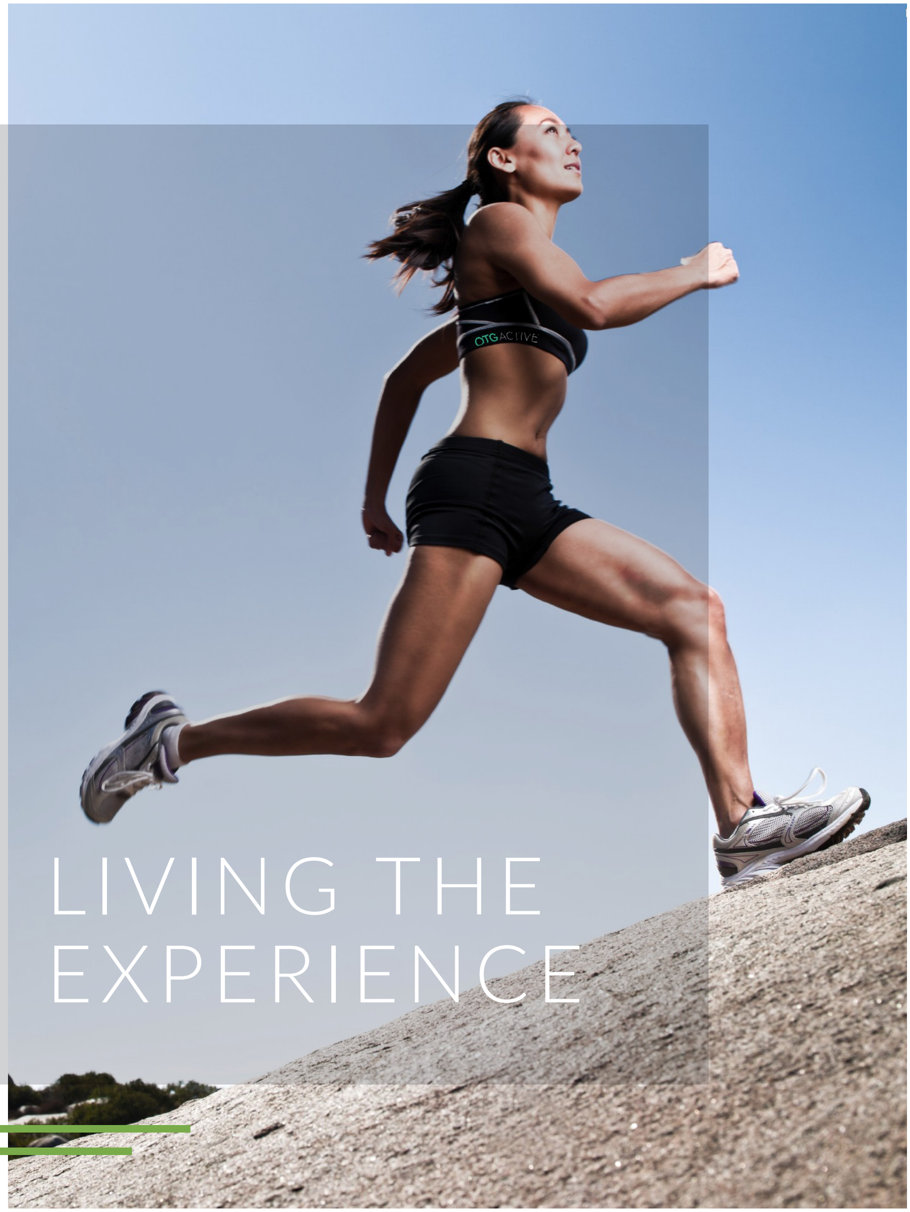

LONG4LIFE LIMITED
AUDITED PROVISIONAL SUMMARISED RESULTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

long4life

CONTENTS


The Original
MakeUp Eraser
Removes Your MakeUp with Just Water!
Fitch & Leedes
BITTER LEMON
MIXERS FOR DISCERNING INDIVIDUAL

Commentary

Financial highlights

Sales up
^ 12%
to R4.091billion
(2019: R3.642 billion)

Gross profit up
^ 11%
to R1.607 billion
(2019: R1.446 billion)

Cash
R829.6 million

Trading profit up

^ 15%
to R520 million
(2019: R454 million)
Incl. IFRS 16 in 2020

^ 3%
to R467 million
(2019: R454 million)
Like-for-like* excl. IFRS 16 impact for both years

HEPS up

^ 12%
to 43.4 cents
(2019: R38.7 cents)
Incl. IFRS 16 in 2020

^ 13%
to 43.8 cents
(2019: R38.7 cents)
Like-for-like* excl. IFRS 16 impact for both years

The new lease standard IFRS 16, which requires the lessee to recognise all lease contracts on the balance sheet, has been adopted by the group for its year ending 29 February 2020. To allow for a like-for-like comparison, pro forma financial statements have been prepared as if IFRS 16 has not been applied and is set out in the Annexure.* ***To provide a more meaningful assessment of the current year´s performance, and unless otherwise s tated, the commentary below has been provided excluding the impact of IFRS16 for the current year.*

Financial overview

Long4Life has delivered a credible performance over this last financial year, which is its third year of operation since its JSE listing in 2017. The trading performance was better than last year, which is notable considering the extremely difficult trading conditions and decline in consumer confidence.

The three business segments making up the businesses of Long4Life – Sport and Recreation; Beverages; and Personal Care and Wellness – each delivered turnover growth. Group revenue for the year was up 12% to R4.091 billion from R3.642 billion in the previous year. Gross profit rose to R1.607 billion (2019: R1.446 billion) at a fairly-well maintained gross margin of 39.3% (2019: 39.7%).

Group trading profit rose 3% to R467.2 million (2019: R454.2 million) at a trading margin of 11.4% (2019: 12.5%). The contribution to group trading profit was made-up as follows: Sport and Recreation – R316.6 million (2019: R321.1 million); Beverage - R139.8 million (2019: R153.8 million); and Personal Care and Wellness R67.2 million (2019: R38.9 million).

The increase in overall group expenditure was driven, in part, by the introduction of new stores, some store closures and, in the Beverages division, costs incurred as a result of the planned growth initiatives.

Cash generated from operations was excellent and improved by 14% to R531.4 million (2019: R465.1 million). An amount of R179.0 million (2019: R155.3 million) was spent on capital expenditure.

Commentary (continued)

The group's return on funds employed (ROFE) was 38% (2019: 42%). While this exceeded the stated group ROFE weighted target of 35%, it was negatively impacted by the lower returns of the Beverages division, mainly due to the high level of investment in upgrading plant and other infrastructure.

The group's share buy-back programme continued during the year with the acquisition of 104.1 million shares at an average price of R4.10 per share, amounting to R426.5 million. The group cancelled 55.9 million shares following the share repurchases.

Group headline earnings amounted to R367.2 million (2019: R348.8 million), rising a commendable 13% to 43.8 cents (2019: 38.7 cents) per share, which is calculated based on a weighted average number of shares in issue of 839.1 million (2019: 902.1 million shares). Earnings per share rose by 10% to 43.0 cents from 39.0 cents in 2019 and earnings per share excluding IFRS 16 rose by 11% from the previous year. The buy backs occurred in the second half of the financial year, and the full benefit of the share repurchases in the headline earnings calculation will therefore materialise in the ensuing years.

While there has been some improvement in working capital management, Long4Life is committed to further improving the returns of all the businesses. At year end, the group had a cash balance of R829.6 million, minimal debt and net current assets of R1.550 billion. Net asset value per share amounted to 618 cents (2019: 548 cents), and tangible net asset value per share amounted to 223 cents (2019: 202 cents).

During the year, the group owned a total of 13.4 million shares in Spur Corporation Limited (Spur) with the intention of acquiring a strategic controlling position. When it became apparent that corporate activity would not be successful, the shares were subsequently sold at a profit of R34.1 million. As at 29 February 2020, 10.4 million of these Spur shares were sold and a profit of R27.7 million (net of fair value adjustments) has been recognised in the year-end results, with the remaining 3.3 million shares sold post year-end.

Events after the reporting period: Covid-19

Post year end, the full impact of COVID-19 was unleashed globally. In South Africa, with effect from midnight on 26 March 2020, President Ramaphosa initiated a nation-wide lockdown for a period of 21 days, which was later extended to end April 2020. Certain sectors of the economy returned to work in a phased manner from 1 May. The retail sectors in which Long4Life operates continue to be negatively affected under the Level 4 lockdown scenario and stores are only partially opened for trading. The Beverage division, whilst remaining open, is operating at much-reduced capacity.

The financial effect of the coronavirus, while largely unknown at this stage, is expected to be very significant in the short term. Long4Life's absolute imperative during the crisis is to protect and provide for the safety and well-being of employees, customers and suppliers. Long4Life is taking all possible steps to mitigate the risks by conserving capital, which includes managing working capital commitments, cost containment and suspending all capital expenditure and cost containment. The group's financial priority is the preservation of cash.

Wherever possible, remote operations have been initiated and social distancing observed, while work area safety and sanitisation protocols have been initiated in the workplace. Long4Life is actively increasing the utilisation of its online portals, which are expected to add to the group's competitiveness in the short term.

Other measures taken in response to the effects brought-on by the pandemic, is the decision by the executive and Board to take pay-cuts of a third of salaries, and directors fees, for a three-month period. This saving, as well as a further R1 million, is being donated to South Africa's Solidarity Fund to assist in slowing the spread of Covid-19 and aid the country's economic recovery. The group has contributed to the broader national effort by donating, through Inhle and Chill, approximately R2.5 million worth of bottled Long4Life water and Fitch and Leedes products in support of homeless shelters, various charitable institutions and essential service provider employees. The group also recognises the difficulties facing the Sorbet franchise owners and their employees, who are small business owners and whose stores are all closed for trading. Besides waiving franchise fees over this period, the group is also providing approximately R7 million to all the employees of the Sorbet franchisees (approx. 3 500 therapists and workers) in the form of food vouchers for two months.

Planning and forecasting is very difficult, if not impossible, without knowing how the post-lockdown environment will impact the group's chosen markets. The extent of the impact of COVID-19 on the business and future financial results will depend largely on future developments, including the duration of the lockdown and spread of the outbreak and the related impact on consumer confidence and spending.

Operational review

Sport and Recreation division

Sport and Recreation revenue increased by 9% to R2.294 billion (2019: R2.113 billion), with trading profit amounting to R316.7 million (2019: R321.1 million) at a margin of 13.8% (2019: 15.2%). The gross profit margin declined 1%. Whilst the results are satisfactory, management remains committed to improving the return on assets in the division. Management are to be congratulated on their performance in trying times.

Sportsmans Warehouse's performance was satisfactory in a challenging year. This was primarily as a result of improved foot traffic and spend in the new and revamped stores.

Following disappointing sales from stand-alone OTG stores, a decision was taken to discontinue this channel of selling OTG. These stores were closed at a cost of R11.0 million, the cost of which was taken in the financial year. The OTG product offering remains a successful brand within Sportsmans Warehouse stores and is still considered a growth area.

Outdoor Warehouse remains the country's leading outdoor retailer, offering a comprehensive range of products. The year's performance was strong with a significant increase in sales in most categories, with margins and costs well controlled and maintained. Considerable effort is being made to enhance the online capability of its product range.

Performance Brands showed lower external and internal sales as all sectors experienced difficult and tight trading conditions. Results for the period were disappointing and a restructuring project has been implemented, which should result in returns improving over the medium term.

Beverages division

The Beverages division's revenue increased by 10% year on year, and it contributed trading profit of R139.8 million, a decrease of 9% from the previous year's R153,8 million with margins of 9.4% (2019: 11.3%).

Chill Beverages' performance was disappointing as the increased investment in the upgrading of facilities and marketing initiatives did not yield the expected revenue. Increased competition and pricing pressure impacted margins. Initiatives at Chill, aimed at improving the competitive position of its own brands, is underway and is expected to yield better returns on the assets employed over time.

Inhle Beverages has proven to be resilient and delivered a good performance.

Commentary (continued)

Personal Care and Wellness division

The Personal Care and Wellness division's revenue grew by 78% year on year, and its trading profits rose to R67.2 million from R38.9 million in the prior year.

The significant revenue growth for the division was derived mainly from the inclusion of two (beauty) acquisitions and *ClaytonCare* being incorporated for the full year (it was included last year for six months). Excluding the impact of the acquisitions, organic revenue growth amounted to 28%.

Sorbet had a satisfactory year driven by double-digit growth in treatment revenue. Retail sales showed a marginal increase, impacted by the constrained market. Sorbet's franchisee base is diverse, and these small business owners are truly invested in creating jobs, contributing to the economy and building a better South Africa for all. *Lime Light* had a pleasing year and *ClaytonCare* posted an excellent set of results, contributing R109.1 million to revenue.

Dividend

The board has resolved, in view of the share buy-back programme, not to declare a dividend for the period under review.

Prospects

Following the effects of COVID-19, and with no clarity regarding duration of the pandemic, forecasting is practically impossible. Planning and projections are continually being adapted to the various scenarios playing out.

Although the environment is uncertain, management is committed to preserving the medium-term competitive nature of all businesses. The group has a strong balance sheet with cash on hand and minimal debt. Management has a depth of experience which is supporting and navigating the group in these uncharted waters.

The short-term preservation of cash is critical and a significant focus is being placed on ensuring a continued robust financial position. This will ultimately enable management to take advantage of any acquisition opportunity that may arise.

The Long4Life team remains committed to building on the foundation that has been created over the last three years.

Signed on behalf of the Board,

Brian Joffe
Chief executive officer

Mireille Levenstein
Chief financial officer

Johannesburg, South Africa
13 May 2020

Summarised consolidated statement of profit or loss

for the year ended 29 February 2020

	Notes	Audited 2020* R'000	IFRS 16 adjustment R'000	Pro forma 2020** R'000	Audited 2019 R'000
Revenue	4	**4 091 446**	–	**4 091 446**	3 642 342
Cost of sales		**(2 484 898)**	–	**(2 484 898)**	(2 196 554)
Gross profit		**1 606 548**	–	**1 606 548**	1 445 788
Operating expenses		**(857 788)**	(207 094)	**(1 064 882)**	(929 467)
Other income		**20 785**	–	**20 785**	18 618
Trading profit before amortisation and depreciation		**769 545**	(207 094)	**562 451**	534 939
Amortisation: Intangible assets		**(36)**	–	**(36)**	(41)
Depreciation: Property, plant and equipment		**(95 206)**	–	**(95 206)**	(80 741)
Depreciation: Right-of-use assets		**(154 158)**	154 158	**–**	–
Trading profit		**520 145**	(52 936)	**467 209**	454 157
Share-based payment expense		**(40 552)**	–	**(40 552)**	(21 939)
Acquisition costs		**(2 067)**	–	**(2 067)**	(8 285)
Capital items		**(4 830)**	–	**(4 830)**	4 752
Gains on listed investments held at fair value		**27 682**	–	**27 682**	–
Fair value gain on remeasurement of put option liability		**12 322**	–	**12 322**	–
Operating profit		**512 700**	(52 936)	**459 764**	428 685
Net finance income		**52 643**	–	**52 643**	71 579
Finance charges: Right-of-use lease liabilities		**(57 369)**	57 369	**–**	–
Share of profits (losses) of associate		**609**	–	**609**	(1 572)
Profit before taxation		**508 583**	4 433	**513 016**	498 692
Taxation		**(139 256)**	(1 242)	**(140 498)**	(142 676)
Profit for the year		**369 327**	3 191	**372 518**	356 016
Profit attributable to:					
Shareholders of the company		**360 665**	3 191	**363 856**	351 512
Non-controlling interests		**8 662**	–	**8 662**	4 504
		369 327	3 191	**372 518**	356 016
Basic earnings per share (cents)		**43,0**	0,4	**43,4**	39,0
Diluted basic earnings per share (cents)		**42,7**	0,4	**43,1**	38,5

* *These figures include the impact of changes in accounting policies following the implementation of new accounting standard IFRS 16: Leases (IFRS16) in the current period.*

** *The pro forma financial statements are set out in the Annexure, which figures exclude the impact of IFRS16 and allow for a like-for-like comparison.*

Summarised consolidated statement of other comprehensive income

for the year ended 29 February 2020

	Audited 2020* R'000	IFRS 16 adjustment R'000	Pro forma 2020** R'000	Audited 2019 R'000
Profit for the year	**369 327**	3 191	**372 518**	356 016
Other comprehensive income net of taxation				
Items that may be reclassified subsequently to profit and loss				
Exchange differences on translating foreign operations	**20**	-	**20**	(25)
Total comprehensive income for the year	**369 347**	3 191	**372 538**	355 991
Attributable to				
Shareholders of the company	**360 685**	-	**363 876**	351 520
Non-controlling interest	**8 662**	-	**8 662**	4 471
	369 347	3 191	**372 538**	355 991

* *These figures include the impact of changes in accounting policies following the implementation of new accounting standard IFRS 16 in the current period.*

** *The pro forma financial statements are set out in the Annexure, which figures exclude the impact of IFRS16 and allow for a like-for-like comparison.*

Summarised consolidated statement of financial position

as at 29 February 2020

	Notes	Audited 2020 R'000	Audited 2019 R'000
Assets			
Non-current assets		**4 211 265**	3 597 478
Property, plant and equipment		**601 540**	526 502
Right-of-use leased assets		**523 069**	–
Goodwill		**2 272 588**	2 252 854
Intangible assets		**787 872**	785 887
Deferred taxation assets		**20 740**	22 762
Interest in associate		**4 037**	3 428
Long-term investments and loans		**1 419**	6 045
Current assets		**2 051 988**	2 199 185
Inventories		**816 606**	812 525
Trade and other receivables		**321 507**	291 768
Taxation receivable		**9 347**	6 747
Short-term investments	7	**74 893**	–
Cash and cash equivalents		**829 635**	1 088 145
Total assets		**6 263 253**	5 796 663
Equity and liabilities			
Capital and reserves		**4 770 034**	4 871 375
Stated capital	6	**3 893 198**	4 314 291
Reserves attributable to shareholders of the company		**810 447**	496 795
Non-controlling interests		**66 389**	60 289
Non-current liabilities		**828 323**	398 284
Deferred taxation liabilities		**244 303**	227 419
Long-term portion of borrowings		**73 425**	74 839
Long-term portion of right-of-use lease liabilities		**480 404**	–
Long-term portion of put option liability	7	**30 191**	48 000
Long-term portion of straight-lining of leases		**–**	48 026
Current liabilities		**664 896**	527 004
Trade and other payables		**481 285**	497 495
Short-term portion of borrowings		**9 941**	18 105
Short-term portion of right-of-use lease liabilities		**162 801**	–
Short-term portion of put option liability	7	**5 487**	–
Provision for taxation		**5 382**	11 404
Total equity and liabilities		**6 263 253**	5 796 663

Summarised consolidated statement of cash flows

for the year ended 29 February 2020

	Notes	Audited 2020 R'000	Audited 2019 R'000
Cash flows from operating activities		**588 170**	390 195
Operating profit		**512 700**	428 685
Acquisition costs		**2 067**	8 285
Depreciation, amortisation and impairments		**255 554**	80 782
Non-cash items		**(6 200)**	19 192
Cash generated before changes in net working capital		**764 121**	536 944
Changes in working capital		**(25 585)**	(71 854)
Increase (decrease) in inventories		**9 745**	(104 017)
Decrease in trade and other receivables		**(20 620)**	(37 145)
(Decrease) increase in trade and other payables		**(14 710)**	69 308
Cash generated by operations		**738 536**	465 090
Net finance (charges paid) income received		**(4 956)**	71 579
Taxation paid		**(145 410)**	(146 474)
Cash effects of investment activities		**(258 302)**	(566 462)
Additions to property, plant and equipment		**(179 034)**	(155 316)
Proceeds on disposal of property, plant and equipment		**3 429**	6 456
Additions to intangible assets		**(1 952)**	(4 782)
Acquisition of businesses and subsidiaries	5	**(40 088)**	(426 132)
Acquisition of associate		**–**	(5 146)
Acquisition of investments and loans		**(320 586)**	(6 368)
Proceeds on disposals of businesses and investments		**279 929**	24 826
Cash effects of financing activities		**(588 378)**	(427 250)
Purchase of treasury shares	6	**(426 513)**	(159 573)
Borrowings repaid		**(159 303)**	(215 887)
Dividends paid		**(2 562)**	(51 790)
Net decrease in cash and cash equivalents		**(258 510)**	(603 517)
Cash and cash equivalents at beginning of year		**1 088 145**	1 691 662
Cash and cash equivalents at end of year		**829 635**	1 088 145

Summarised consolidated statement of changes in equity

for the year ended 29 February 2020

	Notes	Audited 2020 R'000	Audited 2019 R'000
Equity attributable to shareholders of the company		**4 703 645**	4 811 086
Stated capital	6	**3 893 198**	4 314 291
Balance at beginning of the year		**4 314 291**	4 339 723
Shares issued during the year		**2 500**	134 141
Shares cancelled during the year		**(225 085)**	–
Less: Treasury shares acquired during the year by subsidiaries		**(198 508)**	(159 573)
Transactional costs for issuing equity instruments		**(20 435)**	(20 435)
Foreign currency translation reserve		**(365)**	(385)
Balance at beginning of the year		**(385)**	(393)
Exchange differences on translating foreign operations		**20**	8
Equity-settled share-based payment reserve		**77 435**	41 068
Balance at beginning of the year		**41 068**	15 371
Recognition of share-based payment expense		**40 552**	21 939
Settlement of share-based payment options granted		**(709)**	-
Taxation recognised directly in reserve		**(3 476)**	3 758
Retained earnings		**750 574**	471 097
Balance at beginning of the year		**471 097**	168 818
Profit for the year		**360 665**	351 512
Dividends paid		**–**	(49 233)
Adjustment on adoption of IFRS16 (net of tax)		**(81 188)**	–
Deferred consideration		**3 238**	5 450
Balance at beginning of the year		**5 450**	–
Raised during the year		**–**	5 450
Settlement of deferred consideration		**(2 212)**	–
Equity attributable to non-controlling interests of the company		**66 389**	60 289
Balance at beginning of the year		**60 289**	20 779
Total comprehensive income		**8 662**	4 471
Profit for the year		**8 662**	4 504
Exchange differences on translating foreign operations		**–**	(33)
Dividends paid		**(2 562)**	(2 557)
Arising on acquisition of subsidiaries		**–**	37 596
Total equity		**4 770 034**	4 871 375

Notes to the summarised consolidated financial statements

for the year ended 29 February 2020

Basis of preparation and accounting policies

These provisional summarised consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and must also, as a minimum, contain the information required by *IAS 34 Interim Financial Reporting*, and complies with the requirements of the Companies Act of South Africa and the JSE Listings Requirements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the group's financial position and performance.

The accounting policies applied in the preparation of these provisional summarised consolidated financial statements are in terms of IFRS and, are consistent with those applied in the prior year, except for the adoption of *IFRS 16: Leases* as noted below.

These provisional summarised consolidated financial statements are extracted from the audited consolidated financial statements. The directors take full responsibility for the preparation of the provisional report and that the summarised financial information has been correctly extracted from the underlying audited consolidated financial statements.

Preparer of the provisional summarised consolidated financial statements

The provisional summarised consolidated financial statements have been prepared by Sarah Bishop CA(SA) (group financial manager) under the supervision of Mireille Levenstein CA(SA) (chief financial officer) and were approved by the board of directors on 13 May 2020.

Report of the independent auditors

The auditors, Deloitte & Touche, have issued their opinion on the consolidated financial statements for the year ended 29 February 2020. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified opinion. A copy of the auditor’s report with their key audit matters, together with a copy of the audited consolidated financial statements are available for inspection at the company’s registered office and on the following link www.long4life.co.za.

These summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent in all material respects with the consolidated financial statements. The summarised consolidated financial statements have been audited by the company’s auditors who have issued an unmodified opinion. The auditors’ report does not necessarily report on all of the information contained in this announcement. Shareholders are advised, that in order to obtain a full understanding of the nature of the auditors’ engagement they should obtain a copy of that report together with the accompanying financial information from the company’s registered office. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditors.

Changes in accounting policies

IFRS 16: Leases

The group adopted *IFRS 16: Leases* on 1 March 2019, using a cumulative catch up (modified retrospective) approach whereby the comparative impact was recognised against retained earnings. The adoption of this new accounting standard had a significant impact on the statement of financial position.

Notes to the summarised consolidated financial statements (continued)

for the year ended 29 February 2020

IFRS 16 has had a significant impact on the group given the number of stores that are leased in the Sport and Recreation division. IFRS 16 has had no impact on the accounting of existing finance leases. It has however, impacted most leases that were previously recorded as operating leases under IAS 17: leases, where only the premises cost was recorded in the statement of profit or loss. IFRS 16 now requires leases to be recognised in the statement of financial position in the form of capitalised right-of-use assets and corresponding lease liabilities. Changes to the statement of profit or loss result in premises costs being replaced by depreciation of the right-of-use assets and finance costs on the right-of-use lease liabilities.

Judgements and assumptions made by management in applying the related accounting policies for IFRS 16:

(i) In determining the incremental borrowing rates, used to determine the present value of future lease payments is generally based on the lessee's incremental borrowing rate, as in most instances, the interest rate implicit in the lease cannot be readily determined. The discount rate applied by management to new leases concluded during the year varied between 9.00% and 9.25%.

(ii) In determining the lease term, management considers to include a renewal period only if the group has agreed terms with the respective landlord and the renewal contract is enforceable by both parties. These terms will include factors such as store location, historical store performance and the value of lease payments in the renewal period.

(iii) The group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

The adoption of the IFRS 16 leasing standard complicates performance comparison between the results of the current and prior periods. In order to provide a more meaningful assessment of the current period's financial performance, pro forma statement of profit and loss for the year ended 29 February 2020 has been presented, which excludes the impact of IFRS 16. In order to provide comparative information to assess the group's performance, a pro forma summarised consolidated statement of profit and loss, pro forma summarised consolidated statement of financial position, pro forma summarised consolidated statement of cash flows and supplementary information (the pro forma information) has been presented in the Annexure. Refer to the Annexure for the pro forma information of the group that reflects the group as if IFRS 16 had not been adopted on 1 March 2019.

At transition date, the adoption of IFRS 16, resulted in the recognition of right-of-use assets to the value of R518.6 million and right-of-use lease liabilities of R 634.7 million. This, together with the derecognition of operating lease liabilities of R48.2 million and adjustments of R13.3 million for deferred tax, resulted in a R81.2 million decrease in retained earnings on transition date.

New standards and interpretations in issue not yet effective

Standards, amendments and interpretations issued but not yet effective have been assessed for applicability to the group and management has concluded that they are not expected to have a material impact on future financial statements.

1. Segmental report

For management purposes, the following operating divisions have been identified as the group's reportable segments:

- Sport and Recreation division comprising Sports Retail (Sportsmans Warehouse, OTG and Shelflife), Outdoor Warehouse and Performance Brands
- Beverages division comprising the operations of Chill and Inhle
- Personal Care and Wellness comprising of the beauty and grooming businesses (Sorbet and Lime Light) and the healthcare business (ClaytonCare)
- Corporate provides services to the trading divisions including but not limited to secretarial, finance, advisory, risk management, corporate finance, group legal, treasury, internal audit, group marketing and other related services.

	Audited 2020 R'000	Audited 2019 R'000
Segmental revenue	**4 091 446**	3 642 342
Sport and Recreation	**2 294 015**	2 113 026
Beverages	**1 487 389**	1 355 450
Personal Care and Wellness	**310 042**	173 866
Segmental trading profit before depreciation and amortisation	**769 545**	534 939
Sport and Recreation	**578 277**	379 682
Beverages	**164 887**	172 172
Personal Care and Wellness	**78 312**	40 801
Corporate	**(51 931)**	(57 716)
Depreciation and amortisation	**(249 400)**	(80 782)
Sport and Recreation	**(210 772)**	(58 549)
Beverages	**(24 961)**	(18 419)
Personal Care and Wellness	**(9 567)**	(1 891)
Corporate	**(4 100)**	(1 923)
Trading profit	**520 145**	454 157
Sport and Recreation	**367 505**	321 133
Beverages	**139 926**	153 753
Personal Care and Wellness	**68 745**	38 910
Corporate	**(56 031)**	(59 639)
Share-based payment expense	**(40 552)**	(21 939)
Acquisition costs	**(2 067)**	(8 285)
Capital items	**(4 830)**	4 752
Gains on listed investments held at fair value	**27 682**	–
Fair value gain on remeasurement of put option liability	**12 322**	–
Operating profit	**512 700**	428 685
Net finance income	**52 643**	71 579
Finance charges: Right-of-use lease liability	**(57 369)**	–
Share of profit (losses) from associate	**609**	(1 572)
Profit before taxation	**508 583**	498 692

Notes to the summarised consolidated financial statements (continued)

for the year ended 29 February 2020

2. Headline earnings per share

	Audited 2020 R'000	Audited 2019 R'000
Profit attributable to shareholders of the company	**360 665**	351 512
Adjusted for:		
Profit on disposal of property, plant and equipment	**(981)**	(780)
Profit on disposal of business	**(342)**	–
Gain on reacquired intangible asset	**–**	(3 024)
Impairment of property, plant and equipment	**6 154**	–
Tax effects	**(1 435)**	1 106
Headline earnings	**364 061**	348 814
Weighted average number of shares in issue ('000)	**839 052**	902 054
Headline earnings per share (cents)	**43,4**	38,7

3. Net asset value and tangible net asset value per share

	Notes	Audited 2020 R'000	Audited 2019 R'000
Equity attributable to ordinary shareholders of the company (R'000)		**4 703 645**	4 811 086
Ordinary no par value shares in issue net of treasury shares ('000)	6	**774 444**	877 386
Net asset value per share attributable to ordinary shareholders of the company (cents)		**607**	548
Equity attributable to ordinary shareholders of the company (R'000)		**4 703 645**	4 811 086
Less: Goodwill and intangible assets		**(3 060 460)**	(3 038 741)
Goodwill		**(2 272 588)**	(2 252 854)
Intangible assets		**(787 872)**	(785 887)
Tangible net asset value		**1 643 185**	1 772 345
Ordinary no par value shares in issue net of treasury shares ('000)	6	**774 444**	877 386
Tangible net asset value per share attributable to ordinary shareholders of the company (cents)		**212**	202

4. Revenue

	Audited 2020 R'000	Audited 2019 R'000
Sale of goods and products	**3 235 692**	2 983 205
– Sporting, outdoor and other related merchandise	**2 294 015**	2 113 025
– Beverages and other related products	**850 984**	815 488
– Personal care merchandise	**90 693**	54 692
Rendering of services	**776 079**	588 776
– Beverage contract packing services	**636 405**	539 962
– Personal care and grooming services	**33 416**	6 301
– Health and medical rehabilitation services	**106 258**	42 513
Franchise income, royalties and administration fees	**76 794**	69 432
Rental income	**2 881**	929
	4 091 446	3 642 342
Timing of revenue recognition		
Products transferred at a point in time	**3 235 692**	2 983 205
Retail	**2 081 846**	1 897 127
Wholesale	**1 153 846**	1 086 078
Products and services transferred over a period of time	**855 754**	659 137
Franchised	**76 794**	69 432
Personal care and grooming services	**33 416**	6 301
Beverage contract packing services	**636 405**	539 962
Health and medical rehabilitation services	**106 258**	42 513
Rental income	**2 881**	929
	4 091 446	3 642 342

Notes to the summarised consolidated financial statements (continued)

for the year ended 29 February 2020

5. Acquisition of businesses and subsidiaries

During the financial year, the group acquired various businesses as bolt-on acquisitions in the Personal Care and Wellness division, including a distributor of professional hair, nail, beauty products and equipment based in the Western Cape and the rights to import and distribute Depilève products, the global benchmark in professional waxing systems. The effective date of these transactions was 1 June 2019 and they were funded through cash.

In accordance with IFRS 3: Business combinations, if new information is obtained within one year of the date of the acquisition about facts and circumstances that existed at the date of the acquisition, then the accounting for the acquisition may be revised and adjustments may be made to the fair value of the assets and liabilities acquired as set out below.

The group has measured the identifiable assets and liabilities of the acquisitions at their acquisition date fair values as presented below.

	Audited 2020 R'000	Audited 2019 R'000
Fair value of tangible assets (liabilities) acquired		
Property, plant and equipment	**1 091**	258 648
Trademarks	**–**	136 945
Other investments and loans	**–**	323
Inventories	**14 135**	128 145
Trade and other receivables	**3 279**	187 974
Cash and cash equivalents	**15**	38 143
Borrowings	**–**	(148 831)
Trade and other payables	**(218)**	(231 682)
Deferred taxation	**–**	(58 053)
Taxation	**–**	(8 537)
Total identifiable assets at fair value	**18 302**	303 075
Cash	**38 036**	456 136
Issue of shares	**–**	129 141
Deferred consideration	**–**	5 450
Consideration transferred	**38 036**	590 727
Consideration transferred	**38 036**	590 727
Plus: Non-controlling interest measured at their share of fair value of net assets	**–**	37 596
Less: Identifiable assets at fair value	**(18 302)**	(303 075)
Goodwill arising at acquisition	**19 734**	325 248
Consideration paid in cash	**(38 036)**	(456 136)
Cash acquired	**15**	38 143
Costs incurred in respect of acquisitions	**(323)**	(2 540)
Costs incurred in respect of potential acquisitions	**(1 744)**	(5 599)
Net cash outflow on acquisition of subsidiaries	**(40 088)**	(426 132)
Contribution to results for the period since acquisition		
Revenue	**46 866**	1 276 382
Trading profit	**9 178**	106 345

5. Acquisition of businesses and subsidiaries (continued)

Had these acquisitions been effective from 1 March 2019, the group's revenue would have been R4.1 billion and the trading profit would have been R524.2 million for the year ended 29 February 2020. The directors consider this to represent the approximate measure of the performance of the combined group for the full 12 months. In determining the profit before taxation on this basis the directors have excluded once off pre-acquisition costs not associated with ordinary operating activities.

The fair value of the financial assets includes trade receivables with a fair value of R3.1 million. As at 29 February 2020, all trade receivables acquired were settled in full.

Goodwill represents the value paid in excess of the fair value of the acquisitions. This consists largely of the values assigned to the unique operating models, future growth and future market development of the businesses acquired. The benefits are not separately recognised from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The acquisitions have enabled the group to further establish its presence in the lifestyle sector and as a consequence, has broadened the group's base in the market place.

The group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

6. Stated capital

	Audited 2020 Total R'000	Audited 2019 Total R'000
Balance at beginning of the year	**4 314 291**	4 339 723
Shares issued during the year	**2 500**	134 141
Shares issued for business acquisitions	**–**	129 141
Shares issued for executive remuneration	**2 500**	5 000
Shares cancelled during the year	**(225 085)**	–
Treasury shares	**(198 508)**	(159 573)
Treasury shares purchased during the year	**(426 513)**	(159 573)
Shares transferred during the year	**2 920**	–
Shares cancelled during the year	**225 085**	–
Balance at the end of the year	**3 893 198**	4 314 291

Authorised

4 000 000 000 ordinary shares of no par value (2019: 4 000 000 000 ordinary shares of no par value)

Issued

858 546 348 ordinary shares of no par value (2019: 913 909 909 ordinary shares of no par value)

Treasury shares

During the year, group subsidiaries acquired 104 125 120 (2019: 36 389 582) Long4Life Limited shares at an average cost of R4.10 (2019: R4.38) per share, totalling R426.5 million (2019: R159.6 million).

Notes to the summarised consolidated financial statements (continued)

for the year ended 29 February 2020

6. Stated capital (continued)

During the year, pursuant to the group's general share buyback programme, 55 863 561 shares purchased were cancelled and delisted.

23 358 968 (2019: 13 199 478) of the company's shares are held in escrow on behalf of participants of the L4L Forfeitable Share Plan, at a cost of R102.0 million (2019: R59.3 million).

At the reporting date, the group held 84 102 353 (2019: 36 523 695) Long4Life Limited shares, at a total cost of R358.1 million (2019: R159.6 million).

	2020 Number'000	2019 Number'000
Reconciliation of number of shares		
Balance at beginning of the year	**913 910**	889 776
	500	24 134
Shares issued for business acquisitions	**–**	23 134
Shares issues for executive remuneration	**500**	1 000
Less: Share cancellation	**(55 864)**	–
Shares in issue	**858 546**	913 910
Treasury shares	**(84 102)**	(36 524)
Balance at the beginning of the year	**(36 524)**	(134)
Acquired during the year	**(104 125)**	(36 390)
Cancelled during the year	**55 864**	–
Transferred during the year	**683**	–
Shares in issue net of treasury shares	**774 444**	877 386

7. Financial instruments

When measuring the fair value of an asset or liability, the group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques categorised as follows:

Level 1: Measured using unadjusted, quoted prices in an active market for identical financial instruments

Level 2: Valued using techniques based significantly on observable market data. Instruments in this category are valued using:

(a) Quoted prices for similar instruments or identical instruments in markets which are not considered to be active, or

(b) Valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

Level 3: Valued using valuation techniques that incorporate information other than observable market data and where at least one input (which could have a significant effect on instruments' valuation) cannot be based on observable market data.

7. Financial instruments (continued)

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Audited				
	Carrying amount R'000	Within 1 year R'000	1 – 2 years R'000	2 – 5 years R'000	More than 5 years R'000
At 29 February 2020					
Financial assets					
At fair value					
Investment in listed shares – *level 1*[1]	74 893	74 893	–	–	–
Foreign exchange contracts – *level 2*	5 838	5 838	–	–	–
	80 731	80 731	–	–	–
Financial liabilities					
At fair value					
Other financial liability – NCI put option – *level 3*	(35 678)	(5 487)[2]	(30 191)	–	–

[1] *During the year, the group acquired a total of 10 400 000 shares in Spur Corporation Limited (Spur) at a cost of R319.4 million with the intention of acquiring a strategic controlling position. When it became apparent that corporate activity would not be successful, the shares were subsequently sold. As at 29 February 2020, 10 400 000 of the total 13 659 060 Spur shares had been disposed at a profit of R30.7 million. The remaining 3 259 060 shares were recognised at fair value at the reporting date. These shares are reflected as a short-term investment and were sold subsequent to the year end.*

[2] *The put option will be exercised during May 2020.*

	Audited				
	Carrying amount R'000	Within 1 year R'000	1 – 2 years R'000	2 – 5 years R'000	More than 5 years R'000
At 28 February 2019					
Financial assets					
At fair value					
Investment in listed shares – *level 1*	5 776	5 776	–	–	–
Financial liabilities					
At fair value					
Foreign exchange contracts – *level 2*	(1 631)	(1 631)	–	–	–
Other financial liability – NCI put option – *level 3*	(48 000)	–	(23 721)	(24 279)	–
Total	(49 631)	(1 631)	(23 721)	(24 279)	–

Notes to the summarised consolidated financial statements (continued)

for the year ended 29 February 2020

7. Financial instruments (continued)

Valuation technique – Other financial liability – *Level 3*

The value of the put option liability was determined using a profit multiple designed to approximate the fair value of the management shares by review of the proportionate share of the profit after tax for the year ending 29 February 2020 and the forecast budgeted profit after tax for 2020–2022, discounted using a risk adjusted discount rate.

	2020	2019
Significant unobservable inputs		
Profit after tax growth rates	**30% to 65%**	30% to 35%
Profit after tax multiple	**7.0 to 8.5**	8.5 to 9.0
Risk-adjusted discount rate	**14%**	16%

Inter-relationship between significant unobservable inputs and fair value measurement

The estimated fair value would increase (decrease) if:

- the profit after tax were higher (lower); or
- the risk-adjusted discount rate were lower (higher)

8. Capital commitments

	Audited 2020 Total R'000	Audited 2019 Total R'000
The board's policy is to maintain a strong capital base so as to sustain future growth of the business so that it can continue to generate benefits to its shareholders.		
Capital expenditure approved:		
Contracted for	**24 000**	37 992
Not contracted for	**31 302**	166 266
	55 302	204 258

Capital expenditure is in respect of property, plant and equipment, and it is anticipated that capital expenditure will be financed out of existing cash resources.

The reduction in capital commitment is as a result of the recent COVID-19 pandemic and management's financial priority to preserve cash.

9. Events after the reporting period

Subsequent to year end, the full impact of the novel coronavirus (COVID-19) was unleashed globally. In South Africa, with effect from midnight on 26 March 2020, President Ramaphosa initiated a nation-wide lockdown for a period of 21 days, which was later extended to end April 2020. Certain sectors of the economy returned in a phased manner from 1 May.

As the events arising as a result of the Government interventions in response to the COVID-19 pandemic only occurred after the reporting date, the group considers this to be a non-adjusting post balance sheet event and accordingly the financial effects of COVID-19 have not been reflected in the group's financial statements at 29 February 2020.

As the situation continues to evolve with changes in government regulations and evolving business and consumer reactions thereto, as at the date of these financial statements, the directors of the Company considered that the financial effects of COVID-19 on the group cannot be reasonably estimated for future financial periods.

The retail sectors in which Long4Life operates continue to be negatively affected under the level 4 lockdown scenario with stores that are either closed or are only partially opened for trading. The Beverage division, whilst remaining open, is operating at much-reduced capacity.

Long4Life's absolute imperative during the crisis is to protect and provide for the safety and well-being of employees, customers and suppliers. Long4Life is taking all possible steps to mitigate the risks by conserving capital, which includes managing working capital commitments, suspending all capital expenditure and cost containment. The group's financial priority is the preservation of cash.

The group is in an advantageous position as it has a strong financial position with cash reserves and minimal debt.

There is still no clarity on the duration and manner in which the national lockdown will be lifted. It is also difficult to determine the impact that this will have on the already weakened consumer environment thereafter.

The effect of the coronavirus, while largely unknown at this stage in terms of exact financial impact, is expected to be very significant to the group, in the short-term.

Annexure – *Pro forma* information

Basis of preparation and directors' responsibilities for *pro forma* information

The adoption of the IFRS16 leasing standard from 1 March 2019 complicates performance comparison between the results of the current and prior financial year. To provide a more meaningful assessment of the group's performance, a pro forma consolidated statement of profit and loss, a pro forma consolidated balance sheet and a pro forma consolidated statement of cash flows ('the proforma information') has been presented for the year ended 29 February 2020. The pro forma financial information of group as set out has been prepared for illustrative purposes and reflects the group as if IFRS 16 has not been adopted on 1 March 2019.

The directors of Long4Life are responsible for compiling the pro forma financial information on the basis applicable of the criteria as detailed in paragraphs 8.15 to 8.34 of the JSE Listings Requirements and the SAICA Guide on Pro forma Financial Information, revised and issued in September 2014 (applicable criteria). The pro forma information does not constitute financial statements fairly presented in accordance with IFRS. The pro forma information has been prepared for illustrative purposes only and because of its nature may not fairly present the group's financial position, results of operations and cash flows. The group's external auditor, Deloitte & Touche, has issued an unmodified reporting accountants' report on the pro forma information on 13 May 2020. A copy of their report is available for inspection at the group's registered office.

Pro forma consolidated statement of profit or loss

for the year ended 29 February 2020

	Audited 29 February 2020 R'000	Adjustment IFRS16 R'000	Pro forma 29 February 2020 R'000	Audited 28 February 2019 R'000
Revenue	**4 091 446**	–	**4 091 446**	3 642 342
Cost of sales	**(2 484 898)**	–	**(2 484 898)**	(2 196 554)
Gross profit	**1 606 548**	–	**1 606 548**	1 445 788
Operating expenses	**(857 788)**	(207 094)[1]	**(1 064 882)**	(929 467)
Other income	**20 785**	–	**20 785**	18 618
Trading profit before amortisation and depreciation	**769 545**	(207 094)	**562 451**	534 939
Amortisation: Intangible assets	**(36)**	–	**(36)**	(41)
Depreciation: Property, plant and equipment	**(95 206)**	–	**(95 206)**	(80 741)
Depreciation: Right-of-use leased assets	**(154 158)**	154 158[2]	**–**	–
Trading profit	**520 145**	(52 936)	**467 209**	454 157
Share-based payment expense	**(40 552)**	–	**(40 552)**	(21 939)
Acquisition costs	**(2 067)**	–	**(2 067)**	(8 285)
Capital items	**(4 830)**	–	**(4 830)**	4 752
Gains on listed investments held at fair value	**27 682**	–	**27 682**	–
Fair value gain on remeasurement of put option liability	**12 322**	–	**12 322**	–
Operating profit	**512 700**	(52 936)	**459 764**	428 685
Net finance income/(charges)	**(4 726)**	57 369	**52 643**	71 579
Finance income	**66 692**	–	**66 692**	84 437
Finance charges	**(14 049)**	–	**(14 049)**	(12 858)
Finance charges: Right-of-use lease liabilities	**(57 369)**	57 369[3]	**–**	–
Share of profits (losses) of associate	**609**	–	**609**	(1 572)
Profit before taxation	**508 583**	4 433	**513 016**	498 692
Taxation	**(139 256)**	(1 242)[4]	**(140 498)**	(142 676)
Profit for the year	**369 327**	3 191	**372 518**	356 016
Profit attributable to:				
Shareholders of the company	**360 665**	3 191	**363 856**	351 512
Non-controlling interests	**8 662**	–	**8 662**	4 504
	369 327	3 191	**372 518**	356 016
Basic earnings per share (cents)	**43,0**	0,4	**43,4**	39,0
Diluted basic earnings per share (cents)	**42,7**	0,4	**43,1**	38,5
Headline earnings per share (cents)	**43,4**	0,4	**43,8**	38.7
Diluted headline earnings per share (cents)	**43,1**	0,4	**43,5**	38,2

Adjustments, which are of a continuing nature, comprise the following:

[1] Reinstatement of operating lease expenses per IAS 17 allocated to operating expenses

[2] Reversal of IFRS16 depreciation on right of use assets

[3] Reversal of IFRS16 finance cost on right of use lease liabilities

[4] Net deferred tax impact of 1, 2 and 3 above at 28%

The pro forma information reflects the group as if IFRS 16 had not been adopted on 1 March 2019.

Pro forma consolidated statement of financial position

as at 29 February 2020

	Audited 29 February 2020 R'000	Adjustment IFRS16 R'000	Pro forma 29 February 2020 R'000	Audited 28 February 2019 R'000
Assets				
Non-current assets	**4 211 265**	(521 827)	**3 689 438**	3 597 478
Property, plant and equipment	**601 540**	–	**601 540**	526 502
Right-of-use leased assets	**523 069**	(523 069)[1]	**–**	–
Goodwill	**2 272 588**	–	**2 272 588**	2 252 854
Intangible assets	**787 872**	–	**787 872**	785 887
Deferred taxation assets	**20 740**	1 242[2]	**21 982**	22 762
Interest in associate	**4 037**	–	**4 037**	3 428
Long-term investments and loans	**1 419**	–	**1 419**	6 045
Current assets	**2 051 988**	–	**2 051 988**	2 199 185
Inventories	**816 606**	–	**816 606**	812 525
Trade and other receivables	**321 507**	–	**321 507**	291 768
Taxation receivable	**9 347**	–	**9 347**	6 747
Short-term investments	**74 893**	–	**74 893**	–
Cash and cash equivalents	**829 635**	–	**829 635**	1 088 145
Total assets	**6 263 253**	(521 827)	**5 741 426**	5 796 663
Equity and liabilities				
Capital and reserves	**4 770 034**	84 381	**4 854 415**	4 871 375
Stated capital	**3 893 198**	–	**3 893 198**	4 314 291
Reserves attributable to shareholders of the company	**810 447**	84 381[3]	**894 828**	496 795
Non-controlling interests	**66 389**	–	**66 389**	60 289
Non-current liabilities	**828 323**	(443 407)	**384 916**	398 284
Deferred taxation liabilities	**244 303**	–	**244 303**	227 419
Long-term portion of borrowings	**73 425**	–	**73 425**	74 839
Long-term portion of right-of-use lease liabilities	**480 404**	(480 404)[4]	**–**	–
Long-term portion of put option liability	**30 191**	–	**30 191**	48 000
Long-term portion of straight-lining of leases	**–**	36 997	**36 997**	48 026
Current liabilities	**664 896**	(162 801)	**502 095**	527 004
Trade and other payables	**481 285**	–	**481 285**	497 495
Short-term portion of borrowings	**9 941**	–	**9 941**	18 105
Short-term portion of right-of-use lease liabilities	**162 801**	(162 801)[4]	**–**	–
Short-term portion of put option liability	**5 487**	–	**5 487**	–
Provision for taxation	**5 382**	–	**5 382**	11 404
Total equity and liabilities	**6 263 253**	(521 827)	**5 741 426**	5 796 663
Net asset value per share attributable to ordinary shareholders of the company (cents)	**607**	11	**618**	548
Tangible net asset value per share attributable to ordinary shareholders of the company (cents)	**212**	11	**223**	202

Adjustments, which are of a continuing nature, comprise the following:

[1] Reversal of IFRS16 right of use assets

[2] Tax impact of reversal of IFRS 16

[3] Reversal of the impact f IFRS 16 adjustments to retained earnings comprising of :

- *Net transition date adjustment of R81.2 million*
- *Recognition of the current period profit attributable to shareholders of R3.2 million under IAS17*

[4] Reversal of IFRS 16 right of use lease liabilities

The pro forma information reflects the group as if IFRS 16 had not been adopted on 29 February 2020.

Pro forma consolidated statement of cash flows

for the year ended 29 February 2020

	Audited 29 February 2020 R'000	Adjustment IFRS16[1] R'000	Pro forma 29 February 2020 R'000	Audited 28 February 2019 R'000
Cash flows from operating activities	**588 170**	(149 725)	**438 445**	390 195
Operating profit	**512 700**	(52 936)[1]	**459 764**	428 685
Acquisition costs	**2 067**	–	**2 067**	8 285
Depreciation, amortisation and impairments	**255 554**	(154 158)[2]	**101 396**	80 782
Non-cash items	**(6 200)**	–	**(6 200)**	19 192
Cash generated before changes in net working capital	**764 121**	(207 094)	**557 027**	536 944
Changes in working capital	**(25 585)**	–	**(25 585)**	(71 854)
Increase (decrease) in inventories	**9 745**	–	**9 745**	(104 017)
Decrease in trade and other receivables	**(20 620)**	–	**(20 620)**	(37 145)
(Decrease) Increase in trade and other payables	**(14 710)**	–	**(14 710)**	69 308
Cash generated by operations	**738 536**	(207 094)	**531 442**	465 090
Net finance (charges paid) income received	**(4 956)**	57 369[1]	**52 413**	71 579
Taxation paid	**(145 410)**	–	**(145 410)**	(146 474)
Cash effects of investment activities	**(258 302)**	–	**(258 302)**	(566 462)
Additions to property, plant and equipment	**(179 034)**	–	**(179 034)**	(155 316)
Proceeds on disposal of property, plant and equipment	**3 429**	–	**3 429**	6 456
Additions to intangible assets	**(1 952)**	–	**(1 952)**	(4 782)
Acquisition of businesses and subsidiaries	**(40 088)**	–	**(40 088)**	(426 132)
Acquisition of associate	**–**	–	**–**	(5 146)
Acquisition of investments and loans	**(320 586)**	–	**(320 586)**	(6 368)
Proceeds on disposals of businesses and investments	**279 929**	–	**279 929**	24 826
Cash effects of financing activities	**(588 378)**	149 725	**(438 653)**	(427 250)
Purchase of treasury shares	**(426 513)**	–	**(426 513)**	(159 573)
Borrowings repaid	**(159 303)**	149 725[1]	**(9 578)**	(215 887)
Dividends paid	**(2 562)**	–	**(2 562)**	(51 790)
Net decrease in cash and cash equivalents	**(258 510)**	–	**(258 510)**	(603 517)
Cash and cash equivalents at beginning of year	**1 088 145**	–	**1 088 145**	1 691 662
Cash and cash equivalents at end of year	**829 635**	–	**829 635**	1 088 145

Adjustments, which are of a continuing nature, comprise the following:

[1] Reclassification of cashflows relating to lease payments and finance costs in finance activities to cash generated by operations as previously disclosed under IAS 17.

[2] Reversal of depreciation on right of use assets to operating profit

The pro forma information reflects the group as if IFRS 16 had not been adopted on 1 March 2019.

Notes to the *pro forma* information

for the year ended 29 February 2020

1. Segmental report

For management purposes, the following operating divisions have been identified as the group's reportable segments:

- Sport and Recreation division comprising Sports Retail (Sportsmans Warehouse, OTG and Shelflife), Outdoor Warehouse and Performance Brands
- Beverages division comprising the operations of Chill and Inhle
- Personal Care and Wellness comprising of the beauty and grooming businesses (Sorbet and Lime Light) and the healthcare business (ClaytonCare)
- Corporate provides services to the trading divisions including but not limited to secretarial, finance, advisory, risk management, corporate finance, group legal, treasury, internal audit, group marketing and other related services.

	Audited 2020 R'000	IFRS 16 adjustment R'000	Pro forma 2020 R'000	% change	Audited 2019 R'000
Segmental revenue	**4 091 446**	–	**4 091 446**	12%	3 642 342
Sport and Recreation	**2 294 015**	–	**2 294 015**	9%	2 113 026
Beverages	**1 487 389**	–	**1 487 389**	10%	1 355 450
Personal Care and Wellness	**310 042**	–	**310 042**	78%	173 866
Segmental trading profit before depreciation and amortisation	**769 545**	(207 094)	**562 451**	5%	534 939
Sport and Recreation	**578 277**	(196 482)	**381 795**	1%	379 682
Beverages	**164 887**	(852)	**164 035**	-5%	172 172
Personal Care and Wellness	**78 312**	(7 789)	**70 523**	73%	40 801
Corporate	**(51 931)**	(1 971)	**(53 902)**	-7%	(57 716)
Depreciation and amortisation	**(249 400)**	154 158	**(95 242)**	18%	(80 782)
Sport and Recreation	**(210 772)**	145 614	**(65 158)**	11%	(58 549)
Beverages	**(24 961)**	703	**(24 258)**	32%	(18 419)
Personal Care and Wellness	**(9 567)**	6 200	**(3 367)**	78%	(1 891)
Corporate	**(4 100)**	1 641	**(2 459)**	28%	(1 923)
Trading profit	**520 145**	(52 936)	**467 209**	3%	454 157
Sport and Recreation	**367 505**	(50 868)	**316 637**	-1%	321 133
Beverages	**139 926**	(149)	**139 777**	-9%	153 753
Personal Care and Wellness	**68 745**	(1 589)	**67 156**	73%	38 910
Corporate	**(56 031)**	(330)	**(56 361)**	-5%	(59 639)
Share-based payment expense	**(40 552)**	–	**(40 552)**		(21 939)
Acquisition costs	**(2 067)**	–	**(2 067)**		(8 285)
Capital items	**(4 830)**	–	**(4 830)**		4 752
Gains on listed investments held at fair value	**27 682**	–	**27 682**		–
Fair value gain on remeasurement of put option liability	**12 322**	–	**12 322**		–
Operating profit	**512 700**	(52 936)	**459 764**		428 685
Net finance income	**52 643**	–	**52 643**		71 579
Finance charges: Right-of-use lease liability	**(57 369)**	57 369	**–**		–
Share of profit (losses) from associate	**609**	–	**609**		(1 572)
Profit before tax	**508 583**	4 433	**513 016**		498 692

Long4Life Limited audited provisional summarised results

for the year ended 29 February 2020

Administration

Directors

Independent non-executive directors
Graham Dempster (Chairman)
Lionel Jacobs
Keneilwe Moloko
Tasneem Abdool-Samad

Executive directors
Brian Joffe (Chief executive officer)
Mireille Levenstein (Chief financial officer)
Colin Datnow (Chief operating officer)

Company secretary

Marlene Klopper

Corporate information

Long4Life Limited
("L4L", "the group", or "the company")
Incorporated in the Republic of South Africa
Registration number: 2016/216015/06
Share code: L4L
ISIN: ZAE000243119

Transfer secretaries
Computershare Investor Services
Proprietary Limited
Registration number: 2004/003647/07
1st Floor, Rosebank Towers
13-15 Biermann Avenue
Rosebank, Johannesburg, 2196
Private Bag X9000, Saxonwold, 2132
Telephone +27 (11) 370 5000

Sponsor
The Standard Bank of South Africa Limited
30 Baker Street, Rosebank
South Africa, 2196

Independent auditors and reporting accountants
Deloitte & Touche
Practice number: 902276
Deloitte Place
5 Magwa Crescent, Waterfall City, Waterfall, 2090
Private Bag X9000, Saxonwold 2132

Registered office
7th Floor, Rosebank Towers
13-15 Biermann Avenue
Rosebank, Johannesburg, 2196
Box 521870, Saxonwold, 2132

Further information regarding our group can be found on the Long4Life website:

www.long4life.co.za

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