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

UNAUDITED GROUP RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	% change	Unaudited six months to 31 December 2023 R'000	Unaudited six months to 31 December 2022 R'000	Audited for the year ended 30 June 2023 R'000
Revenue	(3.3)	3 689 853	3 817 393	6 974 558
Profit from operating activities before depreciation and amortisation	(16.7)	421 452	505 696	981 140
Profit from operating activities after depreciation and amortisation	(20.8)	302 776	382 051	742 392
Profit for the period	(30.8)	280 181	404 821	751 876
Cash and cash equivalents	59.0	1 810 126	1 138 697	1 888 376
Earnings per ordinary share (cents)	(29.2)	75.3	106.3	203.3
Headline earnings per ordinary share (cents)	(6.2)	85.1	90.7	188.6
Net asset value per share (cents)	7.5	2 065	1 922	2 022
Ordinary dividend per share (cents)		-	-	60.0

COMMENTARY

As foreseen at the last reporting period, a more difficult trading environment transpired in the review period, with consumers battling inflation, low economic growth and loadshedding. The review period was characterised by a decline in overall revenues and tightening of margins, which were offset by good cost control and an increase in net finance income.

Revenues declined by R127.5 million (3.3%) to R3 689.9 million, and included the effect of the sale and closure of a subsidiary (accounting for R163.7 million of the decline) - excluding this, revenues would have shown a slight increase of R36.2 million. The publishing and printing operations faced reduced printing throughputs and overall media advertising revenues, as national retailers reduced their spending to take account of the constrained consumer behaviour. In a difficult trading environment, the packaging businesses managed to grow revenues, which confirmed the resilience of the markets that we serve.

The absence of growth in revenue and margin decline was to some extent offset by reduced staff and operating costs. Staff costs declined by R18.4 million (2.8%) and operating costs by R48.2 million (7.6%), and excluding the impact of the sale and closure of a subsidiary, staff costs increased by 3.3% and operating costs by 4.4% which is a commendable achievement.

Profit from operating activities before depreciation and amortisation declined by R84.2 million (16.7%), and after depreciation of R118.7 million, profit from operating activities decreased by 20.8% to R302.8 million.

The Group incurred a loss of R45.2 million on the sale of our entire shareholding in Novus Holdings Limited, largely offset by growth in net finance income of R35.9 million (56.3%) as the Group held substantially higher average cash balances.

Headline earnings per share declined by 6.2% from 90.7 cents per share to 85.1 cents per share, and earnings per share declined by 29.2% from 106.3 cents per share to 75.3 cents per share. The material decline in earnings per share is as a result of a profit on disposal of a subsidiary (R79 million) in the corresponding prior period, compared to a loss on disposal of an investment (R45.2 million) - a net difference of R124.2 million or 34.6 cents per share.

The Group's cash flow remained strong, ending on cash and cash equivalents of R1 810.1 million, compared to the prior year comparative period of R1 138.7 million - an increase of R671.4 million over that 12-month period. Even though there is a slight decline from the year end of R78.3 million, it must be borne in mind that the period under review represents the Group's peak trading months and working capital usually consumes more cash. At the date of this report, cash and cash equivalents have recovered to R2 170 million - an increase of R359.9 million over the current reporting period.

Prospects

Trading conditions are not expected to improve for the remainder of the financial year and there is a risk that these could deteriorate further. This trend is likely to continue until the economy can show some meaningful growth and interest rates decline, to give the consumer respite. The Group will continue to manage costs closely, and remains on the lookout for suitable acquisition opportunities to deploy our cash reserves.

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 around 8 March 2024 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/2024/JSE/ISSE/CAT/CATIR2024.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 March 2024

Executive Directors:
TD Moolman, TJW Holden, LR Witbooi

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

Transfer Secretaries:
Computershare Investor Services Proprietary Limited

Sponsor: AcaciaCap Advisors Proprietary Limited

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