

SPUR CORPORATION LIMITED
(Incorporated in the Republic of South Africa
Registration number 1998/000828/06
Share code: SUR
ISIN: ZAE 000022653
("Spur", "the company" or "the group")



SALES UPDATE AND TRADING STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

Sales update

The group achieved a strong trading performance for the six months ended 31 December 2022 ("the period"). Franchised restaurant sales for the period are 31.5% higher than the already improved sales base achieved in the six months to December 2021 ("previous comparable period"). Sales for the period are 21.1% higher than the six months from January 2022 to June 2022. This is evidence that the group's strategic direction is gaining momentum.

South African market conditions remained challenging, with higher inflation and a dramatic increase in the level of load shedding hours, which directly impacted the supply chain. Despite the mounting pressure on disposable income, the group continued to attract customers into restaurants with its distinct and differentiated value proposition. Restaurant brand relevance and appeal, supported by enhanced customer experience, resulted in increased footfall over the period with a peak in December.

Restaurant sales	Total restaurant sales growth (%)
	Six months to Dec 2022 vs six months to Dec 2021
Spur	33.6
Panarottis	28.5
John Dory's	19.2
RocoMamas	14.6
Speciality brands*	62.3
Total South Africa	31.3
Total International	33.0
Total group	31.5

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

Group revenue and profit

The improved trading performance, together with improved performance by the retail company stores, led to a continued strong recovery in both group revenue and profit.

The earnings growth for the period however includes the effect of the following material item: Profit for the previous comparable period included a one-off income tax charge of R13.996 million and non-deductible interest on tax liabilities of R8.038 million. These charges followed the final resolution of the group's dispute with the South African Revenue Service ("SARS") in October 2021 over the treatment of its 2004-2009 share incentive scheme, as detailed in the group's SENS announcement dated 18 October 2021.

Trading statement

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

	Six months to 31 December 2022 Expected	Six months to 31 December 2021 as previously reported* [^]	% change Expected on previously reported earnings*	Six months to 31 December 2021 as restated** [^]	% change expected on earnings as restated **
EPS (cents)	135.45 – 139.96	70.18	93.0 – 98.0	46.02	194.0 – 204.0
Diluted EPS (cents)	134.95 – 138.44	69.92	93.0 – 98.0	45.85	194.0 – 204.0
HEPS (cents)	135.29 – 138.80	70.10	93.0 – 98.0	45.94	194.0 – 204.0
Diluted HEPS (cents)	134.79 – 138.28	69.84	93.0 – 98.0	45.77	194.0 – 204.0

* Earnings as reported in the condensed consolidated financial statements of the previous comparable period published on 24 February 2022.

** As detailed in the group’s audited consolidated financial statements for the year ended 30 June 2022 (“**2022 AFS**”), certain restatements to previous comparable periods’ financial statements were made. These included changes in the basis of accounting for marketing fund contributions revenue and revenue earned on the sales of goods by an outsourced distributor to franchisees in accordance with IFRS 15. Comparative information for the previous comparable period will be restated, to accord with the accounting treatments applied in the 2022 AFS.

[^] Earnings in the previous comparable period include a charge of R22 million relating to the one-off SARS dispute described above.

As announced on SENS on 24 November 2022 the company repurchased an aggregate of 2 759 000 ordinary shares, representing 3% of the issued ordinary share capital of the company, between 17 May 2022 to 23 November 2022. This has resulted in the reduction in the weighted average number of shares in issue from 84.0 million at 31 December 2021 to 81.8 million at 31 December 2022.

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 six months ended 31 December 2022 are expected to be released on 24 February 2023.

Cape Town
9 February 2023

Sponsor



Questco Corporate Advisory Proprietary Limited