

Blue Label Telecoms Limited
(Incorporated in the Republic of South Africa)
(Registration number 2006/022679/06)
Share code: BLU ISIN: ZAE000109088
("Blue Label" or "the Group")

Trading statement for the six-month period ended 30 November 2020

Shareholders are advised that the basic earnings per share for the six-month period ended 30 November 2020 will increase by more than 20% in comparison to the six-month period ended 30 November 2019. The table below illustrates the ranges anticipated against the comparative period:

	Nov 2019 cents per share	Range Nov 2020 cents per share	Increase/(decrease) to Nov 2019 cents per share	Percentage Increase/ (decrease)
Earnings per share	34.83	49.23 – 50.62	14.40 – 15.79	41% – 45%
Headline earnings per share	39.98	40.16 – 41.76	0.18 – 1.78	0% – 4%
Core headline earnings per share	43.18	41.84 – 43.56	(1.34) – 0.38	(3%) – 1%

The increase in basic earnings per share was primarily attributable to the disposal of the Group's 47.56% interest in Blue Label Mexico as well as a positive movement from a negative contribution by the retail division of the WiConnect stores in the comparative period to a partial recoupment of losses in the current period. A decision was made to cease the operations of the WiConnect retail stores in the prior financial year.

The performance of the Blue Label Group remains resilient in an adverse economic environment. In spite of the Covid-19 pandemic, the Group has continued to deliver essential services, including electricity, airtime, data and other digital services, as well as providing financial transactional services, which have not been negatively impacted. Cash flow generated by the group strengthened, with cash generated from operating activities amounting to R970 million in the current period.

Core headline earnings for the current period amounted to R376 million, of which R351 million related to continuing operations and R25 million to discontinued operations. On exclusion of non-recurring income pertaining to foreign exchange gains of R22 million, core headline earnings from continued operations amounted to R329 million, equating to core headline earnings of 37.35 cents per share.

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

Sandton

16 February 2021

Sponsor: Investec Bank Limited