

## **The SPAR Group Limited**

(Incorporated in the Republic of South Africa)

Registration number: 1967/001572/06

Share Code: SPP

ISIN: ZAE000058517

("SPAR" or the "Group")

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## **TRADING UPDATE FOR THE 18 WEEKS TO 31 JANUARY 2020**

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### **CHALLENGING START TO THE YEAR**

- Group sales increased by 5.4% to R39.79 billion
- SPAR Southern Africa sales growth of 4.9%
  - Core SPAR business sales increased by 6.1% and like-for-like sales increased 4.6%, with internally measured price inflation of 4.2%
  - Liquor sales slowed with growth of 4.5%
  - Build It sales growth declined by 3.4%, reflecting the extreme pressure experienced by the building materials' sector
- SPAR Ireland increased turnover by 0.7% (euro-denominated)
- SPAR Switzerland turnover down 1.9% (Swiss franc currency terms) reflecting continued poor Swiss retail environment

### **GROUP**

The Group increased sales by 5.4% from R37.75 billion to R39.79 billion for the eighteen (18) week trading period ended 31 January 2020 when compared to the corresponding previous period in 2019.

### **SPAR SOUTHERN AFRICA**

Group sales in Southern Africa increased by 4.9%, which reflected the weaker consumer spend. The core SPAR business reported sales growth of 6.1%, with same store sales increasing by 4.6%. Internally measured price inflation of 4.2% reflected the upward movement of prices in a wide range of grocery and perishable items. The liquor business delivered a somewhat disappointing performance with growth of 4.5% in an increasingly competitive retail sector. Reflecting the weak state of the building materials' market, the Build It business reported a decline of 3.4% in sales growth.

### **SPAR IRELAND**

The Group's Irish business again recorded positive growth across all retail brands and wholesale divisions in a challenging economic environment, impacted by BREXIT consumer concerns. In euro-currency terms, this business increased turnover by 0.7%, which was assisted by the two recently

acquired wholesale businesses. Combined with a slightly weakened rand this business reported sales growth of 1.5%.

### **SPAR SWITZERLAND**

The Swiss business continued to reflect the negative local market conditions and turnover declined by 1.9% in Swiss franc currency terms. Whilst still disappointing, this performance tracks ahead of the reported Swiss retail market. In rand measured terms this business reported an increase in turnover of 2.6%. Management remain satisfied that the implemented strategies will continue to show positive results.

### **SPAR POLAND**

The Group concluded the acquisition of the controlling interest in the Polish retail business, Piotr I Pawel on 1 October 2019. The trading performance of this business has been in line with expectations, as the debt restructuring activities continued. These proceedings should soon be concluded, and management remains very positive about the prospects of this business.

The Group is also pleased to announce that it has signed an agreement confirming its exclusive status as the sole operator of the SPAR brand in Poland.

### **INTERIM RESULTS**

The financial results for the six months ending 31 March 2020 will be released on SENS on or about Wednesday, 13 May 2020.

Shareholders are advised that the financial information contained in this announcement has not been audited, reviewed or reported on by the Group's auditors.

By order of the Board

Pinetown

11 February 2020

Sponsor:

One Capital