

PRELIMINARY REVIEWED CONSOLIDATED ANNUAL RESULTS, DIVIDEND DECLARATION AND NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL HIGHLIGHTS

CASH GENERATED FROM OPERATIONS	R 481,9	MILLION	
INCOME BEFORE TAXATION	R 191,1	MILLION	+ 13,4%
DIVIDEND PER SHARE (CENTS)	249,0	CENTS	+ 27,4%
NET ASSET VALUE PER SHARE (CENTS)	6 297,9	CENTS	
OPERATING INCOME AS A PERCENTAGE OF REVENUE	9,3%		+19,2%

	% Change	Year ended 31-Aug 2021 R000	Year ended 31-Aug 2020 R000
CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME			
Revenue		2 358 212	2 627 705
Net operating income		219 468	205 562
Depreciation – property, plant and equipment		2 820	2 795
Depreciation – right-of-use asset		15 274	15 004
Finance charges – right-of-use asset		5 189	6 039
Interest paid		5 126	13 195
Income before taxation	+13,4%	191 059	168 529
Taxation		49 105	42 072
Income after taxation		141 954	126 457
Share of associate company income		140	63
Net income for the year	+12,3%	142 094	126 520
Attributable to:			
Equity holders of the Company	+6,2%	140 964	132 736
Non-controlling interest		1 130	(6 216)
		142 094	126 520
Other comprehensive income:			
Exchange differences on translating foreign operations		(58 160)	39 149
Comprehensive net income for the year		83 934	165 669
Total comprehensive income attributable to:			
Non-controlling interest		(2)	(4 349)
Equity holders of the Company		83 936	170 018
		83 934	165 669
Headline earnings reconciliation:			
Determination of attributable earnings and headline earnings:			
Basic earnings		140 964	132 736
Loss/ (profit) on disposal of property, plant and equipment and impairment of trademarks		(1 031)	3 968
Total tax effects of adjustment		40	3
Headline earnings		139 973	136 707

	Year ended 31-Aug 2021 R000	Year ended 31-Aug 2020 R000
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OTHER GROUP INFORMATION

Dividend – proposed / paid	+27,4%	56 386	44 245
Earnings per share (cents)	+6,2%	655,2	617,0
Headline earnings per share (cents)	+2,4%	650,6	635,5
Diluted earnings per share (cents)		655,2	617,0
Dividend per share (cents)		249,0	195,4
Dividend cover (times)		2,5	3,0
Interest cover		42,3	15,4
Shares in issue (total issued)		22 646 465	22 646 465
Shares in issue (less treasury shares)		21 513 371	21 513 366
Shares in issue – weighted		21 513 371	21 513 366
Operating income as percentage of revenue		9,3%	7,8%
Effective taxation rate		25,7%	25,0%
Net asset value per share (cents)		6 297,9	6 113,1

Intangible assets

Goodwill and amortisation

Balance at beginning of year	34 985	31 432
Translation of foreign operations	(2 887)	3 553
Balance at end of year	32 098	34 985

Patents and trademarks

Balance at beginning of year	27 725	31 706
Reversal of impairment/(impaired) during year	886	(3 981)
Balance at end of year	28 611	27 725
Total intangible assets	60 709	62 710

	Year ended 31-Aug 2021 R000	Year ended 31-Aug 2020 R000
CONDENSED GROUP STATEMENT OF FINANCIAL POSITION		
ASSETS		
Non-current assets	166 653	175 036
Property, plant and equipment	23 240	22 162
Right-of-use assets	52 169	58 496
Intangible assets	60 709	62 710
Investment in associates	707	567
Deferred taxation	29 828	31 101
Current assets	1 499 361	1 482 992
Inventory	497 082	566 783
Stock in transit	137 900	178 246
Trade and other receivables	350 089	550 865
Cash and cash equivalents	514 290	187 098
Total assets	1 666 014	1 658 028
EQUITY AND LIABILITIES		
Total equity	1 362 478	1 322 730
Ordinary shareholders' funds	1 354 894	1 315 144
Non-controlling interest	7 584	7 586
Non-current liabilities	56 323	65 600
Lease liabilities	56 323	65 600
Current liabilities	247 213	269 698
Bank overdraft	43	26
Lease liabilities	17 545	14 560
Trade and other payables	229 625	255 112
Total equity and liabilities	1 666 014	1 658 028

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Year ended 31-Aug 2021 R000	Year ended 31-Aug 2020 R000
Balance as at 1 September	1 315 144	1 225 385
Total attributable income for the year	140 964	132 736
Dividend paid	(44 251)	(65 312)
Movement in foreign currency translation reserve	(56 963)	37 283
Adoption of IFRS 16 - Leases		(14 948)
Balance as at 31 August	1 354 894	1 315 144

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Year ended 31-Aug 2021 R000	Year ended 31-Aug 2020 R000
Net cash flow from operating activities	374 133	191 189
Cash generated from operations	481 891	311 919
Investment income	926	
Interest paid	(5 126)	(13 195)
Dividend paid	(44 251)	(65 312)
Normal tax on companies	(59 307)	(42 223)
Cash flows from investing activities	(3 899)	(2 278)
Purchase of tangible fixed assets	(3 899)	(2 336)
Proceeds on disposal of fixed assets		58
Cash flows from financing activities	(20 428)	(20 139)
Repayment of lease liabilities	(20 428)	(20 139)
Net increase in cash and cash equivalents	349 806	168 772
Cash and cash equivalents at the beginning of the year	187 072	4 179
Effect on exchange rate changes on the balance of cash held in foreign currencies	(22 631)	14 121
Cash and cash equivalents at end of the year	514 247	187 072

NOTES TO THE PRELIMINARY REVIEWED CONDENSED CONSOLIDATED RESULTS

Note 1: Basis of Preparation

The financial information contained in this report is extracted from audited information, but is itself not audited. This announcement does not include the information required pursuant to paragraph 16A(i) of IAS34. This preliminary report is available on our website (<http://www.nuworld.co.za>), or at our offices upon request. The Directors take full responsibility for the preparation of this report and the financial information contained therein. The condensed consolidated financial statements were reviewed by RSM South Africa Inc., who expressed an unmodified review conclusion. A copy of the auditor's review report is available for inspection at the Company's registered office together with the financial statements identified in the auditor's report.

The condensed consolidated financial statements are presented in Rand rounded to the nearest thousand ('000).

The condensed consolidated financial statements have been prepared under the supervision of Graham Hindle CA (SA) in his capacity as Financial Director.

Note 2: Accounting policies

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements.

Note 3: Segmental information

	Year ended 31-Aug 2021 R000	Year ended 31-Aug 2020 R000
% Change		
Geographical revenue		
South Africa	1 907 845	1 954 170
Offshore subsidiaries	450 367	673 535
-10,3%	2 358 212	2 627 705
Geographical income		
South Africa	112 490	83 064
Offshore subsidiaries	28 474	49 672
7,1%	140 964	132 736
	Operating Profit %	Operating Profit %
	2021	2020
Attributable income as percentage of turnover (%)		
South Africa	5,9%	4,3%
Offshore subsidiaries	6,3%	7,4%
	6,0%	5,1%

Note 4: Revenue from contracts with customers

	Year ended 31-Aug 2021 R000	Year ended 31-Aug 2020 R000
Revenue from contracts with customers		
Sale of goods	2 547 339	2 846 374
Rebate and trade discounts	(189 127)	(218 669)
	2 358 212	2 627 705
Regions		
Africa	2 069 179	2 166 776
Middle East and Asia	92 641	131 256
Australasia	362 897	521 068
South America	22 622	27 274
	2 547 339	2 846 374
Categories		
Consumer electronics	1 648 452	1 777 365
Home electrical appliances	788 719	785 077
Other consumer durables	110 168	283 932
	2 547 339	2 846 374

Note 5: Other comprehensive income

The ZAR appreciated by 13,2% against the USD in FY 2021, compared to the ZAR depreciation of 10,2% to the USD in FY 2020. This resulted in the exchange differences on translating foreign operations of (R58,1 million) in FY 2021 and R39,1 million in FY 2020.

COMMENTARY

Introduction and review

Nu-World is a company incorporated and domiciled in South Africa with subsidiaries in Australia, Brazil, United Arab Emirates, Hong Kong and Lesotho. The main business of Nu-World and its subsidiaries includes the importing, assembling, marketing and distribution of branded consumer goods.

The Board presents the Nu-World summary results for the twelve months ended 31 August 2021. The Group's results to 31 August 2021 were satisfactory, taking into context the COVID-19 pandemic and the lockdown in South Africa as well as all the other countries in which the Group trades. The various lockdowns during 2020 / 2021 came on top of a severely distressed SA economy. The looting and insurrection in July 2021 had the greatest negative impact on the Group's Q4 2021 results.

In SA, revenue decreased marginally compared to the prior year due to the lockdowns and the insurrection in July 2021. The combination of weak volume growth, subdued selling price inflation and reduced consumer discretionary expenditure, impacted negatively on the top line results. Management actions to improve margins and increase cash generation have resulted in satisfactory trading results and a stronger balance sheet. Trading conditions over the financial year are not directly comparable to the prior year, given the extensive impact of the pandemic and the insurrection.

Despite the effects of the pandemic and the distressed world economy, the Group managed to trade through these challenging times and show growth in earnings, a stronger balance sheet, and generate significant cash from operations.

Auditor's opinion

These condensed consolidated financial statements for the year ended 31 August 2021 have been reviewed by RSM South Africa Inc., who expressed an unmodified review conclusion. A copy of the auditor's review report is available for inspection at the Company's registered office together with the financial statements identified in the auditor's report.

Operating review

The Board is pleased to report satisfactory results for the year ended 31 August 2021 despite the extremely tough economic climate. General business conditions are challenging with consumer goods, sales volumes and profitability remaining under pressure during H2 2021. The Group increased income before tax by 13,4% to R 191,1 million, increased the net asset value per share by 3,0% to R 62,98 and generated cash from operations of R 481,9 million.

South Africa

The economic recovery in South Africa, due to the COVID-19 pandemic, suffered further contractions due to the extreme nature of the Third Wave. Lockdown levels increased twice, which had a negative effect on consumer confidence and subsequently discretionary spend. Furthermore, the recent civil unrest and related widespread destruction of property in KZN and parts of Gauteng have also negatively impacted economic conditions and consumer sentiment. The Group continues to source and invest in key product categories to improve our value proposition, while remaining focussed on product quality, innovation and convenience. Revenue decreased marginally in the South African business operation (-2.3%). Attributable income as a percentage of turnover increased to 5,9% during 2021 (4,3% 2020).

Sales

Consumer electronics

The market came under pressure due to the increased lockdown levels, as well as the insurrection. The TV market in particular contracted in unit sales due to increased cost of freight as well as FOB prices. The market conditions were further negatively compounded by supply chain problems. Notwithstanding this, the Group managed to maintain market share and introduce new leading edge innovations.

Seasonal products

The Group showed strong revenue growth in both summer and winter seasons. Additional seasonal product line-up managed to increase revenue considerably.

Appliances – Small domestic appliances and white goods

The Company continues to introduce new cost effective product ranges, with focus on overall improvement in quality and “ease of use”. The refrigeration offering has been increased substantially.

Fast moving consumer division – liquor and other

Liquor – due to the National Lockdown and ban of alcohol sales during alert levels 5, 4 and partly 3, this had a significant negative impact on this division's sales.

Offshore operations

Australia

Tough conditions persisted in the Australian market for the year under review, with lockdowns in most major cities. Retailers of consumer electronics and other appliances were prohibited from opening their stores for over six months. The supply chain problems were also experienced in Australia, with hugely increased freight costs and delays in shipping. Notwithstanding these conditions, Yale Prima managed to improve gross margins by 30% and reduce operating expenses by 32,1%, resulting in a trading profit compared to a trading loss in the prior year.

Other Offshore Markets

These markets were under extreme pressure due to the pandemic. Retailers were unable to trade for certain periods. Distributors were reluctant to keep any additional stocks, due to the uncertainties prevailing in these markets. Subsequent to year end, with vaccinations taking place at an increased rate, more confidence has been restored to the markets, and new orders are being processed.

FINANCIAL PERFORMANCE

STATEMENT OF COMPREHENSIVE INCOME

Group revenue decreased by 10,3% to R 2 358,2 million (August 2020 – R 2 627,7 million).
Attributable income to equity holders of the company increased by 6,2% to R 140,9 million (August 2020 – R 132,7 million).

The increased profitability arose from improved gross margins, reduced operating expenses, and reduced financing costs due to improved balance sheet and strong cash generation.

STATEMENT OF FINANCIAL POSITION

The balance sheet strengthened considerably during the year under review, mainly due to the further reduction in stock holding and the resultant generation of cash from operations of R 481,9 million.

Inventory levels of R 634,9 million decreased by 14,8% from August 2020 (R 745,0 million).

Directors and management remain focused on maintaining and improving working capital management and stock turn rates even further.

Trade and other receivable of R 350,1 million decreased by 36,4% from prior year (August 2020 – R 550,9 million).

Strong trade debtor receipts both locally and offshore in Q4 2021 resulted from improved collections. Days Sales Outstanding improved to 39 days (August 2020 – 48 days).

Net asset value per share has increased by 3,0% to 6 297,9 cents (August 2020 – 6 113,1 cents).

SEGMENT REPORTING

The South African business operations contributed 80,9% of the Group's revenue and 79,8% of the Group's attributable income. Offshore operations account for 19,1% of turnover and 20,2% of income.

BOARD OF DIRECTORS

During the year under review, Bruce Haikney retired and resigned as Director and Company Secretary of the Group. Travers Cape was appointed as interim Company Secretary with effect from 1 February 2021.

CORPORATE ACTIVITIES

There were no corporate activities during the year under review.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ASPECTS

The Group complies with the Code on Corporate Governance Practices and Conduct as contained in the King IV Report on Corporate Governance. Nu-World is committed to transparent and integrated reporting in the spirit of King IV and the Global Reporting Initiative.

Nu-World continues its community support and corporate social investment.

DECLARATION OF FINAL DIVIDEND

Notice is hereby given that a final gross dividend of 249,0 cents per share was declared on 27 October 2021, payable to shareholders recorded in the register of Nu-World at the close of business on the record date appearing below. The dividend is payable out of cash reserves.

- Dividends have been declared out of profits available for distribution.
- Local Dividends Withholding Tax rate is 20%.
- The gross dividend amount is 249,0 cents per ordinary share.
- The net cash dividend amount is therefore 199,2 cents per ordinary share.
- The Company has 22 646 465 ordinary shares in issue as at the declaration.
- The Company's income tax reference number is 9100/085/71/2.

The salient dates pertaining to the final dividend are as follows:

Declaration announcement:	Wednesday, 27 October 2021
Last date to trade "cum" dividend	Monday, 13 December 2021
Date trading commences "ex" dividend	Tuesday, 14 December 2021
Record date	Friday, 17 December 2021
Date of payment	Monday, 20 December 2021

Ordinary share certificates may not be dematerialised or rematerialised between Tuesday, 14 December 2021 and Friday, 17 December 2021, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 20 December 2021.

ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING (AGM)

The 2021 Integrated Annual Report and the notice of AGM will be mailed on 26 November 2021.

The annual general meeting will take place at 10h00 on Wednesday, 9 February 2022, at the registered office of the Company. Shareholders are referred to the salient dates and venue below:

ISSUER NAME	Nu-World Holdings Limited
TYPE OF INSTRUMENT	Ordinary shares
ISIN NUMBER	ZAE000005070
JSE CODE	NWL
MEETING TYPE	Annual General Meeting
MEETING VENUE	The boardroom Nu-World Holdings Limited, 682 Pretoria Main Road, Wynberg, Sandton Sandton
RECORD DATE – to determine which shareholders are entitled to receive the Notice of AGM	Friday, 19 November 2021
PUBLICATION/POSTING date	Friday, 26 November 2021
LAST DATE TO TRADE – last day to trade to determine eligible shareholders that may attend, speak and vote at the AGM	Tuesday, 1 February 2022
RECORD DATE – record date to determine eligible shareholders that may attend, speak and vote at the AGM	Friday, 4 February 2021
MEETING DEADLINE DATE (for administrative purposes, forms of proxy to the meeting to be lodged by 10h00	Friday, 7 February 2022
MEETING DATE	Wednesday, 9 February 2021
PUBLICATION OF RESULTS on SENS	Wednesday, 9 February 2021
WEBSITE LINK	http://www.nuworld.co.za

PROSPECTS

Consumer demand will probably remain constrained and trading conditions challenging, in the immediate future. The focus of management is to grow both local and offshore market share in the consumer electronics and branded consumer durables sectors. This, coupled with the expanded offshore territories in which the Group trades, should increase the contribution from these businesses in future years.

The Group continues to focus its target market on recognized international brands for consumer electronics and consumer durables, both locally and offshore.

SUBSEQUENT EVENTS

No events material to the understanding of this report have occurred during the period between 31 August 2021 and the date of this report.

On behalf of the Board

J.A. Goldberg
Chief Executive Officer
27 October 2021

G.R. Hindle
Financial Director

COMPANY INFORMATION
Nu-World Holdings Limited

Registration number 1968/002490/06

(Incorporated in the Republic of South Africa)

JSE share code: NWL

ISIN code: ZAE000005070

("Nu-World" or "the Company" or "the Group")

Registered office

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Transfer secretaries

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue,

Rosebank, 2196

Company secretary (interim)

T. Cape

Sponsor

Sasfin Capital (a member of the Sasfin Group)

Sasfin Place, 29 Scott Street, Waverley, 2090

Auditors

RSM South Africa Inc.

Executive City, Cross Street and Charmaine Avenue

President Ridge, Randburg, 2194

Directors

M.S. Goldberg (Executive Chairman),

J.A. Goldberg (Chief Executive),

G.R. Hindle (Financial Director)

Independent Non-executive directors

J.M. Judin (Lead)

D. Piaray

R. Kinross

F.J. Davidson

www.nuworld.co.za

27 October 2021