

Trellidor Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1970/015401/06)

Share Code: TRL

ISIN Code: ZAE000209342

("the Company" or "the Group")



UPDATED TRADING STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

On 6 July 2022, the Company published a trading statement on SENS in which it advised shareholders that a reasonable degree of certainty exists that with the provision of R32.1 million being put in place in respect of the Labour Court judgement, dated 10 February 2022, and the Company's subsequent appeal to the Constitutional Court, the Group's earnings per share ("**EPS**") and headline earnings per share ("**HEPS**") is expected to decrease by at least 50% compared to the prior corresponding financial year.

In addition to the Labour Court judgement, the operating environment of the Group remained challenging throughout the 2022 financial year due to both demand and supply related issues. Household budgets were stretched, and consumers traded down, resulting in lower demand for the Group's premium products. Group turnover is expected to be down approximately 1% compared to turnover for the previous year, bolstered by the success of the branch strategy and UK acquisition.

A notable reduction in the Group's gross trading margin, due to rampant raw material and freight inflation, is the biggest driver of the Group's under performance during the financial year ended 30 June 2022, compared to the previous corresponding financial year. In this respect, steel prices have increased by more than 80% in the past two years. Supply chain constraints have persisted, resulting in lost revenue due to stock outs and an increase in working capital in the Group.

In addition, the Trellidor factory was closed, and trading impeded for over four weeks due to; looting and riots in KwaZulu-Natal and parts of Gauteng, industrial action in the metals industry and unprecedented flooding in KwaZulu-Natal. These events are not reasonably expected to recur in the foreseeable future.

The Group is currently in the process of finalising its audited financial results for the year ended 30 June 2022, which results will be announced on SENS on or about Monday, 5 September 2022 and hereby confirms that a reasonable degree of certainty now exists that for the year ended 30 June 2022:

- the Group's EPS is expected to decrease from the EPS of 40.70 cents reported for the year ended 30 June 2021 to between a loss per share of 2.0 cents and EPS of 2.0 cents (being a decrease of 95%); and
- the Group's HEPS is expected to decrease from the HEPS of 40.80 cents reported for the year ended 30 June 2021 to between a headline loss per share of 2.0 cents and HEPS of 2.0 cents (being a decrease of 95%).

The decrease in EPS and HEPS from the prior corresponding year in the current year is mainly due to the aforementioned provision for the financial impact of the Labour Court judgement including the limited back-pay, current wage costs, restructuring costs and legal costs thereof, and the challenging operating environment outlined above. The impact on the Group's EPS of the Labour Court judgement is approximately 24.9 cents per share.

The financial information on which this trading statement is based has not been reviewed and/or reported on by the Group's auditors.

Durban
31 August 2022

Sponsor
PSG Capital



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