

Balwin Properties Limited  
(Incorporated in the Republic of South Africa)  
(Registration number: 2003/028851/06)  
Share code: BWN  
ISIN: ZAE000209532  
("Balwin" or "the group" or "the company")

## **Audited consolidated annual financial statements for the year ended 28 February 2025**

### **FINANCIAL OVERVIEW**

Revenue	Decrease of 6% to R2.2 billion
Profit for the year	Increase of 8% to R234.0 million
Earnings per share	Increase of 8% to 49.74 cents per share
Headline earnings per share	Decrease of 4% to 45.95 cents per share
Net asset value per share	Increase of 6% to 910.20 cents per share

Balwin's results for the year ended 28 February 2025 represent a tale of two halves, with a pleasing recovery in the second period, but overall reflect the sustained economic pressure on consumers, owing mainly to the prolonged high-interest rate environment and growing local and international political uncertainty.

The group recorded 62% of its annual revenue and 67% of its profit for the year in the second half of the period. This improved trading performance in the second six months was led by the 75 basis point reduction in the prime lending rate since September 2024 together with the initial positive sentiment that followed the formation of the Government of National Unity ("GNU") in June 2024. Despite the reduction in the prime lending rate being lower than expected, the rate relief had an immediate positive impact on the group's sales, with the monthly average gross sales rate increasing by approximately 30% since the start of the rate cutting cycle.

Group revenue totalled R2.2 billion (2024: R2.4 billion), a reduction of 6% over the prior year with 1 749 apartments (2024: 1 892) recognised in revenue for the year, an 8% reduction from the prior year. Revenue was supported by Balwin Annuity which experienced strong growth and increased revenue by 33% to R175.8 million (2024: R132.5 million), contributing 7.9% (2024: 5.6%) to the total group revenue. The performance of the annuity businesses is pleasing and provided profit margin support to the group in the challenging trading conditions.

The group gross profit margin recovered to 30% (2024: 28%), largely due to the performance of the Balwin Annuity businesses. The gross profit margin from the sale of apartments was consistent with the prior year at 24% as the trading environment remained challenging. Balwin Annuity contributed R171.7 million (2024: R131.0 million) to the group's gross profit and supported the gross margin.

Operating expenditure was tightly managed and was flat on the prior year at R350.9 million (2024: R351.2 million). Operating costs at a company level reduced by 6% owing to the continued focus on cost containment. Balwin Annuity increased its operating costs by 14% to R114.2 million due to increased activity reflected by the 33% growth in revenue.

The group recorded a profit after taxation of R234.0 million, an increase of 8% over the prior financial year.

The group closed the year under review with a cash balance of R254.8 million, with cash resources exceeding the funding covenants and thresholds set by the board.

The board actively manages the group's debt exposure relative to debt covenants and the treasury policy. The group's loan-to-value ratio reduced marginally to 40.4% (2024: 40.5%).

## **DIVIDEND**

Following due consideration of recent trading conditions and the uncertainty in the economic environment, the board has resolved not to declare a dividend for the 2025 financial year (2024: no dividend declared). The board's primary focus in this environment is to apply capital to reducing the group's debt exposure.

The board will reconsider the declaration of a dividend for the 2026 financial year.

## **SHORT-FORM ANNOUNCEMENT**

This short-form announcement is the responsibility of the board of directors of Balwin. It contains a summary of the information in the full annual financial statements and does not contain full or complete details. The annual financial statements can be found at:

<https://senspdf.jse.co.za/documents/2025/jse/isse/BWNE/FY25.pdf>

BDO South Africa Inc. expressed an unmodified opinion on the audited consolidated financial statements in their report dated 12 May 2025.

Copies of the annual financial statements are available on the group's website at <https://balwin.co.za/investor-relations> or may be requested in person at the group's registered office at no charge, during office hours.

Any investment decisions by shareholders should be based on consideration of the full financial statements.

Corlett Drive  
12 May 2025

Sponsor:  
Investec Bank Limited