













GOVERNANCE UPDATE



GOVERNANCE UPDATE

- Executive chairman, Allen Ambor, retires 28 February 2019
- Mike Bosman, appointed independent non-executive chairman, effective 1 March 2019
- Muzi Kuzwayo to replace Mike Bosman on the Audit Committee, effective 1 March 2019





TRADING ENVIRONMENT

- Low economic growth in South Africa and Australia
- Increasing demands on disposable income
- Weakening consumer sentiment
- Drop in shopping centre foot traffic
- Continuous strategic focus to drive product quality, service excellence and value across all brands
- Focus on franchisee profit margins



FINANCIAL RESULTS FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2018



THE PERIOD AT A GLANCE

- Revenue 5.3%
- Profit before tax 0.8%
- Comparable profit before tax 12.4%
- Profit attributable to ordinary shareholders 11.2%
- Comparable net profit attributable to ordinary shareholders 11.2%
- Effective tax rate 32.5% (HY 2018: 25.6%)
- Dividend per share 63.0 cents



RESTAURANT TURNOVERS* – SOUTH AFRICA

R'000

| Brand | HY 2019 (# of outlets) | HY 2018 (# of outlets) | % change |
|------------------------------|-------------------------------|-------------------------------|----------|
| Spur Steak Ranches | 2 378 138 (296) | 2 241 595 (292) | 6.1 |
| Pizza Pasta | 410 388 (93) | 416 479 (90) | (1.5) |
| John Dory's Fish Grill Sushi | 236 888 (53) | 238 824 (51) | (0.8) |
| The Hussar Grill | 102 652 (20) | 90 172 (17) | 13.8 |
| RocoMamas | 338 886 (70) | 319 794 (58) | 6.0 |
| Nikos^ | 29 959 (8) | - | - |
| Total | 3 496 911 (540) | 3 306 864 (508) | 5.7 |

* Excluding Captain DoRegos

^ Acquired 1 August 2018



ADOPTION OF NEW STANDARDS

IFRS 15 – effect on recognition of initial licence fees

and classification of certain items

IFRS 9 – effect on loans and expected credit loss

recognised in income statement



SA TRADING BRANDS

| Brand | % of segment revenue | % change in revenue | % change in operating profit | % margin – CY | % margin – PY |
|------------------|----------------------------|---------------------|------------------------------------|------------------|------------------|
| Spur | 68.9 | 12.2 | 11.6 | 83.7 | 84.1 |
| Pizza Pasta | 11.2 | 5.4 | 9.4 | 63.4 | 61.1 |
| John Dory's | 6.2 | 2.6 | 4.3 | 47.3 | 46.5 |
| The Hussar Grill | 2.6* | 6.2* | 12.3 | 59.6 | 56.4 |
| RocoMamas | 10.2* | 7.6* | 8.2 | 72.3 | 71.9 |
| Nikos | 0.9 | - | - | 30.6 | - |

* pre-interco eliminations



SOUTH AFRICA RETAIL*

| R'000 | HY 2019 | HY 2018 | % change |
|------------------|---------|---------|----------|
| Revenue | 34 354 | 35 144 | (2.2) |
| Operating profit | 4 171 | 3 571 | 16.8 |
| Operating margin | 12.1% | 10.2% | 2.0 |

* Comprises four The Hussar Grill restaurants and one RocoMamas



MANUFACTURING & DISTRIBUTION

| R'000 | HY 2019 (margin) | HY 2018 (margin) | % change |
|----------------------------------|----------------------------|---------------------|----------|
| Revenue – Manufacturing | 48 364 | 46 353 | 4.3 |
| Revenue – Retail | 31 276 | 32 407 | (3.5) |
| Revenue – Distribution | 22 377 | 22 580 | (0.9) |
| Revenue – Total | 102 017 | 101 340 | 0.7 |
| | | | |
| Operating profit – Manufacturing | 11 068 (22.9) | 10 472 (22.6) | 5.7 |
| Operating profit – Retail | 843 (2.7) | 471 (1.5) | 79.0 |
| Operating profit – Distribution | 22 377 (100) | 22 580 (100) | (0.9) |
| Operating profit – Total | 34 288 (33.6) | 33 523 (33.1) | 2.3 |



OTHER SOUTH AFRICA*

| R'000 | HY 2019 | HY 2018 | % change |
|-----------------------------|---------|---------|----------|
| Revenue | 31 142 | 31 568 | (1.3) |
| Operating loss | (3 338) | (2 311) | (44.4) |
| Retrenchment costs (Décor) | 1 410 | - | |
| Comparable operating loss | (1 928) | (2 311) | 16.6 |
| Comparable operating margin | (6.2%) | (7.3%) | 1.1 |

* Comprises décor, training, restaurant sundries, export, call centre



CORPORATE SERVICES SOUTH AFRICA

| R'000 | HY 2019 | HY 2018 | % change |
|---------------------|----------|----------|----------|
| Revenue | 12 390 | 11 046 | 12.2 |
| | | | |
| Operating loss | (36 426) | (25 934) | (40.5) |
| Revenue | 12 390 | 11 046 | |
| Net interest income | 16 639 | 15 395 | |
| Shared overheads | (65 455) | (52 375) | (25.0) |



CORPORATE SERVICES SOUTH AFRICA

| R'000 | HY 2019 | HY 2018 | % change |
|---|----------|----------|----------|
| Shared overheads | (65 455) | (52 375) | (25.0) |
| IFRS2 charge (net of hedge) | - | 2 283 | |
| Braviz profit | - | (17 500) | |
| Spur Foundation | (301) | (79) | |
| Nikos/RocoMamas contingent consideration FV adjustment | (50) | 10 607 | |
| Impairment of GPI funding (specific) | 4 303 | - | |
| Other IFRS9 ECL (movement) | 627 | - | |
| Comparable shared overheads | (60 876) | (57 064) | (6.7) |



RESTAURANT TURNOVERS – INTERNATIONAL

| Location | HY 2019 (R'000) (# of outlets) | HY 2018 (R'000) (# of outlets) | % change | % change* |
|-------------|-----------------------------------|-----------------------------------|----------|-----------|
| Australasia | 97 971 (11) | 119 590 (10) | (18.1) | (16.8) |
| Africa | 217 060 (47) | 176 550 (40) | 22.9 | 22.3 |
| India | 98 (1) | - | - | - |
| Mauritius | 88 272 (13) | 70 809 (11) | 24.7 | 21.2 |
| Middle East | 27 336 (4) | 15 195 (2) | 79.9 | 69.9 |
| Total | 430 737 (76) | 382 144 (63) | 12.7 | 12.1 |

* Using a constant exchange



AUSTRALASIA

| R'000 | HY 2019 | HY 2018 | % change |
|----------------------------|---------|---------|----------|
| Restaurant turnover | 97 971 | 119 590 | (18.1) |
| Number of restaurants | 11 | 10 | |
| | | | |
| Revenue | 2 613 | 3 876 | (32.6) |
| Net loss | (4 094) | (399) | |
| Impairment of loans | 3 163 | - | |
| Other IFRS9 ECL (movement) | (250) | - | |
| Foreign exchange loss | - | 9 | |
| Adjusted operating loss | (1 181) | (390) | |



OTHER INTERNATIONAL*

| R'000 | HY 2019 | HY 2018 | % change |
|------------------|---------|---------|----------|
| Total Revenue | 15 000 | 11 876 | 26.3 |
| Operating profit | 6 768 | 5 405 | 25.2 |
| Operating margin | 45.1% | 45.5% | (0.4) |
| Made up of: | | | |
| Africa | | | |
| Revenue | 10 144 | 8 502 | 19.3 |
| Operating profit | 4 717 | 3 822 | 23.4 |
| Operating margin | 46.5% | 45.0% | 1.5% |

* Includes Africa, Mauritius, Middle East, Cyprus, Pakistan and India



OTHER INTERNATIONAL

| R'000 | HY 2019 | HY 2018 | % change |
|------------------|---------|---------|----------|
| Mauritius | | | |
| Revenue | 2 940 | 2 291 | 28.3 |
| Operating profit | 1 544 | 1 174 | 31.5 |
| Operating margin | 52.5% | 51.2% | 1.3 |
| | | | |
| Middle East | | | |
| Revenue | 1 460 | 785 | 86.0 |
| Operating profit | 705 | 409 | 72.4 |
| Operating margin | 48.3% | 52.1% | (3.8) |



OTHER INTERNATIONAL

| R'000 | HY 2019 | HY 2018 | % change |
|------------------|----------|---------|----------|
| Other^ | | | |
| Revenue | 97 | - | - |
| Operating profit | (198) | - | - |
| Operating margin | (204.1%) | - | - |

^ Includes Cyprus, Pakistan and India



INTERNATIONAL CORPORATE SERVICES

| R'000 | HY 2019 | HY 2018 | % change |
|---|---------|---------|----------|
| Operating loss | (4 654) | (3 191) | (45.8) |
| Zambian settlement | 1 566 | - | |
| Legal cost related to Zambia legal matter | 75 | - | |
| Other IFRS 9 ECL (movement) | (45) | - | |
| Foreign exchange loss | 432 | 174 | |
| Adjusted operating loss | (2 626) | (3 017) | 13.0 |

* Applying a constant exchange rate, corporate costs decreased by 16%



COMPARABLE PROFIT

| R'000 | HY 2019 | HY 2018 | % change |
|--|---------|----------|----------|
| Profit before tax | 129 973 | 131 045 | (0.8) |
| Impact of "old" share scheme (cash-settled) | - | 1 025 | |
| Nikos/RocoMamas contingent consideration FV adjustment | (50) | 10 607 | |
| Financial instruments impairments | 7 798 | - | |
| Profit on disposal of Braviz | - | (17 500) | |
| Spur Foundation | (341) | (79) | |
| Litigation costs – Zambia | 1 641 | - | |
| Retrenchment costs | 1 410 | - | |
| Foreign exchange loss | 432 | 183 | |
| Comparable profit before tax | 140 863 | 125 281 | 12.4 |

COMPARABLE HEADLINE EARNINGS

| R'000 | HY 2019 | HY 2018 | % change |
|--|---------|----------|----------|
| Headline earnings | 83 899 | 94 440 | (11.2) |
| Impact of "old" share scheme (cash-settled) | - | 738 | |
| Nikos/RocoMamas contingent consideration FV adjustment | (50) | 10 607 | |
| Disposal of Braviz | - | (20 757) | |
| Retrenchment costs | 1 410 | - | |
| Financial instruments impairments | 7 585 | - | |
| Litigation costs – Zambia | 1 595 | - | |
| Foreign exchange loss | 432 | 183 | |
| Comparable headline earnings | 94 871 | 85 211 | 11.3 |
| Comparable HEPS (cents per share) | 99.53 | 89.10 | 11.7 |
| WANOS | 95 319 | 95 632 | (0.3) |

FINANCIAL POSITION

| R'000 | HY 2019 | HY 2018 |
|-------------------------------------|---------|---------|
| ASSETS | | |
| Intangible assets and goodwill | 368 508 | 361 870 |
| Loans receivable | 131 219 | 151 068 |
| Loans receivable – LT | 20 773 | 133 970 |
| Loans receivable – ST | 110 446 | 17 098 |
| Trade and other receivables | 124 579 | 150 078 |
| Contingent consideration receivable | 594 | - |
| | | |
| <u>LIABILITIES</u> | | |
| Contract liabilities – LT + ST | 33 314 | 30 604 |



CASH FLOW

| R'000 | HY 2019 | HY 2018 |
|---|----------|----------|
| Cash flow from operations | 130 166 | 122 623 |
| Net interest received | 11 465 | 10 191 |
| | 141 631 | 132 814 |
| Distributions paid | (61 294) | (61 236) |
| Taxation paid | (37 937) | (33 513) |
| Working capital changes | (30 043) | (65 512) |
| Net investment in fixed and intangible assets | (2 595) | (3 305) |
| Purchase of treasury shares | (15 395) | (3 456) |
| Cash flow from share-based payment hedge | - | (13 740) |
| Loans granted | (1 021) | (8 499) |
| Cash impact of investment in subsidiaries | (5 012) | - |
| Loans repaid | 5 800 | 5 080 |
| Net cash decrease for the period | (5 866) | (51 367) |















OPERATIONAL OVERVIEW FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2018





SPUR STEAK RANCHES

- 289 Spur Steak Ranches in South Africa
- 7 Spur Grill & Go restaurants in South Africa
- 6.1% 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 six months ahead
 - Focus on core quality products in-house manufacturing
 - Continuous training to achieve service excellence
 - Further innovation by franchisees to enhance kids' experience
 - New advertising agency food quality focused advertising
 - Roll-out of smaller concept encouraging
 - Progressing Grill & Go in suitable locations
 - Continuous focus on franchisee profitability









- 86 Panarottis restaurants in South Africa
- 7 Casa Bella restaurants in South Africa
- Store turnover declined 1.5%
- Very competitive market competitors relying on discounting
- UberEats/Mr D beneficial to maintain market share
- 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% |









Strategy for the six months ahead

- Continued installation of rotating wood-fired pizza ovens to enhance product authenticity and franchisee profitability – successful (17 installed, plans for 10 more to June 2019)
- Basic operational fundamentals more compact footprint, labour and energy efficiencies and rental negotiations
- New look and feel rolled out well accepted
- Loyalty programme enjoying continued growth
- Premium quality pizza still at the forefront even in tough economic times







- 53 restaurants in South Africa
- 0.8% decline 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
- Making in-house products to improve margins and quality
- Investigating importing of certain key raw materials to improve margins
- New look and feel generating genuine interest within the market







- 20 restaurants in South Africa
- 13.8% turnover growth
- Menu price increase
 - 5.0% May 2018
 - No increase in the current period
- Still showing resilience despite economic conditions
- New menu launched well accepted
- Established nationally now in specific strategic areas
- Known as an up-market steakhouse at a great affordable price



ROCOMAMAS



- 70 restaurants in South Africa
- Menu price increase
 - 3.9% September 2017
 - 4.3% April 2018
 - 2.8% November 2018
- Focus on franchisee profitability
- Product innovation
- TV ad grow market reach
- Lessons learnt from the fast tracked roll out ensuring delivery areas do not encroach on current franchisees
- Roll out more considered and measured





NIKOS COALGRILL GREEK

- 51% acquired 1 August 2018
- 8 restaurants in South Africa
- 2 new restaurants opened since acquisition trading well
- Only AAA sites to enhance success
- Prudent view under current economic conditions in South Africa



BRAND DEVELOPMENT IN SOUTH AFRICA

| Brand | Opened to 31 December 2018 | To open to 30 June 2019 | # of outlets 30 June 2019 |
|------------------------------|-------------------------------|----------------------------|------------------------------|
| Spur Steak Ranches | 8 | 5 | 301 |
| Pizza Pasta | 4 | 4 | 97 |
| John Dory's Fish Grill Sushi | 5 | - | 53 |
| The Hussar Grill | 3 | - | 20 |
| RocoMamas | 5 | 2 | 72 |
| Nikos | 2 | 1 | 9 |
| Total | 27 | 12 | 552 |



INTERNATIONAL

Africa

- Opened 12 restaurants since January 2018 and closed 2
- Volatile trading conditions but our restaurants have traded well in most territories
- Entering areas where we are able to reach critical mass partnering with franchisees able to expand
- Smaller footprint more viable
- Middle East
 - 4 restaurants 3 RocoMamas, 1 The Hussar Grill
 - Brands well accepted looking to further expand and build brand equity



INTERNATIONAL

- Australasia
 - 11 restaurants
 - Turnovers disappointing labour costs exorbitant
 - Concessions to aid franchisees
 - Re-evaluating position in the region
- Mauritius
 - 13 restaurants
 - 3 RocoMamas restaurants turnovers exceeding expectations
 - Highest turnover Panarottis worldwide excellent franchisee
 - Very encouraging restaurant turnover growth 21.2%



BRAND DEVELOPMENT - INTERNATIONAL

| Country | # of outlets 1 July 2018 | Opened to 31 Dec 2018 | To open to 30 June 2019 | # of outlets 30 June 2019 |
|---|-----------------------------|--------------------------|----------------------------|------------------------------|
| Botswana | 2 | 1 | - | 3 |
| Cyprus | _ | _ | 1 | 1 |
| Egypt | - | - | 1 | 1 |
| India | - | 1 | - | 1 |
| Kenya | 6 | - | 1 | 7 |
| Mauritius | 11 | 2 | 1 | 14 |
| Middle East | 2 | 2 | - | 4 |
| Namibia | 11 | 1 | 1 | 13 |
| Zambia | 5 | 7 | 3 | 15 |
| Total | | 14 | 8 | |
| Total international footprint at 30 June 2019 | | | | 84 |



MANUFACTURING & DISTRIBUTION

- Sauce factory
 - 4% price increase in December 2018
 - Revenue from sauce sales grew by 4.3%
 - Decision made, due to economy, to refurbish existing facility
 - New equipment
 - Utilise existing facilities more efficiently
 - Looking to expand range of sauces produced
- Outsourced distribution
 - Delivered 2.5 million cases/21 837 tonnes to our restaurants in the six months
 - Volumes up 3.3%



PROSPECTS / OUTLOOK



PROSPECTS

- Cautiously optimistic
- Focus on product quality, innovation, value and making our products relevant
- Innovative targeted marketing and business opportunities
- Sauce factory
- New opportunities/Acquisitive
- International expansion
- Key focus areas:
 - Maintain franchisee margins
 - Prudent expansion
 - Disciplined spending



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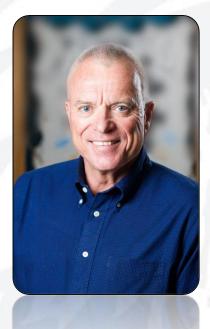


THANK YOU

QUESTIONS?



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BRAND FAMILY













Casa Rella

WoodFired Pizza • Pasta • Grills





