

ELLIES HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2007/007084/06)

JSE share code: ELI ISIN: ZAE000103081

("Ellies" or the "Company")



TRADING STATEMENT

In terms of the Listings Requirements of the JSE Limited, companies are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon next will differ by at least 20% from the previous corresponding period.

Shareholders are accordingly advised that Ellies expects the following results for the year ended 30 April 2020:-

A loss per share of 28.97 cents, being 709% higher than the loss per share of 3.58 cents for the year ended 30 April 2019 and a headline loss per share of 18.66 cents, being 472% higher than the headline loss per share of 3.26 cents for the year ended 30 April 2019.

The increase in the loss is mainly attributable to:

- A decline in revenue attributable to the Covid-19 related lockdown in March and April 2020 of approximately R97,7 million with an associated gross profit decrease of R 26,4 million;
- The impairment of Goodwill of R 51,4 million;
- Restructuring cost incurred related to the migration of the Johannesburg warehouse to a third party logistics supplier of R 20,6 million;
- Additional write-off of obsolete inventory R 49,0 million;
- The impairment of investment properties to a value of R12,3 million; and
- A reversal of previously recognised deferred tax assets of R 16,3 million.

The reviewed summarised consolidated financial results for the year ended 30 April 2020 are anticipated to be released on or about 30 September 2020.

The financial information on which this trading statement is based has not been reviewed or reported on by the Company's auditors.

29 September 2020

Sponsor

