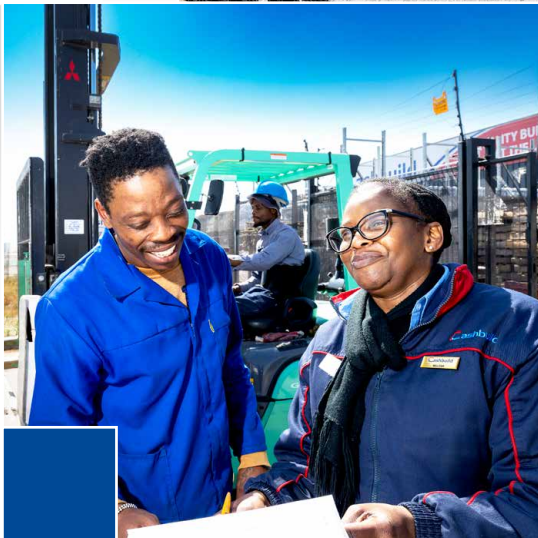


# Cashbuild



2023



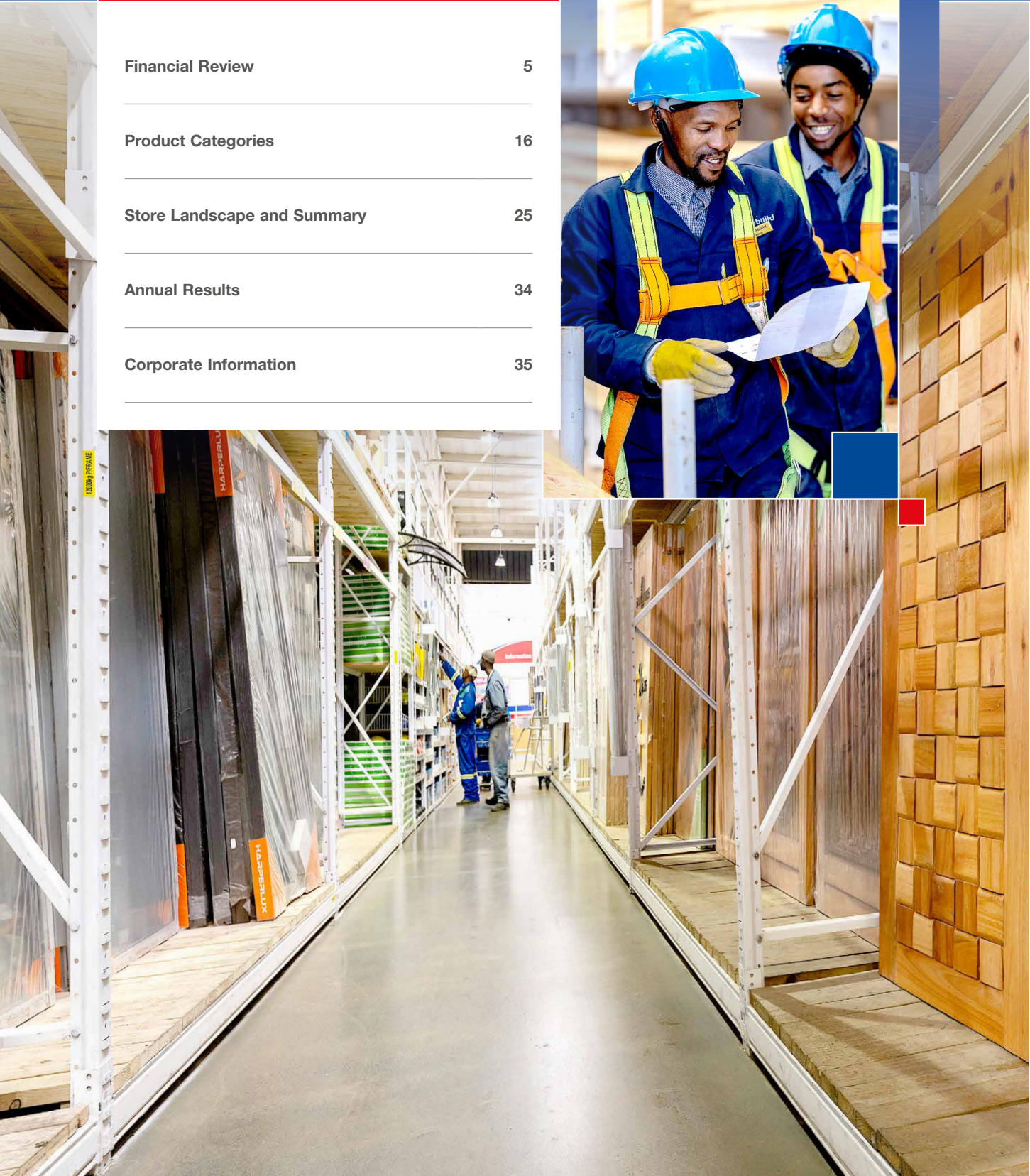
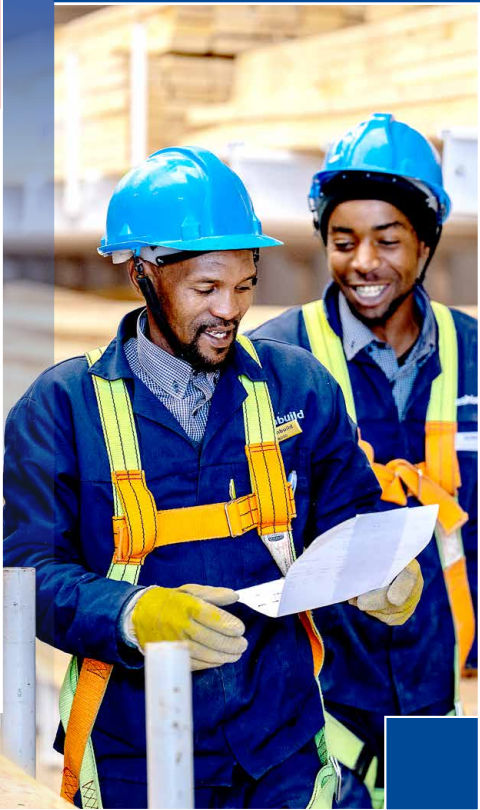
## Final Results Presentation

for the year ended 25 June 2023



# Contents

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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 (FY2023: 25 June 2023 (52 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 to communities

Offers a focused range of **quality products** at competitive prices

Selling predominantly for **cash**

**318 stores**  
266 Cashbuild and 52 P&L Hardware

3

## NOTES





01

# Financial Review



## Income Statement Statutory



| R'm                                 | Audited<br>25 Jun 2023<br>(52 Weeks) | Audited<br>26 Jun 2022<br>(52 Weeks) | % variance |
|-------------------------------------|--------------------------------------|--------------------------------------|------------|
| Revenue                             | 10 653                               | 11 145                               | (4)        |
| Gross profit                        | 2 705                                | 2 928                                | (8)        |
| Gross profit %                      | 25.4                                 | 26.3                                 |            |
| Operating expenses                  | (2 472)                              | (2 052)                              | 20         |
| Operating expenses %                | 23.2                                 | 18.4                                 |            |
| Operating profit                    | 233                                  | 876                                  | (73)       |
| Operating profit %                  | 2.2                                  | 7.9                                  |            |
| Net financing cost                  | (55)                                 | (89)                                 | (38)       |
| Profit for the year                 | 115                                  | 479                                  | (76)       |
| Earnings per share (cents)          | 457                                  | 2 095                                | (78)       |
| Headline earnings per share (cents) | 1 222                                | 1 929                                | (37)       |
| Dividend per share (cents)          | 732                                  | 1 264                                | (42)       |
| Weighted number of shares ('000)    | 22 174                               | 22 621                               | (2)        |

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## NOTES

## Income Statement Analysis Half year comparison



| R'm                       | 2 <sup>nd</sup> Half |        |            | 1 <sup>st</sup> Half |         |            |
|---------------------------|----------------------|--------|------------|----------------------|---------|------------|
|                           | FY2023               | FY2022 | % variance | FY2023               | FY2022  | % variance |
| Revenue                   | 5 004                | 5 256  | (5)        | 5 649                | 5 889   | (4)        |
| Gross profit              | 1 274                | 1 364  | (7)        | 1 431                | 1 564   | (9)        |
| Gross profit %            | 25.5                 | 26.0   |            | 25.3                 | 26.6    |            |
| Operating expenses*       | (1 303)              | (979)  | 33         | (1 169)              | (1 072) | 9          |
| Operating expenses %      | 26.0                 | 18.6   |            | 20.7                 | 18.2    |            |
| Operating (loss)/profit   | (29)                 | 385    | (108)      | 262                  | 492     | (47)       |
| Operating (loss)/profit % | (0.6)                | 7.3    |            | 4.6                  | 8.4     |            |

\* Operating expenses in 2H2023 includes the R156 million goodwill impairment (17% increase excluding the impairment)

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## NOTES

## Operating Expenses

| R'm   | % of revenue | % of total | Jun 2023     | Jun 2022     | % variance | Existing stores#<br>% variance<br>June 2023 |
|---|--------------|------------|--------------|--------------|------------|---|
| Total   | 23.2         |            | 2 472        | 2 052        | 20         | 19  |
| Looted stores <sup>(1)</sup>                      |              |            | (208)        | (183)        |            |   |
| Insurance income from looting                     |              |            | 17           | 151          |            |   |
| Goodwill impairment <sup>(2)</sup>                |              |            | (156)        | -            |            |   |
| <b>Total excl looting and goodwill impairment</b> | <b>19.9</b>  |            | <b>2 125</b> | <b>2 020</b> | <b>5</b>   | <b>4</b>                                    |
| <b>Main contributors:</b>                         |              |            |              |              |            |   |
| People  | 9.2          | 45.9       | 975          | 932          | 5          | 3   |
| Advertising                                       | 1.5          | 7.5        | 160          | 134          | 19         | 17  |
| Delivery  | 1.3          | 6.3        | 133          | 131          | 2          | -   |
| IT  | 1.4          | 7.3        | 154          | 134          | 15         | 15  |
| Property  | 3.1          | 15.5       | 330          | 332          | (1)        | (3)   |

• Headcount as at 25 June 2023: 6 046 (26 June 2022: 6 170)

• Average cost-of-living increases of 8.0% implemented for FY2024

1. Looted stores (36) expenses excluded for FY2022 and FY2023 for comparison purposes

2. The P&L Hardware goodwill impairment as a result of current performance, rate increases and constrained future outlook

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

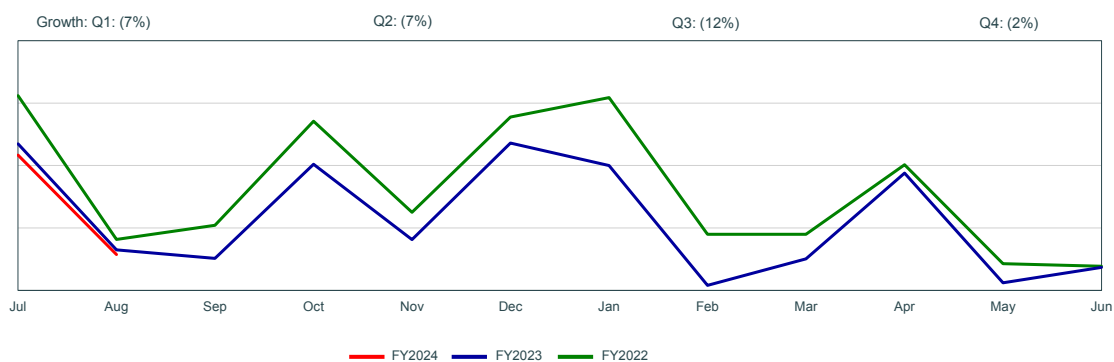
8

## NOTES

## Customer Transactions

'000

### All stores



- Aggressively advertising highly competitive category drivers
- Product quality is constantly being reviewed
- Range updates ongoing, such as loadshedding range
- Actively reviewing operational processes to ensure customer centric

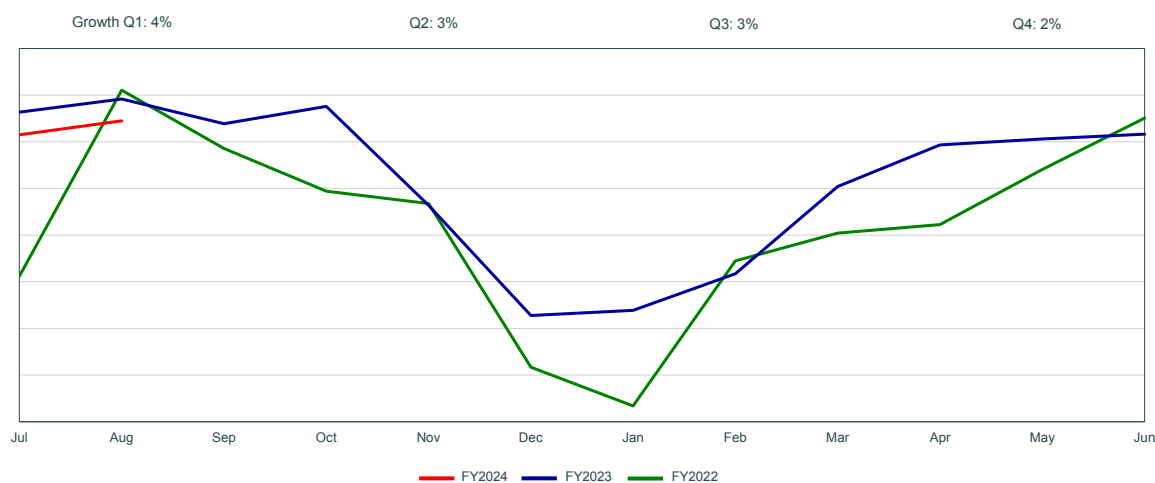
FY2022 has been smoothed for comparative 5 weeks and 4 weeks

9

## NOTES

## Average Basket Size Rand

### All Stores



10

## NOTES

## Segmental Disclosure

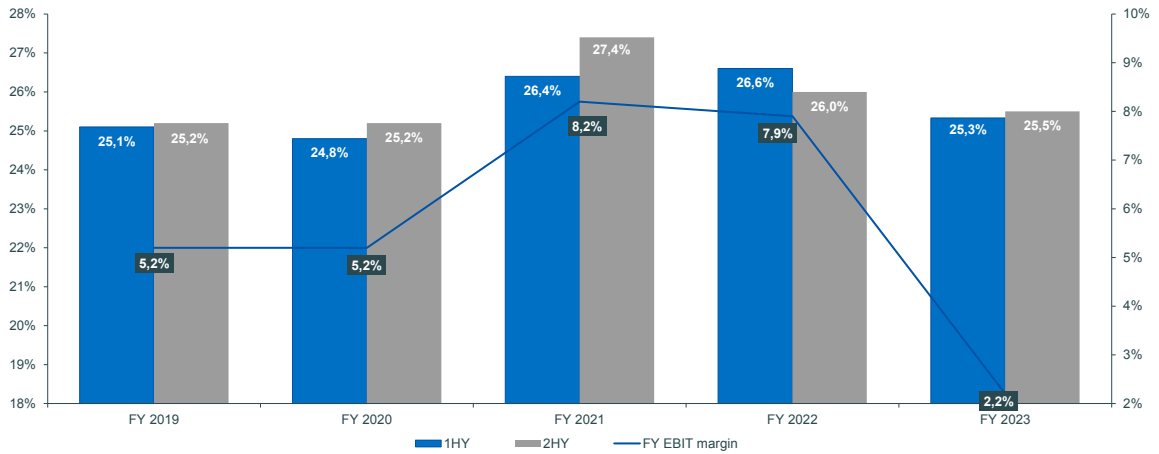
| R'm                     | Cashbuild South Africa |             |      | P&L Hardware South Africa |             |        | Cashbuild Namibia, Lesotho and eSwatini |             |      | Cashbuild Botswana, Malawi and Zambia |             |     | Total Group |             |      |
|-------------------------|------------------------|-------------|------|---------------------------|-------------|--------|---|-------------|------|---------------------------------------|-------------|-----|-------------|-------------|------|
|                         | 25 Jun 2023            | 26 Jun 2022 | %    | 25 Jun 2023               | 26 Jun 2022 | %      | 25 Jun 2023                             | 26 Jun 2022 | %    | 25 Jun 2023                           | 26 Jun 2022 | %   | 25 Jun 2023 | 26 Jun 2022 | %    |
| Revenue                 | 8 644                  | 8 984       | (4)  | 826                       | 922         | (10)   | 690                                     | 725         | (5)  | 493                                   | 514         | (4) | 10 653      | 11 145      | (4)  |
| % Contribution to Group | 81.1                   | 80.6        |      | 7.8                       | 8.3         |        | 6.5                                     | 6.5         |      | 4.6                                   | 4.6         |     | 100.0       | 100.0       |      |
| Gross profit            | 2 254                  | 2 415       | (7)  | 161                       | 197         | (18)   | 160                                     | 183         | (13) | 130                                   | 133         | (2) | 2 705       | 2 928       | (8)  |
| GP %                    | 26.1                   | 26.9        |      | 19.5                      | 21.4        |        | 23.2                                    | 25.2        |      | 26.4                                  | 25.8        |     | 25.4        | 26.3        |      |
| Operating profit/(loss) | 331                    | 766         | (57) | (191)                     | 12          | (>100) | 39                                      | 68          | (43) | 54                                    | 30          | 80  | 233         | 876         | (73) |
| % Contribution to Group | 142.1                  | 87.4        |      | (82.0)                    | 1.4         |        | 16.7                                    | 7.8         |      | 23.2                                  | 3.4         |     | 100.0       | 100.0       |      |
| OP %                    | 3.8                    | 8.5         |      | (23.1)                    | 1.3         |        | 5.7                                     | 9.4         |      | 11.0                                  | 5.8         |     | 2.2         | 7.9         |      |
| Capital investment      | 145                    | 254         | (43) | 7                         | 7           | -      | 6                                       | 1           | >100 | 1                                     | 1           | -   | 159         | 263         | (40) |

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## NOTES



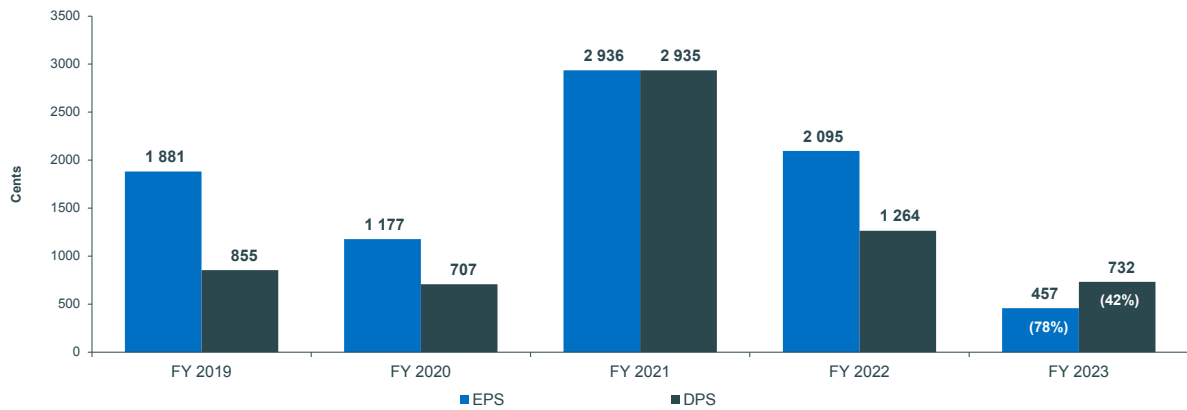
## Gross Profit and EBIT Margin



EBIT margin excluding the looting and goodwill impairment is 3.5% (2022: 7.0%)

### NOTES

## Earnings per Share (EPS) and Dividend per Share (DPS) Year-on-year



- Dividend cover policy maintained at 1.5 times, excluding the goodwill impairment
- Cashbuild Empowerment Trust – R353 million to date

### NOTES

## Statement of Financial Position Statutory

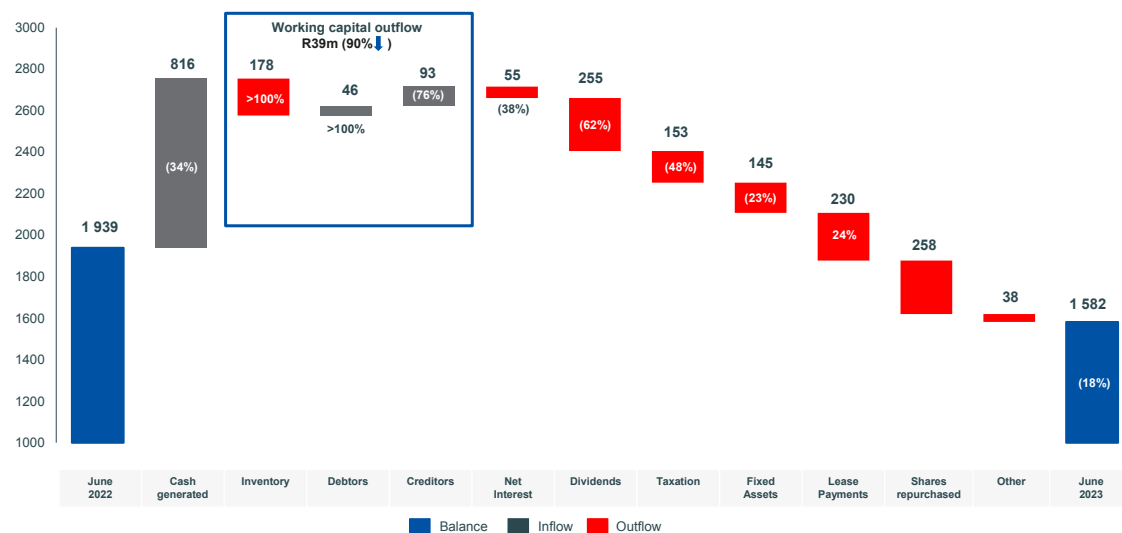


| R'm   | Audited<br>25 June 2023 | Audited<br>26 June 2022 | % variance  |
|---|-------------------------|-------------------------|-------------|
| <b>Assets</b>                               |                         |                         |             |
| Property, plant and equipment               | 1 243                   | 1 266                   | (2)         |
| Right-of-Use assets                         | 1 141                   | 1 177                   | (3)         |
| Intangible assets                           | 271                     | 425                     | (36)        |
| Inventories                                 | 1 698                   | 1 520                   | 12          |
| Trade and other receivables                 | 90                      | 136                     | (34)        |
| Cash resources                              | 1 582                   | 1 939                   | (18)        |
| <b>Shareholders' equity and liabilities</b> |                         |                         |             |
| Shareholders' equity                        | 1 956                   | 2 365                   | (17)        |
| Lease liabilities                           | 1 601                   | 1 613                   | (1)         |
| Trade and other liabilities                 | 2 630                   | 2 536                   | 4           |
| <b>Net asset value per share (Rand)</b>     | <b>80.68</b>            | <b>93.50</b>            | <b>(14)</b> |
| <b>Working capital days</b>                 |                         |                         |             |
| Inventory                                   | 90                      | 81                      |             |
| Creditors                                   | 72                      | 70                      |             |

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### NOTES

## Cash Flow R'million



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### NOTES

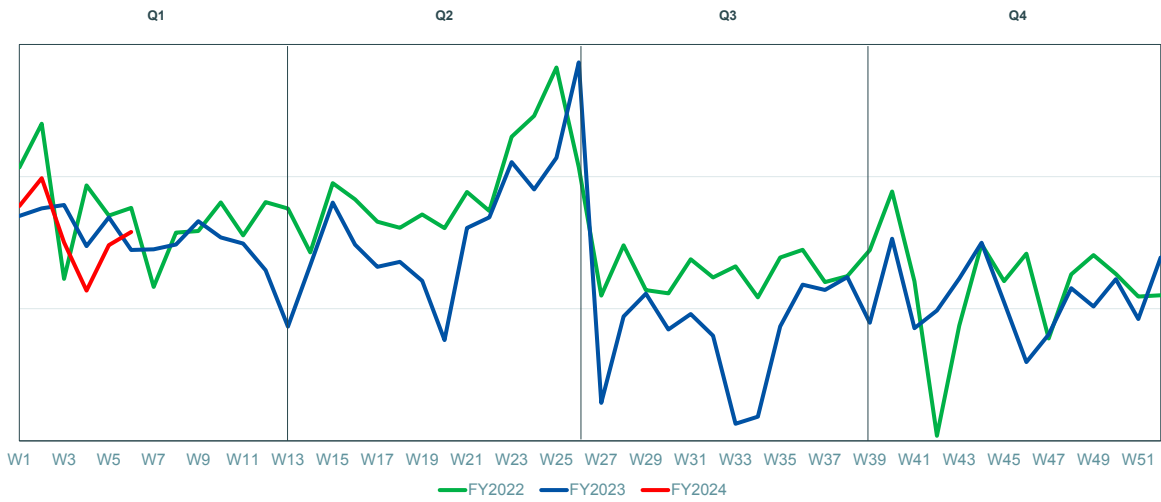
# Product Categories





## Group Sales per Week

R'million



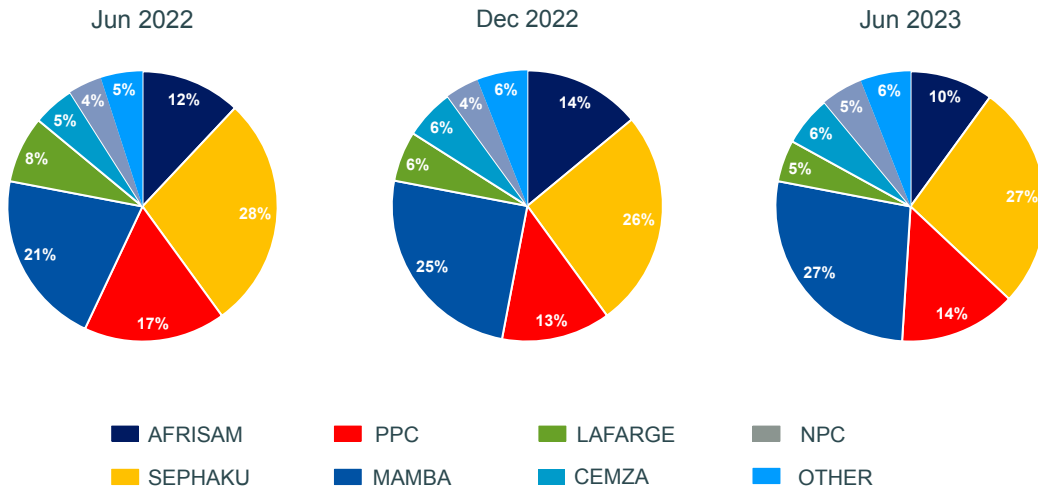
### NOTES

## Cement Sales Pockets



### NOTES

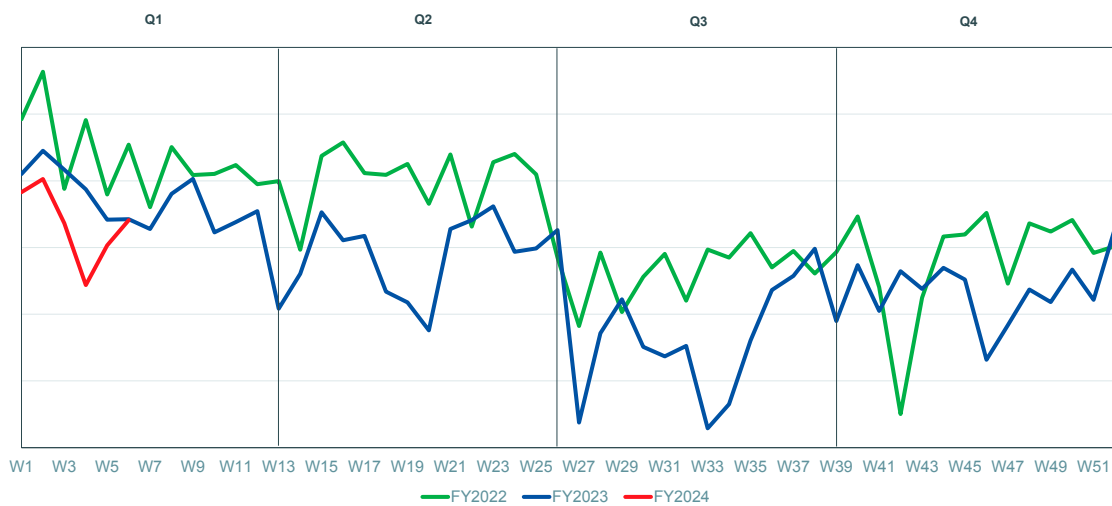
## Cement Unit Sales Per Supplier



19

### NOTES

## Total Timber Sales R'million

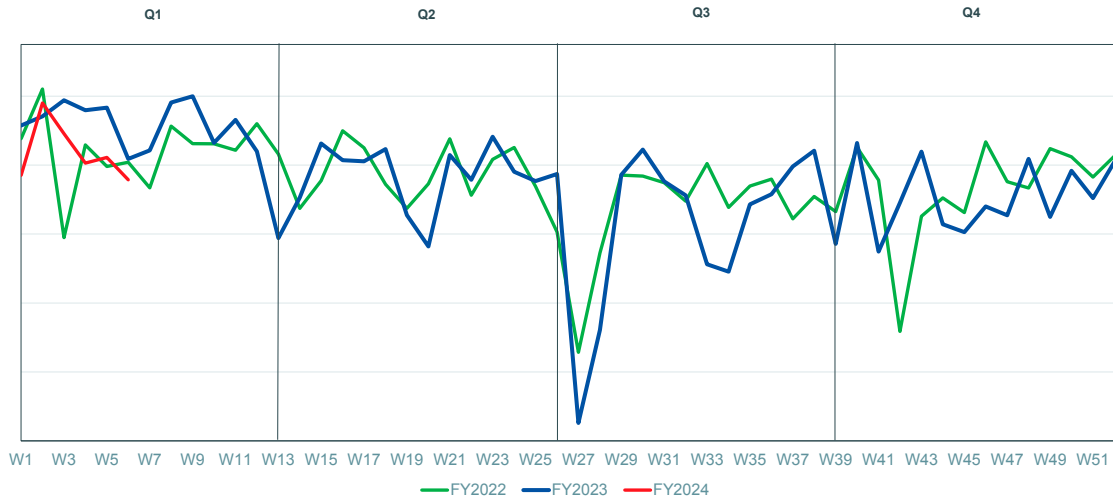


20

### NOTES

## Total Brick Sales

R'million



21

### NOTES

## Total Roof Covering Sales

R'million



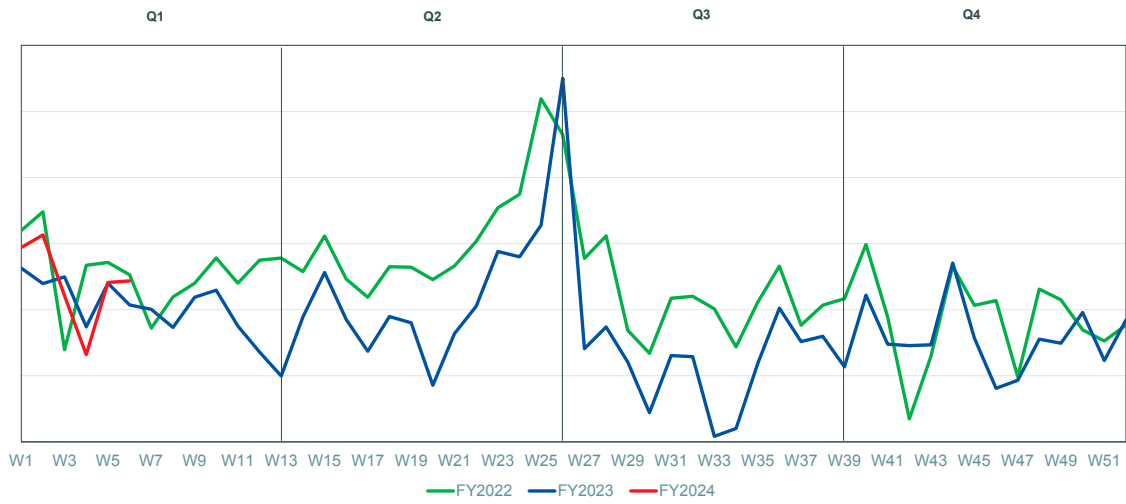
22

### NOTES



## Total Opening Sales

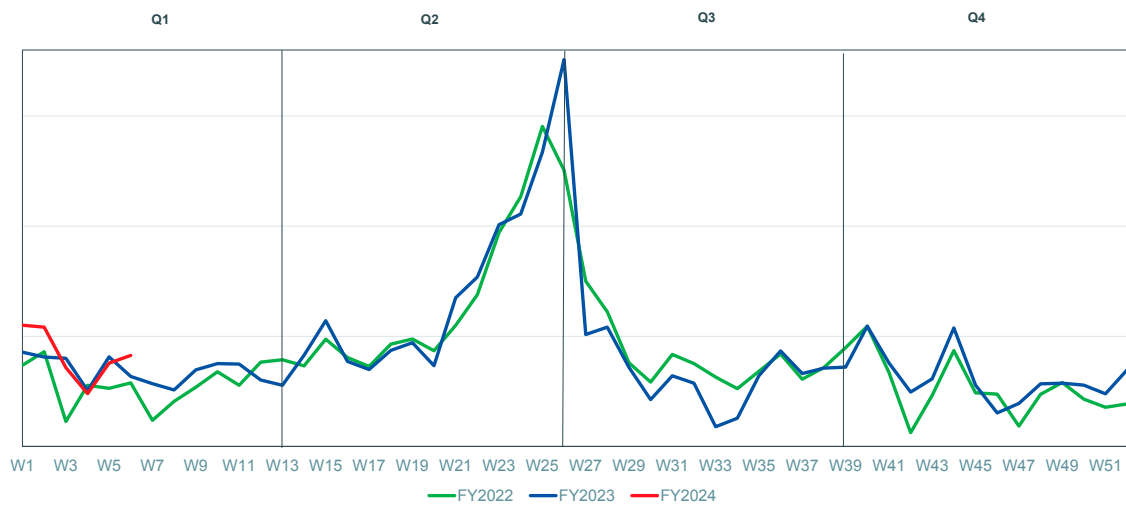
R'million



### NOTES

## Total Decorative Sales

R'million



### NOTES

03

# Store Landscape and Summary

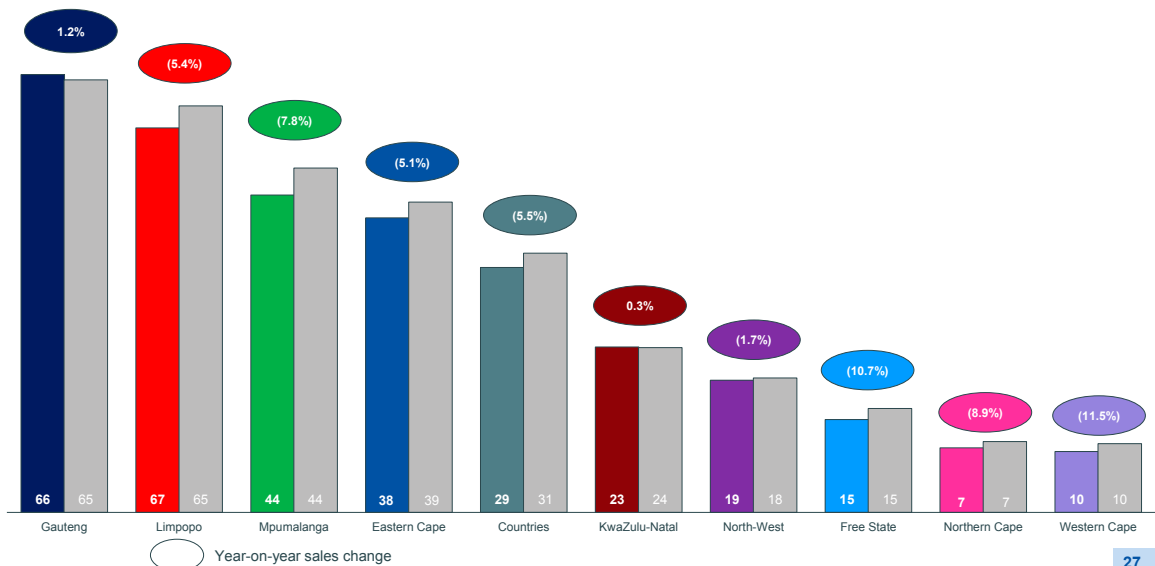


## Competitor Landscape



### NOTES

## Sales by Province

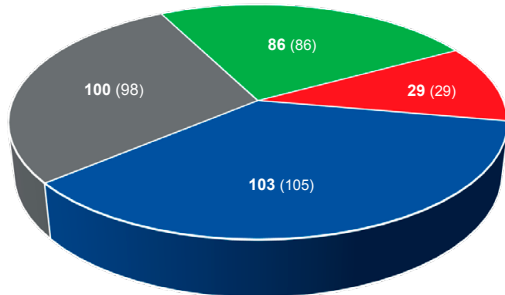


### NOTES



## Stores by Location

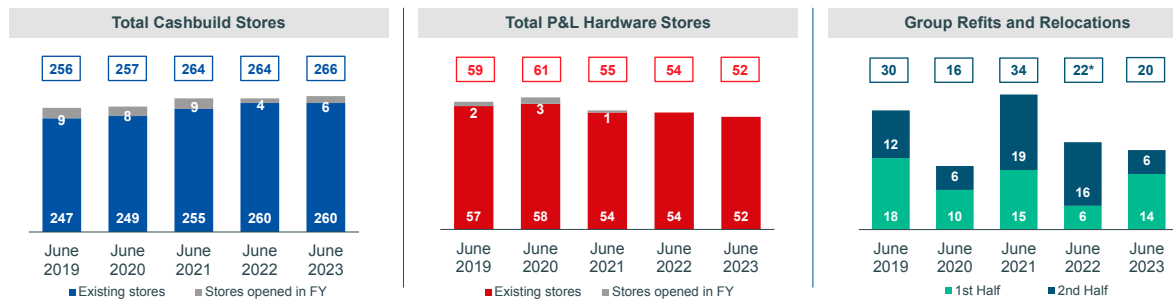
Number of stores Jun 2023 (Jun 2022)



| Location (% of total) | Town | Rural | Township | Metro |
|-----------------------|------|-------|----------|-------|
| 2023 Stores           | 32%  | 32%   | 27%      | 9%    |
| 2023 Sales            | 36%  | 28%   | 25%      | 11%   |
| 2022 Stores           | 33%  | 31%   | 27%      | 9%    |
| 2022 Sales            | 37%  | 29%   | 23%      | 11%   |

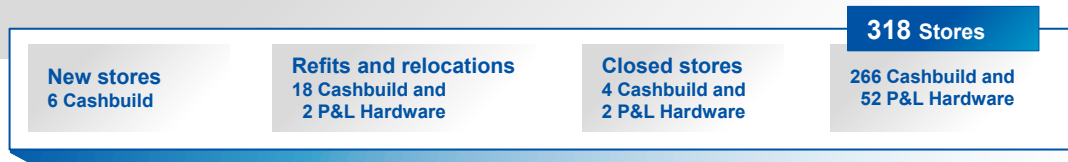
### NOTES

## Store Development



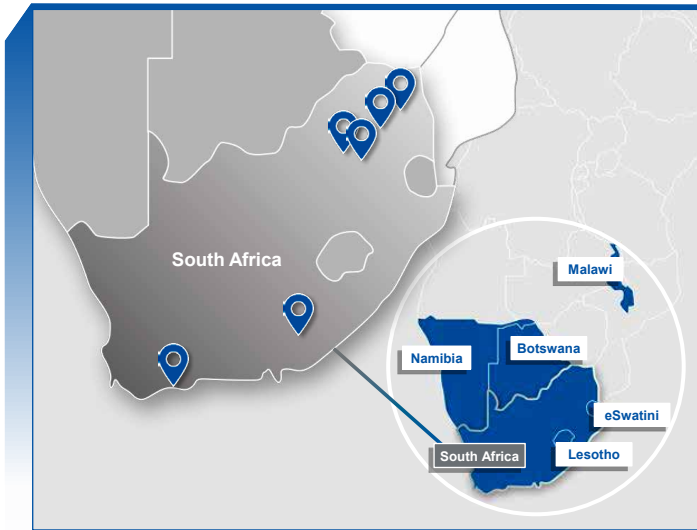
\* Excludes 28 looted stores re-opened

### FY2023 Summary



### NOTES

## New Stores FY2023



## Cashbuild

- Gauteng**
  - Mabopane
- North West**
  - Hebron Mall
- Limpopo**
  - Mamaila Mall
  - Tafelkop
- Western Cape**
  - George
- Eastern Cape**
  - Queenstown Dunbar Street



📍 Cashbuild
 📍 P&L Hardware

### NOTES

## P&L Hardware Branding

Extensive market research  
 Very little recognition of the current brand  
 Confusing – most people read PLi Hardware



Old Branding



New Branding



### NOTES

## Summary

Market expected to remain tough as trading and economic conditions continue to deteriorate

Sales outlook remain subdued

P&L Hardware's goodwill partially impaired - major clear out completed

Focus on delivering our strategy

Strong focus on store expansion



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

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## 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:

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Marlize Keyter

[mkeyter@kris.co.za](mailto:mkeyter@kris.co.za) | +27 83 701 2021

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## NOTES

# Annual Results



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



Revenue  
R10.7 BILLION  
down 4%

Headline earnings  
R271 MILLION  
down 38%

Net asset value per share  
8 068 CENTS  
down 14%

Final Dividend  
332 CENTS  
down 51%

### COMPANY PROFILE

Cashbuild is southern Africa's largest retailer of quality building materials and associated products, selling direct to a cash-paying customer base through our chain of stores (318 at the end of this reporting period which includes 52 P&L Hardware stores). Cashbuild carries an in-depth quality product range tailored to the specific needs of the communities we serve. Our customers are typically home-builders and improvers, contractors, farmers, traders, as well as all other customers requiring quality building materials at the best value. Cashbuild has built its credibility and reputation by consistently offering its customers quality building materials at the best value through a purchasing and inventory policy that ensures customers' requirements are always met.

### FINANCIAL HIGHLIGHTS

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

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

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

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

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

### PROSPECTS

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

### FINANCIAL SUMMARY

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

### DECLARATION OF DIVIDEND

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

Cashbuild Limited's tax reference number is 9575168712.

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

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

### Johannesburg

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

Approved by the Board on 29 August 2023

Released 30 August 2023

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

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

QUALITY BUILDING MATERIALS AT THE BEST VALUE

WWW.CASHBUILD.CO.ZA

max



# 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 Thoresson

WP van Aswegen

\* *Non-Executive Directors*

## **Company Secretary**

Takie Nengovhela

Telephone: +27 11 248 1500

## **Registered office**

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Johannesburg

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PO Box 90115

Bertsham

2013

## **Auditor**

Deloitte & Touche

## **Sponsor**

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

## **Investor Relations**

Keyter Rech Investor Solutions CC

Marlize Keyter

Tel: +27 83 701 2021



