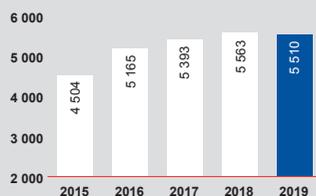


AUDITED INTERIM RESULTS AND DIVIDEND DECLARATION

for the six months ended 31 December 2019



REVENUE (Rm)



OPERATING PROFIT (Rm)



HEADLINE EARNINGS (Rm)



NAV PER SHARE (cents)



COMPANY PROFILE

Cashbuild is southern Africa's largest retailer of quality building materials and associated products, selling direct to a cash-paying customer base through our constantly expanding chain of stores (321 at the end of this reporting period which includes 60 P&L Hardware stores and one DIY store). Cashbuild carries an in-depth quality product range tailored to the specific needs of the communities we serve. Our customers are typically home-builders and improvers, contractors, farmers, traders, as well as all other customers requiring quality building materials at the best value.

FINANCIAL SUMMARY

R'million	Six months ended December 2019	Six months ended December 2018	% change	Year ended June 2019
Revenue	5 510	5 563	(1)	10 821
Gross profit	1 369	1 394	(2)	2 720
Operating profit	299	285	5	559
Profit before taxation	248	313	(21)	613
Net profit attributable to owners of the company	170	217	(22)	427
Headline earnings	173	221	(22)	434
Earnings per share (cents)	748.0	956.2	(22)	1 881.3
Diluted earnings per share (cents)	747.8	955.8	(22)	1 880.6
Headline earnings per share (cents)	762.4	972.3	(22)	1 910.4
Diluted headline earnings per share (cents)	762.2	971.9	(22)	1 909.5
Net asset value (NAV) per share (cents)	8 388	8 167	3	8 636
Dividend per share (cents)	435	435	-	855

FINANCIAL HIGHLIGHTS

The Group has adopted IFRS 16 which replaces IAS 17. The financial highlights are based on unaudited results, provided for comparative purposes and exclude the effects of IFRS 16 in the current period and IAS 17 in the prior reported period. The following table summarises the impact of the adoption of IFRS 16 on the results of the current and comparative reporting period excluding the IAS 17 impact:

R'000	Audited December 2019	IFRS 16	Unaudited December 2019	% change	Unaudited December 2018	IAS 17	Audited December 2018
Financial position							
Property, plant and equipment	2 430 394	(1 298 318)	1 132 076	-	1 128 254	-	1 128 254
Deferred tax	72 116	(91 337)	(19 221)	(38)	(30 838)	(49 240)	18 402
Lease liabilities	1 623 559	(1 623 559)	-	-	-	-	-
Deferred operating lease liability	-	-	-	(100)	1 696	(172 673)	174 369
Shareholders' equity	2 129 229	178 263	2 307 492	3	2 243 816	172 673	2 071 143
Net asset value per share (cents)	8 388	713	9 101	3	8 858	691	8 167
Comprehensive Income							
Operating expenses	1 069 125	60 144	1 129 269	3	1 098 784	(10 603)	1 109 387
Operating profit	299 449	(60 144)	239 305	(19)	295 472	10 603	284 869
Finance costs	90 495	(89 581)	914	(69)	2 966	-	2 966
Profit attributable to owners of the company	169 957	29 437	199 394	(12)	227 799	10 603	217 196
Earnings per share (cents)	748.0	129.5	877.5	(13)	1 002.9	46.7	956.2
Headline earnings per share (cents)	762.4	129.5	891.9	(12)	1 019.0	46.7	972.3

Revenue for the period decreased by 1%. Revenue for stores in existence prior to July 2018 (pre-existing stores - 302 stores) declined by 1% while our 19 new stores since July 2018 contributed 3%. Selling price inflation was 2%. Gross profit decreased by 2% in tough trading conditions with gross profit percentage reducing from 25.1% to 24.8%. Operating expenses, including new stores, were well controlled and increased by only 3% (existing stores remained at similar levels) which, with 1% decline in revenue, resulted in a decline in operating profit of 19%. Earnings per share decreased by 13% and headline earnings per share by 12%.

Cash and cash equivalents increased by 32% to R1,404 million and cash generated from operations increased substantially which is mainly due to supplier payments effected prior to June 2019 financial year-end close. Stock levels, including new stores, decreased by 9% with overall stockholding at 82 days (December 2018: 85 days) at period end. Net asset value per share reflects a 3% increase, from 8 858 cents (December 2018) to 9 101 cents.

During the first half, Cashbuild Group opened eight new stores (seven Cashbuild stores and one P&L Hardware store), refurbished nine stores and closed two Cashbuild stores. Cashbuild will continue its store expansion, relocation and refurbishment strategy in a controlled manner, applying an even more rigorous process, than in the past.

PROSPECTS

Group revenue for the subsequent six weeks after half year end has remained at similar levels for the comparable six week period. Management expects trading conditions to remain extremely challenging. This information has not been reviewed nor reported on by the company's auditor.

DECLARATION OF DIVIDEND

Considering the strong cash position the board has declared an interim dividend (No. 54), of 435 cents (2018: 435 cents) per ordinary share out of income reserves to all shareholders of Cashbuild Limited. The dividend per share is calculated based on 24 989 811 (2018: 24 989 811) shares in issue at date of dividend declaration. Net local dividend amount is 348 cents per share for shareholders liable to pay Dividends Tax and 435 cents per share for shareholders exempt from paying Dividends Tax. Local dividend tax is 20%.

Cashbuild Limited's tax reference number is 9575168712.

Date dividend declared: Monday, 2 March 2020
Last day to trade "CUM" the dividend: Tuesday, 24 March 2020
Date to commence trading "EX" the dividend: Wednesday, 25 March 2020
Record date: Friday, 27 March 2020
Date of payment: Monday, 30 March 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 25 March 2020 and Friday, 27 March 2020, both dates inclusive.

Johannesburg

Sponsor: Nedbank CIB

Approved by the board on 2 March 2020

This short-form announcement is the responsibility of the Board of directors of Cashbuild and is prepared based on the audited interim results being the full announcement. Any investment decision should be based on the full announcement available on Cashbuild's website and on the JSE's website at <https://senspdf.jse.co.za/documents/2020/jse/issue/CSB/ie2019.pdf>. The full announcement is also available at the Company's registered office for inspection, at no charge, during office hours. Copies of the full announcement may be requested by contacting Elna Munro on telephone +27 11 248 1500.

AUDITED INTERIM RESULTS AND DIVIDEND DECLARATION

for the six months ended 31 December 2019



SUMMARY CONSOLIDATED INTERIM INCOME STATEMENT – AUDITED

R'000	Six months ended 31 December 2019 (26 weeks)	Six months ended 31 December 2018 (26 weeks)	% change	Year ended 30 June 2019 (52 weeks)
Revenue	5 510 188	5 563 231	(1)	10 821 235
Cost of sales	(4 141 614)	(4 168 975)	(1)	(8 101 229)
Gross profit	1 368 574	1 394 256	(2)	2 720 006
Selling and marketing expenses	(917 060)	(968 961)	(5)	(1 884 034)
Administrative expenses	(154 611)	(137 343)	13	(279 056)
Other operating expenses	(2 404)	(9 808)	(75)	(13 288)
Other income	4 950	6 725	(26)	15 397
Operating profit	299 449	284 869	5	559 025
Finance cost	(90 495)	(2 966)	>100	(4 190)
Finance income	39 164	30 717	27	57 878
Profit before income tax	248 118	312 620	(21)	612 713
Income tax expense	(75 305)	(92 868)	(19)	(180 294)
Profit for the period	172 813	219 752	(21)	432 419
Profit attributable to:				
– Owners of the company	169 957	217 196	(22)	427 357
– Non-controlling interests	2 856	2 556	12	5 062
Earnings per share (cents)	748.0	956.2	(22)	1 881.3
Diluted earnings per share (cents)	747.8	955.8	(22)	1 880.6

SUMMARY CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME – AUDITED

R'000	Six months ended 31 December 2019 (26 weeks)	Six months ended 31 December 2018 (26 weeks)	Year ended 30 June 2019 (52 weeks)
Profit for the period	172 813	219 752	432 419
Other comprehensive income:			
Total movement in foreign currency translation reserve (FCIT)	5 287	8 148	4 708
Attributable to:			
– Owners of the company	4 496	7 161	5 083
– Non-controlling interests	791	987	(375)
Total comprehensive income for the period	178 100	227 900	437 127
Total comprehensive income attributable to:			
– Owners of the company	174 453	224 357	432 440
– Non-controlling interests	3 647	3 543	4 687
Total comprehensive income for the period	178 100	227 900	437 127

SUMMARY CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION – AUDITED

R'000	31 December 2019	31 December 2018	30 June 2019
ASSETS			
Non-current assets	3 013 288	1 684 111	1 716 090
Property, plant and equipment	2 430 394	1 128 254	1 129 283
Investment Property	54 435	–	28 158
Intangible assets	424 285	428 842	426 398
Rent prepayments	–	68 524	66 470
Deferred income tax assets	104 174	58 491	65 781
Current assets	3 261 062	3 129 527	2 278 575
Assets held for sale	6 080	25 206	3 576
Inventories	1 678 499	1 841 293	1 541 295
Trade and other receivables	148 929	164 246	117 807
Prepayments	23 802	32 064	25 747
Cash and deposits	1 403 752	1 066 718	590 150
Total assets	6 274 350	4 813 638	3 994 665
EQUITY AND LIABILITIES			
Shareholders' equity	2 129 229	2 071 143	2 187 400
Share capital and reserves	2 096 141	2 041 023	2 156 701
Non-controlling interests	33 088	30 120	30 699
Non-current liabilities	1 466 097	215 904	224 285
Lease liabilities	1 434 039	–	–
Deferred operating lease liability	–	174 369	187 378
Deferred income tax liability	32 058	40 889	36 907
Contingent consideration	–	1 446	–
Current liabilities	2 679 024	2 526 591	1 582 980
Trade and other liabilities	2 425 419	2 445 748	1 554 567
Lease liabilities	189 520	516	–
Current income tax liabilities	64 085	80 327	28 413
Total equity and liabilities	6 274 350	4 813 638	3 994 665

ADDITIONAL INFORMATION – AUDITED

R'000	Six months ended 31 December 2019	Six months ended 31 December 2018	Year ended 30 June 2019
Net asset value per share (cents) – unaudited	8 388	8 167	8 636
Net asset value per share (excluding treasury shares) – unaudited	9 225	8 986	9 500
Ordinary shares ('000s):			
– In issue	24 990	24 990	24 990
– Weighted-average	22 723	22 714	22 716
– Diluted weighted-average	22 728	22 723	22 725
Capital investment	82 221	124 491	203 556
Depreciation of property, plant and equipment	177 523	66 286	131 380
Amortisation of intangible assets	2 921	3 399	6 517
Capital commitments	158 857	221 672	142 854
Property operating lease commitments	–	1 998 506	1 988 949
Contingent liabilities	16 022	14 618	16 022

SUMMARY CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS – AUDITED

R'000	Six months ended 31 December 2019	Six months ended 31 December 2018	Year ended 30 June 2019
Cash flows from operating activities			
Cash generated from operations	1 187 845	384 944	213 079
Interest paid	(90 495)	(2 966)	(4 190)
Interest received – non-investing	803	334	337
Taxation paid	(42 337)	(101 602)	(251 414)
Net cash generated from operating activities	1 055 816	280 710	(42 188)
Cash flows from investing activities			
Net investment in assets	(75 928)	(119 611)	(195 503)
Increase in investments	(26 511)	–	–
Interest received	38 361	30 383	57 541
Net cash used in investing activities	(64 078)	(89 228)	(137 962)
Cash flows from financing activities			
Shares sold by Cashbuild Trusts	1 266	–	–
Finance lease payments	(79 415)	(535)	(1 051)
Dividends paid:			
– Own equity	(96 437)	(79 079)	(178 960)
– Non-controlling interests	(1 258)	(1 148)	(1 713)
Net cash used in financing activities	(175 844)	(80 762)	(181 724)
Net increase in cash and cash equivalents	815 894	110 720	(361 874)
Cash and cash equivalents at beginning of period	590 150	952 929	952 929
Effect of exchange rate movements on cash and cash equivalents	(2 292)	3 069	(905)
Cash and cash equivalents at end of period	1 403 752	1 066 718	590 150

SUMMARY CONSOLIDATED INTERIM SEGMENTAL ANALYSIS – AUDITED

R'000	South Africa												Botswana, Malawi and Zambia		
	Group			Cashbuild business			P&L Hardware business			Other members of common monetary area*			Botswana, Malawi and Zambia		
	Six months ended 31 December 2019	2018	Year ended 30 June 2019	Six months ended 31 December 2019	2018	Year ended 30 June 2019	Six months ended 31 December 2019	2018	Year ended 30 June 2019	Six months ended 31 December 2019	2018	Year ended 30 June 2019	Six months ended 31 December 2019	2018	Year ended 30 June 2019
Income statement															
Revenue	5 510 188	5 563 231	10 821 235	4 333 948	4 338 290	8 475 594	631 024	670 900	1 258 394	300 554	313 914	613 587	244 662	240 127	473 660
Operating profit	299 449	284 869	559 025	257 115	248 114	526 040	17 089	16 535	(8 493)	14 714	15 456	35 074	10 531	4 764	6 404
Statement of financial position															
Segment assets	6 274 350	4 813 638	3 994 665	4 411 306	3 095 260	2 435 673	892 073	854 664	768 877	610 628	559 784	529 141	360 343	303 930	260 974
Segment liabilities	4 145 121	2 742 495	1 807 265	2 817 537	1 998 559	795 192	863 949	371 341	737 174	224 818	190 365	127 073	238 817	182 230	147 826
Other segment items															
Number of stores	321	320	315	229	225	224	60	62	59	18	18	18	14	15	14
Depreciation	177 523	66 286	131 380	142 275	52 020	103 674	16 820	6 037	11 575	8 002	4 093	8 073	10 426	4 136	8 058
Amortisation	2 921	3 399	6 517	2 794	3 271	6 253	–	–	8	47	47	162	80	81	94
Capital investment	82 221	124 491	203 556	58 885	109 797	166 203	3 950	9 182	12 037	12 281	4 254	19 642	7 105	1 258	5 674

* Includes Namibia, Swaziland and Lesotho.

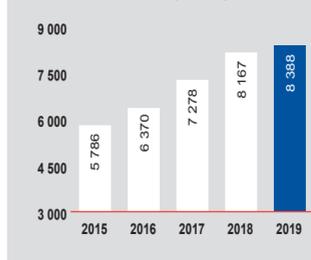
REVENUE (Rm)



OPERATING PROFIT (Rm)



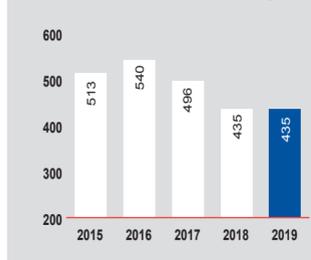
NAV PER SHARE (cents)



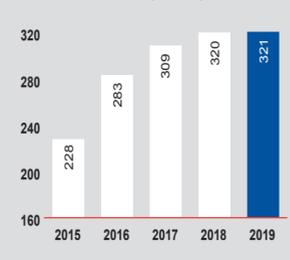
HEADLINE EARNINGS (Rm)



TOTAL DIVIDEND PER SHARE (cents)



SPACE GROWTH (stores)



NOTES TO THE SUMMARY CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. **Basis of preparation.** The summary consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), the presentation and disclosure requirements of IAS 34 – Interim Financial Reporting as required by the JSE Limited Listings Requirements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa applicable to summary interim financial statements. The accounting policies applied in the preparation of the consolidated interim financial statements from which the summary consolidated interim financial statements were derived, are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements. The Group has adopted IFRS 16 Leases effective for the reporting period commencing on 1 July 2019.

IFRS 16 – Leases replaces IAS 17 – Leases, removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In adoption, the Group has applied the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 1 July 2019.

The following table summarises the impact of the adoption of IFRS 16 on the results:

R'000	Audited June 2019	IFRS 16	1 July 2019
Financial position			
Property, plant and equipment	1 129 283	1 224 547	2 353 830
Deferred tax	65 781	30 523	96 304
Lease liabilities	–	(1 518 267)	(1 518 267)
Deferred operating lease liability	(185 380)	185 380	–
Opening retained earnings	(2 349 602)	148 826	(2 200 776)

The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases in terms of IAS 17. Where necessary, they have been applied on a lease by lease basis:

- when a portfolio of leases contained reasonably similar characteristics, the Group applied a single discount rate to that portfolio;
- leases which were expiring within 12 months of 01 July 2019 were treated as short term leases, with remaining lease payments recognised as an expense on a straight-line basis;
- initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application;
- hindsight was applied where appropriate. This was specifically the case for determining the lease term for leases which contained extension or termination options.

When measuring lease liabilities, Group discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 10%.

The interim financial statements have been prepared under the supervision of the Finance Director, Mr AE Prowse CA(SA), and approved by the board on 2 March 2020.

2. **Independent audit by the auditor.** These summary consolidated interim financial statements were derived from the consolidated interim financial statements for the six months ended 31 December 2019. The consolidated interim financial statements have been audited by PricewaterhouseCoopers Inc. who expressed an unmodified opinion thereon. A copy of their unqualified audit report is available for inspection at the registered office of the company.

Directors: AGW Knock (British)* (Chairman), M Bosman*, WF de Jager (Chief Executive), A Hattingh, HH Hickey*, Dr DSS Lushaba*, AE Prowse, NV Simamane*, GM Tapon Njama*, SA Throsson, WP van Aswegen (*Non-executive)
Company Secretary: T Nengovhela
Registered Office: 101 Northern Parkway, Ormonde, Johannesburg, 2091, PO Box 90115, Bertsham, 2013
Transfer Secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196

COMMENTARY

Nature of business

Cashbuild is southern Africa's largest retailer of quality building materials and associated products, selling direct to a cash-paying customer base through our constantly expanding chain of stores (321 at the end of this reporting period which includes 60 P&L Hardware stores and one DIY store). Cashbuild carries an in-depth quality product range tailored to the specific needs of the communities we serve. Our customers are typically home-builders and improvers, contractors, farmers, traders, as well as all other customers requiring quality building materials at the best value.

Cashbuild has built its credibility and reputation by consistently offering its customers quality building materials at the best value and through a purchasing and inventory policy that ensures customers' requirements are always met.

International Financial Reporting Standards

The Group is reporting its audited results in accordance with International Financial Reporting Standards ("IFRS")

Financial highlights

The Group adopted IFRS 16 which replaces IAS 17. The financial highlights are based on unaudited results provided for comparative purposes and exclude the effects of IFRS16 in the current period and IAS17 in the prior reported period. The following table summarises the impact of the adoption of IFRS 16 on the results of the current and comparative reporting period excluding the IAS 17 impact:

R'000	Audited December 2019	IFRS 16	Unaudited December 2019	% change	Unaudited December 2018	IAS 17	Audited December 2018
Financial position							
Property, plant and equipment	2 430 394	(1 298 318)	1 132 076	–	1 128 254	–	1 128 254
Deferred tax	72 116	(91 337)	(19 221)	(38)	(30 838)	(49 240)	18 402
Lease liabilities	1 623 559	(1 623 559)	–	–	–	–	–
Deferred operating lease liability	–	–	–				