VALUE GROUP LIMITED

40 YEAR ANNIVERSARY

REVIEWED CONDENSED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED **28 FEBRUARY 2021**

AND UPDATED OPINION AND RECOMMENDATION STATEMENT IN RESPECT OF THE SCHEME OF ARRANGEMENT AND GENERAL OFFER

Value Group Limited
(Incorporated in the Republic of South Africa)
Registration number 1997/002203/06)
ISIN number: ZAE000016507 Share code: VLE
Directors: C D Stein* (Chairman), S D Gottschalk (CEO), C L Sack, N M Phosa*, M Padiyachy, V W Mcobothi*, B Bulo*
*Non-executive director
Sponsor: Investec Bank Limited

HIGHLIGHTS

REVENUE **UP 2%**

R2,94bn

HEADLINE EARNINGS PER SHARE **UP 11%**

102,4 cents

EARNINGS PER SHARE **UP 12%**

99,9 cents

NET ASSET VALUE PER SHARE **UP 11%**

627,9 cents

CASH GENERATED BY OPERATIONS **UP 4%**

R621m

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R000's	% change	Reviewed 2021	Audited 2020
Revenue	2%	2 939 768	2 879 500
Cost of sales		(1 967 516)	(1 931 720)
Gross profit		**972 252**	**947 780**
Other income		19 347	32 574
Movement in trade receivables loss allowance		(2 276)	(3 806)
Operating expenses		(739 824)	(718 847)
Operating profit	(3%)	**249 499**	**257 701**
Share of loss of equity-accounted investees		(10)	(14)
Fair value adjustment		6 164	(1 024)
Finance income		8 668	7 353
Finance costs (note 3.2)		(82 805)	(95 845)
Net profit before taxation		**181 516**	**168 171**
Taxation		(42 298)	(40 805)
Net profit for the year	9%	**139 218**	**127 366**
Earnings per share (cents) (note 2)			
Basic	12%	99.9	89.5
Headline	11%	102.4	92.2
Diluted basic	13%	95.4	84.1
Diluted headline	13%	97.8	86.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R000's	% change	Reviewed 2021	Audited 2020
Non-current assets		**1 590 094**	**1 641 041**
Property, vehicles, plant and equipment		976 806	993 796
Right-of-use assets		566 834	608 646
Intangible assets		19 420	13 528
Goodwill		16 561	16 561
Loan receivable		3 016	2 636
Equity-accounted investees		53	63
Deferred tax asset		7 404	5 811
Current assets		**887 999**	**697 777**
Inventories		112 386	107 807
Trade and other receivables		357 033	321 184
Other financial assets		11 280	5 878
Current tax receivable		103	335
Cash and cash equivalents		407 197	262 573
Non-current assets held for sale		**363**	**201**
Total assets		**2 478 456**	**2 339 019**
Equity		**871 339**	**798 167**
Non-current liabilities		**870 808**	**905 788**
Interest-bearing borrowings		146 383	135 963
Lease liabilities		621 539	656 513
Deferred tax liability		102 886	113 312
Current liabilities		**736 309**	**635 064**
Trade and other payables		462 715	391 653
Current portion of interest-bearing borrowings		86 958	52 770
Current portion of lease liabilities		182 165	189 444
Other financial liabilities		145	-
Current tax payable		3 376	377
Shareholders for dividend		950	820
Total equity and liabilities		**2 478 456**	**2 339 019**
Net asset value per share (cents)	11%	627.9	564.6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R000's	Reviewed 2021	Audited 2020
Ordinary share capital and premium	**10 809**	**10 816**
Balance at beginning of year	10 816	10 816
Shares cancelled	(7)	-
A ordinary shares	**10**	**10**
Treasury shares	**(88 949)**	**(103 629)**
Balance at beginning of year	(103 629)	(91 433)
Treasury shares acquired	(10 928)	(13 175)
Treasury shares sold	-	979
Treasury shares cancelled	25 608	-
Share-based payment reserve	**28 447**	**25 282**
Balance at beginning of year	25 282	22 108
Share-based payment expense	3 165	3 174
Retained income	**921 022**	**865 688**
Balance at beginning of year	865 688	799 479
Dividends paid	(58 283)	(61 291)
Profit on disposal of treasury shares	-	134
Net profit for the year	139 218	127 366
Shares cancelled	(25 601)	-
Equity	**871 339**	**798 167**

CONSOLIDATED STATEMENT OF CASH FLOWS

R000's	% change	Reviewed 2021	Audited 2020
Cash flows from operating activities		**437 545**	**402 220**
Cash generated by operations	4%	620 921	598 748
Finance income		8 668	7 353
Finance costs (note 3.2)		(82 805)	(95 845)
Taxation paid		(51 086)	(46 872)
Cash available from operating activities		495 698	463 384
Dividends paid		(58 153)	(61 164)
Cash flows from investing activities		**(78 712)**	**(83 883)**
Purchase of property, vehicles, plant and equipment		(68 990)	(80 150)
Purchase of intangible assets		(12 561)	(7 728)
Proceeds on disposal of property, vehicles, plant and equipment		850	982
Proceeds on disposal of non-current assets held for sale		1 989	3 013
Cash flows from financing activities		**(214 209)**	**(231 708)**
Repayment of loans		(47 837)	(71 461)
Repayment of lease liabilities		(155 444)	(148 185)
Treasury shares acquired		(10 928)	(13 175)
Proceeds on disposal of treasury shares		-	1 113
Net change in cash and cash equivalents		**144 624**	**86 629**
Cash and cash equivalents at beginning of year		262 573	175 944
Cash and cash equivalents at end of year		**407 197**	**262 573**

SEGMENT INFORMATION

R000's	Reviewed 2021	Audited 2020
Total segment revenue	**3 116 418**	**3 044 106**
General distribution	1 830 788	1 826 869
Truck rental and other	416 594	427 959
Retail Logistics	751 949	670 903
Head office and other	117 087	118 375
Less: Inter-segment revenue	**176 650**	**164 606**
General distribution	5 296	4 660
Truck rental and other	57 258	47 050
Retail Logistics	-	-
Head office and other	114 096	112 896
External segment revenue	**2 939 768**	**2 879 500**
General distribution	1 825 492	1 822 209
Truck rental and other	359 336	380 909
Retail Logistics	751 949	670 903
Head office and other	2 991	5 479
Business segment results		
General distribution	211 510	201 506
Truck rental and other	38 852	55 266
Retail Logistics	11 277	2 833
Head office and other	(12 140)	(1 904)
Operating segment results	**249 499**	**257 701**
Share of loss of equity-accounted investees	(10)	(14)
Fair value adjustment	6 164	(1 024)
Finance income	8 668	7 353
Finance costs (note 3.2)	(82 805)	(95 845)
Net profit before taxation	**181 516**	**168 171**
Total segment assets		
General distribution	1 239 707	1 247 666
Truck rental and other	636 120	616 997
Retail Logistics	116 949	105 183
Head office and other	463 824	354 450
Segment assets	**2 456 600**	**2 324 296**
Loan receivable	3 016	2 636
Equity-accounted investees	53	63
Deferred tax asset	7 404	5 811
Other financial assets	11 280	5 878
Current tax receivable	103	335
Total assets	**2 478 456**	**2 339 019**
Total segment liabilites		
General distribution	972 605	951 415
Truck rental and other	295 345	254 389
Retail Logistics	83 800	64 173
Head office and other	148 010	156 366
Segment liabilities	**1 499 760**	**1 426 343**
Deferred tax liability	102 886	113 312
Other financial liabilities	145	-
Current tax payable	3 376	377
Shareholders for dividend	950	820
Total liabilities	**1 607 117**	**1 540 852**

SEGMENT INFORMATION

Revenue on an IFRS 15 basis is further disaggregated below:

R000's	General Distribution	Truck Rental and other	Retail logistics	Head office and other	Reviewed 2021
Recognised over time	1 783 523	207 512	-	243	1 991 278
Services rendered	1 783 523	207 512	-	243	1 991 278
Recognised at a point in time	41 969	77 547	751 949	2 748	874 213
Clearing and forwarding services	-	29 240	-	-	29 240
Sale of goods	-	15 761	751 949	930	768 640
Sale of assets held for rental	41 969	32 546	-	585	75 100
Insurance commissions	-	-	-	1 233	1 232
Full maintenance leases *	-	74 277	-	-	74 277
Revenue	**1 825 492**	**359 336**	**751 949**	**2 991**	**2 939 768**

R000's	General Distribution	Truck Rental and other	Retail logistics	Head office and other	Audited 2020
Recognised over time	1 784 712	240 336	-	474	2 025 522
Services rendered	1 784 712	240 336	-	474	2 025 522
Recognised at a point in time	37 497	51 062	670 903	5 005	764 467
Clearing and forwarding services	-	27 743	-	-	27 743
Sale of goods	-	6 446	670 903	2 711	680 060
Sale of assets held for rental	37 497	16 873	-	775	55 145
Insurance commissions	-	-	-	1 519	1 519
Full maintenance leases*	-	89 511	-	-	89 511
Revenue	**1 822 209**	**380 909**	**670 903**	**5 479**	**2 879 500**

* Lease contracts within the scope of IFRS 16: Leases

NOTES

1. Basis of preparation

The reviewed condensed consolidated financial results are prepared in accordance with the framework concepts, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these reviewed condensed consolidated financial results are in terms of International Financial Reporting Standards. The accounting standards applied are consistent with those applied in the previous consolidated financial statements. These results have been prepared under the supervision of the Group Financial Director, CL Sack.

The Group's auditor, SVG has reviewed these results. A copy of their unmodified review report is available for inspection at the Company's registered office.

	R000's	Reviewed 2021	Audited 2020
2.	**Headline earnings**		
2.1.	**Reconciliation between basic and headline earnings**		
	Basic earnings	139 218	127 366
	Loss on disposal of property, vehicles, plant and equipment	4 838	5 478
	Less: tax effect of loss on disposal of property, vehicles plant and equipment	(1 350)	(1 532)
	Headline earnings	**142 706**	**131 312**
2.2.	**Number of ordinary shares of R 0.001 each in issue**		
	Shares in issue	165 636 864	172 635 000
	Treasury shares	26 867 310	31 257 858
	- Shares held by other entities (BBBEE and share incentive shares)	21 870 156	21 870 156
	- Shares held by subsidiary company	4 997 154	9 387 702
	Shares in issue excluding treasury shares	138 769 554	141 377 142
	Weighted average shares in issue	139 327 304	142 372 490
	Diluted shares in issue	145 990 349	151 412 663
2.3.	**Number of A ordinary shares of R 0.001 each in issue**		
	Shares in issue	10 429 010	10 429 010
3.	**Supplementary information**		
3.1.	**Depreciation and amortisation**		
	Depreciation of property, vehicles, plant and equipment	105 754	100 949
	Depreciation of right-of-use assets	155 003	162 174
	Amortisation of intangible assets	6 669	5 181
		267 426	**268 304**
3.2.	**Finance costs**		
	Lease liability	69 932	76 128
	Long-term borrowings	12 382	19 098
	Other	491	619
		82 805	**95 845**
3.3.	**Maturity analysis of lease liability**		
	Undiscounted contractual cashflows:		
	Payable within one year	236 909	188 208
	Payable within two to five years	714 762	685 640
	Payable thereafter	-	110 465
		951 671	**984 313**

NOTES

	R000's	Reviewed 2021	Audited 2020
4.	**Fair value measurement of financial instruments**		
4.1.	**Financial assets/(liabilities)**		
	Investment in insurance cell captive (Level 2)	**11 280**	5 116
	The net asset value is used as a valuation technique where the underlying assets and liabilities have been assessed to represent the fair value of the investment. Due to the nature of the investment, specifically the significant composition of the liquid assets and liabilities, the net asset value is seen to be the most appropriate representation of fair value.		
	Foreign currency forward contracts (Level 2)	**(145)**	762
	Forward exchange contracts are marked to market at period end. The inputs used in the calculation are the foreign currency amounts stated in the contract, the equivalent Rand amount at the start of the contract and the Rand revaluation rate at period end.		
5.	**Related party transactions**	**217 124**	214 919
	Significant transactions with related parties comprise of market related rentals paid to companies controlled by SD Gottschalk, CEO of Value Group Limited.		

COMMENTARY

INTRODUCTION

Value Group Limited and its subsidiaries ("the Group") provide a comprehensive range of tailored logistical solutions throughout southern Africa. The operating divisions specialise in providing a diversified range of supply chain services, which encompass distribution, transport, clearing and forwarding, warehousing, fleet management, materials handling, commercial vehicle rental and full maintenance leasing. The Group's retail segment supplies FMCG products into the convenience, formal and informal markets.

On 1 May 2021, the Group celebrated its 40th year anniversary milestone since its early beginnings of providing truck rental services.

FINANCIAL REVIEW

The Group has had to navigate its way as a result of challenges brought about by the poor economic climate and the imposition of the initial highly restrictive lockdowns in order to contain the spread of the COVID-19 pandemic.

In particular, the implementation of level 5 lockdown from 27 March 2020 to 30 April 2020, resulted in a material reduction in revenue. The Group was designated as an essential service provider and was permitted to provide services to a limited number of customers supplying essential goods. Accordingly, April 2020 revenue was 32,6 % below that of April 2019. As lockdown restrictions eased to level 4 in May 2020, more of the Group's customers were permitted to trade which resulted in a material increase in revenue compared to April 2020. As a result, revenue in May 2020 was 5.3% less than that in May 2019. From 1 June 2020 onwards, with the shift to less restrictive lockdown levels, the Group eventually returned to normal operational capacity.

Despite these challenges, the Group (and particularly the retail logistics division) has been successful in growing its customer base by on boarding a number of new customers during this unprecedented time. In addition, the Group experienced an unprecedented extended peak period in December 2020 and into January 2021 where volumes were extraordinarily high resulting from the availability of products that were previously unavailable during the restrictive lockdown periods and thereafter. This tempered the reduction in revenue during the lockdown periods with revenue increasing by 2% from R2,88 billion to R2,94 billion.

Aside from preventing the spread of the virus through the implementation of a number of SHEQ procedures to ensure the health, wellbeing and safety of its employees, extensive focus has been applied in safeguarding the sustainability and operations of the Group. In this regard, the Group implemented the following measures to preserve cash balances:

- Immediate reduction of fixed and variable costs to align to trading activity where possible.
- The application for government assistance in the form of the Temporary Employer Relief Scheme (TERS) in order to compensate employees who were on unpaid leave. Where possible, employees were rotated during unpaid leave periods to ensure that a portion of their salary could be earned.
- Deferral of the payment of the final dividend to August 2020 which was pending due to the requirement to assess trading and cash flow outcomes during level 5 and level 4 lockdowns.

The combination of the extended peak period, together with improvements in trading (subsequent to level 4 lockdown) and the various cost saving initiatives mentioned above, contributed to gross profit margins being maintained at 33% with gross profit increasing by R24,5 million to R972,3 million. In addition, these measures resulted in substantial savings with operating expenses increasing by only 2,9% or R21 million to R739,8 million. The effect of reduced other income and increased operating costs were insufficient to improve operating profits which reduced by 3% from R257,7 million to R249,5 million.

COMMENTARY

Net profit before tax however increased mainly due to a R14,4 million net finance cost reduction which arose due to the following:

- Reduction in asset base funding costs due to reductions in prime interest rates and delays in funding of vehicles due to late delivery.
- Reduction in IFRS16 (lease) funding costs due to reduced outstanding capital balance on lease liabilities.

The Group also benefitted from a reduction in the effective tax rate from 24,3% to 23,3% due to the receipt in the current period of an increased allowance for energy efficiency savings. At this point in time, it is not envisaged that further energy efficiency allowances will be derived by the Group which will result in future increased effective tax rates.

The board is thus pleased to advise that the Group produced an 11% increase in headline earnings for the year ended February 2021 from 92,2 cents to 102,4 cents per share.

Increases in goods and vehicles for sale inventory levels in addition to increases in receivable balances from growth in the customer base have been offset by increased payables. In addition, continued focus on working capital management yielded improved cash flow results. Notwithstanding the financial difficulties that affected many businesses during this extraordinary period, collections were better than expected. In addition, proceeds on disposal of rental assets were very high with disposals generating R76,6 million. Consequently, cash generated by operations increased by 4% to R620,9 million.

In contrast to previous years, a larger portion of the Group's capital expenditure was incurred in the second half of the financial year due to delivery delays arising from the initial lockdowns. Total capital expenditure amounted to R174 million and comprised R111,2 million for vehicles, R27,8 million for materials handling equipment, R10,7 million for plant and equipment and accessories and R24,3 million for IT hardware and software. Notwithstanding that positive cash balances were utilised to fund a large portion of the capital expenditure in addition to the R10,9 million spent on share repurchases, the focus on conserving cash balances in this uncertain period and on improving cash generation resulted in cash resources at year end increasing to R407,2 million.

OPERATIONAL REVIEW

General distribution segment

The commencement of level 5 lockdown on 27 March 2020 had a material impact on the breakbulk and dedicated distribution divisions within the segment. Trading during this period was only undertaken for select customers providing essential services, thus resulting in a material reduction in revenue. This was matched with significant variable and fixed cost savings where possible. In contrast, the revenue model of the warehouse division which specialises in the storage of product remained intact and contributed positively to the Group particularly during this difficult period. Subsequent to the implementation of level 4 and the gradual easing of the lockdown levels, trading activity gained momentum and operations returned to normal levels. The growth of the customer base during the first half together with increased activity amongst certain existing customers, partly countered lockdown volume decline amongst many customers. Trading conditions during the peak months were varied with volumes during the traditional peak months being October and November being below historical levels. The segment however experienced an unprecedented extended peak into December 2020 and January 2021 resulting in a recovery in revenue and earnings. As a result, revenue for the year remained relatively flat at R1,825 billion.

Improved efficiencies, stringent cost controls coupled with improved vehicle utilisation and planning contributed to operating margins improving from 11,1% to 11,6% with operating profit increasing from R201,5 million to R211,5 million.

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Truck rental and other segments

The segment's revenue was materially impacted by the commencement of level 5 lockdown with trading limited to providing services to customers supplying essential goods. Subsequently, although activity levels improved, the muted demand for truck rental services up until the peak period resulted in a highly competitive market with rates being heavily discounted in certain areas. In contrast, the clearing and forwarding and forklift divisions continue to trade profitably. Accordingly, revenue reduced by 6% from R380,9 million to R359,3 million. Truck rental rate pressures to improve vehicle utilisation and an increased variable and overhead cost base however, reduced operating margins from 14,5% to 10,8% with operating profit reducing from R55,3 million to R38,9 million.

Retail logistics segment

As the retail logistics business was designated a supplier of essential goods, the business was extremely busy particularly during the level 5 and level 4 lockdown periods. In addition, ongoing focus on growing its markets have been successful, resulting in revenue increasing by 12,1% from R670,9 million to R751,9 million. Corrective measures to improve historical poor performance have been and continue to be implemented which has contributed to an improvement in operating margins and an increase in operating profit from R2,8 million to R11,3 million. Despite increases in the cost base, further improvements in regard to automation of systems and expansion into areas and markets previously not serviced have and continue to be undertaken. The business has grown its foot print across South Africa with new branches opened in the Eastern Cape and KwaZulu-Natal.

SHARE REPURCHASES

During the period under review, 2 607 588 ordinary shares were acquired at a cost of R10,9 million. The average acquisition cost per share amounted to R4,19 per share. On 17 September 2020, 6 998 136 ordinary shares were cancelled against distributable reserves. The Group's subsidiary currently holds 4 997 154 ordinary shares in treasury which represents 3,02% of ordinary shares in issue.

FUTURE CAPITAL EXPENDITURE

Budgeted capital expenditure for the 2022 financial year is anticipated to amount to R187,3 million and comprises R86,2 million for vehicles, R63,9 million for forklifts and accessories and R37,2 million for IT and other costs. This capital expenditure is required mainly for the replacement of older vehicles, the anticipated growth in the forklift division and a number of IT upgrade projects in progress across the Group's major applications and infrastructure platforms. The capital expenditure will be funded by internally generated cash flows and interest bearing debt where required.

PERFORMANCE DURING COVID-19 AND THE REQUIREMENT FOR IMPAIRMENTS

The Group continues to deal with these challenges noting the following:

- There have been no significant decline in customer collections as customers have generally continued to pay in accordance with agreed credit terms. The Group has successfully engaged with those customers where payments were delayed. The expected credit loss provision however required a small increase of R2,3 million.
- Trade creditors have been settled without any extension of terms. In addition, the Group's tax returns have been submitted and paid on time in accordance with regular business practice without requiring any form of financial assistance, either from financial institutions or government.
- Subsequent to the commencement of level 3 lockdown, the market for the acquisition of the Group's assets, which are designated for disposal, has been buoyant with proceeds realised for assets exceeding that achieved in previous financial years. Accordingly, no material impairments to these assets are currently required as a result of the effects of COVID-19 on the market and the lockdown measures.
- The impairment test was conducted on goodwill and resulted in no impairment required.

COMMENTARY

PROSPECTS

The Group's business characterized by a low tangible asset based debt:equity ratio of 27% and the ability to generate positive cash flows will ensure its sustainability into the foreseeable future. The challenges associated with the impact of COVID-19 are partially negated due to the Group's robust business model, whereby logistics services across multiple divisions are supplied to a diverse range of customers within various industrial sectors. In addition, its retail segment supplies essential goods to an enlarged customer base. During these most challenging times, the Group has demonstrated its ability to adapt to the changing environment, grow its customer base and continue providing world class logistics services.

The financial impact of COVID-19 on international and the local economy has been devastating. The substantial increase in local unemployment has reduced consumer disposable income which directly affects consumer demand. Of critical importance is the trebling of sea freight rates which have arisen due to long delays in offloading of containers at international ports. This has resulted in a critical shortage of containers and availability of sea freight services which has not only increased shipping costs but also resulted in undue importation delays of a large portion of the Group's customers and suppliers products and/or materials. This will have a negative effect on volumes across all segments due to unavailability of product for sale. Any reference to future financial performance included in this announcement has not been reviewed nor reported on by the Group's auditors.

OFFER TO MINORITY SHAREHOLDERS AND POSSIBLE DELISTING FROM THE JSE

Shareholders are referred to the Firm Intention Announcement released on SENS on Friday, 26 February 2021 and the Offer Circular distributed to Shareholders on Thursday 25 March 2021 pertaining to:

- An offer by Value Group Ltd to Eligible Shareholders to repurchase by way of a Scheme of Arrangement ("the scheme") all their shares in Value Group Ltd for a cash consideration of R6.75 per share ("the Scheme Consideration"); and
- Separate but concurrently with the scheme, a conditional General Offer by Value Group Ltd to Eligible Shareholders ("the general offer"), to repurchase all of their shares in Value Group Ltd for a cash consideration of R6.75 per share ("the General Offer Consideration"). The general offer will only be implemented should the scheme fail; and
- The subsequent delisting of all of Value Group Ltd's Ordinary Shares from the JSE, in terms of paragraph 1.17(b) of the Listings Requirements, pursuant to the implementation of the scheme or, if the scheme fails, pursuant to the implementation of the general offer subject to the required delisting resolution being approved.

Shareholders are reminded of the salient dates and times as contained in the SENS announcement dated 25 March 2021 and the Offer Circular. The salient dates for Shareholders to vote on the above-mentioned corporate actions are as follows:

Last day to trade to be eligible to vote	Tuesday, 18 May 2021
Record date	Friday, 21 May 2021
General meeting convened electronically	Thursday, 27 May 2021 at 11:00

COMMENTARY

UPDATED OPINION AND RECOMMENDATION

The Independent Expert, Mazars Corporate Finance (Pty) Ltd, has considered the contents of these Reviewed Results and have confirmed there is no change to its opinion that the Scheme Consideration and General Offer Consideration are fair and reasonable to Eligible Shareholders. The full substance of the Independent Expert's report in connection with the scheme and general offer is set out in the Offer Circular.

The Independent Board, taking into account the above confirmation and the contents of the Reviewed Results, has unanimously confirmed there is no change to their opinion that the terms and conditions of the scheme and the general offer are fair and reasonable to Shareholders and, accordingly, unanimously recommends that Shareholders vote in favour of the Resolutions to be tabled at the general meeting.

FINAL DIVIDEND

No final dividend has been recommended or declared due to the pending cash outflows required to fund the offer to minority shareholders.

For and on behalf of the board

C D Stein
Chairman

S D Gottschalk
Chief Executive Officer

Johannesburg

4 May 2021

DEFINITIONS

Cash generated by operations	A measure of the amount of cash generated by the Group's normal business operations before finance income, finance cost, taxation and dividends.
Basic earnings per share	Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.
Dividends per share	Dividend per share is the sum of declared dividends issued by the Group for every ordinary share outstanding.
Diluted basic earnings per share	Diluted basic earnings per share is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares.
Gross profit	Gross profit is the profit generated after deducting costs associated with the selling of products and services.
Headline earnings	A measure of the Group's earnings based only on operational and capital investment activities which excludes exceptional and once-off profits and losses
Headline earnings per share	Per share value of the headline earnings attributable to the ordinary shareholders of the Group
Net asset value per share	Total assets less total liabilities attributable to ordinary shareholders, divided by the number of ordinary shares in issue excluding treasury shares
Operating profit	A measure of profitability that indicates how much of each Rand of revenue is left after cost of sales and operating expenses, before finance income, finance cost and taxation.
Weighted average number of shares	The weighted average number of shares is a calculation that takes into consideration any changes in the number of shares over a specific reporting period