

Super Group Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1943/016107/06)
Share code: SPG
ISIN: ZAE000161832
LEI: 378900A8FDADE26AD654
Debt company code: BISGL
("Super Group" or "the Group")

TRADING STATEMENT AND OPERATIONAL UPDATE

In terms of 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 that of the previous corresponding period.

Accordingly, a review by management of the year-end financial results for the twelve months ended 30 June 2024 has indicated that:

	Projected range 30 June 2024	Actual 30 June 2023 *	Percentage range
Revenue	R62.0 billion to R68.2 billion	R62.03 billion <i>(restated from R61.877 billion)</i>	0% to +10%
Operating profit before capital items	R3.62 billion to R4.0 billion	R4.02 billion <i>(restated from R3.95 billion)</i>	-10% to 0%
Headline earnings per share ("HEPS")	334.2 cents per share to 382.0 cents per share	477.5 cents <i>(restated from 469.4 cents)</i>	-30% to -20%
Earnings per share ("EPS")	-19.2 cents per share to 28.9 cents per share	480.9 cents <i>(restated from 472.9 cents)</i>	-104% to - 94%**

**Restated as per the interim results for the six months ended 31 December 2023*

***This includes a non-cash impairment of goodwill/intangible assets in the Supply Chain Europe division relating to inTime to the value of €59.7 million (R1.21 billion) which impacts the earnings per share of the Group.*

Shareholders and noteholders are advised that the financial information on which this trading statement is based (and the other information contained in this announcement) has not been reviewed or reported on by Super Group's external auditors.

Economic environment

The Group's trading environment remains challenging. Geopolitical tensions, supply chain disruptions and higher-for-longer interest rates have exacerbated cost-of-living pressures on an already strained consumer. These pressures may be reduced gradually due to moderating inflation and potential rate cuts but little consumption expenditure growth is expected in the short to medium term.

In Europe, conflicts in the Ukraine and Middle East remain the primary obstacles to growth, intensifying the rise in food and energy prices. Following a decline in economic activity in 2023, the German economy continued to stagnate in 2024. In South Africa, a weak Rand, loadshedding and heightened operational challenges in rail and port infrastructure hindered growth.

Key operational updates

Supply Chain Africa

The performance of the industrial and commodity transport businesses was negatively impacted by a significant decrease in coal export volumes, border delays and slow turnaround times at South African ports.

The vast majority of copper exports bound for China and the Middle East are being rerouted from Durban to Dar es Salaam and Walvis Bay. Both ports have invested in major upgrades of handling equipment and security, increasing capacity and benefiting from a surge in copper exports. The loss of southbound volumes has made South African hauliers less competitive, resulting in lower revenues and margins across the Supply Chain division. Prevailing cabotage laws also impact on both South African and Zimbabwean hauliers operating into Dar es Salaam, in particular.

Bad debts in the Group's coal operations resulting from financially distressed coal mining customers (including Wescoal Mining) have been incurred, negatively impacting profitability within these businesses.

Supply Chain Europe

The division's performance was negatively impacted by a sharp decline in European automotive parts distribution volumes and a substantial erosion of gross margins due to excess vehicle capacity across Germany. The European time critical sector continued to decline in the second half of the financial year. These businesses are being restructured to realistic volume and pricing parameters. Net finance costs were impacted by the considerable increase in interest rates during the previous financial year. The carrying value of inTime's goodwill/intangible assets has been impaired by €59.7 million (R1.21 billion) in the second half of the year.

The rightsizing of inTime Germany is progressing as planned and should result in a significant improvement in the financial performance of this business in the forthcoming financial year.

Dealerships UK

Ongoing supply issues resulted in a notable decline in Ford volumes and market share. Ford's decision to discontinue a bestselling model materially impacted sales performance and there have been further delays in the release of the new Ford Puma. Profitability was hampered by significant margin erosion in used vehicle sales following a market correction in valuations. Net finance costs increased significantly as a result of higher interest rates.

Annual financial results

The Group's annual results for the twelve months to 30 June 2024 will be published on <https://supergroup.co.za/latest-results/> at 07:05 CAT on Wednesday, 11 September 2024, with the investor presentation hosted virtually at 10:00 CAT on that day. Registration information can be requested from michelle.neilson@supergroup.com

Sandton
12 August 2024

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Investec Bank Limited

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Debt Sponsor
Rand Merchant Bank (a division of First Rand Bank Limited)

Disclaimer

Certain statements in this announcement are not reported financial results or historical information, but forward-looking statements. Such forward-looking statements are not a guarantee of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Super Group and are difficult to predict, that may cause the actual results, performance, achievements or developments of Super Group or the industries in which it operates to differ materially from any future results, performance, achievements or developments expressed or implied by the forward-looking statements. Super Group expressly disclaims any obligation or undertaking to provide or disseminate any updates or revisions to any forward-looking statements contained in this announcement.