



## CONDENSED AUDITED CONSOLIDATED ANNUAL RESULTS, DIVIDEND DECLARATION AND NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR ENDED 31 AUGUST 2022

### FINANCIAL HIGHLIGHTS

REVENUE	R 2 151,9	MILLION	- 8,8%
TOTAL COMPREHENSIVE INCOME	R 152,7	MILLION	+ 81,9%
HEADLINE EARNINGS	R 84,8	MILLION	- 39,4%
HEADLINE EARNINGS PER SHARE (CENTS)	394,1	CENTS	
DIVIDEND PROPOSED	R 33,9	MILLION	
DIVIDEND PER SHARE (CENTS)	149,8	CENTS	
NET ASSET VALUE PER SHARE (CENTS)	6 745,7	CENTS	+ 7,1%

	% Change	Year ended 31-Aug 2022 R000	Year ended 31-Aug 2021 R000
<b>CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>Revenue</b>	-8,8%	<b>2 151 831</b>	2 358 212
Net operating income		<b>133 304</b>	219 468
Depreciation – property, plant and equipment		<b>2 645</b>	2 820
Depreciation – right-of-use assets		<b>17 282</b>	15 274
Finance charges – right-of-use assets		<b>4 567</b>	5 189
Interest paid		<b>4 455</b>	5 126
<b>Income before taxation</b>		<b>104 355</b>	191 059
Taxation		<b>19 525</b>	49 105
Income after taxation		<b>84 830</b>	141 954
Share of associate company income		<b>193</b>	140
<b>Net income for the year</b>		<b>85 023</b>	142 094
<b>Attributable to:</b>			
Equity holders of the Company		<b>84 818</b>	140 964
Non-controlling interest		<b>205</b>	1 130
		<b>85 023</b>	142 094
<b>Other comprehensive income:</b>			
Exchange differences on translating foreign operations		<b>68 664</b>	(58 095)
Comprehensive net income for the year		<b>153 687</b>	83 999
<b>Total comprehensive income attributable to:</b>			
Non-controlling interest		<b>955</b>	(2)
Equity holders of the Company	81,9%	<b>152 732</b>	84 001
		<b>153 687</b>	83 999
<b>Headline earnings reconciliation:</b>			
Determination of attributable earnings and headline earnings:			
Basic earnings		<b>84 818</b>	140 964
Profit on disposal of property, plant and equipment and impairment of trademarks		<b>(30)</b>	(1 031)
Total tax effects of adjustment		<b>6</b>	40

Headline earnings	-39,4%	<b>84 794</b>	139 973
		<b>Year ended 31-Aug 2022 R000</b>	Year ended 31-Aug 2021 R000
<b>OTHER GROUP INFORMATION</b>	<b>% Change</b>		
Dividend – proposed / paid		<b>33 927</b>	56 386
Earnings per share (cents)		<b>394,3</b>	655,2
Headline earnings per share (cents)	-39,9%	<b>394,1</b>	650,6
Diluted earnings per share (cents)		<b>394,3</b>	655,2
Dividend per share (cents)		<b>149,8</b>	249,0
Dividend cover (times)		<b>2,5</b>	2,5
Interest cover		<b>29,3</b>	42,3
Shares in issue (total issued)		<b>22 646 465</b>	22 646 465
Shares in issue (less treasury shares)		<b>21 513 366</b>	21 513 366
Shares in issue – weighted		<b>21 513 366</b>	21 513 366
Net asset value per share (cents)	7,1%	<b>6 745,7</b>	6 297,9
<b>Intangible assets</b>			
<b>Goodwill and amortisation</b>			
Balance at beginning of year		<b>32 098</b>	34 985
Translation of foreign operations		<b>1 762</b>	(2 887)
Balance at end of year		<b>33 860</b>	32 098
<b>Patents and trademarks</b>			
Balance at beginning of year		<b>28 611</b>	27 725
Reversal of impairment during year			886
Balance at end of year		<b>28 611</b>	28 611
<b>Total intangible assets</b>		<b>62 471</b>	60 709

There are no dilutionary instruments in issue

	Year ended 31-Aug 2022 R000	Year ended 31-Aug 2021 R000
<b>CONDENSED GROUP STATEMENT OF FINANCIAL POSITION</b>		
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>163 727</b>	166 653
Property, plant and equipment	21 466	23 240
Right-of-use assets	55 153	52 169
Intangible assets	62 471	60 709
Investment in associates	900	707
Deferred taxation	23 737	29 828
<b>Current assets</b>	<b>1 484 896</b>	1 499 361
Inventory	644 280	497 082
Stock in transit	74 155	137 900
Trade and other receivables	428 194	350 089
Cash and cash equivalents	338 267	514 290
<b>Total assets</b>	<b>1 648 623</b>	1 666 014
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>1 459 775</b>	1 362 478
Ordinary shareholders' funds	1 451 236	1 354 894
Non-controlling interest	8 539	7 584
<b>Non-current liabilities</b>	<b>51 977</b>	56 323
Lease liabilities	51 977	56 323
<b>Current liabilities</b>	<b>136 871</b>	247 213
Bank overdraft		43
Lease liabilities	23 261	17 545
Trade and other payables	113 610	229 625
<b>Total equity and liabilities</b>	<b>1 648 623</b>	1 666 014

#### CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Year ended 31-Aug 2022 R000	Year ended 31-Aug 2021 R000
<b>Balance as at 1 September</b>	<b>1 354 894</b>	1 315 144
Total attributable income for the year	84 818	140 964
Dividend paid	(56 390)	(44 251)
Movement in foreign currency translation reserve	67 914	(56 963)
<b>Balance as at 31 August</b>	<b>1 451 236</b>	1 354 894

## CONDENSED GROUP STATEMENT OF CASH FLOWS

	Year ended 31-Aug 2022 R000	Year ended 31-Aug 2021 R000
<b>Net cash flow from operating activities</b>	<b>(183 035)</b>	374 133
Cash (expended on)/generated from operations	<b>(99 503)</b>	481 891
Investment income	<b>2 466</b>	926
Interest paid	<b>(4 455)</b>	(5 126)
Dividend paid	<b>(56 390)</b>	(44 251)
Normal tax on companies	<b>(25 153)</b>	(59 307)
<b>Cash flows from investing activities</b>	<b>(837)</b>	(3 899)
Purchase of tangible fixed assets	<b>(981)</b>	(3 899)
Proceeds on disposal of fixed assets	<b>144</b>	
<b>Cash flows from financing activities</b>	<b>(23 463)</b>	(20 428)
Repayment of lease liabilities	<b>(23 463)</b>	(20 428)
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(207 335)</b>	349 806
Cash and cash equivalents at the beginning of the year	<b>514 247</b>	187 072
Effect on exchange rate changes on the balance of cash held in foreign currencies	<b>31 355</b>	(22 631)
<b>Cash and cash equivalents at end of the year</b>	<b>338 267</b>	514 247

## NOTES TO THE CONDENSED AUDITED CONSOLIDATED RESULTS

### Note 1: Basis of Preparation

The financial information contained in this report is extracted from audited information, but is itself not audited or reviewed. 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 audited by RSM South Africa Inc., who expressed an unmodified audit opinion. A copy of the auditor's opinion 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

	<b>Year ended 31-Aug 2022 R000</b>	<b>Year ended 31-Aug 2021 R000</b>
<b>% Change</b>		
<b>Geographical revenue</b>		
South Africa	1 637 502	1 907 845
Offshore subsidiaries	514 329	450 367
-8,8%	<b>2 151 831</b>	2 358 212
<b>Geographical income</b>		
South Africa	45 156	112 490
Offshore subsidiaries	39 662	28 474
-39,8%	<b>84 818</b>	140 964
	<b>Operating Profit % 2022</b>	<b>Operating Profit % 2021</b>
<b>Attributable income as percentage of turnover (%)</b>		
South Africa	2,7%	5,9%
Offshore subsidiaries	7,9%	6,3%
	<b>3,9%</b>	6,0%

### Note 4: Revenue from contracts with customers

	<b>Year ended 31-Aug 2022 R000</b>	<b>Year ended 31-Aug 2021 R000</b>
<b>Revenue from contracts with customers</b>		
Sale of goods	2 328 525	2 547 339
Rebate and trade discounts	(176 694)	(189 127)
	<b>2 151 831</b>	2 358 212
<b>Regions</b>		
Africa	1 801 320	2 069 179
Middle East and Asia	99 557	92 641
Australasia	404 796	362 897
South America	22 852	22 622
	<b>2 328 525</b>	2 547 339
<b>Categories</b>		
Consumer electronics	1 355 497	1 648 452
Home electrical appliances	698 308	788 719
Other consumer durables	274 720	110 168
	<b>2 328 525</b>	2 547 339

### Note 5: Other comprehensive income

The year-end translation ZAR rate depreciated by 17,0% against the USD in FY 2022, compared to the ZAR appreciation of 13,2% to the USD in FY 2021. This resulted in the exchange differences on translating foreign operations of R68,6 million in FY 2022 and (R58,1 million) in FY 2021.

The full year transaction ZAR: USD rate depreciated marginally by 0,9% to 15,80 in FY 2022 (15,67 in FY 2021)

## **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 2022. The Group's results to 31 August 2022 were disappointing due to a severely distressed Global economy. The South African insurrection of July 2021 still had a negative impact on the Group's 2022 results.

In SA, revenue decreased by 14,2% compared to the prior year due to a combination of weak volume growth, subdued selling price inflation and reduced consumer discretionary expenditure. Offshore operations increased revenue by 14,2% primarily due to stronger USD, in addition to positive signals starting to occur in other offshore markets.

### **Auditor's opinion**

The consolidated financial statements for the year ended 31 August 2022 have been audited by RSM South Africa Inc., who expressed an unmodified audit opinion. A copy of the auditor's audit opinion 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 presents disappointing results for the year ended 31 August 2022 due to the extremely tough global economic climate. General business conditions were challenging with consumer goods, sales volumes and profitability remaining under pressure for the entire FY 2022.

### **South Africa**

The economy in South Africa showed little sign of recovery post the COVID-19 pandemic and the July 2021 looting and insurrection. Consumer confidence has not recovered, consequently discretionary spend remains subdued. Inflation has added to the negativity of consumers with less funds available for discretionary spending.

### **Sales**

#### **Consumer electronics**

The TV market in particular contracted in unit sales due to increased cost of freight as well as higher FOB prices. The market conditions were further negatively effected by supply chain problems, sourcing shortages and shipping delays. Inflationary pressures started to have negative effect on consumers' disposable income.

#### **Seasonal products**

The summer range sales in H1 2022 were disappointing due to the moderate weather conditions. The winter season started off well with weather being very cold, however became more moderate towards end of season. Never the less, sales for the season ended satisfactorily.

#### **Appliances – Small domestic appliances (SDA) and white goods**

SDA – Nu-World managed to introduce new leading items which were in demand during the year under review. Sales were strong. The Company is to grow on this success by introducing a full line up of these products. Other associated lines, under the Goldair brand, are also being introduced. Appliances – white goods – certain lines became unaffordable due to the exorbitant freight rates being charged by shipping lines. These lines were temporarily suspended from the range, however have subsequently been re-introduced. Other lines, particularly in the gas range, proved very popular and sales improved in these products.

**Consumer division – liquor and other**

Liquor sales doubled due to the lifting of lockdowns and the introduction of new spirit ranges.

**Offshore operations****Australia**

Yale Prima managed to increase its topline sales significantly, however lower margins resulted in weaker profitability. The Australian operation is pushing to widen its customer base and enter into new markets. Despite reducing operating expenses, trading profits remain under pressure.

**Other Offshore Markets**

Most markets showed signs of improvement post the pandemic lockdowns, as Retailers were able to trade again, and distributors started acquiring and building their stock levels.

## **FINANCIAL PERFORMANCE**

### **STATEMENT OF COMPREHENSIVE INCOME**

Group revenue decreased by 8,8% to R 2 151,8 million (August 2021 – R 2 358,2 million).

Attributable income to equity holders of the company decreased by 39,8% to R 84,8 million (August 2021 – R 140,9 million).

The decreased profitability arose from reduced gross margins and operating expenditure pressures.

### **STATEMENT OF FINANCIAL POSITION**

The balance sheet remains strong with total equity increasing by 7,1% to R 1 459,8 million (August 2021 – R 1 362,5 million).

Inventory levels of R 718,4 million increased by 13,1% from August 2021 (R 635,0 million).

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

Trade and other receivable of R 428,2 million increased by 22,3% from prior year (August 2021 – R 350,1 million).

Net asset value per share has increased by 7,1% to 6 745,7 cents (August 2021 – 6 297,9 cents).

### **BOARD OF DIRECTORS**

There were no changes during the year under review.

### **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 149,80000 cents per share was declared on 26 October 2022, 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 149,80000 cents per ordinary share.
- The net cash dividend amount is therefore 119,84000 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, 26 October 2022
Last date to trade "cum" dividend	Monday, 12 December 2022
Date trading commences "ex" dividend	Tuesday, 13 December 2022
Record date	Thursday, 15 December 2022
Date of payment	Monday, 19 December 2022

Ordinary share certificates may not be dematerialised or rematerialised between Tuesday, 13 December 2022 and Thursday, 15 December 2022, both days inclusive.



Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 19 December 2022.

## **ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING (AGM)**

The 2022 Integrated Annual Report and the notice of AGM will be mailed on 28 November 2022.

The annual general meeting will take place at 10h00 on Wednesday, 8 February 2023, at the registered office of the Company. Shareholders are referred to the salient dates and venue below:

MEETING VENUE	The Boardroom Nu-World Holdings Limited, 682 Pretoria Main Road, Wynberg, Sandton
RECORD DATE – to determine which shareholders are entitled to receive the Notice of AGM	Friday, 18 November 2022
PUBLICATION/POSTING date	Monday, 28 November 2022
LAST DATE TO TRADE – last day to trade to determine eligible shareholders that may attend, speak and vote at the AGM	Tuesday, 24 January 2023
RECORD DATE – record date to determine eligible shareholders that may attend, speak and vote at the AGM	Friday, 27 January 2023
MEETING DEADLINE DATE (for administrative purposes, forms of proxy for the meeting to be lodged by 10h00)	Monday, 6 February 2023
MEETING DATE	Wednesday, 8 February 2023
PUBLICATION OF RESULTS on SENS	Wednesday, 8 February 2023
WEBSITE LINK	<a href="http://www.nuworld.co.za">http://www.nuworld.co.za</a>

## **PROSPECTS**

Consumer demand is expected to 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 2022 and the date of this report.

On behalf of the Board

J.A. Goldberg  
Chief Executive Officer  
26 October 2022

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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Wynberg,

Sandton, 2199

Republic of South Africa

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**Transfer secretaries**

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue,

Rosebank, 2196

**Company secretary**

B.H. Haikney

**Sponsor**

Questco Corporate Advisory

Ground Floor, Block C, Investment Place, 10<sup>th</sup> Road

Hyde Park, 2196

**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](http://www.nuworld.co.za)

26 October 2022

Johannesburg  
26 October 2022

**JSE Sponsor to Nu-World**



**Questco Corporate Advisory Proprietary Limited**