

INTERIM RESULTS AND DIVIDEND DECLARATION for the six months ended 26 December 2021

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 (317 at the end of this reporting period, which includes 54 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 declined by 12%. Revenue for stores in existence prior to July 2020 (pre-existing stores – 305 stores) declined with 14% and our 12 new stores contributed 2% growth. Gross profit decreased by 11% with gross profit margin percentage increasing from 26.4% to 26.6% mainly due to the store looting stock recovery claim net of write off. Selling price inflation for December 2021 was 8.8% compared to December 2020. Operating expenses, including new stores, were well controlled considering the revenue decline, reducing by 10% (existing stores 12% partially offset by a 2% increase in new stores) resulting in the operating profit decreasing by 14%. Basic earnings per share declined by 19% with headline earnings per share also declining by 27% from the prior period.

Cash and cash equivalents 33% lower than the prior period mainly as a result of the substantial final dividend paid and costs of looted stores not yet recovered from insurance. Stock levels, including new stores have increased by 10% with stockholding at 79 days (December 2020: 68 days; June 2021: 74 days) at period end. Net asset value per share decreased by 5%, from 9 640 cents (December 2020) to 9 175 cents.

During the period, Cashbuild opened 2 new Cashbuild stores, refurbished 5 Cashbuild stores and relocated 1 Cashbuild store. 3 looted Cashbuild stores and 1 P&L Hardware store were closed at the expiration of their lease agreements. 25 Cashbuild stores and 3 P&L Hardware stores that were looted have since been reopened. 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 six weeks subsequent to period end is 10% lower than the comparative prior six weeks 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.

DECLARATION OF DIVIDEND

The board has declared an interim dividend (No. 58), of 587 cents (2020: 724 cents) per ordinary share out of income reserves to all shareholders of Cashbuild. The dividend per share is calculated based on 24 989 811 (2020: 24 989 811) shares in issue at date of dividend declaration. Net local dividend amount is 469.6 cents per share for shareholders liable to pay Dividends Tax and 587 cents per share for shareholders exempt from paying Dividends Tax. Local dividend tax is 20%.

Cashbuild's tax reference number is 9575168712.

Date dividend declared:	Tuesday, 1 March 2022
Last day to trade "CUM" the dividend:	Tuesday, 22 March 2022
Date to commence trading "EX" the dividend:	Wednesday, 23 March 2022
Record date:	Friday, 25 March 2022
Date of payment:	Monday, 28 March 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 23 March 2022 and Friday, 25 March 2022, both dates inclusive.

INDEPENDENT REVIEW BY THE AUDITOR

These summary consolidated interim financial statements were derived from the reviewed consolidated interim financial statements for the six months ended 26 December 2021. 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, PricewaterhouseCoopers Inc., and their unmodified review report is available for inspection at the Company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors. The auditor's review report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review report together with the accompanying financial statements from the registered office.

Johannesburg

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

Approved by the board on 1 March 2022

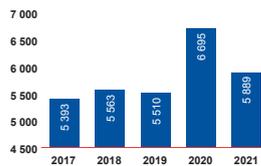
Released 2 March 2022

This short-form 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 decisions should be based on the full announcement available on Cashbuild's website www.cashbuild.co.za and on the JSE's website at <https://senspdf.jse.co.za/documents/2022/jse/issue/CSB/ie2021.pdf>.

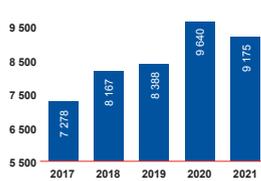
The full announcement is also available at the Company's registered office for inspection, at no charge, during office hours. Copies of the full announcement may be requested by contacting Elna Munro on telephone +27 11 248 1500.

	Six months ended 26 December 2021	Six months ended 27 December 2020	% change	Year ended 27 June 2021
Revenue	5 889	6 695	(12)	12 616
Operating profit	492	576	(14)	1 039
Earnings per share (cents)	1 294.8	1 594.7	(19)	2 935.7
Headline earnings per share (cents)	1 130.4	1 540.7	(27)	2 872.6
Dividend per share (cents)	587	724	(19)	2 935

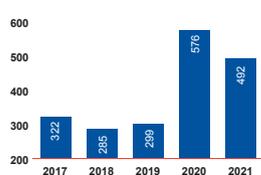
REVENUE (Rm)



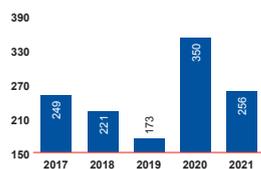
NAV PER SHARE (cents)



OPERATING PROFIT (Rm)



HEADLINE EARNINGS (Rm)



CIVIL UNREST AND LOOTING EFFECTS

During the period, 36 (32 Cashbuild and 4 P&L Hardware) stores across the Group were impacted by the unrest and looting in July 2021. Stores were looted and damaged which led to the scrapping of various categories of property, plant and equipment (R20.4 million) and inventory (R136 million). Cashbuild has insurance cover for such events to minimise losses to the Group and submitted insurance claims of R143 million for inventory, R71 million for property, plant and equipment and R65 million for business interruption to its respective insurers.

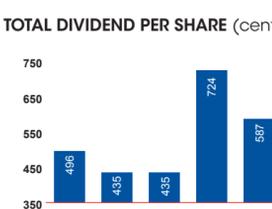
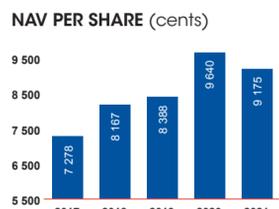
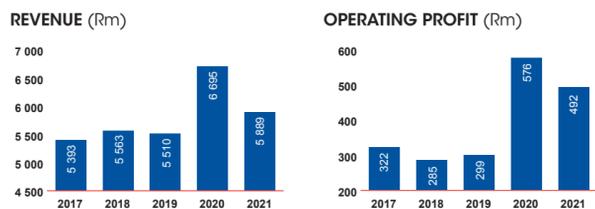
The insurance recoveries expected have been recognised in cost of sales (R143 million) and other income (R71 million). Cashbuild expects that compensation for business interruption would be finalised after the full-year results of the Group have been determined. No receivable has been recognised for the business interruption due to not finalising the claim value which therefore is not virtually certain. The Group received interim payments for its asset claims of R132 million on 23 November 2021 and R82 million (VAT inclusive) after period end.

Quality building materials at the best value

www.cashbuild.co.za

INTERIM RESULTS AND DIVIDEND DECLARATION

for the six months ended 26 December 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 54 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.

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

Financial highlights
Revenue for the period declined by 12%. Revenue for stores in existence prior to July 2020 (pre-existing stores = 305 stores) declined by 14% and our 12 new stores contributed 2% growth. Gross profit decreased by 11% with gross profit margin percentage increasing from 26.4% to 26.6% mainly due to the store looting stock recovery claim net of write off. Selling price inflation for December 2021 was 8.8% compared to December 2020.

Operating expenses, including new stores, were well controlled considering the revenue decline, reducing by 10% (existing stores 12%

partially offset by a 2% increase in new stores) resulting in the operating profit decreasing by 14%. Basic earnings per share declined by 19% with headline earnings per share also declining by 27% from the prior period.

The effective tax rate of 33.8% for the period is higher than that of the previous period due to the withholding tax on inter-group dividends declared in countries.

Cash and cash equivalents is 33% lower than the prior period mainly as a result of the substantial final dividend paid and costs of looted stores not yet recovered from insurance. Stock levels, including new stores have increased by 10% with stockholding at 79 days (December 2020: 68 days; June 2021: 74 days) at period end. Net asset value per share decreased by 5%, from 9 640 cents (December 2020) to 9 175 cents.

During the period, Cashbuild opened 2 new Cashbuild stores, refurbished 5 Cashbuild stores and relocated 1 Cashbuild store. 3 looted Cashbuild stores and 1 P&L Hardware store were closed at the expiration of their lease agreements. 25 Cashbuild stores and 3 P&L Hardware stores that were looted have since been reopened. 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 six weeks subsequent to period end is 10% lower than the comparative prior six weeks period. Management expects trading conditions to remain uncertain due to Covid-19 and its economic impact. This information has not been reviewed nor audited by the Company's auditor.

Civil unrest and looting

During the period, 36 (32 Cashbuild and 4 P&L Hardware) stores across the Group were impacted by the unrest and looting in July 2021. Stores were looted and damaged which led to the scrapping of various categories of property, plant and equipment (R20.4 million) and inventory (R136 million). Cashbuild has insurance cover for such events to minimise losses to the Group and submitted insurance claims of R143 million for inventory, R71 million for property, plant and equipment and R65 million for business interruption to its respective insurers.

The insurance recoveries expected have been recognised in cost of sales (R143 million) and other income (R71 million). Cashbuild expects that compensation for business interruption would be finalised after the full-year results of the Group have been determined. No receivable has been recognised for the business interruption due to not finalising the claim value which therefore is not virtually certain. The Group received interim payments for its asset claims of R132 million on 23 November 2021 and R82 million (VAT inclusive) after period end.

For illustrative purposes, the Consolidated Income Statements table below has been presented on a comparative basis to highlight the civil unrest and looting effects in the current and prior period. This has been provided so that users may be able to assess the impact of looting and the trading results of the remaining business and is the responsibility of the directors of Cashbuild. Due to the nature of the information presented below, it may not fairly present the financial position, changes in equity, results of operations or cash flows of the Group.

Civil unrest and looting effects

	December 2021		December 2021		December 2021		December 2020		December 2020		December 2020	
	Statutory results	Looted stores	Excluding looted stores	Variance %	Excluding looted stores	Looted stores	Statutory results	Variance %	Excluding looted stores	Looted stores	Statutory results	
Revenue	5 888 708	225 354	5 663 354	(5)	5 942 241	752 261	6 694 502	(5)	5 942 241	752 261	6 694 502	
Cost of sales	(4 324 404)	(155 042)	(4 169 362)	(5)	(4 370 783)	(558 830)	(4 929 613)	(5)	(4 370 783)	(558 830)	(4 929 613)	
Gross profit	1 564 304	70 312	1 493 992	(5)	1 571 458	193 431	1 764 889	(5)	1 571 458	193 431	1 764 889	
Gross profit %	26.6	31.2	26.4	(1)	26.4	25.7	26.4	(1)	26.4	25.7	26.4	
Selling and marketing expenses	(1 017 278)	(93 918)	(923 360)	(1)	(934 874)	(115 131)	(1 050 005)	(1)	(934 874)	(115 131)	(1 050 005)	
Administrative expenses	(136 286)	-	(136 286)	(15)	(161 173)	-	(161 173)	(15)	(161 173)	-	(161 173)	
Other operating expenses	(23 140)	(1 560)	(2 756)	77	(1 560)	-	(1 560)	77	(1 560)	-	(1 560)	
Other income	104 726	71 488	33 238	41	23 502	-	23 502	41	23 502	-	23 502	
Operating profit	492 326	27 498	464 828	(7)	497 353	78 300	575 653	(7)	497 353	78 300	575 653	
Operating profit %	8.4	12.2	8.2	(1)	8.4	8.6	8.6	(1)	8.4	8.6	8.6	
Attributable earnings	293 141	15 903	277 238	(12)	315 934	45 998	361 932	(12)	315 934	45 998	361 932	
Earnings per share	1 294.8	1 594.7	1 224.6	(12)	1 322.2	1 594.7	1 594.7	(12)	1 322.2	1 594.7	1 594.7	
Headline earnings per share	1 130.4	1 540.7	1 246.3	(7)	1 338.1	1 540.7	1 540.7	(7)	1 338.1	1 540.7	1 540.7	

Summary consolidated interim income statement - Reviewed

R'000	Six months ended 26 December 2021	Six months ended 27 December 2020	% change	Year ended 27 June 2021
Revenue	5 888 708	6 694 502	(12)	12 615 629
Cost of sales	(4 324 404)	(4 929 613)	(12)	(9 226 014)
Gross profit	1 564 304	1 764 889	(11)	3 389 615
Selling and marketing expenses	(1 017 278)	(1 050 005)	(3)	(1 995 881)
Administrative expenses	(136 286)	(161 173)	(15)	(385 536)
Other operating expenses	(23 140)	(1 560)	>100	(3 363)
Other income	104 726	23 502	>100	33 984
Operating profit	492 326	575 653	(14)	1 038 819
Finance cost	(82 763)	(77 769)	6	(162 502)
Finance income	37 920	46 971	(19)	91 327
Profit before income tax	447 483	544 855	(18)	967 644
Income tax expense	(151 116)	(180 611)	(16)	(297 557)
Profit for the period	296 367	364 244	(19)	670 087
Profit attributable to:				
- Owners of the company	293 141	361 932		664 682
- Non-controlling interests	3 226	2 312		5 405
	296 367	364 244	(19)	670 087
Earnings per share (cents)	1 294.8	1 594.7	(19)	2 935.7
Diluted earnings per share (cents)	1 292.7	1 594.1	(19)	2 932.6

Summary consolidated interim statement of comprehensive income - Reviewed

R'000	Six months ended 26 December 2021	Six months ended 27 December 2020	% change	Year ended 27 June 2021
Profit for the period	296 367	364 244	(19)	670 087
Other comprehensive income:				
Total movement in foreign currency translation reserve (FCTR)	(14 890)	(10 896)		(17 308)
Attributable to:				
- Owners of the company	(15 637)	(6 720)		(11 578)
- Non-controlling interests	747	(4 176)		(5 730)
Total comprehensive income for the period	281 477	353 348		652 779
Total comprehensive income attributable to:				
- Owners of the company	277 504	355 212		653 104
- Non-controlling interests	3 973	(1 864)		(325)
	281 477	353 348		652 779

Summary consolidated interim statement of cash flows - Reviewed

R'000	Six months ended 26 December 2021	Six months ended 27 December 2020	Year ended 27 June 2021
Cash flows from operating activities			
Cash generated from operations	289 910	1 195 401	1 507 716
Interest paid	(82 763)	(77 769)	(162 502)
Interest received - non-investing	132	-	11
Taxation paid	(158 194)	(55 708)	(239 643)
Net cash generated from operating activities	49 085	1 061 924	1 105 582
Cash flows from investing activities			
Net investment in assets	(139 434)	(81 476)	(173 233)
Interest received	37 788	46 971	91 316
Net cash used in investing activities	(101 646)	(34 505)	(81 917)
Cash flows from financing activities			
Shares purchased by Cashbuild SA for FSP	(36 646)	(13 591)	(13 591)
Finance lease payments	(74 630)	(88 851)	(180 149)
Dividends paid:			
- Own equity	(513 172)	(62 367)	(229 915)
- Non-controlling interests	(4 003)	(1 980)	(1 980)
Net cash used in financing activities	(628 451)	(166 789)	(425 635)
Net increase in cash and cash equivalents	(681 012)	860 630	598 030
Cash and cash equivalents at beginning of period	2 546 380	1 951 582	1 951 582
Effect of exchange rate movements on cash and cash equivalents	11 568	6 874	(3 232)
Cash and cash equivalents at end of period	1 876 936	2 819 086	2 546 380

Summary consolidated interim segmental analysis - Reviewed

R'000	South Africa												Botswana, Malawi and Zambia		
	Group			Cashbuild business			P&L Hardware business			Other members of common monetary area*					
	Six months ended December 2021	2020	Year ended June 2021	Six months ended December 2021	2020	Year ended June 2021	Six months ended December 2021	2020	Year ended June 2021	Six months ended December 2021	2020	Year ended June 2021	Six months ended December 2021	2020	Year ended June 2021
Income statement															
Revenue	5 888 708	6 694 502	12 615 629	4 717 373	5 364 089	10 154 307	494 818	654 952	1 158 633	398 568	384 559	732 188	277 949	290 902	570 501
Operating profit	492 326	575 653	1 038 819	412 406	495 553	872 124	15 703	11 710	28 907	41 183	40 626	80 278	23 034	27 764	57 510
Statement of financial position															
Segment assets	7 012 003	7 638 598	7 331 933	5 043 142	5 619 749	5 397 017	845 398	904 218	824 852	691 936	710 878	704 450	431 527	403 753	405 614
Segment liabilities	4 683 015	5 194 967	4 743 979	3 335 640	3 797 825	3 491 978	794 634	864 666	777 623	251 754	282 961	243 514	300 987	249 515	230 864
Other segment items															
Number of stores	317	317	319	232	229	233	54	58	55	18	17	18	13	13	13
Depreciation	183 840	179 233	364 044	152 357	144 958	296 166	15 062	18 005	36 160	8 547	6 999	14 727	7 874	9 271	16 991
Amortisation	1 987	2 518	4 308	1 932	2 438	4 170	41	21	61	25	33	54	54	54	54
Capital investment	143 239	95 941	196 096	138 627	57 836	161 533	4 071	28 989	18 421	484	8 541	15 261	57	57	881

* Includes Namibia, Swaziland and Lesotho.