

# Cashbuild

## Results presentation

for the six months ended 25 December 2022

2023



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## 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 (1H2023: 25 December 2022 (26 weeks); 1H2022: 26 December 2021 (26 weeks); and FY2022: 26 June 2022 (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 views 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", "view", "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. Any comparable information has been prepared for illustrative purposes only and is the responsibility of the directors of Cashbuild. Any comparable information has not been reviewed or reported on by the Company's auditors.*

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## 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**

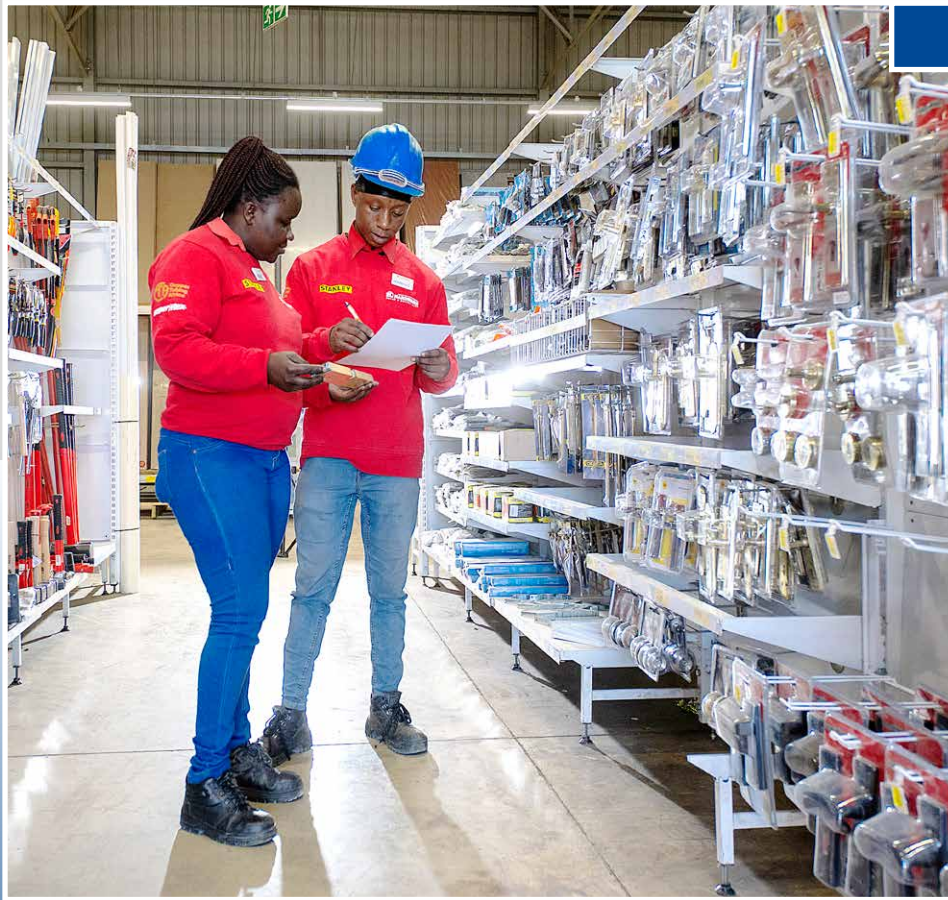
**316 stores**  
263 Cashbuild and  
53 P&L Hardware

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## NOTES



# Financial review



## Income Statement

Statutory period-on-period



R'm	Reviewed 25 Dec 2022 (26 Weeks)	Reviewed 26 Dec 2021 (26 Weeks)	% variance
Revenue	5 649	5 889	(4)
Gross profit	1 431	1 564	(9)
Gross profit %	25.3	26.6	
Operating expenses	(1 169)	(1 072)	9
Operating expenses %	20.7	18.2	
Operating profit	262	492	(47)
Operating profit %	4.6	8.4	
Net financing cost	(35)	(45)	22
Profit for the period	155	296	(48)
Earnings per share (cents)	652.8	1 294.8	(50)
Headline earnings per share (cents)	693.5	1 130.4	(39)
Dividend per share (cents)	400	587	(32)
Weighted number of shares ('000)	22 551	22 639	-

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## NOTES

## Revenue Breakdown



R'm	FY 2023	FY 2022	% Change						
			Cashbuild				P&L Hardware		
			Total	Total	New	Existing*	Total	New	Existing*
Quarter 1	2 782	2 887	(4)	(4)	1	(5)	(11)	-	(11)
Quarter 2	2 867	3 002	(5)	(5)	1	(6)	(9)	-	(9)
<b>1st Half</b>	<b>5 649</b>	<b>5 889</b>	<b>(4)</b>	<b>(4)</b>	<b>1</b>	<b>(5)</b>	<b>(10)</b>	<b>-</b>	<b>(10)</b>
Quarter 3		2 673							
Quarter 4		2 583							
<b>Total</b>		<b>11 145</b>							

\* All stores in existence prior to 1 July 2021

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## NOTES

## Customer Transactions

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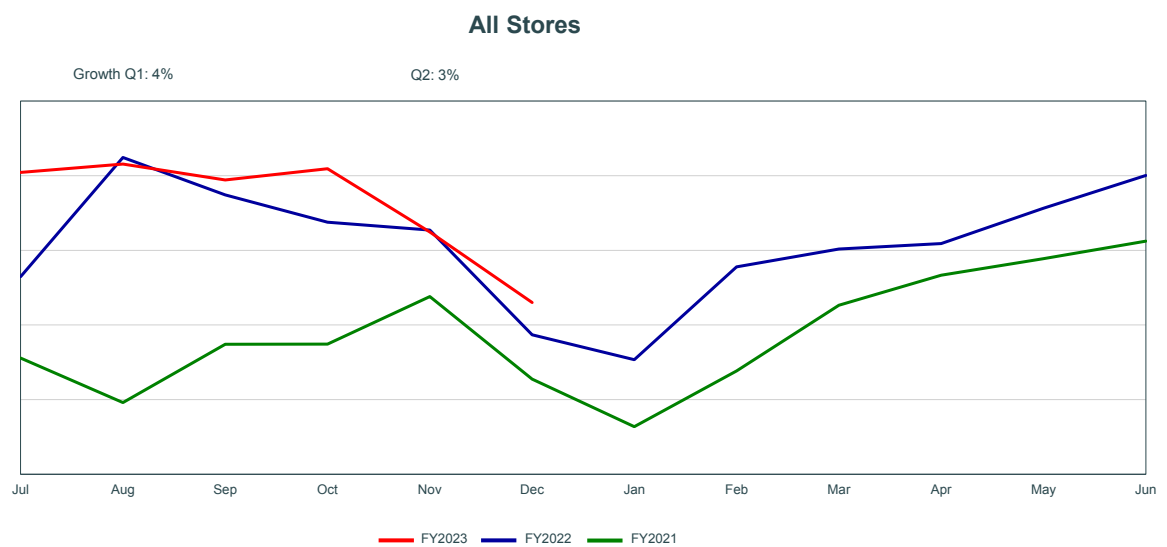


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### NOTES

## Average Basket Size

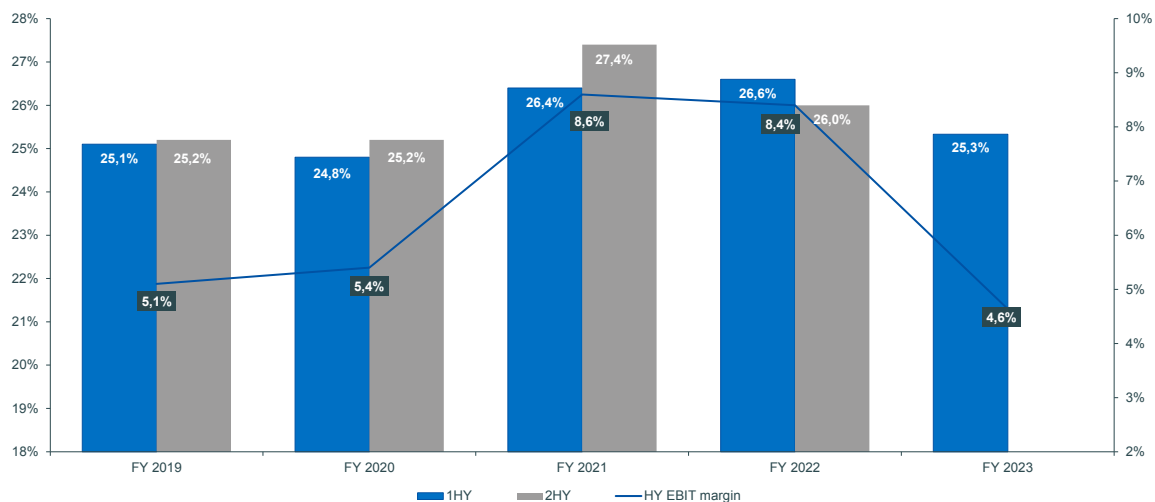
Rand



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### 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 eSwatini			Cashbuild Botswana, Malawi and Zambia			Total Group		
	Dec 2022	Dec 2021	%	Dec 2022	Dec 2021	%	Dec 2022	Dec 2021	%	Dec 2022	Dec 2021	%	Dec 2022	Dec 2021	%
Revenue	4 582	4 717	(3)	444	495	(10)	368	399	(8)	255	278	(8)	5 649	5 889	(4)
% Contribution to Group	81.1	80.1		7.9	8.4		6.5	6.8		4.5	4.7		100.0	100.0	
Gross profit	1 191	1 280	(7)	89	111	(20)	83	100	(17)	68	73	(7)	1 431	1 564	(9)
GP %	26.0	27.1		20.0	22.5		22.6	25.1		26.7	26.2		25.3	26.6	
Operating profit	220	412	(47)	(11)	16	(>100)	24	41	(41)	29	23	26	262	492	(47)
% Contribution to Group	83.9	83.7		(4.2)	3.2		9.2	8.4		11.1	4.7		100.0	100.0	
OP %	4.8	8.7		(2.5)	3.2		6.5	10.3		11.4	8.3		4.6	8.4	
Capital investment	99	139	(29)	5	4	32	5	-	>100	1	-	>100	110	143	(23)

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### NOTES



## Operating Expenses

R'm	% of revenue	% of total	Dec 2022	Dec 2021	% variance	3-year compound % variance Dec 2019 (Pre-Covid)	Existing stores# % variance June 2022
Total	20.7		1 169	1 072	9	3	7
<b>Main Contributors:</b>							
People	9.3	45.2	528	543	(3)	4	(4)
Advertising	1.7	8.1	95	79	21	-	19
Delivery	1.3	6.3	73	71	3	2	2
IT	1.4	6.7	78	64	22	14	21
Property	3.6	17.2	201	200	1	5	(1)

- Headcount as at Dec 2022: 6 294 (Dec 2021: 6 281)
- Cost-of-living increase: 6.5% for Cashbuild and 6.4% for P&L Hardware for FY2023

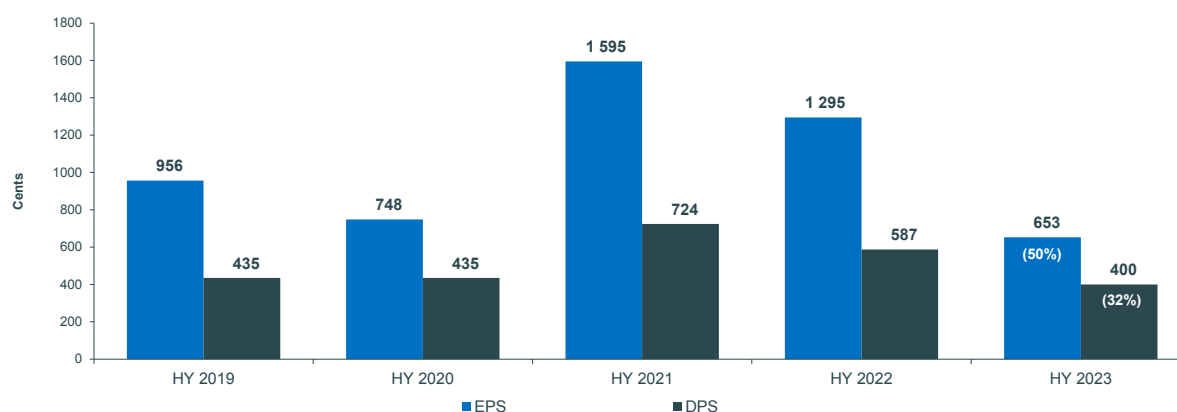
# "Existing stores" refers to stores that have comparative trading results for the entire prior period

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## NOTES

## Earnings per Share (EPS) and Dividend per Share (DPS)

Period-on-period



- Dividend cover policy 1.5 times HY2023
- Cashbuild Empowerment Trust – R346 million to date

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## NOTES

## Statutory Statement of Financial Position



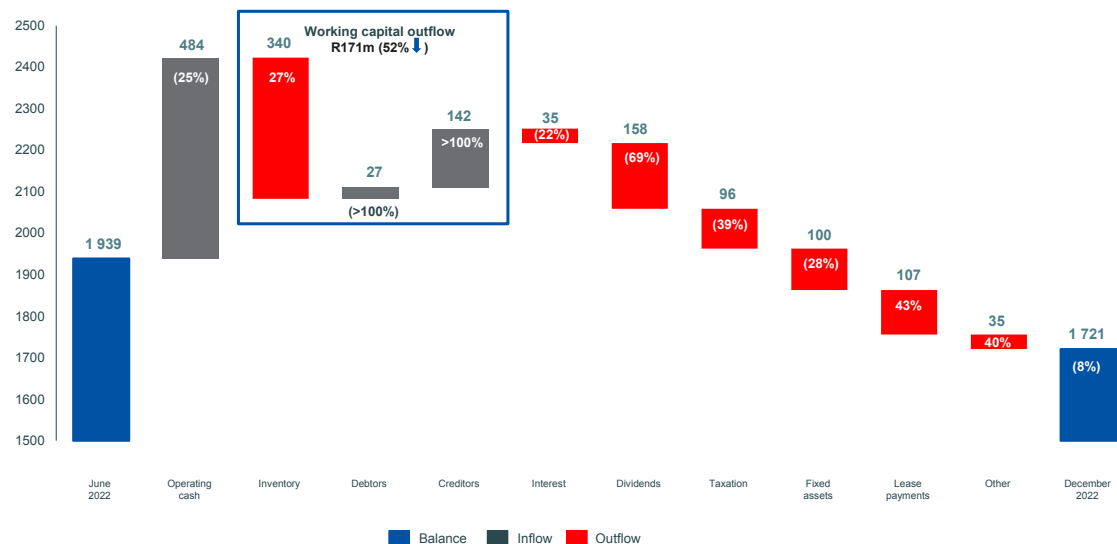
R'm	Reviewed 25 Dec 2022	Reviewed 26 Dec 2021	% variance	Audited 26 June 2022
<b>Assets</b>				
Property, plant and equipment	1 284	1 226	5	1 266
Right-of-Use assets	1 132	1 224	(8)	1 177
Intangible assets	426	424	-	425
Inventories	1 860	1 819	2	1 520
Trade and other receivables	106	220	(52)	136
Cash resources	1 721	1 877	(8)	1 939
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity	2 344	2 329	1	2 365
Lease liabilities	1 593	1 649	(3)	1 613
Trade and other liabilities	2 678	2 895	(7)	2 536
<b>Net asset value per share (Rand)</b>	<b>92.66</b>	91.75	1	93.50
<b>Working capital days</b>				
Inventory	89	79		81
Creditors	69	66		70

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### NOTES

## Cash Flow (Six Months)

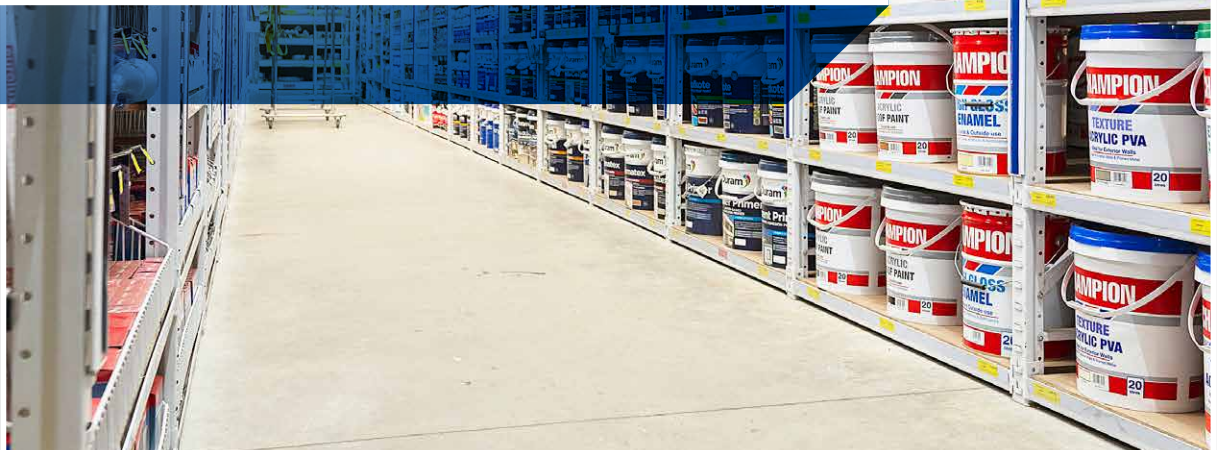
R'million



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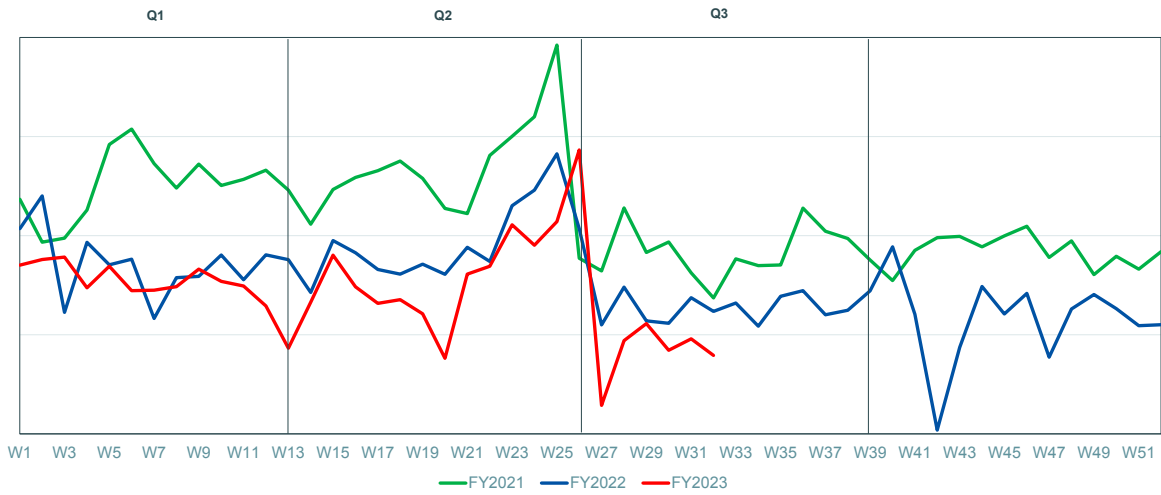
### NOTES

# Product categories



## Group Sales per Week

R'million

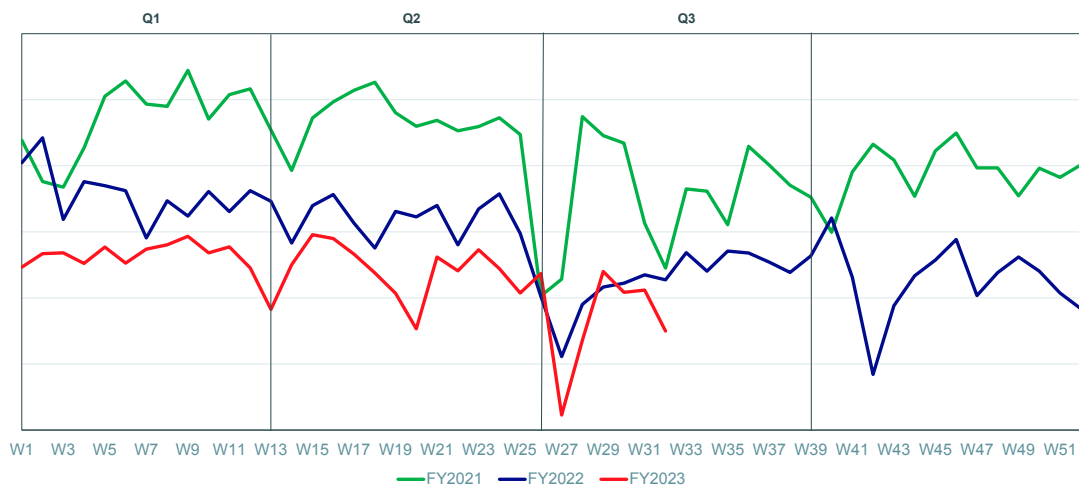


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### NOTES

## Cement Sales

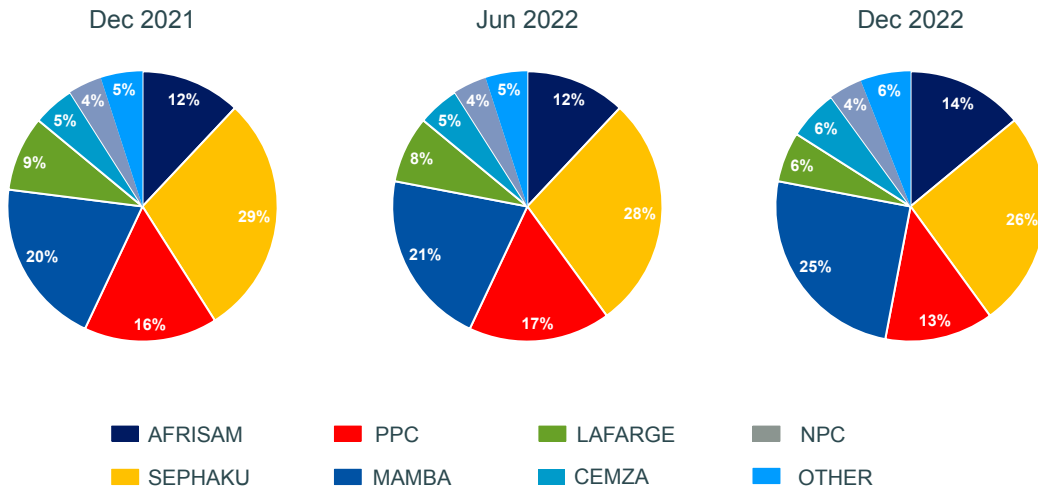
Pockets



18

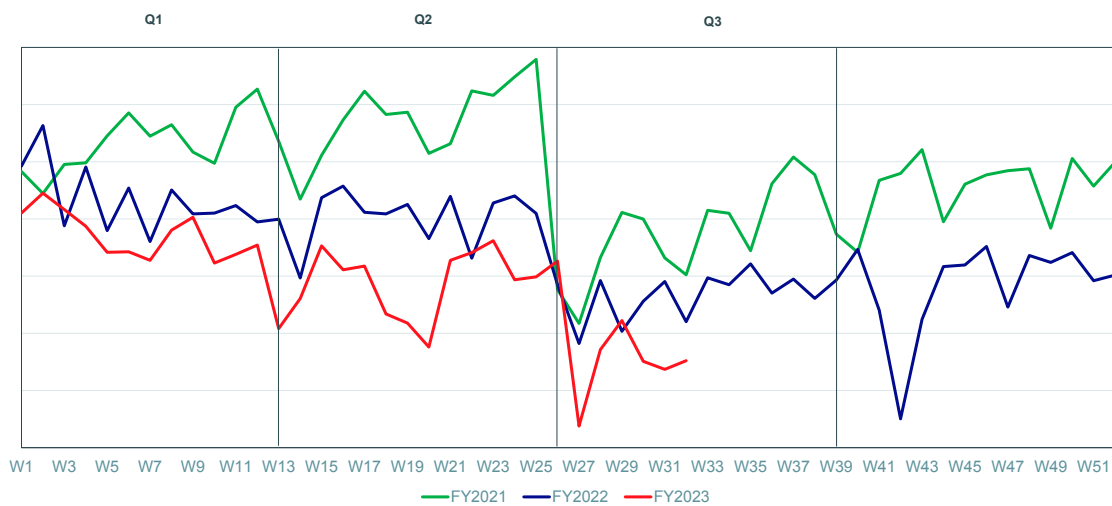
### NOTES

## Cement Unit Sales Per Supplier



### NOTES

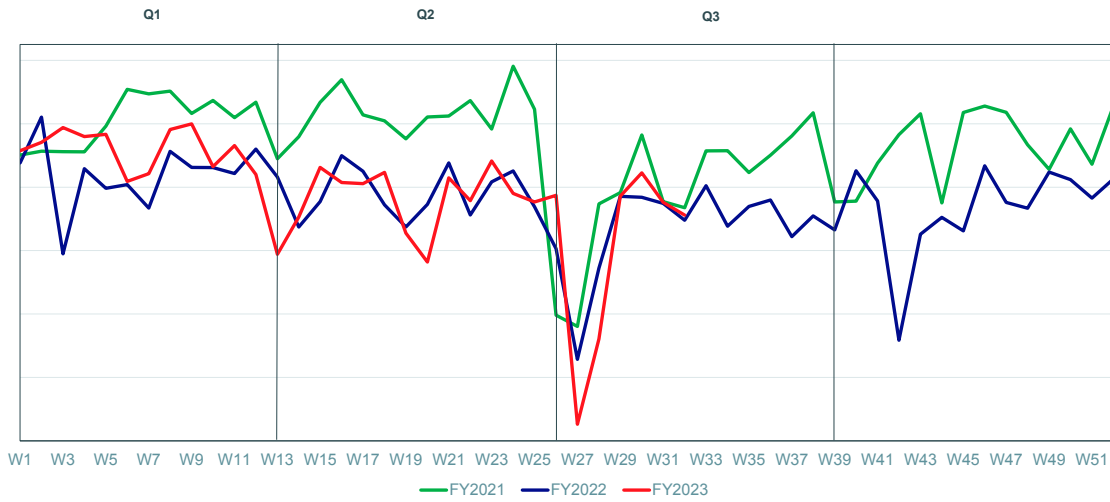
## Total Timber Sales R'million



### NOTES

## Total Brick Sales

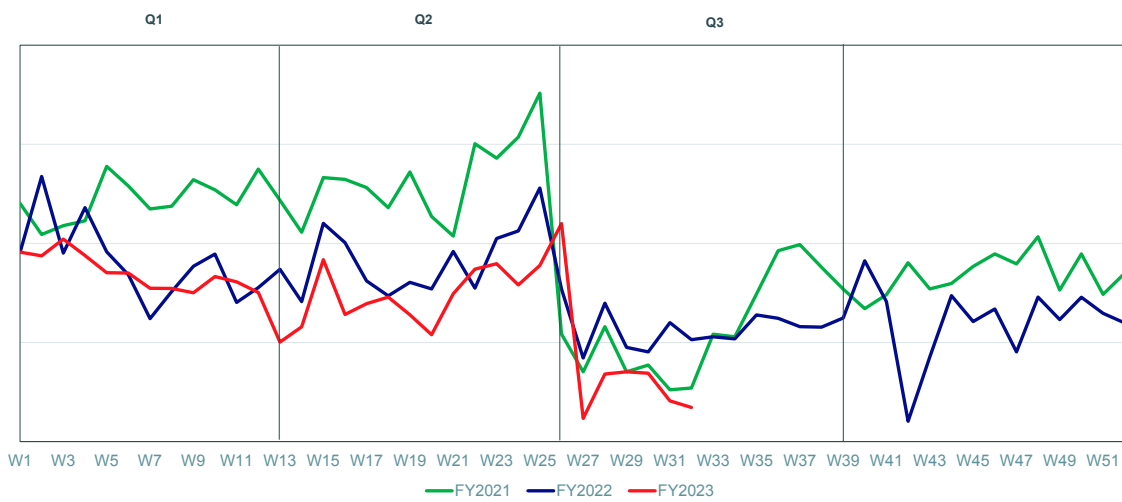
R'million



### NOTES

## Total Roof Covering Sales

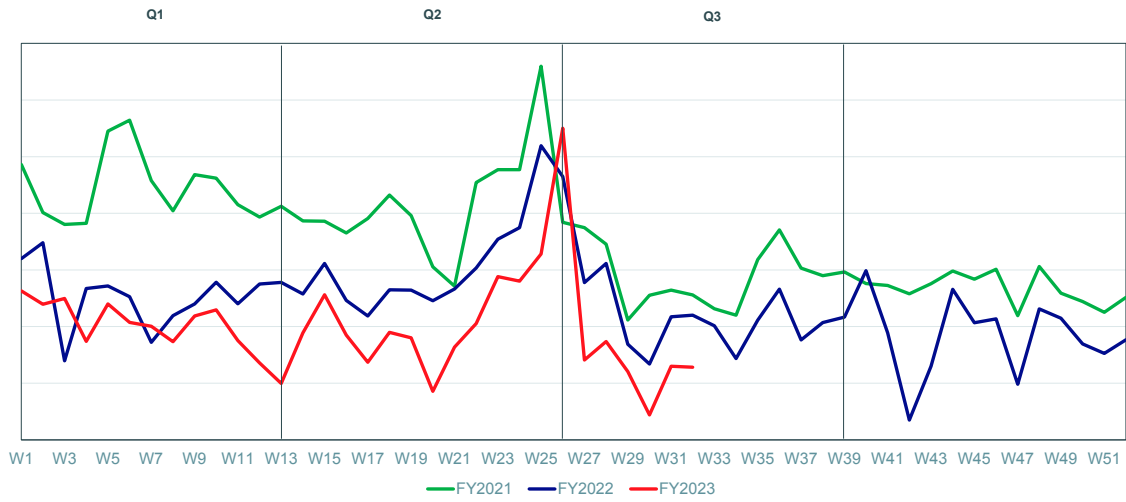
R'million



### NOTES

## Total Opening Sales

R'million

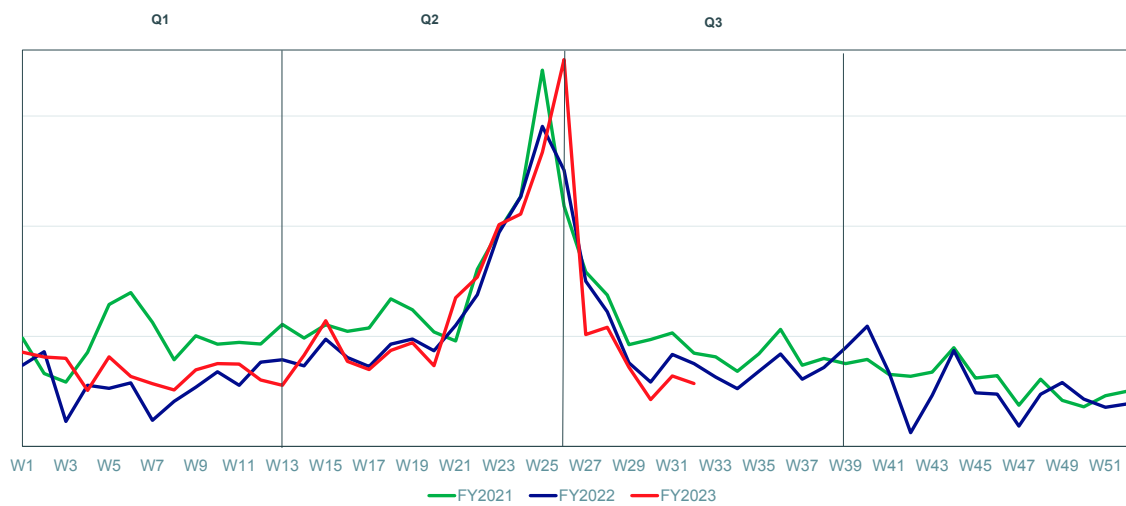


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### NOTES

## Total Decorative Sales

R'million



24

### NOTES



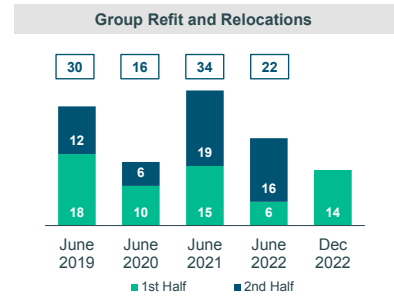
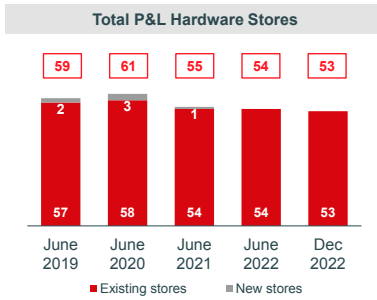
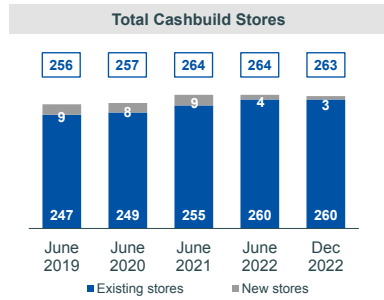


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# Store development and summary



# Store Development



## HY2023 Summary

<b>New stores</b> 3 Cashbuild	<b>Refit and relocations</b> 12 Cashbuild and 2 P&L Hardware	<b>Closed stores</b> 4 Cashbuild and 1 P&L Hardware	<b>316 Stores</b> 263 Cashbuild and 53 P&L Hardware
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## NOTES

# New Stores HY2023



**Gauteng**  
Mabopane Bonaventure

**North West**  
Hebron Mall

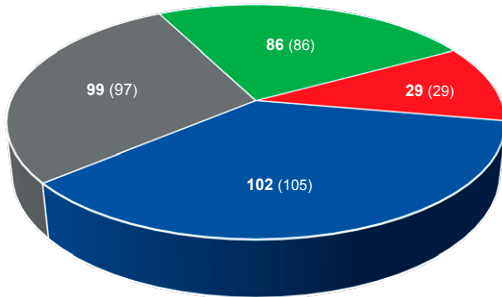
**Limpopo**  
Mamaila Mall

● Cashbuild ● P&L Hardware

## NOTES

## Stores by Location

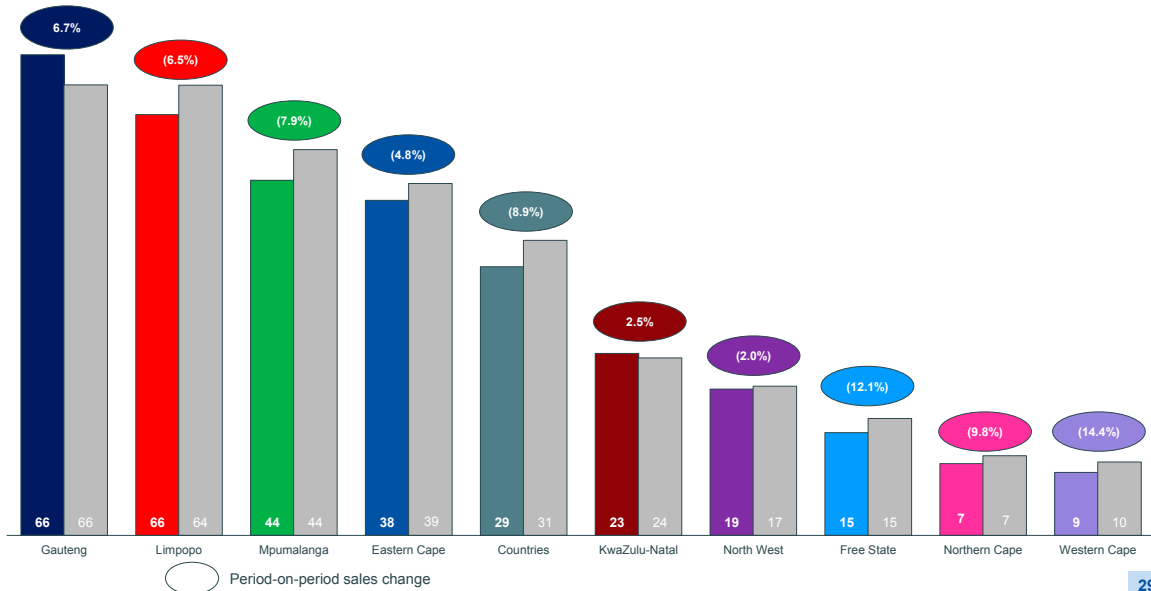
Number of stores Dec 2022 (Dec 2021)



Location (% of total)	Town	Rural	Township	Metro
2022 Stores	32%	32%	27%	9%
2022 Sales	36%	28%	25%	11%
2021 Stores	33%	31%	27%	9%
2021 Sales	37%	29%	22%	12%

### NOTES

## Sales by Province

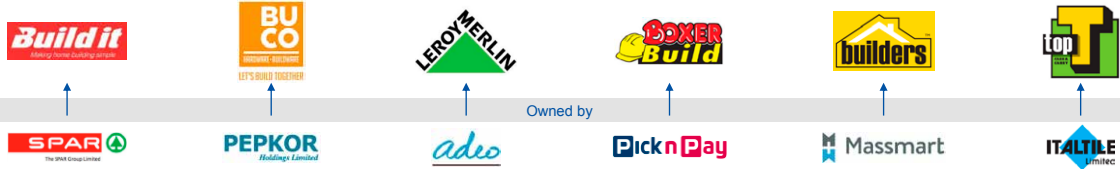


### NOTES

## Competitor Landscape

### Corporate Competitors

c. R50 billion market



### Independent Competitors

c. R30 billion market



## NOTES

## Summary

Sales are expected to remain under pressure as trading and economic conditions continue to deteriorate

All our stores have generators, battery power or solar installations, however it comes at a cost

P&L Hardware intangible asset impairment risk

Focus on protecting and growing market share through various initiatives

Independent competitors and unregulated, inferior products continue to increase



Cashbuild Group remains one of Southern Africa's leading retailers of quality building materials, associated products & services through the Cashbuild and P&L Hardware brands



## NOTES



**THANK YOU**  
**FOR YOUR ATTENDANCE**  
**AND PARTICIPATION**

[WWW.CASHBUILD.CO.ZA](http://WWW.CASHBUILD.CO.ZA)

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**Werner de Jager**  
Chief Executive Officer

**Etienne Prowse**  
Chief Financial Officer

**Shane Thoresson**  
Operations Director

For any further Investor Relations questions please contact:

**Keyter Rech Investor Solutions**

Marlize Keyter

[mkeyter@kris.co.za](mailto:mkeyter@kris.co.za)

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**NOTES**

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# Interim results



## Cashbuild

### Interim Results and Dividend Declaration

for the six months ended 25 December 2022

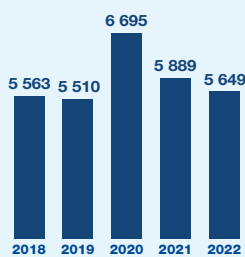
Revenue  
(4%)  
R5.6 BILLION

Headline earnings  
(39%)  
R156 MILLION

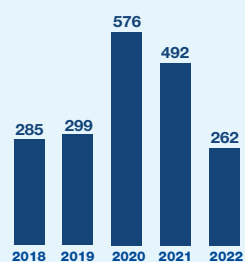
Net asset value per share  
1%  
9 266 CENTS

Dividend  
(32%)  
400 CENTS

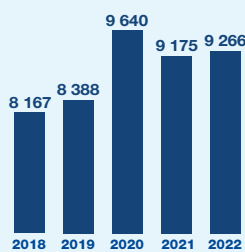
#### Revenue (Rm)



#### Operating profit (Rm)



#### NAV per share (cents)



#### Headline earnings (Rm)



All years stated in graphs are for the six months ended December.

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

#### COMPANY PROFILE

Cashbuild is southern Africa's largest retailer of quality building materials and associated products, selling direct to a cash-paying customer base through our chain of stores (316 at the end of this reporting 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.

#### FINANCIAL HIGHLIGHTS

Revenue for the period decreased by 4%. Revenue for stores in existence prior to July 2021 (pre-existing stores – 309 stores) decreased by 5% and our seven new stores contributed 1% growth. Gross profit decreased by 9% with gross profit margin percentage decreasing from 26.6% to 25.3%. Selling price inflation was 4.5% at the end of December 2022 when compared to December 2021. Operating expenses, including new stores, increased by 9% (existing stores increasing by 7% and new stores contributed a 2% increase) resulting in the operating profit decreasing by 47%. Basic earnings per share decreased by 50% with headline earnings per share also decreasing by 39% from the prior period.

#### FINANCIAL SUMMARY

R'million	Reviewed six months ended 25 December 2022	Reviewed six months ended 26 December 2021	% change	Audited year ended 26 June 2022
Revenue	5 649	5 889	(4)	11 145
Gross profit	1 431	1 564	(9)	2 928
Operating profit	262	492	(47)	876
Profit before taxation	227	447	(22)	787
Net profit attributable to owners of the Company	150	293	(49)	474
Headline earnings	156	256	(39)	436
Earnings per share (cents)	652.8	1 294.8	(50)	2 094.7
Diluted earnings per share (cents)	651.2	1 292.7	(50)	2 089.4
Headline earnings per share (cents)	693.5	1 130.4	(39)	1 929.4
Diluted headline earnings per share (cents)	704.0	1 128.5	(38)	1 924.5
Net asset value (NAV) per share (cents)	9 266	9 175	1	10 212
Dividend per share (cents)	400	587	(32)	1 264

#### DECLARATION OF DIVIDEND

The Board has declared an interim dividend (No. 60) of 400 cents (December 2021: 587 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 (December 2021: 24 989 811) shares in issue at the date of the dividend declaration. The net local dividend amount is 320 cents per share for shareholders liable to pay Dividends Tax and 400 cents per share for shareholders exempt from paying Dividends Tax. Local Dividends Tax is 20%.

Cashbuild Limited's tax reference number is 9575168712.

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

Tuesday, 28 February 2023  
Monday, 20 March 2023  
Wednesday, 22 March 2023  
Friday, 24 March 2023  
Monday, 27 March 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 22 March 2023 and Friday, 24 March 2023, both dates inclusive.

#### Johannesburg

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

Approved by the Board on 28 February 2023

Released 1 March 2023

This short-form announcement has not been reviewed by the external auditor, the announcement is the responsibility of the Board of Directors of Cashbuild and is prepared based on the reviewed interim results being the full announcement. Any investment decision should be based on the full announcement available on Cashbuild's website [www.cashbuild.co.za](http://www.cashbuild.co.za) and on the JSE's website at <https://senspdf.jse.co.za/documents/2023/jse/isse/CSB/ie2022.pdf>.

The full announcement is also available at the Company's registered office for inspection, at no charge, during office hours. Copies of the full announcement may be requested by contacting Elna Munro on telephone +27 11 248 1500.

QUALITY BUILDING MATERIALS AT THE BEST VALUE

WWW.CASHBUILD.CO.ZA

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# Corporate information

## **Cashbuild Limited**

(Incorporated in the Republic of South Africa)

Registration number: 1986/001503/06

ISIN: ZAE000028320

Cashbuild JSE code: CSB

## **Directors**

AGW Knock\* (British) (Chairman)

W 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 Thoesson

WP van Aswegen

\* *Non-Executive Directors*

## **Company Secretary**

Takie Nengovhela

Telephone: +27 11 248 1500

## **Registered office**

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Ormonde

Johannesburg

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PO Box 90115

Bertsham

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## **Auditor**

Deloitte

## **Sponsor**

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

## **Investor Relations**

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Marlize Keyter

Tel: +27 83 701 2021

