

Building legacies. Changing lives

CALGRO M3
Group

ANNUAL FINANCIAL RESULTS

for the year ended 28 February 2023

www.calgrom3.com

AGENDA

1. YEAR UNDER REVIEW
2. UNDERLYING BUSINESS PERFORMANCE
3. FINANCIAL REVIEW
4. SHAREHOLDING
5. THE FUTURE
6. APPENDIX

01

YEAR UNDER REVIEW



CORE MESSAGE

Well diversified projects and product offerings to cater to various income groups

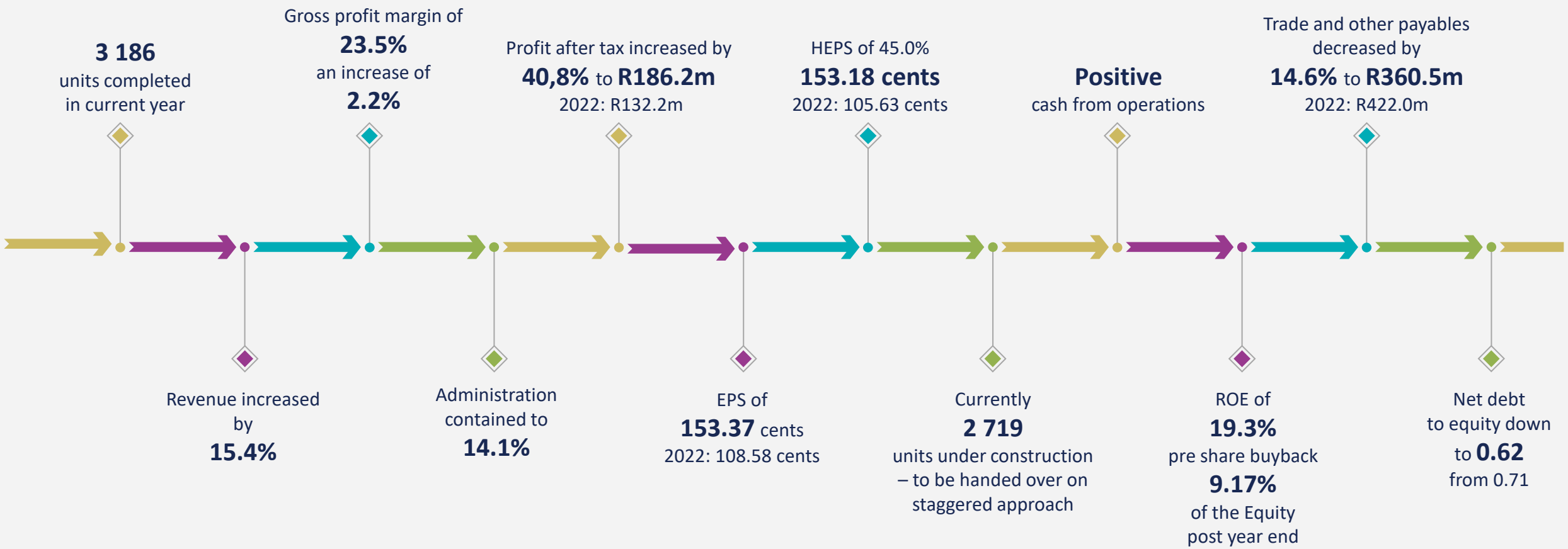
Good traction in both the Developments and Memorial Parks segments

Financial health is robust, with the strongest results and most resilient balance sheet in history

#sustainableactions

FINANCIAL OVERVIEW OF THE YEAR

Key financial metrics:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

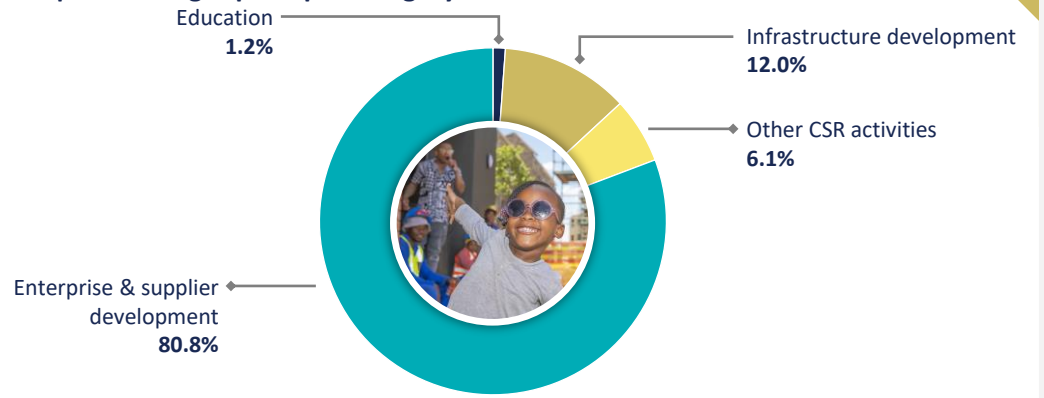
Total staff complement analysis

		African	Coloured	Indian	White
Total	Male 55.2%	58.9%	7.8%	2.0%	31.1%
	Female 44.8%	57.5%	13.7%	6.9^%	21.9%
Total workforce		58.3%	10.4%	4.3%	27.0%



Corporate social responsibility ("CSR")

CSR | Percentage spend per category





United Nations Global Compact

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UNDERLYING BUSINESS PERFORMANCE



CONTRIBUTIONS TO GROUP



Revenue and profit after tax * contribution to Group



Memorial Parks is a key expansion area for the Group with the medium-term objective to grow cash receipts from Memorial Parks to support all Group overheads and interest obligations.

(*) excluding other segments

INTEGRATED RESIDENTIAL DEVELOPMENTS

Construction momentum continues as Calgro M3 builds homes which enhance the environment and contribute to a change in lifestyle, creating a space where communities can thrive.



UWC



308 on Kern



32 on Pine

INTEGRATED RESIDENTIAL DEVELOPMENTS

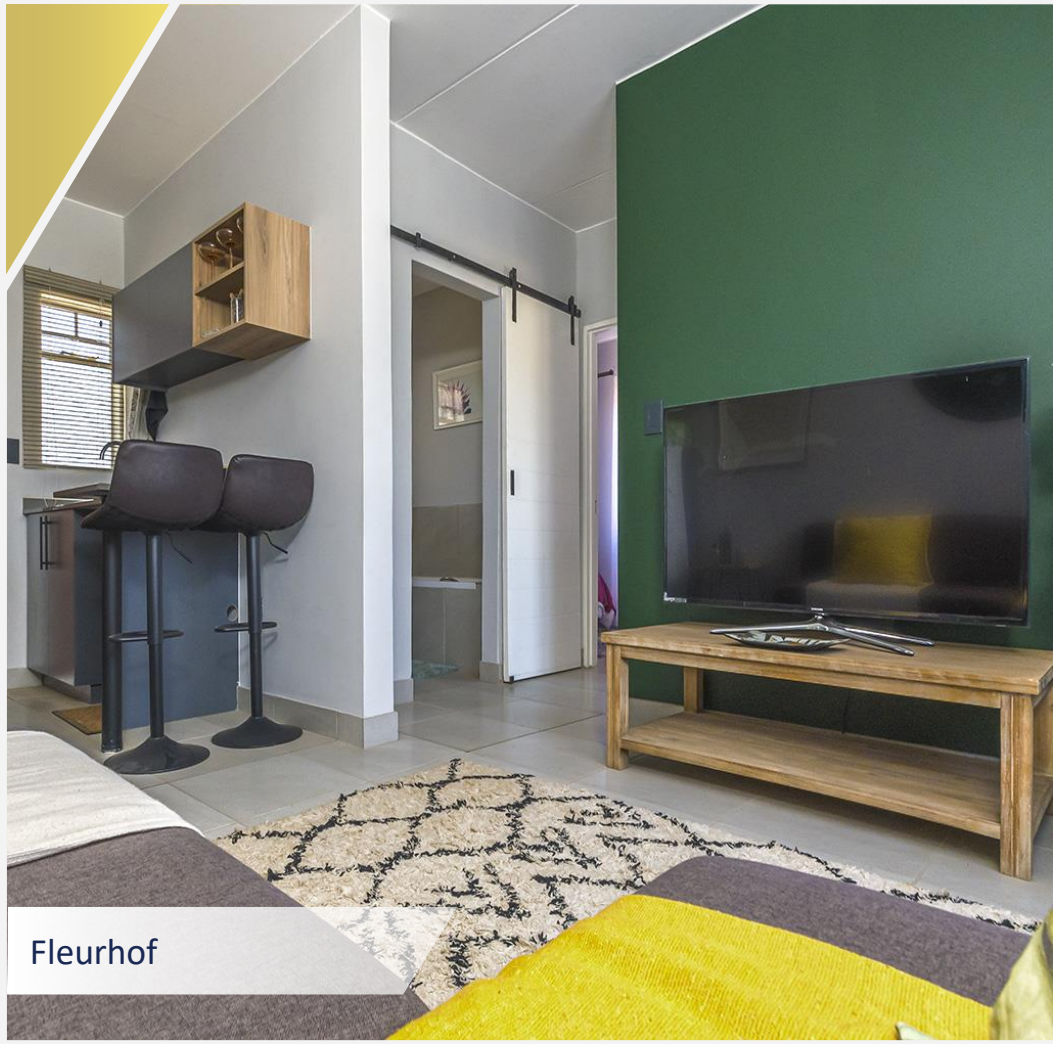


Fleurhof | Gauteng

INTEGRATED RESIDENTIAL DEVELOPMENTS

Revenue increased by 17,3%

- Maximising core project returns through town planning, improved designs, and product enhancements
  - Efficient design layouts added
    >1 600 units at no additional capital cost
- Gross margin 23,1% (within target range)
- Self-funded R249 million bulk and link infrastructure on Jabulani, Fleurhof, South Hills and Belhar
- Plan to spend R150 million in next financial year
  – Currently servicing >3 100 units
- Appetite remains in place from all major banks demonstrating their continued support of the residential development industry
- Revenue pipeline is R15.9 billion (>22,000 opportunities), excluding Frankenwald

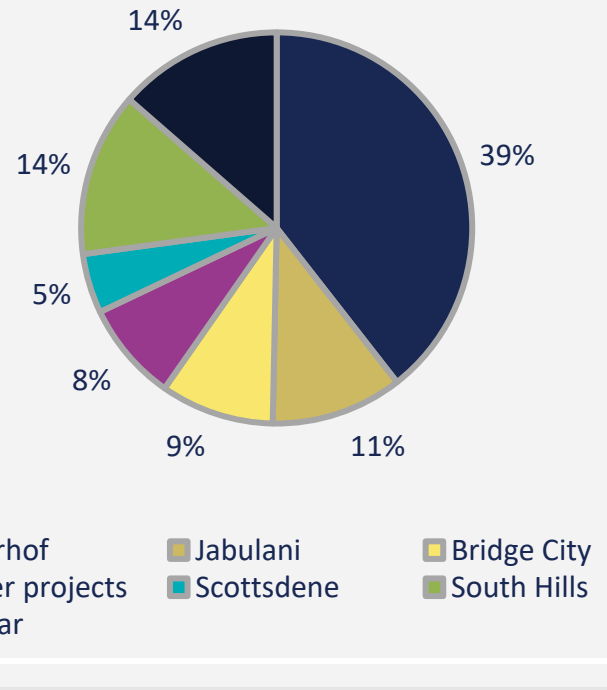


Fleurhof

INTEGRATED RESIDENTIAL DEVELOPMENTS

Units completed	**3 186**	**Under construction**	**2 719**	**Total pipeline**	**20 263**
Active projects *(primarily in Gauteng and the Western Cape)*	**9**	**Cash generating projects**	**9**	**Units planned for under construction**	**< 1 750**

Total segment revenue (2023)

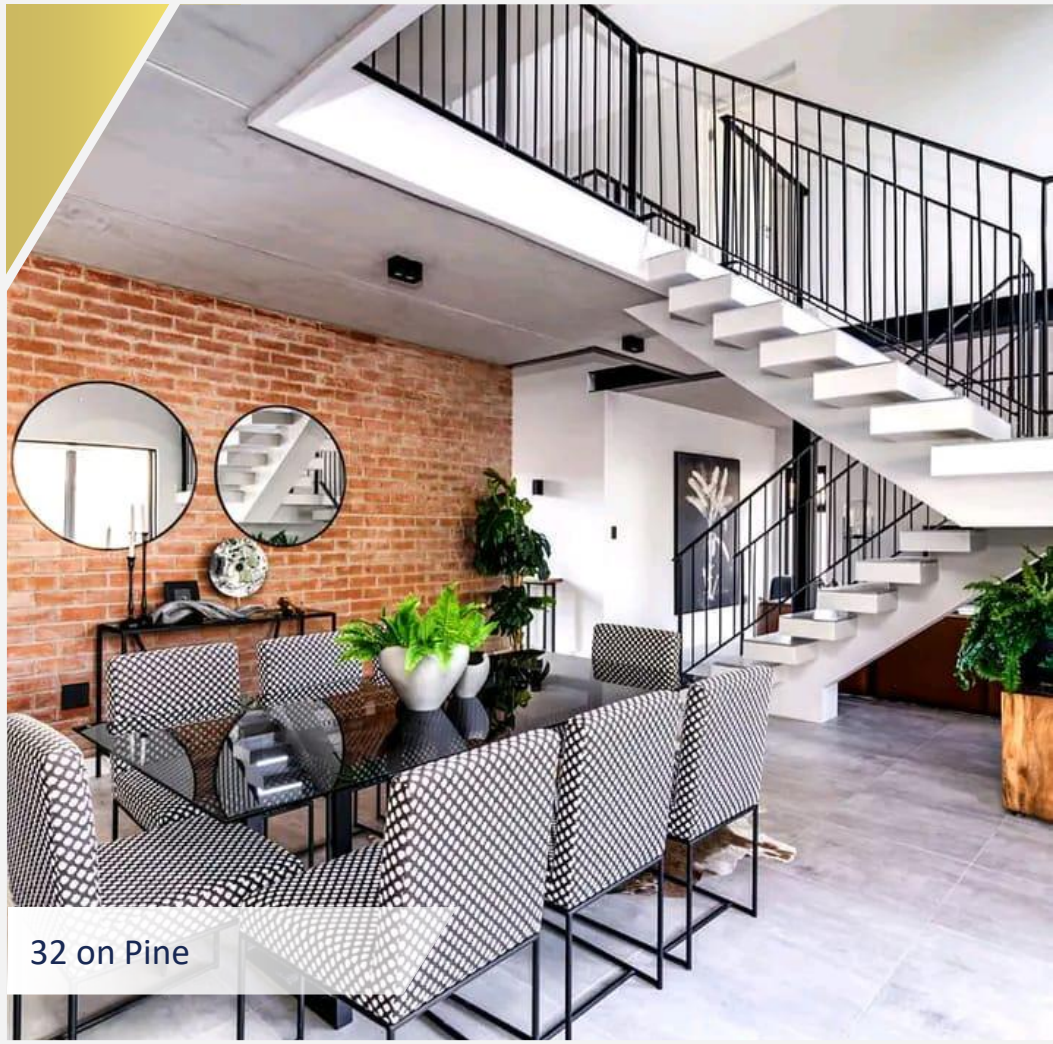


Revenue pipeline

Projects	Units under construction	Total remaining opportunities	Revenue pipeline (R)
Belhar	299	**1 687**	1 175 097 026
Bridge City	-	**-**	27 982 515
Fleurhof	274	**5 208**	4 345 681 432
Jabulani	815	**748**	819 777 960
La Vie Novelle	1	**81**	199 804 010
Scottsdene	635	**293**	368 362 918
South Hills	474	**4 790**	3 326 264 193
Umhlanga Hills (if developed)	-	**720**	562 8/52 174
Vredehoek	-	**263**	819 038 261
Maitland	204	**-**	3 855 047
Mid-to-high	17	**370**	1 131 478 306
Witpoortjie	-	**6 103**	3 036 072 191
KwaNobuhle	-	**-**	165 000 000
	2 719	**20 263**	15 981 266 033

INTEGRATED RESIDENTIAL DEVELOPMENTS

- Revenue diversification between projects and provinces
- Large order book – Non- subsidised units focus
- High demand
- Enhanced product and lifestyle offering whilst taking affordability into account – Demonstrating value for money offering
- Meticulous capital allocation
- A sustainable balance of construction activities and timelines across various phases will ensure consistent handovers and cashflow
- Interest rates mitigated by value for money offering



32 on Pine

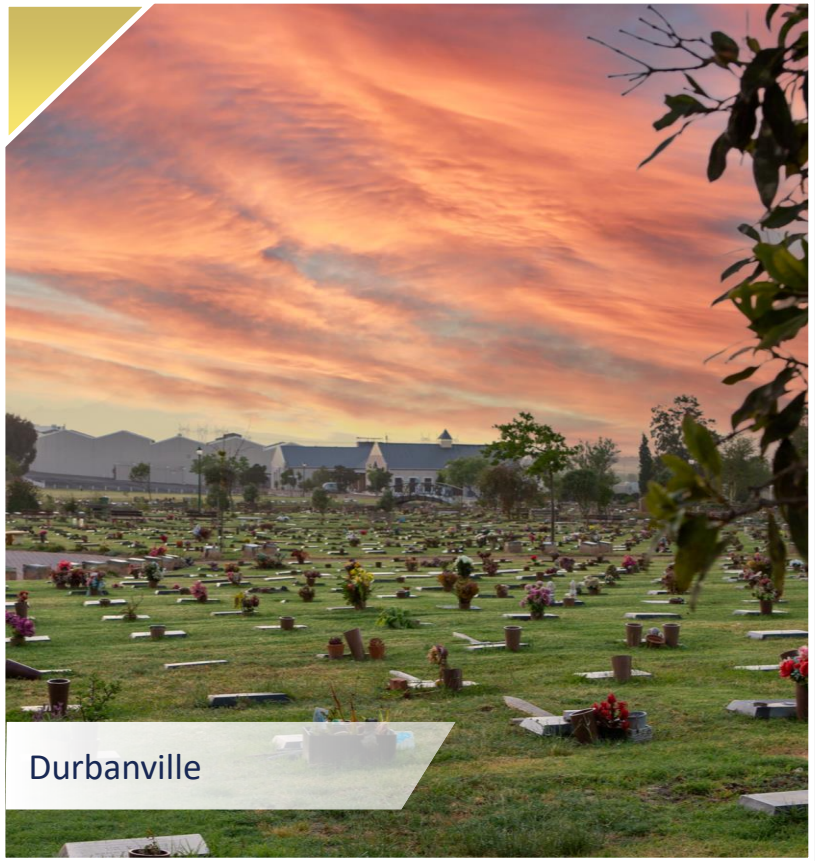
MEMORIAL PARKS



Nasrec



Fourways

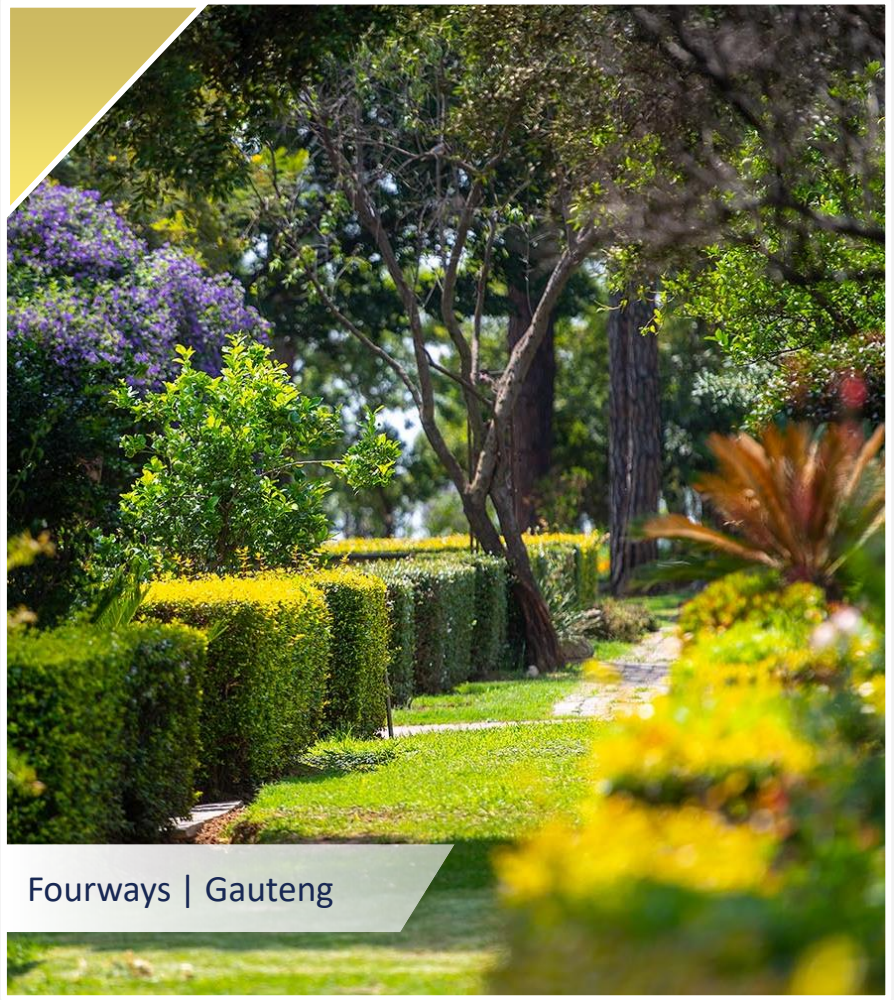


Durbanville

MEMORIAL PARKS

- Total cash received decreased by 26.0% to R47.9million (2022: R64.7million)
- Data driven marketing implemented end 2022 financial year
- Continued focus on distribution channels and affordability enhancement
- Gross profit margin reduced due to fixed cost hurdle. Target margin remains over 50%
- Compounded annual growth rate (“CAGR”) of this segment remains in excess of 26% for the past five years

Current phases (graves)	**30 917**
Future phases (graves)	**68 880**



Fourways | Gauteng

MEMORIAL PARKS | PRODUCT DEVELOPMENT

Lay-by product

- Introduced in July 2022
- Allows customers up to 24 months to pay for reservation of a grave, at 0% interest
- Resulted in an additional R12.4 million in sales (not yet reflected in revenue)
- Of this amount, R8.9 million will be received in the next 12 months
- Revenue recognised once full purchase price received in cash
- Offering showing immense potential while addressing financial pressure the consumer is under
- Aligning to strategic purpose of generating sustainable monthly cash flows for Group

Grave quantities

NASREC MEMORIAL PARK by CALGRO	28 691
FOURWAYS MEMORIAL PARK by CALGRO	7 184
ENOKUTHULA MEMORIAL PARK by CALGRO	11 019
BLOEMFONTEIN MEMORIAL PARK by CALGRO	46 524
DURBANVILLE MEMORIAL PARK by CALGRO	6 379



MEMORIAL PARKS

- Burial rights awarded at Bloemfontein Memorial Park subsequent to year-end
- Focus marketing and leverage both traditional and digital platforms;
  - raise awareness of services,
  - increase customer engagement, and
  - ultimately drive growth.
- Primary objective remains to grow annuity income to cover Group overheads and interest obligations in medium term
- Technology hub



Nasrec | Gauteng

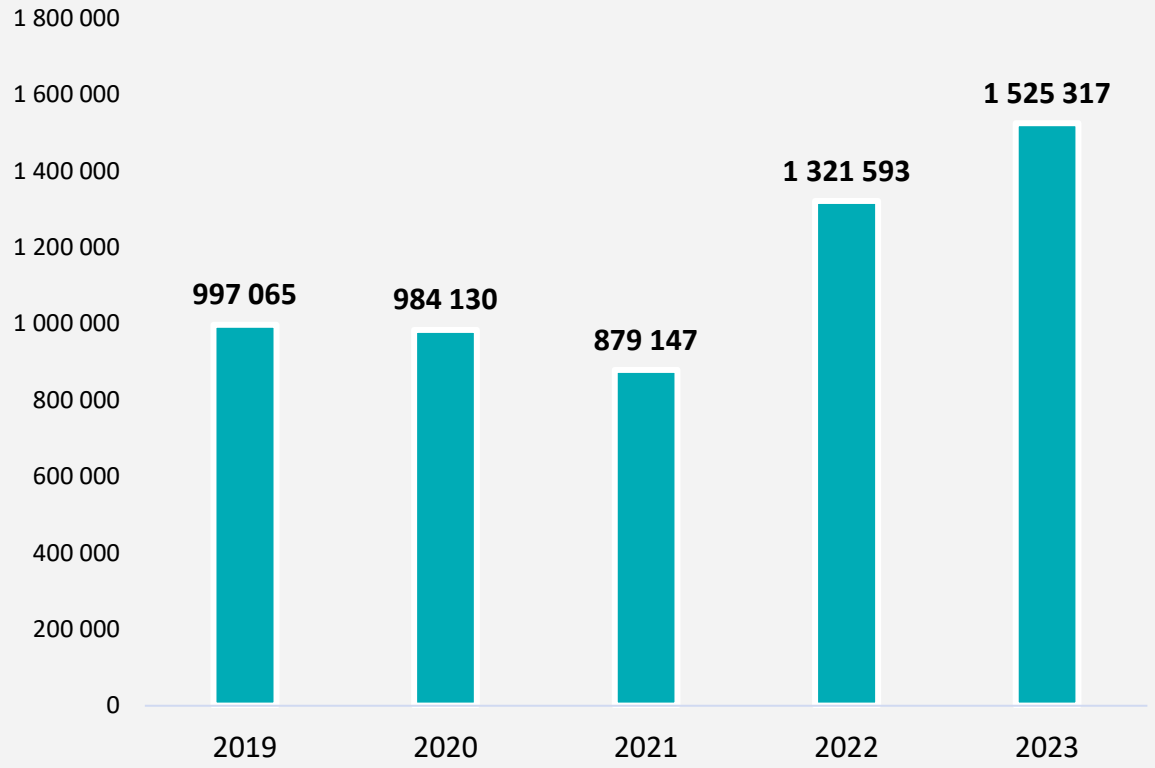
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FINANCIAL REVIEW

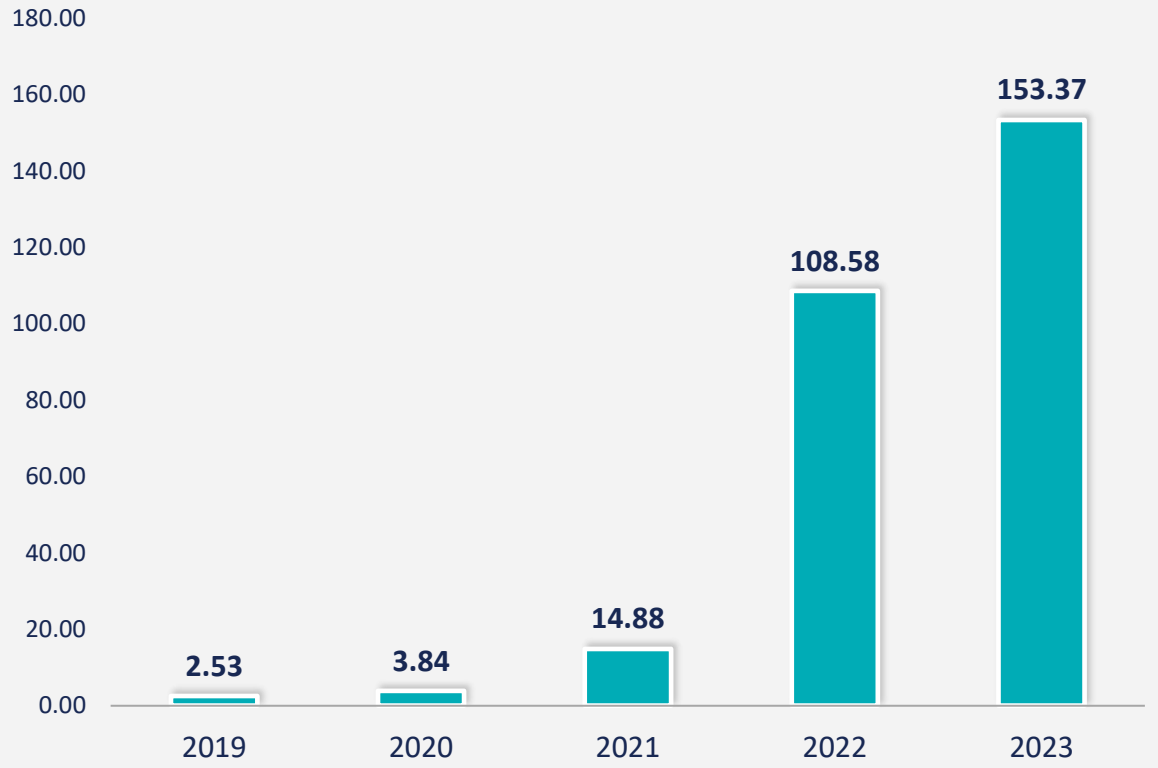


FINANCIAL SUMMARY

Revenue (R'000)



Earnings per share (cents)



STRONGEST FINANCIAL PERFORMANCE AND HEALTHIEST FINANCIAL POSITION IN GROUPS HISTORY

STATEMENT OF CASHFLOWS

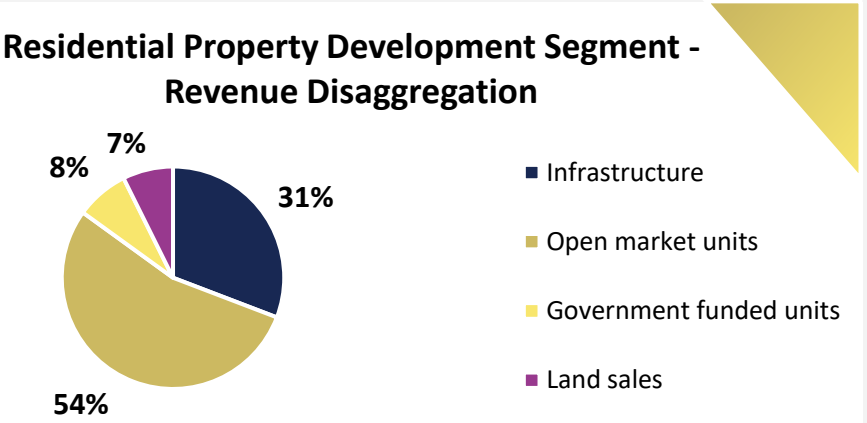
(R'000)	Audited Feb 2023	Audited Feb 2022
Cash generated from operating activities		
Cash generated from operations	86 639	228 222
Finance income received	8 003	1 983
Finance cost paid	(90 375)	(82 301)
Tax paid	(5 198)	(18 022)
Net cash generated from operating activities	**2 070**	**129 882**
Cash flow (invested in) / received from investing activities		
Purchase of property, plant and equipment	(1 199)	(1 182)
Increase in investments	-	(286)
Proceeds from sale of property, plant and equipment	456	-
Disposal of investment in joint venture	-	5
Loans advanced to joint ventures	(65 125)	(18 091)
Loans repaid by joint ventures and associates	13 172	45 094
Net cash (invested in) / received from investing activities	**(52 696)**	**25 535**

STATEMENT OF CASHFLOWS (CONT)

(R'000)	Audited Feb 2023	Audited Feb 2022
Cash flows advanced / (repaid in) financing activities		
Proceeds from borrowings	230 000	-
Capital repayment of borrowings	(194 800)	(107 400)
Repayment of capital portion of leases	(3 073)	(2 378)
Settlement of share purchase liability	-	(9 086)
Net cash advanced / (repaid in) financing activities	**32 126**	**(118 864)**
Net (decrease) / increase in cash and cash equivalents	(18 500)	36 553
Cash and cash equivalents at the beginning of the year	191 114	154 561
Cash and cash equivalents at the end of the year	**172 614**	**191 114**

SEGMENTAL REVENUE CONTRIBUTION

Revenue (R'000)	Audited February 2023	Audited February 2022	% change
Residential Property Development	1 489 773	1 269 325	17%
Memorial Parks	35 544	52 268	(32%)
Total	**1 525 317**	**1 321 593**	**15.4%**







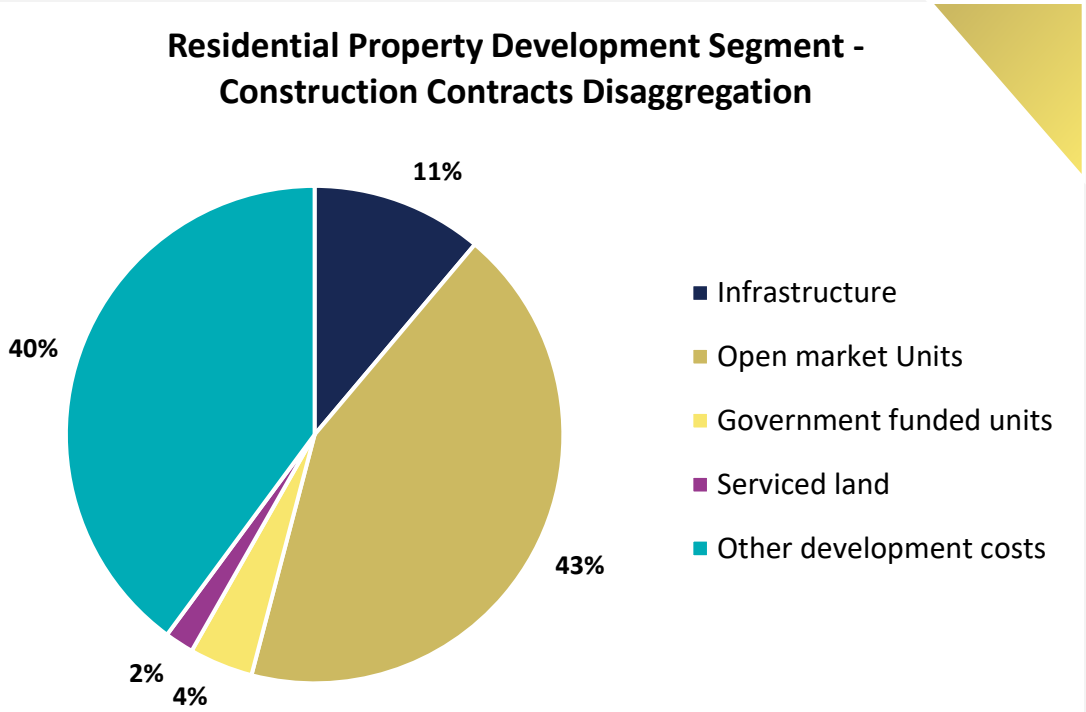
STATEMENT OF COMPREHENSIVE INCOME

(R'000)	February 2023	February 2022
Revenue	1 525 317	1 321 593
Gross profit	357 694	281 847
Gross profit %	23.5%	21.3%
Administrative expenses	(102 425)	(89 774)
Share of profit/(loss) of joint ventures – net of tax	5 387	9 642
Profit after taxation	186 288	132 171



STATEMENT OF FINANCIAL POSITION | ASSETS

(R'000)	Audited Feb 2023	Audited Feb 2022
Assets		
Cash and cash equivalents	172 614	191 114
Trade and other receivables	164 11	147 293
Current tax receivable	362	2 372
Construction contracts	1 162 394	909 322
Loans to joint ventures	371 472	281 828
Investments in joint ventures	51 991	46 604
Inventories	498 541	615 820
Investments	14 985	13 927
Property, plant and equipment	16 685	19 682
Investment property	19 947	19 947
Intangible assets	159 651	159 651
Deferred income tax asset	26 500	31 696
Total assets	**2 659 063**	**2 439 256**



STATEMENT OF FINANCIAL POSITION | EQUITY AND LIABILITIES

(R'000)	Audited Feb 2023	Audited Feb 2022
Total equity	**1 154 038**	**963 686**
Liabilities		
Trade and other payables	360 504	422 012
Current income tax liabilities	634	655
Borrowings	876 362	839 068
Deferred income tax liabilities	267 525	213 835
Total liabilities	**1 505 025**	**1 475 570**
Total assets	**2 659 063**	**2 439 256**

BORROWING MATURITIES

Outstanding Capital	Rand (R'm)
Opening balance 1 March 2022	850.6
New debt	230.0
Debt repaid	(194.8)
Closing balance 28 February 2023	**885.8**

Maturity profile	Rand (R'm)
FY 2024	282.8
FY 2025	211.8
FY 2026	157.5
FY 2027	93.8

Maturity profile	Rand (R'm)
FY 2028	140.0

SUBSEQUENT TO THE END OF THE FINANCIAL YEAR THE GROUP HAS SETTLED A FURTHER R77.4 MILLION OF OUTSTANDING DEBT WHICH FELL DUE.



COVENANTS

	28 February 2023	28 February 2022	28 February 2021
Net debt to equity ratio	0.62	0.71*	0.99
Debt service cover ratio	1.61	2.15	1.41

(*) This is ahead of communicated targets, however as new infrastructure phases commence, we may see slight increases above the February 2024 target in the short-term basis during the course of the financial year.

Net Debt to Equity Target

Date	Target
By 28 February 2023	0.80: 1
By 28 February 2024	0.75: 1

Regulated covenant levels:

Maximum allowed net debt: equity ratio for the Group is 1.5 : 1

Minimum allowed DSCR ratio for the Group is 1.2

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SHAREHOLDING

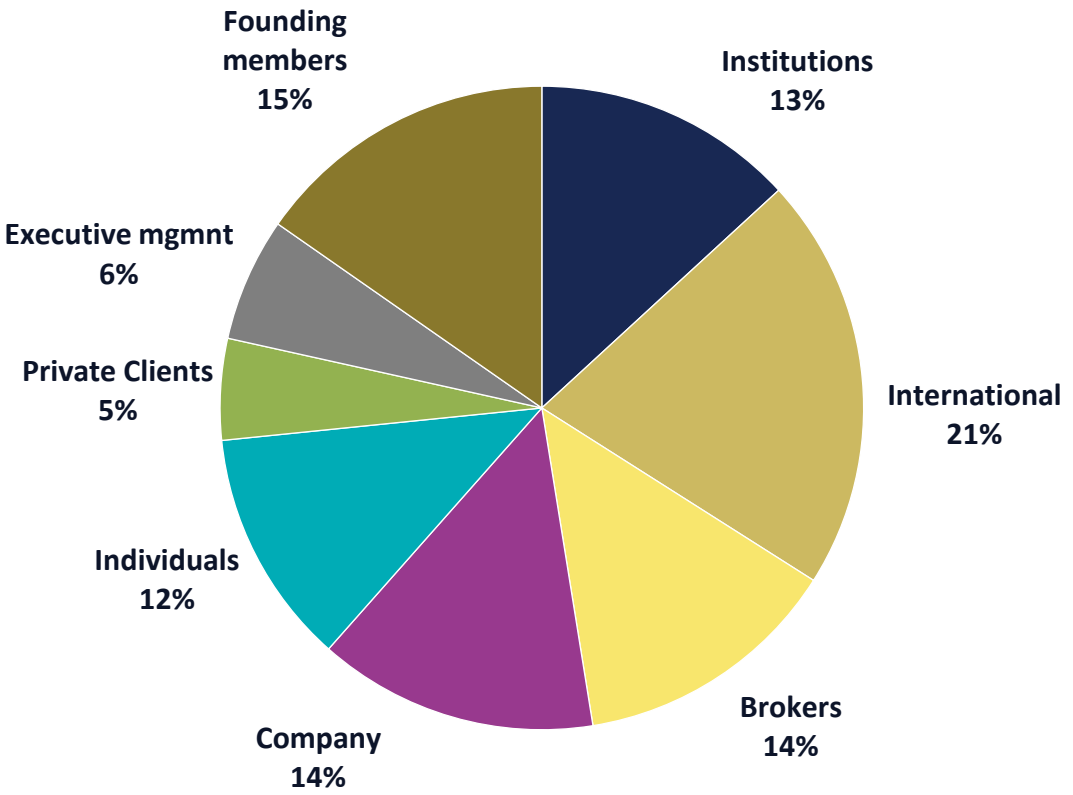


SHAREHOLDING

- Bought back 9,27% ordinary shares at an average price of R2.34
- All shares bought back were cancelled
- Continue to buy back shares if it makes sense
- Exploring adoption of dividend policy
- Share incentive scheme approved at 10 May 2023 shareholders general meeting.
- The following share options have been awarded based on the approved scheme:

Executive	Number of share options awarded
S U Naicker	1 200 000
W Williams	1 500 000
WA Joubert	1 500 000
AJ Langson	1 000 000
Total share allocation	5 200 000
Less tax impact at 45%	(2 340 000)
Effective share allocation	**2 860 000**

As of April 2023



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THE FUTURE



BUILDING LEGACIES. CHANGING LIVES



Nelson Mandela

It is in ~~your~~ our hands to create a better world for all who live in it.

OUTLOOK

1 FOCUSSED DIVERSIFICATION

Revenue pipeline of R18.1 billion, with over 22,000 residential and more than 99,000 burial opportunities

2 GROWTH AND SUSTAINABILITY

Frankenwald sets stage for further expansion and long-term stability

3 MEMORIAL PARKS CONFIDENCE

- Remain optimistic about meeting annuity income target in medium-term
- Lay-by offering has traction

4 TAILORED PRODUCTS

Ensuring affordability, and delivering exceptional value to diverse customer needs through a comprehensive and inclusive approach that encompasses various lifestyle preferences within suitable affordability ranges

5 MARKET INSIGHT

Our in-depth understanding of our target market and clientele supports strong demand for our offering

6 PROFITABLE OUTLOOK

Targeting a gross profit margin of 20% - 25%, with a positive outlook for sales and cash generation

OUTLOOK

7

FINANCIAL STRENGTH

Robust balance sheet and liquidity position complemented by strategic and optimal capital allocation

8

DIGITAL INNOVATION

We see significant opportunities for growth and efficiency through technological advancements

9

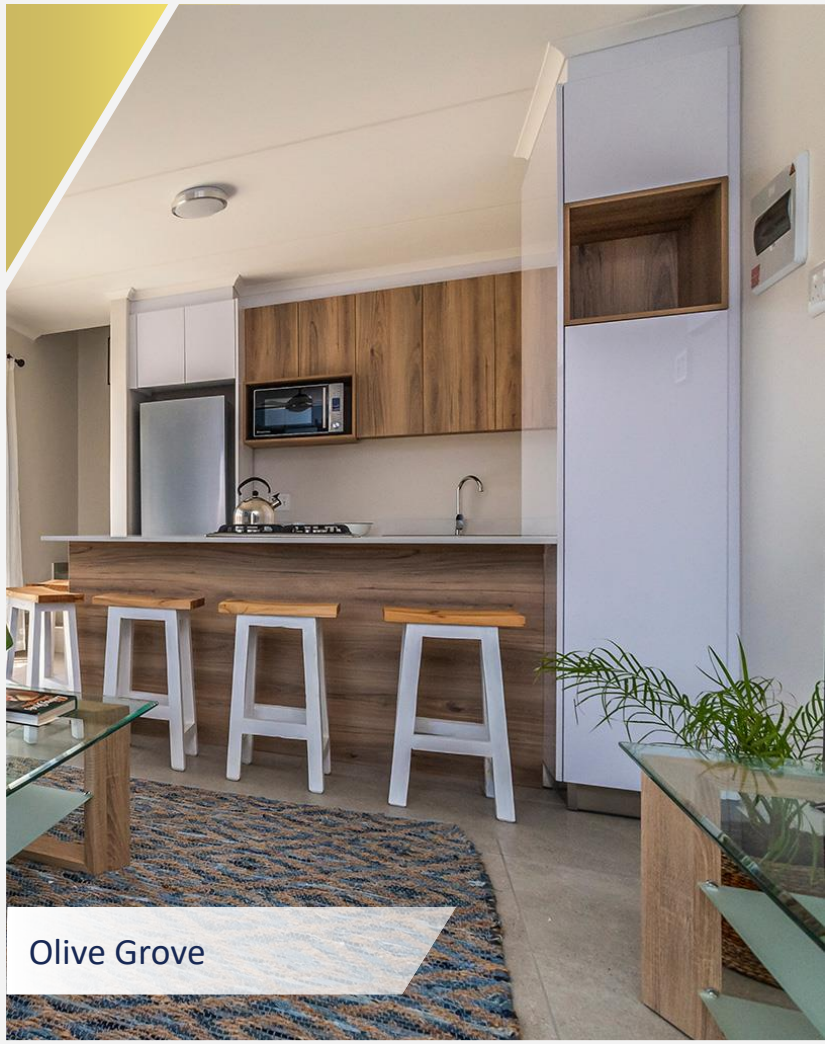
SHARE BUYBACKS

Continue to consider share buybacks when the price is favourable

10

DIVIDEND POLICY EXPLORATION

Evaluating the implementation of a dividend policy within the next year to enhance shareholder value



Olive Grove

INVESTMENT CORE MESSAGE

Well diversified projects and product offerings to cater to various income groups

Good traction in both the Developments and Memorial Parks segments

Financial health is robust, with the strongest results and most resilient balance sheet in history

#sustainableactions

Calgro M3's, economic moats focus on our loyal customer base and robust consumer demand. Our skilled management, strategic focus, brand recognition, and market dominance ensure profitability and growth mitigating investment risk. Our expertise in balancing infrastructure cost to deliver affordable, quality homes and memorial parks remains our unique strength.

THANK YOU

Available at www.calgrom3.com:



Integrated Annual Report



ESG Report



Notice of Annual General Meeting



Consolidated Financial Statements



King IV™ Application Register

Investor relations

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DISCLAIMER

Calgro M3 has acted in good faith and has made every reasonable effort to ensure the accuracy and completeness of the information contained in this presentation, including all information that may be defined as 'forward-looking statements'.

Forward-looking statements may be identified by words such as 'believe', 'anticipate', 'expect', 'plan', 'estimate', 'intend', 'project', 'target', 'predict' and 'hope'. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the Group, or its sector to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements.

Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the Group's present and future business strategies and the environments in which it operates now and in the future. No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements.

Calgro M3 does not undertake to update any forward-looking statements contained in this document and does not assume responsibility for any loss or damage whatsoever and howsoever arising as a result of the reliance by any party thereon.

06

Q&A



07

APPENDIX



BUSINESS MODEL

RESIDENTIAL PROPERTY DEVELOPMENT

Value is created through a turnkey approach to capitals

Professional services

- Identify project and due diligence
- Secure land
- Township establishment
- Top structure planning and design

Infrastructure (outsourced)

- Marketing and sales
- Transfer to end-user (erven for houses and bulk deals)
- Construction (outsourced)
- Transfer to end-user (multi-storey units)
- Handover to clients



MEMORIAL PARKS

Value is created through operating in strategic locations and providing superior products and customer service

- Landscaping and infrastructure development (outsourced)
- Holistic burial and remembrance services
- Land identified/acquisition
- Marketing and sales
- Maintenance



BOARD COMPOSITION

Board composition



Gender



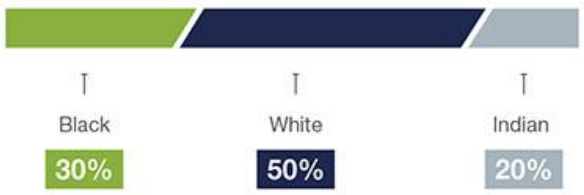
Target: 20% female

Board skills



Broad industry or property	16%
Accounting and auditing	16%
Technology and innovation	5%
Legal	3%
Business strategy	16%
Macroeconomic and public policy	9%
Governance	23%
Stakeholder management	7%
Environment and climate	5%

Race



Target: 60% black

("Black" includes African, Coloured and Indian)

Tenure

