SPUR CORP.
RESULTS FOR THE YEAR
ENDED 30 JUNE 2017

# OVERVIEW

R7.2 billion restaurant turnover achieved

Comparable HEPS down 8.3%
(from continuing operations)

Restaurant sales up #$#!"

Comparable profit before tax down 8.7!"
"(from continuing operations)

# OVERVIEW

- Economic conditions – recession, poor environment
- Escalating food inflation
- Increasing living costs – disposable income under pressure
- Highly competitive market with very aggressive pricing promotions
- Sharp decline in shopping centre foot traffic
- Effect of social media
- Franchisee profit margins under pressure

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23"67"81*/"&7%9"
"

# RESTAURANT TURNOVERS – SOUTH AFRICA

## July to March

| :;<=>" | "&7%9"@777A" | "&7%B"@777A" | "CD<=EF" |
|---|---|---|---|
| Spur Steak Ranches | 3 544 090 | 3 478 965 | 1.9 |
| Pizza Pasta | 569 966 | 502 705 | 13.4 |
| John Dory's Fish Grill Sushi | 344 954 | 298 171 | 15.7 |
| Captain DoRegos | 89 275 | 107 166 | (16.7) |
| The Hussar Grill | 113 177 | 79 068 | 43.1 |
| RocoMamas | 352 455 | 180 423 | 95.3 |
| 2GH<I" | J"7%6"'%9" | #"B#B"#'K" | 9$"' |

# RESTAURANT TURNOVERS – SOUTH AFRICA

## April to June

| :;<=>" | "&7%9"@77A" | "&7%B"@77A" | "CD<=EF" |
|---|---|---|---|
| Spur Steak Ranches | 933 913 | 1 097 208 | (14.9) |
| Pizza Pasta | 190 624 | 168 433 | 13.2 |
| John Dory's Fish Grill Sushi | 105 965 | 96 175 | 10.2 |
| Captain DoRegos | 24 727 | 31 180 | (20.7) |
| The Hussar Grill | 35 007 | 30 186 | 16.0 |
| RocoMamas | 125 164 | 87 823 | 42.5 |
| 2GH<I" | %"#%J"#77" | %"J%%"77J" | ?B$6A" |

# RESTAURANT TURNOVERS – SOUTH AFRICA

## Year to June

| :;<=>" | "&7%9"@77"A | "&7%B"@77"A | !"CD<=EF" |
|---|---|---|---|
| Spur Steak Ranches | 4 478 003 | 4 576 173 | (2.1) |
| Pizza Pasta | 760 590 | 671 138 | 13.3 |
| John Dory's Fish Grill Sushi | 450 919 | 394 346 | 14.3 |
| Captain DoRegos | 114 001 | 138 345 | (17.6) |
| The Hussar Grill | 148 184 | 109 253 | 35.6 |
| RocoMamas | 477 620 | 268 246 | 78.1 |
| 2GH<I" | B"#&"'6%9" | B"%J9"J7%" | #$#" |

# RESTAURANT COUNT

## (30 June 2017)

| :;<=>" | 0GLHD"+M;N | C=HF;=<OG=<I" | 2GH<I" |
|---|---|---|---|
| Spur Steak Ranches | 289 | 41 | 330 |
| Pizza Pasta | 86 | 12 | 98 |
| John Dory's Fish Grill Sushi | 48 | 2 | 50 |
| Captain DoRegos | 41 | 3 | 44 |
| The Hussar Grill | 14 | 1 | 15 |
| RocoMamas | 50 | 4 | 54 |
| 2GH<I" | 528 | 63 | 591 |

# FRANCHISE - SPUR

| .@777" | &7%9" | &7%B" | !"CD<=EF" |
|---|---|---|---|
| .FPF=LF" | | | |
| July – March | 176 646 | 174 756 | 1.1 |
| April – June | 41 272 | 55 197 | (25.2) |
| | | | |
| 5F<;"HG"8L=F" | | | |
| Revenue | 217 918 | 229 953 | (5.2) |
| Operating profit | 188 047 | 206 052 | (8.7) |
| Operating margin | 86.3% | 89.6% | (3.3) |

# FRANCHISE – PIZZA PASTA

| .@777" | &7%9" | &7%B" | !"CD<=EF" |
|---|---|---|---|
| .FPF=LF" | | | |
| July – March | 26 751 | 24 422 | 9.5 |
| April – June | 8 720 | 8 079 | 7.9 |
| | | | |
| 5F<;"HG"8L=F" | | | |
| Revenue | 35 471 | 32 501 | 9.1 |
| Operating profit | 22 967 | 22 064 | 4.1 |
| Operating margin | 64.7% | 67.9% | (3.1) |

# FRANCHISE – JOHN DORY'S

| .@777" | &7%9" | &7%B" | !"CD<=EF" |
|---|---|---|---|
| .FPF=LF" | | | |
| July – March | 16 222 | 14 971 | 8.4 |
| April – June | 3 477 | 3 557 | (2.2) |
| | | | |
| 5F<;"HG"8L=F" | | | |
| Revenue | 19 699 | 18 528 | 6.3 |
| Operating profit | 9 715 | 9 558 | 1.6 |
| Operating margin | 49.3% | 51.6% | (2.3) |

# FRANCHISE – CAPTAIN DOREGOS

| .@777" | &7%9" | &7%B" | !"CD<=EF" |
|---|---|---|---|
| .FPF=LF" | | | |
| July – March | 2 335 | 3 669 | (36.4) |
| April – June | 477 | 865 | (44.9) |
| | | | |
| 5F<;"HG"8L=F" | | | |
| Revenue | 2 812 | 4 534 | (38.0) |
| Operating profit | (8 040) | (17 851) | (55.0) |
| Marketing loan written off | 986 | - | |
| Trademark impairment | 6 778 | 18 968 | |
| ,GQR<;<SIF"GRF;<O=E" ?IGTTA"UR;GVH" | ?&9BA" | %"%%9" | ?%&#$9A" |
| ,GQR<;<SIF"GRF;<O=E" Q<;EN=" | ?'$K!A" | &#$B!" | ?6#$JA" |

# FRANCHISE – HUSSAR GRILL

| .@777" | &7%9" | &7%B" | !"CD<=EF" |
|---|---|---|---|
| .FPF=LF(pre-interco eliminations) | | | |
| July – March | 5 352 | 4 171 | 28.3 |
| April – June | 1 466 | 1 541 | (4.9) |
| | | | |
| 5F<;"HG"8L=F" | | | |
| Revenue (pre-interco eliminations) | 6 818 | 5 712 | 19.4 |
| Operating profit | 4 092 | 2 789 | 46.7 |
| Operating margin | 60.0% | 48.8% | 11.2 |

# FRANCHISE – ROCOMAMAS

| .@777" | &7%9" | &7%B" | !"CD<=EF" |
|---|---|---|---|
| .FPF=LF(pre-interco eliminations) | | | |
| July – March | 17 853 | 12 838 | 39.1 |
| April – June | 6 480 | 4 803 | 34.9 |
| | | | |
| 5F<;"HG"8L=F" | | | |
| Revenue (pre-interco eliminations) | 24 333 | 17 641 | 37.9 |
| Operating profit | 16 457 | 12 210 | 34.8 |
| Operating margin | 67.6% | 69.2% | (1.6) |

# SOUTH AFRICA RETAIL*

| .@777" | &7%9" | &7%B" | !"CD<=EF" |
|---|---|---|---|
| Revenue | 63 569 | 48 139 | 32.1 |
| Comparable revenue | 41 693 | 35 489 | 17.5 |
| | | | |
| Operating profit | 4 633 | 927 | |
| Add back: new/relocated restaurants set up costs | 460 | 3 820 | |
| ,GQR<;<SIF"GRF;<O=E"R;GVH" | J"7'6" | #"9#9" | 9$6" |
| 3RF;<O=E"Q<;EN=" | 9$6!" | %$'!" | J$#" |
| ,GQR<;<SIF"GRF;<O=E"Q<;EN=" | %&$&!" | %6$#!" | ?%$&A" |

* Comprises four The Hussar Grill restaurants and one RocoMamas

# MANUFACTURING & DISTRIBUTION

| .@777" | &7%9" | &7%B" | !"CD<=EF" |
|---|---|---|---|
| Revenue | 181 834 | 180 750 | 0.6 |
| Operating profit | 66 243 | 68 486 | (3.3) |
| Operating margin | 36.4% | 37.9% | (1.5) |

# CORPORATE SERVICES & OTHER SA

| .@777" | &7%9" | &7%B"!"CD<=EF" | |
|---|---|---|---|
| .FPF=LF" | BB"%&7" | B#"J&&" | &$J" |
| 3RF;<O=E"IGTT" | ?'B'"K&A" | ?J%"K96A" | ?K9$7A" |
| IFRS2 charge (net of hedge) | 1 996 | 25 354 | |
| IFRS2 charge (new scheme) | 985 | 827 | |
| Braviz impairment | 44 192 | - | |
| Spur Foundation | 1 206 | 259 | |
| RocoMamas contingent consideration FV adjustment | 777 | (3 723) | |
| ,GQR<;<SIF"GRF;<O=E"IGTT" | ?#9"K&BA" | ?&'"%JBA" | ?B#$7A" |

# AUSTRALASIA

| .@777" | &7%9" | &7%B" | !"CD<=EF" |
|---|---|---|---|
| Revenue | 9 870 | 10 948 | (9.8) |
| Net (loss)/profit | (111) | 3 177 | (103.5) |
| Net operating margin | (1.1%) | 29.0% | (30.1) |

# AFRICA, MAURITIUS & THE MIDDLE EAST

| .@777" | &7%9" | &7%B" | !"CD<=EF" |
|---|---|---|---|
| Revenue | 22 181 | 22 172 | - |
| Operating profit | 8 991 | 10 955 | (17.9) |
| Operating margin | 40.5% | 49.4% | (8.9) |

# INTERNATIONAL CORPORATE SERVICES

| .@777" | &7%9" | &7%B" | !"CD<=EF" |
|---|---|---|---|
| Operating loss | (5 345) | (10 326) | 48.2 |
| Exceptional items | | | |
| Foreign exchange loss | 716 | 3 756 | |
| +>WLTHF>"GRF;<O=E"IGTT" | ?#"B&'A" | ?B"J97A" | &'$J" |

* Applying a constant exchange rate, corporate costs decreased by 23.6%

# COMPARABLE PROFIT – CONTINUING OPERATIONS

| .@777 | &7%9" | &7%B"!"CD<=EF" | |
|---|---|---|---|
| X;GVH"SFMG;F"H<Y" | &%#"99J | &%K"9&7" | ?%$KA" |
| Loss from discontinued operations | (4 084) | 28 847 | |
| Profit before tax – continuing operations | 210 691 | 247 567 | (14.9) |
| Share appreciation rights (net of related hedge) | 1 996 | 25 353 | |
| Share appreciation rights (actual net cost amortised) | (4 313) | (7 198) | |
| New scheme – IFRS2 charge | 985 | 827 | |
| RocoMamas contingent consideration FV adj | 777 | (3 723) | |
| Abnormal bad debt | 986 | - | |
| Spur Foundation | 1 206 | 259 | |
| Impairment losses | 50 970 | 18 969 | |
| New store/relocation costs | 284 | 3 790 | |
| Foreign exchange loss | 799 | 3 769 | |
| ,GQR<;<SIF"R;GVH"SFMG;F"H<Y" | &B#"6K% | &K"'B%6" | ?K$9A" |

# COMPARABLE HEADLINE EARNINGS

| .@777" | &7%9" | &7%B!" | "CD<=EF" |
|---|---|---|---|
| 4F<>IN=F"F<;=N=ET" | %66"KB6" | %B6"'99" | ?%K$#A" |
| United Kingdom | 1 218 | 18 350 | |
| 4F<>IN=F"F<;=N=ET" Continuing operations" | %6J"7K%" | %K&"6&9" | ?&J$'A" |
| Impact of share scheme (old) | (1 668) | 13 072 | |
| Impact of share scheme (new) – IFRS2 charge | 665 | 720 | |
| RocoMamas contingent consideration FV adj | 777 | (3 723) | |
| Abnormal bad debt | 986 | - | |
| Impairment losses | 44 192 | - | |
| New store/relocation costs | 318 | 2 486 | |
| Foreign exchange loss | 776 | 2 826 | |
| ,GQR<;<SIF"DF<>IN=F"F<;=N=ET" | %K%"%&&" | 9"97K" | ?K$#A" |
| Z+*30"" | 'J"K&K" | 'J"'JJ" | ?7$%A" |
| ,GQR<;<SIF"4/X0"?CF=HT"RF;"TD<;FA" | %K'$7%" | &7B$7#" | ?K$6A" |

# CASH FLOW

| .@777" | "&7%9" | "&7%B" |
|---|---|---|
| Cash flow from operations | 236 229 | 249 493 |
| Net interest received | 25 117 | 24 254 |
| | 261 346 | 273 747 |
| Distributions paid | (141 809) | (133 546) |
| Taxation paid | (85 303) | (100 256) |
| Working capital changes | (1 515) | (7 326) |
| Net investment in fixed and intangible assets | (17 105) | (37 686) |
| Purchase of treasury shares | (4 993) | (9 341) |
| Cash flow from share-based payment hedge | (7 405) | 12 653 |
| Cash impact of investments in/disposals of subsidiaries | (33 664) | (20 369) |
| Decrease in loans receivable | 6 711 | 6 611 |
| *FH"C<TD">FC;F<TF"MG;"HDF"[F<;" | ?&6"969A" | ?%J"J%6A |

# FINANCIAL POSITION

| .@777" | &7%9" | &7%B" |
|---|---|---|
| +00/20" | | |
| Intangible assets and goodwill | 362 101 | 365 417 |
| Loans receivable | 110 730 | 143 739 |
| Tax receivable | 41 479 | 36 214 |
| Trade and other receivables | 72 836 | 96 587 |
| | | |
| -)+:)-)2)/0" | | |
| Contingent consideration – LT | - | 13 565 |
| Contingent consideration – ST | 5 797 | 9 726 |
| Loans payable | 6 912 | 25 746 |
| Bank overdraft | 4 491 | 1 155 |