

BRIKOR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/013247/06)

JSE Share code: BIK ISIN: ZAE000101945

("Brikor" or the "Company")

Financial results for the six months ended 31 August 2020 -
Short-form announcement

FINANCIAL HIGHLIGHTS

	31 August 2020	31 August 2019	% change
	R'm	R'm	
Revenue	127,8	166,1	(23.1)
EBITDA	5,7	23,1	(75,3)
EPS (cps)	(0,3)	1,8	(116.7)
HPS (cps)	(0,2)	1,5	(113.3)
NAV (cps)	10,6	12,5	(15,2)
NTAV (cps)	5,5	7,8	(29,5)

Note: No dividends have been declared for the six months ended 31 August 2020 or 31 August 2019.

Revenue decreased to R127,8 million (August 2019: R166,1 million) with the gross profit percentage decreasing to 20,4% (August 2019: 26,6% and February 2020: 21,4%).

Administrative, distribution and other expenses decreased to R27,2 million (August 2019: R28,8 million) mainly attributable to less spend on labour, consulting fees and audit fees amounting to R1,2 million. Training cost also decreased by R0,9 million as a result of the lockdown period and related restrictions.

The Group realised an operating profit before interest and taxation of R1,4 million (August 2019: R19,1 million) for the six months ended 31 August 2020. The Group ended the financial period with an attributable loss of R1,7 million (August 2019: profit of R11,4 million), resulting in a loss per share of 0,3 cents (August 2019: earnings per share 1,8 cents) and basic headline loss per share of 0,2 cents (August 2019: basic headline earnings per share 1,5 cents). The decrease was directly as a result of the impact of the COVID-19 pandemic, which resulted in no sales in the Bricks segment during April 2020 and limited sales during May 2020.

Cash and cash equivalents (net of bank overdraft), however, increased to R18,3 million (February 2020: R4,0 million). The increase was mainly attributable to the Group having sufficient stock available at the time when the Group was able to return to operations on 1 May 2020. Management took the decision to phase in production which resulted in savings on variable costs, specifically during levels 5 and 4 of the lockdown period.

Bricks segment

Revenue derived from the Bricks segment decreased by 34,2% to R58,7 million (August 2019: R89,1 million) whilst the gross profit percentage decreased to 14,8% (August 2020: 18,3% and February 2020: 16,2%).

The Bricks segment generated no sales during April 2020 and was able to generate limited sales in May 2020 from customers in essential services in the construction sector. Sales returned to pre-lockdown levels during July and August 2020. The decrease in gross profit percentages was mainly due to lower average selling prices during May and June 2020.

Coal segment

Revenue derived from the Coal segment decreased by only 10,2% to R69,1 million (August 2019: R76,9 million) mainly due to the Coal segment being allowed to operate at 50% capacity during the initial lockdown period and at 100% as from 1 May 2020. The gross profit percentage decreased to 25,2% (August 2019: 36,2% and February 2020: 27,7%) due to the Coal segment only being allowed to sell unwashed product during the initial lockdown period. This resulted in lower average selling prices compared to the previous reporting periods and contributed to the decrease in the gross profit percentage.

SHORT-FORM STATEMENT

This short-form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details.

Any investment decision should be based on the full announcement accessible from Wednesday, 21 October 2020, via the JSE link and also available on the Company's website at <http://brikor.co.za/Pages/Investor-Relations.asp>.

Copies of the full announcement may also be requested by contacting Joaret Botha by email at joaret@brikor.net and are available for inspection at the Company's registered office at no charge, weekdays during office hours.

The JSE link is as follows:

<https://senspdf.jse.co.za/documents/2020/jse/isse/bik/inter2020.pdf>

21 October 2020

Nigel

Designated adviser

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