

RESULTS PRESENTATION

FOR THE 12 MONTHS ENDED 28 FEBRUARY 2023



Your
lifestyle
our focus



Munyaka

AGENDA



OPERATIONAL OVERVIEW

FINANCIAL OVERVIEW

ANNUITIES



SUSTAINABILITY

LOOKING FORWARD

ANNEXURES





OPERATIONAL OVERVIEW

Steve Brookes
Chief Executive Officer

THABA ECO LIFESTYLE CENTRE

OPERATIONAL HIGHLIGHTS

2 788

Apartments sold and recognised in revenue for the period

2.5%

Revenue contribution to the group from Annuity business

9

Six-Star Green rated and Net Zero Carbon emissions buildings



870

Apartment pre-sold for future years

43 781

Apartments in development pipeline

38

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

OPERATIONAL REVIEW

- Revenue has increased 6% over the prior comparative period, despite challenging economic conditions
- Slight decrease in the number of apartments handed over during the year (2 788 apartments) (2022: 2 962 apartments)
- Semigration is playing a key role in revenue growth in the coastal regions
- Maintain focus on core operations by executing on existing pipeline of developments
- Continued strong demand for one- and two-bedroom apartments (77% of apartments) (2022: 80%)
- 870 apartments pre-sold for future financial years and thus not recorded in revenue for the current year
- Annuities businesses revenue increased by 61% to R83.1 million (2022: R51.8 million including bonds origination business)

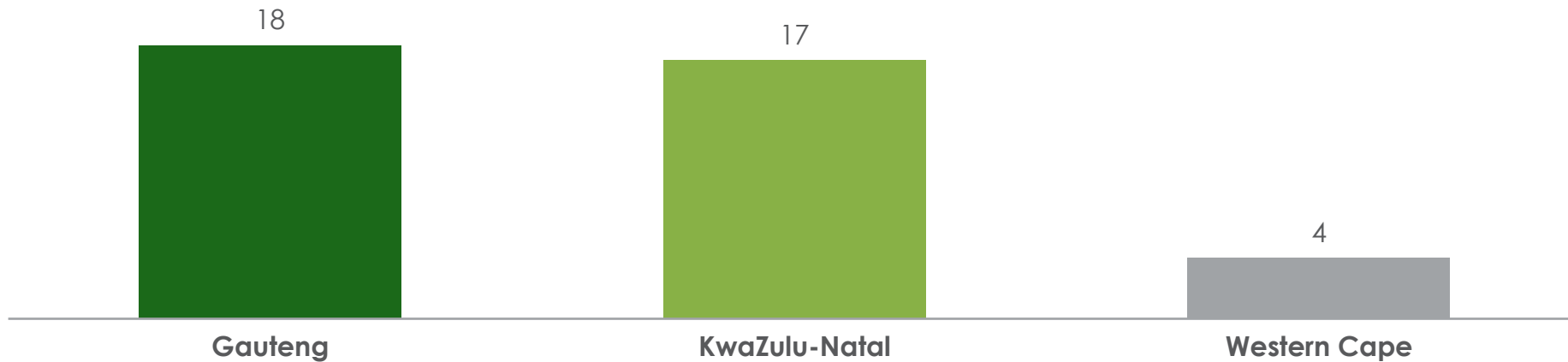


DEVELOPMENT PIPELINE



Development	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	41 343	8 524	8 199	8 278	246	32 819	33 065
KwaZulu-Natal	7 321	1 206	1 032	1 034	172	6 115	6 287
Western Cape	6 915	2 938	2 475	2 486	452	3 977	4 429
Total	55 579	12 668	11 706	11 798	870	42 911	43 781

DEVELOPMENT PIPELINE IN YEARS





FINANCIAL OVERVIEW

Jonathan Bigham
Chief Financial Officer

THE HUNTSMAN

FINANCIAL OVERVIEW

R3.3 billion

▲ 6%

Revenue

29%

Gross profit margin

▲ 2%

R437 million

▲ 20%

Profit for the period

91.49 cents

▲ 21%

Headline earnings per share



24 cents

▲ 15%

Dividends per share

R245 million

Cash generated from operations

Loan-to-value 40.7%

Consistent with prior year

824 cents

▲ 10%

Net asset value per share

AUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 12 MONTHS ENDED 28 FEBRUARY 2023



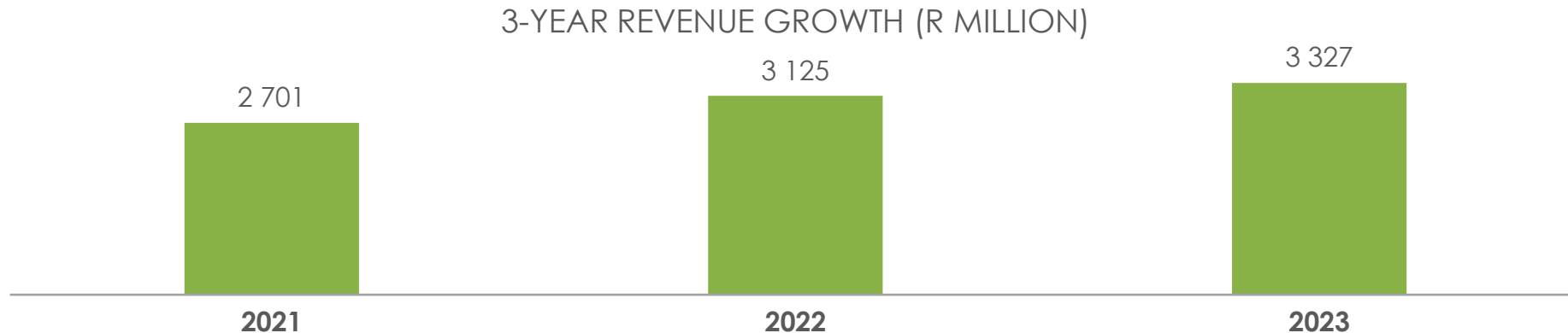
	Audited year ending 28 February 2023 R'000	Audited year ended 28 February 2022 R'000
Revenue	3 326 908	3 125 269
Cost of sales	(2 366 758)	(2 292 713)
Gross profit	960 150	832 556
Other income	15 416	16 236
Other operating gains	9 952	-
Operating expenses	(392 768)	(301 631)
BEE transaction	-	(34 115)
Operating profit	592 750	513 046
Finance costs	(32 383)	(31 077)
Finance income	36 762	33 371
Share of profit of associates	332	3 505
Profit before taxation	597 461	518 845
Taxation	(160 107)	(155 721)
Profit for the year	437 354	363 124

FINANCIAL REVIEW



Revenue

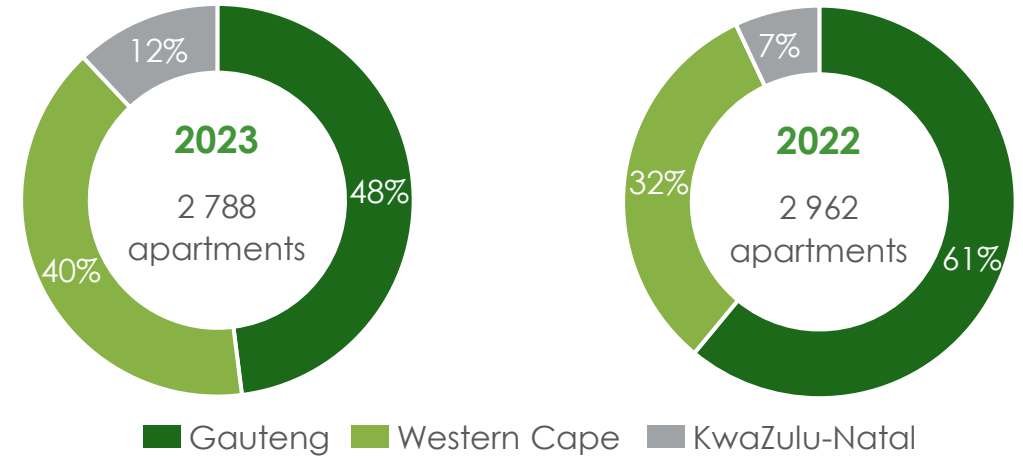
- Revenue increased by 6% to R3.3 billion (2022: R3.1 billion)
- Number of apartments handed over decreased by 6% to 2 788 apartments (2022: 2 962 apartments)
- Coastal regions contributed 52% of revenue (2022: 40%)
- Increase in revenue contribution from Signature developments from 16% to 22%
- Continued strong demand for one- and two-bedroom apartments but growth in three-bedroom apartments to 23%
- Annuities businesses revenue increased by 61% to R83.1 million (2022: R51.8 million including bonds origination business)



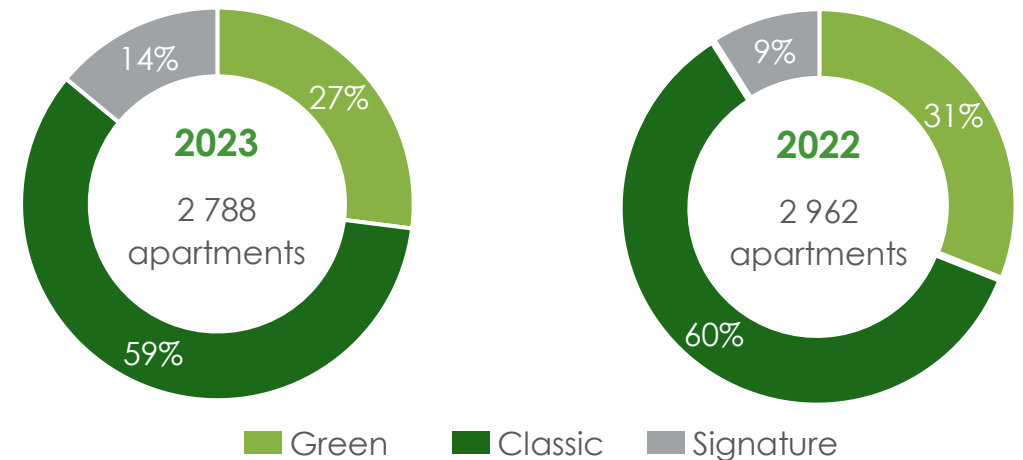
APARTMENTS RECOGNISED IN REVENUE

Development	Region	Collection	Apartments recognised in revenue for the period
Munyaka	Gauteng	Classic	297
De Aan-Zicht	Western Cape	Classic	294
Greenbay	Western Cape	Green	286
The Huntsman	Western Cape	Classic	245
Fynbos	Western Cape	Classic	242
Izinga Eco Estate	KwaZulu-Natal	Signature	201
Thaba-Eco Village	Gauteng	Classic	181
Greencreek	Gauteng	Green	160
Greenlee	Gauteng	Green	159
Greenpark	Gauteng	Green	137
Ballito Hills	KwaZulu-Natal	Classic	137
The Reid	Gauteng	Classic	104
The Polofields	Gauteng	Signature	99
Mooikloof Eco-Estate	Gauteng	Classic	73
The Blyde	Gauteng	Classic	72
Munyaka Lifestyle Centre	Gauteng	Signature	49
Paardevlei Lifestyle Estate	Western Cape	Signature	48
Kikuyu	Gauteng	Classic	4
Total			2 788

BY REGION (%)



BY COLLECTION (%)



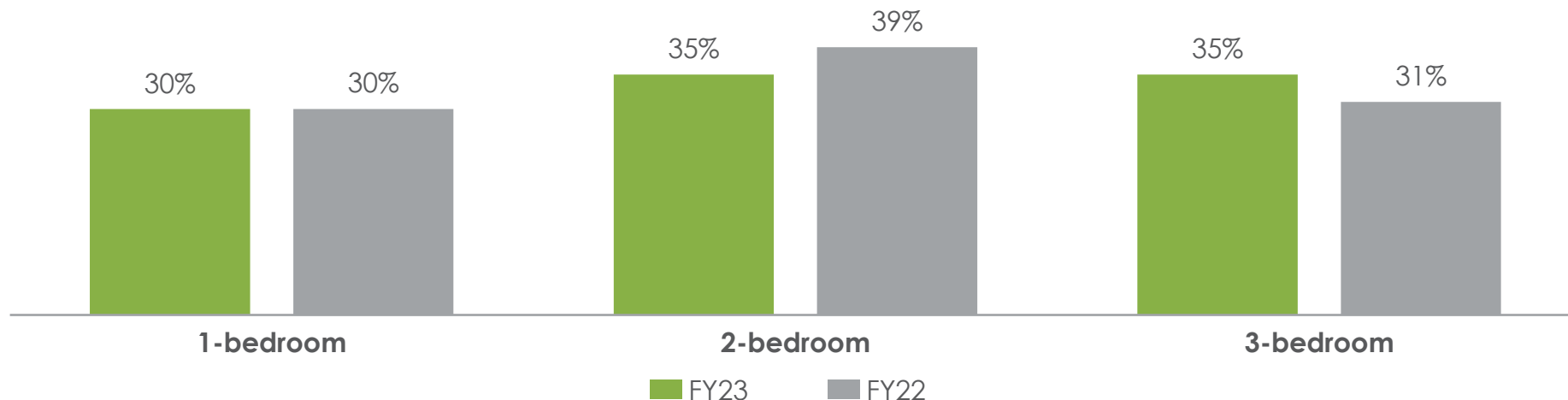
AVERAGE SELLING PRICE ANALYSIS



THE CLASSIC COLLECTION

Description	Average selling price (Rands incl. VAT)	Selling price growth/ (decrease)
1-bedroom	957 510	1%
2-bedroom	1 550 923	(2%)
3-bedroom	2 036 331	5%

CLASSIC COLLECTION REVENUE CONTRIBUTION BY APARTMENT TYPE

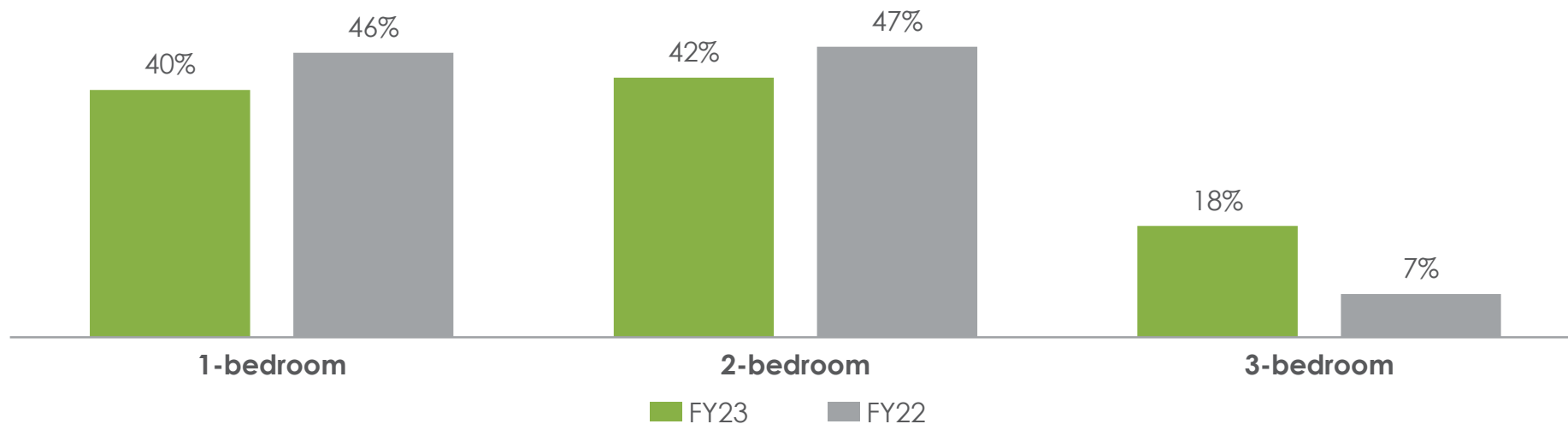


AVERAGE SELLING PRICE ANALYSIS

THE GREEN COLLECTION

Description	Average selling price (Rands incl. VAT)	Selling price growth
1-bedroom	692 437	2%
2-bedroom	964 259	12%
3-bedroom	1 205 164	15%

GREEN COLLECTION REVENUE CONTRIBUTION BY APARTMENT TYPE



FINANCIAL REVIEW



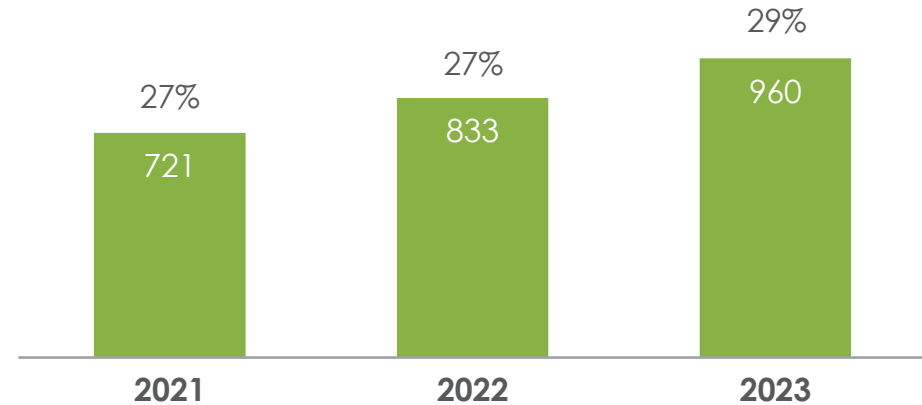
Gross profit

- Gross profit margin growth remains a key focus
- Gross profit margin improved to 29% (2022: 27%) despite challenging conditions
- Construction industry cost increases managed through effective cost engineering, modifications and cost containment
- Increase in contribution from the annuity businesses

Operating expenses

- Total operating costs of R392.8 million (2022: R301.6 million)
- Balwin Properties increased operating expenses by 18% in absolute terms (including variable, performance-linked and depreciation)
- Fixed expenditure increased by 5%
- Balwin Annuities increased operating expenses by R39.3 million as a result of many businesses becoming operational for the first time

3-YEAR GROSS MARGIN GROWTH (R MILLION)






FINANCIAL REVIEW



Operating expenses | continued

	Unaudited 28 February 2023 R'000	Unaudited 12 months ended 28 February 2022 R'000	Movement
Balwin Properties (the company)	332 844	280 972	18%
Fixed expenditure	161 195	153 621	5%
Depreciation	19 576	13 494	45%
Performance linked expenditure	33 653	20 085	68%
Variable expenditure ¹	118 420	93 772	26%
Balwin annuities	59 924	20 659	190%
Total operating expenditure	392 768	301 631	30%

Earnings

-  Profit after tax increased by 20% to R437.4 million
-  21% increase in earnings per share to 93.74 cents
-  21% increase in headline earnings per share to 91.49 cents

Note 1: Variable expenditure includes sales related costs such as sales commissions, marketing and other sales activity-related costs

FINANCIAL REVIEW

Dividend

- ✔ The board has declared a final gross dividend of 14.1 cents per ordinary share (2022: 13.5 cents)
- ✔ The total dividend per share declared for the year amounted to 24.0 cents (2022: 20.9 cents) representing a 15% increase in dividend declared from the prior year
 - › Declared Monday, 22 May 2023
 - › Last day to trade (cum dividend) Tuesday, 20 June 2023
 - › Shares trade ex-dividend Wednesday, 21 June 2023
 - › Record date Friday, 23 June 2023
 - › Payment date Monday, 26 June 2023



AUDITED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2023

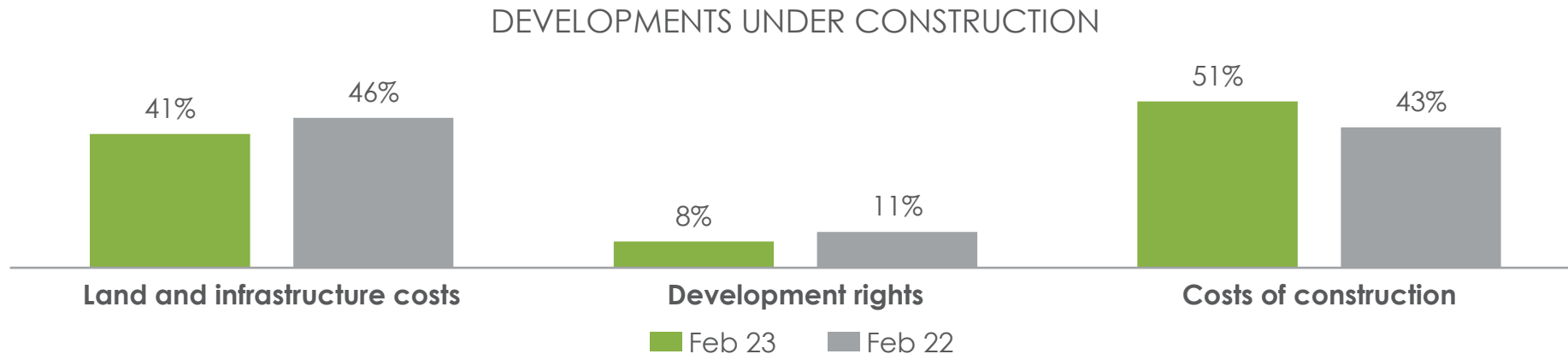


	Audited as at 28 February 2023 R'000	Audited as at 28 February 2022 R'000
Assets		
Non-current assets		
Property, plant and equipment	87 744	197 370
Land and buildings (incl. leasehold improvements)	240 669	62 027
Investment property	153 020	-
Other non-current assets	38 723	32 538
	520 156	291 935
Current assets		
Developments under construction	5 734 382	4 819 472
Trade and other receivables	218 902	757 277
Other current assets	217 458	61 661
Cash and cash equivalents	607 349	665 636
	6 778 090	6 304 046
Total assets	7 298 247	6 595
Equity and liabilities		
Equity		
Share capital reserves	723 620	732 177
Retained income	3 112 898	2 783 746
Total equity	3 836 518	3 515 923
Non-current liabilities		
Development loans and facilities	1 267 742	721 512
Other non-current liabilities	274 239	361 958
	1 541 981	1 083 470
Current liabilities		
Development loans and facilities	1 688 777	1 819 098
Trade and other payables	230 970	177 490
	1 919 747	1 996 588
Total liabilities	3 461 729	3 080 058
Total equity and liabilities	7 298 247	6 595 981

DEVELOPMENTS UNDER CONSTRUCTION



	Land and infrastructure costs R'000	Development Rights R'000	Costs of construction R'000	Total R'000	February 2023 %	February 2022 %
Region						
Gauteng	1 601 209	489 931	2 134 132	4 225 271	74%	69%
KwaZulu-Natal	428 376	-	550 369	978 745	17%	18%
Western Cape	308 742	-	221 625	530 367	9%	13%
Total	2 338 327	489 931	2 906 125	5 734 382	100%	100%
Collection						
Green	558 743	-	493 611	1 052 355	18%	18%
Classic	1 652 085	329 773	1 940 814	3 922 672	67%	67%
Signature	127 498	160 158	471 700	759 355	15%	15%
Total	2 338 327	489 931	2 906 125	5 734 382	100%	100%



FINANCIAL REVIEW

Developments under construction

- 🌿 Increase by R915 million to R5.7 billion (February 2022: R4.8 billion) driven by continued investment at Munyaka (Waterfall development node), The Blyde (Tshwane), Thaba-Eco Village (Gauteng) and the registration of final portion of land at Mooikloof Smart City (Tshwane)

Trade receivables

- 🌿 Trade receivables consists mostly of apartments handed over at year end which had not registered
- 🌿 The majority of these apartments registered after year end

Cash and cash equivalents

- 🌿 Strong cash position at period end of R 607.3 million (February 2022: R665.6 million)
- 🌿 Refer to cash flow statement (Page 21)

Debt

- 🌿 Development loans and facilities amounted to R3.0 billion (February 2022: R2.5 billion)
- 🌿 Loan-to-value 40.7% (February 2022: 40.5%)

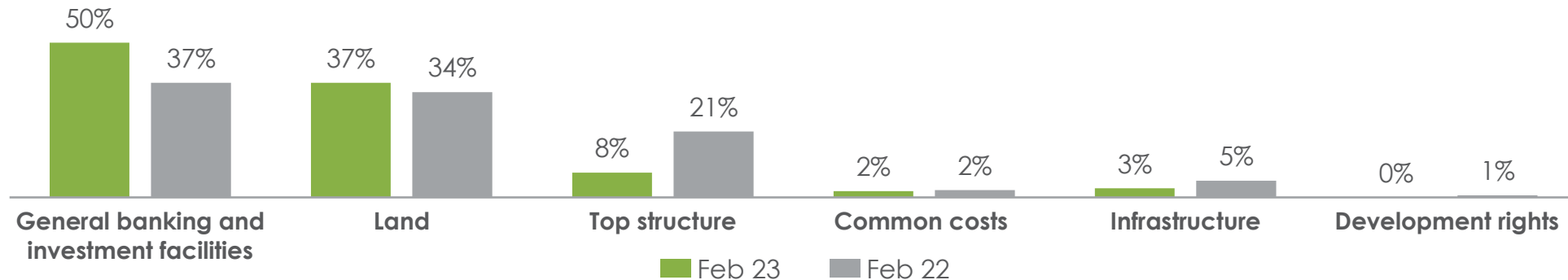


FUNDING OVERVIEW



	February 2023 R'000	February 2022 R'000
General banking and investment facility	1 487 344	952 206
Land	1 087 096	856 133
Top structure	236 860	525 622
Common costs	70 219	57 591
Infrastructure	75 000	133 124
Development rights	-	15 934
Total	2 956 519	2 475 610
Loan-to-value	40.7%	40.5%
Interest cover ratio	3.8x	4.3x
Long-term debt to equity ratio (land and infrastructure)	39%	30%

FUNDING BY TYPE



AUDITED STATEMENT OF CASH FLOWS FOR 12 MONTHS ENDED 28 FEBRUARY 2023



	Audited year ended 28 February 2023 R'000	Audited year ended 28 February 2022 R'000
Cash flows from operating activities		
Cash generated from/(used in) operations	558 868	(10 243)
Interest received	36 762	33 371
Finance costs paid	(217 373)	(108 498)
Taxation paid	(133 094)	(55 739)
Net cash generated from/(used in) operating activities	245 163	(141 109)
Net cash used in investing activities	(272 745)	(75 381)
Net cash (used in)/generated from financial activities	(30 705)	545 593
Total cash and cash equivalents movement for the year	(58 287)	329 103
Cash and cash equivalents at the beginning of the year	665 636	336 533
Total cash and cash equivalents at the end of the year	607 349	665 636



ANNUITIES

Raaziq Ismail

Head of Legal & Annuity

THE REID

ANNUITIES OVERVIEW

R45.8 million

Operating profit for 2023

R98 million

Savings to our clients through
Balwin Mortgages

8 230

Active clients on Balwin Fibre network



1 730

Tons of carbon dioxide emissions
prevented through Balwin Energy

1 218

Members through Balwin Lifestyle

1 648

Bonds secured through Balwin
Mortgages

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2023



Unaudited (R'000)*	Balwin Annuity	Balwin Fibre	Balwin Mortgages	Balwin Energy	Balwin Rentals	Other Businesses
Revenue	86 523	43 124	16 999	4 275	9 419	12 706
Cost of sales	-	-	-	-	-	-
Gross profit	86 523	43 124	16 999	4 275	9 419	12 706
Other income	26 514	4 105	-	3 137	14 822	4 449
Operating expenses	(67 224)	(31 094)	(9 724)	(2 513)	(5 520)	(18 373)
Operating profit/(loss)	45 813	16 135	7 275	4 899	18 721	(1 218)
Finance costs	(18 272)	(5 206)	-	(3)	(4 751)	(8 312)
Net profit/(loss) before tax	27 541	10 929	7 275	4 897	13 971	(9 530)
Taxation	(6 977)	(3 060)	(2 036)	(1 371)	(3 177)	2 668
Net profit/(loss) after tax	20 564	7 869	5 238	3 526	10 793	(6 862)





* All figures prior to consolidation

BALWIN FIBRE (PTY) LTD – STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2023

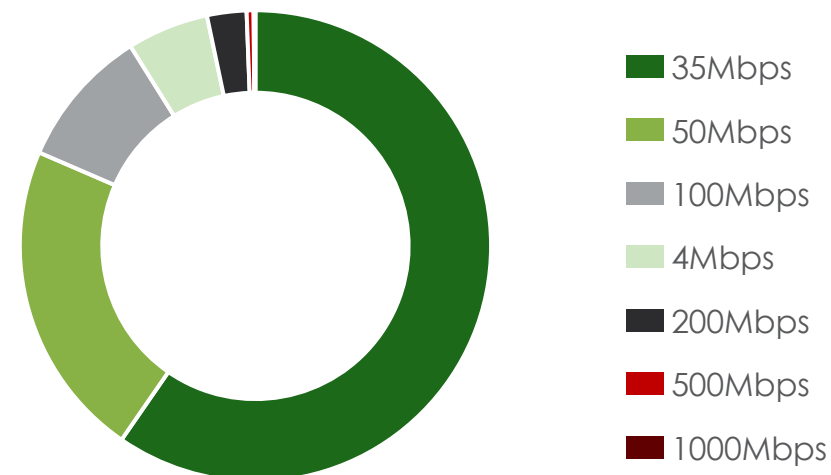


	28 February 23 Unaudited R'000	28 February 22 Audited R'000
Financial update		
Revenue	43 124	34 990
Cost of sales	-	-
Gross profit	43 124	34 990
Other income	4 105	-
Operating expenses	(31 094)	(23 950)
Operating profit	16 135	11 040
Finance costs	(5 206)	(3 420)
Net profit before tax	10 929	7 619
Taxation	(3 060)	(2 168)
Net profit after tax	7 869	5 450

OPERATIONAL UPDATE

-  Homes passed 11 671
-  Active clients 8 230
-  Uptake @ occupied 79.9%
-  Average rate per unit R490

FIBRE LINE SPEEDS



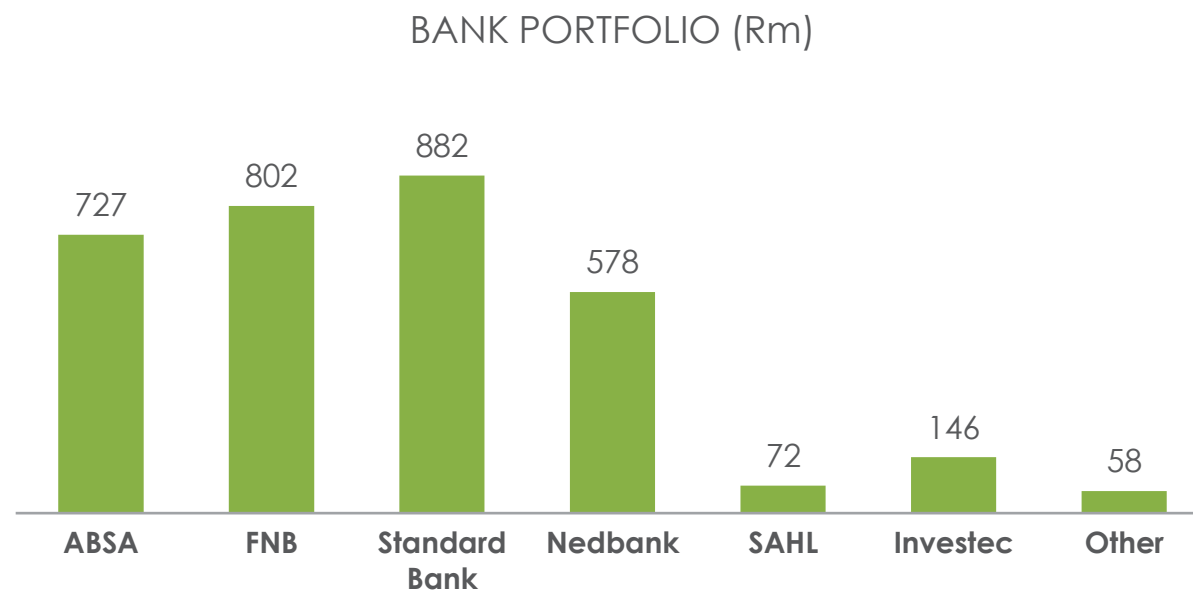
BALWIN MORTGAGES (PTY) LTD – STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2023



	28 February 23 Unaudited R'000	28 February 22 Unaudited R'000
Financial update		
Revenue	16 999	-
Cost of sales	-	-
Gross profit	16 999	-
Other income	-	-
Operating expenses	(9 724)	-
Operating profit	7 275	-
Finance costs	-	-
Net profit before tax	7 275	-
Taxation	(2 036)	-
Net profit after tax	5 238	-

OPERATIONAL UPDATE

- 1 648 bonds secured for the period 1 March 2022 – 28 February 2023
- Green bond concession range form 0.25% - 0.75% (Conditions apply)
 - Savings for clients of ~R98 million over a 20 year mortgage period based on bond approved for 12 month period ended



BALWIN ENERGY (PTY) LTD – STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2023

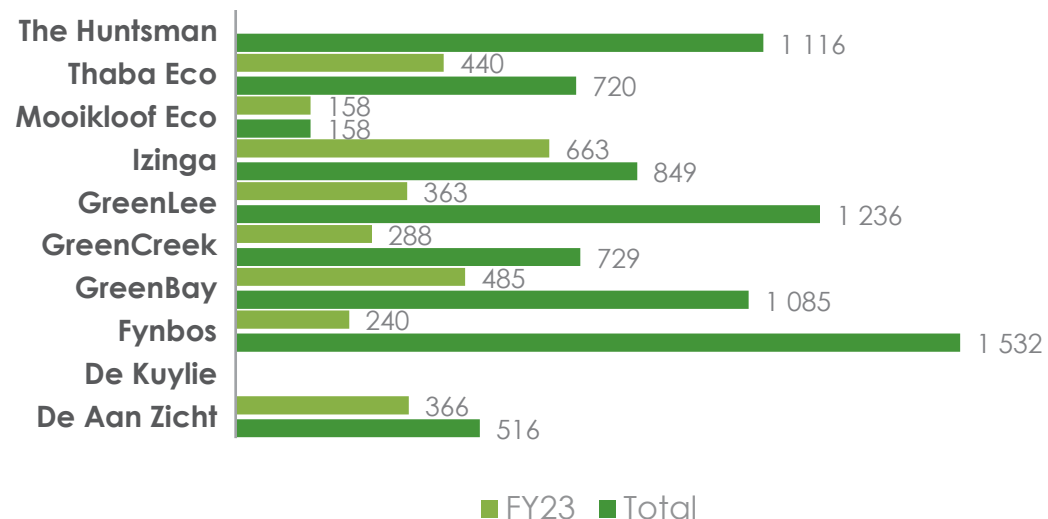


	28 February 23 Unaudited R'000	28 February 22 Unaudited R'000
Financial update		
Revenue	4 275	-
Cost of sales	-	-
Gross profit	4 275	-
Other income	3 137	-
Operating expenses	(2 513)	-
Operating profit	4 899	-
Finance costs	(3)	-
Net profit before tax	4 897	-
Taxation	(1 371)	-
Net profit after tax	3 526	-

OPERATIONAL UPDATE

- Operating on 9 sites
- A 10% discount on electricity tariff to clients
- Reduced emissions in Balwin Group by 1730.02tCO2e

PANELS INSTALLED



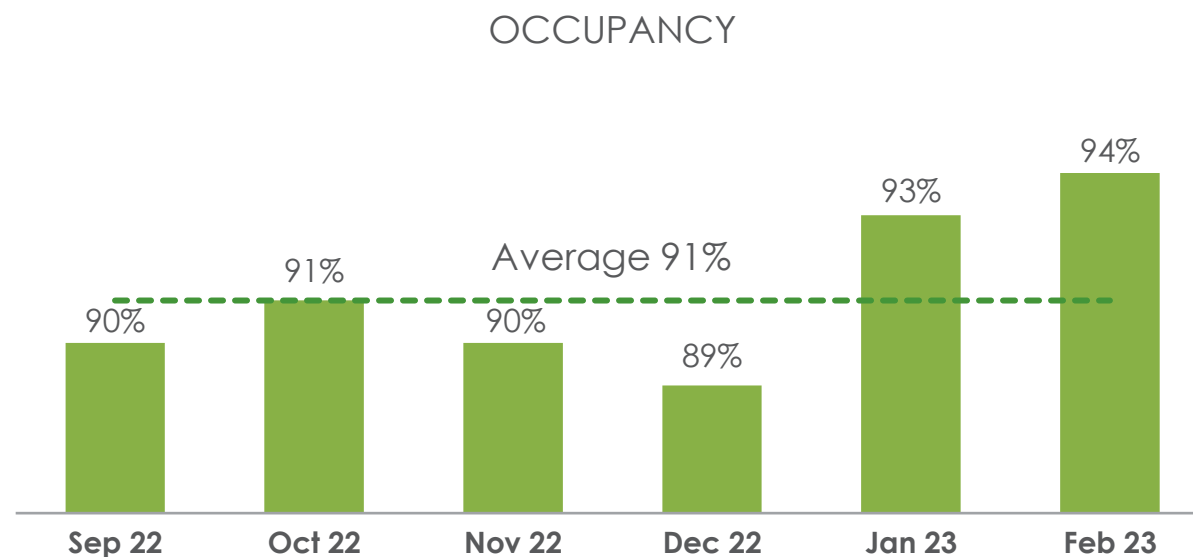
BALWIN RENTALS (PTY) LTD – STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2023



	28 February 23 Unaudited R'000	28 February 22 Unaudited R'000
Financial update		
Revenue	9 419	-
Cost of sales	-	-
Gross profit	9 419	-
Other income	14 822	-
Operating expenses	(5 520)	-
Operating profit	18 721	-
Finance costs	(4 751)	-
Net profit before tax	13 971	-
Taxation	(3 177)	-
Net profit after tax	10 793	-

OPERATIONAL UPDATE

- Achieved an average occupancy of 91% for the period with a low of 89% and a high of 94%



OTHER ANNUITY BUSINESSES STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2023







Financial update	28 February 23 Unaudited R'000	28 February 22 Unaudited R'000
Revenue	12 706	-
Cost of sales	-	-
Gross profit	12 706	-
Other income	4 449	-
Operating expenses	(18 373)	-
Operating loss	(1 218)	-
Finance costs	(8 312)	-
Net loss before tax	(9 530)	-
Taxation	2 668	-
Net loss after tax	(6 862)	-

OPERATIONAL UPDATE

Other businesses comprises of

-  Technik
-  Insurance
-  Lifestyle
-  Education
-  Head Office JHB

Highlights

-  107 Insurance policies sold
-  Lifestyle has 1st active site with 1 218 Lifestyle Memberships at year-end
-  Head Office gross lettable area (GLA) of 7 372m²
-  10 sites active on Balwin Technik



SUSTAINABILITY

Steve Brookes
Chief Executive Officer

GREENCREEK

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 21 768 apartments registered as EDGE with the International Finance Corporation's Excellence in Design for Greater Efficiency (EDGE)
- 🌱 A total of over 14 000 apartments registered as EDGE Advanced (40% + energy savings and 20% + water savings)
- 🌱 9 lifestyle centres awarded six-star green rating from Green Building Council of SA (GBSA), including our new head office
- 🌱 9 lifestyle centres with Net Zero Carbon rating from GBSA
- 🌱 1 444 green bonds secured for clients during the period, provided a total savings of R89 million over 20 years





LOOKING FORWARD

Steve Brookes

Chief Executive Officer

MUNYAKA

THE FUTURE

- ✔ Maintain focus on core operations by leveraging existing land bank and existing pipeline of developments
- ✔ Healthy position with 870 apartments forward pre-sold
- ✔ Balwin Annuities to continue to leverage the Balwin brand, enhance client experience and generate savings for clients
- ✔ Moderate margin pressure anticipated for the current year
- ✔ Continued focus on cash management and capital allocation
- ✔ Ongoing emphasis on responsible environmental management





ANNEXURES

THABA-ECO VILLAGE

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 43 781 apartments across 26 developments representing a development horizon of approximately 15 - 20 years
- Focus on **sustainable building practices**
- 38 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 **3 000 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-to-20 year development pipeline of 43 781 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
 - › Transactions 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 more than 25 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 299 900
- 🌿 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 R769 900 to R2 439 900
- ✔ 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 R1 019 900 to R3 199 900
- Developments built on existing land in selected nodes and follow the same phase-by-phase approach

