

CALGRO M3
Group

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

For the six months ended 31 August 2022

SALIENT FEATURES

- Headline earnings per share increased to **57.00** cents per share ("cps") (2021: 42.79 cps)
- Earnings per share increased to **57.04** cps (2021: 39.56 cps)
- Revenue increased by **5%** to **R607 million** (2021: R576 million)
- Gross profit margin remained within **20%** to **25%** target range, increasing to **22%** (2021: 19.7%)
- Interest-bearing borrowings decreased by **3%**
- No dividend was declared for the period ended 31 August 2022 (2021: Nil)

CALGRO M3 HOLDINGS LIMITED
(Incorporated in the Republic of South Africa) (Registration number: 2005/027663/06)
JSE Share code: CGR ISIN: ZAE000109203 ("Calgro M3", "the Group" or "the Company")

Residential Property Development

As at 31 August 2022, the Group had 3 965 opportunities under construction, of which approximately half are expected to be completed and/or handed over before February 2023, therefore, revenue is expected to increase for the remaining six months of the year. Having successfully completed 1 193 opportunities in the first six months of the current financial year (2 685 for the 12-month period ended February 2022), the Group is well positioned, sufficiently capitalised and has the required liquidity to address market demand and continued growth.

The revenue pipeline for the Residential Property Development business is R15.9 billion (more than 24 000 opportunities), excluding the Frankenwald development where the Urban Development Framework was approved in August 2022, a considerable milestone for the pre-planning phase of the project. The Company is committed to exercising the land option at the end of June 2023 and is confident in the Group's ability to fund the option payment from internally generated cash resources, unlocking more than 20 000 additional residential units across eight distinct income groups.

In the year, Calgro M3 self-funded R47 million of the annually planned infrastructure spend of R120 million, with the balance to be incurred in the second six months of the year. The Company remains confident that cash generated from operations for the full year will be sufficient to fund the balance, despite negative cash from operations in the current period.

Memorial Parks

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

This business experienced a slowdown in sales in the period under review, attributable to three factors:

1. Lower burial volumes
2. Affordability
3. Restructuring of the sales and marketing department

When adjusting for excess Covid-19-related deaths, as reported by the South African Medical Research Council, between the period August 2019 to August 2022, the performance of the Memorial Parks business for the current period, was 5.6% lower than that of August 2021.

It is the intention to maintain an enhanced market presence through strategic marketing and an improved and affordable product portfolio.

SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the Company. It contains only a summary of the information in the full announcement ("Full Announcement") and does not contain full or complete details. The Full Announcement can be found at http://senspdf.jse.co.za/documents/2022/JSE/ISSE/CGRE/HY2023.pdf.

Copies of the Full Announcement is also available for viewing on the Company's website at www.calgrom3.com or may be requested in person, at the Company's registered office or the office of the Sponsor, at no charge, during office hours.

Any investment decisions by investors and/or shareholders should be based on consideration of the Full Announcement, as a whole.

This short-form announcement and the condensed consolidated interim financial statements for the six months ended 31 August 2022, from which the information was extracted, have not been audited or reviewed by the Company's auditors, Mazars.

Wikus Lategan
Chief Executive Officer

Hatla Ntene
Chairperson

Johannesburg

17 October 2022

Sponsor

PSG CAPITAL

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