

**SPUR CORPORATION LIMITED**

(Incorporated in the Republic of South Africa)

Registration number 1998/000828/06

Share code: SUR

ISIN: ZAE 000022653

("Spur", "the group" or "the Company")

**SHORT-FORM ANNOUNCEMENT ABRIDGED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 ("ABRIDGED RESULTS"), PAYMENT OF CASH DIVIDEND AND CHANGE IN LEAD INDEPENDENT DIRECTOR**

Shareholders of Spur ("Shareholders") are advised that the group's abridged results and consolidated audited annual financial statements for the year ended 30 June 2022, were published on the websites of the JSE Limited ("JSE") and the group, today, 19 August 2022.

**KEY FEATURES**

Franchised restaurant turnovers up 28.2% to R7.7 billion

Group revenue up 32.5% to R2.4 billion

Profit before income tax increased by 41.9% to R209.7 million

Final 2022 dividend of R70.954 million (78 cents per share)

Headline earnings per share increased by 31.0% to 144.22 cents

Diluted headline earnings per share 30.9% higher at 143.68 cents

Unrestricted cash and cash equivalents up R29.8 million to R290.7 million

Group in an ungeared financial position at year-end

**TRADING PERFORMANCE**

The group delivered a strong trading performance for the year, following a recovery from the impact of the global COVID-19 pandemic over the past two years. Increased customer foot traffic is evident in the group's restaurants, although new trading patterns are emerging, and these levels are erratic.

Franchised restaurant sales for the year ended 30 June 2022 ("the period") increased by 28.2% over the prior financial year, and are pleasingly slightly ahead of the 2019 financial year pre-pandemic levels.

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 embarked on robust and aggressive marketing campaigns to increase brand awareness, everyday value and consumer convenience, including takeaways, click and collect services and third-party deliveries.

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

This strong growth trend continued into the second half of the period, 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.

At year-end, the group trades through 631 restaurants and in 15 countries. In South Africa, 23 restaurants were opened during the year and fifteen restaurants closed. Eight restaurants opened internationally.

#### FINANCIAL PERFORMANCE

The improved trading performance together with a focus on expanding margins, and to a lesser extent the reduced level of financial support in discounted franchise and marketing fund fees required by franchisees post pandemic, led to a strong recovery in both group revenue and profit.

The improved revenue was supported by higher sales in retail company stores (+52.0%), increased sales from the manufacturing and distribution division (+30.5%) and improved restaurant turnovers. The improved trading volumes contributed to an increase in marketing revenue from R168.5 million to R204.5 million. Group revenue is thus reported at R2.4 billion, an increase of 32.5% (2021: R1.8 billion).

Group profit before income tax increased by 41.9% to R209.7 million (2021: R147.8 million).

Headline earnings increased by 31.0% to R121.1 million, with diluted headline earnings per share 30.9% higher at 143.68 cents.

#### PAYMENT OF CASH DIVIDEND

Shareholders are advised that the board of directors of the company has, on Thursday, 18 August 2022, resolved to declare a final gross cash dividend for the year ended 30 June 2022 of R70.954 million, which equates to 78.0 cents per share for each of the 90 966 932 shares in issue, subject to the applicable tax levied in terms of the Income Tax Act (Act No. 58 of 1962), as amended (“dividend withholding tax”).

The dividend has been declared from income reserves. The dividend withholding tax is 20% and a net dividend of 62.4 cents per share will be paid to those shareholders who are not exempt from dividend withholding tax.

The company’s income tax reference number is 9695015033. The company has 90 966 932 shares in issue at the date of declaration.

In accordance with the provisions of Strate, the electronic settlement and custody system used by the JSE Limited, the relevant dates for the dividend are as follows:

Event	Date
Last day to trade “cum dividend”	Tuesday, 13 September 2022
Shares commence trading “ex dividend”	Wednesday, 14 September 2022
Record date	Friday, 16 September 2022
Payment date	Monday, 19 September 2022

Those shareholders of the company who are recorded in the company’s register as at the record date will be entitled to the dividend.

Share certificates may not be dematerialised or rematerialised between Wednesday, 14 September 2022 and Friday, 16 September 2022, both days inclusive.

## OUTLOOK

South Africa is facing a range of macroeconomic issues, including political instability, an ongoing electricity crisis, rising inflation driven by higher fuel, food and electricity prices, and the impact of the Russia-Ukraine war on supply chain costs.

These issues are likely to continue to challenge the local restaurant market by impacting the operating environment as well as consumer disposable income. Should current market conditions remain stable, the group remains optimistic for growth.

The group plans to open 32 new restaurants in South Africa and nine internationally in the new financial year.

## CHANGE OF LEAD INDEPENDENT DIRECTOR

At its meeting on 18 August 2022, the board of directors of the company appointed Dr Shirley Zinn to succeed Ms Cora Fernandez as lead independent director with effect from 18 August 2022. Ms Fernandez served as lead independent director for two years. Dr Zinn's appointment as lead independent director is for a period of one year (subject to reappointment) in terms of the company's lead independent director charter.

For and on behalf of the board

Mike Bosman  
Chairman

Val Nichas  
Group chief executive officer

Cape Town  
19 August 2022

## DIRECTORS

Independent non-executive:

M Bosman (chairman), C Fernandez, J Boggenpoel, L Molebatsi, A Parker, S Phillip, S Zinn

Executive:

V Nichas (CEO), C Teixeira (CFO), K Robertson (COO)

Company secretary:

D Meyer

Registered office:

14 Edison Way, Century Gate Business Park, Century City, 7441

Transfer secretaries:

Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Sponsor:

Questco Corporate Advisory Proprietary Limited

This short-form announcement is a summary of the information contained in the detailed annual abridged results announcement, which is available at <https://senspdf.jse.co.za/documents/2022/jse/isse/SUR/YE2022.pdf> and on the company's website at <https://www.spurcorporation.com/investors/results-centre/>. The full announcement is available for inspection, at no charge, at the company's registered office and at the offices of the company's sponsor, Questco Corporate Advisory Proprietary Limited (1st Floor, The Barracks, 50 Bree Street, Cape Town City Centre), and electronic copies can be requested from the company secretary at [companysecretary@spurcorp.com](mailto:companysecretary@spurcorp.com) and from the sponsor, at [sponsor@questco.co.za](mailto:sponsor@questco.co.za) during business hours. Any investment decision in relation to the company's shares should be based on consideration of the full announcement.

This short-form announcement is the responsibility of the board of directors and has been prepared under the supervision of the chief financial officer, Cristina Teixeira CA(SA).

The consolidated annual financial statements have been audited by the group's auditors, PricewaterhouseCoopers Inc., who expressed an unmodified audit opinion thereon. The auditor's report includes two Key Audit Matters relating to the assessment of the carrying value of intangible assets and goodwill due to the magnitude of the aggregate carrying amounts of these assets, and the accounting for sales of franchisee supplies by the group's outsourced distributor. This auditor's report, along with the consolidated annual financial statements for the year ended 30 June 2022, can be downloaded from [www.spurcorporation.com/investors/results-centre/](http://www.spurcorporation.com/investors/results-centre/). The integrated annual report and notice of annual general meeting is expected to be published on or before 31 October 2022.

19 August 2022

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