



Novus Holdings Limited
(Incorporated in the Republic of South Africa)
JSE share code: NVS
ISIN: ZAE000202149
("Novus Holdings", "the Company" or "the Group")

Trading statement for the year ended 31 March 2020, COVID-19 business update and changes to the Board and committees

Shareholders are advised that the basic and headline earnings per share for the year ended 31 March 2020 are expected to decrease by more than 20% in comparison to the year ended 31 March 2019.

Factors that have negatively impacted the Group's earnings per share ("EPS") and headline earnings per share ("HEPS") relative to the comparative period include:

- operating under tough trading conditions imposed by the general downturn in the economy resulting in further declining demand across all Print categories, reduced advertising spend, and load shedding;
- increased market competitiveness resulting in margin compression due to reduced pricing together with increasing input costs and;
- the anticipated impact of the COVID-19 pandemic and the resultant lockdown announced by the President of South Africa on the business.

Due to the abovementioned factors and economic uncertainty placing pressure on the Group, the Group has reviewed its capacity requirements and has taken decisions to close the Novus Print Kwa-Zulu Natal facility and to rationalise other operations across the Group in order to reduce the impact on future earnings and improve efficiencies. This resulted in an impairment of assets to its recoverable amounts and retrenchment costs incurred in the current period.

The total value of the impairments is estimated to be between R400 million to R450 million on plant and machinery, equipment and intangibles, and between R50 million to R100 million on goodwill. The Group has also estimated retrenchment costs to be between R20 million to R30 million in the period. We wish to emphasise that these estimates do not take into account the actual impact of the COVID-19 pandemic on the results of the Group for the year ended 31 March 2020 nor the future impact on the forecasted cash flows used in the impairment assessments. Management is in process of assessing this impact and due to the uncertainty at this stage, a HEPS and EPS range is not available. A further trading statement will be issued in order to provide specific guidance once the Group is reasonably certain regarding the HEPS and EPS ranges for the year ended 31 March 2020.

Shareholders are reminded of our previous SENS dated 13 June 2019, in which we notified the market of the intention to dispose of the Tissue division's business. The above impairment includes the impairment of the assets of this division in line with the rationale and fair value of the proposed transaction.

The financial information on which this trading statement is based has not been reviewed or audited by the Group's auditors.

Update on the impact of COVID-19

The Group acknowledges that the lockdown imposed by the COVID -19 pandemic has caused great disruption and will continue to have a challenging economic impact on all sectors and businesses. The Group remains firmly committed to ensuring the safety of all its stakeholders during this time and will continue to do so for the foreseeable future.

Certain facilities within the Group remain operational for the supply of essential services but at a reduced capacity during the lockdown period. Strict health and safety precautionary measures have been implemented to protect our staff on site.

The Group continues to focus on improving working capital and taking strict measures to preserve cash resources during these challenging times.

Management is currently assessing the potential future financial impact on the business as there are several areas of uncertainty. We will further advise shareholders once there is more clarity.

Changes to the Board and Committees

In compliance with section 3.59 of the Listings Requirements of the JSE, shareholders are advised that Mr Christoff Botha is retiring from the Board due to health reasons, effective 01 April 2020.

The Board of Directors expresses its appreciation for Christoff's valuable contribution over the years and wishes him well.

Changes to the Board committees are as follows:

Mr Abduraghman (Manie) Mayman has been appointed to the Audit & Risk Committee and as the chairman of the Remuneration Committee.

For and on behalf of the Board.

Cape Town
14 April 2020

Sponsor: Investec Bank Limited