

Blue Label Telecoms Limited
(Incorporated in the Republic of South Africa)
(Registration number 2006/022679/06)
Share code: BLU ISIN: ZAE000109088
("Blue Label" or "the Group")

Trading statement for the year ended 31 May 2021

Shareholders are advised that basic, headline and core headline earnings per share for the year ended 31 May 2021 will increase by more than 20% in comparison to the year ended 31 May 2020. The table below illustrates the ranges anticipated against the comparative year:

	May 2020 cents per share	Range May 2021 cents per share	Increase to May 2020 cents per share	Percentage Increase
Earnings per share	13.89	94.27 – 94.83	80.38 – 80.94	579% – 583%
Headline earnings per share	58.16	85.00 – 87.33	26.84 – 29.17	46% – 50%
Core headline earnings per share	62.71	88.40 – 90.91	25.69 – 28.20	41% – 45%

The increase in basic earnings per share was primarily attributable to the disposal of the Group's 47.56% interest in Blue Label Mexico, a positive movement from a negative contribution by the Retail division of the WiConnect stores in the prior year to a partial recoupment of losses in the current year and the non-re-occurrence of impairments of goodwill and fair value downward adjustments in the prior year. A decision was made to cease the operations of the WiConnect retail stores in the prior financial year.

Cash flow generated by the group strengthened, with cash generated from operating activities amounting to R1.5 billion in the current year.

Core headline earnings for the year ended 31 May 2021 amounted to R788 million, equating to core headline earnings of 89.65 cents per share, of which R763 million related to continuing operations and R25 million to discontinued operations.

Core headline earnings for the prior year amounted to R562 million, equating to 62.71 cents per share, of which R469 million related to continuing operations and R93 million to discontinued operations.

On exclusion of non-recurring income of R47 million in the current year and extraneous costs of R163 million in the prior year, core headline earnings from continued operations increased by R84 million from R632 million to R716 million. Accordingly, core headline earnings per share from continuing operations increased by 16% from 70.54 cents per share in the prior year to 81.50 cents per share.

In spite of the Covid-19 pandemic impacting many of our merchants and their consumers, our performance and operating model both remain resilient and we continue to deliver essential services, including electricity, airtime, data, and other digital and financial transactional services to the communities throughout this challenging period. Across all segments we have sought to expand the merchant base while nurturing the existing base and ensuring sustainable and improved merchant profitability.

The financial information on which this trading statement is based has not been reviewed or audited by the Group's auditors. Blue Label will be releasing its annual results for the financial year ended 31 May 2021 on Thursday, 26th of August 2021.

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20 August 2021

Sponsor: Investec Bank Limited