

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 GROUP RESULTS
 FOR THE YEAR ENDED 30 JUNE 2023

- PROFIT FROM OPERATING ACTIVITIES R742.4m up 25.8%%
- HEPS 188.6 cents up 20.2%
- EPS 203.3 cents up 34.4%
- DIVIDEND DECLARED 60.0 cents up 20.0%
- NET ASSET VALUE R20.22 up 7.2%

	% change	Reviewed for the year ended 30 June 2023 R'000	Audited for the year ended 30 June 2022 R'000
Revenue	16.6	6 974 558	5 979 339
Profit from operating activities before depreciation and amortisation	18.5	981 140	828 007
Profit from operating activities after depreciation and amortisation	25.8	742 392	590 298
Profit for the year	38.3	751 876	543 801
Headline earnings	18.9	680 766	572 719
Cash, cash equivalents and listed preference shares	9.5	1 888 376	1 724 306
Earnings per share (cents)	34.4	203.3	151.2
Headline earnings per share (cents)	20.2	188.6	157.0
Net asset value per share (cents)	7.2	2 022	1 887
Ordinary dividend declared/paid per share (cents)	20.0	60.0	50.0

COMMENTARY

The group is pleased to present a record set of results for the full year ending 30 June 2023, driven by revenue growth and a well contained cost base, as follows:

- Earnings per share increased by 34.4% from 151.2 cents to 203.3 cents
- Headline earnings per share increased by 20.2% from 157.0 cents to 188.6 cents

Revenue grew by R995.2 million (16.6%) from R5 979.3 million to R6 974.6 million on the back of price increases to recover the large raw material input cost increases and volume increases in the packaging business, while volumes in the newspaper and commercial printing plants remained largely unchanged. The second half of the year's growth softened as loadshedding and inflationary pressures impacted consumer demand.

Margins came under further pressure in the second half of the year as demand softened, competition intensified and with reduced purchasing, our average cost of stock remained high. Margins are expected to remain under pressure as the more expensive stock is worked through.

Having said this, in the current results certain more expensive stock items have been revalued to the lower replacement value, at a cost of R51.8 million.

The margin pressure was mitigated by a well-controlled cost base with staff costs growing by only R84.6 million (6.9%) to R1 307.7 million while other operating expenses grew by R81.3 million (7.7%) to R1 139.7 million.

The above performance includes the effect of our insurance claim for the catastrophic Kwa-Zulu Natal floods which impacted our Durban commercial printing plant, and highlights that the effects of global warming can no longer be ignored. The net impact on operating profit for the year is an increase of R84.6 million, the result of R118 million insurance receipts offset by repairs of R23.6 million and additional swing clause premiums of R10 million.

As reported previously, the group's subsidiary, Cognition Holdings Limited sold its 51% share in Private Property South Africa Proprietary Limited for R150.0 million resulting in a profit on disposal of R78.9 million.

Net finance income grew by R15.7 million (13.3%) with increased dividend flows being offset by reduced interest income and slightly reduced forex losses.

The group's profit before taxation was R952.1 million, an increase of 38.7% over the prior year, and after taxation of R200.2 million, resulted in profit after taxation of R751.9 million.

Even though stock holdings at R1 714.9 million were still quite high at year end, it is pleasing that cash and cash equivalents at year end increased to R1 888.4 million, an increase over the corresponding prior period of R223.6 million and an increase of R750 million over the interim reporting period (31 December 2022).

This was attributable to increased cash generated by operating activities of R476.6 million (an increase of 191.4% over the prior year) to R725.8 million. After paying taxation of R202.5 million, the cash inflow from operating activities was R523.2 million, a substantial increase over the previous year, of R430.0 million.

The group made acquisitions of R144.6 million (R131.7 million net of cash) made up of Amcor bag-in-box bladder business (R102.0 million), remaining shares in Mooivaal Proprietary Limited (7.8 million), outstanding interest in Capital Media (R14.7 million), and Allflex CC lamination business (R20.1 million).

During the year under review the group returned a total of R222.1 million to shareholders through a dividend of R197.1 million and the repurchase of 2 601 550 shares for R25.0 million, at an average price of R9.62.

There is no doubt the upcoming financial year will deliver a more difficult economic environment with the impact of a constrained consumer starting to dampen demand, which in turn, could reduce demand from retailers for our media publishing and printing business and could impact certain segments of our packaging markets. In the packaging markets we are fortunate to service those sectors that often are less affected, being the alcohol, QSR and cigarette sectors. As always, the management of costs will be paramount. The group is fortunate to

have large cash resources to deploy where we see opportunities either in our existing businesses or through acquisitions.

Dividends

The board has declared a final dividend of 60.00 cents (2022: 50.0 cents) per ordinary share (gross) and a preference dividend of 490.00 cents (2022: 410.00 cents) per preference share (gross) for the year ended 30 June 2023.

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 60.00 cents per ordinary share and 490.00 cents per preference share for shareholders exempt from Dividend Withholding Tax
- the nett dividend amount is 48.00 cents per ordinary share and 392.00 cents per preference share for shareholders liable for Dividend Withholding Tax
- the company has 359 303 097 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, 5 December 2023.

Shares will trade ex-dividend from Wednesday, 6 December 2023.

The record date will be Friday, 8 December 2023. Payment will be made on Monday, 11 December 2023.

Share Certificates may not be dematerialised or materialised between Wednesday, 6 and Friday 8 December 2023, both days inclusive.

Review of the Independent Auditors

Caxton's auditors, BDO South Africa Incorporated, have reviewed these results. Their unmodified review conclusion for the year ended 30 June 2023 is included on the Company's website.

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 8 September 2023 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/2023/JSE/ISSE/CAT/CATAR2023.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

8 September 2023

Executive Directors:
TD Moolman, TJW Holden, LR Witbooi

Independent Non-executive Directors:
PM Jenkins, ACG Molusi, NA Nemukula,
JH Phalane, T Slabbert

Transfer Secretaries:
Computershare Investor Services Proprietary Limited

Registered Office:
368 Jan Smuts Avenue, Craighall Park, Johannesburg

Sponsor: AcaciaCap Advisors Proprietary Limited

Company website: www.caxton.co.za