

SPUR CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1998/000828/06

Share code: SUR

ISIN: ZAE 000022653

("Spur" or "the group")

**SALES UPDATE AND TRADING STATEMENT FOR THE YEAR ENDED 30 JUNE 2022***Franchised restaurant sales*

The group achieved a strong trading performance for the year, following a recovery from the impact of the global COVID-19 pandemic in the past two years.

Franchised restaurant sales for the year ended 30 June 2022 are 28.2% higher than the prior financial year, and are pleasingly slightly ahead of the 2019 financial year pre-pandemic levels.

Following the relaxation of trading restrictions, trading conditions improved from August 2021 with franchised restaurant sales in the first half of the 2022 financial year growing by 28.3% over the prior comparable period to December 2020.

This strong growth trend continued into the second half of the 2022 financial year, with a 28.5% increase in local restaurant sales and a 24.7% increase in international restaurant sales over the second half of the 2021 financial year.

Although economic conditions remain challenging in the face of higher inflation and severe pressure on consumer disposable income, the group's business model continues to demonstrate its resilience. The group continued to focus on increased brand awareness, everyday value and consumer convenience, including takeaways, click and collect services and third-party deliveries.

In addition, the close collaboration and partnership with the franchise network enabled several ongoing strategic initiatives to be implemented during the year, including supply chain improvements.

Restaurant sales	Total restaurant sales growth (%)		
	6 months to Dec 2021 vs 6 months to Dec 2020	6 months to June 2022 vs 6 months to June 2021	Full year to June 2022 vs full year to June 2021
Spur	32.6	27.9	30.1
Panarottis	33.4	29.5	31.4
John Dory's	31.5	23.2	27.0
RocoMamas	29.4	21.5	25.3
Speciality Brands*	41.8	60.6	52.0
Total South Africa	32.6	28.5	30.5
Total International	(1.8)	24.7	10.3
Total group	28.3	28.2	28.2

* Speciality brands include The Hussar Grill, Casa Bella and Nikos

Group revenue and profit

The improved trading performance together with a focus on expanding margins, as well as the reduced level of financial support required by franchisees post pandemic, led to a strong recovery in both group revenue and profit.

The earnings growth for the year includes the effect of the following material once-off and unusual items:

- the prior year's earnings includes the consolidation of a net marketing fund surplus of R24 million which did not occur in the current year; and
- a once-off cost against earnings in the current year of R22 million, which was previously paid to the South African Revenue Service, as reported on SENS on 18 October 2021.

Trading statement

Shareholders are advised that the group is expecting to report earnings per share (EPS) and headline EPS (HEPS) as follows:

	2022	2021	% change
EPS (cents)	141.33 – 146.88	110.85	27.5% - 32.5%
Diluted EPS (cents)	141.32 – 146.86	110.84	27.5% - 32.5%
HEPS (cents)	141.19 – 146.73	110.74	27.5% - 32.5%
Diluted HEPS (cents)	140.72 – 146.24	110.37	27.5% - 32.5%

The financial information on which this trading statement is based is the responsibility of the directors of Spur and has not been reviewed or reported on by the group's independent auditor.

The group's results for the year ended 30 June 2022 are expected to be released on 19 August 2022.

Cape Town

15 August 2022

Sponsor



Questco Corporate Advisory Proprietary Limited