
HomeChoice International plc
(Incorporated in the Republic of Mauritius)
(Registration number C171926)
Share code: HIL
ISIN: MT0000850108
("HIL", "the Company" or "Group")

UPDATED TRADING STATEMENT

Shareholders are referred to the announcement released on the Stock Exchange News Service ("SENS") on 3 July 2020, which provided an update on the impact on the Group of the Covid-19 pandemic and the national lockdown in South Africa.

As previously reported, the extremely difficult trading conditions over the first half of the financial year brought about by Covid-19 have had a significant impact on the results of the Group. As a result, despite strong digital sales, the retail business experienced a reduction in overall sales in the first half of the financial year compared to the same period last year. Loan disbursements in the financial services business were also significantly curtailed from the end of March 2020 to defensively preserve cash and manage credit risk. The 275 basis point cuts to the Repo rate since January 2020 further impacted revenues, with the rate now at a 50-year low.

As a result, total Group revenue for the six months ended 30 June 2020 declined by 4.9% overall, with total retail revenues declining 10% and groupwide finance income earned reducing by 0.9% when compared to the same period last year.

The Group's liquidity and capital position has been proactively managed during this time through the tight management of working capital, aggressively reducing costs, reviewing and deferring non-critical capital expenditure and focusing on collections from the debtor books. As a result, the closing cash position for the six months ended 30 June 2020 is strong at R379m compared to R121m for the six months ended 30 June 2019. Further, the Group concluded a refinance and upsize of existing commercial bank debt facilities to provide for operational requirements and to improve liquidity.

Shareholders were advised in the announcement released on SENS on 3 July 2020 that earnings per share (EPS) and headline earnings per share (HEPS) for the six months ended 30 June 2020 were expected to be more than 20% (45.98 cents) lower than the reported EPS and HEPS of 229.9 cents for the comparable period in the prior year.

The Group has reasonable certainty that EPS and HEPS for the six months ended 30 June 2020 will range between 100 cents to 110 cents, or between 57% and 52%, lower than the corresponding period.

The Group's financial results for the six months to 30 June 2020 will be released via SENS on 31 August 2020.

Any estimated financial information contained in this announcement has not been reviewed or reported on by the Company's external auditors.

On behalf of the Board
Republic of Mauritius

25 August 2020

Sponsor
RAND MERCHANT BANK (A division of FirstRand Bank Limited)
