

Imperial Logistics Limited
(Incorporated in the Republic of South Africa)
Registration number: 1946/021048/06
ISIN: ZAE000067211
Share code: IPL
("Imperial" or "Company" or "Group")

Trading update relating to the impact of Covid-19 on operations

As shareholders are aware, the Covid-19 pandemic continues to spread, and these trying times come with a high degree of uncertainty, fluidity and unexpected challenges. With Imperial's operations in over 32 countries, including those that are being severely impacted by the virus with various restrictive measures imposed, we believe it necessary to provide shareholders with an update on the current state of our operations at this time.

Imperial is essential to the sourcing, warehousing, transportation and distribution of medication and other medical supplies, food, basic goods, and other essential products and services in our markets of operation:

- In South Africa, we provide an essential service of distributing consumer goods and healthcare (medication), and therefore, a significant part of this business remains in operation during the lockdown period. Approximately 55% of our revenue in this division is generated from the consumer, healthcare and other essential products and services sectors in South Africa.
- The African Regions division is mainly engaged in healthcare and consumer goods distribution. While there are some concerns relating to the supply and the delivery of products in certain markets, most of the businesses in this division continue to operate at this time, with sufficient stock on hand. Close to 100% of our revenue in this division is generated from the healthcare and consumer industries.
- In the International division, the automotive contract logistics and related transport businesses are most impacted as all OEMs have implemented plant shut-downs (c. 36% of revenue in this division is generated from the automotive industry). At this stage, volumes in our chemicals and related shipping businesses remain resilient (c.31% of revenue in this division is generated from the chemical industry). Other businesses within this division are still operational, although volumes are being negatively impacted in some instances.

At this stage, Imperial has adequate headroom in terms of debt covenants and liquidity. Stringent, proactive measures have been implemented across the business to manage costs, and optimise working capital and capital expenditure, with a stronger focus on cash flow generation during these uncertain times.

However, given the increasing uncertainty and volatility that its markets are currently faced with, Imperial thinks it prudent to withdraw its current guidance for the year to 30 June 2020, which was communicated to the market on 25 February 2020. Updated guidance will be provided to the market once there is more certainty on the outlook.

Imperial plays a critical role in the supply of essential services and products in the many countries in which it operates. We remain fully committed to preventing the spread of the COVID-19 virus, with stringent workplace measures currently in place; further measures will be implemented as required.

Ensuring the safety of our staff, families and communities, and delivering our service to our clients, businesses and countries that we serve, remain key priorities. As Imperial, we will continue to support all our key stakeholders and countries of operation through our best endeavours in ensuring that the impacts on supply chains are minimal.

Bedfordview
7 April 2020

Sponsor: Merrill Lynch South Africa (Pty) Limited