

LONG4LIFE LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2016/216015/06)

Share code: L4L

ISIN: ZAE000243119

("Long4Life" or "the Company")

RESULTS OF THE LONG4LIFE GROUP FOR THE SIX MONTHS ENDED 31 AUGUST 2021

Revenue - R1.8 billion (up 30% vs August 2020: R1,4billion)

Trading profit - R214 million (up335% vs August 2020: R49 million)

HEPS - 22.5 cents (up 2 713% vs August 2020: 0,8 cents)

Cash generated – R288 million (up 17% vs August 2020: R247 million)

Dividend – 10 cents a share (August 2020: nil)

Cash on hand - R667 million

“Long4Life continues to focus on sales growth, cost containment, working capital improvements and enhancing returns. Capital allocation remains key”. Brian Joffe

OVERVIEW

The group’s operating and financial performance has been particularly pleasing over the six months to 31 August 2021 (‘interim period’), despite the continued impact of the pandemic lockdown restrictions. Comparison and analysis of the results to the previous six months is not meaningful given the Level 5 lockdown restrictions in the prior comparable period, and financial commentary on the results is therefore provided against the pre-COVID six months to 31 August 2019 (‘2019 period’).

Group revenue of R1.8 billion was in line with the 2019 period, and gross profit of R771 million is a 7% increase on the 2019 period’s R719 million. Trading profit of R214 million exceeded the 2019 period by 6% with improved trading margins of 11.6% (Aug 2019: 10.9%).

Headline earnings of R143.1 million translated into a 55% increase in headline earnings per share (‘HEPS’) of 22.5 cents from 14.5 cents in the 2019 period. HEPS is calculated on a weighted average number of shares in issue of 636.6 million (Aug 2019: 875.2 million shares).

The group is benefiting from the highly accretive share buy-back programme that has been carried out over the previous years.

The group generated excellent operating cash flows of R288 million, up 33% from the 2019 period. The balance sheet of the group remaining solid with cash balance of R667 million as at 31 August 2021.

OPERATIONAL REVIEW

The **Sport and Recreation** division’s revenue amounted to R1.1 billion up 2% on the 2019 period, a satisfactory achievement under the prevailing market conditions. Trading profit of R148.1 million was impacted by a non-cash foreign exchange loss, but excluding this impact, trading profit was 7% higher than the 2019 period. The division is being affected by the worldwide unprecedented supply chain constraints, which is being actively managed and assessed on a daily basis. This division has shown resilience during these challenging times, a result of its strong national execution, diverse product range appeal, agility and strong customer base.

The **Beverages** division's performance in the period was particularly pleasing. Revenue of R630 million was 4% lower than the 2019 period, which was a direct result of both the alcohol restriction which hampered volumes at Inhle and the change in sales mix arising from excellent growth in Own Brands at Chill Beverages. Trading profit grew by 43% to R69.6 million from the 2019 period. Well managed working capital has resulted in strong cash generation and significantly improved returns.

Personal Care and Wellness sales of R152 million were 12% higher compared to the 2019 period, largely as a result of strong occupancy levels at the ClaytonCare facilities. The division's trading profit of R16.6 million was 33% lower than in the 2019 period, impacted by the continued strain on the bottom line at Sorbet.

DIVIDEND

The company has not declared dividends in the past three years given the share buy-back programmes undertaken. In light of the limited share repurchases in the interim period, the board has approved and declared a gross dividend of 10.0 cents per ordinary share in respect of the six months ended 31 August 2021.

The dividend is declared out of income reserves and is subject to South African dividends withholding tax at a rate of 20%, resulting in a net dividend of 8.0 cents per share payable to shareholders not exempt from dividends withholding tax.

As at the date of this announcement, the Company has 709 989 417 ordinary shares in issue.

The Company's income tax reference number is 9745546169.

The salient dates relating to the payment of the dividend are as follows:

Declaration and finalisation date announcement	Thursday, 14 October 2021
Last day to trade cum dividend	Tuesday, 9 November 2021
Shares commence trading ex dividend	Wednesday, 10 November 2021
Record date	Friday, 12 November 2021
Payment date:	Monday, 15 November 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 10 November 2021 and Friday, 12 November 2021, both days inclusive.

BRIAN JOFFE TO BE APPOINTED CHAIRMAN

Shareholders are advised that Brian Joffe has informed the board that he will be relinquishing his position as CEO at the end of the 2022 financial year. The board is, however, pleased to advise that Brian Joffe will continue with the group and will be appointed as Chairman at that time. The current Chairman, Graham Dempster, will then assume the role of Deputy-Chairman.

The board is delighted that Brian will continue to participate in the company's future in a strategic role and that Long4Life will continue to be guided by both Brian and Graham's superb leadership and remarkable experience.

The board has commenced a process to identify Brian's successor and to allow for a timeous and smooth hand-over. Shareholders will be advised on progress made in this regard in due course.

PROSPECTS

Long4Life management remains cautiously optimistic about the prospects for the remainder of the year and is confident of the group's ability to execute in terms of its strategic imperatives.

The group continues to review investment opportunities.

This prospects statement has not been reviewed and reported on by the group's external auditors.

STRATEGIC REVIEW UPDATE

As previously communicated to shareholders, the company undertook a strategic review of its structure in order to explore various options to unlock value for shareholders. Investigation in this regard continues.

Further, the company has received an unsolicited expression of interest to acquire all the shares in Long4Life. The Board is evaluating this and will update shareholders should there be any further developments.

Signed on behalf of the board

Brian Joffe
Chief executive officer

Mireille Levenstein
Chief financial officer

Johannesburg, South Africa
14 October 2021

The financial information contained in this publication has not been reviewed or reported on by the company's external auditors. The short-term announcement is the responsibility of the company's directors and is a summary of the information contained in the full results announcement. The full announcement was released on 14 October 2021 on the Stock Exchange News Services of the JSE Limited at https://senspdf.jse.co.za/documents/2021/jse/isse/l4le/hy_21.pdf and on the Company's website at www.long4life.co.za. Copies of the full announcement may also be requested at the Company's registered office and sponsor at jesponsor@standardbank.co.za, at no charge, during office hours. Any investment decisions by investors and/or shareholders should be based on a consideration of the full announcement.

CORPORATE INFORMATION

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Further information regarding our group can be found on the Long4Life website: www.long4life.co.za