CALGRO M3
Group



Unaudited condensed consolidated interim financial results
for the six months ended 31 August 2023

CALGRO M3 HOLDINGS LIMITED
(Incorporated in the Republic of South Africa) (Registration number: 2005/027663/06)
JSE share code: CGR ISIN: ZAE000109203 Company Alpha Code: CGRI1
LEI: 3789003B0859E9438F25 ("**Calgro M3**" or **"the Group**" or "**the Company**")

Salient features

- Headline earnings per share increased to **78.88** cents per share ("cps") (2022: 57.00 cps)
- Gross profit margin remained within **20%** to **25%** target range, at **22.2%** (2022: 22.1%)
- Earnings per share increased to **78.88** cps (2022: 57.04 cps)
- Cash increased by **11.2%** to **R191.9 million** (February 2023: R172.6 million)
- Share buyback of **22.6 million** shares at an average price of **R2.63** per share
- Net debt to equity stable at **0.61** (February 2023: 0.62)
- Revenue increased by **13.5%** to **R688.9 million** (2022: R607.1 million)
- **No dividend** was declared for the period ended 31 August 2023 (2022: Nil)

Residential Property Development

Having handed over 949 opportunities in the current period (August 2022: 1 193 opportunities), 2 118 opportunities are under construction, with more than half set for hand-over by February 2024. Currently, the Group has 1 937 serviced opportunities whilst servicing a further 3 398 opportunities. The residential revenue pipeline is in excess of R15 billion, representing 22 357 opportunities. This excludes the Frankenwald project which will unlock a further 20 000 to 30 000 opportunities. The already available electricity supply and infrastructure reduces initial capital needs, easing the Frankenwald project's cash flow strain which will result in improved margins.

Diversifying our projects across different provinces and maintaining a balanced customer base are crucial to achieving our strategic objectives. This approach enables us to ensure stable handovers and to generate positive cash flow. One of our primary strategic objectives is maintaining a well-balanced mix of units ready for sale, units with granted bonds, units awaiting transfer, and units currently under construction.

Memorial Parks

The current period has shown a strong recovery in cash receipts, with a 33.8% increase to R33.9 million. Revenue for the period remained flat at R19.9 million, representing 3% of Group revenue. Sales reservations have shifted to the lay-by offering, away from the traditional cash sales, highlighting the tightening consumer pocket. This offering has grown by R11.2 million to R21.1 million, which will translate into revenue as and when these sales are fully settled.

Bloemfontein Memorial Park, a new addition, is slowly picking up. While current performance is below expectations, an enhanced marketing plan has been implemented to boost visibility and sales growth.

The business has performed well during this period, but we remain cautious. Our commitment is to continuously improve our offerings, keeping affordability and quality at the forefront thereof.

Short-form announcement

This short-form announcement is the responsibility of the directors of the Company. The full announcement ("**Full Announcement**") can be found at http://senspdf.jse.co.za/documents/2023/JSE/ISSE/CGRE/HY2024.pdf and on the Company's website at https://www.calgrom3.com/index.php/investors/annual-reports.

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 2023, from which the information was extracted, have not been audited or reviewed by the Company's auditors, Mazars Inc.

By order of the Board

Wikus Lategan
Chief Executive Officer

Hatla Ntene
Chairperson

Johannesburg

16 October 2023

Equity and Debt Sponsor

PSG CAPITAL

maxx