

Annual Results and Dividend Declaration for the year ended 25 June 2023



Revenue
R10.7 BILLION
down 4%

Headline earnings
R271 MILLION
down 38%

Net asset value per share
8 068 CENTS
down 14%

Final Dividend
332 CENTS
down 51%

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 (318 at the end of this reporting period which includes 52 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. Cashbuild has built its credibility and reputation by consistently offering its customers quality building materials at the best value through a purchasing and inventory policy that ensures customers' requirements are always met.

FINANCIAL HIGHLIGHTS

Revenue for the year decreased by 4% when compared to the previous financial year. Revenue for stores in existence prior to July 2021 (pre-existing stores – 308 stores) decreased by 6% and our 10 new stores contributed 2% growth. Gross profit decreased by 8% with gross profit margin percentage decreasing from 26.3% to 25.4%. Selling price inflation was 5.4% at the end of June 2023 when compared to June 2022.

Comparable operating expenses, excluding the P&L Hardware Goodwill impairment in the current year and the looting effects of the prior year, increased by 5% (existing stores increasing by 4% and new stores contributed a 1% increase). On a statutory basis, operating expenses increased by 20% (existing stores increasing by 19% and new stores contributed a 1% increase). The decrease in revenue together with increasing costs resulted in the operating profit decreasing by 73% (53% on a comparable basis mentioned earlier). Basic earnings per share decreased by 78% with headline earnings per share also decreasing by 37% from the prior year.

The high effective tax rate of 35.5% for the year is as a result of the impairment of the P&L Hardware Goodwill however still lower than the prior year due to withholding tax on inter-group dividends paid.

Cash and cash equivalents decreased to R1 583 million due to higher stock levels in the current year and the repurchase of shares. Stock levels, including new stores have increased by 12% with stockholding at 90 days (June 2022: 81 days) at year end. Net asset value per share decreased by 14%, from 9 350 cents (June 2022) to 8 068 cents.

During the year, Cashbuild opened 6 new Cashbuild stores, refurbished 18 Cashbuild and 2 P&L Hardware stores. 4 Cashbuild stores and 1 P&L Hardware store were closed during the year. The closures relate to 1 looted store, 1 as a result of a relocation and the remainder due to non-performance which included the last 2 Zambian stores. Cashbuild will continue its store expansion, relocation, and refurbishment strategy in a controlled manner, after considering its continuously evolving feasibility process.

PROSPECTS

Group revenue for the six weeks subsequent to period end is 1% lower than the prior year's comparative six-week period. Management expects trading conditions to remain challenging. This information has not been reviewed nor audited by the Company's auditor.

FINANCIAL SUMMARY

R'million	25 June 2023	26 June 2022	% change
Revenue	10 653	11 145	(4)
Profit	233	876	(73)
Earnings per share (cents)	456.9	2 094.7	(78)
Headline earnings per share (cents)	1 221.5	1 929.4	(37)
Final dividend per share (cents)	332	677	(51)

DECLARATION OF DIVIDEND

The Board has declared a final dividend (No. 61) of 332 cents (June 2022: 677 cents) per ordinary share, out of income reserves, excluding the impact of the impairment on the P&L Hardware Goodwill, to all shareholders of Cashbuild Limited. The dividend per share is calculated based on 23 900 647 (June 2022: 24 989 811) shares in issue at the date of the dividend declaration. The net local dividend amount is 265.6 cents per share for shareholders liable to pay Dividends Tax and 332 cents per share for shareholders exempt from paying Dividends Tax. The total dividend for the year amounts to 732 cents (June 2022: 1 264 cents). Local Dividends Tax is 20%.

Cashbuild Limited's tax reference number is 9575168712.

Date dividend declared:	Tuesday, 29 August 2023
Last day to trade "CUM" the dividend:	Tuesday, 19 September 2023
Date to commence trading "EX" the dividend:	Wednesday, 20 September 2023
Record date:	Friday, 22 September 2023
Date of payment:	Tuesday, 26 September 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 20 September 2023 and Friday, 22 September 2023, both dates inclusive.

Johannesburg

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

Approved by the Board on 29 August 2023

Released 30 August 2023

This short form announcement is the summarised version of the audited financial results for the year ended 25 June 2023 of Cashbuild Limited and its subsidiaries and, as such, it does not contain full or complete details pertaining to the Group's financial statements. This short-form announcement has not been audited by the external auditor, is the responsibility of the Board of directors of Cashbuild and is prepared based on the audited financial statements. Any investment decisions should be based on the audited financial statements as the information in this announcement does not provide all of the details. The financial statements are available on Cashbuild's website www.cashbuild.co.za and on the JSE cloudlink <https://senspdf.jse.co.za/documents/2023/jse/isse/CSB/ye2023.pdf>. The financial statements have been audited by the company's external auditor, Deloitte & Touche who expressed an unmodified opinion on the financial statements. Shareholders are advised that, in order to obtain a full understanding of the nature of the auditor's engagement and more specifically the nature of the information that has been audited, they should obtain a copy of the auditor's report included in the financial statements. The financial statements are also available on request by contacting Elna Munro on telephone +27 11 248 1500 or emunro@cashbuild.co.za.

Cashbuild Limited | (Incorporated in the Republic of South Africa) | (Registration number: 1986/001503/06)
Share code: CSB | ISIN: ZAE000028320 | ("Cashbuild" or "the Company" or "Group")