







RESULTS FOR THE YEAR ENDED 30 JUNE 2019









GOVERNANCE UPDATE



GOVERNANCE UPDATE

- Executive chairman, Allen Ambor, retired on 28 February 2019
- Mike Bosman, appointed independent non-executive chairman, effective 1 March 2019
- Keith Getz, Dean Hyde and Keith Madders all retired on 6 December 2018
- New non-executive directors appointed 17 June 2019:
 - Shirley Zinn
 - Cora Fernandez













TRADING ENVIRONMENT

- Challenging trading conditions in South Africa
- Weak economy and high operating costs in Australia
- Increasing demands on disposable income
- Weakened consumer sentiment
- Maintained volumes and market share resilience of brands
- Community involvement
- Continuous strategic focus to drive product quality, service excellence and value across all brands
- Focus on franchisee profit margins



FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2019



THE YEAR AT A GLANCE

- Revenue 5.9% (excluding marketing funds 6.2%)
- Profit before tax 13.9% (excluding marketing funds 7.3%)
- Comparable profit before tax 15.9%
- Profit attributable to ordinary shareholders 6.8%
- Comparable profit attributable to ordinary shareholders 116.6%
- Margin 27.4% (PY: 25.5%) (excluding marketing funds 35.4%, PY 35.1%)
- Effective tax rate 32.9% (2018*: 29.5%)
- Dividend per share 10.6% to 136.0 cents (2018: 123.0 cents)

* Restated



RESTAURANT TURNOVERS* – SOUTH AFRICA

R'000

Brand	2019	2018	% change
	(# of outlets)	(# of outlets)	
Spur Steak Ranches	4 585 811 (299)	4 351 067 (290)	5.4
Pizza Pasta	799 421 (91)	792 548 (92)	0.9
John Dory's Fish Grill Sushi	474 551 (52)	453 808 (49)	4.6
The Hussar Grill	209 059 (20)	184 298 (17)	13.4
RocoMamas	675 193 (72)	627 951 (65)	7.5
Nikos^	65 882 (9)	-	-
Total	6 809 917 (543)	6 409 672 (513)	6.2

[^] Acquired 1 August 2018



^{*} Excluding Captain DoRegos

ADOPTION OF NEW STANDARDS

- IFRS 15 effect on recognition of initial licence fees, marketing funds and classification of certain items
- IFRS 9 effect on loans and expected credit loss recognised in income statement
- Reminder IFRS 16 effective 2020, modified
 retrospective approach to be taken, no restatement
 of comparatives



SA TRADING BRANDS

Brand	% of segment revenue	% change in revenue	% change in operating profit	% margin – CY	% margin – PY
Spur	69.3	9.7	9.1	83.4	83.9
Pizza Pasta	11.3	5.6	7.9	62.4	61.1
John Dory's	6.4	8.0	5.0	46.4	47.7
The Hussar Grill	2.1*	10.3*	18.2	60.8	56.7
RocoMamas	10.1*	7.5*	13.5	71.1	67.4
Nikos	0.8	-	-	29.3	-

f * pre-interco eliminations



SOUTH AFRICA RETAIL*

R'000	2019	2018	% change
Revenue	69 753	69 534	0.3
Operating profit	8 576	6 785	26.4
Operating margin	12.3%	9.8%	2.5

^{*} Comprises four The Hussar Grill restaurants and one RocoMamas



MANUFACTURING & DISTRIBUTION

R'000	2019 (margin)	2018 (margin)	% change
Revenue – Manufacturing	88 746	87 402	1.5
Revenue – Retail	62 107	57 665	7.7
Revenue – Distribution	51 081	41 157	24.1
Revenue – Total	201 934	186 224	8.4
Operating profit – Manufacturing	19 924 (22.5)	19 053 (21.8)	4.6
Operating profit – Retail	2 355 (3.8)	840 (1.5)	180.4
Operating profit – Distribution	51 081 (100)	41 157 (100)	24.1
Operating profit – Total	73 360 (36.3)	61 050 (32.8)	20.2



SA MARKETING FUNDS

R'000	2019	2018	% change
Revenue – Spur Advertising	182 445	169 295	7.8
Revenue – Other Funds	62 667	62 567	0.2
Revenue – Total	245 112	231 862	5.7
Under/(over) spend – Spur Advertising	7 654	(5 238)	246.1
Underspend – Other Funds	4 901	4 001	22.5
Under/(over) spend – Total	12 555	(1 237)	1115.0
Cumulative overspend – Spur Advertising	(6 682)	(14 333)	
Cumulative underspend – Other Funds	13 949	9 045	
Cumulative overspend – Total	7 267	(5 288)	



OTHER SOUTH AFRICA*

R'000	2019	2018	% change
Revenue	51 807	60 284	(14.1)
Operating loss	(6 208)	(4 953)	(25.3)
Retrenchment costs (Décor)	1 410	-	
Comparable operating loss	(4 798)	(4 953)	3.1
Comparable operating margin	(9.3%)	(8.2%)	(1.1)

^{*} Comprises décor, training, restaurant sundries, export, call centre



CORPORATE SERVICES SOUTH AFRICA

R'000	2019	2018	% change
Revenue	2 319	1 329	74.5
Operating loss	(74 143)	(65 352)	(13.5)
Admin fees income	(22 503)	(20 706)	
GPI dividend	(9 530)	(8 736)	
Net interest income	(23 259)	(21 801)	
Shared overheads	(129 435)	(116 595)	(11.0)



CORPORATE SERVICES SOUTH AFRICA

R'000	2019	2018	% change
Shared overheads	(129 435)	(116 595)	(11.0)
IFRS2 charge (net of hedge)	-	2 283	
Braviz profit	-	(17 500)	
SARS dispute	86	1 692	
Spur Foundation	(408)	1 040	
Nikos/RocoMamas contingent consideration FV adjustment	1 555	12 745	
Impairment of GPI funding (specific)	6 688	-	
Other IFRS9 ECL (movement)	1 442	-	
Comparable shared overheads	(120 072)	(116 335)	(3.2)



RESTAURANT TURNOVERS - INTERNATIONAL

Location	2019 (R'000) (# of outlets)	2018 (R'000) (# of outlets)	% change	% change*
Australasia	176 236 (9)	205 366 (11)	(14.2)	(15.9)
Africa	420 148 (49)	346 600 (38)	21.2	18.3
Cyprus & India	5 361 (2)	-	-	-
Mauritius	173 875 (13)	133 865 (11)	29.9	21.2
Middle East	51 206 (4)	25 673 (2)	99.5	80.6
Total	826 826 (77)	711 504 (62)	16.2	12.3

^{*} Using a constant exchange



AUSTRALASIA

R'000	2019	2018	% change
Restaurant turnover	176 236	205 366	(14.2)
Number of restaurants	9	11	
Revenue	4 349	6 560	(33.7)
Net loss	(16 992)	(10 980)	
IFRS 9 Impairment of loans	8 686	7 230	
RocoMamas Australia impairment/setup costs	3 357	2 253	
Foreign exchange loss	10	44	
Adjusted operating loss	(4 939)	(1 453)	(239.9)



OTHER INTERNATIONAL

R'000	2019	2018	% change
Total Revenue	29 618	22 993	28.8
Operating profit	12 663	10 378	22.0
Operating margin	42.8%	45.1%	(2.4)
Made up of:			
Africa & Mauritius			
Revenue	26 190	21 056	24.4
Operating profit	11 796	9 901	19.1
Operating margin	45.0%	47.0%	(2.0)



OTHER INTERNATIONAL

R'000	2019	2018	% change
The Middle East, Cyprus & India			
Revenue	3 428	1 937	77.0
Operating profit	867	477	81.8
Operating margin	25.3%	24.6%	0.7



INTERNATIONAL MARKETING FUNDS

R'000	2019	2018	% change
Revenue	7 266	7 814	(7.0)
Under/(over) spend	917	(107)	957.0
Cumulative underspend	2 155	1 238	

INTERNATIONAL CORPORATE SERVICES

R'000	2019	2018	% change
Operating loss	(8 823)	(6 492)	(35.9)
Zambian settlement & related costs	2 350	-	
Other IFRS 9 ECL (movement)	(53)	-	
Foreign exchange loss	592	357	
Adjusted operating loss	(5 934)	(6 135)	3.3

^{*} Applying a constant exchange rate, corporate costs decreased by 8.5%



COMPARABLE PROFIT

R'000	2019	2018	% change
Profit before tax	257 077	225 613	13.9
Exclude: Marketing funds	(13 472)	1 344	
	243 605	226 957	7.3
Impact of "old" share scheme (cash-settled)	-	2 283	
Nikos/RocoMamas contingent consideration FV adjustment	1 555	12 745	
Financial instruments impairments	16 764	7 230	
Profit on disposal of Braviz & DoRegos	-	(22 250)	
Spur Foundation	(507)	907	
Litigation costs – Zambia & SARS	2 436	1 692	

1 410

3 357

269 222

602

2 253

232 218

401

15.9

Retrenchment costs

Foreign exchange loss

Comparable profit before tax

RocoMamas Australia impairment/ setup costs

COMPARABLE HEADLINE EARNINGS

R'000	2019	2018	% change
Headline earnings	165 110	149 799	10.2
Exclude: Marketing funds	(9 957)	1 009	
	155 153	150 808	2.9
Impact of "old" share scheme (cash-settled)	-	1 644	
Nikos/RocoMamas contingent consideration FV adjustment	1 555	12 745	
Financial instruments impairments	16 717	7 230	
Disposal of Braviz	-	(20 757)	
Litigation costs – Zambia & SARS	2 412	1 218	
Retrenchment costs	1 410	-	
RocoMamas Australia	3 357	2 060	
Foreign exchange loss	602	401	
Comparable headline earnings	181 206	155 349	16.6

COMPARABLE HEADLINE EARNINGS PER SHARE

R'000	2019	2018	% change
Comparable headline earnings	181 206	155 349	16.6
Comparable HEPS (cents per share)	190.61	162.53	17.3
WANOS	95 065	95 680	(0.5)



GPI TRANSACTION

- GPI RF
 - 10.8m Spur shares at market value: R238.7m (R22/share)
 - External funding: R150.2m
 - Spur funding: R110.2m (carrying value R99.4m)
 - Net exposure: R21.7m
- IFRS 9 impairment provided for:
 - R4.1m in opening retained earnings (1 July 2018)
 - R6.7m in 2019 profit or loss
 - Total impairment provided for: R10.8m



GPI TRANSACTION

- Proposed buy-back
 - Circular published 27 August 2019
 - Meeting scheduled for 25 September 2019
 - Spur to acquire 10.8m shares at R24/share: R260.4m
 - Debt repaid: R110.2m
 - Shortfall, if any, to be funded by GPI
 - Updated pro forma financial information to be published on 13 September 2019



GPI TRANSACTION

- Potential outcome 1 shareholders approve
 - Impairment reversal in profit or loss in 2020: R10.8m
- Potential outcome 2 shareholders reject
 - Minimum additional impairment in profit or loss in 2020: R10.9m
- Excluding current year impairment of R6.7m
 - Increase in EPS increases from 7.3% to 11.7%
 - Increase in HEPS increases from 10.8% to 15.3%



FINANCIAL POSITION

R'000	2019	2018
<u>ASSETS</u>		
Intangible assets and goodwill	369 092	362 709
Interest in associate	-	3 461
Loans receivable	111 352	130 968
Loans receivable – LT	5 391	118 483
Loans receivable – ST	105 961	12 505
Inventory	10 299	15 702
Trade and other receivables	106 011	99 997
Cash and cash equivalents	283 979	253 099
Restricted cash	14 305	6 796
<u>LIABILITIES</u>		
Contingent consideration	1 011	-
Contract liabilities – LT + ST	33 271	32 345

CASH FLOW

R'000	2019	2018
Cash flow from operations	260 804	221 062
Net interest received	21 978	21 154
	282 782	242 216
Distributions paid	(123 826)	(124 250)
Taxation paid	(81 408)	(60 646)
Working capital changes	(15 885)	(19 527)
Net investment in fixed and intangible assets	(10 767)	(11 913)
Purchase of treasury shares	(19 609)	(4 246)
Cash flow from share-based payment hedge	-	(13 740)
Loans granted	(3 648)	(11 188)
Cash impact of investment in/disposal of subsidiaries/associates	(6 253)	(6 316)
Loans repaid	9 490	7 386
Net cash increase/(decrease) for the year	30 876	(2 224)















OPERATIONAL OVERVIEW FOR THE YEAR ENDED 30 JUNE 2019







SPUR STEAK RANCHES

- 291 Spur Steak Ranches in South Africa
- 8 Spur Grill & Go restaurants in South Africa
- 5.4% increase in restaurant turnover
- Menu price increases
 - 1.1% December 2017
 - 5.3% April 2018
 - 3.0% December 2018







SPUR STEAK RANCHES

- Strategy for the year ahead
 - Focus on core quality products and enhancing presentation with new crockery
 - Continuous training
 - Enhance kids' experience
 - Food quality focused advertising
 - Progressing Grill & Go in suitable locations
 - Continuous focus on franchisee profitability and sustainability







PIZZA and PASTA

- 84 Panarottis restaurants in South Africa
- 7 Casa Bella restaurants in South Africa
- Restructured to create a solid foundation for the future
- Move away from discounting
- Call-and-collect assisted to maintain takeaway market share
- Loyalty programme enjoying continued growth
- Menu price increases:

Date of increase	Panarottis	Casa Bella
July 2017	1.8%	
December 2017	0.9%	4.2%
May 2018	3.5%	
December 2018	1.9%	3.2%







PIZZA and PASTA

Strategy for the year ahead

- Focus on value over discounting, and competitive menu pricing
- Bottomless pizza to be discontinued
- Continued installation of rotating wood-fired pizza ovens to enhance product authenticity and franchisee profitability
- Roll out of new crockery enhancing presentation
- Premium quality pizza and pasta still at the forefront even in tough economic times
- Basic operational fundamentals more compact footprint, labour and energy efficiencies, service and product innovations



John Dory's FISH · GRILL · SUSHI

FISH GRILL SUSHI

- 52 restaurants in South Africa
- 4.6% increase in turnover
- Menu price increases
 - 4.0% December 2017
 - 4.6% May 2018
 - 3.2% November 2018
- Impacted by temporary closure of two large outlets reopened in December 2018
- Focused on new local marketing initiatives and change in brand ads to focus on core products
- Key focus is sustainability relationships with SASSI and WWF
- No plastic



HUSSAR CRILL EST 1964

THE HUSSAR GRILL

- 20 restaurants in South Africa
- 13.4% turnover growth
- Menu price increase
 - 5.0% May 2018
 - No increase in the current period
- Maintained and strengthened positioning as 1st choice premier grill room at affordable prices
- Established nationally now in specific strategic areas
- Increased presence on social media platforms
- Community involvement
- Product innovation, introduce lunchtime value offer



ROCOMAMAS



- 70 RocoMamas restaurants in South Africa
- 2 RocoGo restaurants in South Africa
- Menu price increase
 - 3.9% September 2017
 - 4.3% April 2018
 - 2.8% November 2018
- Focus on franchisee profitability
- TV ad growing market reach
- Community involvement
- Focus on growing existing turnover





NIKOS COALGRILL GREEK

- 51% acquired 1 August 2018
- 9 restaurants in South Africa
 - 1 smaller model in Rosebank
- 3 new restaurants opened since acquisition trading well
- Aim for Nikos brand name to be synonymous with Greek food in South Africa
- Detailed marketing plans for each restaurant
- Only AAA sites to enhance success
- Cautious roll out current economic conditions



BRAND DEVELOPMENT IN SOUTH AFRICA

Brand	Opened to 30 June 2019	To open to 30 June 2020
Spur Steak Ranches	13	2
Pizza Pasta	7	-
John Dory's Fish Grill Sushi	6	1
The Hussar Grill	3	-
RocoMamas	7	4
Nikos	3	4
Total	39	11



INTERNATIONAL

Africa

- Delivered strong growth
- Opened 12 restaurants during the year
- Certain countries unstable with challenging trading environments
- Strategy to enter areas where critical mass is attainable
- Smaller footprint showing encouraging results

Mauritius

- Sound operations
- Opened 3 new restaurants
- Motivated franchisees
- Sustainable development plan



INTERNATIONAL

Australasia

- 9 restaurants 3 closures
- Trading conditions continue to deteriorate
- Concessions to aid franchisees
- Re-evaluating position in the region legal, ethical and moral obligations
- RocoMamas Australia sustained trading losses

Middle East

- 4 restaurants 3 RocoMamas, 1 The Hussar Grill
- Brands well accepted good growth potential



BRAND DEVELOPMENT - INTERNATIONAL

Country	Opened to 30 June 2019	To open to 30 June 2020
Australia	1	-
Botswana	1	-
Cyprus	1	-
India	1	-
Kenya	1	2
Mauritius	3	1
Middle East	2	3
Namibia	2	-
Nigeria	-	2
Zambia	8	1
Zimbabwe	-	1
Total	20	11
Total international footprint at 30 June 2020		84

MANUFACTURING & DISTRIBUTION

- Sauce factory
 - 4% price increase in December 2018
 - Revenue from sauce sales grew by 1.5% under pressure
 - R11.5m refurbishment of existing facility
 - Further improve operational standards
 - Utilise existing facilities more efficiently/more storage capacity
 - Expanding range of sauces
 - No increase in productive capability yet
- Outsourced distribution
 - Increase in standard cost of integration (3% to 4%)
 - Delivered 4.8 million cases/41 946 tonnes to our restaurants
 - Volume growth 4%



PROSPECTS / OUTLOOK



PROSPECTS

- Pressure on consumer discretionary spending to persist
- Focus on product quality, innovation, value and making our products relevant
- Finalise and implement Digital Transformation Strategy
 - Launch click-and-collect option
 - Innovative targeted marketing
- New opportunities/Acquisitions
- International expansion
- Key focus areas:
 - Franchisee profitability
 - Prudent expansion in existing markets
 - Disciplined spending
 - Community involvement

THANK YOU QUESTIONS?

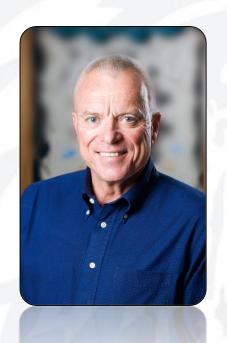


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BRAND FAMILY



















