



# Cashbuild

## FINAL RESULTS AND DIVIDEND DECLARATION

for the 53 weeks ended 30 June 2019





# CONTENTS

FINANCIAL REVIEW	5
PRODUCT CATEGORIES	25
STORE DEVELOPMENT AND MARKET SUMMARY	36
FINANCIAL RESULTS	47





## NOTES

### DISCLAIMER

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

*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 guarantees 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

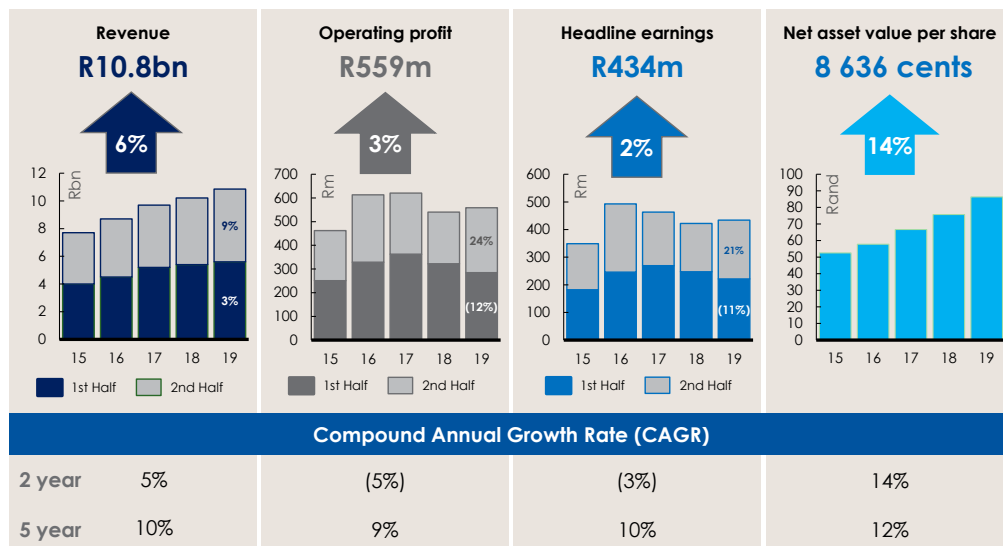
## NATURE OF BUSINESS

- Mass retailer of building materials, home improvement and related products
- Offers a focused range of quality products at competitive prices
- Selling predominantly for cash
- 315 stores and expanding (255 Cashbuild, 59 P&L Hardware and one Cashbuild DIY)



## NOTES

## FINANCIAL HIGHLIGHTS - STATUTORY



## NOTES



CELEBRATING  
40 YEARS

40

# FINANCIAL REVIEW

## INCOME STATEMENT YEAR-ON-YEAR

R'000	Audited Jun 2019 (53 Weeks)	53 <sup>rd</sup> Week	Unaudited Jun 2019 (52 Weeks)	Audited Jun 2018* (52 Weeks)	% change
Revenue	10 821 235	199 097	10 622 138	10 206 730	4
Gross profit	2 720 006	52 748	2 667 258	2 568 453	4
Gross profit %	25.1	26.5	25.1	25.2	
Operating expenses	2 160 981	1 027	2 159 954	2 025 258	7
Operating expenses %	20.0		20.3	19.8	
Operating profit	559 025	51 721	507 304	543 195	(7)
Operating profit %	5.2		4.8	5.3	
Net financing income	53 688	134	53 554	50 985	5
Profit for the period	432 419	36 289	396 130	425 153	(7)
Earnings per share (cents)	1 881.3	159.7	1 721.6	1 851.6	(7)
Dividend per share (cents)	855.0			842.0	2
Weighted number of shares ('000)	22 716			22 711	-

\* The application of IFRS 15 has resulted in a restatement of June 2018 figures

## NOTES

## INCOME STATEMENT HIGHLIGHTS HALF YEAR COMPARISON

R'000	2 <sup>nd</sup> Half			1 <sup>st</sup> Half		
	2019 <sup>^</sup>	2018*	% change	2019	2018*	% change
<b>Revenue</b>	<b>5 058 907</b>	4 813 889	5	<b>5 563 231</b>	5 392 841	3
Gross profit	<b>1 273 002</b>	1 212 078	5	<b>1 394 256</b>	1 356 375	3
Gross profit %	<b>25.2</b>	25.2		<b>25.1</b>	25.2	
Operating expenses	<b>1 050 567</b>	990 924	6	<b>1 109 387</b>	1 034 334	7
Operating expenses %	<b>20.8</b>	20.6		<b>19.9</b>	19.2	
<b>Operating profit</b>	<b>222 435</b>	221 154	1	<b>284 869</b>	322 041	(12)
Operating profit %	<b>4.4</b>	4.6		<b>5.1</b>	6.0	

• The application of IFRS 15 has resulted in a restatement of the 2018 figures

<sup>^</sup> Excluding the 53<sup>rd</sup> Week

## NOTES

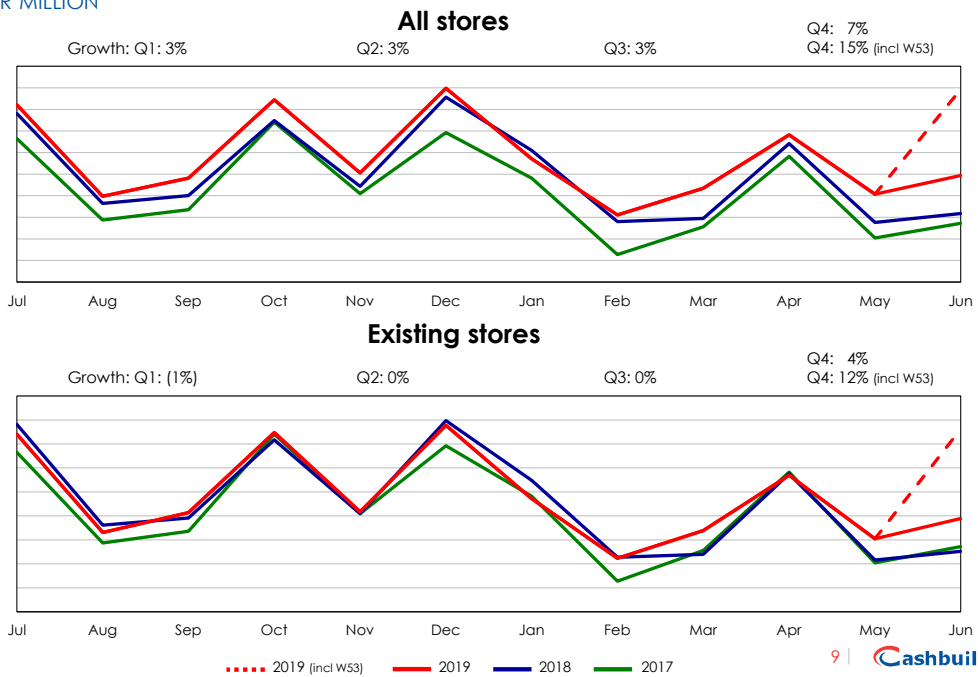
## REVENUE BREAKDOWN

R'000	FY 2019	FY 2018	Total	% change					
				Cashbuild stores			P&L Hardware stores		
				Total	New	Existing*	Total	New	Existing*
Quarter 1	<b>2 650 823</b>	2 572 837	3	1	3	(2)	19	13	6
Quarter 2	<b>2 912 408</b>	2 820 004	3	2	3	(1)	12	6	6
<b>1<sup>st</sup> Half</b>	<b>5 563 231</b>	<b>5 392 841</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>(1)</b>	<b>15</b>	<b>9</b>	<b>6</b>
Quarter 3	2 468 062	2 398 519	3	2	3	(1)	5	4	1
Quarter 4	2 590 845	2 415 370	7	7	3	4	6	4	2
53 <sup>rd</sup> Week	199 097								
<b>Total</b>	<b>10 821 235</b>	<b>10 206 730</b>	<b>6</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>10</b>	<b>6</b>	<b>4</b>

\* All stores in existence prior to 1 July 2017

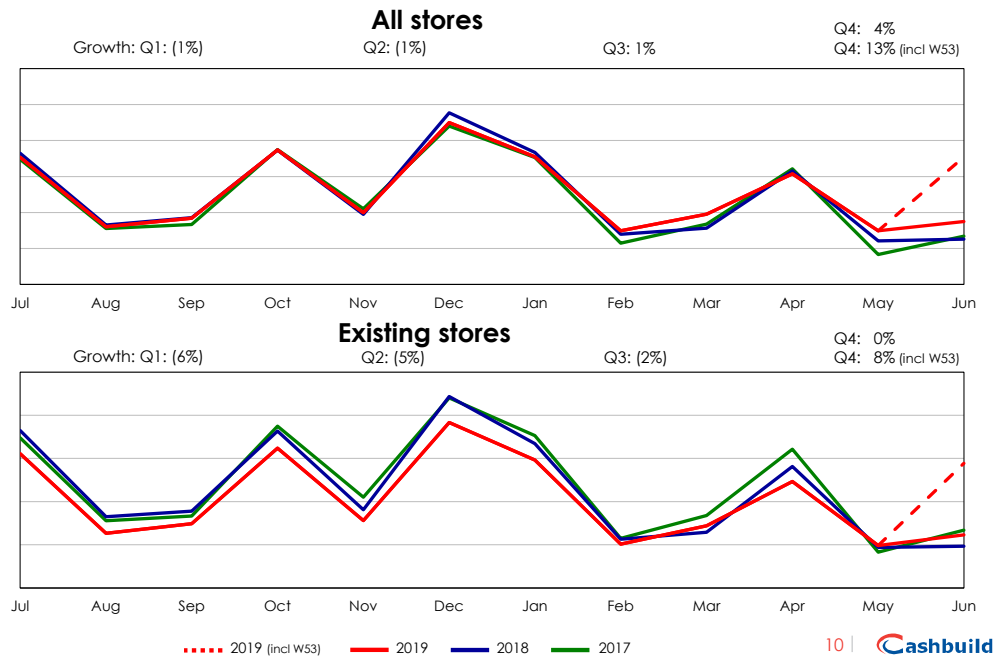
## NOTES

## SALES R'MILLION



## NOTES

## CUSTOMER TRANSACTIONS '000



## NOTES

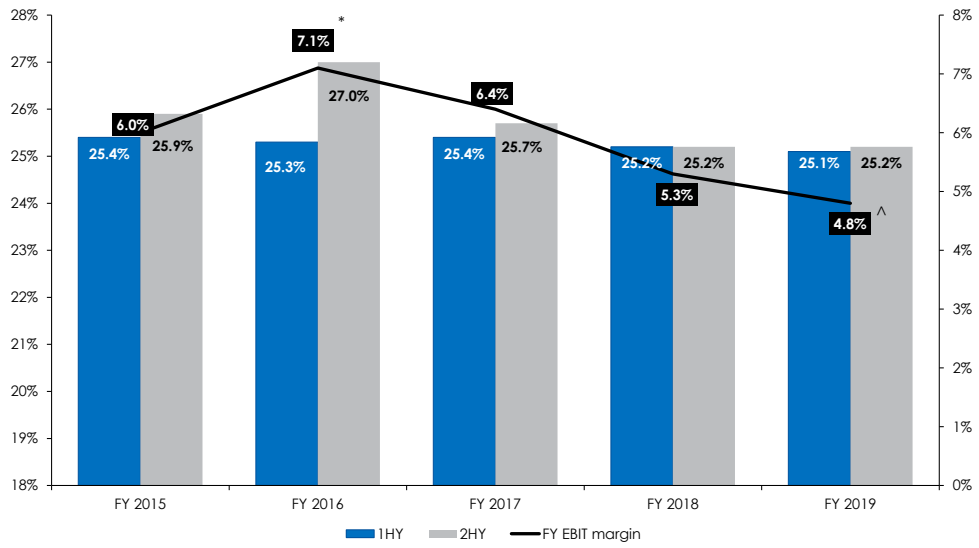
## AVERAGE BASKET SIZE RAND



## NOTES



## GROSS PROFIT AND EBIT MARGIN



\* Excludes BEE transaction

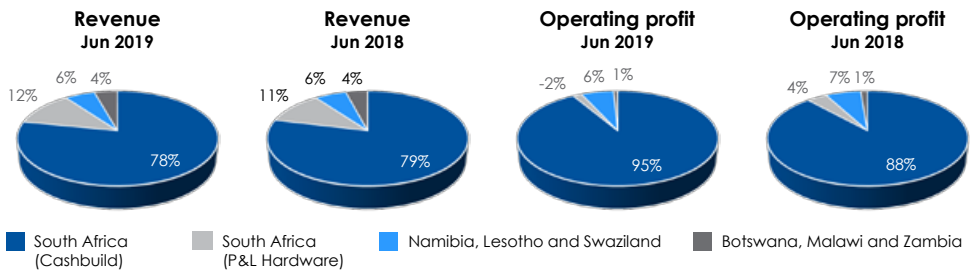
^ Excluding 53<sup>rd</sup> Week

12 | Cashbuild

## NOTES

## SEGMENTAL DISCLOSURE (EXCL 53<sup>RD</sup> WEEK)

Rm	Cashbuild South Africa			P&L Hardware South Africa			Cashbuild Namibia, Lesotho and Swaziland			Cashbuild Botswana, Malawi and Zambia			Total Group		
	Jun 2019	Jun 2018	%	Jun 2019	Jun 2018	%	Jun 2019	Jun 2018	%	Jun 2019	Jun 2018	%	Jun 2019	Jun 2018	%
Revenue	8 300	8 043	3	1 256	1 136	11	602	607	(1)	464	421	10	10 622	10 207	4
Gross profit	2 198	2 097	5	207	219	(5)	149	147	1	113	105	8	2 667	2 568	4
GP %	26.5	26.1		16.5	19.3		24.8	24.2		24.4	24.9		25.1	25.2	
Operating profit/(loss)	480	479	-	(9)	21	(>100)	32	36	(11)	4	7	(43)	507	543	(7)
OP %	5.8	6.0		(0.7)	1.8		5.3	5.9		0.9	1.7		4.8	5.3	
Capital investment	166	119	39	12	82	(85)	20	24	(17)	6	19	(68)	204	244	(16)

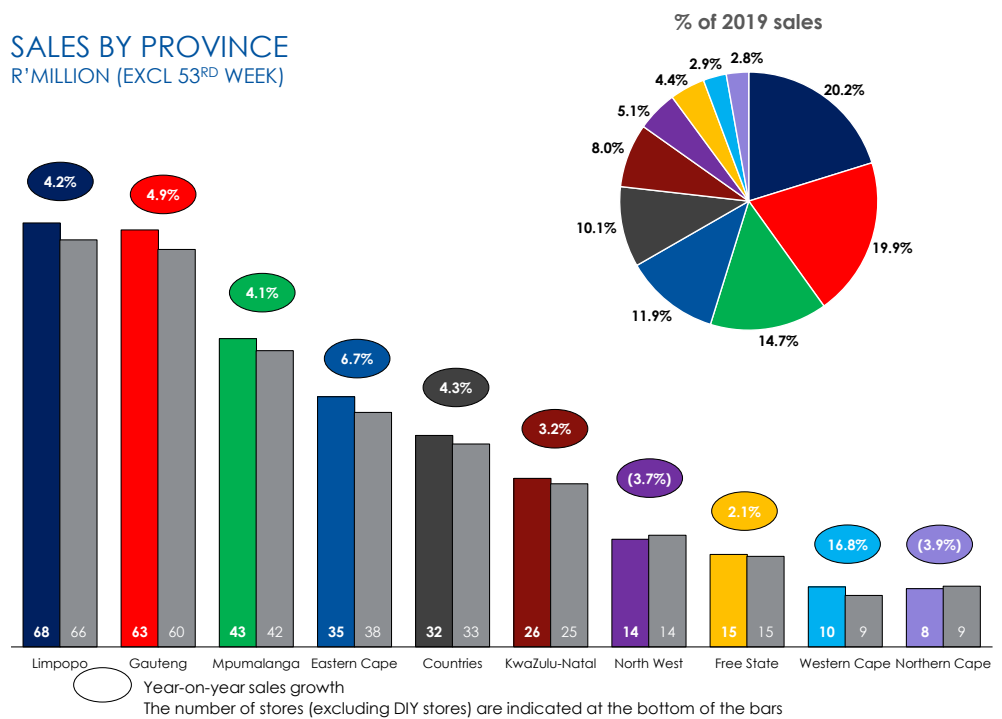


13 | Cashbuild

## NOTES

## SALES BY PROVINCE

R'MILLION (EXCL 53<sup>RD</sup> WEEK)



14 | Cashbuild

## NOTES

## EXISTING BUSINESS RESULTS

(EXCL 53<sup>RD</sup> WEEK)

R'000	FY 2019	FY 2018	% change
<b>Revenue</b>	<b>10 059 538</b>	9 971 123	1
Gross profit	<b>2 563 105</b>	2 497 923	3
Gross profit %	<b>25.5</b>	25.1	
Operating expenses	<b>2 011 095</b>	1 949 105	3
Operating expenses %	<b>20.0</b>	19.5	
<b>Operating profit</b>	<b>552 010</b>	548 817	1
Operating profit %	<b>5.5</b>	5.5	

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

15 | Cashbuild

## NOTES

## OPERATING EXPENSES (EXCL 53<sup>RD</sup> WEEK)

R'000	FY 2019	FY 2018	% change
<b>Existing business (236 Cashbuild and 45 P&amp;L stores)</b>	<b>2 011 095</b>	1 949 105	3
- 1 <sup>st</sup> Half	<b>1 036 051</b>	1 004 247	3
- 2 <sup>nd</sup> Half	<b>975 044</b>	944 858	3
<b>New business (20 Cashbuild and 14 P&amp;L stores)</b>	<b>148 859</b>	76 153	
- 1 <sup>st</sup> Half	<b>73 336</b>	30 087	
- 2 <sup>nd</sup> Half	<b>75 523</b>	46 066	
<b>Total</b>	<b>2 159 954</b>	2 025 258	7
- 1 <sup>st</sup> Half	<b>1 109 387</b>	1 034 334	7
- 2 <sup>nd</sup> Half	<b>1 050 567</b>	990 924	6

16 | 

## NOTES

## OPERATING EXPENSES – PEOPLE COST (EXCL 53<sup>RD</sup> WEEK)

R'million	FY 2019	FY 2018	% change
<b>Existing business (236 Cashbuild and 45 P&amp;L stores)</b>	<b>871.0</b>	830.2	5
- 1 <sup>st</sup> Half	<b>444.2</b>	422.3	5
- 2 <sup>nd</sup> Half	<b>426.8</b>	407.9	5
<b>New business (20 Cashbuild and 14 P&amp;L stores)</b>	<b>50.8</b>	30.1	
- 1 <sup>st</sup> Half	<b>22.7</b>	11.9	
- 2 <sup>nd</sup> Half	<b>28.1</b>	18.2	
<b>Total</b>	<b>921.8</b>	860.3	7
- 1 <sup>st</sup> Half	<b>466.9</b>	434.2	8
- 2 <sup>nd</sup> Half	<b>454.9</b>	426.1	7
<b>% of 52 weeks sales</b>	<b>8.7</b>	7.5	
FTE headcount	<b>6 295</b>	6 316	

- Increase for Cashbuild and P&L Hardware staff of 5.5% and 5.0%, respectively
- Continued focus on efficiencies

17 | 

## NOTES



## OPERATING EXPENSES – DELIVERY EXPENSES (EXCL 53<sup>RD</sup> WEEK)

R'million	FY 2019	FY 2018	% change
<b>Existing business (236 Cashbuild and 45 P&amp;L stores)</b>	<b>111.3</b>	112.6	(1)
- 1 <sup>st</sup> Half	<b>58.1</b>	58.0	-
- 2 <sup>nd</sup> Half	<b>53.2</b>	54.6	(3)
<b>New business (20 Cashbuild and 14 P&amp;L stores)</b>	<b>6.8</b>	3.1	
- 1 <sup>st</sup> Half	<b>2.9</b>	0.8	
- 2 <sup>nd</sup> Half	<b>3.9</b>	2.3	
<b>Total</b>	<b>118.1</b>	115.7	2
- 1 <sup>st</sup> Half	<b>61.0</b>	58.8	4
- 2 <sup>nd</sup> Half	<b>57.1</b>	56.9	-
<b>% of 52 weeks sales</b>	<b>1.1</b>	1.1	

- Delivery expenses remain below benchmark level

## NOTES

## OPERATING EXPENSES – MARKETING (EXCL 53<sup>RD</sup> WEEK)

R'million	FY 2019	FY 2018	% change
<b>Existing business (236 Cashbuild and 45 P&amp;L stores)</b>	<b>144.7</b>	149.6	(3)
- 1 <sup>st</sup> Half	<b>88.1</b>	83.8	5
- 2 <sup>nd</sup> Half	<b>56.6</b>	65.8	(14)
<b>New business (20 Cashbuild and 14 P&amp;L stores)</b>	<b>15.2</b>	11.5	
- 1 <sup>st</sup> Half	<b>7.6</b>	6.0	
- 2 <sup>nd</sup> Half	<b>7.6</b>	5.5	
<b>Total</b>	<b>159.9</b>	161.1	-
- 1 <sup>st</sup> Half	<b>95.7</b>	89.8	7
- 2 <sup>nd</sup> Half	<b>64.2</b>	71.3	(10)
<b>% of 52 weeks sales</b>	<b>1.5</b>	1.6	

- Continued focused micro advertising
- New and refurbished stores launch costs
- Improved allocations of marketing spend

## NOTES

## OPERATING EXPENSES – PROPERTY (EXCL 53<sup>RD</sup> WEEK)

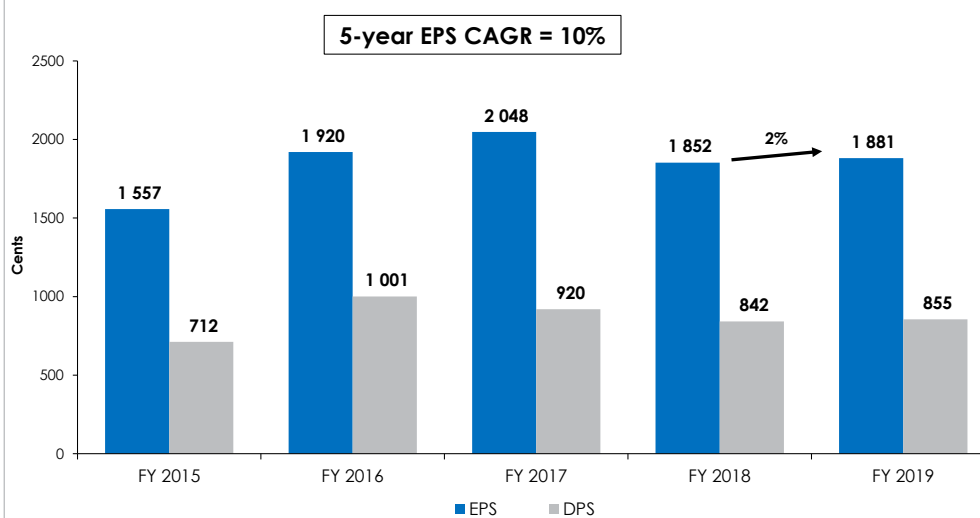
R'million	FY 2019	FY 2018	% change
<b>Existing business (236 Cashbuild and 45 P&amp;L stores)</b>	<b>421.8</b>	417.8	1
- 1 <sup>st</sup> Half	<b>210.1</b>	206.2	2
- 2 <sup>nd</sup> Half	<b>211.7</b>	211.6	-
<b>New business (20 Cashbuild and 14 P&amp;L stores)</b>	<b>41.7</b>	21.2	
- 1 <sup>st</sup> Half	<b>18.7</b>	7.6	
- 2 <sup>nd</sup> Half	<b>23.0</b>	13.6	
<b>Total</b>	<b>463.5</b>	439.0	6
- 1 <sup>st</sup> Half	<b>228.8</b>	213.8	7
- 2 <sup>nd</sup> Half	<b>234.7</b>	225.2	4
<b>% of 52 weeks sales</b>	<b>4.4</b>	4.3	

- New store rental expectations unrealistically high

20 | 

## NOTES

## EARNINGS PER SHARE (EPS) AND DIVIDEND PER SHARE (DPS) STATUTORY YEAR-ON-YEAR



- Dividend cover remains 2.0 times
- Final dividend 420 cents per share up 21%
- Cashbuild Empowerment Trust – R256 million to date

21 | 

## NOTES

## STATUTORY STATEMENT OF FINANCIAL POSITION

R'000	Audited Jun 2019	* Audited Jun 2018	% change
<b>Assets</b>			
Property, plant and equipment	1 129 283	1 100 132	3
Intangible assets	426 398	433 467	(2)
Investment property	28 158	-	
Inventories	1 541 295	1 538 708	-
Trade and other receivables	117 807	118 489	(1)
Cash resources	590 150	952 929	(38)
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	2 187 400	1 917 319	14
Interest-bearing debt	-	1 051	(100)
Trade and other liabilities	1 554 567	2 102 343	(26)
<b>Net asset value per share (cents)</b>	<b>8 636</b>	7 561	14

\* The application of IFRS 15 has resulted in the restatement of the June 2018 figures

## NOTES

## INVENTORY ANALYSIS

Stock holding – all stores (% growth)	Cashbuild	P&L Hardware	Group
Stores stocked since June 2018 (8 Cashbuild and 2 P&L Hardware stores)	3	3	3
Existing stores	(3)	1	(3)
<b>Total</b>	<b>-</b>	<b>4</b>	<b>-</b>

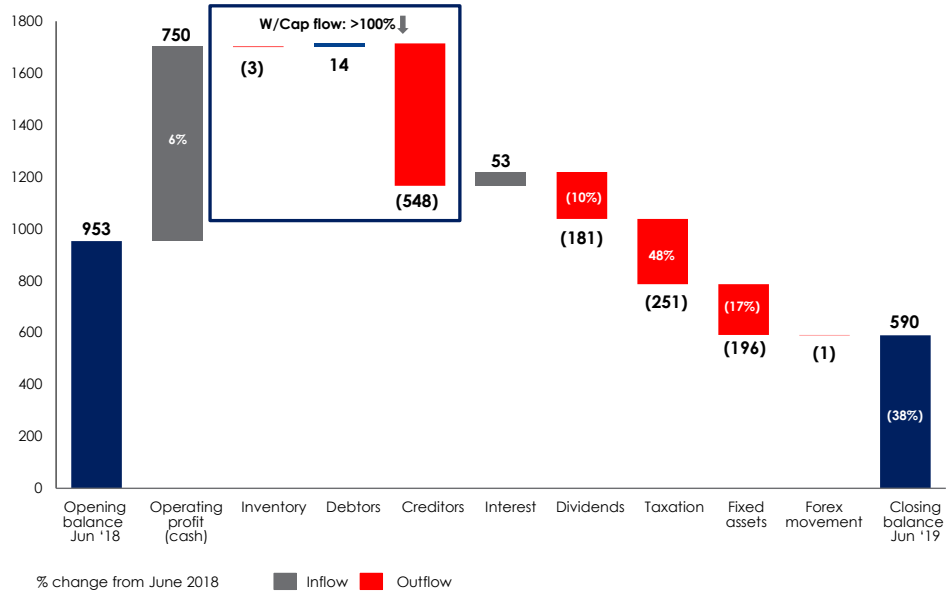
- Purchase inflation at 3%
- Excellent results from focus on range, excess and slow moving stock

Working capital days at period end	Jun 2019	Jun 2018
Inventory	84	88
Creditors	79	71

## NOTES



## STATUTORY CASH FLOW R'MILLION



## NOTES





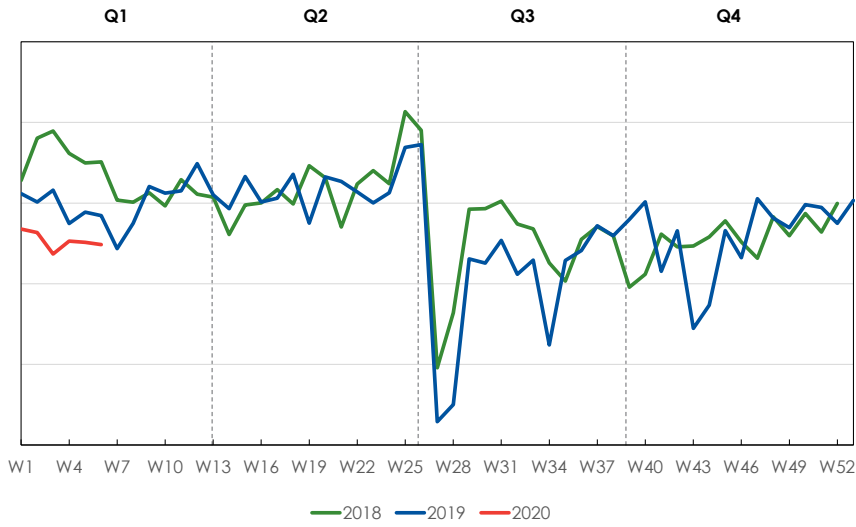
CELEBRATING  
40 YEARS

40

# PRODUCT CATEGORIES



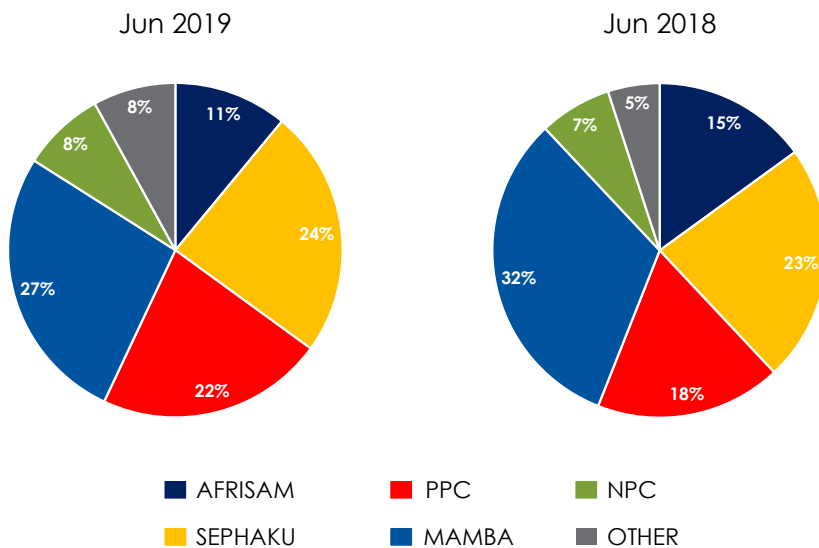
## CEMENT SALES POCKETS



26 | Cashbuild

### NOTES

## CEMENT UNIT SALES PER SUPPLIER



27 | Cashbuild

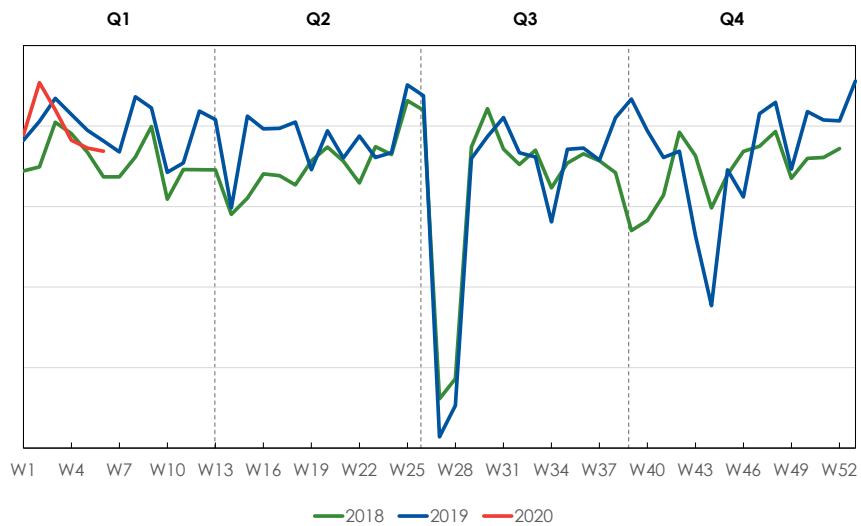
### NOTES

**TOTAL TIMBER SALES**  
R'MILLION



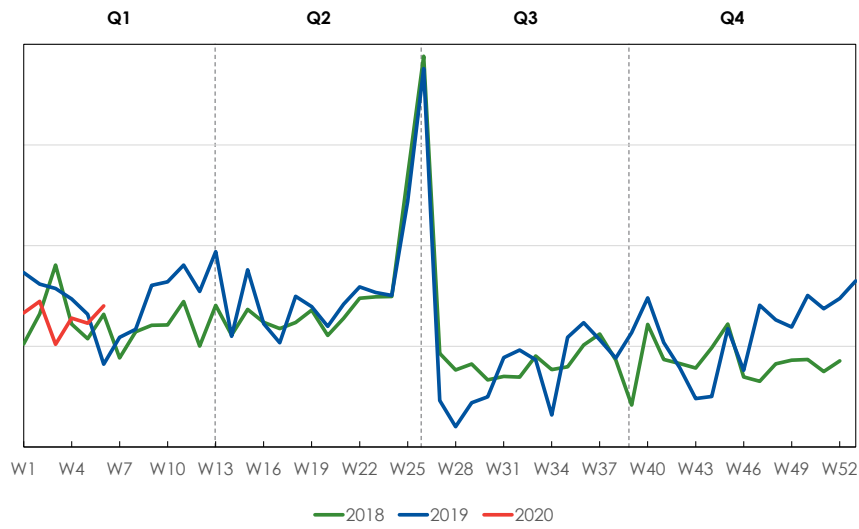
**NOTES**

**TOTAL BRICK SALES**  
R'MILLION



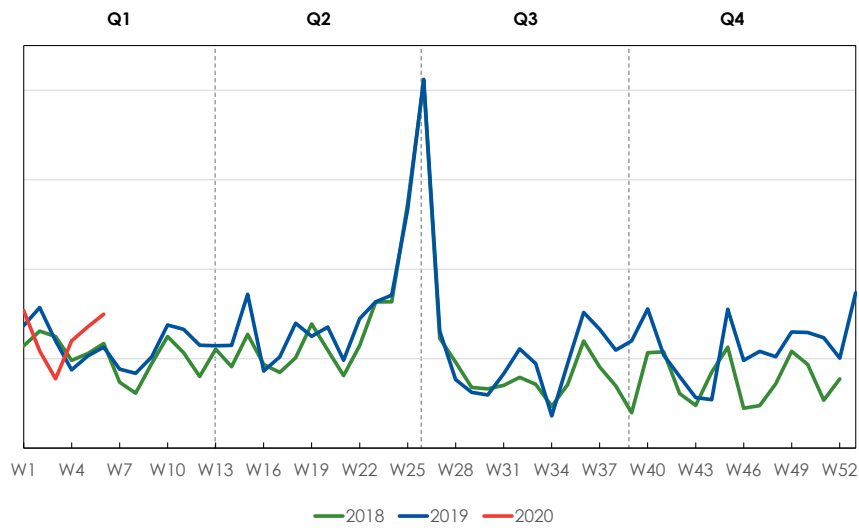
**NOTES**

**TOTAL ROOF COVERING SALES**  
R'MILLION



**NOTES**

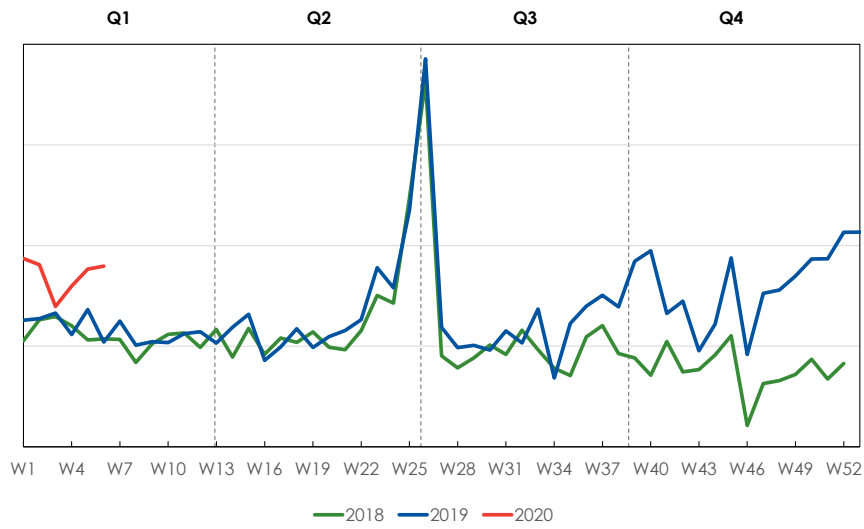
**TOTAL OPENING SALES**  
R'MILLION



**NOTES**

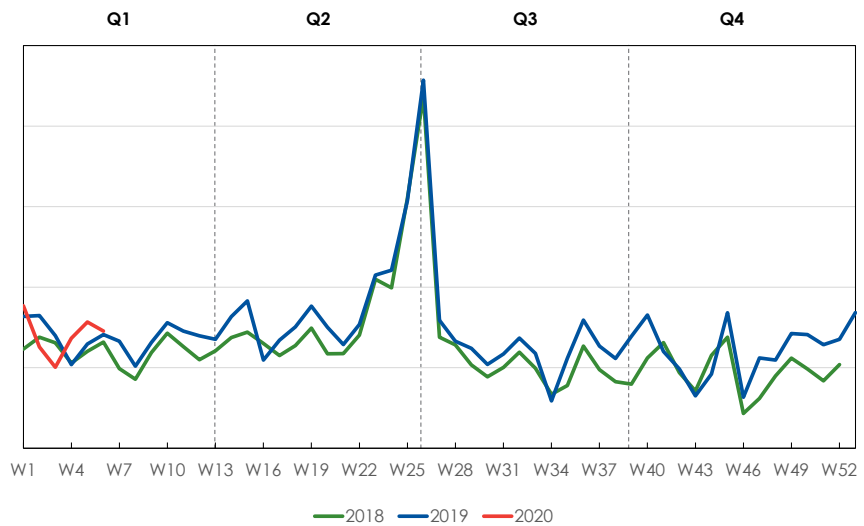


TOTAL PLUMBING SALES  
R'MILLION



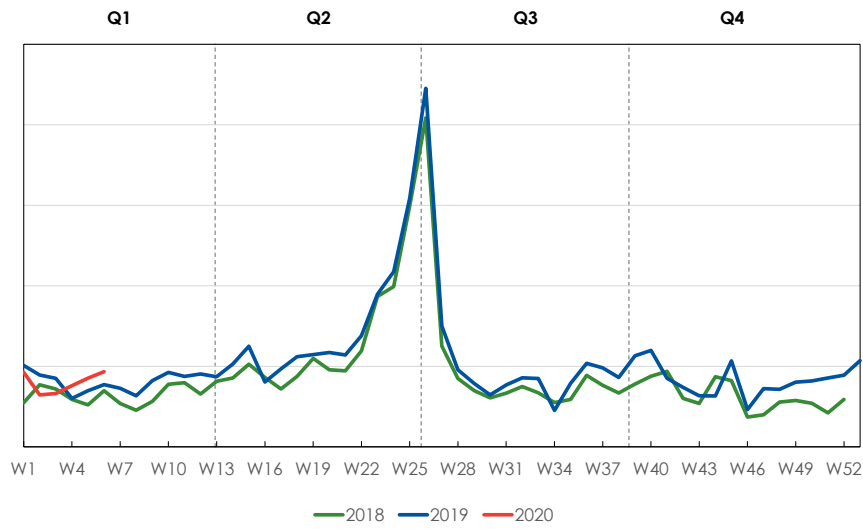
NOTES

TOTAL HARDWARE SALES  
R'MILLION



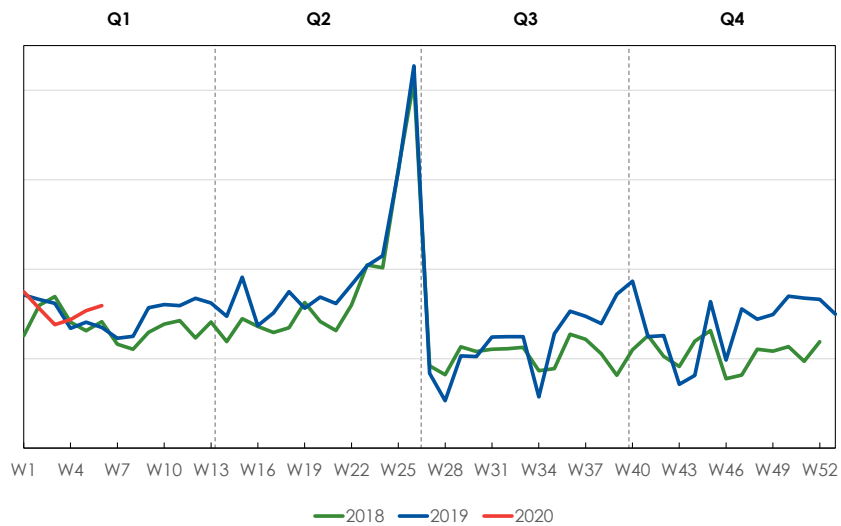
NOTES

**TOTAL DECORATIVE SALES**  
R'MILLION



**NOTES**

**GROUP SALES PER WEEK**  
R'MILLION



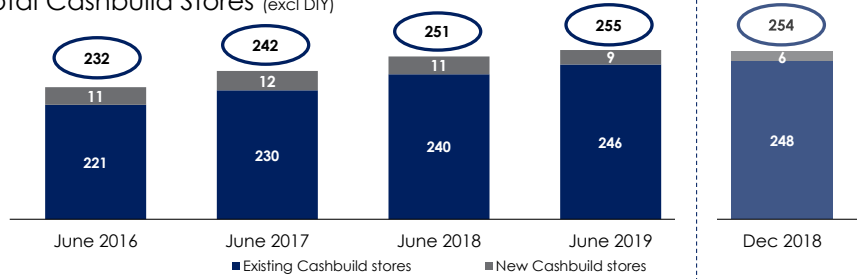
**NOTES**



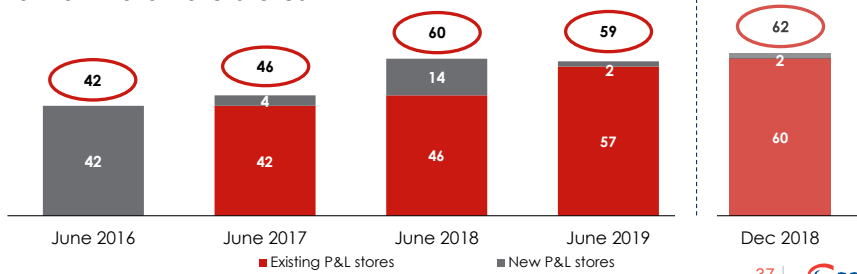
# STORE DEVELOPMENT AND MARKET SUMMARY

## STORE DEVELOPMENT

Total Cashbuild Stores (excl DIY)



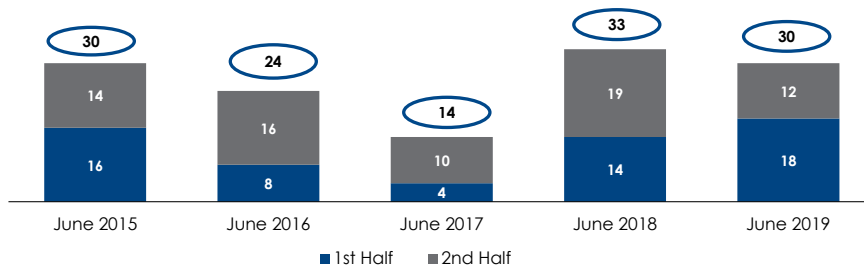
Total P&L Hardware Stores



## NOTES

## GROUP SUMMARY

Group refits and relocations



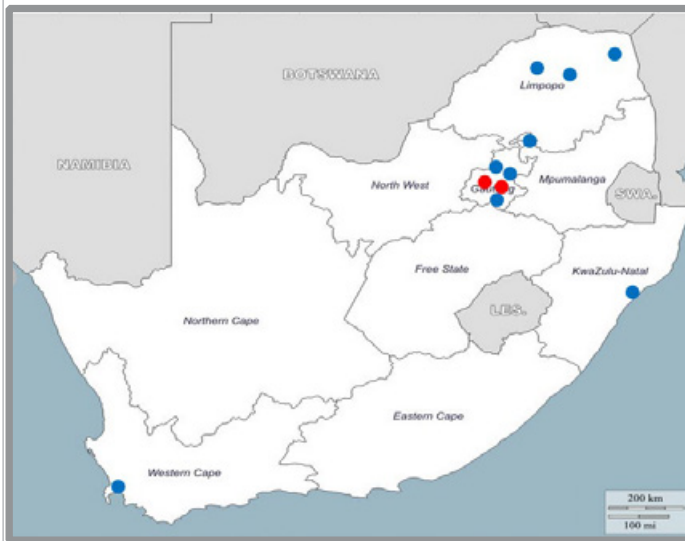
FY2019 Summary

- **11 New Stores** : 9 Cashbuild and 2 P&L Hardware
- **4 Relocations** : 3 Cashbuild (Daku, Bethlehem & Lichtenburg) and 1 P&L Hardware (Venda)
- **26 Refurbishments**
- **8 Closures** : 5 Cashbuild and 3 P&L Hardware
- **315 Stores** : 255 Cashbuild, 1 DIY and 59 P&L Hardware

## NOTES

## NEW STORES FY2019

● Cashbuild ● P&L Hardware



**Cashbuild**

**Gauteng**  
Soshanguve  
Mamelodi  
Sky City (Vaal)  
**Limpopo**  
Tibanifontein  
Metz  
Giyani  
Masingita

**Kwa-Zulu Natal**  
Shallcross  
**Western Cape**  
Lansdowne  
**Mpumalanga**  
Marapyane

**P&L HARDWARE**  
BUILD A BETTER LIFE

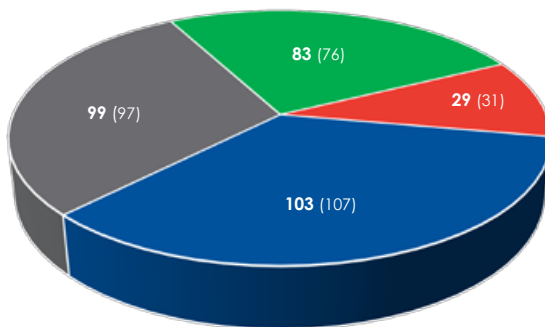
**Gauteng**  
Admin Triangle  
Tembisa

## NOTES

## STORES BY LOCATION

Number of stores **June 2019** (June 2018)

*Excluding DIY stores*



















Location (% of total)	Town	Rural	Township	Metro
<b>2019 Stores</b>	33%	32%	26%	9%
<b>2019 Sales</b>	35%	30%	25%	10%
2018 Stores	34%	31%	25%	10%
2018 Sales	35%	30%	25%	10%

## NOTES









## COMPETITOR LANDSCAPE – CORPORATE


 <p>• Approximately 389 stores (PY 376) • Most direct competitor in terms of offering and location • Recently rebranded</p> 	  <p>• Approximately 136 stores (PY 136)</p> 	    <p>• Approximately 117 stores (PY 110)</p> <p><b>MASSMART</b></p>
 <p>• Approximately 83 stores (PY 78) • Launched by Italtile in 2008</p> 	 <p>• Approximately 32 stores (PY 31)</p> 	 <p>1 (PY 1)</p> <p>• Part of Groupe Adeo - Europe's largest DIY retailer and 3<sup>rd</sup> worldwide • 4 more stores planned</p> 

41 | 

## NOTES

## COMPETITOR LANDSCAPE – INDEPENDENTS

 <p>• 8 stores – Gauteng only (PY 8)</p>	  <p>• Approximately 246 stores (PY 254)</p>
 <p>• Approximately 280 stores (PY 280)</p>	 <p>• Approximately 56 stores (PY 56)</p>
 <p>• Approximately 400 members representing 651 stores • Various strong independent stores part of this buying group</p>	

42 | 

## NOTES

## CEMENT MARKET SHARE

- PPC and Sephaku estimate industry volumes down between 5 -12%
- Other non-listed cement suppliers gave similar indications
- Cashbuild Group volumes for FY – 3% down (1% down including Week 53)
- Based on the available information - Cashbuild has not lost market share



## NOTES

## CEMENT MARKET SHARE

### Sephaku Sens – 5 March 2019

#### Sephaku Cement

#### Sales volume

The macroeconomic environment continued to be depressed with GDP growth estimates for the 12 months ended December 2018 at between 0.5% - 0.9%. This underwhelming economic context resulted in an estimated 5% - 10% decline in industry sales volumes. The low cement demand due to the weak economy was exacerbated by intense competition between the cement manufacturers, blenders and importers. Consequently, SepCem's sales volumes were comparatively 6.4% lower due to the factors mentioned above.

### Sephaku Year end results March 2019

- SepCem volumes 19% lower YoY due to
  - anomalously high comparative volumes in Q1 CY2018 exaggerating volume decrease
  - increased imports into KZN
- Industry sales volumes estimated to be 10% - 12% lower in Q1 2019

### PPC March 2019 – Results presentation

- Industry volumes estimated to be down between 5-10% due to low economic activity & lack of infrastructure projects

### PPC Trading Statement – 29 August 2019

#### SOUTHERN AFRICA CEMENT

Despite a challenging operating environment, average cement prices in Southern African (including Botswana), increased by 7.0 - 8.0% for the period. Aligned with the objective of focusing on EBITDA enhancing volume growth, cement sales declined by 10 - 15% compared to the corresponding period in FY'19 ("comparable period"), in line with the estimated decline in domestic demand. Domestic cement demand remains constrained due to a subdued demand environment. Importer and blender activity have also contributed to a competitive operating environment.

## NOTES

## MARKET SUMMARY

- One of the toughest trading years
- Continued consumer pressure – high unemployment
- Competitive market
- Increase in civil unrest leading up to 2019 National Elections
- Cement - industry remains in turmoil with new entrant as well as an increase in independent blenders and imports



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

## NOTES



**THANK YOU FOR YOUR ATTENDANCE AND PARTICIPATION**

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

SWITCHBOARD: +27 11 248 1500

**Werner de Jager**  
Chief Executive

**Etienne Prowse**  
Finance Director

**Shane Thoresson**  
Operations Director

For any further Investor Relations questions please contact:

**Keyter Rech Investor Solutions**  
mkeyter@kris.co.za  
+27 87 351 3810

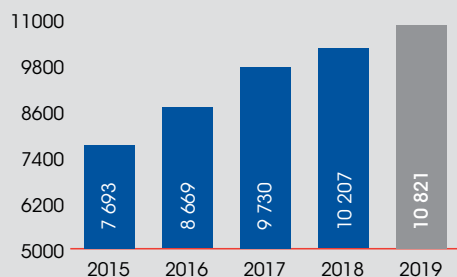
## NOTES



# FINANCIAL RESULTS

# FINANCIAL HIGHLIGHTS

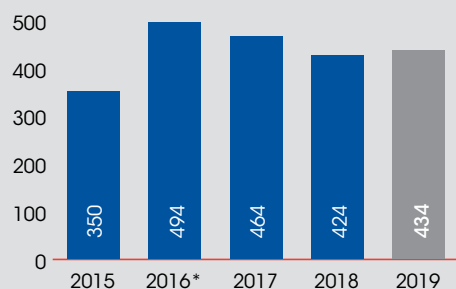
## REVENUE (Rm)



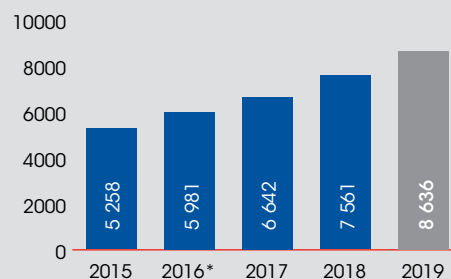
## OPERATING PROFIT (Rm)



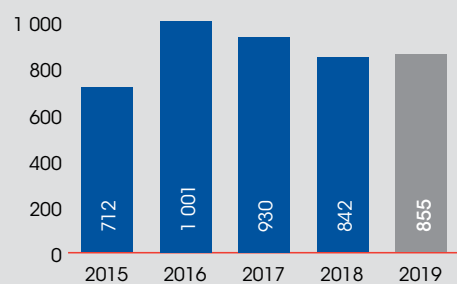
## HEADLINE EARNINGS (Rm)



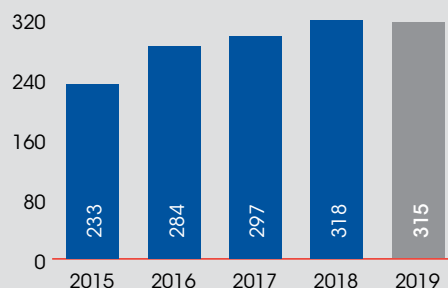
## NAV PER SHARE (cents)



## TOTAL DIVIDEND PER SHARE (cents)



## SPACE GROWTH (stores)



\*2016 Excludes BEE transaction



## SUMMARY CONSOLIDATED INCOME STATEMENT – AUDITED

<b>R'000</b>	<b>Year ended 30 June 2019 (53 weeks)</b>	Year ended 30 June 2018 *Restated (52 weeks)	%
			change
Revenue	<b>10 821 235</b>	10 206 730	6
Cost of sales	<b>(8 101 229)</b>	(7 638 277)	6
<b>Gross profit</b>	<b>2 720 006</b>	2 568 453	6
Selling and marketing expenses	<b>(1 884 034)</b>	(1 778 355)	6
Administrative expenses	<b>(279 056)</b>	(267 566)	4
Other operating expenses	<b>(13 288)</b>	(10 263)	29
Other income	<b>15 397</b>	30 926	(50)
<b>Operating profit</b>	<b>559 025</b>	543 195	3
Finance cost	<b>(4 190)</b>	(3 143)	33
Finance income	<b>57 878</b>	54 128	7
<b>Profit before income tax</b>	<b>612 713</b>	594 180	3
Income tax expense	<b>(180 294)</b>	(169 027)	7
<b>Profit for the year</b>	<b>432 419</b>	425 153	2
Attributable to:			
– Owners of the company	<b>427 357</b>	420 514	2
– Non-controlling interests	<b>5 062</b>	4 639	9
	<b>432 419</b>	425 153	2
<b>Earnings per share (cents)</b>	<b>1 881.3</b>	1 851.6	2
<b>Diluted earnings per share (cents)</b>	<b>1 880.6</b>	1 850.9	2

## SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – AUDITED

R'000	Year ended 30 June 2019 (53 weeks)	Year ended 30 June 2018 *Restated (52 weeks)
<b>Profit for the year</b>	<b>432 419</b>	425 153
<b>Other comprehensive income reclassifiable to profit or loss:</b>		
Total movement in foreign currency translation reserve (FCTR)	<b>4 708</b>	6 317
<b>Attributable to:</b>		
- Owners of the company	<b>5 083</b>	5 395
- Non-controlling interests	<b>(375)</b>	922
<b>Total comprehensive income for the year</b>	<b>437 127</b>	431 470
Total comprehensive income attributable to:		
- Owners of the company	<b>432 440</b>	425 909
- Non-controlling interests	<b>4 687</b>	5 561
	<b>437 127</b>	431 470

## ADDITIONAL INFORMATION – AUDITED

<b>R'000</b>	<b>Year ended 30 June 2019</b>	Year ended 30 June 2018 *Restated
Net asset value per share (cents) – unaudited	<b>8 636</b>	7 561
Net asset value per share (excluding treasury shares) – unaudited	<b>9 500</b>	8 320
Ordinary shares ('000s):		
- In issue	<b>24 990</b>	24 990
- Weighted-average	<b>22 716</b>	22 711
- Diluted weighted-average	<b>22 725</b>	22 720
Capital investment	<b>203 556</b>	243 999
Depreciation of property, plant and equipment	<b>131 380</b>	130 356
Amortisation of intangible assets	<b>6 517</b>	7 631
Capital commitments	<b>142 854</b>	231 083
Property operating lease commitments	<b>1 988 949</b>	1 948 239

# SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION – AUDITED

R'000	30 June 2019	30 June 2018 *Restated
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>1 716 090</b>	1 665 001
Property, plant and equipment	1 129 283	1 100 132
Intangible assets	426 398	433 467
Rent prepayments	66 470	85 707
Investment property	28 158	–
Deferred income tax assets	65 781	45 695
<b>Current assets</b>	<b>2 278 575</b>	2 634 996
Inventories	1 541 295	1 538 708
Trade and other receivables	117 807	118 489
Prepayments	25 747	20 360
Assets held for sale	3 576	4 510
Cash and deposits	590 150	952 929
<b>Total assets</b>	<b>3 994 665</b>	4 299 997
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>	<b>2 187 400</b>	1 917 319
Share capital and reserves	2 156 701	1 889 594
Non-controlling interests	30 699	27 725
<b>Non-current liabilities</b>	<b>224 285</b>	205 225
Finance lease obligation	–	115
Deferred operating lease liability	187 378	162 930
Deferred income tax liability	36 907	42 180
<b>Current liabilities</b>	<b>1 582 980</b>	2 177 453
Trade and other liabilities	1 554 567	2 102 343
Finance lease obligation	–	936
Current income tax liabilities	28 413	74 174
<b>Total equity and liabilities</b>	<b>3 994 665</b>	4 299 997

## SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS – AUDITED

	Year ended 30 June 2019 (53 weeks)	Year ended 30 June 2018 (52 weeks)
<b>Cash flows from operating activities</b>		
Cash generated from operations	213 079	781 720
Interest paid	(3 853)	(3 143)
Taxation paid	(251 414)	(169 775)
<b>Net cash/(utilised) generated from operating activities</b>	<b>(42 188)</b>	608 802
<b>Cash flows from investing activities</b>		
Net investment in assets	(195 503)	(241 231)
Business combinations	-	(72 573)
Interest received	57 541	54 128
<b>Net cash used in investing activities</b>	<b>(137 962)</b>	(259 676)
<b>Cash flows from financing activities</b>		
Shares purchased by Cashbuild Trusts or subsidiary companies for share incentive schemes	-	(605)
Shares sold by Cashbuild Trusts	-	1 610
Finance lease payments	(1 051)	(1 192)
Dividends paid:		
- Own equity	(178 960)	(201 210)
- Non-controlling interests	(1 713)	(1 044)
<b>Net cash used in financing activities</b>	<b>(181 724)</b>	(202 441)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(361 874)</b>	146 685
<b>Cash and cash equivalents at beginning of year</b>	<b>952 929</b>	801 420
<b>Effect of exchange rate movements on cash and cash equivalents</b>	<b>(905)</b>	4 824
<b>Cash and cash equivalents at end of year</b>	<b>590 150</b>	952 929

## SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – AUDITED

R'000

### Balance at 1 June 2016 (Restated)

Total comprehensive income for the year  
Shares purchased by The Cashbuild Share Incentive Trust and Cashbuild (South Africa) Proprietary Limited  
Shares sold by The Cashbuild Share Incentive Trust  
Dividends paid  
Recognition of share-based payments

### Balance at 30 June 2017 (53 weeks)

Total comprehensive income for the year  
Shares purchased by The Cashbuild Operations Management Member Trust  
Shares sold by The Cashbuild Share Incentive Trust  
Dividends paid  
Recognition of share-based payments

### Balance at 30 June 2018 (52 weeks)

Total comprehensive income for the year  
Dividends paid  
Recognition of share-based payments

### Balance at 30 June 2019

## SUMMARY CONSOLIDATED SEGMENTAL ANALYSIS – AUDITED

R'000	Group		South Africa	
			Cashbuild business	
	Year ended 30 June 2019	Year ended 30 June 2018 *Restated	Year ended 30 June 2019	Year ended 30 June 2018 *Restated
<b>Income statement</b>				
Revenue	10 821 235	10 206 730	8 475 594	8 043 313
Operating profit	559 025	543 195	524 629	478 776
<b>Statement of financial position</b>				
Segment assets	3 994 665	4 299 997	2 435 673	2 787 079
Segment liabilities	1 807 265	2 382 678	795 192	1 418 988
<b>Other segment items</b>				
Number of stores	315	318	224	225
Depreciation	131 380	130 356	103 674	107 108
Amortisation	6 517	7 631	6 253	7 377
Capital investment	203 556	243 999	166 203	119 772

\* 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
<b>227</b>	<b>(275 384)</b>	<b>52 985</b>	<b>10 645</b>	<b>1 651 042</b>	<b>21 948</b>	<b>1 461 463</b>
-	-	-	(18 974)	464 882	2 636	448 544
-	(2 561)	-	-	-	-	(2 561)
-	2 526	-	-	-	-	2 526
-	-	-	-	(234 023)	(1 376)	(235 399)
-	-	4 332	-	-	-	4 332
<b>227</b>	<b>(275 419)</b>	<b>57 317</b>	<b>(8 329)</b>	<b>1 881 901</b>	<b>23 208</b>	<b>1 678 905</b>
-	-	-	5 395	420 514	5 561	431 470
-	(605)	-	-	-	-	(605)
-	1 610	-	-	-	-	1 610
-	-	-	-	(201 210)	(1 044)	(202 254)
-	-	8 192	-	-	-	8 192
<b>227</b>	<b>(274 414)</b>	<b>65 509</b>	<b>(2 934)</b>	<b>2 101 205</b>	<b>27 725</b>	<b>1 917 318</b>
-	-	-	5 083	427 357	4 687	437 127
-	-	-	-	(178 960)	(1 713)	(180 673)
-	-	13 628	-	-	-	13 628
<b>227</b>	<b>(274 414)</b>	<b>79 137</b>	<b>2 149</b>	<b>2 349 602</b>	<b>30 699</b>	<b>2 187 400</b>

South Africa

P&L Hardware business		Other members of common monetary area*		Botswana, Malawi and Zambia	
Year ended 30 June 2019	Year ended 30 June 2018 *Restated	Year ended 30 June 2019	Year ended 30 June 2018 *Restated	Year ended 30 June 2019	Year ended 30 June 2018 *Restated
<b>1 258 394</b> <b>(8 493)</b>	1 136 053 21 388	<b>613 587</b> <b>35 074</b>	606 637 36 266	<b>473 660</b> <b>7 815</b>	420 727 6 765
<b>768 877</b> <b>737 174</b>	719 003 635 375	<b>529 141</b> <b>127 073</b>	528 377 172 615	<b>260 974</b> <b>147 826</b>	265 538 155 700
<b>59</b> <b>11 575</b> <b>8</b> <b>12 037</b>	60 8 388 - 81 638	<b>18</b> <b>8 073</b> <b>162</b> <b>19 642</b>	18 7 496 103 23 954	<b>14</b> <b>8 058</b> <b>94</b> <b>5 674</b>	15 7 364 151 18 635

# NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL INFORMATION

1. **Basis of preparation.** The summary consolidated annual 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 annual financial statements. The accounting policies applied in the preparation of the consolidated annual financial statements from which these summary consolidated annual 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. There are two significant new accounting standards adopted which impacted the results and effective for reporting periods commencing on or after 1 July 2018:

- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial Instruments

**IFRS 15** – Revenue from Contracts with Customers replaces IAS 18 – Revenue, and provides a single comprehensive model for revenue recognition based on the satisfaction of performance obligations and additional disclosures in respect of revenue. The adoption relates to the expected sale returns and the impact has been applied to the comparative figures to create fair presentation for each period.

**IFRS 9** – Financial Instruments replaces IAS 39 Financial Instruments. The adjustments have taken into account the impairment allowance of receivables which were estimated on the incurred loss model and now estimated on an expected credit loss model. No restatement has been done for prior periods as there is no material impact.

The table below summarises the impact of the adoption of IFRS 15 on the results of the comparative reporting periods:

	Previously Reported R'000	Adjustment IFRS 15 R'000	Restated R'000
<b>IFRS 15</b>			
<b>June 2018</b>			
<b>Profit and loss</b>			
Revenue	10 207 603	873	10 206 730
Gross profit	2 568 584	131	2 568 453
Profit for the period	425 248	95	425 153
<b>Non-current assets</b>			
Deferred tax assets	44 090	1 605	45 695
<b>Current assets</b>			
Inventories	1 512 823	25 885	1 538 708
<b>Current liabilities</b>			
Trade and other payables	2 070 688	31 655	2 102 343
Retained earnings	2 105 371	(4 165)	2 101 206

The annual financial statements have been prepared under the supervision of the Finance Director, Mr AE Prowse CA(SA), and approved by the board on 2 September 2019.

2. **Independent audit by the auditor.** These summary financial statements were derived from the consolidated financial statements for the year ended 30 June 2019. The consolidated 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. **Unaudited pro-forma information illustrating the impact of the 53rd week on the annual results for the year ended 30 June 2019.** The group adopts the retail accounting calendar, which comprises the reporting period ending on the last Sunday of the month (2019: 30 June (53 weeks); 2018: 24 June (52 weeks)). Although Cashbuild has reported financial results for the 53 weeks to 30 June 2019, it is appropriate and good practice to illustrate *pro-forma* information of the comparative 52 week period for the user of these financial statements. The unaudited *pro-forma* information presented below has been prepared for illustrative purposes only, to indicate how such information compares to the audited results of the group for the prior 52-week period ended 24 June 2018. The directors of the company are responsible for the compilation, contents and preparation of the unaudited *pro-forma* financial information below.

R'000	Audited June 2019 (53 wks)	53rd wk	Unaudited June 2019 (52 wks)	Audited June 2018 (52 wks)	%
					Change
Revenue	10 821 235	199 097	10 622 138	10 206 730	4
Operating profit	559 025	51 721	507 304	543 195	(7)
Net profit attributable to owners of the company	427 357	36 289	391 068	420 514	(7)
Headline earnings	433 957	36 289	397 668	423 971	(6)
Earnings per share (cents)	1 881.3		1 721.6	1 851.6	(7)
Headline earnings per share (cents)	1 910.4		1 750.6	1 866.8	(6)
Net asset value per share (cents)	8 636	-	8 491	7 561	12

*Notes:*

- The accounting policies adopted in the latest audited annual financial statements, which have been prepared in accordance with IFRS, have been used in preparing the unaudited *pro-forma* information.
  - The "53rd wk" column represents the actual sales of product for the 53rd week less directly related costs, net of taxation. Cost of sales and directly related variable operating expenses are calculated based on the actual percentages achieved during the current financial year. The cost of sales of the 53rd week also includes an additional month's settlement discount relating to the trade suppliers' payment at the year-end.
4. **Declaration of dividend.** The board has declared a final dividend (No. 53), of 420 cents (June 2018: 346 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 (June 2018: 24 989 811) shares in issue at date of dividend declaration. Net local dividend amount is 336 cents per share for shareholders liable to pay Dividends Tax and 420 cents per share for shareholders exempt from paying Dividends Tax. The total dividend for the year amounts to 855 cents (June 2018: 842 cents) a 2% increase on the prior year. Local Dividends Tax is 20%.

Cashbuild Limited's tax reference number is 9575168712.

Share certificates may not be dematerialised or rematerialised between Wednesday, 25 September 2019 and Friday, 27 September 2019, both dates inclusive.

Date dividend declared: Monday, 2 September 2019  
 Last day to trade "CUM" the dividend: Monday, 23 September 2019  
 Date to commence trading "EX" the dividend: Wednesday, 25 September 2019  
 Record date: Friday, 27 September 2019  
 Date of payment: Monday, 30 September 2019

- Earnings per share.** Earnings per share is calculated by dividing the earnings attributable to owners of the company for the year by the weighted average number of 22 715 551 ordinary shares in issue at year end (June 2018: 22 710 768 shares).

## NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL INFORMATION CONTINUED

6. **Headline earnings per ordinary share.** The calculations of headline earnings and diluted headline earnings per ordinary share are based on headline earnings of R434.0 million (June 2018: R424.0 million) and a weighted average of 22 715 551 (June 2018: 22 710 768) shares and fully diluted of 22 725 551 (June 2018: 22 719 842) ordinary shares in issue.

Reconciliation between net profit attributable to the equity holders of the company and headline earnings:

<b>R'000</b>	<b>June 2019</b>	June 2018	% change
Net profit attributable to the owners of the company	<b>427 357</b>	420 514	2
Profit on sale of assets after taxation	<b>3 964</b>	3 457	
Impairment on intangible assets	<b>2 636</b>	-	
<b>Headline earnings</b>	<b>433 957</b>	423 971	2
Headline earnings per share (cents)	<b>1 910.4</b>	1 866.8	2
Diluted headline earnings per share (cents)	<b>1 909.5</b>	1 866.1	2

On behalf of the board

**Stefan Fourie**  
Chairman

**Werner de Jager**  
Chief Executive

Johannesburg

2 September 2019

# 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 (315 at the end of this financial year which includes one DIY store and 59 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 annual audited results in accordance with International Financial Reporting Standards ("IFRS").

## Financial highlights

The Group adopts the retail accounting calendar, this financial year had 53 weeks and the prior year had 52 weeks.

Revenue for the year increased by 6%. Revenue for stores in existence prior to July 2017 (pre-existing stores – 281 stores) increased with 3% and our 34 new stores provided 3% increase. Gross profit increased by 6% with gross profit percentage decreasing from 25.2% to 25.1%. This was achieved in tough trading conditions with selling price inflation of 3%.

Operating expenses, including new stores, remained well controlled and increased by only 7% (existing stores 3% and new stores 4%) resulting in operating profit increasing by 3%. Basic earnings per share increased by 2% with headline earnings per share also increasing by 2% from the prior year.

The effective tax rate of 29.4% for the period is higher than that of the previous period due to a decrease in exempt income and an increase in disallowable charges relating to share-based payments.

Cash and cash equivalents decreased by 38% to R590 million as a result of payments to suppliers effected prior to year-end close resulting from the 53rd week (note 3). Stock levels, including new stores, have remained constant with overall stockholding at 84 days (2018: 88 days) at year end. Net asset value per share has increased by 14%, from 7 561 cents (June 2018) to 8 636 cents.

During the year, Cashbuild opened 11 new stores (nine Cashbuild stores and two P&L Hardware stores), refurbished 26 stores and relocated four Cashbuild stores. Cashbuild closed five Cashbuild stores, three P&L Hardware stores and six DIY stores. Cashbuild will continue its store expansion, relocation and refurbishment strategy in a controlled manner, applying the same rigorous process as in the past.

## Prospects

Group revenue for the six weeks after year end has increased by 1% on the comparable six week period. Management believe trading conditions will remain extremely challenging in the year ahead. This information has neither been reviewed nor audited by the company's auditor.

# CORPORATE INFORMATION

**Directors:**

IS Fourie\* (Chairman), WF de Jager (Chief Executive), M Bosman\*, A Hattingh, HH Hickey\*, AGW Knock (British)\*, Dr DSS Lushaba\*, AE Prowse, NV Simamane\*, GM Tapon Njamo\*, SA Thoresson, WP van 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

**Investor Relations:**

Keyfer Rech Investor Solutions CC  
(Incorporated in the Republic of South Africa)

**Cashbuild Limited**

(Registration number: 1986/001503/06)  
(Incorporated in the Republic of South Africa)

**JSE code:** CSB    **ISIN:** ZAE000028320





