

The SPAR Group Limited

(Incorporated in the Republic of South Africa)

Registration number: 1967/001572/06

Share Code: SPP

ISIN: ZAE000058517

("SPAR" or the "Group")

TRADING UPDATE FOR THE 18 WEEKS TO 29 JANUARY 2021

CONTINUED MIXED TRADING PERFORMANCE DUE TO COVID-19 PANDEMIC

- The Group sales increased by 9.8% to R42.99 billion for the 18 weeks ended 29 January 2021
- SPAR Southern Africa recorded wholesale sales growth of 3.4%
 - Core SPAR grocery business increased sales by 2.8% and like-for-like sales increased 2.5%, with internally measured price inflation of 5.1%
 - Liquor sales declined by 17.9%, adversely impacted by the nationwide ban on the sale of alcohol as a result of the pandemic and periods of restricted trading when the ban was lifted
 - Build it sales growth increased by 25.6%, as demand for building materials remained strong, driven by investment in home improvements as consumers spent more time at home due to the pandemic
- BWG Group in Ireland increased turnover by 4.3% (EUR-denominated) boosted by strong contributions from all the retail brands and the corporate retail stores
- SPAR Switzerland achieved turnover growth of 13.8% (CHF-denominated), reflecting continued support of local community stores under lockdown conditions
- SPAR Poland turnover grew by 38.1%, attributed to the increased support from SPAR retailers, despite ongoing lockdown measures and the challenges faced while developing the new business

GROUP

The Group increased sales by 9.8% from R39.15 billion to R42.99 billion for the eighteen (18) week trading period ended 29 January 2021 when compared to the corresponding previous period in 2020.

SPAR SOUTHERN AFRICA

Group sales in Southern Africa increased by 3.4%, which reflected the weaker consumer spend and lost liquor business. The core SPAR grocery business reported sales growth of 2.8%, with same store sales increasing by 2.5%. Internally measured price inflation of 5.1% reflected the upward movement of prices in a wide range of grocery and perishable items. The liquor business was heavily impacted by the closure of TOPS at SPAR retail stores during the period due to lockdown regulations banning the sale of alcohol, and significantly reduced trading hours when the ban was lifted. Wholesale liquor sales declined 17.9%. Conversely, the Build it business continued to benefit from increased consumer spending on residential dwellings and reported a sales increase of 25.6%.

BWG GROUP

The Group's Irish business continued to report strong growth across all retail brands, compensating for the decline in the Cash & Carry and foodservice businesses, as the region experienced increased lockdown restrictions, which have severely impacted the hospitality industry but have seen consumers supporting neighborhood stores. The Appleby Westward Group in South West England made a significant contribution to the turnover result with a strong corporate retail performance.

In EUR terms, the Irish business increased turnover by a solid 4.3%. Combined with a slightly weakened rand, the business recorded sales growth of 19.0% in reported currency.

SPAR SWITZERLAND

The Swiss business performance reflects the strong, continued support of local community stores as the country experienced strict regulatory lockdown measures. Turnover increased by 13.8% in CHF terms. This business contributed an increase in turnover of 31.0% in reported currency.

SPAR POLAND

Reflecting the increased support from the SPAR retailers, turnover increased by 38.1% in local currency and 48.8% in ZAR terms. The Polish business has experienced setbacks as a consequence of the pandemic lockdowns, however good progress continues to be made in many of the strategic focus areas.

INTERIM RESULTS

The financial results for the six months ending 31 March 2021 will be released on SENS on or about Wednesday, 19 May 2021.

Shareholders are advised that the financial information contained in this announcement has not been audited, reviewed or reported on by the Group's auditors.

By order of the Board

Pinetown

16 February 2021

Sponsor:

One Capital