





Building legacies. Changing lives

CALGRO M3
Group

INTERIM FINANCIAL RESULTS

for the period ended 31 August 2023

www.calgrom3.com

AGENDA

1. **PERIOD UNDER REVIEW**



2. **UNDERLYING BUSINESS PERFORMANCE**



3. **FINANCIAL REVIEW**



4. **SHAREHOLDING**



5. **THE FUTURE**



6. **APPENDIX**



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PERIOD UNDER REVIEW



CORE MESSAGE

Adaptable pipeline opportunities adjusting to the various consumer income groups, whilst ensuring diversification of projects and product offerings

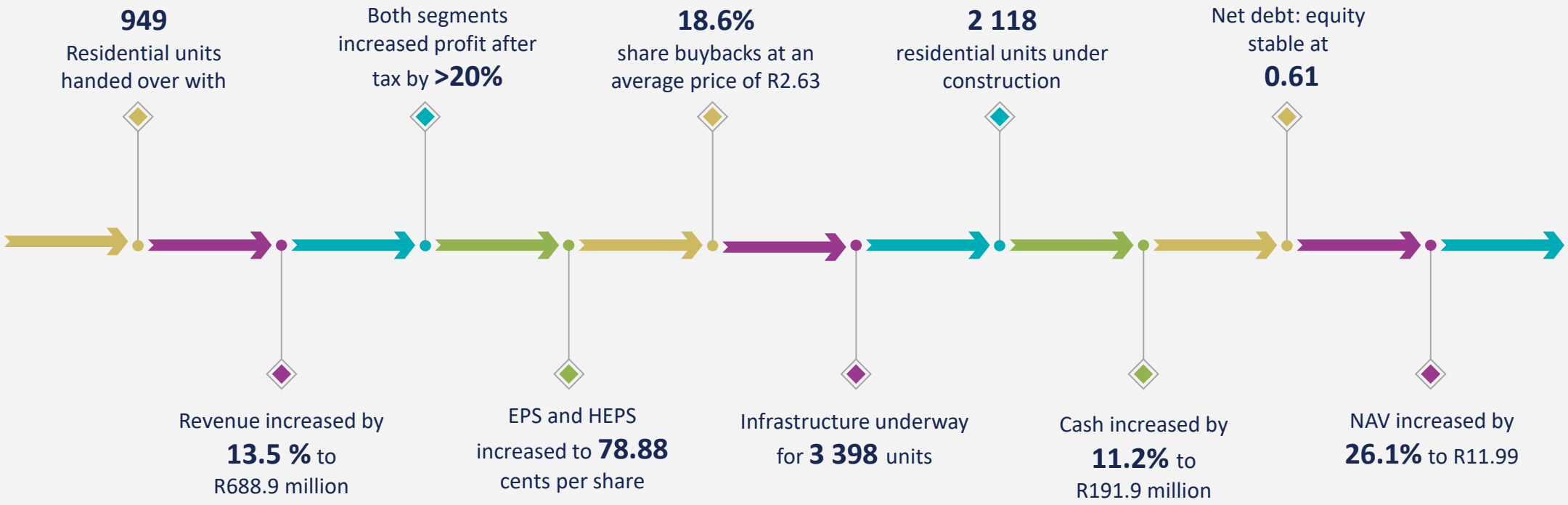
Growth in both the Developments and Memorial Parks segments

Financial health is robust, with focused capital allocation and the ability to invest in infrastructure

#sustainableactions

FINANCIAL OVERVIEW OF THE PERIOD

Financial highlights:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Total staff complement analysis

		African	Coloured	Indian	White
Total	Male 54%	53.6%	10.7%	3.6%	32.1%
	Female 46%	57.8%	14.1%	7.0%	21.1%
Total workforce		56.3%	12.0%	5.1%	26.6%



Corporate social responsibility ("CSR") Initiatives



FH soccer field spring day

Winter blanket drive





United Nations Global Compact

02

UNDERLYING BUSINESS PERFORMANCE



CONTRIBUTIONS TO GROUP



Revenue contribution to Group



INTEGRATED RESIDENTIAL DEVELOPMENTS

The markets served are broad, ranging from fully subsidised to bonded homes, which allows us to adapt and reposition construction activities amongst market segments in response to economic shifts.



Jabulani Junction


Grand Views


Acacia Grove

INTEGRATED RESIDENTIAL DEVELOPMENTS



Fleurhof | Gauteng

RESIDENTIAL PROPERTY DEVELOPMENT

Revenue increased by 13,9%

- Well-equipped with sufficient liquidity to ensure market demand and growth
- Gross margin on target – 21.6%
- Spend R250 million - On track to complete infrastructure for 3 398 opportunities by mid next year
    - Cost to complete R150 million
    - On completion adding just over 5 000 serviced opportunities
- Appetite remains in place from all major banks demonstrating their continued support of the residential development industry
- Deep understanding of our LSM's needs support our strategic advantage
- Revenue pipeline is R15 billion (> 20,000 opportunities),

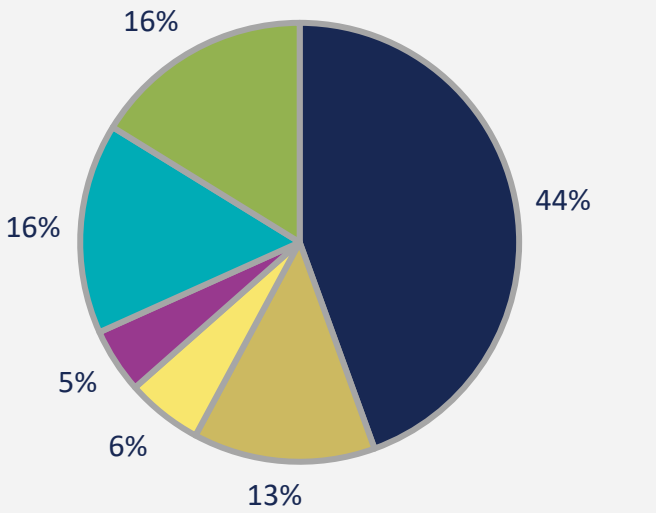


Fleurhof Infrastructure

RESIDENTIAL PROPERTY DEVELOPMENT

Serviced opportunities	1 937	Under construction	2 118	Total remaining pipeline	20 239
Active projects	8	Units handed over	949	Units being serviced	3 398

Total segment revenue (August 2023)



Revenue pipeline

Projects	Opportunities under construction	Total opportunities to be constructed	Revenue pipeline (R)
Belhar	210	**1 687**	1 216 659 012
Fleurhof	243	**5 208**	4 048 356 157
Jabulani	392	**748**	730 089 451
La Vie Novelle	4	**77**	196 701 866
Scottsdene	573	**293**	336 331 413
South Hills	668	**4 790**	3 222 599 505
Umhlanga Hills (if developed)	-	**720**	562 852 174
Vredehoek	-	**263**	819 038 261
Mid-to-high	28	**350**	1 100 477 809
Witpoortjie	-	**6 103**	3 063 589 803
KwaNobuhle	-	**-**	165 000 000
	2 118	**20 239**	15 462 306 669

RESIDENTIAL PROPERTY DEVELOPMENT- PRODUCT OFFERING









MEMORIAL PARKS

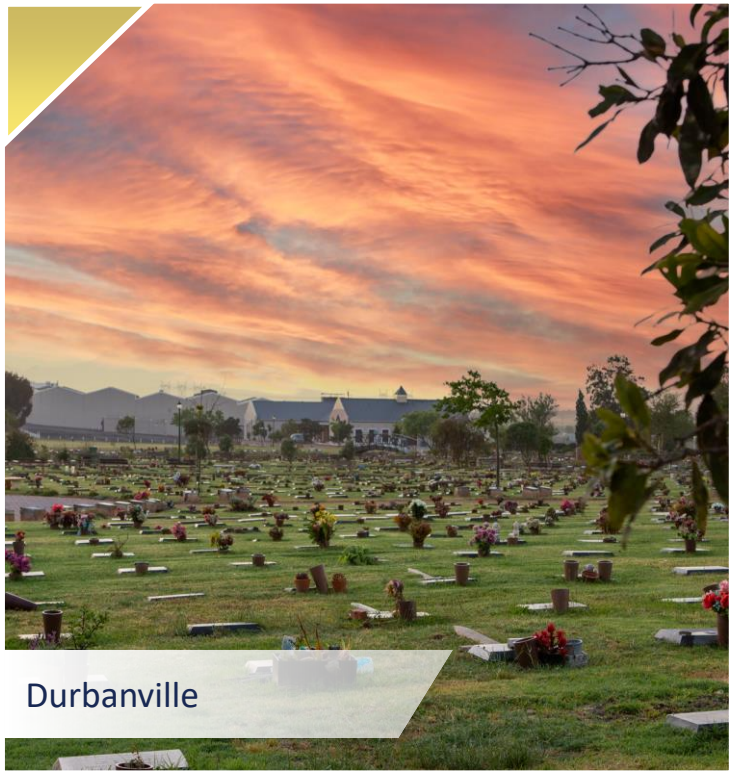
Calgro M3 Memorial Parks is an alternative to traditional cemeteries, adds value to existing developments, introduces an alternative burial option that is dignified, secure and which delivers a service to customers that is superior to other products in the market.



Nasrec



Fourways



Durbanville

MEMORIAL PARKS

Cash receipts increased by 33.8%

- Gross sales, made up of cash and completed lay-bys, rose by 52.1% to R34.7 million (Full year Feb 2023: R 47.9 mil)
- New Lay-by sales accounted for R11.2 million*
- Active lay-by book is R21.1 million and completed transactions amounts to R2.6 million
- Effective cost controls ensured gross profit margin in excess of 40% - Target margin remains at 50%
- Bloemfontein Memorial Park is slowly picking up based on a marketing plan to boost visibility and sales growth
- Expansion plans in place – with hopes of launching a new park within the next 12 months
- Commitment to continuous improvement of products and in line with affordability and quality



Bloemfontein

* sales revenue only be fully recognised when payments are completed

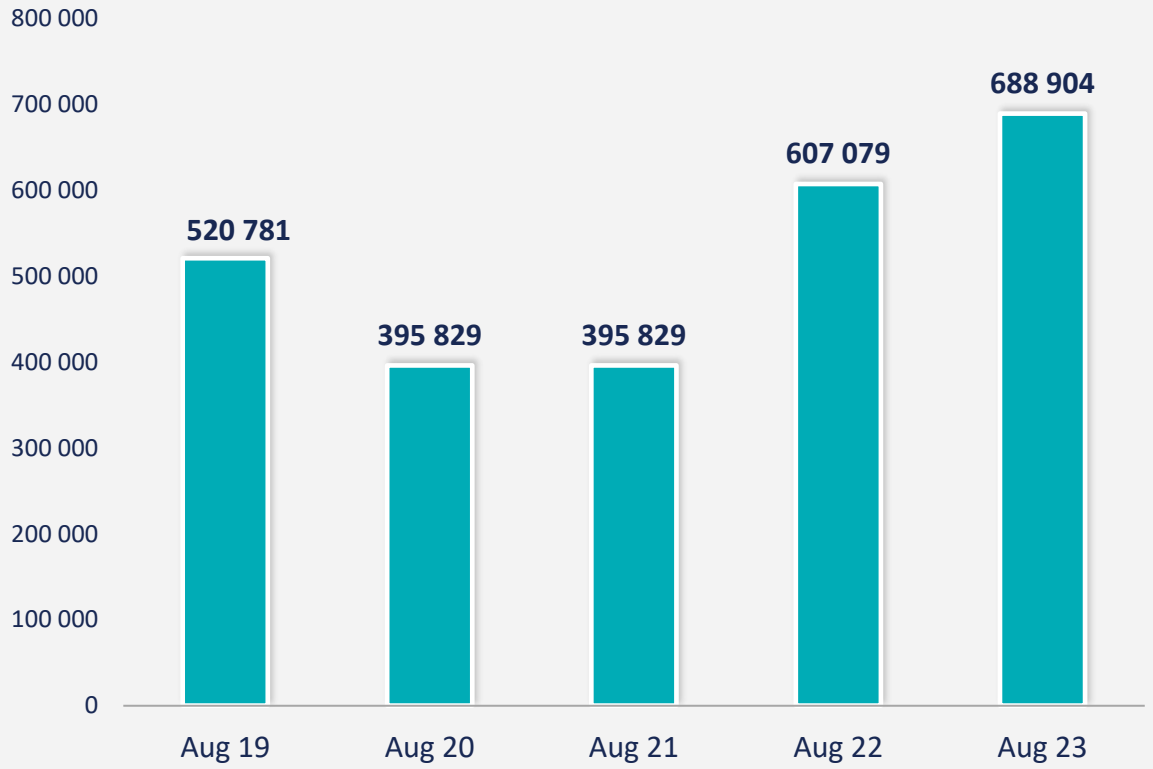
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FINANCIAL REVIEW

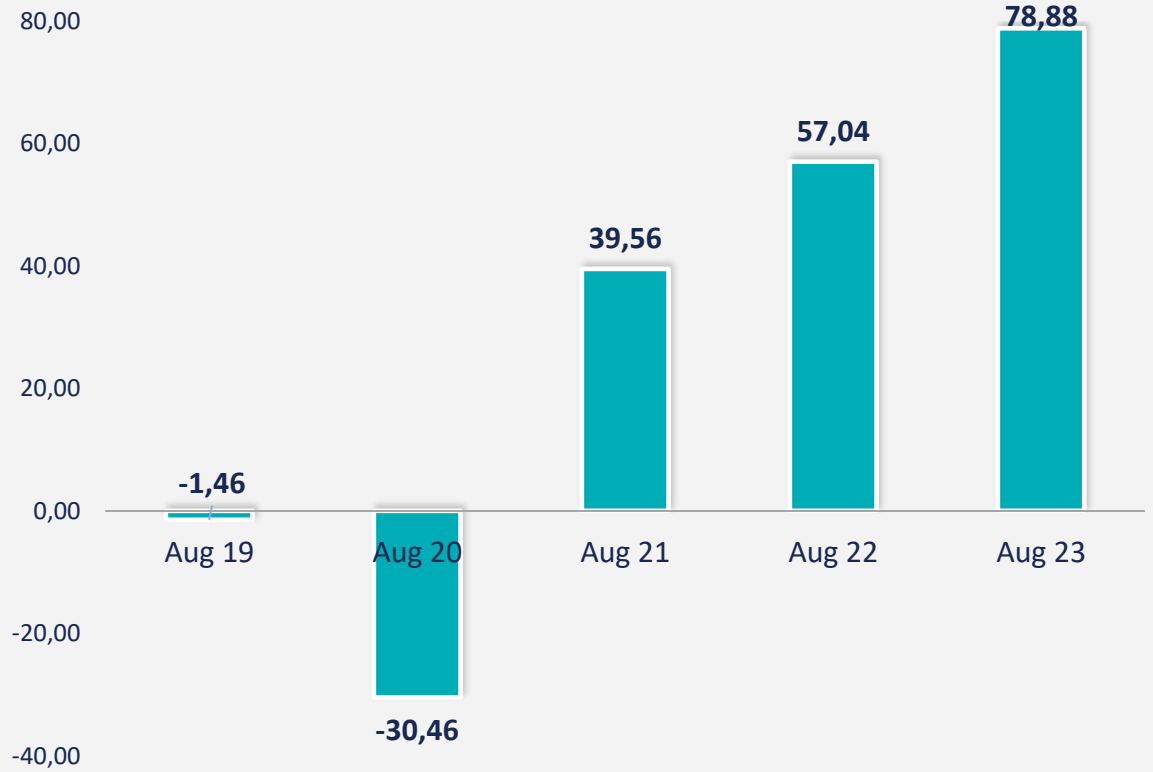


KEY FINANCIAL METRICS

Revenue (R'000)



Earnings per share (cents)



STRONG FINANCIAL POSITION WITH CONSISTENT CASH FLOW

STATEMENT OF CASHFLOWS

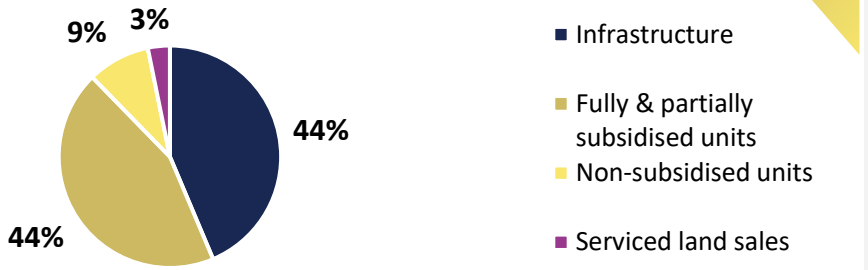
(R'000)	Unaudited Aug 2023	Audited Feb 2023	Unaudited Aug 2022
Cash generated from operating activities			
Cash generated from/ (utilised in) operations	117 872	86 639	(60 560)
Finance income received	27 571	8 003	4 367
Finance cost paid	(55 557)	(90 375)	(43 225)
Tax paid	(74)	(5 198)	1 229
Net cash generated from/ (utilised in) operating activities	**89 812**	**2 070**	**(98 189)**
Cash flow (invested in) investing activities			
Purchase of property, plant and equipment	(424)	(1 199)	(569)
Proceeds from sale of property, plant and equipment	-	456	117
Acquisition of shares from join ventures	(5 900)	-	-
Loans advanced to joint ventures	(52 224)	(65 125)	(9 313)
Loans repaid by joint ventures and associates	16 990	13 172	4 490
Net cash (invested in) investing activities	**(41 558)**	**(52 696)**	**(5 274)**

STATEMENT OF CASHFLOWS (CONT)

(R'000)	Unaudited Aug 2023	Audited Feb 2023	Unaudited Aug 2022
Cash flows (repaid in) / advanced financing activities			
Proceeds from borrowings	155 000	230 000	50 000
Capital repayment of borrowings	(122 400)	(194 800)	(77 400)
Share repurchases	(59 713)	-	-
Repayment of capital portion of leases	(1 875)	(3 074)	(1 399)
Net cash (repaid in) / advanced financing activities	**(28 988)**	**32 126**	**(28 799)**
Net increase/(decrease) in cash and cash equivalents	19 266	(18 500)	(132 263)
Cash and cash equivalents at the beginning of the period	172 614	191 114	191 114
Cash and cash equivalents at the end of the period	**191 880**	**172 614**	**58 852**

SEGMENTAL REVENUE CONTRIBUTION

Revenue (R'000)	Unaudited Aug 2023	Unaudited Aug 2022	Audited Feb 2023
Residential Property Development	668 959	587 247	1 489 773
Memorial Parks	19 945	19 832	35 544
Total	**688 904**	**607 079**	**1 525 317**

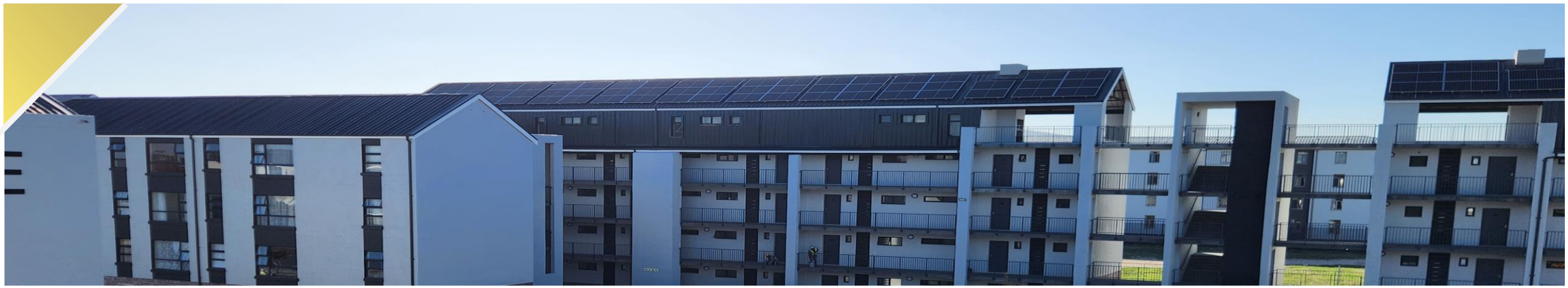






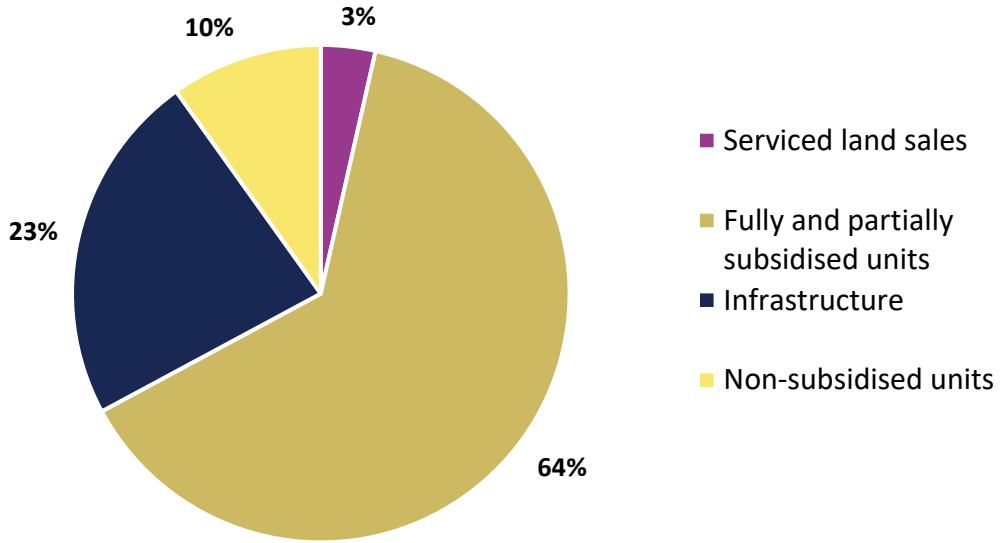
STATEMENT OF COMPREHENSIVE INCOME

(R'000)	Unaudited Aug 2023	Unaudited Aug 2022	February 2023
Revenue	688 904	607 079	1 525 317
Gross profit	152 795	134 168	357 694
Gross profit %	22.2%	22.1%	23.5%
Administrative expenses	(49 875)	(41 071)	(102 425)
Share of profit/(loss) of joint ventures – net of tax	4 247	3 387	5 387
Profit after taxation	84 847	69 260	186 288



STATEMENT OF FINANCIAL POSITION | ASSETS

(R'000)	Unaudited Aug 2023	Audited Feb 2023	Unaudited Aug 2022
Assets			
Cash and cash equivalents	191 880	172 614	58 852
Trade and other receivables	166 356	164 011	169 195
Current tax receivable	15	362	828
Construction contracts	1 162 527	1 162 394	2 079 634
Loans to joint ventures	381 840	371 472	296 380
Investments in joint ventures	62 138	51 992	49 992
Inventories	502 231	498 541	567 945
Investments	15 929	14 895	14 299
Property, plant and equipment	15 144	16 684	18 166
Investment property	19 947	19 947	19 947
Intangible assets	159 651	159 651	159 651
Deferred income tax asset	18 432	26 500	24 871
Total assets	**2 696 091**	**2 659 063**	**2 459 760**



STATEMENT OF FINANCIAL POSITION | EQUITY AND LIABILITIES

(R'000)	Unaudited Aug 2023	Audited Feb 2023	Unaudited Aug 2022
Stated Capital	42 368	102 081	102 081
Share based payment reserve	4 869	10 455	8 434
Retained income	1 136 289	1 040 813	923 898
Non-controlling interest	731	689	607
Total equity	**1 184 257**	**1 154 038**	**1 035 020**
Liabilities			
Trade and other payables	310 799	360 504	381 432
Current income tax liabilities	1 070	633	870
Borrowings	909 180	876 362	812 324
Deferred income tax liabilities	290 785	267 526	230 115
Total liabilities	**1 511 834**	**1 505 025**	**1 424 740**
Total equity and liabilities	**2 696 091**	**2 659 063**	**2 459 760**

BORROWING MATURITIES

Outstanding Capital	Rand (R'm)
Balance 28 Feb 2023	876.4
New debt	155.0
Debt repaid	(122.4)
Closing balance 31 Aug 2023	**909**

Maturity profile	Rand (R'm)
FY 2024	160.4
FY 2025	211.8
FY 2026	157.5

Maturity profile	Rand (R'm)
FY 2027	93.8
FY 2028	140.0
FY 2029	155.0

Average cost of debt at 12.76% for the period



COVENANTS

	31 Aug 2023	28 Feb 2023
Net debt to equity ratio	0.61	0.62
Debt service cover ratio	2.27	1.61

Net Debt to Equity Target

Date	Target
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



Fleurhof Infrastructure

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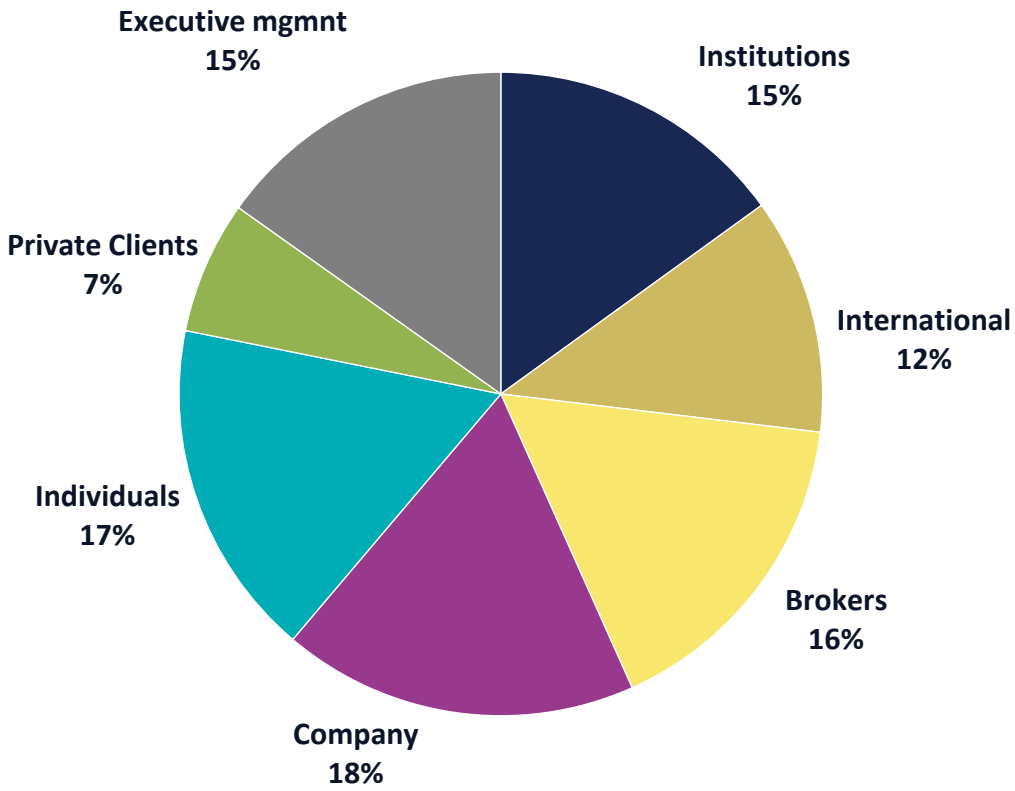
SHAREHOLDING



SHAREHOLDING

- Bought back 18,63% (22.6 million shares) of issued ordinary shares, net of treasury shares.
- Average price of R2.63
- All shares bought back were cancelled
- Issued share capital reduced from 121.4m shares to 98.8m shares
- Contributing to a 26% increase in HEPS/EPS
- Continue to buy back shares if it makes sense
- Exploring adoption of dividend policy

As of August 2023



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THE FUTURE



BUILDING LEGACIES. CHANGING LIVES



Nelson Mandela

"Do not judge me by my success, judge me by how many times I fell down and got back up again."

OUTLOOK

1 FOCUSSED DIVERSIFICATION

Developments segment revenue pipeline of R15 billion, with over 22,000 residential opportunities, memorial parks segment has in excess of 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 gained traction with expected growth in this offering

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

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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

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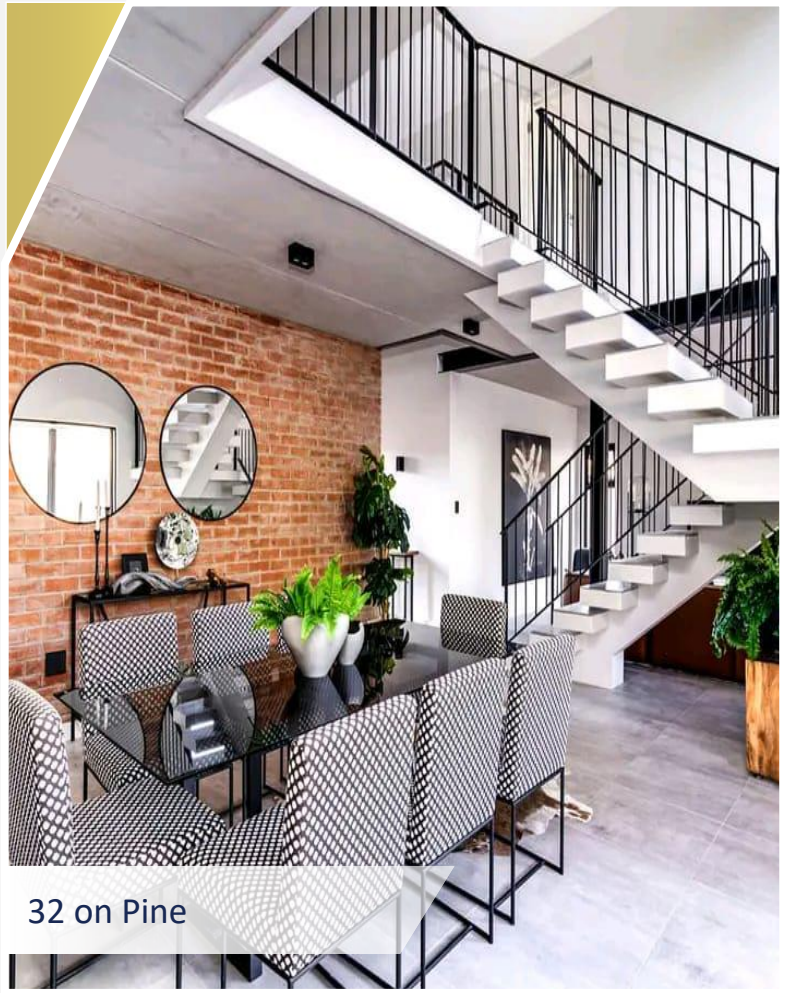
SHARE BUYBACKS

Continue to consider share buybacks when the price is favourable

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DIVIDEND POLICY EXPLORATION

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



32 on Pine

CORE MESSAGE

Adaptable pipeline opportunities adjusting to the various consumer income groups, whilst ensuring diversification of projects and product offerings

Traction maintained in both the Developments and Memorial Parks segments

Financial health is robust, with focused capital allocation and the ability to invest in infrastructure

#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



Unaudited condensed consolidated interim results are available at www.calgrom3.com

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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.

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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



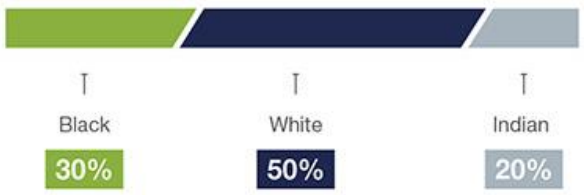
Target: 20% female

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



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 R11.2 million in sales (not yet reflected in revenue)
- Of this amount, R2.6 million has been fully received, with an active lay-by book of R21.1 million
- 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





