



Taking Brands Beyond Borders

Unaudited Summarised Consolidated Interim Financial Results
for the six months ended June 2024



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Commentary

Nature of business

CA Sales Holdings Limited ("CA&S", "the group" or "the company") is a collective of fully integrated fast-moving consumer goods businesses operating in Africa. We offer route-to-market solutions for some of the world's most-loved consumer brands.

The group collaborates with clients, delivering brands across borders and navigating the supply chain to reach stores, shelves, baskets and trolleys. We ensure availability and visibility to African shoppers, including promoting these brands. Working closely with clients, we address trade obstacles, enhance shelf presence and safeguard market shares.

CA&S operates in several southern and East African countries. (Botswana, Eswatini, Lesotho, Mauritius, Namibia, South Africa, Zambia and Zimbabwe). Our service solutions include selling and distributing fast-moving consumer goods, as well as services such as retail execution and advisory, retail support, technology and data solutions, and training.

Financial highlights

CA&S is pleased to announce satisfying interim results for the period ended 30 June 2024. This is the result of the deliberate implementation and execution of the group's growth strategy.

Revenue increased by 9.2% to R5.73 billion from the prior interim period (H1 2023: R5.25 billion). Revenue growth was driven by sales volume increases, inflation, acquisitions, expansion into new regions, and the on-boarding of new clients to the group's portfolio. As a result, gross profit increased by 10.6% to R870.35 million (H1 2023: R786.85 million).

Headline earnings increased by 19.7% to R206.83 million (H1 2023: R172.73 million). Headline earnings per share increased by 19.2% to 43.45 cents per share (H1 2023: 36.45 cents per share).

Due to the gain on bargain purchase of R123.57 million in the prior period, operating profit for the group declined by 21.1% to R305.38 million (H1 2023: R387.05 million). Earnings per share decreased by 30.7% to 43.90 cents per share (H1 2023: 63.36 cents per share).

Total assets increased by 10.5% to R5.03 billion due to the increase in fixed assets, mainly the expansion of warehouse capacity, as well as cash and working capital to support the increased revenue. The strong cashflow generated from operations contributed to a healthy increase in net cash resources from R590.43 million to R777.56 million on 30 June 2024.

On 1 April 2024 the group acquired 49% of the share capital of Roots Sales (Pty) Ltd ("Roots") for R70 million. Roots is domiciled in South Africa and services the informal market in the country, which is a channel broadening acquisition for the group. This was announced on SENS and X-News on 25 March 2024.

No dividend has been declared for the six months ended 30 June 2024 (H1 2023: nil), as it is the company's policy to only declare dividends once a year, after its year-end.

Outlook

We remain confident of the opportunities southern and East Africa present. A deep understanding of these markets assists us to navigate the associated risks. With a steady economic growth rate averaging at 3% across most markets, these regions boast fast-growing economies. Investments in infrastructure, economic diversification and a favourable business environment further contribute to their allure.

Additionally, the presence of both rural and urban populations underscores the demand for access to consumer packaged brands, highlighting the region's potential for sustained growth and development.

While we acknowledge the instability of the global economy and persistent disruptions in supply chains, we are confident that we will continue to deliver on our objectives. Our confidence stems from our resilient businesses across multiple jurisdictions, that support products that shoppers require regardless of economic fluctuations, our balanced portfolio of service solutions, having a healthy balance sheet and the dedication of our leadership team and workforce.

We are mindful of the challenges related to cost management and the critical importance of strategic investments. By exercising prudent financial management, we are well-positioned to take advantage of opportunities that contribute to the enduring success of CA&S.



REVENUE (Rm)

9.2%
INCREASE

H1 2024  5 728
H1 2023  5 245

OPERATING PROFIT* (Rm)

(21.1%)
DECREASE

H1 2024  305
H1 2023  387

EARNINGS PER SHARE* (cents)

(30.7%)
DECREASE

H1 2024  43.90
H1 2023  63.36

* Impacted by gain on bargain purchase in the prior period.

ADJUSTED EBITDA (Rm)

14.4%
INCREASE

H1 2024  358
H1 2023  313

HEADLINE EARNINGS (Rm)

19.7%
INCREASE

H1 2024  207
H1 2023  173

HEADLINE EARNINGS PER SHARE (cents)

19.2%
INCREASE

H1 2024  43.45
H1 2023  36.45

OPERATING CASH FLOW (Rm)

28.6%
INCREASE

H1 2024  410
H1 2023  319

NET ASSET VALUE PER SHARE (cents)

14.7%
INCREASE

H1 2024  583.53
H1 2023  508.71



Summarised consolidated statement of financial position

	Note	(Unaudited) at 30 Jun 2024 R'000	(Unaudited) at 30 Jun 2023 R'000	(Audited) at 31 Dec 2023 R'000
Assets				
Non-current assets				
Property, plant and equipment		837 204	771 109	770 727
Investment properties		8 999	–	8 999
Intangible assets		509 706	514 781	512 197
Investments accounted for using the equity method	4	108 403	22 182	28 872
Deferred income tax assets		41 223	36 108	40 085
Current assets		3 520 035	3 202 791	3 791 682
Inventories		811 525	765 050	990 804
Trade and other receivables		1 645 893	1 570 454	1 712 494
Income tax receivable		15 868	8 610	10 133
Cash and cash equivalents		1 046 749	858 677	1 061 982
Assets available for sale		–	–	16 269
Total assets		5 025 570	4 546 971	5 152 562
Equity and liabilities				
Equity				
Stated capital		958 229	952 681	955 797
Other reserves		8 491	51 470	47 553
Retained earnings		1 819 002	1 412 049	1 703 149
		2 785 722	2 416 200	2 706 499
Non-controlling interest		29 653	26 015	26 386
Total equity		2 815 375	2 442 215	2 732 885
Liabilities				
Non-current liabilities				
Borrowings		347 032	306 670	310 581
Deferred income tax liabilities		24 057	20 540	25 127
Current liabilities		1 839 106	1 777 546	2 083 969
Trade and other payables		1 328 998	1 282 184	1 313 966
Employee benefits and other provisions		136 381	136 389	172 869
Income tax payable		20 342	13 600	30 298
Borrowings		353 385	345 373	566 836
Total liabilities		2 210 195	2 104 756	2 419 677
Total equity and liabilities		5 025 570	4 546 971	5 152 562

Summarised consolidated statement of comprehensive income

		(Unaudited) 6 months ended 30 Jun 2024 R'000	(Unaudited) 6 months ended 30 Jun 2023 R'000	(Audited) year ended 31 Dec 2023 R'000
	Note			
Revenue from contracts with customers		5 727 912	5 245 296	11 322 024
Cost of sales		(4 857 559)	(4 458 449)	(9 596 848)
Gross profit		870 353	786 847	1 725 176
Other operating expenses		(594 089)	(548 025)	(1 139 667)
Net impairment (losses)/gains on financial assets		(1 318)	(2 701)	3 593
Other operating income		15 447	148 331	147 854
Share of profit of investments accounted for using the equity method		14 983	2 597	10 356
Operating profit	5	305 376	387 049	747 312
Finance income		41 750	20 282	68 068
Finance costs		(27 046)	(18 373)	(56 531)
Profit before income tax		320 080	388 958	758 849
Income tax	6	(105 308)	(84 448)	(154 361)
Profit for the period		214 772	304 510	604 488
Other comprehensive income to be subsequently reclassified to profit or loss:				
Currency exchange differences on translation of foreign operations net of taxation		(32 183)	35 417	25 209
Total comprehensive income for the period		182 589	339 927	629 697
Profit attributable to:				
— Owners of the parent		208 997	300 240	594 150
— Non-controlling interest		5 775	4 270	10 338
Total profit for the period		214 772	304 510	604 488
Total comprehensive income attributable to:				
— Owners of the parent		176 890	335 438	618 921
— Non-controlling interest		5 699	4 489	10 776
Total comprehensive income for the period		182 589	339 927	629 697
Earnings per share for profit attributable to the owners of the parent				
Basic earnings per share (cents)		43.90	63.36	125.22
Diluted earnings per share (cents)		43.16	62.74	122.90

Summarised consolidated statement of changes in equity

	Note	Stated capital R'000	Other reserves R'000	Retained earnings R'000	Total attributable to the owners R'000	Non-controlling interest R'000	Total R'000
Balance as at 31 December 2022 (Audited)		949 342	23 437	1 178 186	2 150 965	23 928	2 174 893
Profit for the six months		–	–	300 240	300 240	4 270	304 510
Other comprehensive income							
Currency translation differences net of taxation		–	35 198	–	35 198	219	35 417
Transactions with owners:							
Share-based payment costs		–	2 905	–	2 905	–	2 905
Share options exercised		3 339	(10 070)	6 280	(451)	–	(451)
Acquisition of subsidiary		–	–	–	–	1 308	1 308
Dividends paid		–	–	(72 657)	(72 657)	(3 710)	(76 367)
Balance as at 30 June 2023 (Unaudited)		952 681	51 470	1 412 049	2 416 200	26 015	2 442 215
Profit for the six months		–	–	293 910	293 910	6 068	299 978
Other comprehensive income							
Currency translation differences net of taxation		–	(10 427)	–	(10 427)	219	(10 208)
Transactions with owners:							
Share-based payment costs		–	4 015	–	4 015	–	4 015
Share buy back		(706)	–	–	(706)	–	(706)
Foreign currency translation reclassified to comprehensive income		–	226	–	226	–	226
Transaction with non-controlling interest		3 822	–	(541)	3 281	(3 281)	–
Transfer remaining cost of share options exercised		–	2 269	(2 269)	–	–	–
Dividends paid		–	–	–	–	(2 635)	(2 635)
Balance as at 31 December 2023 (Audited)		955 797	47 553	1 703 149	2 706 499	26 386	2 732 885
Profit for the six months		–	–	208 997	208 997	5 775	214 772
Other comprehensive income							
Currency translation differences net of taxation		–	(32 107)	–	(32 107)	(76)	(32 183)
Transactions with owners:							
Share-based payment costs		–	3 287	–	3 287	–	3 287
Foreign currency translation reclassified to comprehensive income		–	–	440	440	–	440
Transaction with non-controlling interest		–	–	(599)	(599)	599	–
Share options exercised		2 432	(10 242)	–	(7 810)	–	(7 810)
Dividends paid	9	–	–	(92 985)	(92 985)	(3 031)	(96 016)
Balance as at 30 June 2024 (Unaudited)		958 229	8 491	1 819 002	2 785 722	29 653	2 815 375
					30 Jun 2024	30 Jun 2023	31 Dec 2023
Dividends paid per share (cent)					19.56	15.35	15.35

Summarised consolidated statement of cash flows

	Note	(Unaudited) 6 months ended 30 Jun 2024 R'000	Restated* (Unaudited) 6 months ended 30 Jun 2023 R'000	(Audited) year ended 31 Dec 2023 R'000
Cash flow from operating activities				
Cash generated from operations	7	559 761	417 088	533 734
Interest paid		(27 048)	(18 371)	(56 531)
Income taxes paid		(122 863)	(79 995)	(134 876)
Net cash generated from operating activities		409 850	318 722	342 327
Cash flow from investing activities				
Acquisition of subsidiaries		–	(65 601)	(71 351)
Additions to property, plant and equipment		(43 322)	(30 066)	(70 974)
Additions to intangible assets		(182)	(686)	(686)
Proceeds from disposal of property, plant and equipment		3 954	12 605	21 284
Acquisition of associated companies		(70 000)	–	–
Dividends received		3 008	2 354	2 358
Interest received		41 684	20 283	68 057
Net cash outflow from investing activities		(64 858)	(61 111)	(51 312)
Cash flow from financing activities				
Consideration received from share options exercised		2 432	3 339	3 339
Share buy back		–	–	(706)
Dividends paid		(92 963)	(72 647)	(72 648)
Dividends paid to non-controlling interest		(3 031)	(3 710)	(6 345)
Repayments of borrowings		(2 984 908)	(2 545 815)	(5 258 098)
Proceeds from borrowings		2 737 053	2 461 240	5 355 564
Net cash (outflow)/inflow from financing activities		(341 417)	(157 593)	21 106
Net increase in cash and cash equivalents		3 575	100 018	312 121
Effects of exchange rate changes on cash and cash equivalents		(18 810)	22 810	14 012
Cash and cash equivalents at beginning of the year		1 061 982	735 849	735 849
Cash and cash equivalents at end of the period		1 046 747	858 677	1 061 982

* Prior year restated to exclude the overdraft from cash and cash equivalents and include the repayments of, and proceeds from overdrafts under cash flows from financing activities

Summarised segmental results

The group's chief operating decision makers ("CODM"), consisting of the chief executive officer and the finance director, examine the group's performance from a geographical perspective. The group's reportable segments are operating segments that are differentiated by the country of operation. Countries with insignificant results have been aggregated under the heading "other countries" and include Lesotho, Mauritius, Zambia and Zimbabwe.

The group evaluates the performance of its reportable segments based on revenue and operating profit ("EBIT" and "adjusted EBITDA"). Adjusted EBITDA is calculated as the earnings before interest and tax, adding back the deduction of depreciation and amortisation, as well as the gain on bargain purchase, as illustrated in the reconciliation below. The intersegment sales and transfers are included in the values per segment and eliminated on the intersegmental transactions line.

The segments derive their revenue from selling and distributing fast-moving consumer goods, as well as services such as retail execution and advisory, transport and retail support and training.

	(Unaudited) 6 months ended 30 Jun 2024 R'000	(Unaudited) 6 months ended 30 Jun 2023 R'000	(Audited) year ended 31 Dec 2023 R'000
Segmental revenue			
Botswana	2 852 947	2 641 550	5 707 433
Eswatini	840 127	759 101	1 690 815
Namibia	1 005 501	1 031 417	2 124 829
South Africa	874 528	720 209	1 532 141
Other countries	154 809	93 019	266 806
	5 727 912	5 245 296	11 322 024
Segmental EBIT			
Botswana	133 819	107 002	269 466
Eswatini	71 232	62 895	145 353
Namibia	6 364	151 691	181 716
South Africa	77 589	60 606	150 271
Other countries	16 246	4 880	252
Intersegmental transactions	126	(25)	254
	305 376	387 049	747 312
Segmental adjusted EBITDA			
Botswana	148 897	120 876	294 392
Eswatini	75 094	69 511	159 834
Namibia	17 307	39 192	79 770
South Africa	95 933	76 488	183 381
Other countries	20 621	6 957	5 896
Intersegmental transactions	126	(25)	254
	357 978	312 999	723 527
Reconciliation from adjusted EBITDA to profit after tax:			
Adjusted EBITDA	357 978	312 999	723 527
Depreciation & amortisation	(52 602)	(49 522)	(99 787)
Gain on bargain purchase	—	123 572	123 572
EBIT	305 376	387 049	747 312
Net finance income	14 704	1 909	11 537
Taxation	(105 308)	(84 448)	(154 361)
Profit after tax	214 772	304 510	604 488

Summarised **segmental results** continued

	(Unaudited) 6 months ended 30 Jun 2024 R'000	(Unaudited) 6 months ended 30 Jun 2023 R'000	(Audited) year ended 31 Dec 2023 R'000
Segmental assets			
Botswana	2 493 832	2 383 269	2 572 708
Eswatini	567 039	431 525	625 643
Namibia	669 259	702 575	793 207
South Africa	1 373 865	1 068 171	1 222 694
Other countries	177 789	127 712	197 089
Intersegmental transactions	(256 214)	(166 281)	(258 779)
	5 025 570	4 546 971	5 152 562
Segmental liabilities			
Botswana	1 331 328	1 283 724	1 333 238
Eswatini	206 241	147 262	279 498
Namibia	400 004	456 360	523 131
South Africa	370 582	296 732	359 386
Other countries	158 156	86 959	183 203
Intersegmental transactions	(256 116)	(166 281)	(258 779)
	2 210 195	2 104 756	2 419 677

Reconciliation between **profit after taxation attributable to the owners of the parent** and **headline earnings**

	(Unaudited) 6 months ended 30 Jun 2024 R'000	(Unaudited) 6 months ended 30 Jun 2023 R'000	(Audited) year ended 31 Dec 2023 R'000
Profit after taxation attributable to the owners of the parent	208 997	300 240	594 150
Profit on sale of property, plant and equipment	(2 538)	(4 672)	(5 376)
Gain on bargain purchase	–	(123 572)	(123 572)
Fair value gain on assets available for sale	–	–	(544)
Insurance proceeds for property, plant and equipment	(4)	–	(48)
Fair value gain on step-up acquisition	–	(149)	(149)
Tax effect on above	342	866	290
Non-controlling interest on above	32	18	68
Headline earnings attributable to owners of the parent	206 829	172 731	464 819
Headline earnings per share (cent)	43.45	36.45	97.97
Diluted headline earnings per share (cent)	42.71	36.10	96.15
Issued number of shares	477 392 510	474 970 082	475 380 961
Weighted average number of shares	476 051 477	473 881 479	474 469 254
Weighted average number of diluted shares	484 207 460	478 528 322	483 439 768

Notes to the condensed interim financial statements

1. Basis of preparation and accounting policies

The summarised consolidated interim results for the six months ended 30 June 2024, have been prepared in accordance with the IFRS Accounting Standard, ("IAS") 34 – *Interim Financial Reporting* and the South African Companies Act 71 of 2008, as amended, the South African Institute of Chartered Accountants ("SAICA") *Financial Reporting Guides* as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council. The Botswana Stock Exchange ("BSE") and the JSE Limited ("JSE") *Listings Requirements* were also taken into consideration in the presentation.

The accounting policies applied in the preparation of the consolidated interim financial results comply with IFRS Accounting Standards and are consistent with those accounting policies applied in the preparation of the consolidated annual financial statements for the year ended 31 December 2023.

The directors take full responsibility for the preparation of the summarised consolidated interim results.

The going concern basis has been used in preparing these summarised consolidated interim results as the directors have a reasonable expectation that the group will continue as a going concern for the foreseeable future. The summarised consolidated interim results have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value or at amortised cost.

The financial information is presented in South African Rand (rounded to the nearest thousand), which is considered the reporting currency. The summarised consolidated interim financial results have been prepared under the supervision of the Chief Financial Officer, Mr Frans Reichert CA(SA). Neither these results nor any forward-looking statements have been reviewed by the company's auditors, Deloitte & Touche. The summarised consolidated interim results for the six months ended 30 June 2024 were approved for issue by the board on 30 August 2024.

2. New and amended standards adopted by the group

Certain amendments to accounting standards and interpretations have been published that are effective for 31 December 2024 reporting periods and have been adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. Fair value estimation of financial instruments

Financial instruments consist of trade receivables, bank and cash balances and other payables resulting from normal business operations. The nominal value less loss allowance of trade receivables and the nominal value of payables are assumed to approximate their fair values.

4. Acquisition of associate

On 1 April 2024, CA Sales Investments (Pty) Ltd, a wholly owned subsidiary of CA Sales Holdings Ltd, purchased 49% of the share capital of Roots Sales (Pty) Ltd ("Roots") for R70 million. Roots is domiciled in South Africa and services the informal market in the country, which is a channel broadening acquisition for the CA&S Group. This acquisition contributed R2.7 million to the group's operating profit during the period under review.

Notes to the condensed interim financial statements continued

5. Operating profit

Profit for the interim period includes the following item that is unusual because of its nature and size:

	30 June 2024 R'000	30 June 2023 R'000	31 December 2023 R'000
Gains			
Gain on bargain purchase	–	–	123 572

6. Income tax

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the period. The estimated average annual tax rate used for the period to 30 June 2024, excluding withholding taxes of R22.5 million, is 25.9%, compared to 26.4% for the six months ended 30 June 2023 (adjusted for withholding tax and non-taxable gain on bargain purchase).

7. Cash generated from operations

	30 June 2024 R'000	30 June 2023 R'000	31 December 2023 R'000
Profit before income tax	320 080	388 958	758 849
Adjustments for:			
Depreciation	50 087	48 302	95 722
Amortisation	2 512	1 219	4 065
Net profit on disposal of property, plant and equipment	(2 538)	(4 672)	(5 376)
Gain on bargain purchase	–	(123 572)	(123 572)
Finance income	(41 748)	(20 283)	(68 068)
Finance costs	27 048	18 371	56 531
Fair value adjustments on contingent consideration	–	–	6 000
Fair value gain on assets available for sale	–	–	(544)
Share of profits from associated companies	(14 983)	(2 597)	(10 356)
Fair value loss on step-up acquisition	–	(149)	(149)
Impairment losses/(gains) on financial assets	1 318	2 701	(3 593)
Share based payments	3 287	2 905	6 920
Net (profit)/loss on termination of lease agreement	(633)	(87)	73
Unrealised foreign currency losses/(gains)	450	(2 276)	10 552
Other	(2)	5	289
Payment on share options exercised	(10 242)	(3 790)	(3 790)
	334 636	305 035	723 553
Changes in working capital			
Inventories	169 111	72 524	(160 638)
Trade and other receivables	49 211	(30 382)	(159 991)
Trade and other payables	6 803	69 911	130 810
	225 125	112 053	(189 819)
	559 761	417 088	533 734

Notes to the condensed interim financial statements continued

8. Restatement of statement of cash flows

The group reassessed the classification principles regarding bank overdrafts in the statement of cash flows to comply with IAS 7 par. 8. The overdraft was disclosed as cash and cash equivalents in the prior year. The overdraft has now been disclosed as part of cash from financing activities as it is part of the capital structure of the group. This resulted in a restatement of the comparative statement of cash flows for the period ended 30 June 2023.

The restatement does not impact the statement of financial position, the statement of profit or loss or the statement of changes in equity.

Included below is the impact of the restatement on the statement of cash flows:

	As previously presented		Restated
	30 June 2023 R'000	Adjusted R'000	30 June 2023 R'000
Repayments of borrowings	(57 090)	(2 488 725)	(2 545 815)
Proceeds from borrowings	–	2 461 240	2 461 240
Net cash outflow from financing activities	(130 108)	(27 485)	(157 593)
Net increase in cash and cash equivalents	127 503	(27 485)	100 018
Effects of exchange rate changes on cash and cash equivalents	11 789	11 021	22 810
Cash and cash equivalents at the beginning of the year	451 137	284 712	735 849
Cash and cash equivalents at the end of the year	590 429	268 248	858 677

9. Dividends

Annual dividend declared and paid in the reporting period was R93.0 million (2023: R72.7 million). No dividend has been declared for the six months ended 30 June 2024 (H1 2023: nil), in line with the group's policy to only declare dividends once a year, after year-end.

For and on behalf of the board



Chairperson: JA Holtzhausen



Chief Executive Officer: DS Lewis

Centurion

30 August 2024

Corporate information

Directors

Executive: DS Lewis, FJ Reichert

Independent non-executive: JA Holtzhausen (Chairperson), FW Britz, LR Cronje, B Marole, E Masilela, B Mathews, JS Moakofi, B Patel

Alternate non-executive: J Craven

Registered office

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JSE Sponsor

PSG Capital (Pty) Ltd, 1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch, South Africa and at Suite 1105, 11th Floor, Sandton Eye Building, 126 West Street, Sandton, South Africa

BSE Sponsoring broker

Imara Capital Securities (Pty) Ltd, Office 3A, 3rd Floor, Masa Centre, Plot 54353, New CBD, Gaborone, Botswana