

SPUR CORPORATION LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1998/000828/06)
Share Code: SUR & ISIN: ZAE000022653
("group")

TRADING STATEMENT

In terms of the Listings Requirements of the JSE Limited, companies are required to publish a trading statement as soon as 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 financial results for the previous corresponding period.

Shareholders are referred to the sales update announcement dated 23 July 2020 in which the group advised that it anticipated that earnings per share ("EPS") and headline earnings per share ("HEPS") for the year to 30 June 2020 ("current year") were likely to decline by at least 40% relative to the prior year.

Shareholders are now advised that the group is expecting to report EPS and HEPS in the following ranges for the current year:

	2020	2019	% change
EPS (cents)	71.21 – 79.90	173.69	-59% – -54%
Diluted EPS (cents)	71.02 – 79.68	173.22	-59% – -54%
HEPS (cents)	78.16 – 86.84	173.68	-55% – -50%
Diluted HEPS (cents)	77.94 – 86.61	173.21	-55% – -50%

Major factors impacting on expected earnings

The effects of the COVID-19 pandemic have had a material impact on the group's trading performance since March 2020, as previously communicated to shareholders in the SENS announcements dated 13 May 2020, 23 July 2020 and 8 October 2020. The SENS announcement dated 8 October 2020 detailed the recovery in the group's trading performance subsequent to year end up to September 2020.

The group previously reported that at 30 June 2019 it had provided for expected credit losses relating to a receivable from the group's former black economic empowerment partner, Grand Parade Investments Limited, in the amount of R10.812 million. Of this amount, R6.688 million was recognised as a charge to profit or loss during the prior year. Following the recovery of the receivable during the current year, the full provision for expected credit losses of R10.812 million has been reversed as a credit to profit or loss in the current year.

The financial plight of franchisees in response to the pandemic has resulted in greater credit risk, requiring additional allowances for expected credit losses.

The longer-term impact of the pandemic on the economy and the effects of a protracted recovery have resulted in certain impairments of goodwill, intangible assets, tax receivables and property, plant and equipment in the current year.

The financial information on which this trading statement is based has not been reviewed or reported on by the group's independent auditor. The group's audited results for the year ended 30 June 2020 are expected to be published on 20 November 2020.

Cape Town
9 November 2020

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