



## 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 YEAR ENDED 30 SEPTEMBER 2024 AND UPDATE ON THE DISPOSAL OF THE GROUP'S INTERESTS IN SPAR POLAND

SPAR is in the process of finalising its financial results for the year ended 30 September 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 a reasonable degree of certainty exists that the financial results for the period to be reported on will differ by at least 20% from the financial results for the previous corresponding period.

#### Earnings guidance from continuing operations

In respect of the Group's results from continuing operations, 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 (excluding the results of SPAR Poland which is reflected as discontinued operations) within the ranges provided in the table below.

Reported Earnings	Year ended 30 September 2024 Expected range (%)	Year ended 30 September 2024 Expected range (cents per share)	Year ended 30 September 2023* (cents per share)
HEPS	6.0 to 16.0	875.6 to 958.2	826.0
Diluted HEPS	6.0 to 16.0	875.2 to 957.8	825.7
EPS	20.0 to 30.0	824.6 to 893.4	687.2
Diluted EPS	20.0 to 30.0	824.3 to 893.0	686.9

*\*Re-presented for discontinued operations in accordance with International Financial Reporting Standards (IFRS) 5. Refer to the update on discontinued operations below.*

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

- Consumers continued to be constrained across our various territories as reported in our trading update released on SENS on 30 September 2024, resulting in lower turnover growth in the second half of the financial year;
- Despite inflationary pressures, operating costs were well managed across the Group;
- The ongoing IT system issues at the KwaZulu-Natal distribution centre (as previously guided) impacted gross margin, which negatively affected the profitability of the Southern African segment. System enhancements activated in the latter part of the second half of the financial year have been positive, reflecting some improvements in service levels and trading margins which are expected to continue in the 2025 financial year; and
- Notwithstanding the negative impact of high interest rates on the Group's finance costs, Group net debt reduced by R2 billion, from R11.1 billion to R9.1 billion. On a continuing operations basis, the net debt/earnings before interest, depreciation, and

amortisation (EBITDA) ratio improved to 2.44 times as at 30 September 2024 from 3.07 times as at 31 March 2024.

## Update on the discontinued operations and the disposal of the Group's interests in SPAR Poland

In terms of IFRS 5, SPAR Poland has been classified as a discontinued operation and has been reported as a disposal group held for sale from 1 December 2023, the date on which the conditions were met in order to be classified as such. As part of the process of exiting this market, the recognition of the negotiated sale terms and ongoing evaluation of SPAR Poland has resulted in the material impairment in the value of the assets held for sale in the Polish disposal group.

Shareholders are further advised that the negotiated sale was approved by the Polish anti-monopoly authorities on 19 November 2024 ("**Approval**"). The purchaser is now in the process of completing a final confirmatory due diligence, to be completed within 30 business days of the receipt of this Approval whereafter it is expected that the sale will be completed.

## Total earnings guidance including discontinued operations

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.

Reported Earnings	Year ended 30 September 2024 Expected range (%)	Year ended 30 September 2024 Expected range (cents per share)	Year ended 30 September 2023 (cents per share)
HEPS	16.0 to 26.0	703.7 to 764.3	606.6
Diluted HEPS	16.0 to 26.0	703.3 to 763.9	606.3
EPS	-17.0 to -7.0	173.1 to 194.0	208.6
Diluted EPS	-17.0 to -7.0	173.1 to 193.9	208.5

## Banking facilities

During September 2024, the Group arranged for interim funding of R2.0 billion from local lenders as bridging financing that was utilised in the partial settlement of the Polish funding, as required by the sale terms. This facility will be converted into a medium-term loan, which we expect to be in place by the end of March 2025. The balance will be drawn to settle the remaining working capital facilities of the Polish business at closure of the disposal. For clarification, the Polish bridge facility is included in the net debt disclosed above.

In addition, the Group has negotiated an in-principle agreement to release the parent company guarantee for the Irish debt.

As at 30 September 2024, the Group was not in breach of any financing covenants and lenders continue to remain supportive of the short and medium-term strategies being implemented.

## Results presentation

The Results are expected to be published on SENS by 07h30am (SAST) on Thursday, 28 November 2024 and will be available on SPAR's corporate website shortly thereafter: <https://thespargroup.com/>. The Results webcast presentation, hosted by SPAR management, will follow at 09h30am (SAST) on the same day. The webcast will be accessible via the following link: <https://www.corpcam.com/spar28112024>.

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  
21 November 2024

Sponsor  
One Capital

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