



REVIEWED PROVISIONAL GROUP
 FOR THE YEAR ENDED 30 JUNE 2020

	% Change	Reviewed for the year ended 30 June 2020	Audited for the year ended 30 June 2019
		R'000	R'000
Revenue	(11.8%)	5 572 359	6 320 895
Profit from operating activities before depreciation and amortisation	(46.4%)	350 301	653 660
(Loss)/profit for the year	(118.0%)	(64 067)	355 330
Cash, cash equivalents and listed preference shares	2.7%	1 743 281	1 697 650
(Loss)/ earnings per share (cents)	(117.1%)	(14.8)	86.7
Headline earnings per share (cents)	(79.1%)	21.2	101.6
Net asset value per share (cents)	(6.8%)	1 384	1 484
Ordinary dividend paid per share in respect of the previous year (cents)		60.0	60.0

Commentary:

The difficult economic circumstances experienced in the first half of the financial year intensified in the third quarter. However, it was the Covid-19 lockdown in the fourth quarter that, despite gradual easing towards year end, had an unprecedented negative impact on the full year Group performance which resulted in reduced headline earnings per share of 21.2 cents, down 79.1% from the prior year.

Revenues, which declined by R748 million (11.8%), were significantly impacted by the lockdown, given that prior to lockdown, revenues were tracking similar levels to the prior year. Post lockdown, the main contributors to the decline were the drying up of advertising revenues, no publication or advertising insert printing work and no demand for packaging products for the fast food, alcohol and cigarette markets.

Profit from operating activities before depreciation and amortisation declined R303 million (46.4%) compared to the prior year, and includes significant trading losses of R138 million incurred in the 4th quarter, retrenchment costs (approx. R58 million), additional bad debt write-offs and provisions (approx. R50 million).

The current trading environment and outlook has meant that the Group had to re-assess the carrying values of goodwill, investments, loans and certain plant and equipment resulting in impairments of R47 million, R29 million, R70 million and R84 million respectively.

This was partially offset by net finance income of R147 million, which increased by R14 million (10.4%) year-on-year.

The above, compounded with losses from associates of R9 million (2019: profit of R20 million) and tax expense of R17 million (2019: R96 million), resulted in a loss for the year of R64 million (2019: profit of R355 million), a loss per share of 14.8 cents (2019: profit per share of 86.7 cents).

The Group's cash and cash equivalents increased by R45 million to R1 743 million, which is a remarkable achievement, taking into account the negative effects of the lockdown trading.

The impact of the Covid-19 pandemic on an already precarious economy has added another layer of uncertainty, which means the outlook is extremely difficult to predict. Our focus will continue to be on disciplined and conservative management, hard work, customer-centric service, cost controls and cash preservation in these difficult times.

The board would like once again to take this opportunity to formally recognise the loyalty and enduring contribution of our dear friend and fellow director, Piet Greyling, who passed away in April this year. The board wishes to extend its sincere condolences to Martie, Piet's sons Righardt, Armand and their families.

It would be remiss to not also recognise all our management that has contributed to filling the gap that Piet has left, and in dealing with the uncertain environment that the pandemic has created, often at significant personal sacrifice. At the same time, all our employees have gone the extra mile and endured hardship with great fortitude. The board would like to extend its sincere gratitude for the loyalty and commitment our employees have shown and continue to show.

Statement

This short-form announcement is the responsibility of the directors and is only a summary of the information in the full announcement and does not contain full or complete details. The full announcement will be released on 21 September 2020 and can be found on the company's website at <https://www.caxton.co.za/about/announcements> and also on the following link: <https://senspdf.jse.co.za/documents/2020/JSE/ISSE/CAT/CATAR2020.pdf>.

The full announcement is available at the Company's registered office and the offices of the sponsor during office hours.

Any investment decision should be based on the full announcement published on the Company's website.

By order of the board

21 September 2020

Executive Directors:

TD Moolman, TJW Holden, LR Witbooi

Transfer Secretaries:

Computershare Investor Services Proprietary Limited

Sponsor: AcaciaCap Advisors Proprietary Limited

Independent Non-Executive Directors:

PM Jenkins, ACG Molusi, NA Nemukula, J Phalane, T Slabbert

Registered Office:

28 Wright Street, Industria West, Johannesburg

Company website: www.caxton.co.za