

CAXTON&CTP publishers & printers LIMITED  
 Incorporated in the Republic of South Africa  
 Registration number: 1947/026616/06  
 Share code: CAT  
 ISIN: ZAE000043345  
 Preference share code: CATP  
 ISIN: ZAE000043352

REVIEWED PROVISIONAL GROUP RESULTS  
 FOR THE YEAR ENDED 30 JUNE 2022

- R590.3 million profit from operating activities after depreciation and amortisation up 90.2%
- 157.0 cents HEPS up 108.2%
- 50.0 cents dividend declared
- R18.87 net asset value per share up 9.9%

	%	Reviewed for the year ended 30 June 2022 R'000	Audited for the year ended 30 June 2021 R'000
Revenue	14.5	5 979 339	5 220 415
Profit from operating activities before depreciation and amortisation	46.8	828 007	563 860
Profit from operating activities after depreciation and amortisation	90.2	590 298	310 436
Profit for the year	(3.9)	543 801	565 925
Headline earnings	104.3	572 719	280 380
Cash, cash equivalents and listed preference shares	(15.4)	1 724 306	2 038 263
Earnings per share (cents)	2.1	151.2	148.1
Headline earnings per share (cents)	108.2	157.0	75.4
Adjusted earnings per share (cents)	129.1	151.2	66.0
Net asset value per share (cents)	9.9	1 887	1 717
Ordinary dividend declared/paid per share (cents)		50.0	50.0

COMMENTARY

The Caxton group has posted exceptionally strong results for the year ended 30 June 2022, reflecting the resilience of the group through the two years of the pandemic, and the adaptability of the group to profound changes in our markets. The group has continued the strong growth trajectory reported upon at the half year and delivered a stellar full year set of results driven by continued recovery in revenues, market share gains and a well-controlled cost base. This performance is particularly pleasing in the face of post-pandemic challenges - most notably supply chain constraints, continuing price escalations in raw materials, inflationary pressures on operating costs, unprecedented load-shedding and lastly the floods in KwaZulu-Natal that affected our large commercial printing operation.

The group has delivered an excellent operating performance as follows:

- Profit before depreciation and amortisation increased by R264.1 million (46.8%) to R828.0 million compared to R563.9 million in the prior year.
- Profit after depreciation and amortisation increased by R279.9 million (90.2%) to R590.3 million compared to R310.4 million in the prior year.

Revenue grew strongly by R758.9 million (14.5%) from R5 220.4 million to R5 979.3 million, reflecting volume increases across all operations, especially in the second half of the financial year. The group's local newspaper business experienced a robust return of retailer advertising spend, mainly in the form of advertising brochures, and this demand had a corresponding positive impact on throughputs in our commercial printing plants. The commercial printing operations also managed to increase market share due to the availability of increased levels of raw materials. All packaging units experienced strong revenue growth where organic volume growth, new products/markets and market share gains were the main contributors. This was particularly evident in the alcohol and quick service restaurant market sectors.

Raw material pricing was and remains volatile with significant cost increases across all grades of paper and board, with more increases in the pipeline. The unprecedented tightening of supply lines and raw material shortages placed upward pressure on costs that affected all our operations and does not appear to be abating

any time soon. Over the reporting period, margins were maintained but have required transparency and flexibility with our customer base, with pricing reviews on a more regular basis.

Inflationary pressures were felt across all operations and this intensified in the second half of the financial year and resulted in operating costs growing by R134.9 million (14.6%) largely in support of the increased operating activity but also driven by large increases in insurance and energy costs. In addition, the devastating floods in KwaZulu-Natal affected our large commercial printing site and resulted in the group incurring direct costs of R30.9 million, to the end of the reporting period, associated with restoring production. This cost will form part of the insurance claim currently being formulated. Staff costs were well controlled and grew by R59.6 million (5.1%) to R1 223.1 million.

The group's profit before taxation was R686.2 million and the taxation charge was R142.4 million, resulting in profit after taxation of R543.8 million - representing earnings per share of 151.2 cents (prior year 148.1 cents which included the profit on sale of associates - Octotel (Pty) Ltd and RSA Web (Pty) Ltd of R305.2 million). Excluding this sale, prior year earnings per share would have been 66.0 cents, and compared to this lower adjusted base, current year earnings per share represent a year-on-year growth of 129.1 %. Headline earnings per share of 157.0 cents (prior year 75.4 cents) represents substantial growth of 108.2%. The headline earnings per share is at a 10-year record high, and is reflective of the correct strategic decisions being made in the group, of replacing declining earnings in the publishing operations with our growing packaging presence.

There is no doubt that the rising inflationary environment, that is evident locally and globally, will play an important role in the forthcoming year and it remains to be seen how this will ultimately impact on the resilience of consumer demand. Subsequent to year-end, demand has held up but it is too early to say that this will be the case for the remainder of the new financial year. This may put certain markets under margin pressure and thus the focus of management is on managing these cost pressures with customers.

As a 34% shareholder in MPact Limited, the group continues to persevere in its efforts to obtain clarity regarding competition related issues as between MPact and Golden Era, MPact's major customer and competitor and co-accused in a cartel case still pending before the Competition Tribunal.

#### Dividends

The board has declared a dividend of 50.00 cents (2021: 50.0 cents) per ordinary share (gross) and a preference dividend of 410.00 cents (2021: 410.00 cents) per preference share (gross) for the year ended 30 June 2022.

The dividends are subject to the Dividend Withholding Tax. In accordance with the provisions of the JSE Listings Requirements, the following additional information is disclosed:

- the Dividend has been declared out of current profits available for distribution
- the Dividend Withholding Tax rate is 20%
- the gross dividend amount is 50.00 cents per ordinary share and 410.00 cents per preference share for shareholders exempt from Dividend Withholding Tax
- the nett dividend amount is 40.00 cents per ordinary share and 328.00 cents per preference share for shareholders liable for Dividend Withholding Tax
- the company has 362 534 648 ordinary shares in issue
- the company has 50 000 preference shares in issue
- the company's income tax reference number is: 9175/167/71/8

The following dates are applicable to the dividends.

The last date to trade in order to be eligible for the dividend will be Tuesday, 6 December 2022.

Shares will trade ex-dividend from Wednesday, 7 December 2022.

The record date will be Friday, 9 December 2022 and payment will be made on Monday, 12 December 2022.

Share Certificates may not be dematerialised or materialised between Wednesday, 7 and Friday 9 December 2022, both days inclusive.

#### 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 9 September 2022 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/2022/JSE/ISSE/CAT/CATAR2022.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

9 September 2022

Executive Directors:  
TD Moolman, TJW Holden, LR Witbooi

Independent Non-Executive Directors:  
PM Jenkins, ACG Molusi, NA Nemukula,  
J Phalane, T Slabbert

Transfer Secretaries:  
Computershare Investor Services Proprietary Limited

Registered Office:  
28 Wright Street, Industria West, Johannesburg

Sponsor: AcaciaCap Advisors Proprietary Limited

Company website: [www.caxton.co.za](http://www.caxton.co.za)