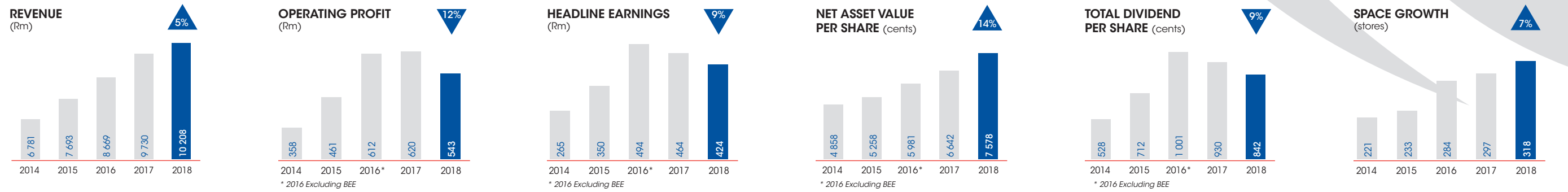




AUDITED RESULTS AND DIVIDEND DECLARATION for the year ended 30 June 2018



SUMMARY CONSOLIDATED INCOME STATEMENT – AUDITED

R'000	Year ended 30 June 2018 (52 weeks)	Year ended 30 June 2017 (52 weeks)	% change
Revenue	10 207 603	9 729 640	5
Cost of sales	(7 639 019)	(7 248 711)	5
Gross profit	2 568 584	2 480 929	4
Selling and marketing expenses	(1 778 355)	(1 595 510)	11
Administrative expenses	(267 566)	(278 953)	(4)
Other operating expenses	(10 263)	(2 172)	>100
Other income	30 926	15 703	>100
Operating profit	543 326	619 997	(12)
Finance cost	(3 143)	(3 785)	(17)
Finance income	54 128	40 814	33
Profit before income tax	594 311	657 026	(10)
Income tax expense	(169 063)	(187 540)	(10)
Profit for the year	425 248	469 486	(9)
Attributable to:			
– Owners of the company	420 609	464 991	(10)
– Non-controlling interests	4 639	4 495	3
	425 248	469 486	(9)
Earnings per share (cents)	1 852.0	2 047.7	(10)
Diluted earnings per share (cents)	1 851.3	2 046.7	(10)

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – AUDITED

R'000	Year ended 30 June 2018 (52 weeks)	Year ended 30 June 2017 (52 weeks)
Profit for the year	425 248	469 486
Other comprehensive income reclassifiable to profit or loss:		
Total movement in foreign currency translation reserve (FCTR)	6 317	(20 833)
Attributable to:		
– Owners of the company	5 395	(18 974)
– Non-controlling interests	922	(1 859)
Total comprehensive income for the year	431 565	448 653
Total comprehensive income attributable to:		
– Owners of the company	426 004	446 017
– Non-controlling interests	5 561	2 636
	431 565	448 653

ADDITIONAL INFORMATION – AUDITED

R'000	Year ended 30 June 2018	Year ended 30 June 2017
Net asset value per share (cents)	7 578	6 642
Net asset value per share (excluding treasury shares)	8 338	7 309
Ordinary shares ('000s):		
– In issue	24 990	24 990
– Weighted-average	22 711	22 708
– Diluted weighted-average	22 720	22 719
Capital investment	243 999	193 271
Depreciation of property, plant and equipment	130 356	122 425
Amortisation of intangible assets	7 631	11 870
Capital commitments	231 083	303 380
Property operating lease commitments	1 780 204	1 656 394
Contingent liabilities	16 022	38 908

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – AUDITED

R'000	Attributable to owners of the company							Non-controlling interests	Total equity
	Share capital	Treasury share capital	Share premium	Treasury share premium	Share-based payments reserve	FCTR	Retained earnings		
Balance at 1 July 2015	252	(25)	65 823	(192 382)	45 091	(4 289)	1 410 081	20 483	1 345 034
Total comprehensive income for the year	-	-	-	-	-	14 934	437 442	2 524	454 900
Buy-back of shares for empowerment transaction	(2)	2	(61 888)	61 888	-	-	-	-	-
Shares purchased by The Cashbuild Share Incentive Trust and Cashbuild (South Africa) Proprietary Limited	-	(7)	-	(244 534)	-	-	-	-	(244 541)
Shares sold by The Cashbuild Share Incentive Trust	-	7	-	95 709	-	-	-	-	95 716
Dividends paid	-	-	-	-	-	-	(192 519)	(1 059)	(193 578)
Recognition of share-based payments	-	-	-	-	7 894	-	-	-	7 894
Balance at 30 June 2016	250	(23)	3 935	(279 319)	52 985	10 645	1 655 004	21 948	1 465 425
Total comprehensive income for the year	-	-	-	-	-	-	(18 974)	2 636	448 653
Shares purchased by The Cashbuild Operations Management Member Trust	-	-	(2 561)	-	-	-	-	-	(2 561)
Shares sold by The Cashbuild Share Incentive Trust	-	-	2 526	-	-	-	-	-	2 526
Dividends paid	-	-	-	-	-	-	(234 023)	(1 376)	(235 399)
Recognition of share-based payments	-	-	-	-	4 332	-	-	-	4 332
Balance at 30 June 2017	250	(23)	3 900	(279 319)	57 317	(8 329)	1 885 972	23 208	1 682 976
Total comprehensive income for the year	-	-	-	-	-	5 395	420 609	5 561	431 565
Shares purchased by The Cashbuild Operations Management Member Trust	-	-	(605)	-	-	-	-	-	(605)
Shares sold by The Cashbuild Operations Management Member Trust	-	-	1 610	-	-	-	-	-	1 610
Dividends paid	-	-	-	-	-	-	(201 210)	(1 044)	(202 254)
Recognition of share-based payments	-	-	-	-	8 192	-	-	-	8 192
Balance at 30 June 2018	250	(23)	4 905	(279 319)	65 509	(2 934)	2 105 371	27 725	1 921 484

SUMMARY CONSOLIDATED SEGMENTAL ANALYSIS – AUDITED

R'000	South Africa										Botswana, Malawi and Zambia
	Group		Cashbuild business		P&L Hardware business		Other members of common monetary area*				
	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2018	Year ended 30 June 2017	
Income statement											
Revenue	10 207 603	9 729 640	8 043 743	7 787 042	1 136 436	960 454	606 644	595 995	420 780	386 149	
Operating profit	543 326	619 997	478 813	535 787	21 458	32 378	36 269	38 378	6 786	13 454	
Statement of financial position											
Segment assets	4 272 507	3 713 242	2 764 523	2 407 381	715 887	540 125	527 675	496 554	264 422	269 182	
Segment liabilities	2 351 023	2 030 266	1 392 935	1 509 869	631 880	249 770	171 816	173 217	154 392	97 410	
Other segment items											
Depreciation	130 356	122 425	107 108	107 428	8 388	2 823	7 496	6 038	7 364	6 136	
Amortisation	7 631	11 870	7 377	11 622	-	-	103	93	151	155	
Capital investment	243 999	193 271	119 772	106 024	81 638	13 437	23 954	42 548	18 635	31 262	

* Includes Namibia, Swaziland and Lesotho

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION – AUDITED

R'000	30 June 2018	30 June 2017
ASSETS		
Non-current assets	1 663 396	1 481 122
Property, plant and equipment	1 100 132	978 615
Intangible assets	433 467	397 015
Rent prepayments	85 707	80 328
Deferred income tax assets	44 090	25 164
Current assets	2 609 111	2 232 120
Assets held for sale	4 510	4 345
Inventories	1 512 823	1 289 491
Trade and other receivables	118 489	122 462
Prepayments	20 360	14 402
Cash and deposits	952 929	801 420
Total assets	4 272 507	3 713 242
EQUITY AND LIABILITIES		
Shareholders' equity	1 921 484	1 682 976
Share capital and reserves	1 893 759	1 659 768
Non-controlling interests	27 725	23 208
Non-current liabilities	205 225	198 469
Finance lease obligation	115	1 052
Deferred operating lease liability	162 930	137 051
Deferred income tax liability	42 180	37 480
Contingent consideration	-	22 886
Current liabilities	2 145 798	1 831 797
Trade and other liabilities	2 070 688	1 768 942
Finance lease obligation	936	1 191
Current income tax liabilities	74 174	61 664
Total equity and liabilities	4 272 507	3 713 242

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS – AUDITED

R'000	Year ended 30 June 2018	Year ended 30 June 2017
Cash flows from operating activities		
Cash generated from operations	781 720	651 625
Interest paid	(3 143)	(3 785)
Taxation paid	(169 775)	(197 336)
Net cash generated from operating activities	608 802	450 504
Cash flows from investing activities		
Net investment in assets	(241 231)	(181 472)
Business combinations	(72 573)	(5 740)
Interest received	54 128	40 814
Net cash used in investing activities	(259 676)	(146 398)
Cash flows from financing activities		
Shares purchased by Cashbuild Trusts or subsidiary companies for share incentive schemes	(605)	(2 561)
Shares sold by Cashbuild Trusts	1 610	2 526
Finance lease payments	(1 192)	(1 110)
Dividends paid:		
– Own equity	(201 210)	(234 023)
– Non-controlling interests	(1 044)	(1 376)
Net cash used in financing activities	(202 441)	(236 544)
Net increase in cash and cash equivalents	146 685	67 562
Cash and cash equivalents at beginning of year	801 420	749 239
Effect of exchange rate movements on cash and cash equivalents	4 824	(15 381)
Cash and cash equivalents at end of year	952 929	801 420

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL INFORMATION

- 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. 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 27 August 2018.
- Independent audit by the auditor.** These summary consolidated annual financial statements for the year ended 30 June 2018 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated annual financial statements from which these summary consolidated annual financial statements were derived. A copy of their unqualified audit report is available for inspection at the registered office of the company.
- Reporting period.** The group adopts the retail accounting calendar, which comprises the reporting period ending on the last Sunday of the month (2018: 24 June (52 weeks); 2017: 25 June (52 weeks)).
- Declaration of dividend.** The board has declared a final dividend (No. 51), of 346 cents (June 2017: 390 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 2017: 24 989 811) shares in issue at date of dividend declaration. Net local dividend amount is 276.8 cents per share for shareholders liable to pay Dividends Tax and 346 cents per share for shareholders exempt from paying Dividends Tax. The total dividend for the year amounts to 842 cents (June 2017: 930 cents) a 9% decrease on the prior year. Local Dividends Tax is 20%.

Cashbuild Limited's tax reference number is 9575168712.

Date dividend declared: Monday, 27 August 2018
Last day to trade "CUM" the dividend: Tuesday, 18 September 2018
Date to commence trading "EX" the dividend: Wednesday, 19 September 2018
Record date: Friday, 21 September 2018
Date of payment: Tuesday, 25 September 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 19 September 2018 and Friday, 21 September 2018, both dates inclusive.
- 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 22 710 768 ordinary shares in issue at year end (June 2017: 22 708 147 shares).
- Headline earnings per ordinary share.** The calculations of headline earnings and diluted headline earnings per ordinary share are based on headline earnings of R424.1 million (June 2017: R464.4 million) and a weighted average of 22 710 768 (June 2017: 22 708 147) shares and fully diluted of 22 719 842 (June 2017: 22 719 432) ordinary shares in issue.

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

R'000	June 2018	June 2017	% change
Net profit attributable to the owners of the company	420 609	464 991	(10)
Profit on sale of assets after taxation	3 456	(558)	
Headline earnings	424 065	464 433	(9)
Headline earnings per share (cents)	1 867.2	2 045.2	(9)
Diluted headline earnings per share (cents)	1 866.5	2 044.2	(9)

- Acquisition of business.** In August 2017 the Group acquired the business of Build it Hunters Retreat and in September 2017 acquired Buffalo Building Supplies for a combined consideration of R72.6 million with the intention that the businesses trade as P&L Hardware stores. These acquisitions are in line with Cashbuild's strategy for growing the P&L Hardware brand. Property, plant and equipment of R18.3 million, trademarks of R2.2 million, inventories of R17.2 million, trade and other receivables of R0.5 million, trade and other payables of R1.6 million, deferred tax of R1.0 million and goodwill of R37.0 million has been recognised at date of acquisition. These values approximate the fair values as determined under IFRS 3. The acquired businesses contributed revenue of R64.2 million and a net loss of R4.6 million to the Group for the year. Had a full 52 weeks trading result been included in these Group annual financial statements, the total revenue contributed would have been R75.8 million and the net loss would have been R2.4 million excluding non-recurring costs incurred during the take-on and business integration phase.

On behalf of the board

Stefan Fourie
Chairman

Werner de Jager
Chief Executive

Johannesburg
27 August 2018

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 constantly expanding chain of stores (318 at the end of this financial year which includes the seven DIY stores and 60 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

Revenue for the year increased by 5%. Revenue for stores in existence prior to July 2016 (pre-existing stores – 276 stores) remained at similar levels while our 42 new stores provided the 5% increase. Gross profit increased by 4% with gross profit percentage decreasing from 25.5% to 25.2%. This was achieved in tough trading conditions with selling price inflation of 2%.

Operating expenses, including new stores, remained well controlled and increased by only 9% (existing stores 3% and new stores 6%). Notwithstanding this, the increase in revenue did not compensate for the increased expenses, resulting in operating profit decreasing by 12%. Basic earnings per share decreased by 10% with headline earnings per share also decreasing by 9% from the prior year. The effective tax rate of 28.4% for the period is similar to that of the previous period.

Cash and cash equivalents increased by 19% to R953 million. Stock levels, including new stores, have increased by 17% with overall stockholding at 88 days (2017: 85 days) at year end. Net asset value per share has increased by 14%, from 6 642 cents (June 2017) to 7 578 cents.

During the year, Cashbuild opened 25 new stores (11 Cashbuild stores, six P&L Hardware stores and acquired eight stores which were converted to P&L Hardware stores), refurbished 27 stores and relocated six Cashbuild 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. This information has neither been reviewed nor audited by the company's auditor.

Directors:

IS Fourie* (Chairman), WF de Jager (Chief Executive), A Hattlingh, HH Hickey*, AGW Knock (British)*, Dr DSS Lushaba*, GM Tapon Njama*, AE Prowse, NV Simamane*, SA Thoreson, WP van Aswegen (*Non-Executive)

Company Secretary:
Corporate Governance Leaders CC

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

Cashbuild Limited
(Registration number: 1986/001503/06)
(Incorporated in the Republic of South Africa)
JSE code: CSB **ISIN:** ZAE000028320