



Novus Holdings Limited
Incorporated in the Republic of South Africa
(Registration number 2008/011165/06)
JSE share code: NVS ISIN: ZAE000202149
(“the Group”)

TRADING STATEMENT AND TRADING UPDATE

Trading Statement

In accordance with the Listings Requirements of the JSE Limited (“JSE”), companies are required to publish a trading statement as soon as they become reasonably certain that the financial results for the period to be reported on will differ by more than 20% from the previous corresponding period.

Accordingly, a review by management of the financial results for the six months ended 30 September 2022 has indicated that the Group’s:

- basic earnings per share is expected to be between 1.75 cents and 3.45 cents, reflecting a decrease of between 59.5% and 79.5% compared to the previous corresponding period’s earnings per share of 8.52 cents; and
- headline earnings per share is expected to be between 0.75 cents and 5.03 cents, reflecting a decrease of between 82.4% and 97.4% compared to the previous corresponding period’s headline earnings per share of 28.49 cents.

Trading Update

As alluded to in the Outlook for the current financial year in the SENS announcement issued to Shareholders on 17 June 2022, global pulp and paper shortages with excessive price increases and logistical challenges were expected to have a material impact this year. Whilst the Group made a strategic decision to increase its stockholding in an attempt to mitigate some of the price risk and expected supply constraints, this unfortunately was an insufficient buffer against the current exorbitant cost increases and restrictions on supply. The strategy could not be fully executed due to supply shortages. Gross margin has been squeezed as a result of the increased paper prices along with energy surcharges levied by European suppliers and higher logistical costs experienced throughout the period, with no sign of this abating soon.

The Group’s ongoing rationalisation has led to further once off costs included in the current period together with the once off transaction costs for the Group’s acquisition of 75% of the equity stake of Pearson South Africa Proprietary Limited. Loadshedding costs incurred for the period were also substantially higher than the comparative period due to the increased frequency of power cuts.

The Group’s interim results for the six months ended 30 September 2022 are expected to be released on SENS on or about 18 November 2022.

The financial information on which this announcement is based has not been reviewed or reported on by the Group’s external auditors.

Cape Town
9 November 2022

Sponsor
Merchantec Capital