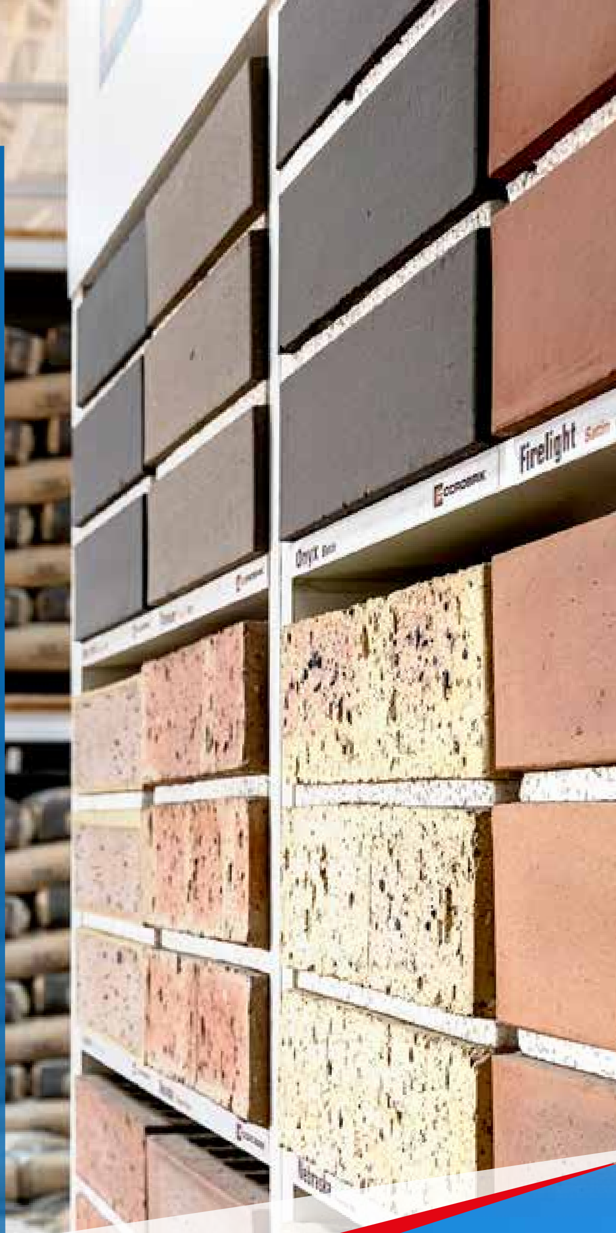
REVIEWED INTERIM RESULTS AND DIVIDEND DECLARATION

for the six months ended 24 December 2023

Contents

The reports and statements set out below comprise the Condensed Consolidated Interim Financial Statements presented to the shareholders:

Directors' Report	**1**
Independent Reviewer's Report	**4**
Condensed Consolidated Interim Statement of Financial Position	**5**
Condensed Consolidated Interim Income Statement	**6**
Condensed Consolidated Interim Statement of Comprehensive Income	**7**
Condensed Consolidated Interim Statement of Changes in Equity	**8**
Condensed Consolidated Interim Statement of Cash Flows	**9**
Accounting Policies	**10**
Notes to the Condensed Consolidated Interim Financial Statements	**12**



Directors' Report

The directors have pleasure in submitting their report on the Condensed Consolidated Interim Financial Statements of Cashbuild Limited for the six months ended 24 December 2023.

1. NATURE OF THE BUSINESS

Cashbuild is southern Africa's leading retailer of quality building materials and associated products, selling direct to a cash-paying customer base through our chain of stores (321 at the end of this financial period which includes 53 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 and through a purchasing and inventory policy that ensures customers' requirements are always met.

2. FINANCIAL SUMMARY

Revenue for the period increased by 2%. Revenue for stores in existence prior to July 2022 (pre-existing stores – 312 stores) increased by 1% and our nine new stores contributed 1% growth. Gross profit remained at similar levels while gross profit margin percentage decreased from 25.3% to 24.7%. Selling price inflation was 3.2% at the end of December 2023 when compared to December 2022.

Operating expenses, excluding the impairment of the P&L Hardware Goodwill and P&L Hardware Trademark, increased by 7% (existing stores increasing by 5% and new stores contributed a 2% increase). Operating profit including the impairment of R137 million, decreased by 81%. Basic earnings per share decreased by 98% and headline earnings per share also decreased by 20% from the prior period.

The high effective tax rate of 85.8% for the period is as a result of the P&L Hardware Goodwill impairment.

Cash and cash equivalents decreased to R1 590 million due to higher stock levels in the current period and the repurchase of shares in the second half of the prior year. Stock levels, including new stores have increased by 10% with stockholding at 90 days (December 2022: 89 days | June 2023: 90 days) at period end. Net asset value per share decreased by 16%, from 9 266 cents (December 2022) to 7 757 cents.

During the period, the Group opened three new stores (two Cashbuild's and one P&L Hardware) and refurbished three Cashbuild stores. Cashbuild will continue its store expansion, relocation, and refurbishment strategy in a controlled manner, after considering its continuously evolving feasibility process.

3. REPORTING PERIOD

The Group adopts the retail accounting calendar, which comprises the reporting period ending on the last Sunday of the month (24 December 2023 (26 weeks) | 25 December 2022 (26 weeks) | 25 June 2023 (52 weeks)). The Group closed on the second last Sunday of the period ending December 2023 to ensure a comparable 26 weeks year-on-year.

4. SHARE CAPITAL

There were no changes to the authorised or issued share capital during the period under review.

5. DIVIDENDS

The Board has declared an interim dividend (No. 62) of 325 cents (December 2022: 400 cents) per ordinary share, out of income reserves, excluding the impact of the impairment of the P&L Hardware Goodwill and P&L Trademark, to all shareholders of Cashbuild Limited. The dividend per share is calculated based on 23 900 647 (December 2022: 24 989 811) shares in issue at the date of the dividend declaration. The net local dividend amount is 260 cents per share for shareholders liable to pay Dividends Tax and 325 cents per share for shareholders exempt from paying Dividends Tax. Local Dividends Tax is 20%. Cashbuild Limited's tax reference number is 9575168712.

The relevant dates for the declaration are as follows:

Date dividend declared	Wednesday, 28 February 2024
Last day to trade "CUM" the dividend	Monday, 18 March 2024
Date to commence trading "EX" the dividend:	Tuesday, 19 March 2024
Record date:	Friday, 22 March 2024
Date of payment:	Monday, 25 March 2024

Share certificates may not be dematerialised or rematerialised between Tuesday, 19 March 2024 and Friday, 22 March 2024, both dates inclusive.

6. DIRECTORATE

The directors in office at the date of this report are as follows:

WF de Jager (53)	Chief Executive, CA(SA)	Executive
AE Prowse (60)	Chief Finance Officer, CA(SA)	Executive
SA Thoresson (60)	Operations Director	Executive
WP van Aswegen (56)	Commercial and Marketing Director, CA(SA)	Executive
M Bosman (Mr) (66)	CA(SA)	Independent non-executive
M Bosman (Ms) (52)	CA(SA)	Independent non-executive
AGW Knock (73)	Chairman, BSc Eng (Hons); MSc (Engineering); MDP	Independent non-executive
Dr DSS Lushaba (58)	BSc Advanced Biochemistry (Hons), MBA, DBA, CD(SA)	Independent non-executive
AJ Mokgwatsane (45)	Diploma in Integrated Marketing and Communication; MBA	Independent non-executive
GM Tapon Njamo (46)	CA(SA)	Independent non-executive

Details of the directors' remuneration are set out under note 20 of the financial statements.

7. BOARD COMMITTEES AND ATTENDANCE

Name	Board	Audit and Risk Committee	Remuneration Committee	Social and Ethics Committee	IT Governance Committee	Investment Committee	Nomination Committee
Non-executive							
AGW Knock	C – 2/2	I – 2/2	M – 2/2	I – 2/2	M – 3/3	–	C – 2/2
M Bosman (Ms)	M – 2/2	M – 2/2	–	M – 2/2	–	–	I – 1/1
M Bosman (Mr)	M – 2/2	C – 2/2	–	–	–	C – 1/1	M – 2/2
DSS Lushaba	M – 2/2	M – 2/2	C – 2/2	C – 2/2	–	–	I – 1/1
AJ Mokgwatsane	M – 2/2	I – 1/1	–	M – 2/2	M – 2/3	–	I – 1/1
GM Tapon Njamo	M – 2/2	M – 2/2	M – 2/2	–	C – 3/3	M – 1/1	–
Executive							
WF de Jager	M – 2/2	I – 2/2	I – 2/2	M – 2/2	M – 3/3	M – 1/1	I - 2/2
AE Prowse	M – 2/2	I – 2/2	I – 2/2	–	M – 3/3	M – 1/1	I - 1/1
SA Thoresson	M – 2/2	I – 2/2	–	–	I – 3/3	–	–
WP van Aswegen	M – 2/2	I – 2/2	–	M – 2/2	I – 3/3	–	–

Legend
C Chairperson of the Board/Committee
M Member of the Board/Committee
I Attendance by invitation

8. DIRECTORS' INTERESTS IN CONTRACTS

During the financial period, no contracts were entered into whereby directors or officers of the Group had an interest and which significantly affected the business of the Group.

9. BORROWING POWERS

In terms of the Memorandum of Incorporation of Cashbuild Limited, borrowing powers are unrestricted. Flexible term general banking facilities available are R290 million (December 2022: R270 million | June 2023: R235 million) with various banks.

10. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material events which occurred after the reporting date and up to the date of this report.

11. PROSPECTS

Group revenue for the six weeks subsequent to period end is at similar levels to 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.

12. GOING CONCERN

The directors have assessed the cash flow forecast for the period up to 26 February 2025 and conclude that the Group will be able to continue as a going concern. All proposed financing arrangements and capital expenditures are evaluated and monitored to assess the impact on the Group's ability to meet its obligations. Detailed solvency and liquidity analysis are performed when entering into new financial arrangements and when dividends are declared to ensure the capital base of the Group is not adversely impacted.

During the period under review, 12 loss-making stores were identified and impairments were raised against the carrying value of the assets, the remainder of the stores were profitable.

13. INDEPENDENT REVIEWER

Deloitte was the independent auditor for the Group for the period ended 24 December 2023 and their review report is included on page 4.

14. SECRETARY

The Company Secretary is Mr Takalani Nengovhela.

For and on behalf of the Board

Alistair Knock
Chairman

Werner de Jager
Chief Executive

26 February 2024

Independent Auditor's Review Report on Interim Financial Statements

TO THE SHAREHOLDERS OF CASHBUILD LIMITED

We have reviewed the condensed consolidated Interim Financial Statements of Cashbuild Limited for the six months ended 24 December 2023, contained in the accompanying interim report, which comprise the condensed consolidated Interim Statement of Financial Position as at 24 December 2023 and the condensed consolidated Interim Income Statement, condensed consolidated Interim Statement of Comprehensive Income, Changes in Equity and Cash Flows for the period then ended, and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with International Financial Reporting Standard (IAS) 34, *Interim Financial Reporting*, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee *and Financial Pronouncements as issued by Financial Reporting Standards Council* and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and other within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated Interim financial statements of Cashbuild Limited for the period ended 24 December 2023 are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

DocuSigned by:

Deloitte & Touche

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Deloitte & Touche
Registered Auditor
James Welch
Partner

26 February 2024

5 Magwa Crescent
Waterfall City
2090
Johannesburg
South Africa

Condensed Consolidated Interim Statement of Financial Position

as at 24 December 2023

		Group		
Figures in Rand thousand	Note(s)	**26 weeks ended December 2023**	26 weeks ended December 2022	Year ended June 2023
Assets				
Non-current assets				
Property, plant and equipment	4	**2 329 025**	2 416 740	2 383 569
Investment property	6	**39 953**	39 953	39 953
Investment in associate		**30 000**	30 000	30 000
Intangible assets	7	**134 685**	426 289	270 537
Deferred tax		**149 002**	96 144	134 154
		2 682 665	3 009 126	2 858 213
Current assets				
Prepayments		**44 350**	25 292	22 520
Inventories		**2 046 339**	1 860 394	1 698 486
Trade and other receivables		**106 713**	106 044	89 771
Cash and cash equivalents		**1 590 253**	1 721 489	1 582 166
		3 787 655	3 713 219	3 392 943
Non-current assets held for sale	8	**6 913**	8 749	21 787
		3 794 568	3 721 968	3 414 730
Total assets		**6 477 233**	6 731 094	6 272 943
Equity and liabilities				
Equity				
Equity attributable to equity holders of parent				
Share capital		**(621 112)**	(362 187)	(621 112)
Reserves		**159 060**	156 428	164 483
Retained income		**2 315 910**	2 521 347	2 385 008
		1 853 858	2 315 588	1 928 379
Non-controlling interest		**16 503**	28 338	27 155
		1 870 361	2 343 926	1 955 534
Liabilities				
Non-current liabilities				
Joint operation loan payable		**18 622**	18 619	18 619
Deferred tax		**14 168**	43 364	38 759
Lease liabilities	9	**1 255 880**	1 345 141	1 346 527
Cash-settled share-based payments		**3 455**	809	1 591
		1 292 125	1 407 933	1 405 496
Current liabilities				
Lease liabilities	9	**326 223**	248 169	254 058
Trade and other payables		**2 955 185**	2 677 719	2 629 522
Current tax payable	14	**33 339**	53 347	28 333
		3 314 747	2 979 235	2 911 913
Total liabilities		**4 606 872**	4 387 168	4 317 409
Total equity and liabilities		**6 477 233**	6 731 094	6 272 943

The accounting policies on pages 10 to 11 and the notes on pages 12 to 27 form an integral part of the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Income Statement

for the six months ended 24 December 2023

		Group		
Figures in Rand thousand	Note(s)	**26 weeks ended December 2023**	26 weeks ended December 2022	Year ended June 2023
Revenue	10	**5 788 986**	5 648 579	10 653 193
Cost of sales		**(4 357 629)**	(4 217 969)	(7 948 438)
Gross profit		**1 431 357**	1 430 610	2 704 755
Other income		**7 601**	11 032	25 069
Selling and marketing expenses		**(1 025 520)**	(982 332)	(1 929 480)
Administrative expenses		**(202 172)**	(195 177)	(407 406)
Other operating expenses*		**(160 396)**	(1 945)	(159 713)
Impairment losses of financial assets and contract assets		**(1 175)**	–	–
Operating profit		**49 695**	262 188	233 225
Finance income		**60 216**	49 090	100 777
Finance cost		**(84 427)**	(83 979)	(155 955)
Profit before taxation		**25 484**	227 299	178 047
Tax expense	11	**(21 558)**	(72 671)	(63 145)
Profit for the period		**3 926**	154 628	114 902
Profit attributable to:				
Owners of the parent		**5 717**	149 960	106 346
Non-controlling interests		**(1 791)**	4 668	8 556
		3 926	154 628	114 902
Earnings per share for profit attributable to the ordinary equity holders of the Company				
Per share information				
Basic earnings per share (cents)	12	**14.0**	652.8	456.9
Diluted earnings per share (cents)	12	**14.0**	651.2	456.6

The accounting policies on pages 10 to 11 and the notes on pages 12 to 27 form an integral part of the Condensed Consolidated Interim Financial Statements.

* *Included in other operating expenses is the impairment of P&L Hardware Goodwill and P&L Hardware Trademark. Refer to note 5 for further information.*

Condensed Consolidated Interim Statement of Comprehensive Income

for the six months ended 24 December 2023

	Group		
Figures in Rand thousand	**26 weeks ended December 2023**	26 weeks ended December 2022	Year ended June 2023
Profit for the period	**3 926**	154 628	114 902
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations attributable to:			
Owners of the parent	**(9 919)**	9 810	8 597
Non-controlling interests	**(6 946)**	(2 999)	(4 485)
Total movement in foreign currency translation reserve (FCTR)	**(16 865)**	6 811	4 112
Other comprehensive income for the period net of taxation	**(16 865)**	6 811	4 112
Total comprehensive income	**(12 939)**	161 439	119 014
Total comprehensive income attributable to:			
Owners of the parent	**(4 202)**	159 770	114 943
Non-controlling interests	**(8 737)**	1 669	4 071
	(12 939)	161 439	119 014

The accounting policies on pages 10 to 11 and the notes on pages 12 to 27 form an integral part of the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statement of Changes in Equity

for the six months ended 24 December 2023

	Group								
Figures in Rand thousand	Share capital	Share premium	Total share capital	FCTR	Share-based payments reserve	Total reserves	Retained income	Non-controlling interest	Total equity
Balance as at 26 June 2022	227	(324 651)	(324 424)	(13 704)	146 856	133 152	2 527 829	28 449	2 365 006
Total comprehensive income for the period	–	–	–	9 810	–	9 810	149 960	1 669	161 440
Recognition of share-based payments	–	–	–	–	13 466	13 466	–	–	13 466
Shares purchased by Cashbuild South Africa for the Forfeitable Share Plan	–	(37 763)	(37 763)	–	–	–	–	–	(37 763)
Dividends	–	–	–	–	–	–	(156 442)	(1 780)	(158 222)
Balance at 25 December 2022	227	(362 414)	(362 187)	(3 894)	160 322	156 428	2 521 347	28 338	2 343 927
Total comprehensive income for the period	–	–	–	(1 213)	–	(1 213)	(43 615)	2 402	(42 426)
Recognition of share-based payments	–	–	–	–	9 268	9 268	–	–	9 268
Shares repurchased	(2)	(46 512)	(46 514)	–	–	–	–	–	(46 514)
Shares purchased by Cashbuild South Africa for the Forfeitable Share Plan	(2)	–	(2)	–	–	–	–	–	(2)
Shares repurchased and cancelled	(11)	(212 398)	(212 409)	–	–	–	–	–	(212 409)
Dividends	–	–	–	–	–	–	(92 725)	(3 585)	(96 310)
Balance at 25 June 2023	212	(621 324)	(621 112)	(5 107)	169 590	164 483	2 385 008	27 155	1 955 534
Total comprehensive income for the period	**–**	**–**	**–**	**(9 919)**	**–**	**(9 919)**	**5 717**	**(8 737)**	**(12 939)**
Recognition of share-based payments	**–**	**–**	**–**	**–**	**4 496**	**4 496**	**–**	**–**	**4 496**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(74 815)**	**(1 915)**	**(76 730)**
Balance at 24 December 2023	**212**	**(621 324)**	**(621 112)**	**(15 026)**	**174 086**	**159 060**	**2 315 910**	**16 503**	**1 870 361**

Refer to note 12 for more information on dividend per share.

Condensed Consolidated Interim Statement of Cash Flows

for the six months ended 24 December 2023

		Group		
Figures in Rand thousand	Note(s)	**26 weeks ended December 2023**	26 weeks ended December 2022	Year ended June 2023
Cash flows from operating activities				
Cash generated from operations	13	**354 949**	312 740	779 483
Finance cost paid		**(84 427)**	(83 979)	(155 955)
Tax paid	14	**(58 012)**	(95 701)	(153 284)
Net cash generated from operating activities		**212 510**	133 061	470 244
Cash flows from investing activities				
Purchase of property, plant and equipment	4	**(61 469)**	(105 766)	(152 591)
Proceeds on disposal of non-current asset held for sale	16	**–**	1 030	1 030
Proceeds on disposal of property, plant and equipment and intangible assets	17	**6 489**	8 135	13 018
Finance income received		**60 216**	49 089	100 777
Purchase of intangible assets	7	**(3 245)**	(3 848)	(6 316)
Net cash generated from/(utilised in) investing activities		**1 991**	(51 360)	(44 082)
Cash flows from financing activities				
Shares purchased by Cashbuild South Africa for the Forfeitable Share Plan		**–**	(37 763)	(37 765)
Shares repurchased		**–**	–	(46 514)
Shares repurchased by Cashbuild Limited		**–**	–	(212 409)
Lease liability payments	9	**(121 154)**	(106 522)	(229 917)
Dividends paid	15	**(74 815)**	(156 442)	(249 167)
Dividends paid to non-controlling interests	15	**(1 915)**	(1 780)	(5 365)
Net cash utilised in financing activities		**(197 884)**	(302 507)	(781 137)
Total cash and cash equivalents movement for the period		**16 617**	(220 806)	(354 975)
Cash and cash equivalents at the beginning of the period		**1 582 166**	1 938 639	1 938 639
Effect of exchange rate movement on cash and cash equivalents balances		**(8 530)**	3 656	(1 498)
Total cash and cash equivalents at the end of the period		**1 590 253**	1 721 489	1 582 166

Accounting Policies

CORPORATE INFORMATION

Cashbuild Limited is a public company incorporated and domiciled in South Africa.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Condensed Consolidated Interim Financial Statements are set out below.

1.1 Basis of preparation

The Condensed Consolidated Interim Financial Statements for the period ended 24 December 2023 have been prepared in accordance with and containing the information required by IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and in accordance with the requirements of the JSE Limited Listings Requirements for interim reports as well as the requirements of the Companies Act of South Africa. The Group's Interim Consolidated Financial Statements have been prepared on the going concern basis under the supervision of the Chief Financial Officer, Mr AE Prowse CA(SA), and were approved by the Board of Directors on 26 February 2024.

The Condensed Consolidated Interim Financial Statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rand, which is the Group's functional currency.

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, Deloitte & Touche. Their review report includes an unmodified review conclusion, and is available for inspection at the Company's registered office. The independent reviewer's conclusion does not necessarily report on all of the information contained in this announcement. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's independent auditors. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should read the auditor's conclusion together with the accompanying financial information contained in this announcement.

1.2 Accounting policies

The accounting policies and methods of computation applied in the preparation of the Condensed Consolidated Interim Financial Statements are in terms of IFRS and are consistent with those applied in the previous Consolidated Annual Financial Statements.

2. ESTIMATES AND JUDGEMENTS

The preparation of the Condensed Consolidated Interim Financial Statements in accordance with IFRS requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the Group's accounting policies. These are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements. The key estimates and assumptions relating to these areas are disclosed in the relevant notes to the Condensed Consolidated Interim Financial Statements.

All estimates and underlying assumptions are based on historical experience and various other factors that management believes are reasonable under the circumstances. The results of these estimates form the basis of judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any affected future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Judgemental

- Inventory net realisable value – Impairment allowances are raised against inventory when it is considered that the amount realisable from such inventory's sale is considered to be less than its carrying amount. The impairment allowance is estimated with reference to an inventory age analysis, stock turnover and margin which have an element of estimation uncertainty.
- Goodwill impairment assessment – The impairment assessment used the value-in-use method. The discount rate applied is derived from the entity specific weighted average cost of capital (WACC), adjusted for tax and specific risks relating to the operation. Estimation of the expected future sales and cost of sales for the store requires judgement. This forecast period covers a five-year period, after which a terminal value has been determined. The modelling of the future cash flows and consideration to Capital structures being the debt and right of use asset utilisation is continuously being re-assessed.
- Right-of-use asset impairment assessment – The impairment assessment is performed at a store level. When a loss-making store has been identified, a cash flow forecast is performed for the remaining lease term in order to determine the value-in-use of the store. The discount rate applied is derived from the Group weighted average cost of capital (WACC), adjusted for tax and specific risks relating to the country of operation. Estimation of the expected future sales and cost of sales for the store requires judgement. Impairments related to store closures for stores that reached the end of its lease term.
- IFRS 16 lease term – In determining the lease term, the Group must assess whether it is reasonably certain to exercise extension or early termination options. Renewal options have only been included where a decision to renew the lease has been made, which is when it is reasonably certain that the lease will be renewed. Cashbuild considers various factors in the decision to renew or not, which include profitability, location of the stores as well as overall business strategy. This judgement is important as it affects the amount recorded for the lease obligation and related right-of-use asset.
- Incremental borrowing rate – The incremental borrowing rate is estimated with reference to country-specific borrowing rates (linked to prime) that Cashbuild is subject to, inflated by a margin derived from government bond yields that is linked to the term of the lease contract from inception.

Notes to the Condensed Consolidated Interim Financial Statements

3. SEGMENTAL INFORMATION

The Executive Directors are the chief operating decision makers and are responsible for allocating resources and assessing performance of each operating segment.

The Group's operating segments include the Cashbuild model stores (based in South Africa, Botswana, eSwatini, Lesotho, Namibia, Malawi and Zambia) and the P&L Hardware model stores (based only in South Africa). The Zambian stores were closed due to continued losses being made after various attempts to make the operations profitable.

The Group's operating segments are also considered to be reportable segments.

The Group's reportable segments are as follows:
- Cashbuild South Africa (based in South Africa)
- P&L Hardware model stores (based in South Africa)
- Cashbuild common monetary operations (eSwatini, Lesotho and Namibia)
- Cashbuild non-common monetary operations (Botswana, Malawi and Zambia)

The Group's common monetary operations consists of the countries that form part of the Rand common monetary area.

The Group's non-common monetary operations consists of the other countries which Cashbuild trades in. These other countries have foreign exchange differences when compared to the Rand.

All operating segments are in the business of retail of building materials and associated products.

The Group evaluates the performance of its operating segments based on revenue and operating profit. Operating profit is the earnings before interest and tax.

The IFRS Interpretations Committee published a tentative agenda decision relating to IFRS 8: *Operating Segments* and the disclosure of income and expense line items for reportable segments and was still subject to the IASBs due process requirements at time of publishing these financial statements. The Group will implement the guidance arising from the finalised agenda decision (if any) once it has determined its impact and the need for any changes in presentation.

Segment assets and liabilities

The table below provides information on segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the Condensed Consolidated Interim Statement of Financial Position.

	Capital investment*	Total assets	Total liabilities
December 2023			
Cashbuild South African operations	**48 537**	**5 193 525**	**(3 351 782)**
P&L Hardware operations	**8 062**	**565 843**	**(832 358)**
Cashbuild common monetary operations	**5 405**	**452 784**	**(245 409)**
Cashbuild non-common monetary operations	**2 710**	**265 081**	**(177 323)**
Total	**64 714**	**6 477 233**	**(4 606 872)**
December 2022			
Cashbuild South African operations	98 270	5 239 837	(3 140 750)
P&L Hardware operations	5 360	800 550	(771 061)
Cashbuild common monetary operations	5 459	432 571	(236 025)
Cashbuild non-common monetary operations	525	258 136	(239 332)
Total	109 614	6 731 094	(4 387 168)
June 2023			
Cashbuild South African operations	145 065	4 944 741	(3 168 137)
P&L Hardware operations	6 670	604 905	(749 852)
Cashbuild common monetary operations	6 483	430 489	(231 916)
Cashbuild non-common monetary operations	689	292 808	(167 504)
Total	158 907	6 272 943	(4 317 409)

* *Capital investment relates to total additions during the period of property, plant and equipment (note 4) and intangible assets (note 7).*

Separately disclosable items

	Revenue	Operating profit	Depreciation and amortisation	Interest income	Interest expense	Taxation
December 2023						
Cashbuild South African operations	**4 747 769**	**179 875**	**(185 035)**	**50 039**	**(73 730)**	**(46 901)**
P&L Hardware operations	**413 865**	**(150 783)**	**(17 634)**	**3 063**	**(4 712)**	**30 716**
Cashbuild common monetary operations	**375 825**	**18 662**	**(7 941)**	**5 307**	**(3 775)**	**(5 505)**
Cashbuild non-common monetary operations	**251 527**	**1 941**	**(4 796)**	**1 807**	**(2 210)**	**132**
Total	**5 788 986**	**49 695**	**(215 406)**	**60 216**	**(84 427)**	**(21 558)**
December 2022						
Cashbuild South African operations	4 581 128	221 016	(169 313)	42 408	(73 163)	(62 396)
P&L Hardware operations	444 418	(10 970)	(14 733)	1 628	(4 676)	4 017
Cashbuild common monetary operations	367 960	23 543	(8 475)	3 447	(4 530)	(6 307)
Cashbuild non-common monetary operations	255 073	28 599	(5 338)	1 607	(1 610)	(7 985)
Total	5 648 579	262 188	(197 859)	49 090	(83 979)	(72 671)
June 2023						
Cashbuild South African operations	8 643 699	331 029	(335 885)	87 045	(135 417)	(56 423)
P&L Hardware operations	826 110	(191 433)	(28 755)	3 242	(9 217)	12 686
Cashbuild common monetary operations	690 482	39 279	(15 977)	7 919	(7 814)	(10 509)
Cashbuild non-common monetary operations	492 902	54 350	(10 582)	2 571	(3 507)	(8 899)
Total	10 653 193	233 225	(391 199)	100 777	(155 955)	(63 145)

4. PROPERTY, PLANT AND EQUIPMENT

	Group								
	December 2023			December 2022			June 2023		
	Cost	Accumulated depreciation/ impairment	Carrying value	Cost	Accumulated depreciation/ impairment	Carrying value	Cost	Accumulated depreciation/ impairment	Carrying value
Land and buildings	**794 150**	**(104 989)**	**689 161**	785 398	(79 331)	706 067	772 429	(84 901)	687 528
Leasehold improvements	**235 612**	**(161 368)**	**74 244**	232 093	(145 912)	86 181	229 586	(153 645)	75 941
Furniture and equipment	**1 647 620**	**(1 200 940)**	**446 680**	1 565 960	(1 086 229)	479 731	1 613 657	(1 142 688)	470 969
Vehicles	**38 677**	**(30 880)**	**7 797**	35 793	(23 302)	12 491	35 426	(27 165)	8 261
Right-of-use asset	**2 779 656**	**(1 668 513)**	**1 111 143**	2 546 623	(1 414 353)	1 132 270	2 679 264	(1 538 394)	1 140 870
Total	**5 495 715**	**(3 166 690)**	**2 329 025**	5 165 867	(2 749 127)	2 416 740	5 330 362	(2 946 793)	2 383 569

Reconciliation of property, plant and equipment

	Group									
	Opening balance	Additions	Disposals~	Classified as held for sale^	Transfers	Lease Remeasurements+	Foreign exchange movements	Depreciation	Impairment#	Closing balance
December 2023										
Land and buildings	687 528	–	–	12 000	10 146	–	(425)	(20 088)	–	689 161
Leasehold improvements	75 941	–	(88)	–	6 222	–	(108)	(7 723)	–	74 244
Furniture and equipment	470 969	–	(6 853)	–	41 436	–	(620)	(55 691)	(2 561)	446 680
Vehicles	8 261	–	(413)	–	3 665	–	–	(3 715)	–	7 798
Right-of-use asset	1 140 870	11 249	–	–	–	91 871	(2 729)	(125 897)	(4 222)	1 111 142
Capital work in progress*	–	61 469	–	–	(61 469)	–	–	–	–	–
Total	2 383 569	72 718	(7 354)	12 000	–	91 871	(3 882)	(213 114)	(6 783)	2 329 025

* *Capital work in progress mainly relates to store refurbishments during the period.*
~ *Disposal of right-of-use of assets relates to the early termination of lease agreements. The right-of-use asset and lease liability, net of the early termination payment, is derecognised and any gain or loss is recognised in the Condensed Consolidated Interim Statement of Profit and Loss.*
\+ *The lease remeasurements relates to the renegotiation of lease payments which did not result in a separate lease. The lease liability was remeasured with corresponding adjustments to the right-of-use asset for this modification.*
^ *Refer to note 8 for details of buildings classified as held for sale.*
\# *The impairment relates to the provision recognised on loss-making stores. Refer to note 5 for further detail.*

Reconciliation of property, plant and equipment

	Group							
	Opening balance	Additions	Disposals#	Transfers	Lease Remeasure-ments+	Foreign exchange movements	Depreciation	Impairment	Closing balance
December 2022									
Land and buildings	704 897	–	(9 897)	15 567	–	2 297	(3 935)	(2 862)	706 067
Leasehold improvements	87 256	–	(200)	7 702	–	158	(8 735)	–	86 181
Furniture and equipment	460 474	–	(3 578)	82 446	–	696	(56 987)	(3 320)	479 731
Vehicles	12 939	–	–	51	–	–	(499)	–	12 491
Right-of-use asset	1 177 385	47 461	(7 049)	–	45 909	1 506	(125 447)	(7 495)	1 132 270
Capital work in progress*	–	105 766	–	(105 766)	–	–	–	–	–
Total	2 442 951	153 227	(20 724)	–	45 909	4 657	(195 603)	(13 677)	2 416 740
June 2023									
Land and buildings	704 897	–	(22 930)	13 711	–	4 217	(7 886)	(4 481)	687 528
Leasehold improvements	87 256	–	(388)	5 315	–	226	(16 468)	–	75 941
Furniture and equipment	460 474	–	(7 262)	133 514	–	1 008	(113 159)	(3 606)	470 969
Vehicles	12 939	–	(368)	51	–	–	(696)	(3 665)	8 261
Right-of-use asset	1 177 385	82 037	(14 610)	–	150 096	2 946	(248 434)	(8 550)	1 140 870
Capital work in progress*	–	152 591	–	(152 591)	–	–	–	–	–
Total	2 442 951	234 628	(45 558)	–	150 096	8 397	(386 643)	(20 302)	2 383 569

* *Capital work in progress mainly relates to store refurbishments during the period.*

\# *The disposal of assets includes non-current assets held for sale and the disposal of right-of-use of assets relates to the early termination of lease agreements. The right-of-use asset and lease liability, net of the early termination payment, is derecognised and any gain or loss is recognised in the Condensed Consolidated Income Statement.*

\+ *The lease remeasurements relates to the renegotiation of lease payments which did not result in a separate lease renewal and extension of existing leases. The lease liability was remeasured with corresponding adjustments to the right-of-use asset for this modification.*

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation rates

The depreciation methods and average useful lives of property, plant and equipment have been assessed as follows:

Buildings	Straight-line basis – 50 years
Leasehold improvements	Straight-line basis – 10 years (limited to lease term)
Furniture and equipment*	Straight-line basis – 3 to 15 years
Vehicles	Straight-line basis – 5 to 6 years
Right-of-use asset^	Straight-line basis – lease term
Forklifts*	Running hours – 14 000

* *Forklifts are included in the furniture and equipment asset class within the property, plant and equipment reconciliation.*

^ *Right-of-use assets relate to leased store properties.*

Amounts recognised in profit and loss for the period:

	Group		
Figures in Rand thousand	**26 weeks ended December 2023**	26 weeks ended December 2022	Year ended June 2023
Profit/(loss) on disposal of property, plant and equipment	**(865)**	2 977	3 614
Profit on disposal of non-current assets held for sale	**–**	80	80
Profit on disposal of right-of-use asset	**–**	822	3 159
Repairs and maintenance expenditure	**19 190**	26 542	54 032

5. IMPAIRMENT OF ASSETS

Goodwill impairment assessment

The below impairment assessment was performed over the goodwill arising on acquisition of P&L Hardware and indefinite lived intangible assets relating to the P&L Hardware trademark.

	Group		
Figures in Rand thousand	**26 weeks ended December 2023**	26 weeks ended December 2022	Year ended June 2023
Goodwill allocation			
P&L Hardware	**–**	196 302	40 393
Cashbuild (South Africa)	**112 833**	112 833	112 833
Total goodwill	**112 833**	309 135	153 226
P&L Hardware indefinite lived trademark	**–**	96 409	96 409

Key assumptions used to determine value-in-use

The recoverable amount of the P&L Hardware operating segment has been determined based on a value-in-use calculation for the forecast period. This forecast period covers the five-year period up to June 2028, after which a terminal value has been determined.

The value-in-use of P&L Hardware at 24 December 2023 was determined using assumptions regarding company profitability, growth rates, discount rates and target net working capital days. An impairment assessment was conducted and it was noted that the headroom on the P&L Hardware cash-generating unit has diminished and has resulted in a full impairment of the Goodwill. The decline in headroom leading to an impairment is ascribed to the lower performance of the cash-generating unit due to challenging economic conditions and delayed results from managements actions plans within the business which further reduced the available headroom. The impact of the aforementioned resulted in an impairment of the P&L Hardware Goodwill (R40 million) and an impairment of the P&L Hardware Trademark (R96 million), which have been included in the other expenses line of the Consolidated Income Statements. The recoverable amount of the P&L Hardware cash-generating unit was determined as R181 million.

	December 2023 Assumptions applied	December 2022 Assumptions applied	June 2023 Assumptions applied
P&L Hardware operating segment:			
Growth rate*	**7.5%**	8.0%	9.0%
Terminal growth rate	**5.5%**	4.5%	5.5%
Discount rate – pre-tax	**16.6%^**	13.5% – 14.5%	17.5% – 18.5%
Discount rate – post-tax	**13.9%^**	11.3% – 12.3%	14.4% – 15.4%

* *Even though the performance of P&L Hardware has decreased, management considers this to be reflective of the short to medium-term growth rate. The rate is supported by internal budgets and operational analysis and management expects that future performance of P&L Hardware should stabilise in line with the terminal growth rate used.*

^ *No range disclosed due to the Goodwill and the Trademark being fully impaired therefore this is the discount rate that resulted in the impairment.*

Cashbuild South Africa operating segment:

No impairment indicators on the Cashbuild (South Africa) goodwill were identified.

Value-in-use – loss-making stores

Based on past experience, when a store is closed, 57% of the assets are sold for proceeds below book value, excluding the right-of-use assets and inventory. Therefore, loss-making stores are identified for possible impairment of the assets held by these stores. For each loss-making store that leases premises, the value-in-use is calculated as the net present value of the monthly forecasted cash flows per store (calculated to the end of the lease term). A store specific WACC rate was applied to the cash flow projections.

If at period end, a store is no longer loss-making and management believes that it will continue on this trend, any previous impairments raised are reversed.

Impairment losses recognised on property, plant and equipment

	Group		
Figures in Rand thousand	**26 weeks ended December 2023**	26 weeks ended December 2022	Year ended June 2023
Land and buildings	**–**	2 862	4 481
Furniture and equipment	**2 561**	3 320	3 606
Vehicles	**–**	–	3 665
Right-of-use assets	**4 222**	7 495	8 550
	6 783	13 677	20 302

During the period, three Cashbuild South Africa and nine P&L Hardware stores were impaired. The impairment losses recognised are included in the selling and marketing line of the Condensed Consolidated Income Statement. Impairment losses were recognised in the Cashbuild South Africa segment of R4.6 million (December 2022: R6.1 million | June 2023: R6.5 million), P&L Hardware segment of R2.1 million (December 2022: R4.7 million | June 2023: R9.2 million) and no impairments were recognised in the Non-Common Monetary operations segment in the current reporting period (December 2022: R2.8 million | June 2023: R2.8 million).

Notes to the Condensed Consolidated Interim Financial Statements
(continued)

Figures in Rand thousand	Group		
	26 weeks ended December 2023	26 weeks ended December 2022	Year ended June 2023
5. IMPAIRMENT OF ASSETS (continued)			
Reconciliation of the accumulated impairment			
Opening balance	**188 355**	37 843	37 843
Total impairment recognised	**143 585**	13 677	176 211
Impairment for the period relating to loss-making stores	**29 378**	12 384	15 369
Impairment reversal relating to loss-making stores	**(22 595)**	(1 569)	(3 213)
Impairment relating to vehicles	**–**	–	3 665
Impairment relating to P&L Hardware Goodwill	**40 393**	–	155 909
Impairment relating to P&L Hardware Trademark	**96 409**	–	–
Impairment relating to non-current assets held for sale^	**–**	2 862	4 481
Disposal of accumulated impairment due to sale of assets	**–**	(5 041)	(6 041)
Disposal of accumulated impairment on looted furniture and equipment~	**–**	(20 384)	(20 384)
Foreign exchange movements	**(783)**	366	726
Closing balance	**331 157**	26 461	188 355

^ *Refer to note 4 for more information.*
~ *This disposal of accumulated impairment relates to the furniture and equipment that was impaired as a result of the looting. The assets have been disposed.*

Figures in Rand thousand	Group		
	26 weeks ended December 2023	26 weeks ended December 2022	Year ended June 2023
6. INVESTMENT PROPERTY			
Reconciliation of investment property			
Investment in Nasrec Corner – joint operation	**39 953**	39 953	39 953
Reconciliation of investment property			
Opening balance	**39 953**	39 953	39 953
Closing balance*	**39 953**	39 953	39 953

Investment property is carried at cost and depreciated on a straight-line basis over 50 years. Where the residual value of investment property exceeds the carrying value, no depreciation is recognised.

* *There has been no additions and no depreciation in the periods.*

7. INTANGIBLE ASSETS

	Group								
	December 2023			December 2022			June 2023		
	Cost	**Accumulated amortisation/ impairment**	**Carrying value**	Cost	Accumulated amortisation/ impairment	Carrying value	Cost	Accumulated amortisation/ impairment	Carrying value
Trademarks^	**99 403**	**(99 403)**	**–**	99 403	(2 982)	96 421	99 403	(2 988)	96 415
Computer software	**114 525**	**(92 673)**	**21 852**	108 833	(88 100)	20 733	111 290	(90 394)	20 896
Goodwill	**309 135**	**(196 302)**	**112 833**	309 135	–	309 135	309 135	(155 909)	153 226
Total	**523 063**	**(388 378)**	**134 685**	517 371	(91 082)	426 289	519 828	(249 291)	270 537

Reconciliation of intangible assets

	Group						
	Opening balance	**Additions**	**Disposals**	**Foreign exchange movements**	**Amortisation**	**Impairment**	**Closing balance**
December 2023							
Trademarks^	**96 415**	**–**	**–**	**–**	**(4)**	**(96 411)**	**–**
Computer software	**20 896**	**3 245**	**–**	**–**	**(2 288)**	**–**	**21 853**
Goodwill	**153 226**	**–**	**–**	**–**	**–**	**(40 393)**	**112 833**
Total	**270 537**	**3 245**	**–**	**–**	**(2 292)**	**(136 804)**	**134 685**
December 2022							
Trademarks^	96 427	–	–	–	(6)	–	96 421
Computer software	19 432	3 848	(232)	(65)	(2 250)	–	20 733
Goodwill	309 135	–	–	–	–	–	309 135
Total	424 994	3 848	(232)	(65)	(2 256)	–	426 289

	Group						
	Opening balance	Additions	Disposals	Foreign exchange movements	Amortisation	Impairment#	Closing balance
June 2023							
Trademarks^	96 427	–	–	–	(12)	–	96 415
Computer software	19 432	6 316	(243)	(65)	(4 544)	–	20 896
Goodwill	309 135	–	–	–	–	(155 909)	153 226
Total	424 994	6 316	(243)	(65)	(4 556)	(155 909)	270 537

Amortisation rates

– Trademarks (excluding indefinite lived)	Straight-line basis – 10 years
– Computer software	Straight-line basis – 5 years

^ *Includes indefinite lived trademarks of R96.4 million (refer to note 5 for the impairment testing).*
\# *Please refer to note 5 for more information on the impairments raised on goodwill and trademarks.*

	Group		
Figures in Rand thousand	**26 weeks ended December 2023**	26 weeks ended December 2022	Year ended June 2023
8. NON-CURRENT ASSETS HELD FOR SALE			
The following assets were classified as held for sale during the current financial period:			
Land and buildings held for sale			
Cashbuild South African operations			
– Erf 214 Thohoyandou	**1 083**	1 083	1 083
Cashbuild common monetary operations			
– Katimo Mulilo – Namibia	**–**	–	12 000
Cashbuild non-common monetary operations			
– Kafue Road – Zambia	**5 830**	7 665	8 704
	6 913	8 749	21 787

Erf 214 Thohoyandou was classified as held for sale in the 2023 financial year. The sale agreement was signed and the process of transferring the property has started. The selling price for this property is R1.08 million.

Katimo Mulilo – Namibia was classified as held for sale in the 2023 financial year. An offer was received for R12 million and was accepted by the Board. The purchaser could not get financing therefore is no longer classified as held for sale.

Kafue Road – Zambia was classified as held for sale in the 2023 financial year with the closure of the Zambian stores. The property is in the process of being sold for USD 500k and awaiting transfer.

9. LEASE LIABILITIES

The Group has entered into various leases in respect of premises. Leases for premises are contracted for periods between five and 15 years with renewal options.

Details pertaining to leasing arrangements, where the Group is the lessee are presented below:

	Group		
Figures in Rand thousand	**26 weeks ended December 2023**	26 weeks ended December 2022	Year ended June 2023
Net carrying amounts of right-of-use assets			
Buildings subject to lease arrangements	**1 111 142**	1 132 270	1 140 870
Depreciation recognised on right-of-use assets			
Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss.			
Leased buildings	**125 897**	125 447	248 434
Other disclosures			
Interest expense on lease liabilities	**83 107**	83 319	154 520
Variable lease payments	**1 633**	763	1 419

Where the Group enters into lease agreements where the lease term is less than 12 months, the practical expedient for short-term leases have been applied. No other practical expedients have been applied in the current financial period.

The undiscounted payment maturity analysis of lease liabilities are as follows:

Figures in Rand thousand	Group		
	26 weeks ended December 2023	26 weeks ended December 2022	Year ended June 2023
Within one year	**419 434**	376 127	397 217
Lease liability current portion, including finance costs	**419 434**	376 127	397 217
Two to five years	**1 327 642**	1 335 967	1 504 395
More than five years	**338 319**	407 362	248 969
Lease liability non-current portion, including finance costs	**1 665 961**	1 743 329	1 753 364
Total amount repayable	**2 085 395**	2 119 456	2 150 581
IFRS 16 lease liability reconciliation			
Opening balance	**1 600 585**	1 612 896	1 612 896
Payments	**(204 261)**	(189 841)	(384 437)
– Capital repayments	**(121 154)**	(106 522)	(229 917)
– Interest repayments	**(83 107)**	(83 319)	(154 520)
Interest	**83 107**	83 319	154 520
Additions	**11 249**	47 461	82 037
Remeasurements^	**91 871**	45 909	150 096
Disposals~	**–**	(7 871)	(17 769)
Foreign exchange movement#	**(448)**	1 437	3 242
Total lease liability	**1 582 103**	1 593 310	1 600 585

^ *Lease remeasurements represent the change in scope of an existing lease. Modifications relate to the extension of the lease term and renegotiation of the lease payments. The lease liability is remeasured with reference to the revised lease payments and is discounted over the remaining lease term using a revised incremental borrowing rate. The revised discount rate is used to determine the effective interest on the lease liability. A corresponding adjustment is made to the right-of-use asset to account for any changes in the remeasurement of the lease liability.*

~ *Lease disposals relate to early lease terminations. Termination options are evaluated and where a penalty lump sum needs to be paid this is considered a disposal.*

\# *Foreign exchange movements relate to the conversion of leases denominated in foreign currency. The stores located in Botswana and Malawi have lease agreements in Malawi Kwacha (MKW) and Botswana in Pula (BWP).*

Figures in Rand thousand	Group		
	26 weeks ended December 2023	26 weeks ended December 2022	Year ended June 2023
Current	**326 223**	248 169	254 058
Non-current	**1 255 880**	1 345 141	1 346 527
Total lease liability	**1 582 103**	1 593 310	1 600 585

10. REVENUE

Revenue from contracts with customers			
Sale of goods (recognised at point in time)	**5 788 986**	5 648 579	10 653 193

Disaggregation of revenue from contracts with customers

Cashbuild's revenue is derived from the sale of building materials. The nature of Cashbuild's operations is that goods are sold in retail stores and customers pay for related goods upon exiting the store. Control transfers to the customer at a point in time when goods are sold. Customers are entitled to volume rebates. Rebate adjustments are recognised at the end of every six-month cycle based on the actual volume rebate achieved. A corresponding reduction in revenue is recognised to account for rebates achieved. The breakdown below illustrates the contribution to revenue (net of volume rebates) recognised by category.

Figures in Rand thousand	Group		
	26 weeks ended December 2023	26 weeks ended December 2022	Year ended June 2023
10. REVENUE (continued)			
Revenue categories per segment			
Revenue categories			
Cement 22% (December 2022: 23% | June 2023: 23%)	**1 297 287**	1 274 387	2 432 821
Decorative 15% (December 2022: 14% | June 2023: 14%)	**854 775**	808 061	1 503 684
Roofing – Covering 9% (December 2022: 9% | June 2023: 9%)	**497 566**	505 141	919 191
Timber 7% (December 2022: 7% | June 2023: 7%)	**408 950**	404 215	742 947
Openings 7% (December 2022: 7% | June 2023: 7%)	**424 275**	404 685	768 617
Bricks 7% (December 2022: 7% | June 2023: 7%)	**389 051**	385 898	728 439
Other 33% (December 2022: 33% | June 2023: 33%)	**1 917 082**	1 866 192	3 557 494
	5 788 986	5 648 579	10 653 193
11. TAX EXPENSE			
Major components of the tax expense:			
Normal taxation			
Current	**50 487**	68 001	92 249
Under/(over) provision in prior years	**459**	(83)	(4 572)
Withholding tax	**2 788**	8 284	11 434
Foreign income tax – current period	**9 284**	14 828	24 488
	63 018	91 030	123 599
Deferred			
Current period temporary differences	**(38 432)**	(14 161)	(21 753)
Over provision in prior years	**–**	(22)	(28 724)
Foreign – current year temporary differences	**(3 724)**	(784)	(2 376)
Foreign – overprovision prior year	**(745)**	–	(3 521)
Withholding tax	**1 441**	(3 392)	(4 080)
	(41 460)	(18 359)	(60 454)
	21 558	72 671	63 145
Reconciliation of effective tax rate:			
Applicable tax rate	**27.0%**	27.0%	27.0%
Exempt income	**(6.5%)**	(1.1%)	(2.3%)
Prior year adjustment*	**(1.2%)**	–	(20.6%)
Foreign tax rate differences	**(1.0%)**	–	(0.1%)
Disallowable charges^	**49.9%**	3.5%	28.8%
Deferred tax asset not recognised	**1.0%**	0.3%	(1.5%)
Withholding tax on dividends#	**10.9%**	3.8%	6.5%
Deferred withholding tax on dividends◊	**5.7%**	(1.5%)	(2.3%)
	85.8%	32.0%	35.5%

^ *Disallowable charges mainly relates to the P&L Hardware Goodwill. The other disallowed charges relate to equity-settled IFRS 2 adjustments, donations, disallowed legal fees, and the dividends distributed to employees through the Cashbuild Empowerment Trust.*
* *Prior year tax adjustments relate to under provision of prior year taxes.*
\# *Withholding tax on dividends relate to the dividend declared during the period.*
◊ *Deferred withholding tax on dividends relates to withholding tax payable on future dividend distributions by foreign subsidiaries. The movement from June 2023 is due to the release of deferred tax on the declaration of dividends by foreign subsidiaries during the period.*

12. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is determined by dividing profit attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. The weighted average number of shares in issue is calculated net of treasury shares acquired/sold during the period. Shares held by The Cashbuild Operations Management Member Trust and Cashbuild (South Africa) (Pty) Ltd have been included in the calculation from date of acquisition. Shares held by The Cashbuild Empowerment Trust have been included in the calculation from 7 February 2005.

	Group		
Figures in Rand thousand	**26 weeks ended December 2023**	26 weeks ended December 2022	Year ended June 2023
Attributable earnings	**5 717**	149 961	106 346
Less: Dividends distributed to participants of the share incentive schemes on unvested shares	**(2 695)**	(2 754)	(5 034)
Adjusted attributable earnings	**3 022**	147 207	101 312
Weighted number of shares in issue ('000)	**21 538**	22 551	22 174
Basic earnings per share (cents)	**14.0**	652.8	456.9
Weighted average number of ordinary shares in issue ('000)			
Ordinary shares in issue beginning of the period	**24 990**	24 990	24 990
Less: Weighted average number shares repurchased and cancelled	**(822)**	–	(281)
***Less:* Weighted average number of treasury shares:**			
– The Cashbuild Empowerment Trust	**(1 765)**	(1 765)	(1 765)
– The Cashbuild Operations Management Member Trust	**(97)**	(67)	(100)
– Cashbuild (South Africa) (Pty) Ltd*	**(633)**	(607)	(595)
– Cashbuild Limited	**(135)**	–	(75)
	21 538	22 551	22 174

* *Shares held for Cashbuild Forfeitable Share Purchases share scheme current and future share allocations.*

Diluted earnings per share

In the determination of diluted earnings per share, profit or loss attributable to the equity holders of the parent and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

Figures in Rand thousand	26 weeks ended December 2023	26 weeks ended December 2022	Year ended June 2023
Adjusted attributable earnings	**3 022**	147 207	101 312
Diluted number of ordinary shares in issue ('000)	**21 600**	22 607	22 174
Diluted earnings per share (cents)	**14.0**	651.2	456.6
Fully diluted weighted average number of ordinary shares in issue ('000)			
Weighted number of shares in issue ('000)	**21 538**	22 551	22 174
Dilutive effect of the following:			
– Future potential issue of shares	**62**	56	65
	21 600	22 607	22 239

12. EARNINGS PER SHARE (continued)

Headline earnings and diluted headline earnings per share

Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted average number of ordinary shares outstanding at the period ended.

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.

	Group		
Figures in Rand thousand	**26 weeks ended December 2023**	26 weeks ended December 2022	Year ended June 2023
Reconciliation between earnings and headline earnings:			
Adjusted attributable earnings	**3 022**	147 207	101 312
Adjusted for:			
Net loss/(profit) on disposal of property, plant and equipment	**171**	(456)	(719)
Gross loss/(profit) on disposal of property, plant and equipment	**865**	(3 057)	(3 694)
Tax effect*	**(694)**	2 601	2 975
Net impairment	**115 655**	9 647	170 265
Gross impairment	**143 585**	13 677	176 211
Tax effect	**(27 930)**	(4 030)	(5 946)
Headline earnings	**118 848**	156 398	270 858
Headline earnings	**118 848**	156 398	270 858
Weighted average number of shares in issue ('000)	**21 538**	22 551	22 174
Headline earnings per share (cents)	**551.8**	693.5	1 221.5
Headline earnings	**118 848**	159 151~	270 858
Fully diluted weighted average number of shares in issue ('000)	**21 600**	22 607	22 239
Fully diluted headline earnings per share (cents)	**550.2**	704.0	1 217.9
Dividends per share			
Interim (c)^	**325#**	400	400
Final (c)	**–**	–	332#

* *The tax effect is high in relation to the profit/(loss) recognised on disposal due to the high recoupment of wear and tear allowances on assets disposed of.*
^ *The dividend is based on a cover ratio of 1.5 times earnings.*
~ *This excludes the dividends distributed to participants of the share incentive scheme of unvested shares.*
\# *The dividend based on earnings excluding the impact of the impairment of the P&L Hardware Goodwill and P&L Trademark.*

Figures in Rand thousand	Group 26 weeks ended December 2023	Group 26 weeks ended December 2022	Group Year ended June 2023
13. CASH GENERATED FROM OPERATIONS			
Profit before taxation	**25 484**	227 299	178 047
Adjustments for:			
Depreciation and amortisation	**215 406**	197 859	391 199
Impairment of assets	**143 585**	13 677	176 211
Profit on disposal of assets held for sale	**–**	(80)	(80)
Loss/(profit) on sale of non-current assets	**865**	(2 977)	(3 614)
Profit on disposal of right-of-use asset	**–**	(822)	(3 159)
Finance income	**(60 216)**	(49 090)	(100 777)
Finance costs	**84 427**	83 979	155 955
Movements in equity-settled share-based payments reserve	**4 496**	13 466	22 734
Movements in cash-settled share-based payments balance	**1 864**	809	1 591
Changes in working capital:			
(Increase)/decrease in inventories	**(347 853)**	(340 092)	(178 184)
(Increase)/decrease in trade and other receivables	**(16 942)**	29 753	46 026
(Decrease)/increase in prepayments	**(21 830)**	(2 696)	76
Increase in trade and other payables	**325 663**	141 655	93 458
	354 949	312 740	779 483
14. TAX PAID			
Balance at the beginning of the period	**(28 333)**	(58 018)	(58 018)
Current tax for the period recognised in profit or loss	**(63 018)**	(91 030)	(123 599)
Balance at the end of the period	**33 339**	53 347	28 333
	(58 012)	(95 701)	(153 284)
15. DIVIDENDS PAID			
Final dividend – prior period (Div. 59)	**–**	(156 442)	(156 442)
Interim dividend – prior period (Div. 60)	**–**	–	(92 725)
Final dividend – prior period (Div. 61)	**(74 815)**	–	–
Amounts paid to non-controlling shareholders	**(1 915)**	(1 780)	(5 365)
	(76 730)	(158 222)	(254 532)
Dividends are paid out of income reserves.			
16. PROCEEDS ON DISPOSAL OF NON-CURRENT ASSETS HELD FOR SALE			
Net book value	**–**	950	950
Profit on sale of assets	**–**	80	80
	–	1 030	1 030
17. PROCEEDS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS			
Net book value	**7 354**	5 158	9 404
(Loss)/profit on sale of assets	**(865)**	2 977	3 614
	6 489	8 135	13 018

Notes to the Condensed Consolidated Interim Financial Statements
(continued)

	Group		
Figures in Rand thousand	**26 weeks ended December 2023**	26 weeks ended December 2022	Year ended June 2023
18. COMMITMENTS			
Authorised capital expenditure:			
Capital expenditure to be funded from internal resources as approved by the directors:			
* Authorised, contracted	**64 828**	142 486	73 225
* Authorised but not contracted for	**68 520**	32 402	68 519
The capital commitments are for building and infrastructure for new stores, store refurbishments or relocations.			
19. CONTINGENCIES			
The Group has contingent liabilities in respect of bank and other guarantees in the ordinary course of business from which it is anticipated that no material liabilities will arise. These guarantees consist of amounts held in the interests of suppliers, landlords and revenue authorities.			
Bank guarantees	**14 029**	3 278	2 549

20. RELATED PARTIES

Relationships

Ultimate holding company Cashbuild Limited

Intermediate holding company Cashbuild Management Services Proprietary Limited

	Group		
Figures in Rand thousand	**26 weeks ended December 2023**	26 weeks ended December 2022	Year ended June 2023
Loan accounts – owing (to)/by related parties			
– Kier and Kawder (Pty) Ltd*	**–**	(1 960)	(1 960)
** The loan was repaid in November 2023.*			
Related party transactions			
Management compensation			
– Directors	**16 295**	18 159	29 063
Long-term incentives	**2 989**	6 088	6 088
Remuneration and short-term incentives	**13 306**	12 071	22 975
– Prescribed officers and key staff^	**8 954**	9 812	16 230
Long-term incentives	**1 445**	3 076	3 052
Remuneration and short-term incentives	**7 509**	6 736	13 178

^ Prescribed officers and top three earning key staff.

21. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that require adjustment or disclosure.

Corporate Information

Cashbuild Limited
(Incorporated in the Republic of South Africa)
Registration number: 1986/001503/06
ISIN: ZAE000028320
JSE code: CSB

Directors
AGW Knock* (British) (Chairman)
WF de Jager (Chief Executive Officer)
M Bosman (Mr)*
M Bosman (Ms)*
Dr DSS Lushaba*
AJ Mokgwatsane*
AE Prowse (Chief Financial Officer)
GM Tapon Njamo*
SA Thoresson
WP van Aswegen
* *Non-Executive Directors*

Company Secretary
Takie Nengovhela
Telephone: +27 11 248 1500

Registered office
2 Handel Road
Ormonde
Johannesburg
2091

PO Box 90115
Bertsham
2013

Auditor
Deloitte & Touche

Sponsor
Nedbank CIB, a division of Nedbank Limited

Investor Relations
Keyter Rech Investor Solutions CC
Marlize Keyter
Tel: +27 83 701 2021

www.cashbuild.co.za