



THE SPAR GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1967/001572/06)

JSE and A2X share code: SPP

ISIN: ZAE000058517

("SPAR" or the "Group")

TRADING STATEMENT FOR THE SIX MONTHS ENDED 31 MARCH 2024

SPAR is in the process of finalising its interim results for the six months ended 31 March 2024 ("**Results**"). In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, issuers are required to publish a trading statement as soon as they are satisfied that, with a reasonable degree of certainty, the financial results for the current reporting period will differ by at least 20% from the financial results of the previous corresponding period.

Whilst the earnings from continuing operations do not differ by more than 20%, the total earnings including discontinued operations are expected to differ by more than 20% as referenced below.

Earnings guidance from continuing operations

For earnings from continuing operations (the Group, excluding SPAR Poland), SPAR shareholders ("**Shareholders**") are advised that the Group expects to report earnings per share ("**EPS**") and headline earnings per share ("**HEPS**") for the current reporting period within the ranges provided in the table below.

Earnings from continuing operations

Reported Earnings	Six months ended 31 March 2024	Six months ended 31 March 2024	Six months ended 31 March 2023
	Expected range (%)	Expected range (Cents per share)	Re-presented* (Cents per share)
HEPS	-13.0 to -3.0	437.9 to 488.2	503.3
Diluted HEPS	-13.0 to -3.0	437.7 to 488.0	503.1
EPS	-12.0 to -2.0	426.7 to 475.2	484.9
Diluted EPS	-12.0 to -2.0	426.5 to 475.0	484.7

*Re-presented for discontinued operations in accordance with IFRS 5. Refer to the update on discontinued operations below.

The following factors impacted earnings from continuing operations during the current reporting period:

- operating costs have been well managed, however cost increases for the Group slightly exceeded lower-than-expected turnover growth;
- the ongoing IT system issues at the KwaZulu-Natal distribution centre resulted in lost gross margin, impacting Southern African profitability; and
- prolonged high interest rates have caused a significant increase in Group net finance costs.

Update on discontinued operations

In terms of the International Financial Reporting Standards (IFRS 5), SPAR Poland meets the criteria to be classified as a discontinued operation and has been reported as a disposal group held for sale from 1 December 2023, the date that the conditions were met to be classified as such. As part of the process of exiting this market, the evaluation of SPAR Poland has resulted in a material impairment of the assets held for sale in the Polish disposal group. An update on the disposal will be provided at the results presentation next week.

Shareholders are advised that for total earnings including discontinued operations, EPS and HEPS for the current reporting period, are expected to fall within the ranges provided in the table below.

Total earnings including discontinued operations

Reported Earnings	Six months ended 31 March 2024	Six months ended 31 March 2024	Six months ended 31 March 2023
	Expected range (%)	Expected range (Cents per share)	(Cents per share)
HEPS	-12.0 to -2.0	394.2 to 438.9	447.9
Diluted HEPS	-12.0 to -2.0	394.0 to 438.7	447.7
EPS	-98.0 to -88.0	8.5 to 51.0	425.3
Diluted EPS	-98.0 to -88.0	8.5 to 51.0	425.1

Banking facilities

Shareholders are further advised that all financiers remain supportive of the Group and have agreed to amendments to banking covenants. The Group is not in breach of any financing covenants as at 31 March 2024.

Results presentation

The Results are expected to be published on SENS by 08h00 on Wednesday, 12 June 2024. The Results webcast presentation, hosted by SPAR management, will follow at 09h30 on the same day. Please refer to SPAR's corporate website for more information: <https://thespargroup.com/>.

Shareholders are advised that the financial information contained in this announcement is presented in accordance with the JSE Limited Listings Requirements and has not been audited, reviewed or reported on by the Group's auditors.

By order of the Board

Pinetown
6 June 2024

Sponsor
One Capital

Corporate Broker
Rand Merchant Bank, a division of FirstRand Bank Limited