

CURRO HOLDINGS LIMITED

Incorporated in the Republic of South Africa
(Registration No. 1998/025801/06)
JSE Equity Alpha Code: COH
LEI: 378900E237CB40F0BF96
ISIN: ZAE000156253
JSE Debt Alpha Code: COHI
("Curro" or "the Company")

CURRO

TRADING STATEMENT AND PUBLICATION DATE OF THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

In terms of the JSE Limited Listings Requirements, a listed company is required to publish a trading statement as soon as it becomes reasonably certain that the financial results for the next period to be reported on will differ by 20% or more from the financial results for the previous corresponding period.

The Company hereby advises that it expects the financial results for the year ended 31 December 2023 to fall within the following ranges:

	Reported results for the year ended 31 December 2022	Expected results for the year ended 31 December 2023	
	cents	cents	change
Recurring headline earnings per share (" RHEPS ")	55.4	70.0 to 76.0	Increase of between 26.3% and 37.2%
Headline earnings per share (" HEPS ")	61.4	70.0 to 76.0	Increase of between 14.1% and 23.8%
Earnings per share (" EPS ")	40.1	6.6 to 13.5	Decrease of between 83.6% and 66.4%

Following the annual impairment assessment review of the business plans for each Curro school, as required by International Financial Reporting Standards (IFRS) in terms of IAS 36 Impairment of Assets, and subject to final audit reviews, the Company is expected to recognise impairments of between R340 million and R380 million (net of tax) in the 2023 financial year, relating to lower-yielding school assets.

About a third of the impairment is due to a 1.1% increase in the weighted average cost of capital rate used in the impairment calculations of this year, from 14.5% in 2022 to 15.6% in 2023. The increase is due to the sustained and higher global and South African interest rates.

Furthermore, Curro has 182 schools of which 28 schools had lower than anticipated growth over the last two years, and the Company is prudently reducing the book value of these schools relative to muted medium-term prospects.

These impairment charges are included in the calculation of EPS but are added back for purposes of the calculation of HEPS and RHEPS and accounts for the key differences between RHEPS, HEPS and EPS in the 2023 and 2022 financial years.

In addition, in the previous financial year, non-recurring subsidy income of R25 million and a reduction in deferred tax by R23 million (due to the change in the South African corporate tax rate) were included in the calculation of EPS and HEPS but were removed for purposes of the calculation of RHEPS.

The Curro group recorded a credible operating performance and generated strong cashflows during the 2023 financial year, and is in a healthy financial position. The impairment charge is a non-cash item, which does not impact the prospects of the group to generate free cashflows in the future ahead of its ongoing capital expenditure requirements.

Shareholders are reminded that Curro's dividend is considered in relation to the recurring headline earnings of the Company.

The Company repurchased and cancelled 11.5 million Curro shares, for a consideration of R100.9 million, during the financial year ended 31 December 2023.

The weighted average number of shares in issue for the year ended 31 December 2023 was 581 740 163 shares.

Learner numbers

Curro had 73 159 registered learners on 5 February 2024, which increased by 1.9% from the 71 809 registered learners on 30 November 2023. The group had 73 047 learners on 20 February 2023.

The group's high schools continue to grow in line with expectations but the challenging effects of higher interest rates on constrained consumers impacted young families particularly negatively and resulted in a reduction in enrolments of learners in the youngest grades of primary schools.

Results announcement

The Company is currently finalising its financial results for the year ended 31 December 2023. These results will be published on Tuesday, 5 March 2024 and a webcast of the results presentation is scheduled for 10:30 on Tuesday, 5 March 2024.

The financial information on which this trading statement is based has not been reviewed or reported on by the auditor of the Company.

Durbanville
8 February 2024

Equity and Debt Sponsor
PSG Capital



PSG CAPITAL