberg (Chief Executive),

G.R. Hindle (Financial Director)

Independent Non-executive directors

J.M. Judin (Lead)

D. Piaray
R. Kinross
F.J. Davidson

www.nuworld.co.za
26 October 2023