

### INTERIM RESULTS AND DIVIDEND DECLARATION

for the six months ended 26 December 2021

### 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 chain of stores (317 at the end of this reporting period, which includes 54 P&L Hardware stores). 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 HIGHLIGHTS

Revenue for the period declined by 12%. Revenue for stores in existence prior to July 2020 (pre-existing stores - 305 stores) declined with 14% and our 12 new stores contributed 2% growth. Gross profit decreased by 11% with gross profit margin percentage increasing from 26.4% to 26.6% mainly due to the store looting stock recovery claim net of write off. Selling price inflation for December 2021 was 8.8% compared to December 2020. Operating expenses, including new stores, were well controlled considering the revenue decline, reducing by 10% (existing stores 12% partially offset by a 2% increase in new stores) resulting in the operating profit decreasing by 14%. Basic earnings per share declined by 19% with headline earnings per share also declining by 27% from the prior period.

Cash and cash equivalents 33% lower than the prior period mainly as a result of the substantial final dividend paid and costs of looted stores not yet recovered from insurance. Stock levels, including new stores have increased by 10% with stockholding at 79 days (December 2020: 68 days; June 2021: 74 days) at period end. Net asset value per share decreased by 5%, from 9 640 cents (December 2020) to 9 175 cents.

During the period, Cashbuild opened 2 new Cashbuild stores, refurbished 5 Cashbuild stores and relocated 1 Cashbuild store, 3 looted Cashbuild stores and 1 P&L Hardware store were closed at the expiration of their lease agreements. 25 Cashbuild stores and 3 P&L Hardware stores that were looted have since been reopened. Cashbuild will continue its store expansion, relocation and refurbishment strategy in a controlled manner, applying an even more rigorous process, due to the Covid-19 pandemic and associated economic uncertainties.

#### **PROSPECTS**

Group revenue for the six weeks subsequent to period end is  $10 \ensuremath{\ensuremath{^{\circ}}}$  lower than the comparative prior six weeks period. Management expects trading conditions to remain uncertain due to the ongoing Covid-19 pandemic and its economic impact. This information has not been reviewed nor audited by the Company's auditor.

#### DECLARATION OF DIVIDEND

The board has declared an interim dividend (No. 58), of 587 cents (2020: 724 cents) per ordinary share out of income reserves to all shareholders of Cashbuild. The dividend per share is calculated based on 24 989 811 (2020: 24 989 811) shares in issue at date of dividend declaration. Net local dividend amount is 469.6 cents per share for shareholders liable to pay Dividends Tax and 587 cents per share for shareholders exempt from paying Dividends Tax. Local dividend tax is 20%.

Cashbuild's tax reference number is 9575168712.

Date dividend declared: Last day to trade "CUM" the dividend: Date to commence trading "EX" the dividend: Record date: Date of payment:

Tuesday, 1 March 2022 Tuesday, 22 March 2022 Wednesday, 23 March 2022 Friday, 25 March 2022 Monday, 28 March 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 23 March 2022 and Friday, 25 March 2022, both dates inclusive.

#### INDEPENDENT REVIEW BY THE AUDITOR

These summary consolidated interim financial statements were derived from the reviewed consolidated interim financial statements for the six months ended 26 December 2021. The independent auditor's review has been conducted in accordance with International Standards on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor, PricewaterhouseCoopers Inc., and their unmodified review report is available for inspection at the Company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors. The auditor's review report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review report together with the accompanying financial statements from the registered office.

Johannesburg

Sponsor: Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Approved by the board on 1 March 2022

Released 2 March 2022

This short-form announcement is the responsibility of the Board of directors of Cashbuild and is prepared based on the reviewed interim results being the full announcement. Any investment decisions hould be based on the full announcement available on Cashbuild's website www.cashbuild.co.za and on the JSE's website at https://senspdf.ise.co.za/documents/2022/jse/isse/CSB/ie2021.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.

R'million	ended 26 December 2021	Six months ended 27 December 2020	% change	Year ended 27 June 2021
Revenue	5 889	6 695	(12)	12 616
Operating profit	492	576	(14)	1 039
Earnings per share (cents)	1 294.8	1 594.7	(19)	2 935.7
Headline earnings per share (cents)	1 130.4	1 540.7	(27)	2 872.6
Dividend per share (cents)	587	724	(19)	2 935



REVENUE (Rm)

NAV PER SHARE (cents)

**OPERATING PROFIT (Rm)** 

**HEADLINE EARNINGS (Rm)** 

7 000

8 500

7 500

500

400

390 330

270

### CIVIL UNREST AND LOOTING EFFECTS

During the period, 36 (32 Cashbuild and 4 P&L Hardware) stores across the Group were impacted by the unrest and looting in July 2021. Stores were looted and damaged which led to the scrapping of various categories of property, plant and equipment (R20.4 million) and inventory (R136 million). Cashbuild has insurance cover for such events to minimise losses to the Group and submitted insurance claims of R143 million for inventory, R71 million for property, plant and equipment and R65 million for business interruption to its respective insurers.

The insurance recoveries expected have been recognised in cost of sales (R143 million) and other income (R71 million). Cashbuild expects that compensation for business interruption would be finalised after the full-year results of the Group have been determined. No receivable has been recognised for the business interruption due to not finalising the claim value which therefore is not virtually certain. The Group received interim payments for its asset claims of R132 million on 23 November 2021 and R82 million (VAT inclusive) after period end.





# INTERIM RESULTS AND DIVIDEND DECLARATION

for the six months ended 26 December 2021





### Summary consolidated interim income statement - Reviewed

R'000	ended 26 December 2021	ended 27 December 2020 (26 weeks)	% change	Year ended 27 June 2021 (52 weeks)
Revenue	5 888 708	6 694 502	(12)	12 615 629
Cost of sales	(4 324 404)	(4 929 613)	(12)	(9 226 014)
Gross profit Selling and marketing expenses Administrative expenses Other operating expenses Other income	1 564 304	1 764 889	(11)	3 389 615
	(1 017 278)	(1 050 005)	(3)	(1 995 881)
	(136 286)	(161 173)	(15)	(385 536)
	(23 140)	(1 560)	>100	(3 363)
	104 726	23 502	>100	33 984
Operating profit Finance cost Finance income	492 326	575 653	(14)	1 038 819
	(82 763)	(77 769)	6	(162 502)
	37 920	46 971	(19)	91 327
Profit before income tax	447 483	544 855	(18)	967 644
Income tax expense	(151 116)	(180 611)	(16)	(297 557)
Profit for the period	296 367	364 244	(19)	670 087
Profit attributable to:  - Owners of the company  - Non-controlling interests	293 141 3 226	361 932 2 312		664 682 5 405
	296 367	364 244	(19)	670 087
Earnings per share (cents)	1 294.8	1 594.7	(19)	2 935.7
Diluted earnings per share (cents)	1 292.7	1 594.1	(19)	2 932.6

## Summary consolidated interim statement of comprehensive

income - Reviewed

R'000	Six months ended 26 December 2021 (26 weeks)	Six months ended 27 December 2020 (26 weeks)	Year ended 27 June 2021 (52 weeks)
Profit for the period Other comprehensive income:	296 367	364 244	670 087
Total movement in foreign currency translation reserve (FCTR)  Attributable to:	(14 890)	(10 896)	(17 308)
- Owners of the company - Non-controlling interests	(15 637) 747	(6 720) (4 176)	(11 578) (5 730)
Total comprehensive income for the period	281 477	353 348	652 779
Total comprehensive income attributable to:  - Owners of the company  - Non-controlling interests	277 504 3 973	355 212 (1 864)	653 104 (325)
	281 477	353 348	652 779

## Summary consolidated interim statement of cash flows - Reviewed

R'000	Six months ended 26 December 2021	Six months ended 27 December 2020	Year ended 27 June 2021
Cash flows from operating activities Cash generated from operations Interest paid Interest received - non-investing Taxation paid	289 910 (82 763) 132 (158 194)	1 195 401 (77 769) - (55 708)	1 507 716 (162 502) 11 (239 643)
Net cash generated from operating activities	49 085	1 061 924	1 105 582
Cash flows from investing activities Net investment in assets Interest received	(139 434) 37 788	(81 476) 46 971	(173 233) 91 316
Net cash used in investing activities	(101 646)	(34 505)	(81 917)
Cash flows from financing activities Shares purchased by Cashbuild SA for FSP Finance lease payments Dividends paid: - Own equity - Non-controlling interests	(36 646) (74 630) (513 172) (4 003)	(13 591) (88 851) (62 367) (1 980)	(13 591) (180 149) (229 915) (1 980)
Net cash used in financing activities	(628 451)	(166 789)	(425 635)
Net increase in cash and cash equivalents	(681 012)	860 630	598 030
Cash and cash equivalents at beginning of period	2 546 380	1 951 582	1 951 582
Effect of exchange rate movements on cash and cash equivalents	11 568	6 874	(3 232)
Cash and cash equivalents at end of period	1 876 936	2 819 086	2 546 380

## Summary consolidated interim segmental analysis - Reviewed

Nature of business

Commentary

Cashbuild is southern Africa's largest retailer of quality building materials and associated products, selling direct to a cash-paying customer base through our chain of stores (317 at the end of this reporting period, which includes 54 P&L Hardware stores). 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

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 reviewed results in accordance with International Financial Reporting Standards ("IFRS").

Financial highlights Revenue for the period declined by 12%. Revenue for stores in existence

prior to July 2020 (pre-existing stores - 305 stores) declined with 14% and our 12 new stores contributed 2% growth. Gross profit decreased by 11% with gross profit margin percentage increasing from 26.4% to 26.6% mainly due to the store looting stock recovery claim net of write off. Selling price inflation for December 2021 was 8.8% compared to December 2020.

Operating expenses, including new stores, were well controlled considering the revenue decline, reducing by 10% (existing stores 12% partially offset by a 2% increase in new stores) resulting in the operating profit decreasing by 14%. Basic earnings per share declined by 19% with headline earnings per share also declining by 27% from the prior period. The effective tax rate of 33.8% for the period is higher than that of the previous period due to the withholding tax on inter-group dividends declared in countries.

Cash and cash equivalents is 33% lower than the prior period mainly as a result of the substantial final dividend paid and costs of looted stores not yet recovered from insurance. Stock levels, including new stores have increased by 10% with stockholding at 79 days (December 2020: 68 days; June 2021: 74 days) at period end. Net asset value per share decreased by 5%, from 9 640 cents (December 2020) to 9 175 cents.

During the period, Cashbuild opened 2 new Cashbuild stores refurbished 5 Cashbuild stores and relocated 1 Cashbuild store. 3 looted Cashbuild stores and 1 P&L Hardware store were closed at the expiration of their lease agreements. 25 Cashbuild stores and 3 P&L Hardware stores that were looted have since been reopened. Cashbuild will continue its store expansion, relocation and refurbishment strategy in a controlled manner, applying an even more rigorous process, due to the Covid-19 pandemic and associated economic uncertainties.

Group revenue for the six weeks subsequent to period end is 10% lower than the comparative prior six weeks period. Management expects trading conditions to remain uncertain due to Covid-19 and its economic impact. This information has not been reviewed nor audited by the Company's auditor.

During the period, 36 (32 Cashbuild and 4 P&L Hardware) stores across the Group were impacted by the unrest and looting in July 2021. Stores were looted and damaged which led to the scrapping of various categories of property, plant and equipment (R20.4 million) and inventory (R136 million). Cashbuild has insurance cover for such events to minimise losses to the Group and submitted insurance claims of R143 million for inventory, R71 million for property, plant and equipment and R65 million for business interruption to its respective insurers.

The insurance recoveries expected have been recognised in cost of sales (R143 million) and other income (R71 million). Cashbuild expects that compensation for business interruption would be finalised after the full-year results of the Group have been determined. No receivable has been recognised for the business interruption due to not finalising the claim value which therefore is not virtually certain. The Group received interim payments for its asset claims of R132 million on 23 November 2021 and R82 million (VAT inclusive) after period end.

For illustrative purposes, the Consolidated Income Statements table below has been presented on a comparative basis to highlight the civil unrest and looting effects in the current and prior period. This has been provided so that users may be able to assess the impact of looting and the trading results of the remaining business and is the responsibility of the directors of Cashbuild. Due to the nature of the information presented below, it may not fairly present the financial position, changes in equity, results of operations or cash flows of

### Civil unrest and looting effects

	December 2021	December 2021	December 2021		December 2020	December 2020	December 2020
	Statutory results	Looted stores	Excluding looted stores	Variance %	Excluding looted stores	Looted stores	Statutory results
Revenue Cost of sales	5 888 708 (4 324 404)	225 354 (155 042)	5 663 354 (4 169 362)	(5) (5)	5 942 241 (4 370 783)	752 261 (558 830)	6 694 502 (4 929 613)
Gross profit Gross profit %	1 564 304 26.6	70 312 31.2	1 493 992 26.4	(5)	1 571 458 26.4	193 431 25.7	1 764 889 26.4
Selling and marketing expenses Administrative expenses	(1 017 278) (136 286)	(93 918)	(923 360) (136 286)	(1)	(934 874) (161 173)	(115 131)	(1 050 005) (161 173)
Other operating expenses	(23 140)	(20 384)	(2 756)	(15) 77	(1 560)	-	(1 560)
Other income Operating profit	104 726 492 326	71 488 27 498	33 238 464 828	(7)	23 502 497 353	78 300	23 502 575 653
Operating profit %	8.4		8.2		8.4		8.6
Attributable earnings Earnings per share	293 141 1 294.8	15 903	277 238 1 224.6	(12) (12)	315 934 1 392.0	45 998	361 932 1 594.7
Headline earnings per share	1 130.4		1 246.3	(7)	1 338.1		1 540.7

### Summary consolidated interim statement of financial position -Reviewed

R'000	26 December 2021	27 December 2020	27 June 2021	
ASSETS Non-current assets	3 061 706	2 997 140	3 090 832	
Property, plant and equipment Investment property Intangible assets Investment in associate Deferred income tax assets	2 449 511 39 960 424 467 30 000 117 768	2 397 165 57 924 422 268 - 119 783	2 464 385 43 007 423 464 30 000 129 976	
Current assets	3 950 297	4 641 458	4 241 101	2.
Assets held for sale Inventories Trade and other receivables Prepayments Cash and deposits	950 1 819 437 219 614 33 360 1 876 936	1 652 663 143 984 25 725 2 819 086	1 545 878 129 179 19 664 2 546 380	
Total assets	7 012 003	7 638 598	7 331 933	
EQUITY AND LIABILITIES Shareholders' equity Share capital and reserves	2 328 988 2 292 924	2 443 631 2 409 076	2 587 954 2 551 860	3.
Non-controlling interests	36 064	34 555	36 094	
Non-current liabilities	1 485 922	1 462 937	1 517 518	4.
Lease liabilities Joint investment loan payable Deferred income tax liability	1 431 740 15 369 38 813	1 422 900 - 40 037	1 467 717 16 783 33 018	
Current liabilities	3 197 093	3 732 030	3 226 461	
Trade and other liabilities Lease liabilities Current income tax liabilities	2 895 374 217 354 84 365	3 391 570 181 237 159 223	2 914 923 202 092 109 446	

7 012 003

7 638 598

Six months

## Additional information

Total equity and liabilities

ended 26 December 2021	ended 27 December 2020	Year ended 27 June 2021
9 175	9 640	10 212
10 128	10 615	11 258
24 990	24 990	24 990
22 639	22 696	22 642
22 676	22 704	22 665
143 239	95 941	196 096
183 840	179 233	364 044
1 987	2 518	4 308
65 326	133 963	74 502
19 923	8 524	8 524
	26 December 2021 9 175 10 128 24 990 22 639 22 676 143 239 183 840 1 987 65 326	26 December 2021  9 175 9 640 10 128 10 615  24 990 24 990 22 639 22 696 22 676 22 704 143 239 95 941 183 840 179 233 1 987 2 518 65 326 133 963

### 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 consolidated interim financial statements have been prepared under the supervision of the Finance Director, Mr AE Prowse CA(SA), and approved by the board on 1 March 2022.

Independent review by the auditor. These summary consolidated interim financial statements were derived from the reviewed consolidated interim financial statements for the six months ended 26 December 2021. The independent auditor's review has been conducted in accordance with International Standards on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor, useCoopers Inc., and their unmodified review report is available for inspection at the Company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors. The auditor's review report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review report together with the accompanying financial statements from the

Reporting period. The Group adopts the retail accounting calendar, which comprises the reporting period ending on the last Sunday of the month (2021: 26 December (26 weeks); 2020: 27 December (26 weeks); June 2021: 27 June (52 weeks)).

Declaration of dividend. The board has declared an interim dividend (No. 58), of 587 cents (2020: 724 cents) all shareholders of Cashbuild. The dividend per share is calculated based on 24 989 811 (2020: 24 989 811) shares in issue at date of dividend declaration. Net local dividend amount is 469.6 cents per share for shareholders liable to pay Dividends Tax and 587 cents per share for shareholders exempt from paying Dividends Tax. Local dividend tax is 20%. Cashbuild's tax reference number is 9575168712.

Date dividend declared: Last day to trade "CUM" the dividend: Date to commence trading "EX" the dividend: Record date: Date of payment:

Tuesday, 1 March 2022 Tuesday, 22 March 2022 Wednesday, 23 March 2022 Friday, 25 March 2022 Monday, 28 March 2022

2 869.7

Share certificates may not be dematerialised or rematerialised between Wednesday, 23 March 2022 and Friday, 25 March 2022, both dates inclusive

5. Earnings per share. Earnings per share is calculated by dividing the earnings attributable to owners of the company for the period by the weighted-average number of 22 638 936 ordinary shares in issue at period-end (2020: 22 695 705 shares; June 2021: 22 641 722). Headline earnings per ordinary share. The calculations of headline earnings and diluted headline earnings per ordinary share are based on headline earnings of R255,9 million (2020: R349.7 million; June 2021:

R650.4 million) and a weighted-average of 22 638 936 (2020: 22 695 705 shares; June 2021: 22 641 722) shares and fully diluted of 22 676 476 (2020: 22 704 069; June 2021: 22 665 031) ordinary shares in issue. Reconciliation between net profit attributable to the equity holders of the company and headline earnings

R'000	Six months ended December 2021	Six months ended December 2020	% change	Year ended June 2021
Net profit attributable to the owners of the company	293 141	361 932	(19)	664 682
Loss/(profit) on sale of assets after taxation	455	(927)		(2 268)
Impairment/(Impairment reversal) after taxation	4 463	(11 322)		(11 999)
Net profit effect of property, plant and equipment from insurance income after taxation	(42 150)	_		-
Headline earnings	255 909	349 683	(27)	650 415
Headline earnings per share (cents)	1 130.4	1 540.7	(27)	2 872.6

1 128.5

On behalf of the board Alistair Knock

Werner de Jage Chief Executive

Diluted headline earnings per share (cents)

Johannesburg 1 March 2022

1 540.2

Summary consolidated interim statement of changes in equity - Reviewed Attributable to owners of the compan

R'000	Share capital	Share premium	Share-based payments reserve	FCTR	Retained earnings	Non- controlling interests	Total equity
Balance at 28 June 2020	227	(274 414)	95 262	24 372	2 271 169	38 399	2 155 015
Total comprehensive income for the period	_	-	-	(6 720)	361 932	(1 864)	353 348
Dividends paid	_	-	-	-	(62 367)	(1 980)	(64 347)
Shares purchased by Cashbuild SA for Forfeitable Share Plan	_	(13 591)	-	-	_	_	(13 591)
Recognition of share-based payments	-	-	13 206	-	-	-	13 206
Balance at 27 December 2020	227	(288 005)	108 468	17 652	2 570 734	34 555	2 443 631
Total comprehensive income for the period	_	-	-	(4 858)	302 750	1 539	299 431
Dividends paid	-	-	-	-	(167 548)	-	(167 548)
Recognition of share-based payments	-	-	12 440	-	-	-	12 440
Balance at 27 June 2021	227	(288 005)	120 908	12 794	2 705 936	36 094	2 587 954
Total comprehensive income for the period	-	-	-	(15 637)	293 141	3 973	281 477
Shares purchased by Cashbuild SA for Forfeitable Share Plan	-	(36 646)	-	-	-	-	(36 646)
Dividends paid	-	-	-	-	(513 172)	(4 003)	(517 175)
Recognition of share-based payments	-	-	13 378	-	-	-	13 378
Balance at 26 December 2021	227	(324 651)	134 286	(2 843)	2 485 905	36 064	2 328 988

7 331 933

		South Africa													
		Group			Cashbuild business P&L Hardware business					Other members of common monetary area*			Botswana, Malawi and Zambia		
		hs ended ember	Year ended June	Six montl Dece		Year ended June		hs ended ember	Year ended June	Six mont		Year ended June		hs ended ember	Year ended June
R'000	2021	2020	2021	2021	2020	2021	2021	2020	2021	2021	2020	2021	2021	2020	2021
Income statement															
Revenue	5 888 708	6 694 502	12 615 629	4 717 373	5 364 089	10 154 307	494 818	654 952	1 158 633	398 568	384 559	732 188	277 949	290 902	570 501
Operating profit	492 326	575 653	1 038 819	412 406	495 553	872 124	15 703	11 710	28 907	41 183	40 626	80 278	23 034	27 764	57 510
Statement of financial position															
Segment assets	7 012 003	7 638 598	7 331 933	5 043 142	5 619 749	5 397 017	845 398	904 218	824 852	691 936	710 878	704 450	431 527	403 753	405 614
Segment liabilities	4 683 015	5 194 967	4 743 979	3 335 640	3 797 825	3 491 978	794 634	864 666	777 623	251 754	282 961	243 514	300 987	249 515	230 864
Other segment items															
Number of stores	317	317	319	232	229	233	54	58	55	18	17	18	13	13	13
Depreciation	183 840	179 233	364 044	152 357	144 958	296 166	15 062	18 005	36 160	8 547	6 999	14 727	7 874	9 271	16 991
Amortisation	1 987	2 518	4 308	1 932	2 438	4 170	41	21	51	-	25	33	14	34	54
Capital investment	143 239	95 941	196 096	138 627	57 836	161 533	4 071	28 989	18 421	484	8 541	15 261	57	575	881

Includes Namibia, Swaziland and Lesotho