

Your  
lifestyle  
our focus



RESULTS PRESENTATION  
for the six months ended 31 August 2021



# Agenda



Operational  
overview



Financial  
overview



Sustainability



Looking  
forward



Annexures





# OPERATIONAL OVERVIEW

**Steve Brookes**  
Chief Executive Officer



Greencreek

# Operational highlights



5 476  
APARTMENTS SOLD  
IN 12 MONTH PERIOD

SHAREHOLDER  
APPROVAL OF  
**B-BBEE**  
transaction

SUSTAINABLE  
BUILDING  
EDGE ADVANCED  
SIX-STAR GREEN RATING  
NET ZERO RATING



PRE-SALES OF  
2 846  
APARTMENTS FOR  
FUTURE YEARS

DEVELOPMENT  
PIPELINE  
OF **56 313** APARTMENTS  
ACROSS **29** DEVELOPMENTS

7  
**INTERNATIONAL AWARDS**  
ACHIEVED AT THE  
AFRICA AND ARABIA  
PROPERTY AWARDS



# Operational review



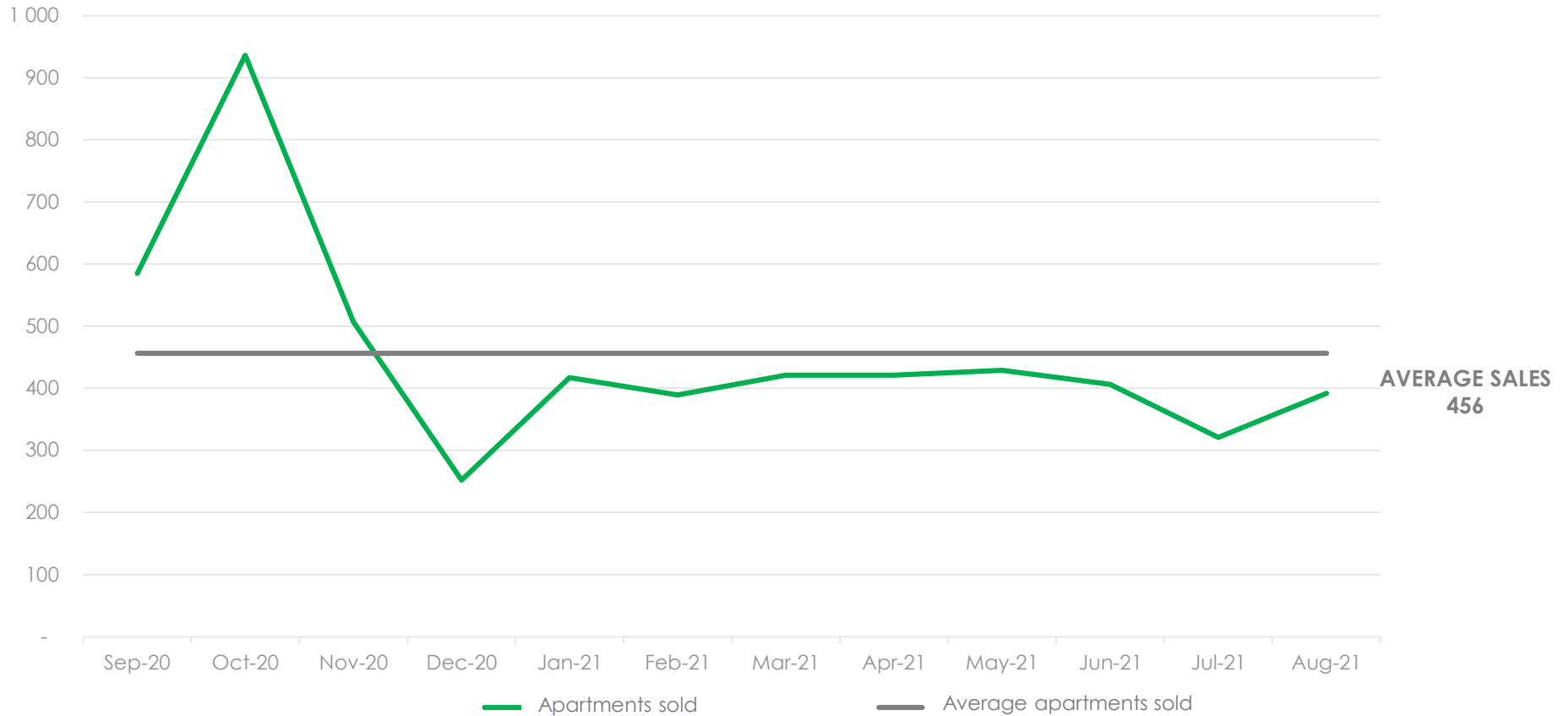
- Operational activity has steadily recovered to pre Covid-19 levels: supported by sustained demand for apartments
- Increased roll out of the Green Collection apartments in line with strategic focus and first Green Collection development in Western Cape handed over
- Continued strong demand for one- and two-bedroom apartments (80% of total sales) (H1FY21 74%)
- 2 846 apartments pre-sold for future financial years and thus not recorded in revenue



# Monthly sales



### MONTHLY SALES SUMMARY (SEPTEMBER 2020- AUGUST 2021)



**Note** - sales include all apartments contracted and do not necessarily relate to the financial period or next financial period



# FINANCIAL OVERVIEW

**Jonathan Weltman**

Chief Financial Officer



Paardevelei Lifestyle Estate

# Financial overview



41% ^  
R1.3 billion  
REVENUE

41% ^  
1 261  
APARTMENTS  
HANDLED OVER

44% ^  
R163 million  
PROFIT BEFORE TAX



44% ^  
R117 million  
PROFIT FOR THE PERIOD

44% ^  
24.95 cents  
HEADLINE EARNINGS  
PER SHARE

7% ^  
692 cents  
NET ASSET VALUE  
PER SHARE



# Financial review



## Revenue

- 🌿 Increase by 41% with 1 261 apartments handed over (H1FY21 896 apartments)
- 🌿 Demand for one- and two-bedroom apartments remains strong comprising 80% of revenue (H1FY21 74%)
- 🌿 Classic collection continues to contribute the majority of revenue 65% (H1FY21 76%)
- 🌿 Green developments contributed 30% of apartments sold (H1FY21 15%) or 18% of revenue (H1FY21 10%)
- 🌿 Signature collection generated 17% of revenue (H1FY21 14%)

## Gross profit

- 🌿 Gross profit increased by 36% over prior comparative period
- 🌿 Gross profit margin decreased slightly to 24% (H1FY21: 25%)
- 🌿 Gross profit margin expected to improve as development pipeline matures

# Financial review



## Operating expenses

- 🌿 Increase of 25% attributable mainly to increase in revenue based sales commission as well as once-off consulting fees associated with changes to the business funding model
- 🌿 Cost management remains a key focus area for management

## Earnings per share

- 🌿 44% increase in earnings per share and headline earning per share for the period to 25 cents (H1FY21 17 cents)

## Funding

- 🌿 R500 million Stanlib facility signifies changes to funding model of the business which will reduce funding costs over time
- 🌿 Strong cash position at period end of R739 million, up R311 million on prior period

## Developments under construction

- 🌿 Increase by R580 million to R4,7 billion as a result of increase in the development pipeline relating mainly to Izinga Eco Estate (KZN), Thaba Eco Estate (Gauteng) and Mooikloof Mega City (Tshwane)



# Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income for the six months ended 31 August 2021



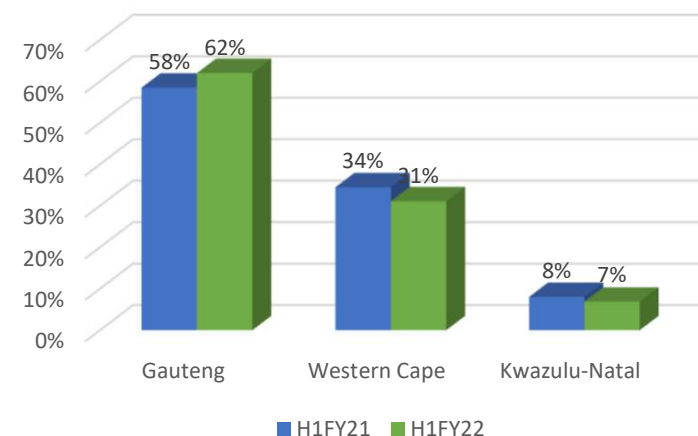
	Unaudited 31 August 2021 R'000	Unaudited 31 August 2020 R'000	% Variance	Audited 12 months ended 28 February 2021 R'000
Revenue	1 312 208	929 578	41%	2 700 574
Cost of sales	(1 003 624)	(701 826)	43%	(1 979 598)
<b>Gross Profit</b>	<b>308 584</b>	227 752	35%	720 976
Other income	1 788	2 811	-36%	6 652
Operating expenses	(151 754)	(121 014)	25%	(265 178)
<b>Operating profit</b>	<b>158 618</b>	109 549	45%	462 450
Interest income	17 470	7 329	138%	16 936
Finance costs	(14 209)	(4 062)	250%	(14 079)
Share of profit of associate	716	75	855%	1 744
<b>Profit before taxation</b>	<b>162 595</b>	112 891	44%	467 051
Taxation	(45 362)	(31 653)	43%	(130 686)
<b>Profit for the period/Year</b>	<b>117 233</b>	81 238	44%	336 365
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified to profit or loss:</b>				
Exchange differences on translating foreign operations	-	-		-
<b>Total comprehensive income for the period/year</b>	<b>117 233</b>	81 238	44%	336 365
Number of apartments	1 261	896		
Gross profit margin	24%	25%		27%

# Apartments recognised in revenue

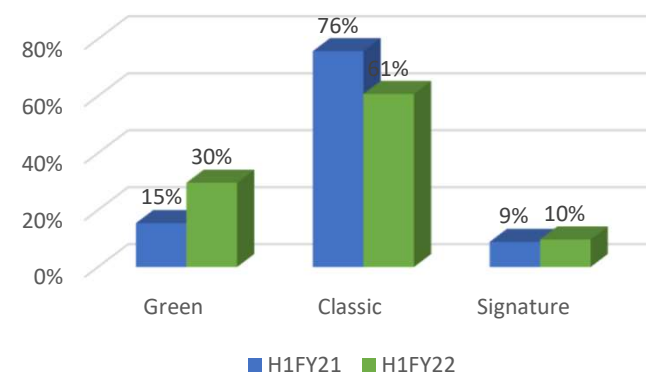


DEVELOPMENT	COLLECTION	APARTMENTS RECOGNISED IN REVENUE
Development	Balwin Brand	Apartments handed over
<b>Johannesburg, Waterfall</b>		
Kikuyu	Classic Collection	88
The Polofields	Signature Collection	82
Munyaka	Classic Collection	192
<b>Total</b>		<b>363</b>
<b>Johannesburg East</b>		
The Reid	Classic Collection	74
Greenlee	Green Collection	79
Greenpark	Green Collection	59
<b>Total</b>		<b>212</b>
<b>Total Johannesburg</b>		<b>575</b>
<b>Tshwane East</b>		
The Blyde Riverwalk	Classic Collection	84
Greencreek	Green Collection	123
<b>Total</b>		<b>207</b>
<b>KwaZulu-Natal, Ballito</b>		
Ballito Hills	Classic Collection	87
<b>Total</b>		<b>87</b>
<b>Western Cape, Somerset West</b>		
Paardevelei Lifestyle Estate	Signature Collection	33
Paardevelei Lifestyle Villas	Signature Collection	7
Greenbay	Green Collection	112
The Huntsman	Classic Collection	111
<b>Total</b>		<b>263</b>
<b>Western Cape, Milnerton</b>		
Fynbos	Classic Collection	129
<b>Total</b>		<b>129</b>
<b>Total Western Cape</b>		<b>392</b>
<b>Grand Total</b>		<b>1 261</b>

Apartments handed over by region



Apartments handed over by collection





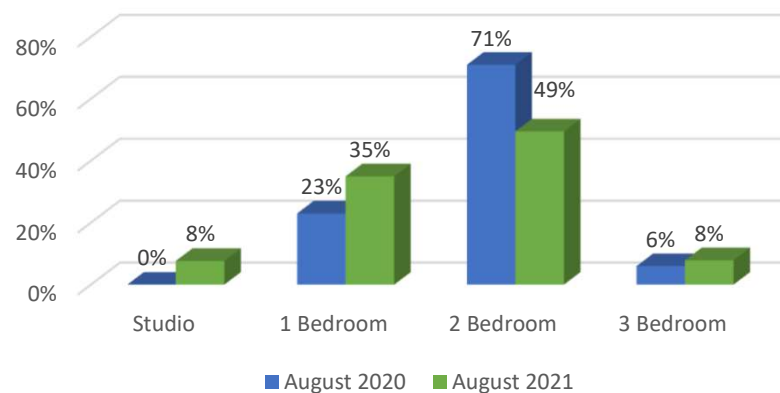
# Average selling price analysis

## THE GREEN COLLECTION



Apartment type	31 August 2021			31 August 2020	
	Average price	Ave price % change	Number apartments	Average price	Number apartments
Studio	R529 307	-	40	-	-
1 Bedroom	R653 464	1%	147	R648 494	32
2 Bedroom	R829 204	5%	164	R787 126	98
3 Bedroom	R988 446	1%	22	R977 400	8
<b>TOTAL</b>			<b>373</b>		<b>138</b>

Green Collection  
Revenue contribution per apartment type



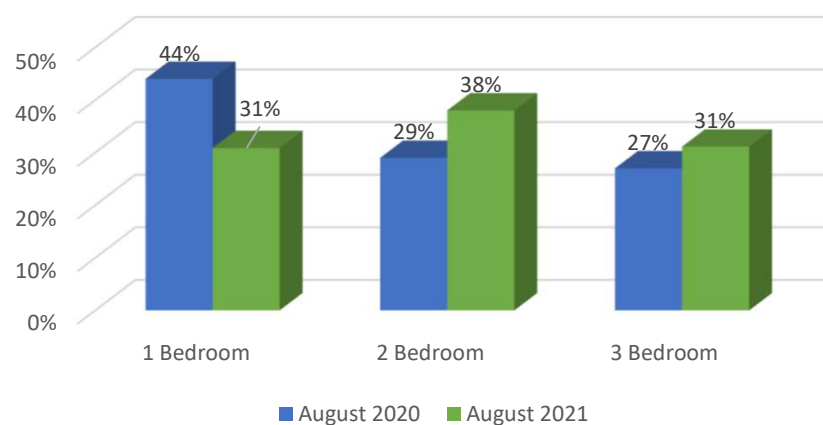
# Average selling price analysis

## THE CLASSIC COLLECTION



Apartment type	31 August 2021			31 August 2020	
	Average price	Ave price % change	Number apartments	Average price	Number apartments
1 Bedroom	R885 900	4%	340	R850 644	296
2 Bedroom	R1 460 616	7%	254	R1 365 134	197
3 Bedroom	R1 766 410	16%	172	R1 529 082	186
<b>TOTAL</b>			<b>766</b>		<b>679</b>

Classic Collection  
Revenue contribution per apartment type





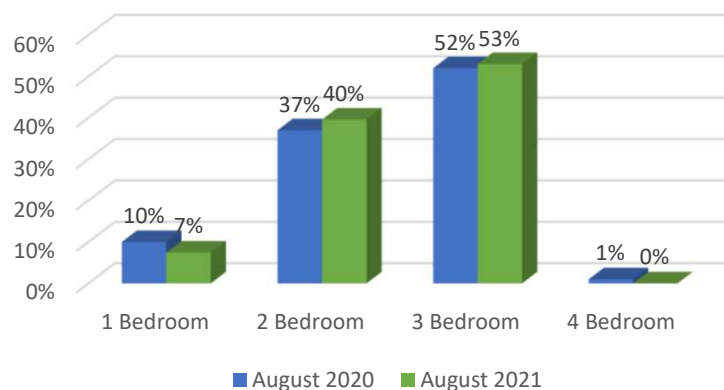
# Average selling price analysis

## THE *Signature* COLLECTION



Apartment type	31 August 2021			31 August 2020	
	Average price	Ave price % change	Number apartments	Average price	Number apartments
1 Bedroom	R1 434 520	19%	13	R1 202 408	8
2 Bedroom	R1 910 628	-5%	52	R2 000 940	29
3 Bedroom	R2 333 912	-1%	57	R2 361 574	41
4 Bedroom	-	-	-	R2 469 905	1
<b>TOTAL</b>			<b>122</b>		<b>79</b>

Signature Collection  
Revenue contribution per apartment type



# Summarised statement of financial position



	Unaudited as at 31 August 2021 R'000	Unaudited as at 31 August 2020 R'000	Audited as at 28 February 2021 R'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	223 542	95 026	99 810
Intangible assets	16 389	13 259	15 256
Investment in associate	2 784	398	2 067
Loans to external parties	11 658	-	11 658
	<b>254 373</b>	<b>108 683</b>	<b>128 791</b>
<b>Current assets</b>			
Developments under construction	4 701 145	3 487 816	4 121 257
Loans to related parties	14 112	14 112	14 112
Trade and other receivables	423 682	666 476	695 034
Developments loans receivable	14 277	46 561	68 181
Current tax receivable	17 618	46 333	5 865
Restricted cash	9 536	-	31 390
Cash and cash equivalents	738 772	427 726	336 533
	<b>5 919 142</b>	<b>4 689 024</b>	<b>5 272 372</b>
<b>Total assets</b>	<b>6 173 515</b>	<b>4 797 707</b>	<b>5 401 163</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	664 225	663 079	663 079
Share-based payment reserve	8 592	3 981	6 778
Retained income	2 573 716	2 369 920	2 532 804
Non-controlling interest	151	(170)	(41)
<b>Total equity</b>	<b>3 246 684</b>	<b>3 036 810</b>	<b>3 202 620</b>
<b>Non-current liabilities</b>			
Development loans and facilities	709 438	153 357	225 605
Lease liabilities	116 893	2 274	2 170
Deferred taxation	177 436	131 534	159 659
	<b>1 003 767</b>	<b>287 165</b>	<b>387 434</b>
<b>Current liabilities</b>			
Development loans and facilities	1 697 476	1 320 986	1 675 884
Trade and other payables	186 565	120 705	104 896
Lease liabilities	10 236	972	753
Provisions	28 787	31 069	29 576
	<b>1 923 064</b>	<b>1 473 732</b>	<b>1 811 109</b>
<b>Total liabilities</b>	<b>2 926 831</b>	<b>1 760 897</b>	<b>2 198 543</b>
<b>Total equity and liabilities</b>	<b>6 173 515</b>	<b>4 797 707</b>	<b>5 401 163</b>



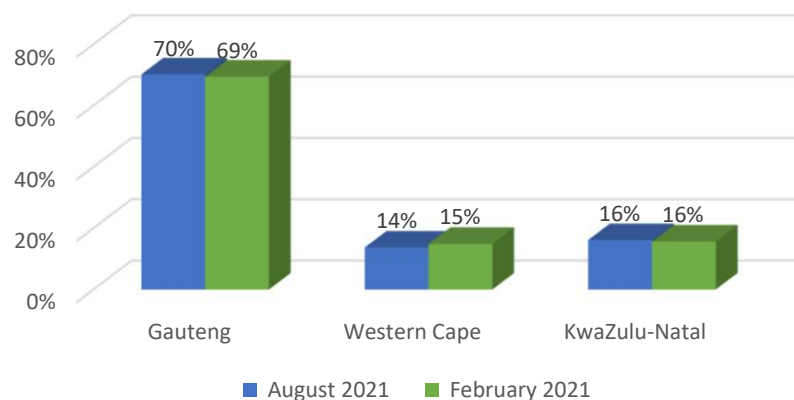
# Developments under construction



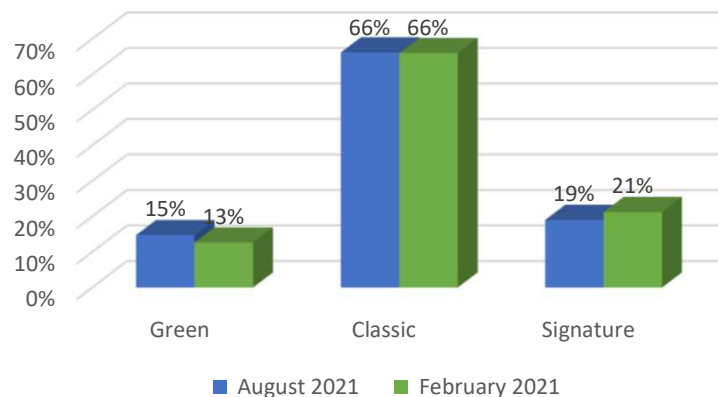
Region	Land and infrastructure costs R'000	Costs of construction R'000	Total R'000	August 2021 %	February 2021 %
Gauteng	1 595 495	1 501 278	3 096 773	70%	69%
Western Cape	325 986	279 068	605 054	14%	15%
KwaZulu-Natal	415 876	296 229	712 104	16%	16%
<b>SubTotal (Active Developments)</b>	<b>2 337 356</b>	<b>2 076 575</b>	<b>4 413 931</b>	<b>100%</b>	<b>100%</b>
<b>Total</b>	<b>2 534 241</b>	<b>2 166 904</b>	<b>4 701 145</b>		

Collection	Land and infrastructure costs R'000	Costs of construction R'000	Total R'000	August 2021 %	February 2021 %
Green	251 245	399 922	651 167	15%	13%
Classic	1 651 542	1 270 314	2 921 856	66%	66%
Signature	434 569	406 340	840 909	19%	21%
<b>SubTotal (Active Developments)</b>	<b>2 337 356</b>	<b>2 076 575</b>	<b>4 413 931</b>	<b>100%</b>	<b>100%</b>
<b>Total</b>	<b>2 534 241</b>	<b>2 166 904</b>	<b>4 701 145</b>		

Developments under construction  
By Region



Developments under construction  
By Collection



# SUSTAINABILITY

**Steve Brookes**

Chief Executive Officer



# Sustainable business practices



- 🌱 Reducing our environmental impact through innovation in design and building techniques
- 🌱 All apartments developed in the period registered with the International Finance Corporation's Excellence in Design for Greater Efficiency (EDGE)
- 🌱 A total of 27 719 apartments registered as EDGE Advanced since January 2021 achieving on-site energy savings of 40% +
- 🌱 The lifestyle centres awarded six-star green rating from Green Building Council of SA (GBSA)
- 🌱 Further three centres to achieve GBSA six-star green rating this year – currently 5 six-star green-rated lifestyle centres
- 🌱 During the period, three lifestyle centres received a net-zero rating from GBSA



# LOOKING FORWARD

**Steve Brookes**  
Chief Executive Officer

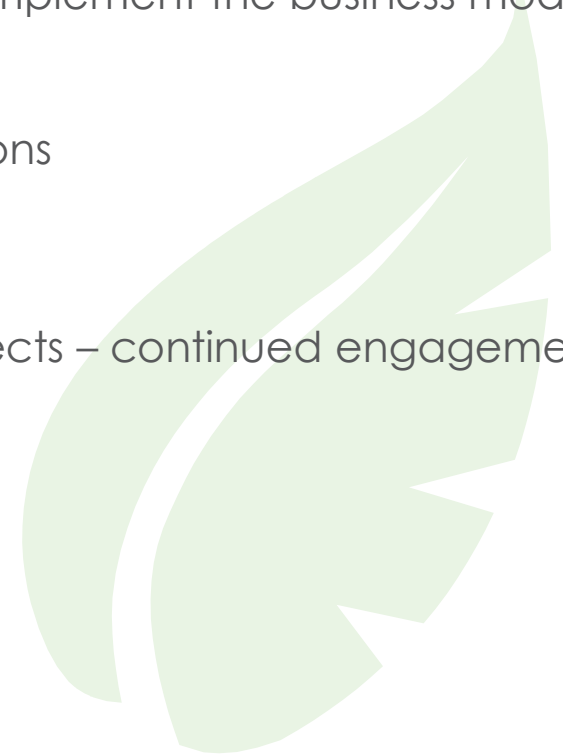


Thaba-Eco Village

# The future



- 🌱 Focus on the opportunities and growth of the Green Collection model
- 🌱 Continued emphasis on responsible environmental management
- 🌱 Strong brand equity as demonstrated by sustained demand and online sales
- 🌱 Identification of annuity business opportunities that complement the business model and leverage off of the Balwin brand
- 🌱 Continued monitoring of the on-going Covid implications
- 🌱 Information technology and automation
- 🌱 Optimism with respect to the Strategic Integrated Projects – continued engagement with government



# Questions and Answers



Stephen Brookes  
Chief Executive Officer  
Tel: +27 11 450 2818



Jonathan Weltman  
Chief Financial Officer  
Tel: +27 11 450 2818





# ANNEXURES



Munyaka

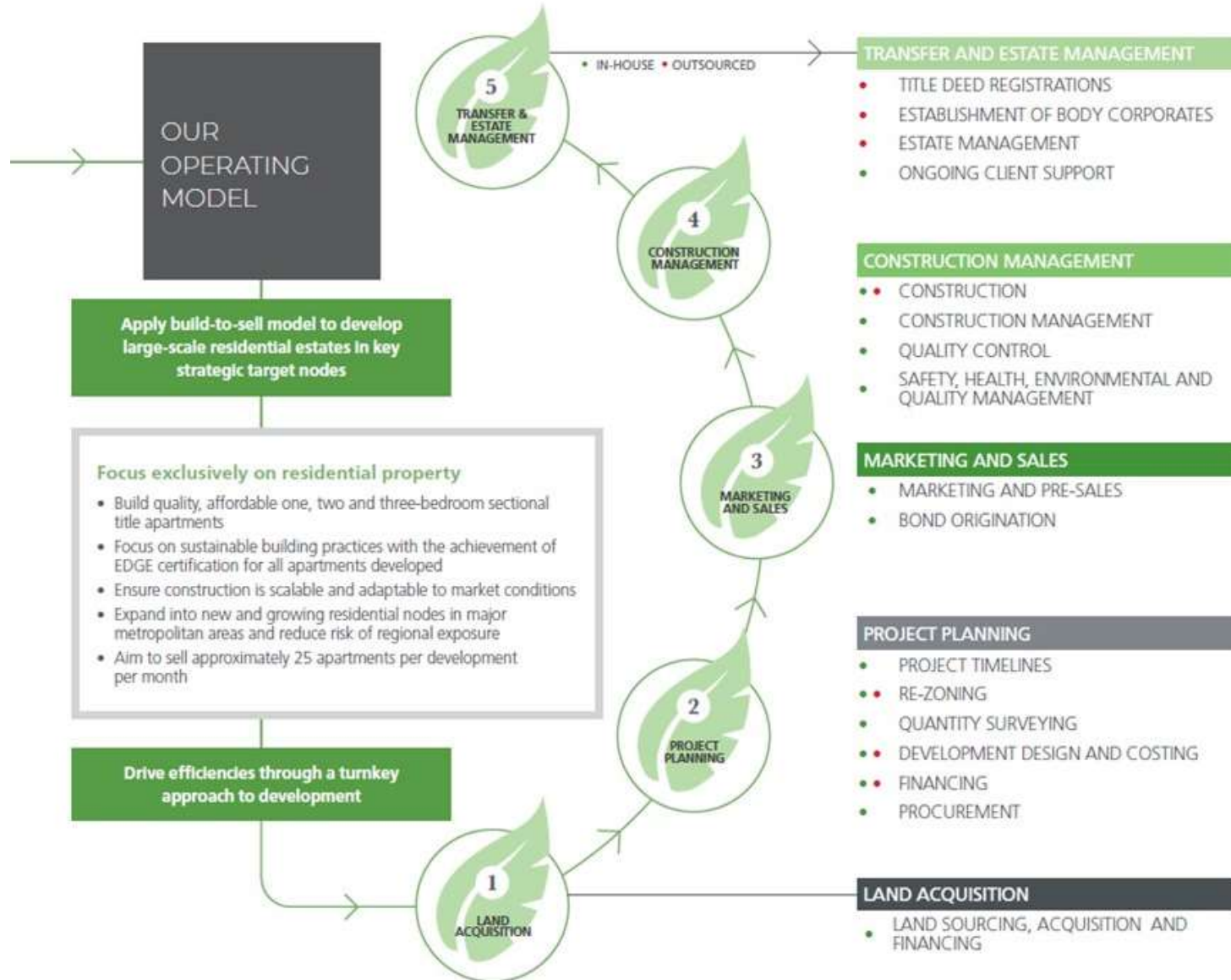


# Operating model



- 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 56 313 apartments across 29 developments representing a development horizon of approximately 15 - 20 years
- Focus on **sustainable building practices**
- 29 international property awards** recognising innovation and excellence in business

# Turnkey development model





# 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 **3 000 apartments** per year
- 🌿 Estates typically consist of between **1 000** and **2 000** 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-to-20 year development pipeline of **56 313** apartments
- 🌿 **Lifestyle centres** typically include free Wi-Fi, a wellness spa, restaurant, gym, squash 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
  - › Transactions Committee
  - › Board for final approval and implementation



# Investment case



- ✔ High gross margin for a listed residential property developer due to in-house construction management, in-house sales and strong budget controls
- ✔ Long-term development pipeline in key strategic locations
- ✔ High barriers to entry – low levies and efficiencies obtained through economies of scale
- ✔ Phased development where the rate of construction is matched to the rate of sales
- ✔ Proven and flexible business model for large-scale developments
- ✔ Strong management with more than 25 years experience, management are the founding directors and the majority shareholders, therefore management is aligned to the interests of other shareholders
- ✔ Long-term relationship with suppliers and sub-contractors nationally which results in cost savings and high quality homes
- ✔ Well positioned to address the undersupply of quality, affordable housing in the middle market income market
- ✔ Differentiation to market through Balwin's innovative approach to environmental management



# Development brands

## Green collection brand



- ✔ Model targets a slightly lower income consumer than the Classic Collection
- ✔ Prices range from R499 900 to R1 099 900
- ✔ 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 R699 900 to R2 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





# Development brands

## Signature collection brand



- Three elite model developments, The Polofields (Johannesburg, Waterfall), Paardevlei Lifestyle Estate (Western Cape, Somerset West) and Izinga Eco Estate (KwaZulu-Natal, Umhlanga)
- Apartments built to higher specifications with luxurious finishes
- Prices range from R1 299 900 to R2 999 900
- Developments built on existing land in selected nodes and follow the same phase-by-phase approach

