

# RESULTS PRESENTATION

FOR THE SIX MONTHS ENDED 31 AUGUST 2023



Munyaka

# AGENDA



OPERATIONAL OVERVIEW



FINANCIAL OVERVIEW



ANNUITIES



SUSTAINABILITY



LOOKING FORWARD



ANNEXURES





# OPERATIONAL OVERVIEW

**Steve Brookes**  
Chief Executive Officer

THABA-ECO VILLAGE LIFESTYLE CENTRE

# OPERATIONAL HIGHLIGHTS

**834**

Apartments sold and recognised in revenue for the period

**4.7%**

Revenue contribution to the group from Annuity business

**10**

Six-Star Green rated and Net Zero Carbon emissions buildings



**42%**

Revenue contribution from sale of apartments in the Western Cape region

**40 125**

Apartments in development pipeline

**44**

International awards achieved to date at the Africa and Arabia Property Awards

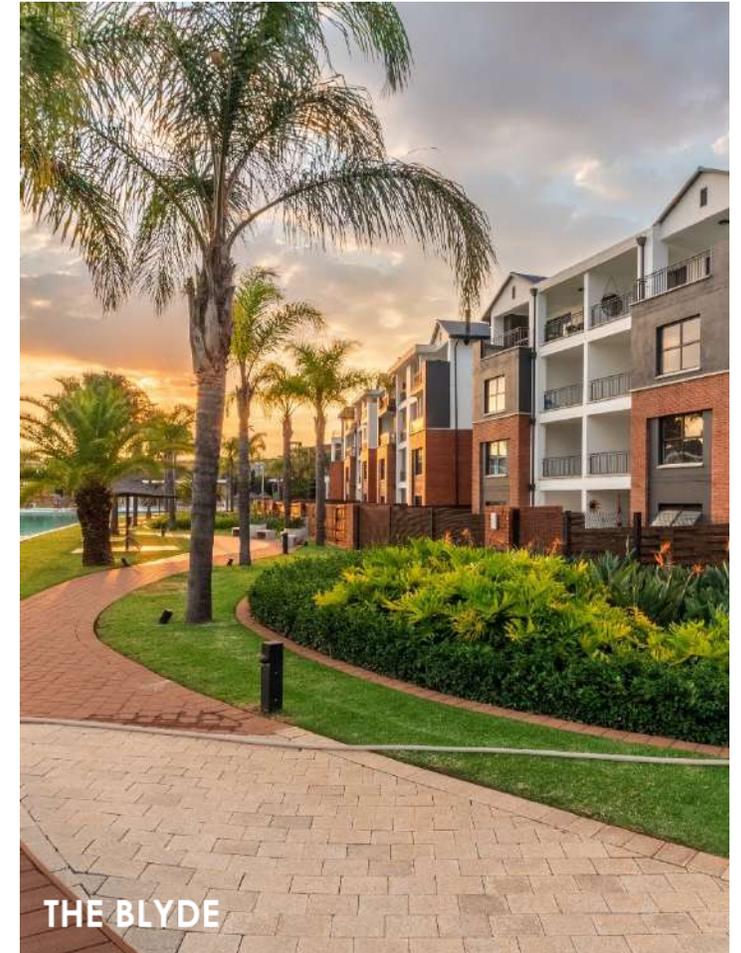
# OPERATIONAL REVIEW

- Revenue down by 25% to R1.2 billion compared to the prior comparative period, reflecting a challenging residential housing market
- Total number of apartments handed over amounted to 834 during the period (H12023: 1 360 apartments)
- 42% of revenue recorded from the Western Cape region, highest performing region for the first time in the group's history
- Maintain focus on core operations by executing on existing pipeline of developments
- Stronger demand from families for larger 3-bedroom apartments which contributed 40% of revenue from sale of apartments (H12023: 28%)
- 688 apartments pre-sold for future financial periods and thus not recorded in revenue for the current year (H12023: 870 apartments)
- Annuities businesses revenue increased by 42% to R56.3 million (H12023: R39.5 million)



# OPERATIONAL REVIEW

Development	Region	Development Brand	Apartments recognised in revenue
De Aan-Zicht	Western Cape	Classic	154
Fynbos	Western Cape	Classic	102
The Huntsman	Western Cape	Classic	94
Izinga Eco Estate	KwaZulu-Natal	Signature	90
Munyaka	Gauteng	Classic	80
Ballito Hills	KwaZulu-Natal	Classic	63
Greenlee	Gauteng	Green	54
Greenbay	Western Cape	Green	52
Thaba-Eco Village	Gauteng	Classic	36
The Reid	Gauteng	Classic	30
Greenpark	Gauteng	Green	23
The Blyde Riverwalk	Gauteng	Classic	21
Mooikloof Eco-Estate	Gauteng	Classic	13
The Polofields	Gauteng	Signature	10
Greencreek	Gauteng	Green	9
Munyaka Lifestyle Centre	Gauteng	Signature	3
			<b>834</b>

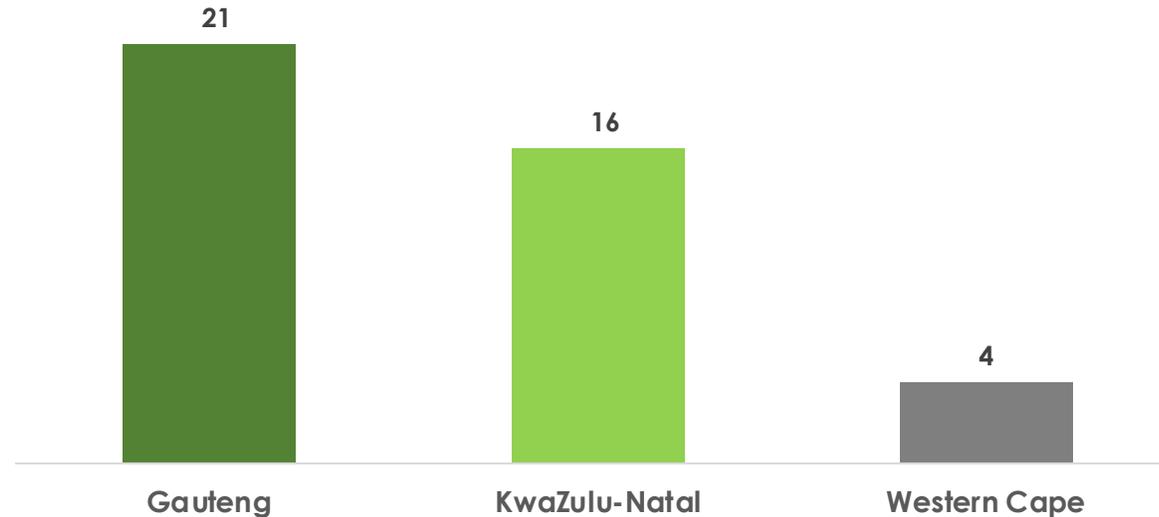


# DEVELOPMENT PIPELINE



Development Region	Total apartments in development	Total apartments sold	Total apartments registered	Total apartments recognised in revenue	Total apartments sold but not recognised in revenue	Total unsold apartments	Balwin pipeline
Gauteng	37 790	7 545	7 262	7 292	253	30 245	30 498
KwaZulu-Natal	6 790	1 241	1 185	1 187	54	5 549	5 603
Western Cape Total	6 913	3 270	2 883	2 889	381	3 643	4 024
<b>Total</b>	<b>51 493</b>	<b>12 056</b>	<b>11 330</b>	<b>11 368</b>	<b>688</b>	<b>39 437</b>	<b>40 125</b>

## DEVELOPMENT PIPELINE IN YEARS





# FINANCIAL OVERVIEW

**Jonathan Bigham**  
Chief Financial Officer

# FINANCIAL OVERVIEW

FOR THE SIX MONTHS ENDED 31 AUGUST 2023



**R1.2 billion**

▼ 25%

Revenue

**33%**

Gross profit margin

▲ 7%

**R167.1 million**

▼ 4%

Operating costs

**R177.4 million**

▲ 3%

Profit for the period



**37.93 cents**

▲ 4%

Headline earnings per share

**R442.6 million**

Cash position at period end

**Loan-to-value**

**42%**

Materially consistent with prior year end

**849.16 cents**

▲ 10%

Net asset value per share

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 AUGUST 2023



	Unaudited six months ended 31 August 2023 R'000	Unaudited six months ended 31 August 2022 R'000	Audited 12 months ended 28 February 2023 R'000
Revenue	1 185 606	1 580 626	3 326 908
Cost of sales	(789 199)	(1 177 100)	(2 366 758)
<b>Gross profit</b>	<b>396 407</b>	403 526	960 150
Other income	10 638	4 630	15 416
Other operating gains	–	–	9 952
Operating expenses	(167 126)	(174 395)	(392 768)
<b>Operating profit</b>	<b>239 919</b>	233 761	592 750
Investment income	22 903	19 585	36 762
Finance costs	(19 406)	(11 580)	(32 383)
Share of profit of associate	–	332	332
<b>Profit before taxation</b>	<b>243 416</b>	242 098	597 461
Taxation	(66 054)	(69 135)	(160 107)
<b>Profit for the period/year</b>	<b>177 362</b>	172 963	437 354
<b>Basic and diluted earnings per share</b>			
Basic	(cents) 37.93	36.88	93.74
Diluted	(cents) 37.93	36.86	93.68

# FINANCIAL PERFORMANCE

## FOR THE SIX MONTHS ENDED 31 AUGUST 2023



### Revenue

- Revenue decreased by 25% to R1.2 billion (H12023: R1.6 billion)
- Revenue earned from the following sources:

	August 2023 (R'000)	August 2022 (R'000)
Disaggregation of revenue by source:		
Revenue from sale of apartments	1 059 343	1 541 099
Revenue from sale of development rights	70 000	–
Revenue from annuity business	56 263	39 527
	<b>1 185 606</b>	<b>1 580 626</b>



### Revenue from sale of apartments

- Number of apartments handed over decreased by 39% to 834 apartments (H12023: 1 360 apartments)
- Volume reduction offset by marginal price increases, annuity group contributions and sale of development right
- Continued strong demand for one- and two-bedroom apartments but growth in three-bedroom apartments to 27%

# APARTMENTS RECOGNISED IN REVENUE

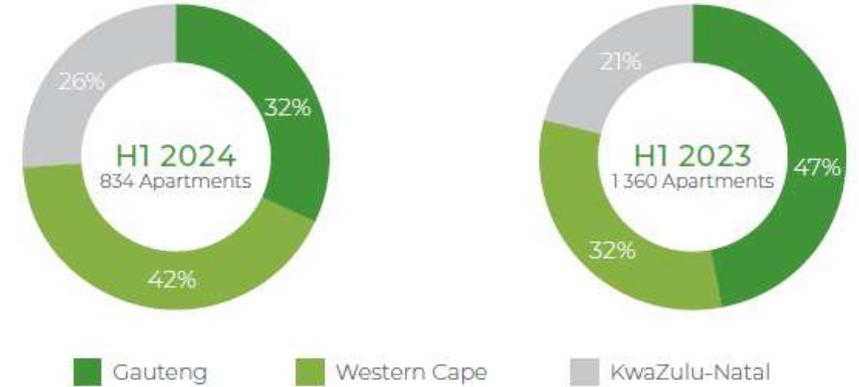
## FOR THE SIX MONTHS ENDED 31 AUGUST 2023



### Revenue from sale of apartments by region

Region	August 2023 (R'000)	August 2022 (R'000)
Gauteng	337 993	727 774
Western Cape	443 916	484 890
KwaZulu-Natal	277 434	328 436
<b>Revenue from sale of apartments</b>	<b>1 059 343</b>	<b>1 541 100</b>

### REVENUE BY REGION (%)



### Revenue from sale of apartments by Collection

Collection	August 2023 (R'000)	August 2022 (R'000)
Green	108 917	297 099
Classic	749 702	895 166
Signature	200 724	348 835
<b>Revenue from sale of apartments</b>	<b>1 059 343</b>	<b>1 541 100</b>

### REVENUE BY COLLECTION (%)



# AVERAGE SELLING PRICE ANALYSIS

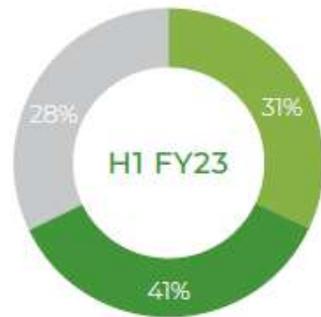
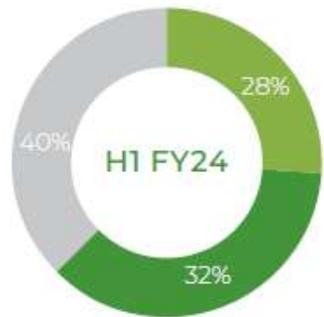
FOR THE SIX MONTHS ENDED 31 AUGUST 2023



## THE CLASSIC COLLECTION

	Average selling price (Rands incl. VAT)	Selling price growth/ (decrease)
1-bedroom	999 027	3%
2-bedroom	1 564 079	(3%)
3-bedroom	2 089 721	0%

## REVENUE CONTRIBUTION BY APARTMENT TYPE



1 - bedroom

2 - bedroom

3 - bedroom



# AVERAGE SELLING PRICE ANALYSIS

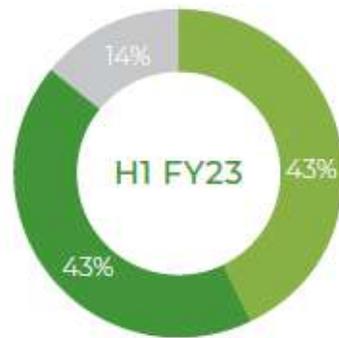
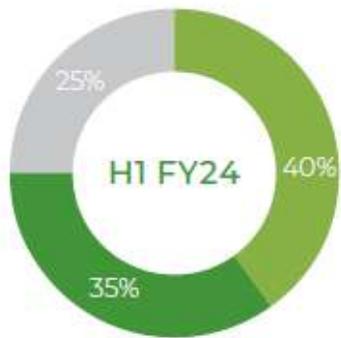
FOR THE SIX MONTHS ENDED 31 AUGUST 2023



## THE GREEN COLLECTION

	Average selling price (Rands incl. VAT)	Selling price growth/ (decrease)
1-bedroom	727 221	8%
2-bedroom	1 021 160	11%
3-bedroom	1 294 610	14%

## REVENUE CONTRIBUTION BY APARTMENT TYPE



1 - bedroom

2 - bedroom

3 - bedroom



# FINANCIAL PERFORMANCE

FOR THE SIX MONTHS ENDED 31 AUGUST 2023



## Revenue from annuity businesses

- Revenue increased by 42% to R56.3 million (H1 2023: R39.5 million)
- Annuity revenue grew to 4.7% of group revenue (H1 2023: 2.5%)

### REVENUE FROM ANNUITY BUSINESS



## Revenue from sale of development rights

- Recognition of sale of development rights specific to the future construction of the hotel at Munyaka
- Development rights transferred to purchaser who is responsible for the construction of the hotel which won't be owned by Balwin

# FINANCIAL PERFORMANCE

## FOR THE SIX MONTHS ENDED 31 AUGUST 2023



### Gross profit

- 🌿 Gross profit margin growth remains a key focus
- 🌿 Gross profit margin improved further to 33% (H1 2023: 26%)
- 🌿 Growth in margin on sale of apartments increased to 28% (H1 2023: 24%) owing to focused cost containment measures, design efficiencies and careful price adjustments to cover increased costs where possible

	Unaudited six months ended 31 August 2023 R'000	Unaudited six months ended 31 August 2022 R'000
<b>Gross profit</b>		
Gross profit from sale of apartments	295 248	373 670
<b>Gross profit margin</b>		
Gross profit from sale of apartments	28%	24%

- 🌿 Increase in contribution from the annuity businesses – no cost of sales recognised in annuity businesses
- 🌿 Further once-off GP growth from sale of development rights of ~2%

# FINANCIAL PERFORMANCE

## FOR THE SIX MONTHS ENDED 31 AUGUST 2023



### Operating expenses

- 🌿 Total operating costs decreased to R167.1 million (H12023: R174.4 million)
- 🌿 Balwin Properties decreased operating expenses by 21% in absolute terms (including fixed, variable and performance-linked expenditure as well as depreciation)
- 🌿 Balwin Properties fixed expenditure decreased by 9%
- 🌿 Balwin Annuities operating expenditure increased by R26.5 million

	Unaudited six months ended 31 August 2023 R'000	Unaudited six months ended 31 August 2022 R'000	Movement
Balwin Properties (the company)			
Fixed expenditure	72 488	79 926	(9%)
Depreciation and amortisation	14 193	6 868	107%
Performance linked expenditure	–	15 218	(100%)
Variable expenditure (Note 1)	38 018	56 406	(33%)
<b>Total Balwin Properties (the company)</b>	<b>124 699</b>	<b>158 418</b>	<b>(21%)</b>
Total Balwin Annuities	42 427	15 977	166%
<b>Total group operating expenditure</b>	<b>167 126</b>	<b>174 395</b>	<b>(4%)</b>



# FINANCIAL PERFORMANCE

FOR THE SIX MONTHS ENDED 31 AUGUST 2023



## Earnings

- Profit after tax increased by 3% to R177.4 million
- 3% increase in earnings per share to 37.93 cents
- 4% increase in headline earnings per share to 37.93 cents

## Dividend

- The board has not declared an interim dividend (H12023: 9.9 cents per share)
- The board will reconsider the declaration of a dividend at financial year end

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT 31 AUGUST 2023

	Unaudited as at 31 August 2023 R'000	Unaudited as at 31 August 2022 R'000	Audited as at 28 February 2023 R'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	377 190	313 487	328 413
Investment property	232 273	–	153 020
Other non-current assets	41 382	39 330	38 723
	<b>650 845</b>	<b>352 817</b>	<b>520 156</b>
<b>Current assets</b>			
Developments under construction	6 275 007	5 346 592	5 734 382
Trade and other receivables	231 202	383 147	218 902
Cash and cash equivalents	442 633	581 238	607 349
Restricted cash	1 086	51 086	164 376
Other current assets	17 307	44 224	27 021
	<b>6 967 235</b>	<b>6 406 287</b>	<b>6 752 030</b>
Non-current assets held for sale	26 061	26 061	26 061
<b>Total assets</b>	<b>7 644 141</b>	<b>6 785 165</b>	<b>7 298 247</b>
<b>Equity and liabilities</b>			
Share capital	657 515	650 889	650 973
Reserves	72 319	70 377	71 056
Retained income	3 225 980	2 886 780	3 112 898
Non-controlling interest	2 156	912	1 591
<b>Total equity</b>	<b>3 957 970</b>	<b>3 608 958</b>	<b>3 836 518</b>
<b>Non-current liabilities</b>			
Development loans and facilities	1 326 777	1 164 100	1 267 742
Other non-current liabilities	271 720	281 734	274 239
	<b>1 598 497</b>	<b>1 445 834</b>	<b>1 541 981</b>
<b>Current liabilities</b>			
Development loans and facilities	1 865 231	1 519 797	1 688 777
Trade and other payables	104 146	158 726	146 472
Other current liabilities	118 297	51 850	84 499
	<b>2 087 674</b>	<b>1 730 373</b>	<b>1 919 748</b>
<b>Total liabilities</b>	<b>3 686 171</b>	<b>3 176 207</b>	<b>3 461 729</b>
<b>Total equity and liabilities</b>	<b>7 644 141</b>	<b>6 785 165</b>	<b>7 298 247</b>

# FINANCIAL POSITION

AS AT 31 AUGUST 2023



## Non-current assets

- 🌿 Drivers of investment through annuity businesses, namely:
  - Solar assets
  - Fibre infrastructure
  - Fit-outs of head office following building being 100% let
  - 61 key hotel at The Blyde (Tshwane East)

## Developments under construction

- 🌿 Includes the cost of land, infrastructure, development rights and construction costs
- 🌿 Increased by R540 million to R6.3 billion



# FINANCIAL POSITION

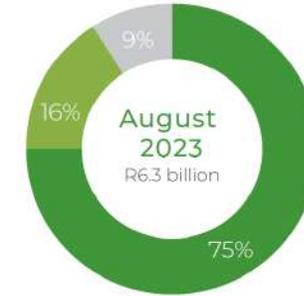
AS AT 31 AUGUST 2023



## Developments under construction (continued)

### Developments under construction by region

Region	Unaudited as at 31 August 2023 R'000	Audited as at 28 February 2023 R'000
Gauteng	4 696 591	4 225 271
KwaZulu-Natal	982 348	978 745
Western Cape	596 068	530 367
<b>Total</b>	<b>6 275 007</b>	<b>5 734 382</b>



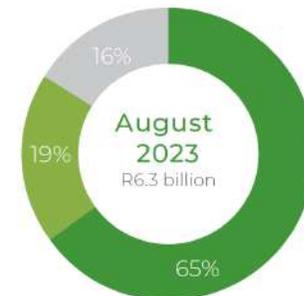
■ Gauteng ■ Kwa-Zulu Natal  
■ Western Cape



■ Gauteng ■ Kwa-Zulu Natal  
■ Western Cape

### Developments under construction by Collection

Collection	Unaudited as at 31 August 2023 R'000	Audited as at 28 February 2023 R'000
Classic	4 065 167	3 922 672
Green	1 218 978	1 052 355
Signature	990 862	759 355
<b>Total</b>	<b>6 275 007</b>	<b>5 734 382</b>



■ Classic ■ Green ■ Signature



■ Classic ■ Green ■ Signature

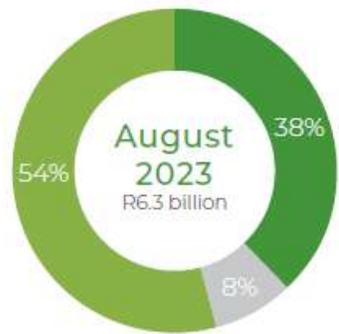
# FINANCIAL POSITION

AS AT 31 AUGUST 2023



## Developments under construction (continued)

	Unaudited as at 31 August 2023 R'000	Unaudited as at 31 August 2022 R'000	Audited as at 28 February 2023 R'000
<b>DEVELOPMENTS UNDER CONSTRUCTION</b>			
Developments under construction include the following:			
Cost of construction	3 385 054	2 486 618	2 906 124
Land and land contribution costs	2 403 596	2 343 995	2 338 327
Development rights	486 357	515 979	489 931
	<b>6 275 007</b>	<b>5 346 592</b>	<b>5 734 382</b>



Land and land contribution

Development rights

Cost of construction



# FINANCIAL POSITION

AS AT 31 AUGUST 2023



## Trade receivables

- Trade receivables consists of apartments handed over which had not yet registered
- The majority of these apartments registered after period end

## Cash and cash equivalents

- Healthy cash position at period end of R 442.6 million (February 2023: R607.3 million)
- Cash on hand exceeds funding covenants and board thresholds
- Continued active oversight of Treasury Committee
- Active management of rate of sales to construction to manage liquidity

	Unaudited as at 31 August 2023 (R'000)	Unaudited as at 31 August 2022 (R'000)	Audited as at 28 February 2023 (R'000)
Cash and cash equivalents	442 633	581 238	607 349
Restricted cash	1 086	51 086	164 376
<b>Total cash</b>	<b>443 719</b>	<b>632 324</b>	<b>771 725</b>



# FINANCIAL POSITION

AS AT 31 AUGUST 2023



## Debt

- Development loans and facilities amounted to R3.2 billion (February 2023: R3.0 billion)
- Loan-to-value 42.0% (February 2023: 40.7%) – covenant at 50%
- Interest cover ratio of 3.3 times – covenant at 2 times cover
- Loan-to-value ratio is materially measured at cost and free from fair value adjustments

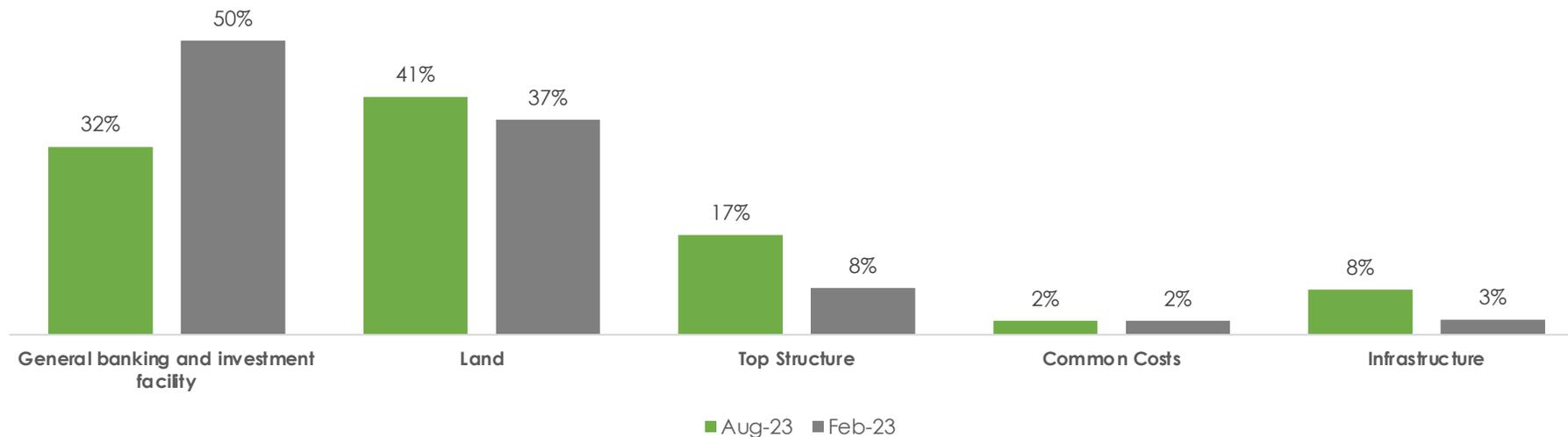


# FUNDING OVERVIEW



	Unaudited as at 31 August 2023	Audited as at 28 February 2023
	R '000	R '000
General banking and investment facility	1 026 291	1 487 344
Land	1 299 930	1 087 096
Top Structure	545 312	236 860
Common Costs	75 468	70 219
Infrastructure	245 007	75 000
<b>Total</b>	<b>3 192 008</b>	<b>2 956 519</b>
Loan-to-value	<b>42.0%</b>	40.7%
Interest cover ratio	<b>3.3x</b>	3.8x
Long-term debt to equity ratio (land and infrastructure)	<b>44%</b>	39%

## FUNDING BY TYPE



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE SIX MONTHS ENDED 31 AUGUST 2023



	Unaudited six months ended 31 August 2023 R'000	Unaudited six months ended 31 August 2022 R'000	Audited year ended 28 February 2023 R'000
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	(311 205)	190 018	558 868
Interest received	22 903	19 585	36 762
Finance costs paid	(132 304)	(94 223)	(217 373)
Taxation paid	(7 639)	(45 425)	(133 094)
<b>Net cash (used in)/generated from operating activities</b>	<b>(428 245)</b>	<b>69 955</b>	<b>245 163</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(49 145)	(184 605)	(86 452)
Proceeds on disposal of property, plant and equipment	17	1 543	2 422
Purchase of intangible assets	(10 656)	(9 014)	(11 541)
Proceeds from sale of intangible assets	4 172	–	–
Net cash paid on business combinations	–	(18 003)	(14 134)
Decrease/(increase) in restricted cash	163 290	–	(163 290)
Dividends received from associate	–	250	250
<b>Net cash generated from/(used in) investing activities</b>	<b>107 678</b>	<b>(209 829)</b>	<b>(272 745)</b>
<b>Cash flows from financing activities</b>			
Treasury shares acquired	–	(20 112)	(20 112)
Development loans raised and utilised	1 422 584	884 196	2 200 433
Development loans repaid	(827 957)	(928 739)	(2 327 757)
Investment loan and general banking facilities repaid	(489 067)	(375 162)	(618 679)
Investment loan and general banking facilities raised and utilised	114 006	562 992	844 271
Payment on lease liabilities	–	(5 271)	(1 746)
Dividends paid	(73 237)	(70 121)	(121 542)
Dividends received from treasury shares	9 522	7 639	14 427
<b>Net cash generated from/(used in) financing activities</b>	<b>155 851</b>	<b>55 476</b>	<b>(30 705)</b>
<b>Total cash and cash equivalents movement for the period/year</b>	<b>(164 716)</b>	<b>(84 398)</b>	<b>(58 287)</b>
Cash and cash equivalents at the beginning of the period/year	607 349	665 636	665 636
<b>Total cash and cash equivalents at the end of the period/year</b>	<b>442 633</b>	<b>581 238</b>	<b>607 349</b>



# ANNUITIES

**Raaziq Ismail**

Head of Legal & Annuity

# ANNUITIES OVERVIEW



**R24.3 million**

Operating profit for H1 2023

**R33 million**

Savings to our clients through Balwin Mortgages

**8 614**

Active clients on Balwin Fibre network



BALLITO HILLS

**985**

Tons of carbon dioxide emissions prevented through Balwin Energy

**2 961**

Members through Balwin Lifestyle

**752**

Bonds secured through Balwin Mortgages

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 AUGUST 2023



Unaudited (R'000) *	Balwin Annuity	Balwin Fibre	Balwin Mortgages	Balwin Green Living <sup>+</sup>	Balwin Rentals	Other Businesses
<b>Revenue</b>	<b>67 191</b>	26 031	6 271	2 305	8 365	24 218
Cost of sales	-	-	-	-	-	-
<b>Gross profit</b>	<b>67 191</b>	26 031	6 271	2 305	8 365	24 218
Other income	<b>9 877</b>	1 660	-	1 045	1 830	5 341
Operating expenses	<b>(52 742)</b>	(18 418)	(3 716)	(1 980)	(4 498)	(24 130)
<b>Operating profit</b>	<b>24 325</b>	9 273	2 555	1 370	5 697	5 429
Finance costs	<b>(20 486)</b>	(3 523)	-	(1 372)	(5 581)	(10 009)
<b>Net profit before tax</b>	<b>3 840</b>	5 749	2 555	(2)	116	(4 580)
Taxation	<b>(1 166)</b>	(1 552)	(690)	-	(34)	1 111
<b>Net profit after tax</b>	<b>2 674</b>	4 197	1 865	(2)	82	(3 469)

\* All figures prior to consolidation

+ Previously known as Balwin Energy

# BALWIN FIBRE (PTY) LTD – STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 AUGUST 2023

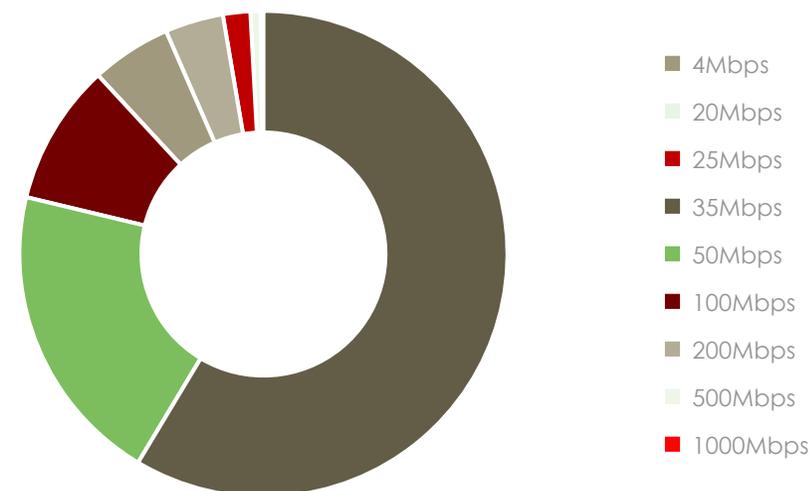


	31 August 23 Unaudited R'000	31 August 22 Audited R'000
<b>Financial update</b>		
<b>Revenue</b>	26 031	20 553
Cost of sales	-	-
<b>Gross profit</b>	26 031	20 553
Other income	1 660	2 020
Operating expenses	(18 418)	(14 699)
<b>Operating profit</b>	9 273	7 874
Finance costs	(3 523)	(2 203)
<b>Net profit before tax</b>	5 749	5 671
Taxation	(1 552)	(1 588)
<b>Net profit after tax</b>	4 197	4 083

## OPERATIONAL UPDATE

🌿 Homes passed	12 121
🌿 Active clients	8 614
🌿 Uptake @ occupied	77%
🌿 Average rate per unit	R511

FIBRE LINE SPEEDS - UPTAKE



# BALWIN MORTGAGES (PTY) LTD – STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 AUGUST 2023

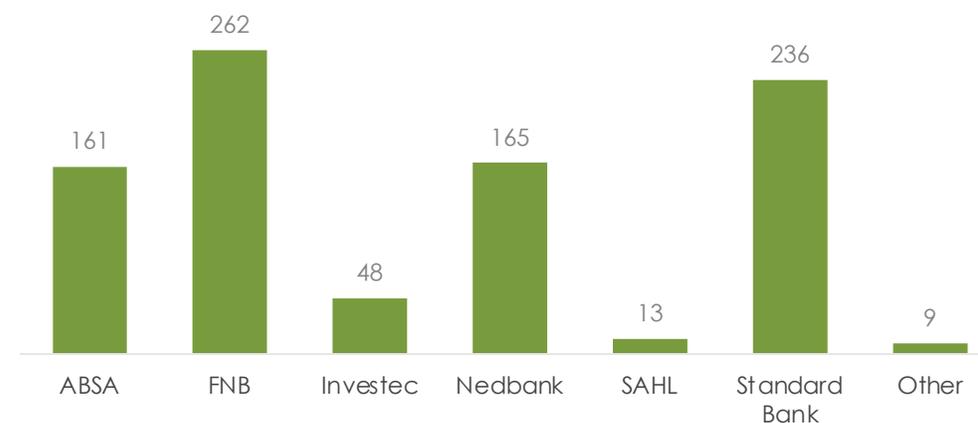


	31 August 23 Unaudited R'000	31 August 22 Audited R'000
<b>Financial update</b>		
<b>Revenue</b>	6 271	10 670
Cost of sales	-	-
<b>Gross profit</b>	6 271	10 670
Other income	-	-
Operating expenses	(3 716)	4 275
<b>Operating profit</b>	2 555	6 395
Finance costs	-	-
<b>Net profit before tax</b>	2 555	6 395
Taxation	(690)	(1 791)
<b>Net profit after tax</b>	1 865	4 604

## OPERATIONAL UPDATE

- 🌿 752 bonds secured for the six months ended 31 August 2023
- 🌿 Green bond concession range form 0.25% - 0.75% (Conditions apply)
  - › Savings for clients of ~R33 million interest over a 20 year mortgage period

BANK PORTFOLIO (Rm)



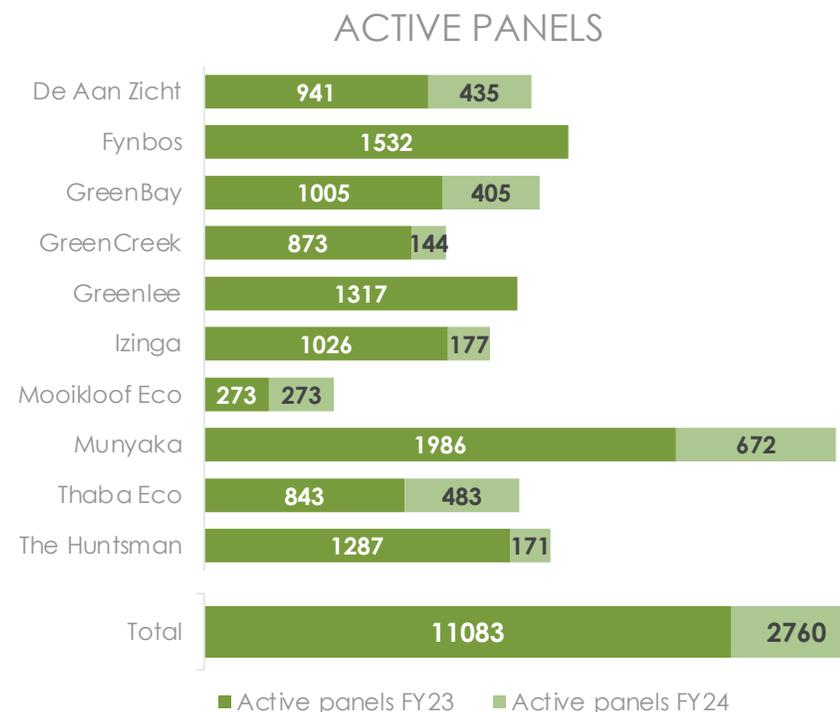
# BALWIN GREEN LIVING (PTY) LTD – STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 AUGUST 2023



	31 August 23 Unaudited R'000	31 August 22 Audited R'000
<b>Financial update</b>		
<b>Revenue</b>	2 305	1 494
Cost of sales	-	-
<b>Gross profit</b>	2 305	1 494
Other income	1 045	1 357
Operating expenses	(1 980)	(807)
<b>Operating profit</b>	1 370	2 044
Finance costs	(1 372)	-
<b>Net profit before tax</b>	(2)	2 044
Taxation	-	(572)
<b>Net profit after tax</b>	(2)	1 472

## OPERATIONAL UPDATE

- Operating on 10 sites
- Generating 4.1 megawatt of peak power
- Reduced emissions in Balwin Group by 985tCO<sub>2</sub>e



# BALWIN RENTALS (PTY) LTD – STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 AUGUST 2023

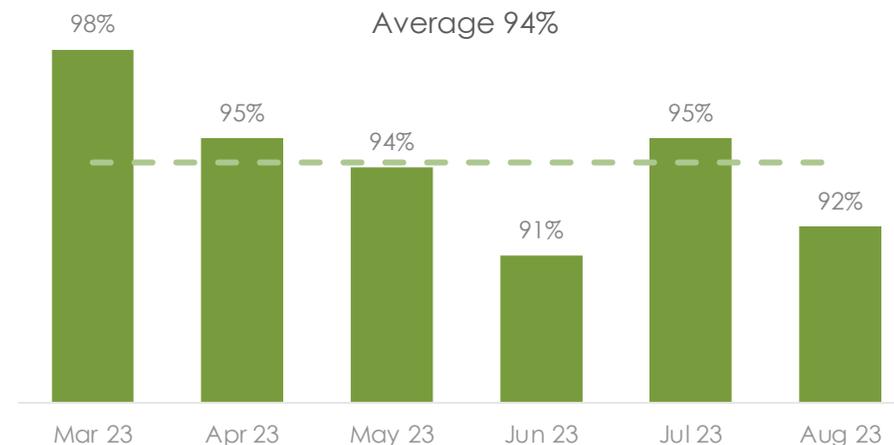


	31 August 23 Unaudited R'000	31 August 22 Audited R'000
<b>Financial update</b>		
<b>Revenue</b>	8 365	4 215
Cost of sales	-	-
<b>Gross profit</b>	8 365	4 215
Other income	1 830	925
Operating expenses	(4 498)	(2 326)
<b>Operating profit</b>	5 697	2 814
Finance costs	(5 581)	(2 026)
<b>Net profit before tax</b>	116	788
Taxation	(34)	(220)
<b>Net profit after tax</b>	82	568

## OPERATIONAL UPDATE

- Achieved an average occupancy of 94% for the residential portfolio.
- Positive rental reversion achieved year on year.

### RESIDENTIAL OCCUPANCY



# OTHER ANNUITY BUSINESSES STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 AUGUST 2023



	31 August 23 Unaudited R'000	31 August 22 Audited R'000
<b>Financial update</b>		
<b>Revenue</b>	24 218	744
Cost of sales	-	-
<b>Gross profit</b>	24 218	744
Other income	5 341	2 807
Operating expenses	(24 130)	(4 948)
<b>Operating loss</b>	5 429	(1 397)
Finance costs	(10 009)	-
<b>Net profit before tax</b>	(4 580)	(1 397)
Taxation	1 111	391
<b>Net profit after tax</b>	(3 469)	(1 006)

## OPERATIONAL UPDATE

Other businesses comprises of

-  Technik
-  Insurance
-  Lifestyle
-  Balwin Johannesburg head office

## Highlights

-  15 sites active on Balwin Technik
-  98 active insurance policies
-  2 961 active Lifestyle Memberships
-  100% occupancy at Johannesburg head office



**SUSTAINABILITY**

**Steve Brookes**  
Chief Executive Officer

# SUSTAINABLE BUSINESS PRACTICES



- 🌱 Continued commitment to reducing our environmental impact through innovation in design and building techniques
- 🌱 The first South African company to have both a science-based target and Net Zero commitment approved by the International Science based target initiative
- 🌱 All new developments to target EDGE Advanced ratings (Excellence in Design for Greater Efficiency)
- 🌱 A total of 22 810 apartments registered as EDGE with the International Finance Corporation's Excellence in Design for Greater Efficiency (EDGE)
- 🌱 A total of over 15 370 apartments registered as EDGE Advanced (40% + energy savings and 20% + water savings)
- 🌱 10 lifestyle centres awarded six-star green rating from Green Building Council of SA (GBSA), including our new head office
- 🌱 10 lifestyle centres with Net Zero Carbon rating from GBSA, including our new head office.
- 🌱 752 green bonds secured for clients during the period, provided a total savings of R33 million over 20 years



# LOOKING FORWARD

**Steve Brookes**  
Chief Executive Officer

THE BLYDE MINT RESORT

# THE FUTURE



- 🌱 Maintain focus on core operations by leveraging existing land bank and existing pipeline of developments
- 🌱 Opportunities for growth in strategic areas on terms that do not put liquidity and debt pressure on the group
- 🌱 Key focus on cost reduction (both operational and construction)
- 🌱 Margin pressure anticipated for the remainder of the year owing to weak macro-economic outlook
- 🌱 Balwin Annuities to continue to leverage the Balwin brand, enhance client experience and generate savings for clients
- 🌱 Ongoing emphasis on responsible environmental management



# ANNEXURES

THE BLYDE

# OPERATING MODEL



- Development of large-scale residential estates in key target nodes
- Targeting an average profit margin of low to mid **30% range over the lifecycle** of each project
- Drive efficiencies through **turnkey approach** to development
- Maintaining costs and cash preservation**
- Development pipeline** of 40 125 apartments across 26 developments representing a development horizon of approximately 15 years
- Focus on **sustainable building practices**
- 44 international property awards** recognising innovation and excellence in business

# TURNKEY DEVELOPMENT MODEL

## OUR OPERATING MODEL >

APPLY BUILD-TO-SELL MODEL  
TO DEVELOP LARGE-SCALE  
RESIDENTIAL ESTATES IN KEY  
STRATEGIC TARGET NODES

### Focus exclusively on residential property

- Build quality, affordable one, two and three-bedroom sectional title apartments
- Focus on sustainable building practices with the achievement of EDGE Advanced certification for all apartments developed
- Ensure construction is scalable and adaptable to market conditions
- Expand into new and growing residential nodes in major metropolitan areas and reduce risk of regional exposure
- Aim to sell approximately 25 apartments per development per month

Drive efficiencies through  
a turnkey approach to development

## OUTPUTS >

### LAND ACQUISITION

- Land sourcing, acquisition and financing

### PROJECT PLANNING

- Project timelines
- Re-zoning
- Town planning
- Quantity surveying
- Development design and costing
- Treasury and financing
- Procurement

### MARKETING AND SALES

- Marketing and pre-sales
- Bond origination

### CONSTRUCTION MANAGEMENT

- Construction
- Construction management
- Quality control
- Safety, health, environmental and quality management

### TRANSFER AND ESTATE MANAGEMENT

- Title deed registrations
- Establishment of body corporates
- Estate management
- Ongoing client support



# CORPORATE OVERVIEW

- Specialist, national **residential property developer** of large-scale sectional title estates
- Focus on high **quality, environmentally efficient, affordable** apartments with an innovative and all-inclusive **lifestyle** offering for clients
- Currently developing approximately **2 000 apartments** per year
- Estates typically consist of between **1 000** and **3 000 apartments** – larger estates developed where market demand and infrastructure allow
- Focus on high-density, high-growth nodes across key metropolitan areas in **Johannesburg, Tshwane, Western Cape and KwaZulu-Natal**
- Approximate 15 year development pipeline of 40 125 apartments
- Lifestyle centres** typically include free Wi-Fi, a wellness spa, restaurant, gym, squash court, padel court, running track, action sports field, games room, cinema room, swimming pools, playgrounds, laundromat and a concierge



# GOVERNANCE PROCESS DEVELOPMENT OPPORTUNITIES

- 🌿 Development opportunities identified
- 🌿 Internal due diligence process followed:
  - › Costs
  - › Infrastructure
  - › Zoning
  - › Independent review of nodal residential demand
- 🌿 Presented for approval to:
  - › Executive Committee
  - › Transaction Committee
  - › Board for final approval and implementation



# INVESTMENT CASE



- Well positioned to address the undersupply of quality, affordable housing in the low to middle market income market
- Long-term development pipeline in key strategic locations
- Proven and flexible business model for large-scale developments
- Strong management with nearly 30 years experience, management are the founding directors and the majority shareholders, therefore management is aligned to the interests of shareholders
- Sustainable margins supported by high level of pre-sales
- High barriers to entry into the market
- Quality and design of international standards

# DEVELOPMENT BRANDS

## GREEN COLLECTION BRAND

THE  GREEN COLLECTION

 Balwin  
PROPERTIES®

- Model targets a slightly lower income consumer than the Classic Collection
- Prices range from R599 900 to R1 519 900
- Developed on a phase-by-phase approach
- Distinctive architecture and high-quality standards
- Residents have access to traditional lifestyle offerings associated with Balwin brand



# DEVELOPMENT BRANDS

## CLASSIC COLLECTION BRAND

- ✔ Core development model
- ✔ One-, two-, and three-bedroom four storey walk up apartments
- ✔ Prices range from R764 910 to R3 249 900
- ✔ Developments located in high density, high growth nodes across key metropolitan areas
- ✔ Benefits from economies of scale, in-house construction and management
- ✔ Developed on phase-by-phase basis
- ✔ Dynamic product allows for block configuration change to respond to market
- ✔ Exclusive lifestyle offering to clients as an all-inclusive value-added service

### THE CLASSIC COLLECTION



# DEVELOPMENT BRANDS SIGNATURE COLLECTION BRAND

THE *Signature* COLLECTION



- Three elite model developments, The Polofields and Munyaka Lifestyle Centre apartments (Johannesburg, Waterfall) and Izinga Eco Estate (KwaZulu-Natal, Umhlanga)
- Apartments built to higher specifications with luxurious finishes
- Prices range from R899 900 to R10 999 900
- Developments built on existing land in selected nodes and follow the same phase-by-phase approach

