

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

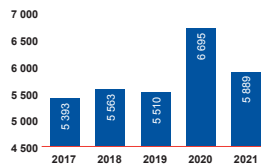
Released 2 March 2022

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/isse/CSB/ie2021.pdf>.

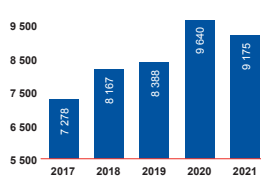
The full announcement is also available at the Company's registered office for inspection, at no charge, during office hours. Copies of the full announcement may be requested by contacting Elna Munro on telephone +27 11 248 1500.

| | 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 |

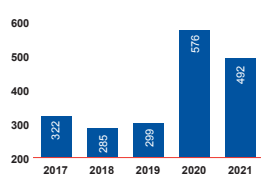
REVENUE (Rm)



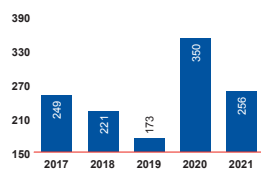
NAV PER SHARE (cents)



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

