

2021

INTERIM RESULTS
AND DIVIDEND
DECLARATION

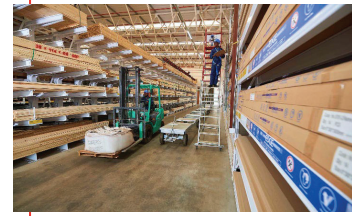
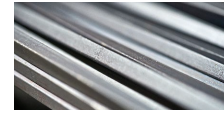
for the six months ended 27 December 2020



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2021

RESULTS PRESENTATION

For the six months ended December 2020

NOTES

DISCLAIMER

This presentation differs from the presentation available on the website as a result of industry sensitive information contained therein. The financial information pertaining to Cashbuild Limited's (Cashbuild's) results are based on the results published on SENS in terms of the JSE Limited's Listings Requirements.

The Group adopts the retail accounting calendar, which comprises the reporting period ending on the last Sunday of the month (2020: 27 December (26 weeks); 2019: 29 December (26 weeks) and June 2020: 28 June (52 weeks)). Please note the percentage change indicated might differ from the actual calculation using the exact number.

This presentation may contain certain "forward-looking statements" regarding beliefs or expectations of Cashbuild, its directors and other members of its senior management about Cashbuild's financial condition, results of operations, cash flow, strategy and business and the transactions described in this presentation. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words "believe", "expect", "anticipate", "intend", "estimate", "forecast", "project", "will", "may", "should" and similar expressions identify forward-looking statements but are not the exclusive means of identifying such statements. Such forward-looking statements are not guarantee of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Cashbuild and are difficult to predict, that may cause the actual results, performance, achievements or developments of Cashbuild or the industry in which it operates to differ materially from any future results, performance, achievements or developments expressed by or implied from the forward-looking statements. Each member of Cashbuild expressly disclaims any obligation or undertaking to provide or disseminate any updates or revisions to any forward-looking statements contained in this announcement.

NOTES

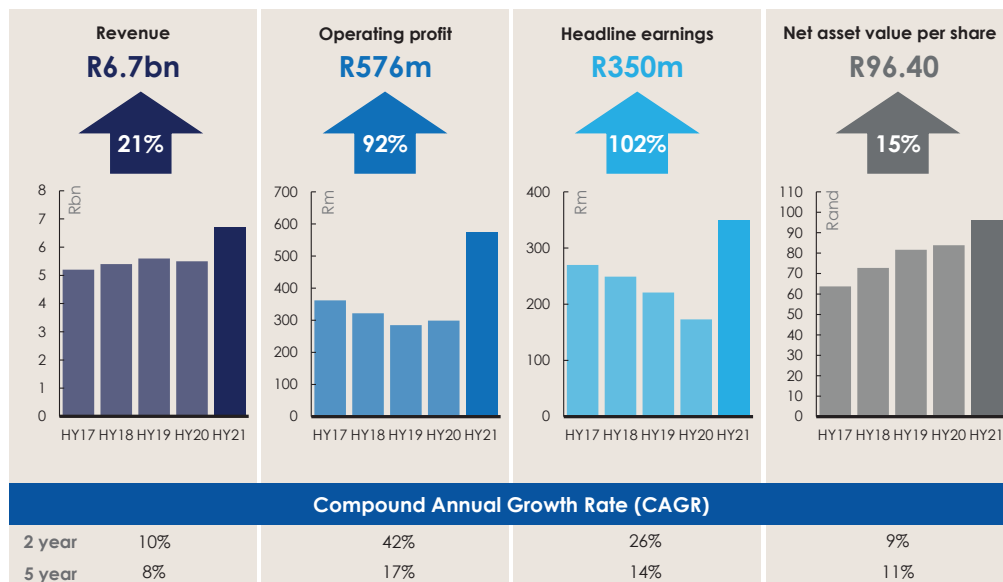


NATURE OF BUSINESS

- Mass retailer of building materials, home improvement and related products
- Offers a focused range of quality products at competitive prices
- Selling predominantly for cash
- 317 stores and expanding (258 Cashbuild, 58 P&L Hardware and 1 Cashbuild DIY)

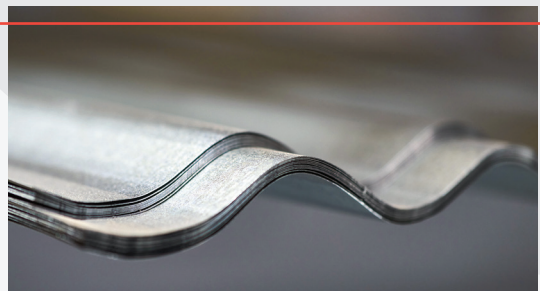
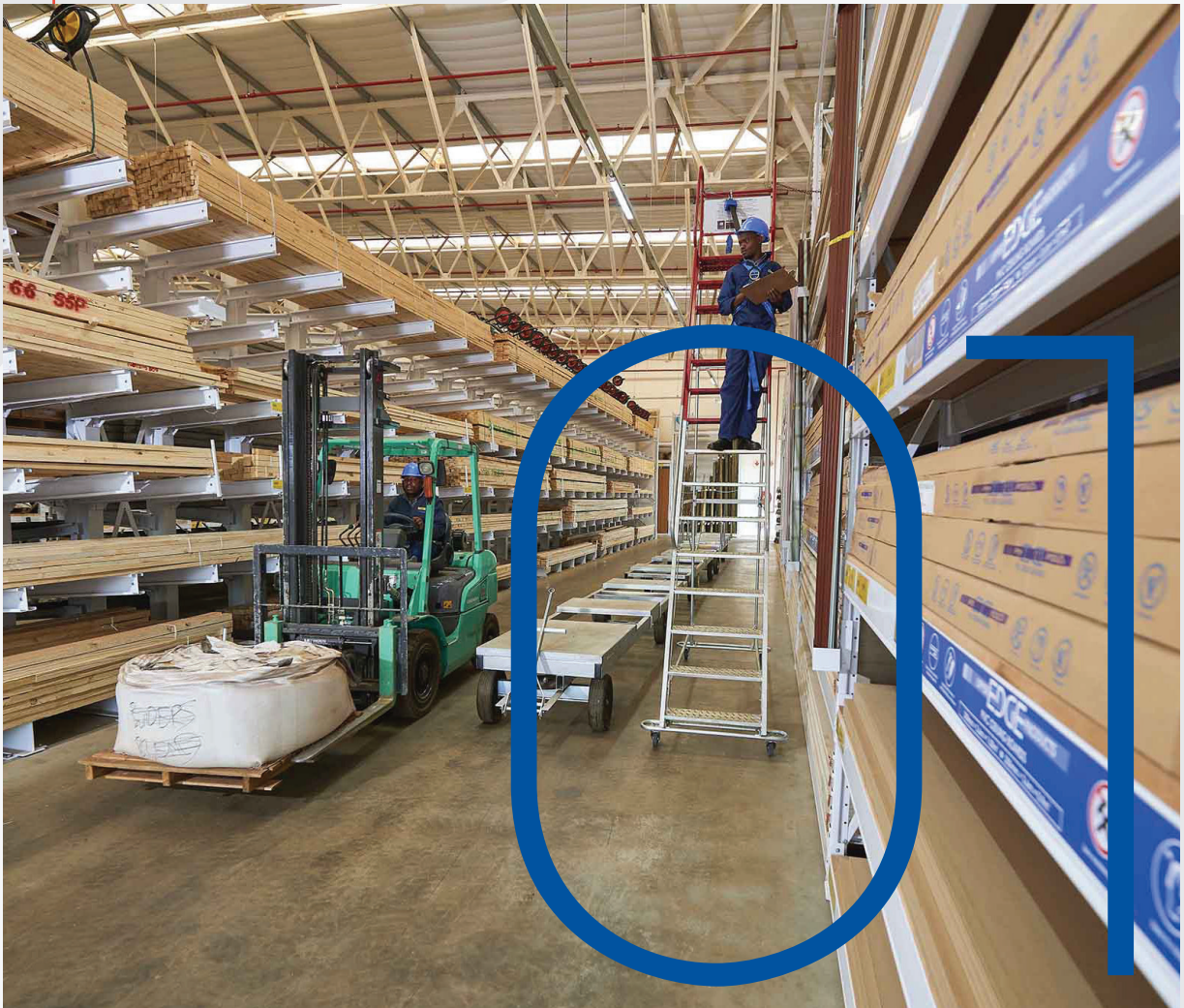
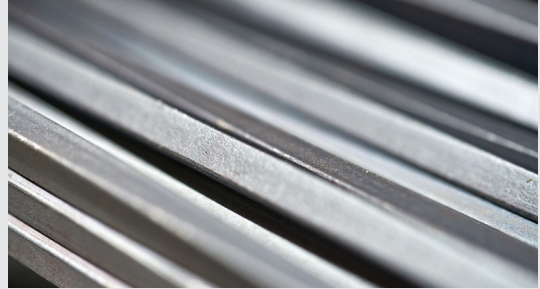
NOTES

FINANCIAL HIGHLIGHTS - STATUTORY



NOTES

Financial review



INCOME STATEMENT STATUTORY PERIOD-ON-PERIOD

| R'm | Audited 27 Dec 2020 (26 Weeks) | Audited 29 Dec 2019 (26 Weeks) | % change | Audited Jun 2020 (52 Weeks) |
|----------------------------------|--------------------------------------|--------------------------------------|-------------|-----------------------------------|
| Revenue | 6 695 | 5 510 | 21 | 10 091 |
| Gross profit | 1 765 | 1 369 | 29 | 2 525 |
| Gross profit % | 26.4 | 24.8 | | 25.0 |
| Operating expenses | 1 189 | 1 069 | 11 | 2 005 |
| Operating expenses % | 17.8 | 19.4 | | 19.9 |
| Operating profit | 576 | 299 | 92 | 520 |
| Operating profit % | 8.6 | 5.4 | | 5.2 |
| Net financing (cost)/income | (31) | (51) | (40) | (126) |
| Profit for the period | 364 | 173 | 111 | 273 |
| Earnings per share (cents) | 1 594.7 | 748.0 | 113 | 1 176.7 |
| Dividend per share (cents) | 724 | 435 | 66 | 707 |
| Weighted number of shares ('000) | 22 696 | 22 723 | | 22 722 |

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NOTES

REVENUE BREAKDOWN

| R'm | FY 2021 | FY 2020 | Total | % change | | | | | |
|----------------------------|--------------|---------------|-----------|------------------|----------|-----------|---------------------|----------|-----------|
| | | | | Cashbuild stores | | | P&L Hardware stores | | |
| | | | | Total | New | Existing* | Total | New | Existing* |
| Quarter 1 | 3 317 | 2 712 | 22 | 24 | 3 | 21 | 7 | 3 | 4 |
| Quarter 2 | 3 378 | 2 798 | 21 | 23 | 2 | 21 | - | 2 | (2) |
| 1st Half | 6 695 | 5 510 | 21 | 24 | 2 | 22 | 4 | 3 | 1 |
| Quarter 3 | | 2 442 | | | | | | | |
| Quarter 4 | | 2 139 | | | | | | | |
| Total | | 10 091 | | | | | | | |

1st 6 weeks trading since period end have increased by 24% to that of the comparative period

* All stores in existence prior to 1 July 2019

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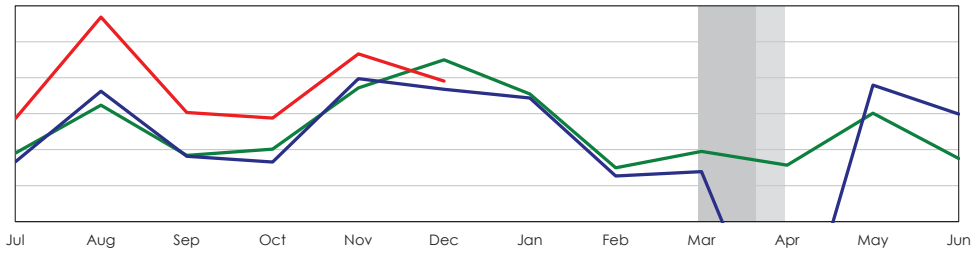
NOTES

CUSTOMER TRANSACTIONS '000

RSA Hard Lockdown 2020
Essential Trade allowed 2020

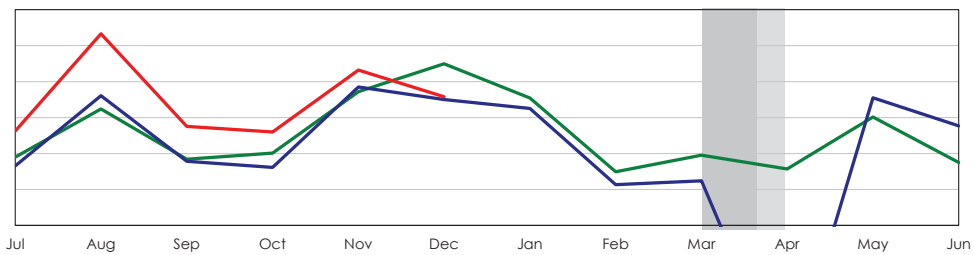
All stores

Growth: Q1: 19% Q2: 10%



Existing stores

Growth: Q1: 16% Q2: 7%



* 2019 & 2020 has been smoothed for comparative 4 weeks vs 5 weeks

FY2021 FY2020 FY2019 (excl W53)

8 | Cashbuild

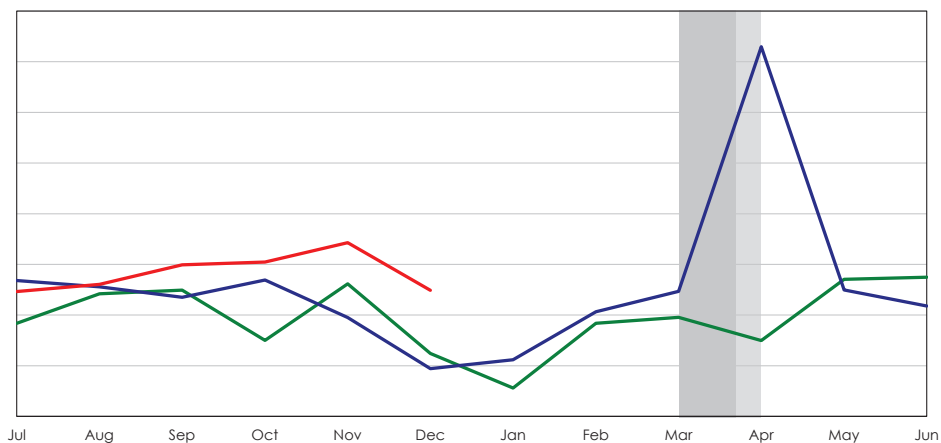
NOTES

AVERAGE BASKET SIZE RAND

RSA Hard Lockdown 2020
Essential Trade allowed 2020

All Stores

Growth Q1: 1% Q2: 10%



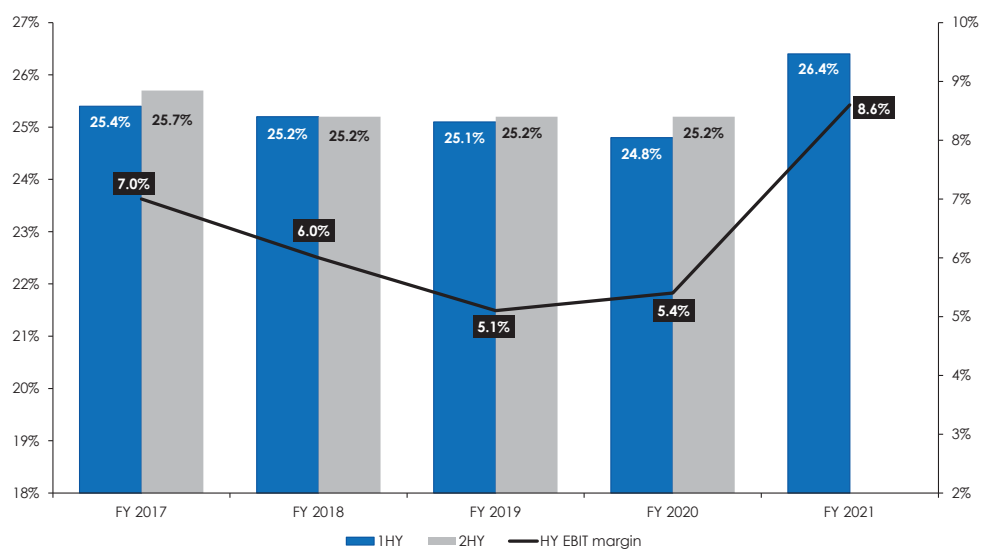
* 2019 & 2020 has been smoothed for comparative 4 weeks vs 5 weeks

FY2021 FY2020 FY2019 (excl W53)

9 | Cashbuild

NOTES

GROSS PROFIT AND EBIT MARGIN



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NOTES

SEGMENTAL DISCLOSURE

| R'm | Cashbuild South Africa | | | P&L Hardware South Africa | | | Cashbuild Namibia, Lesotho and Swaziland | | | Cashbuild Botswana, Malawi and Zambia | | | Total Group | | |
|-------------------------|------------------------|----------|-----|---------------------------|----------|------|--|----------|------|---------------------------------------|----------|------|-------------|----------|----|
| | Dec 2020 | Dec 2019 | % | Dec 2020 | Dec 2019 | % | Dec 2020 | Dec 2019 | % | Dec 2020 | Dec 2019 | % | Dec 2020 | Dec 2019 | % |
| Revenue | 5 364 | 4 334 | 24 | 655 | 631 | 4 | 385 | 300 | 28 | 291 | 245 | 19 | 6 695 | 5 510 | 21 |
| % Contribution to Group | 80.1 | 78.6 | | 9.8 | 11.5 | | 5.8 | 5.4 | | 4.3 | 4.5 | | 100.0 | 100.0 | |
| Gross profit | 1 465 | 1 118 | 31 | 119 | 115 | 4 | 96 | 73 | 31 | 85 | 63 | 35 | 1 765 | 1 369 | 29 |
| GP % | 27.3 | 25.8 | | 18.2 | 18.2 | | 24.9 | 24.3 | | 29.2 | 25.7 | | 26.4 | 24.8 | |
| Operating profit | 495 | 257 | 93 | 12 | 17 | (29) | 41 | 15 | 173 | 28 | 10 | 180 | 576 | 299 | 92 |
| % Contribution to Group | 85.9 | 86.0 | | 2.1 | 5.7 | | 7.1 | 5.0 | | 4.9 | 3.3 | | 100.0 | 100.0 | |
| OP % | 9.2 | 5.9 | | 1.8 | 2.7 | | 10.6 | 4.9 | | 9.5 | 4.3 | | 8.6 | 5.4 | |
| Capital investment | 57 | 59 | (3) | 30 | 4 | >100 | 8 | 12 | (30) | 1 | 7 | (92) | 96 | 82 | 16 |

11 | Cashbuild

NOTES

EXISTING BUSINESS RESULTS

| R'm | Dec 2020 | Dec 2019 | % change |
|-------------------------|--------------|----------|----------|
| Revenue | 6 509 | 5 471 | 19 |
| Gross profit | 1 717 | 1 357 | 27 |
| Gross profit % | 26.4 | 24.8 | |
| Operating expenses | 1 150 | 1 052 | 9 |
| Operating expenses % | 17.7 | 19.2 | |
| Operating profit | 567 | 305 | 86 |
| Operating profit % | 8.7 | 5.6 | |

"Existing business" refers to stores that have comparative trading results for the entire prior financial year

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NOTES

OPERATING EXPENSES

| R'm | % of revenue | % of total | Dec 2020 | Dec 2019 | % change | Existing stores# % |
|--------------------|--------------|------------|--------------|----------|----------|--------------------|
| Total | 17.8 | 100 | 1 189 | 1 069 | 11 | 9 |
| Main Contributors: | | | | | | |
| People | 8.8 | 50 | 591 | 473 | 25 | 24 |
| Advertising | 1.1 | 6 | 76 | 94 | (19) | (20) |
| Delivery | 1.0 | 6 | 67 | 68 | (2) | (4) |
| IT | 0.9 | 5 | 61 | 52 | 17 | 16 |
| Property | 2.9 | 16 | 194 | 176 | 10 | 6 |

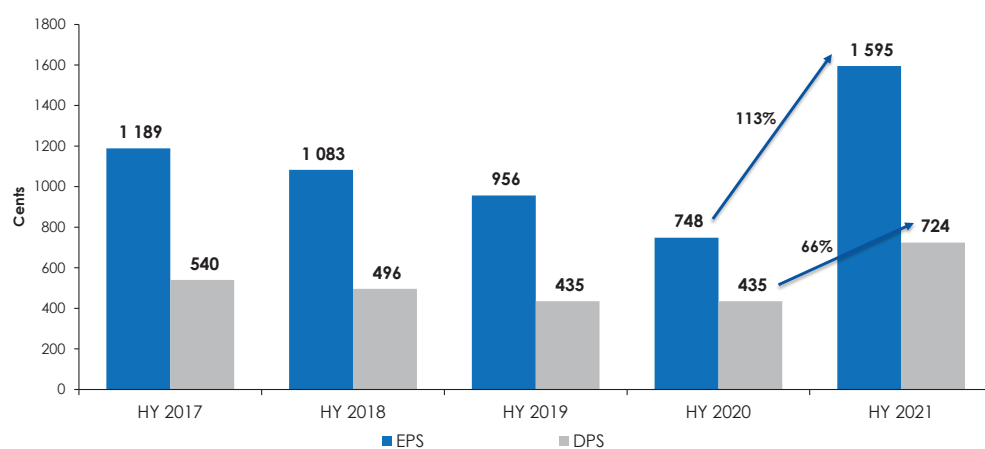
- Headcount at December 2020: 6 490 (December 2019: 6 327)
- Cost-of-living increase for Cashbuild of 5% implemented in October 2020
- Advertising down due to delayed Art@Heart spend due to Covid-19 and revised focus of various alternative advertising platforms
- IT costs up due to P&L system conversion and higher license renewals
- Property costs up as result of new stores, higher service costs and Covid-19 related costs

"Existing stores" refers to stores that have comparative trading results for the entire prior financial year

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NOTES

EARNINGS PER SHARE (EPS) AND DIVIDEND PER SHARE (DPS) PERIOD-ON-PERIOD



- Interim dividend based on 1H2021 performance
- Dividend cover policy maintained at 2.0 times
- Cashbuild Empowerment Trust – R275 million to date

14 | **Cashbuild**

NOTES

SUMMARISED STATEMENT OF FINANCIAL POSITION

| R'm | Audited Dec 2020 | Audited Dec 2019 | % change | Audited Jun 2020 |
|---|---------------------|---------------------|-------------|---------------------|
| Assets | | | | |
| Property, plant and equipment | 1 143 | 1 132 | 1 | 1 125 |
| Right-of-Use asset | 1 254 | 1 298 | (3) | 1 270 |
| Intangible assets | 422 | 424 | - | 423 |
| Investment property/Assets held for sale | 58 | 61 | (4) | 67 |
| Inventories | 1 653 | 1 678 | (2) | 1 267 |
| Trade and other receivables | 144 | 149 | (3) | 104 |
| Cash resources | 2 819 | 1 404 | 101 | 1 952 |
| Shareholders' equity and liabilities | | | | |
| Shareholders' equity | 2 444 | 2 129 | 15 | 2 155 |
| Lease liabilities | 1 604 | 1 624 | (1) | 1 615 |
| Trade and other liabilities | 3 392 | 2 425 | 40 | 2 522 |
| Net asset value per share (Rand) | 96.40 | 83.88 | 15 | 84.70 |

15 | **Cashbuild**

NOTES

INVENTORY ANALYSIS

| Stock holding – all stores (% change) | Cashbuild | P&L Hardware | Group |
|--|-----------|--------------|------------|
| Stores stocked since December 2019 (6 Cashbuild and 1 P&L Hardware) | 2 | 1 | 2 |
| Existing stores | 1 | (26) | (4) |
| Total | 3 | (25) | (2) |

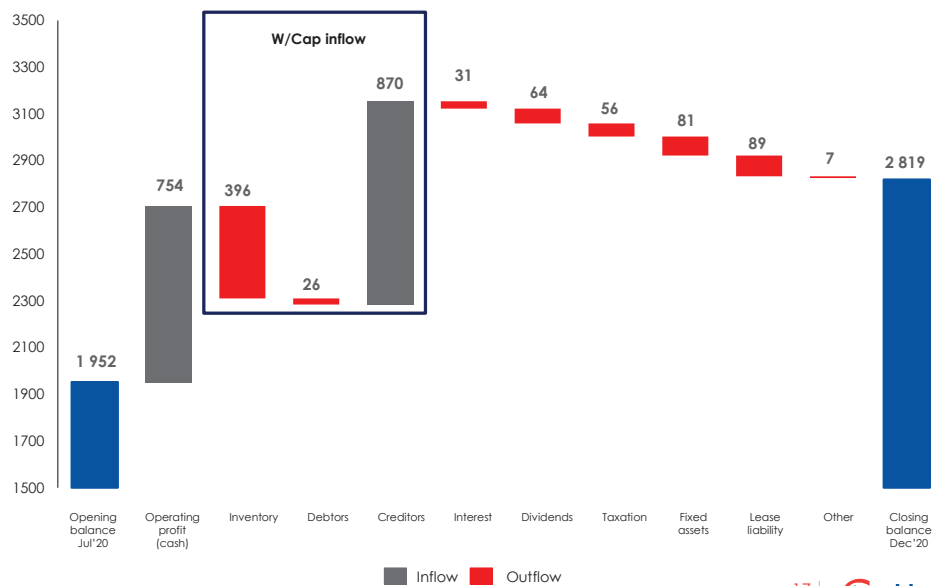
- Purchase inflation at 5%
- Sustained gains on excess and slow-moving stocks
- P&L Hardware was more affected by supplier shortages and delayed deliveries

| Working capital days at period end | Dec 2020 | Dec 2019 |
|------------------------------------|----------|----------|
| Inventory | 68 | 82 |
| Creditors | 73 | 72 |

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NOTES

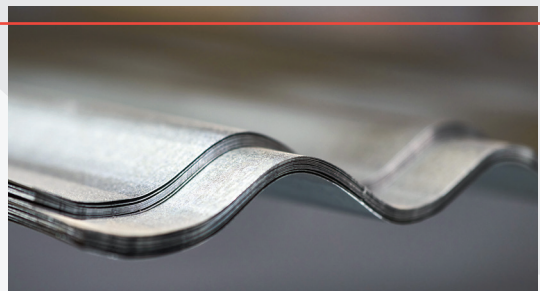
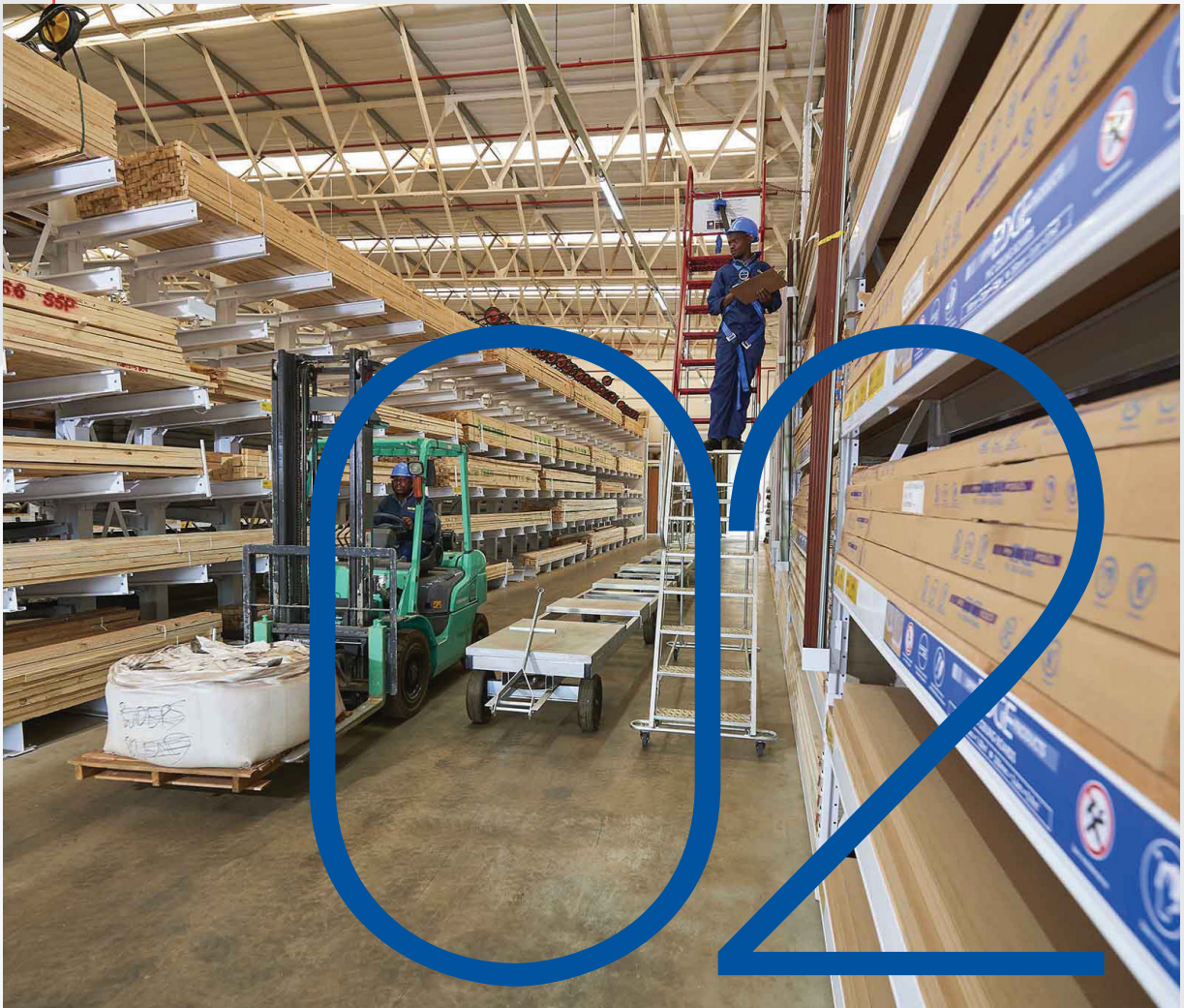
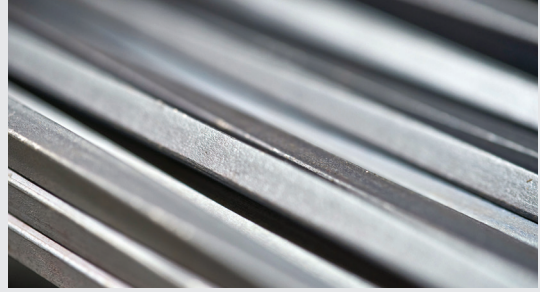
CASH FLOW R'MILLION



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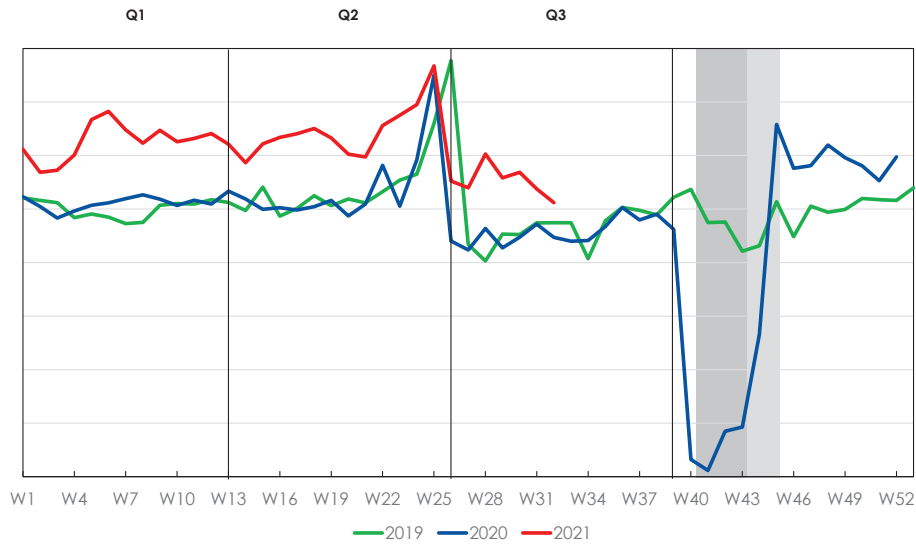
NOTES

Product categories



GROUP SALES PER WEEK
R'MILLION

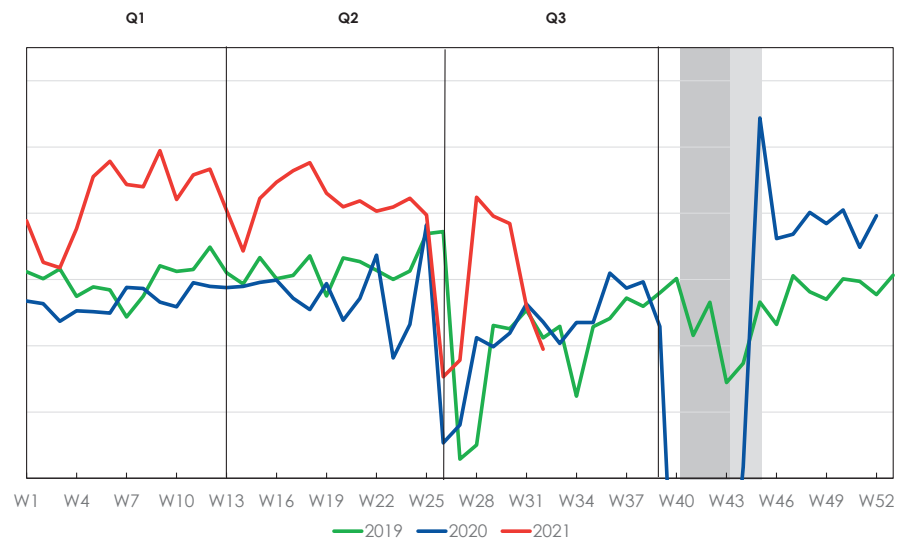
RSA Hard Lockdown 2020
Essential Trade allowed 2020



NOTES

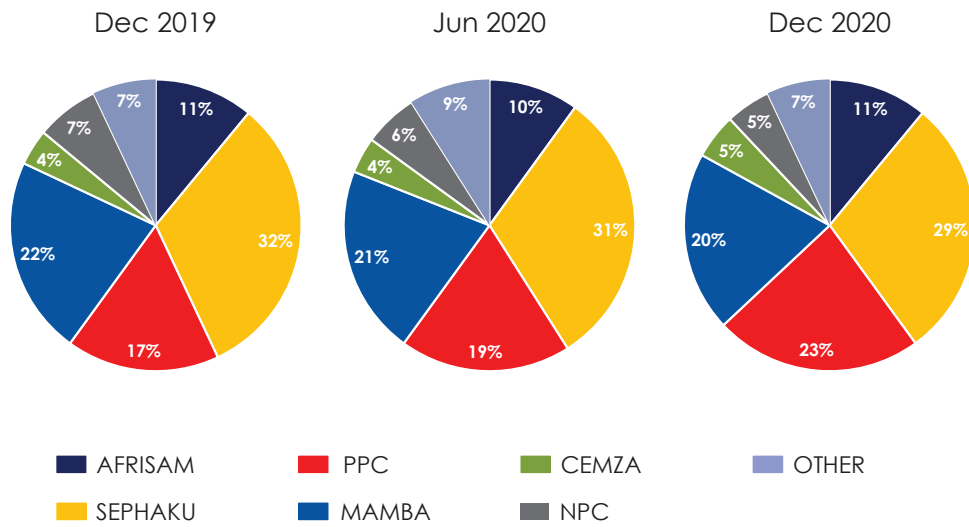
CEMENT SALES
POCKETS

RSA Hard Lockdown 2020
Essential Trade allowed 2020



NOTES

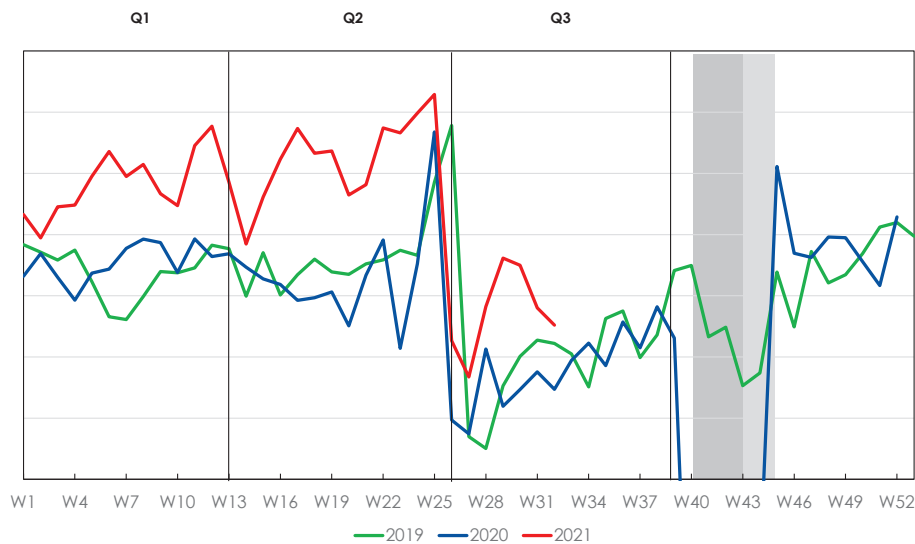
CEMENT UNIT SALES PER SUPPLIER



21 | Cashbuild

NOTES

TOTAL TIMBER SALES R'MILLION

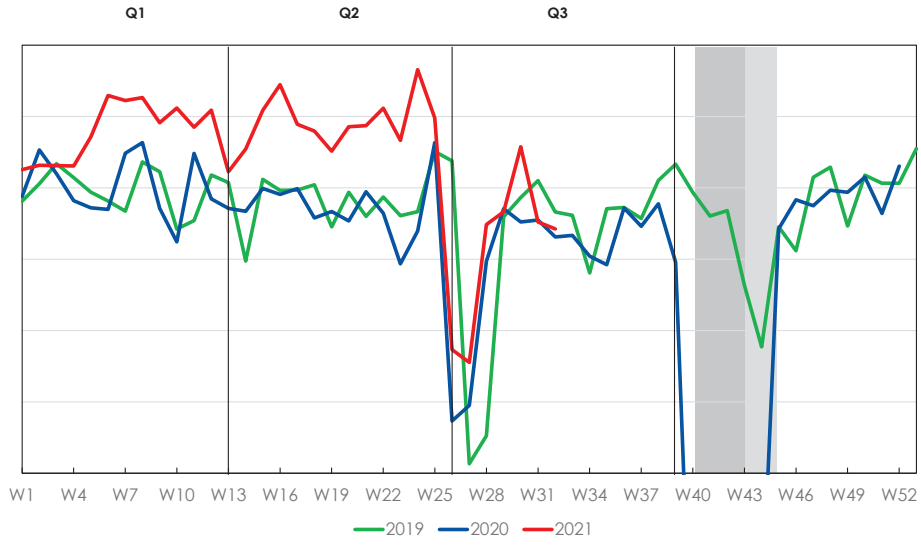


22 | Cashbuild

NOTES

TOTAL BRICK SALES
R'MILLION

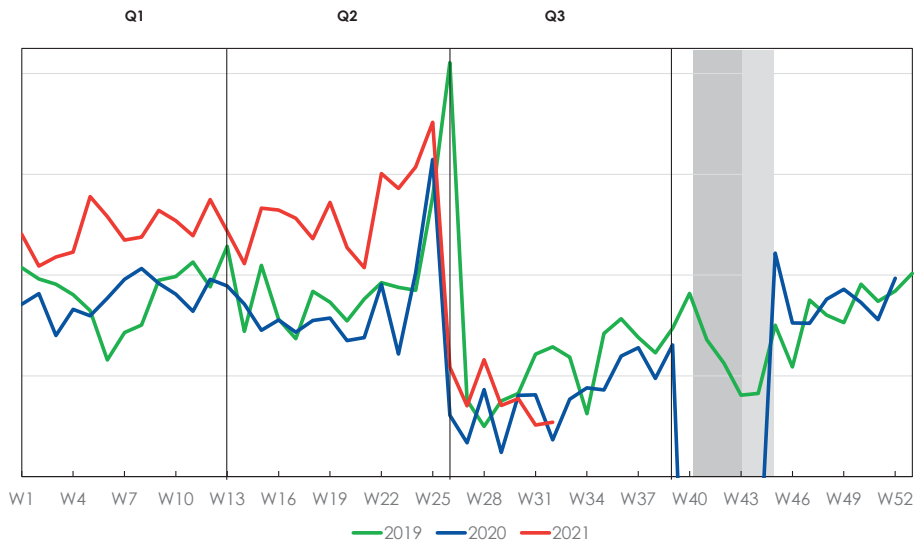
RSA Hard Lockdown 2020
Essential Trade allowed 2020



NOTES

TOTAL ROOF COVERING SALES
R'MILLION

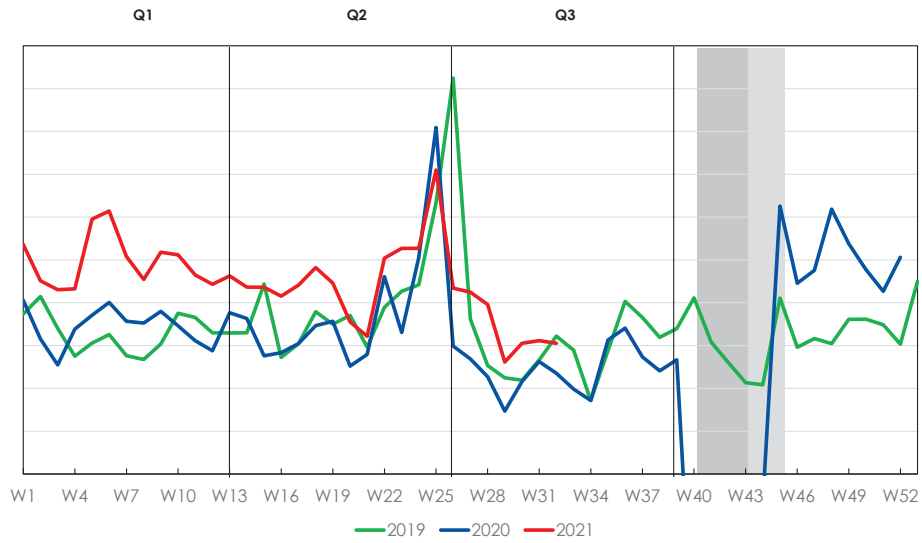
RSA Hard Lockdown 2020
Essential Trade allowed 2020



NOTES

TOTAL OPENING SALES
R'MILLION

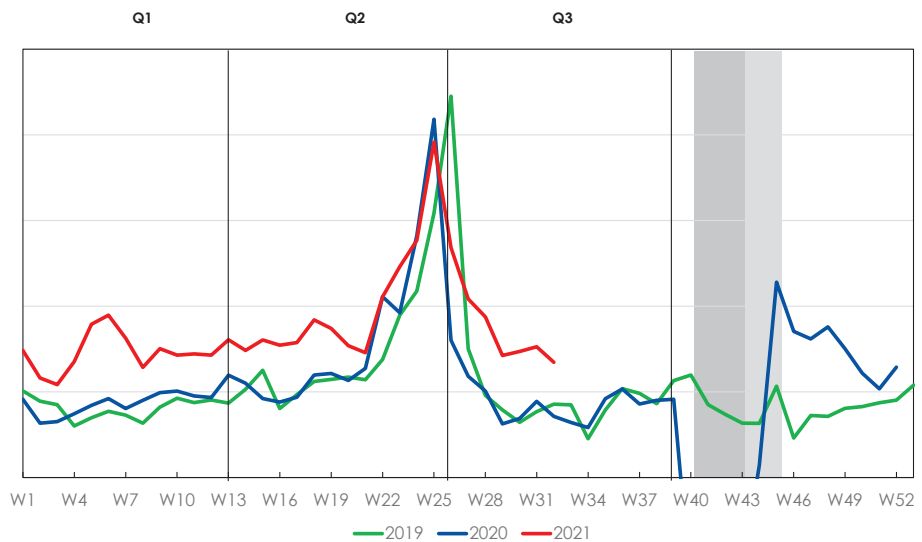
RSA Hard Lockdown 2020
Essential Trade allowed 2020



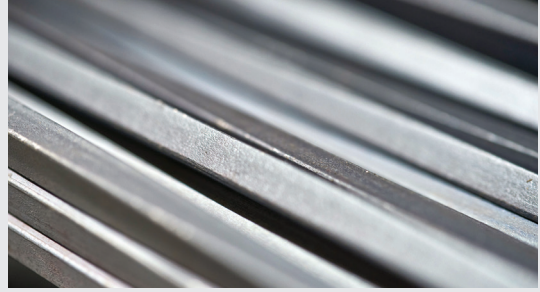
NOTES

TOTAL DECORATIVE SALES
R'MILLION

RSA Hard Lockdown 2020
Essential Trade allowed 2020



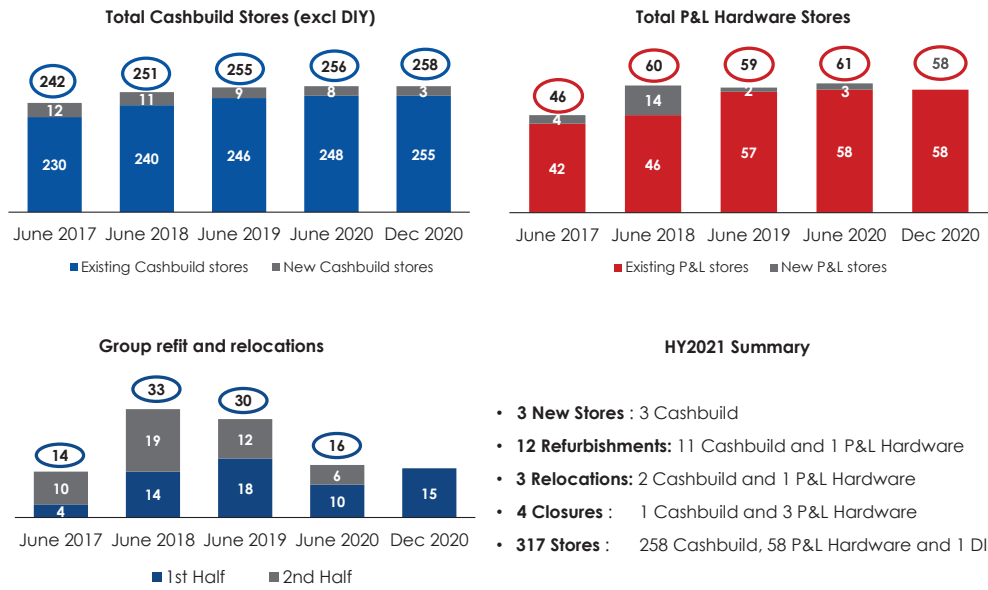
NOTES



Store development and summary



STORE DEVELOPMENT



NOTES

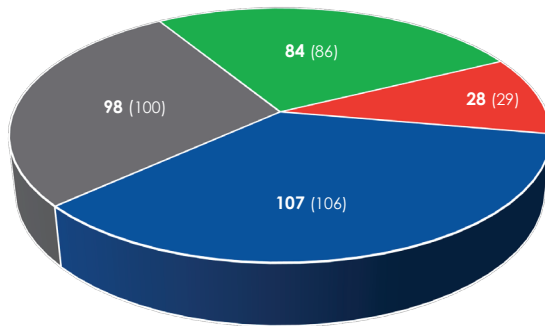
NEW STORES HY2021



NOTES

STORES BY LOCATION

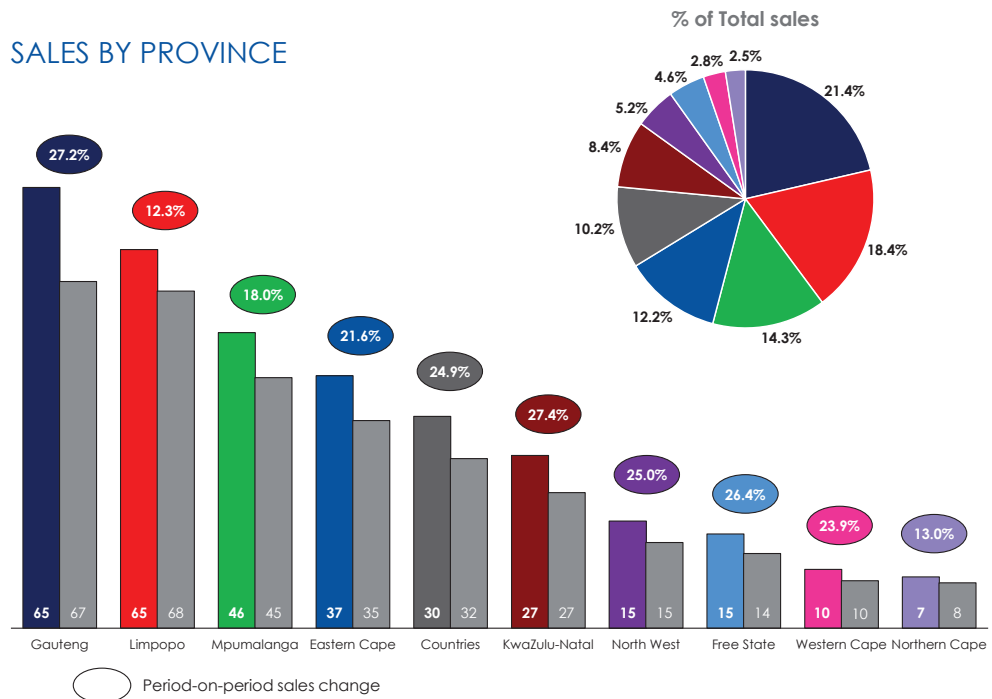
Number of stores **Dec 2020** (Dec 2019)



| Location (% of total) | Town | Rural | Township | Metro |
|-----------------------|------|-------|----------|-------|
| 2020 Stores | 34% | 31% | 26% | 9% |
| 2020 Sales | 36% | 28% | 26% | 10% |
| 2019 Stores | 33% | 31% | 27% | 9% |
| 2019 Sales | 34% | 30% | 26% | 10% |













NOTES

SALES BY PROVINCE



NOTES







COMPETITOR LANDSCAPE – CORPORATE


| | | |
|--|---|--|
|  <p>Making home building simple</p> <ul style="list-style-type: none"> • Approximately 392 stores (PY 390) • Most direct competitor in terms of offering and location  |  <p>HARDWARE • BUILDWARE</p> <p>LET'S BUILD TOGETHER</p> <p>87 (PY 91)</p>  <p>Your Project Partner</p> <p>24 (PY 20)</p>  <p>181 (PY 181)</p>  <p>Holdings Limited</p> |  <p>49 (PY 49)</p>  <p>16 (PY 16)</p>  <p>13 (PY 13)</p>  <p>39 (PY 39)</p> <ul style="list-style-type: none"> • Approximately 117 stores (PY 117) • Entry into Kenya <p>MASSMART</p> |
|  <p>LAUNCHING</p> <ul style="list-style-type: none"> • Approximately 86 stores (PY 82) • Launched by Italtile in 2008  |  <ul style="list-style-type: none"> • Approximately 31 stores (PY 31)  |  <p>3 (PY 3)</p> <ul style="list-style-type: none"> • Part of Groupe Adeo - Europe's largest DIY retailer and 3rd worldwide • 2 more stores planned  |

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NOTES

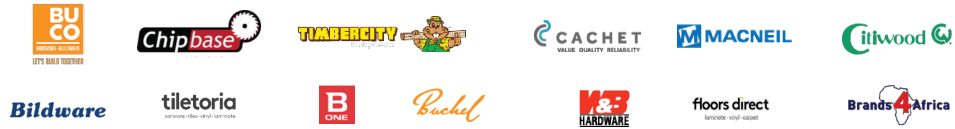
COMPETITOR LANDSCAPE – INDEPENDENTS

| | |
|--|---|
|  <ul style="list-style-type: none"> • 8 stores – Gauteng only (PY 8) |  <p>Let us show you how</p> <p>138 (PY 145)</p>  <p>BUILDING HARDWARE PAINT</p> <p>122 (PY 106)</p> <ul style="list-style-type: none"> • Approximately 260 stores (PY 251) |
|  <p>D.I.Y. • BUILDING • INDUSTRIAL HARDWARE</p> <ul style="list-style-type: none"> • Approximately 450 members |  <p>Your Community Paint Store</p> <p>PAINT & HARDWARE</p> <p>WE'RE # 1 IN PAINT</p> <ul style="list-style-type: none"> • Approximately 51 stores (PY 48) |
|  <p>Elite Star Trading (Pty) Ltd via</p> <ul style="list-style-type: none"> • Approximately 400 members representing 651 stores • Various strong independent stores part of this buying group | |

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NOTES

ACQUISITION OF THE BUILDING COMPANY (TBC)



CURRENT STATUS

| | |
|---|---|
| Funding | All funding agreements concluded – ready for transaction closure |
| Namibian Competition Authority | Transaction approved unconditionally |
| eSwatini Competition Authority | Investigation still in progress. Transaction is "ring-fenced" in eSwatini so approval will not hold up transaction being implemented in other territories |
| South African Competition Commission | Investigation still in progress Various extensions granted Timeline to completion uncertain |

NOTES

MARKET SUMMARY

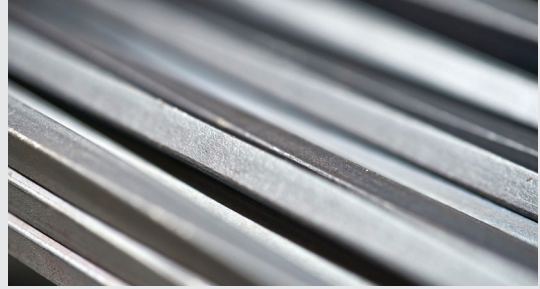
- Covid-19 continues to impact economy
- Unemployment and business closures expected to continue
- South African consumer resilience with DIY projects continues
- Trading conditions for remainder of financial year remain uncertain



Cashbuild Group remains one of southern Africa's leading retailers of quality building materials, associated products & services and continues to expand its footprint across both the Cashbuild and P&L Hardware brands

NOTES

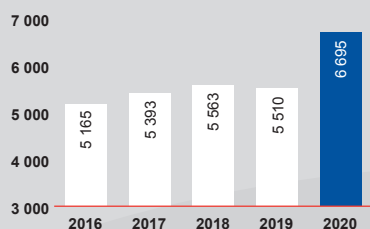
Financial results



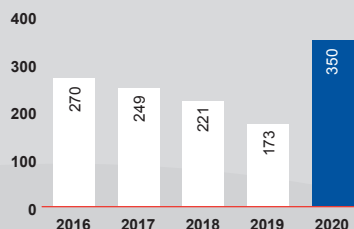
Financial highlights

for the six months ended 27 December 2020

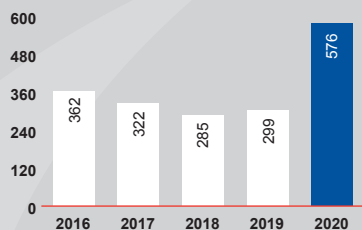
REVENUE (Rm)



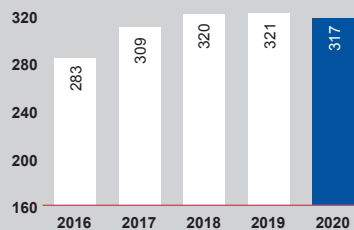
HEADLINE EARNINGS (Rm)



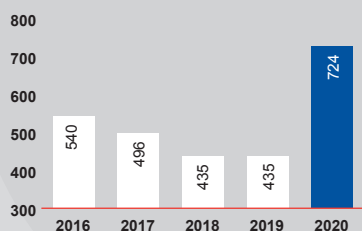
OPERATING PROFIT (Rm)



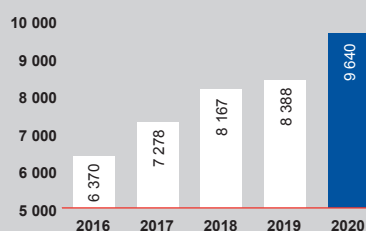
SPACE GROWTH (stores)



TOTAL DIVIDEND PER SHARE (cents)



NAV PER SHARE (cents)



Summary consolidated interim income statement – Audited

| R'000 | Six months ended 27 December 2020 (26 weeks) | Six months ended 29 December 2019 (26 weeks) | % | Year ended 28 June 2020 (52 weeks) |
|---|---|---|--------|---|
| | | | change | |
| Revenue | 6 694 502 | 5 510 188 | 21 | 10 090 910 |
| Cost of sales | (4 929 613) | (4 141 614) | 19 | (7 565 860) |
| Gross profit | 1 764 889 | 1 368 574 | 29 | 2 525 050 |
| Selling and marketing expenses | (1 050 005) | (917 060) | 14 | (1 765 022) |
| Administrative expenses | (161 173) | (154 611) | 4 | (282 531) |
| Other operating expenses | (1 560) | (2 404) | (35) | (4 377) |
| Other income | 23 502 | 4 950 | 375 | 47 192 |
| Operating profit | 575 653 | 299 449 | 92 | 520 312 |
| Finance cost | (77 769) | (90 495) | (14) | (191 518) |
| Finance income | 46 971 | 39 164 | 20 | 65 182 |
| Profit before income tax | 544 855 | 248 118 | 120 | 393 976 |
| Income tax expense | (180 611) | (75 305) | 140 | (121 306) |
| Profit for the period | 364 244 | 172 813 | 111 | 272 670 |
| Profit attributable to: | | | | |
| - Owners of the company | 361 932 | 169 957 | 113 | 267 371 |
| - Non-controlling interests | 2 312 | 2 856 | (19) | 5 299 |
| | 364 244 | 172 813 | 111 | 272 670 |
| Earnings per share (cents) | 1 594.7 | 748.0 | 113 | 1 176.7 |
| Diluted earnings per share (cents) | 1 594.1 | 747.8 | 113 | 1 176.1 |

Summary consolidated interim statement of comprehensive income – Audited

| R'000 | Six months ended 27 December 2020 (26 weeks) | Six months ended 29 December 2019 (26 weeks) | Year ended 28 June 2020 |
|---|---|---|-------------------------------|
| Profit for the period | 364 244 | 172 813 | 272 670 |
| Other comprehensive income: | | | |
| Total movement in foreign currency translation reserve (FCTR) | (10 896) | 5 287 | 25 882 |
| Attributable to: | | | |
| - Owners of the company | (6 720) | 4 496 | 22 223 |
| - Non-controlling interests | (4 176) | 791 | 3 659 |
| Total comprehensive income for the period | 353 348 | 178 100 | 298 552 |
| Total comprehensive income attributable to: | | | |
| - Owners of the company | 355 212 | 174 453 | 289 594 |
| - Non-controlling interests | (1 864) | 3 647 | 8 958 |
| | 353 348 | 178 100 | 298 552 |

Additional information

| R'000 | Six months ended 27 December 2020 | Six months ended 29 December 2019 | Year ended 28 June 2020 |
|--|--|--|-------------------------------|
| Net asset value per share (cents) | 9 640 | 8 388 | 8 470 |
| Net asset value per share (excluding treasury shares) | 10 615 | 9 225 | 9 315 |
| Ordinary shares ('000s): | | | |
| - In issue | 24 990 | 24 990 | 24 990 |
| - Weighted-average | 22 696 | 22 723 | 22 722 |
| - Diluted weighted-average | 22 704 | 22 728 | 22 734 |
| Capital investment | 95 941 | 82 221 | 170 093 |
| Depreciation of property, plant and equipment | 179 233 | 177 523 | 349 545 |
| Amortisation of intangible assets | 2 518 | 2 921 | 5 275 |
| Capital commitments | 133 963 | 158 857 | 158 344 |
| Contingent liabilities | 8 524 | 16 022 | 6 794 |

Summary consolidated interim statement of financial position – Audited

| R'000 | 27 December 2020 | 29 December 2019 | 28 June 2020 |
|-------------------------------------|---------------------|---------------------|-----------------|
| ASSETS | | | |
| Non-current assets | 2 997 140 | 3 013 288 | 2 974 780 |
| Property, plant and equipment | 2 397 165 | 2 430 394 | 2 394 577 |
| Investment property | 57 924 | 54 435 | 57 924 |
| Intangible assets | 422 268 | 424 285 | 423 101 |
| Deferred income tax assets | 119 783 | 104 174 | 99 178 |
| Current assets | 4 641 458 | 3 261 062 | 3 370 868 |
| Assets held for sale | - | 6 080 | 8 703 |
| Inventories | 1 652 663 | 1 678 499 | 1 266 587 |
| Trade and other receivables | 143 984 | 148 929 | 103 677 |
| Prepayments | 25 725 | 23 802 | 40 319 |
| Cash and deposits | 2 819 086 | 1 403 752 | 1 951 582 |
| Total assets | 7 638 598 | 6 274 350 | 6 345 648 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' equity | 2 443 631 | 2 129 229 | 2 155 015 |
| Share capital and reserves | 2 409 076 | 2 096 141 | 2 116 616 |
| Non-controlling interests | 34 555 | 33 088 | 38 399 |
| Non-current liabilities | 1 462 937 | 1 466 097 | 1 467 728 |
| Lease liabilities | 1 422 900 | 1 434 039 | 1 432 590 |
| Deferred income tax liability | 40 037 | 32 058 | 35 138 |
| Current liabilities | 3 732 030 | 2 679 024 | 2 722 905 |
| Trade and other liabilities | 3 391 570 | 2 425 419 | 2 521 681 |
| Lease liabilities | 181 237 | 189 520 | 182 610 |
| Current income tax liabilities | 159 223 | 64 085 | 18 614 |
| Total equity and liabilities | 7 638 598 | 6 274 350 | 6 345 648 |

Summary consolidated interim statement of cash flows – Audited

| R'000 | Six months ended 27 December 2020 | Six months ended 29 December 2019 | Year ended 28 June 2020 |
|---|--|--|-------------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 195 401 | 1 187 845 | 2 108 499 |
| Interest paid | (77 769) | (90 495) | (191 518) |
| Interest received – non-investing | - | 803 | 800 |
| Taxation paid | (55 708) | (42 337) | (135 748) |
| Net cash generated from operating activities | 1 061 924 | 1 055 816 | 1 782 033 |
| Cash flows from investing activities | | | |
| Net investment in assets | (81 476) | (75 928) | (135 772) |
| Increase in investments | - | (26 511) | (29 766) |
| Interest received | 46 971 | 38 361 | 64 382 |
| Net cash used in investing activities | (34 505) | (64 078) | (101 156) |
| Cash flows from financing activities | | | |
| Shares sold by Cashbuild Trusts | - | 1 266 | - |
| Shares purchased by Cashbuild SA for FSP | (13 591) | - | - |
| Finance lease payments | (88 851) | (79 415) | (135 717) |
| Dividends paid: | | | |
| - Own equity | (62 367) | (96 437) | (196 978) |
| - Non-controlling interests | (1 980) | (1 258) | (1 258) |
| Net cash used in financing activities | (166 789) | (175 844) | (333 953) |
| Net increase in cash and cash equivalents | 860 630 | 815 894 | 1 346 924 |
| Cash and cash equivalents at beginning of period | 1 951 582 | 590 150 | 590 150 |
| Effect of exchange rate movements on cash and cash equivalents | 6 874 | (2 292) | 14 508 |
| Cash and cash equivalents at end of period | 2 819 086 | 1 403 752 | 1 951 582 |

Summary consolidated interim statement of changes in equity – Audited

R'000

Restated balance at 1 July 2019

Total comprehensive income for the period
Dividends paid
Shares sold by the Cashbuild Trusts
Recognition of share-based payments

Balance at 29 December 2019

Total comprehensive income for the period
Dividends paid
Shares purchased by the Cashbuild Trusts
Recognition of share-based payments

Balance at 28 June 2020

Total comprehensive income for the period
Shares purchased by Cashbuild SA for Forfeitable Share Plan
Dividends paid
Recognition of share-based payments

Balance at 27 December 2020

Summary consolidated interim segmental analysis – Audited

| R'000 | Group | | | Cashbuild business | | |
|--|---------------------------|-----------|----------------------|---------------------------|-----------|----------------------|
| | Six months ended December | 2019 | Year ended June 2020 | Six months ended December | 2019 | Year ended June 2020 |
| Income statement | | | | | | |
| Revenue | 6 694 502 | 5 510 188 | 10 090 910 | 5 364 089 | 4 333 948 | 7 919 278 |
| Operating profit | 575 653 | 299 449 | 520 312 | 495 553 | 257 115 | 443 444 |
| Statement of financial position | | | | | | |
| Segment assets | 7 638 598 | 6 274 350 | 6 345 648 | 5 619 749 | 4 411 306 | 4 416 716 |
| Segment liabilities | 5 194 967 | 4 145 121 | 4 190 633 | 3 797 825 | 2 817 537 | 2 857 876 |
| Other segment items | | | | | | |
| Number of stores | 317 | 320 | 318 | 229 | 225 | 228 |
| Depreciation | 179 233 | 177 523 | 349 545 | 144 958 | 142 275 | 279 352 |
| Amortisation | 2 518 | 2 921 | 5 275 | 2 438 | 2 794 | 5 003 |
| Capital investment | 95 941 | 82 221 | 170 093 | 57 836 | 58 885 | 135 079 |

* Includes Namibia, Swaziland and Lesotho.

Attributable to owners of the company

| Share capital | Share premium | Share-based payments reserve | FCTR | Retained earnings | Non-controlling interests | Total equity |
|---------------|---------------|------------------------------|---------|-------------------|---------------------------|--------------|
| 227 | (274 414) | 79 137 | 2 149 | 2 200 776 | 30 699 | 2 038 574 |
| - | - | - | 4 496 | 169 957 | 3 647 | 178 100 |
| - | - | - | - | (96 437) | (1 258) | (97 695) |
| - | 1 266 | - | - | - | - | 1 266 |
| - | - | 8 984 | - | - | - | 8 984 |
| 227 | (273 148) | 88 121 | 6 645 | 2 274 296 | 33 088 | 2 129 229 |
| - | - | - | 17 727 | 97 414 | 5 311 | 120 452 |
| - | - | - | - | (100 541) | - | (100 541) |
| - | (1 266) | - | - | - | - | (1 266) |
| - | - | 7 141 | - | - | - | 7 141 |
| 227 | (274 414) | 95 262 | 24 372 | 2 271 169 | 38 399 | 2 155 015 |
| - | - | - | (6 720) | 361 932 | (1 864) | 353 348 |
| - | (13 591) | - | - | - | - | (13 591) |
| - | - | - | - | (62 367) | (1 980) | (64 347) |
| - | - | 13 206 | - | - | - | 13 206 |
| 227 | (288 005) | 108 468 | 17 652 | 2 570 734 | 34 555 | 2 443 631 |

| P&L Hardware business | | | Other members of common monetary area* | | | Botswana, Malawi and Zambia | | |
|---------------------------|---------|-----------------|--|---------|-----------------|-----------------------------|---------|-----------------|
| Six months ended December | | Year ended June | Six months ended December | | Year ended June | Six months ended December | | Year ended June |
| 2020 | 2019 | 2020 | 2020 | 2019 | 2020 | 2020 | 2019 | 2020 |
| 654 952 | 631 024 | 1 125 009 | 384 559 | 300 554 | 579 031 | 290 902 | 244 662 | 467 592 |
| 11 710 | 17 089 | 17 108 | 40 626 | 14 714 | 31 213 | 27 764 | 10 531 | 28 547 |
| 904 218 | 892 073 | 864 073 | 710 878 | 610 628 | 652 373 | 403 753 | 360 343 | 412 486 |
| 864 666 | 863 949 | 829 040 | 282 961 | 224 818 | 251 049 | 249 515 | 238 817 | 252 668 |
| 58 | 62 | 61 | 17 | 18 | 16 | 13 | 15 | 13 |
| 18 005 | 16 820 | 33 095 | 6 999 | 8 002 | 16 084 | 9 271 | 10 426 | 21 014 |
| 21 | - | 3 | 25 | 47 | 93 | 34 | 80 | 176 |
| 28 989 | 3 950 | 6 387 | 8 541 | 12 281 | 9 722 | 575 | 7 105 | 18 905 |

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 2021.

2. **Independent audit by the auditor.** These summary consolidated interim financial statements were derived from the consolidated interim financial statements for the six months ended 27 December 2020. The consolidated interim financial statements have been audited by PricewaterhouseCoopers Inc. who expressed an unmodified opinion thereon. A copy of their unqualified audit report is available for inspection at the registered office of the company.
3. **Reporting period.** The Group adopts the retail accounting calendar, which comprises the reporting period ending on the last Sunday of the month (2020: 27 December (26 weeks); 2019: 29 December (26 weeks); June 2020: 28 June (52 weeks)).
4. **Declaration of dividend.** The board has declared an interim dividend (No. 56), of 724 cents (2019: 435 cents) per ordinary share out of income reserves to all shareholders of Cashbuild Limited. The dividend per share is calculated based on 24 989 811 (2019: 24 989 811) shares in issue at date of dividend declaration. Net local dividend amount is 579.2 cents per share for shareholders liable to pay Dividends Tax and 724 cents per share for shareholders exempt from paying Dividends Tax. Local dividend tax is 20%.

Cashbuild Limited's tax reference number is 9575168712.

| | |
|---|--------------------------|
| Date dividend declared: | Monday, 1 March 2021 |
| Last day to trade "CUM" the dividend: | Tuesday, 23 March 2021 |
| Date to commence trading "EX" the dividend: | Wednesday, 24 March 2021 |
| Record date: | Friday, 26 March 2021 |
| Date of payment: | Monday, 29 March 2021 |

Share certificates may not be dematerialised or rematerialised between Wednesday, 24 March 2021 and Friday, 26 March 2021, 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 22 695 705 ordinary shares in issue at period-end (2019: 22 723 080 shares; June 2020: 22 722 350).
6. **Headline earnings per ordinary share.** The calculations of headline earnings and diluted headline earnings per ordinary share are based on headline earnings of R349.7 million (2019: R173.2 million; June 2020: R258.7 million) and a weighted-average of 22 695 705 (2019: 22 723 080 shares; June 2020: 22 722 350) shares and fully diluted of 22 704 069 (2019: 22 727 551; June 2020: 22 734 169) 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 2020 | Six months ended December 2019 | % change | Year ended June 2020 |
|--|--------------------------------|--------------------------------|----------|----------------------|
| Net profit attributable to the owners of the company | 361 932 | 169 957 | 113 | 267 371 |
| (Profit)/loss on sale of assets after taxation | (1 811) | 1 512 | - | (19 376) |
| (Impairment reversal)/Impairment | (10 438) | 1 769 | - | 10 687 |
| Headline earnings | 349 683 | 173 238 | 102 | 258 682 |
| Headline earnings per share (cents) | 1 540.7 | 762.4 | 102 | 1 138.5 |
| Diluted headline earnings per share (cents) | 1 540.2 | 762.2 | 102 | 1 137.9 |

On behalf of the board

Alistair Knock
Chairman
Johannesburg

Werner de Jager
Chief Executive
1 March 2021

Commentary

Nature of business

Cashbuild is southern Africa's largest retailer of quality building materials and associated products, selling direct to a cash-paying customer base through our chain of stores (317 at the end of this reporting period which includes 58 P&L Hardware stores and 1 DIY store). Cashbuild carries an in-depth quality product range tailored to the specific needs of the communities we serve. Our customers are typically home-builders and improvers, contractors, farmers, traders, as well as all other customers requiring quality building materials at the best value.

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

International Financial Reporting Standards

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

Financial highlights

Revenue for the period increased by 21%. Revenue for stores in existence prior to July 2019 (pre-existing stores – 303 stores) increased with 19% and our 14 new stores contributed 2% growth. Gross profit increased by 29% with gross profit margin percentage increasing from 24.8% to 26.4%. Selling price inflation was 4.5%.

Operating expenses, including new stores, were well controlled considering the revenue growth, increasing by 11% (existing stores 9% and new stores contributed 2% of the increase) resulting in the operating profit increasing by 92%. Basic earnings per share increased by 113% with headline earnings per share also increasing by 102% from the prior period.

The effective tax rate of 33.1% for the period is higher than that of the previous period due to the write-off of deferred tax assets raised in prior years in respect of Cashbuild Zambia.

Cash and cash equivalents increased to R2 819 million as a result of increased profitability and higher creditors' balances due to suppliers' payments effected after half-year close. Stock levels, including new stores have decreased by 2% with stockholding at 68 days (December 2019: 82 days; June 2020: 60 days) at period end. Net asset value per share increased by 15%, from 8 388 cents (December 2019) to 9 640 cents.

During the period, Cashbuild opened 3 Cashbuild stores, refurbished 11 Cashbuild and 1 P&L Hardware store, relocated 2 Cashbuild and 1 P&L Hardware store. 1 Cashbuild and 3 P&L Hardware stores were closed at the expiration of their lease agreements. 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 subsequent six weeks after half year-end has increased by 24% for the comparable six week 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.

Corporate information

Directors

AGW Knock (British)* (Chairman), M Bosman*, WF de Jager (Chief Executive), HH Hickey*, DrDSSLushaba*, AEProwse, GMTaponNjamo*, SA Thoresson, WPvan Aswegen (*Non-executive)

Company Secretary

T Nengovhela

Registered Office

101 Northern Parkway, Ormonde, Johannesburg, 2091, PO Box 90115, Bertsham, 2013

Transfer Secretaries

Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196

Auditor

PricewaterhouseCoopers Inc.

Sponsor

Nedbank CIB

Cashbuild Limited

(Registration number: 1986/001503/06)

(Incorporated in the Republic of South Africa)

JSE code

CSB

ISIN

ZAE000028320

Investor relations

Keyter Rech Investor Solutions CC

 **Cashbuild**

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