

## CURRO HOLDINGS LIMITED

Incorporated in the Republic of South Africa  
(Registration No. 1998/025801/06)  
JSE Share Code: COH  
ISIN: ZAE000156253  
Company Code: BICAP  
("Curro" or "the Company")

# CURRO

### TRADING STATEMENT IN RESPECT OF THE FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The COVID-19 pandemic continued to disrupt our lives and the economy in 2021. Despite this, our staff, learners and the communities we serve maintained their tenacious focus on education, and Curro is proud of the learner growth achieved and the strategic progress made by the business over the last six months.

In terms of the JSE Limited Listings Requirements, a listed company is required to publish a trading statement as soon as it becomes reasonably certain that the financial results for the next period to be reported on will differ by 20% or more from the financial results for the previous corresponding period.

Curro hereby advises that it expects the financial results for the six months ended 30 June 2021 ("the first half of 2021" or "the first half" or "the period") to fall within the following ranges (please read the full announcement to obtain context for the first half performance):

	Restated for the six months ended 30 June 2020 Cents	Forecast range of results for the six months ended 30 June 2021	
		Cents	% change
Recurring headline earnings per share (RHEPS)	39.7	18.0 to 21.0	(54.7%) to (47.1%)
Headline earnings per share (HEPS)	37.9	18.0 to 21.0	(52.5%) to (44.6%)
Earnings per share (EPS)	22.0	20.0 to 23.5	(9.1%) to 6.8%

In evaluating these results, shareholders should take the following into account:

- Average learners increased by 7% and revenue increased by 12% from the previous comparable period.
- The R1.5 billion rights offer in September 2020 resulted in there being 42% more shares in issue in the first half of 2021 compared to the first half of last year, which reduced the respective earnings per share figures meaningfully.
- Curro's earnings for the previous financial year ended 31 December 2020 ("2020") were significantly weighted toward the first half of 2020. Schools were closed for three months pursuant to the COVID-19 induced lockdown with concomitant cost savings in the first half of 2020, but were fully operational in the second half of 2020 and in 2021. The quantum and timing of impairment charges, fee discounts granted, provisions for excess credit losses and significant increases in municipal charges also impacted more on the second half of 2020.

As a result, R167 million or 93.3% of the total recurring headline earnings for 2020 of R179 million, was recorded in the first half of the 2020-year. However, we expect a more balanced distribution of earnings across the 2021 financial year.

	<b>Forecast range of results for the first half of 2021 ended 30 June 2021 (per this trading update)</b>	<b>Restated results for the first half of 2020, ended 30 June 2020</b>	<b>Difference between the audited full year results for 2020 and the restated results for the first half of 2020</b> <i>[Note 1]</i>	<b>Audited results for the 2020 financial year ended 31 December 2020</b>
	<b>First half 2021</b>	<b>First half 2020</b>	<b>Second half 2020</b>	<b>Full year 2020</b>
RHEPS (cents)	18.0 to 21.0	39.7	(1.7)	38.0
HEPS (cents)	18.0 to 21.0	37.9	(1.5)	36.4
EPS (cents)	20.0 to 23.5	22.0	(28.5)	(6.5)
Weighted average number of shares in issue	597 961 595	420 384 587	<i>Note 1</i>	470 998 749
<i>Note 1: Due to the rights offer during September 2020, the earnings per share for the second half of 2020 represents the absolute difference between the audited full year and restated first half earnings for 2020, rather than a recalculation using weighted shares in issue.</i>				

- Curro's ancillary revenue is lower than the comparable period in 2020 as well as the first half of 2019, whilst the levels of bad debts and fee discounts remain higher than what the Company experienced historically before COVID-19. The non-performing portion of the debtors book mainly relates to learners that have left Curro and concerted efforts are being made to recover same.
- Curro recognised impairments of lower-yielding schools of R83m (net of tax) in the previous comparable period. These impairment charges are included in the calculation of EPS but are added back for purposes of the calculation of HEPS, and accordingly accounts for the key difference between HEPS and EPS in 2020.
- HEPS for the previous corresponding period included a non-recurring acquisition cost of R7m (net of tax), which represent the difference between RHEPS and HEPS in that period.

#### *Rights offer*

Curro bolstered its balance sheet with a R1.5 billion rights offer in September 2020. The Company used R1.1 billion thereof to reduce debt, which strengthened the balance sheet, thereby achieving savings in finance costs and enabling Curro to pursue various attractive acquisition opportunities.

As a result of the rights offer, the Company had 597 961 595 shares in issue at the end of this reporting period, compared to 412 087 989 shares at the end of the comparable period in the previous year. Accordingly, the weighted average number of shares used to calculate earnings per share for the period was 597 961 595 (2020: 420 384 587). Further details are included below.

Shareholders are advised that as required by International Financial Reporting Standards (IFRS), the Company's results for the six months ended 30 June 2020 have been adjusted to account for the rights offer as follows:

<b>Cents</b>	<b>Reported results for the six months ended 30 June 2020</b>	<b>Restated results for the six months ended 30 June 2020</b>
RHEPS	40.5	39.7
HEPS	38.7	37.9
EPS	22.5	22.0
Weighted average number of shares in issue	412 087 989	420 384 587

### *Prospects*

Curro's business model has proven resilient to date, underpinned by its strong financial position following the rights offer in 2020. The strong learner growth recorded this year endorses the credibility of our robust offering, including an increased focus on digital education solutions. We remain committed to continue providing excellent education to all our learners, making a positive contribution to society at large.

The acquisition of Heronbridge College remains subject to approval by the Competition Commission and we are on track with our overall capex program to invest approximately R1.1 billion in the business this year.

### *Results announcement*

The Company is currently finalising its financial results for the six months ended 30 June 2021. These results will be published on or about Wednesday, 18 August 2021. A webcast of the results presentation is scheduled for 10:30 on Wednesday, 18 August 2021.

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

Durbanville  
3 August 2021

JSE Equity and Debt Sponsor  
PSG Capital



PSG CAPITAL

Independent Joint JSE Equity Sponsor  
UBS South Africa

