

SPUR CORPORATION LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1998/000828/06)
Share Code: SUR
ISIN: ZAE000022653



("Spur Corporation", "the company" or "the group")

**SHORT-FORM ANNOUNCEMENT
SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL
YEAR ENDED 30 JUNE 2023 ("SUMMARY FINANCIAL STATEMENTS"),
PAYMENT OF CASH DIVIDEND**

Shareholders of Spur Corporation are advised that the group's Summary Financial Statements and consolidated audited annual financial statements for the year ended 30 June 2023, were published on the websites of the JSE Limited and the group, today, 22 August 2023.

KEY FEATURES

Franchised restaurant turnovers up 23.0% to R9.520 billion
Earnings per share up 80.2% to 260.03 cents
Diluted headline earnings per share up 81.0% to 260.01 cents
Revenue up 27.4% to R3.045 billion
Diluted earnings per share up 80.0% to 258.86 cents
Dividend per share 192 cents (2022: 127 cents)
Profit before income tax up 51.9% to R318.4 million
Headline earnings per share up 81.1% to 261.18 cents
Unrestricted cash and cash equivalents for the year up 28.9% to R374.8 million
Net gearing - Nil

TRADING PERFORMANCE

The group achieved a strong trading performance with franchised restaurant sales increasing by 23.0% over the prior financial year.

In the first half of the 2023 financial year, franchised restaurant sales grew by 31.5% over the comparable period of the prior 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. In the second half of the financial year, restaurant sales increased by 15.1% over the comparable period of the prior financial year. Customer loyalty programmes have gained significant traction as consumers seek added value.

In South Africa, volume growth was mainly driven by the Spur brand, which increased restaurant sales by 24.9%. The Spur brand has been well positioned to meet customers' needs during load shedding hours, with the grills remaining on, offering a safe place for kids to eat and play, and for parents when they are unable to feed their families at home. The brand has delivered a high level of marketing

activity this year, including driving value-added campaigns, engaging the Springbok rugby sponsorship and creating strong outdoor advertising exposure.

International franchised restaurant sales increased by 27.6% following improved trading conditions in the rest of Africa. Africa (excluding Mauritius) represents 71% of the international portfolio with solid performances in Zambia, Namibia, Kenya and Nigeria. Mauritius represents 21% of international franchised restaurant sales. The Spur brand represents 42% of the group's international restaurant sales, followed by Panarottis at 33% and RocoMamas at 23%.

At year end, the group trades through 639 restaurants and in 14 countries. In South Africa, 22 restaurants were opened during the year, and 20 restaurants closed. Ten restaurants opened internationally and four closed.

FINANCIAL PERFORMANCE

The improved trading performance led to a continued strong growth in both group revenue and profit.

Group revenue increased by 27.4% to R3.0 billion (2022: R2.4 billion).

The revenue growth was supported by higher sales in the retail company stores (+37.7%), increased sales from the manufacturing and distribution division (+23.5%) and improved global franchised restaurant turnovers.

Group profit before income tax increased by 51.9% to R318.4 million (2022: R209.7 million).

The prior year included a material once-off charge against earnings of R22.0 million following the resolution of a dispute with SARS in respect of tax deductions claimed for the group's 2004-2009 share incentive scheme as reported on SENS on 18 October 2021. Of this charge, R14.0 million was reflected as an income tax expense and R8.0 million as an interest expense.

Group diluted headline earnings per share is 81.0% higher at 260.01 cents (2022: 143.68 cents) with diluted earnings per share 80.0% higher at 258.86 cents (2022: 143.80 cents).

The balance sheet remains ungeared with unrestricted cash of R374.8 million at 30 June 2023.

PAYMENT OF CASH DIVIDEND

Shareholders are advised that the board of directors of the company has, on Monday, 21 August 2023, resolved to declare a final gross cash dividend for the year ended 30 June 2023 of R100.1 million, which equates to 110.0 cents per share for each of the 90 996 932 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 88.0 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 90 996 932 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, 12 September 2023
Shares commence trading "ex dividend"	Wednesday, 13 September 2023
Record date	Friday, 15 September 2023
Payment date	Monday, 18 September 2023

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, 13 September 2023 and Friday, 15 September 2023, both days inclusive.

OUTLOOK

Brands will continue to *Lead the Experience* with menu enhancement and product innovation in key strategic categories. In addition, the group will continue to optimise the supply chain across core categories. Technology and innovation will be employed to ensure the franchise model of the future remains resilient and sustainable for profitable growth.

While trading conditions will remain challenging owing to pressure on consumer spending in the weak macroeconomic climate, the group remains positive on its prospects and will continue to work closely with stakeholders in responding to the changing environment with a re-invention ethos and growth mindset.

The group plans to open 41 new restaurants in South Africa and 12 internationally in the new financial year.

For and on behalf of the board



Mike Bosman
Chairman
22 August 2023



Val Nichas
Group chief executive officer

This short-form announcement is a summary of the information contained in the Summary Financial Statements, which are available at <https://senspdf.jse.co.za/documents/2023/jse/isse/SUR/YE2023.pdf> and on the company's website at <https://spurcorporation.com/investor-hub/financial-results/>.

The detailed Summary Financial Statements are 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 (Ground Floor, Block C, Investment Place, 10th Road, Hyde Park, Johannesburg), and electronic copies can be requested from the company secretary at companysecretary@spurcorp.com and from the sponsor at sponsor@questco.co.za, during business hours.

Any investment decision in relation to the company's shares should be based on consideration of the detailed Summary Financial Statements. 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. This auditor's report, along with the consolidated annual financial statements for the year ended 30 June 2023, can be downloaded from <https://spurcorporation.com/investor-hub/financial-results/>. The integrated annual report and notice of annual general meeting is expected to be published on or before 31 October 2023.

DIRECTORS

Independent non-executive:

M Bosman (chair), S Zinn (lead independent), C Fernandez, J Boggenpoel, L Molebatsi, A Parker

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