



Novus Holdings Limited
Incorporated in the Republic of South Africa
(Registration number 2008/011165/06)
JSE share code: NVS ISIN: ZAE000202149
(“Novus Holdings” or “the Group”)

TRADING STATEMENT AND TRADING UPDATE

Trading Statement

In accordance with the Listings Requirements of the JSE Limited, companies are required to publish a trading statement as soon as they become reasonably certain that the financial results for the period to be reported on will differ by 20% or more from the previous corresponding reporting period.

Accordingly, a review by management of the financial results for the six months ended 30 September 2021 has indicated that the Group’s:

- basic earnings per share is expected to be between 8.00 cents and 9.50 cents, which reflects an improvement of between 2% and 21% compared to the previous corresponding period’s earnings per share of 7.87 cents; and
- headline earnings per share is expected to be between 27.80 cents and 28.70 cents, compared to the previous corresponding period’s headline earnings per share of 4.77 cents.

Trading Update

Notwithstanding a shift in the typical trading cycle, the Group’s performance improved on the prior year as impacted by the strict COVID-19 lockdown regulations with the Print segment’s results improving considerably. Although this improvement was not across all product categories, Packaging and Print in general saw improved volumes as the industries returned to a degree of stability. Cost cutting strategies executed in the FY2021 further yielded benefits in the period.

Whilst the performance in general saw a positive first half of the FY2022 year, the Gravure Labels division, which faced a challenging FY2021 due to alcohol bans and restrictions on trading, was unable to return to stability in the current period. Production inefficiencies, unstable margins and an excessive working capital investment informed the decision to exit the division’s largest customer contract. This has resulted in a substantially reduced business unit with 50 jobs unfortunately becoming redundant in the current financial year.

The above required an assessment of the recoverable amounts of the property, plant and equipment (“PPE”) and goodwill in the division, resulting in a R65 million impairment of PPE and R17 million of goodwill being recorded in the period.

The Group's interim results for the six months ended 30 September 2021 are expected to be released on SENS on or about 10 November 2021.

The financial information on which this announcement is based has not been reviewed or reported on by the Group's external auditors.

Cape Town
27 October 2021

Sponsor
Merchantec Capital