The past 18 months have been unlike any other in living history for the world and its economies. The rapid spread of Covid-19 and the measures implemented in an attempt to counter its destructive wake have had significant and far-reaching consequences for millions of lives.

Phillip Vallett
Chairman of the Company
In addition to a dramatic loss of life, the ongoing economic and social disruption has had a devastating impact on tens of millions of people. Across the globe, people are at risk of falling into extreme poverty and losing their livelihoods as countless organisations face hardship and potential closure.

As if Covid-19 was not enough, we are also facing the stark reality of climate change. In our business we now need to focus extensively on the reduction of carbon emissions which is a particular responsibility in our business as a logistics provider.

This reality of vulnerability, volatility and uncertainty placed great demands on the management and staff of Super Group. With parts of our logistics and supply chain businesses providing essential services, thousands of our people, including the most senior executives, were called upon to keep working as infections surged, whilst certain administrative functions had to quickly adapt to working from home. Our staff have patiently embraced new health and safety protocols and worked diligently to balance their increased family obligations with work ones. The business leadership and workplace presence throughout this time was noteworthy and exceptional.

RESILIENCE, FLEXIBILITY AND FOCUS

The manner in which our over 13 000 people pulled together in the face of this crisis has been remarkable and I am proud of the tremendous solidarity and common purpose that has characterised the teams working tirelessly across our 21 countries of operation.

Their resilience, flexibility and focus are reflected in the Group’s outstanding performance for the year ended 30 June 2021. Despite the many operational challenges faced, the Group increased revenue, operating profit, profit after tax, earnings per share and headline earnings per share. This financial performance is a direct result of the rightsizing of operations and tactical adjustment of business models undertaken in the early stages of the pandemic.

On the back of this stellar performance and the Group’s strong balance sheet at year end, the Board has taken the decision to declare a cash dividend for the year ended 30 June 2021 of 47 cents per share. This is a watershed moment and is reflective of the exceptionally competent and diligent re-building of the Group over the past twelve years. This dividend represents a new commitment and era in the regeneration of Super Group and we will continue to strive for market and sector leading financial and operating performance and growth into the future.

THE GROUP’S OPERATING CONTEXT

Super Group operates primarily in South Africa, Australasia, the United Kingdom and Europe, all of which have felt the impact of Covid-19 related economic upheaval to varying degrees. While the global economy is expected to grow in 2021 and 2022, emerging market and developing economies will continue to struggle. In low-income countries where vaccinations have lagged, the effects of the pandemic have sadly reversed poverty reduction efforts and aggravated insecurity and other long-standing challenges.

In South Africa, the pandemic and subsequent lockdown restrictions caused significant disruptions to an already fragile economy. This was particularly evident in a number of the key industries in which we operate, including liquor, QSR, forecourts, hospitality and leisure. While economic activity has increased somewhat in line with the easing of lockdown restrictions, further infection waves have seen certain restrictions reinstated, hampering any significant recovery in these sectors. A resurgence in load shedding, rising unemployment and social unrest continue to hamper hopes of a substantial economic recovery in the short-to medium-term.

Across the EU, the improving health situation and the subsequent easing of lockdown restrictions is driving a return of economic activity to pre-Covid trading levels. The contraction of these economies from July 2020 to the second quarter of 2021 was partially moderated by an effective virus containment strategy and vaccination progress across EU member states. This allowed them to reopen their economies to the benefit of service sector businesses. A rebound in consumption is slowly evidencing and is expected to outweigh the temporary production input shortages and rising costs hitting parts of the logistics and manufacturing sectors.

Australia’s economic activity has seen a steady recovery towards pre-pandemic levels, with rising levels in labour demand, construction and business investment. There is also a significant upturn in manufacturing and services activity at a national level.

ENTRENCING AN ESG DRIVEN MINDSET

The Covid crisis has presented remarkable challenges for our leadership, who were called on to identify, implement and reinforce solutions at an extraordinary scale and pace. Our executives were required to align corporate action with societal obligations more closely than ever before. Empathy became crucial in making operational and strategic decisions because of their impact on the social welfare and well-being of others.
Our ESG philosophy is based on the strong belief that people, planet and prosperity are interconnected. Our strong governance and robust risk and compliance frameworks build resilience and ensure legitimacy. Creating and maintaining a safe and healthy working environment drives productivity and efficiency and managing environmental impacts ensures that customers and communities are well served into the future. This philosophy served us well as we worked through the Covid pandemic to keep our employees, communities, and suppliers safe, while continuing to meet the commercial requirements of our clients and customers. These philosophies were also fundamental to the decisive and prompt manner in which Super Group was fully re-operational within 7 days of the recent unrest in KwaZulu-Natal, South Africa.

The importance of our ESG strategy was undoubtedly heightened by the pandemic and reinforced our commitment to meeting the needs of a broad range of stakeholders who rightly expect responsible behaviour and the assurance that operations are conducted effectively and sustainably. With human needs intensified and deteriorating living conditions for so many, our community outreach work and social responsibility projects were of critical importance. For the year ended 30 June 2021, Super Group spent R17.7 million on CSI projects – expanding the scope of our involvement to include initiatives that provided disadvantaged communities with access to masks, sanitisers and screening and testing facilities. For more detail on the Group’s corporate governance, sustainability and environment practices see page 78.

Super Group is continuously working to integrate environmental, social and governance perspectives into all strategies, business models, processes, policies and systems. The Group retained its Level 2 B-BBEE accreditation in South Africa.

LOOKING AHEAD

While much has been lost by so many in the last 18 months, it is also worthwhile to reflect on what has been gained – and what has been learnt. In an industry that is always evolving, the global pandemic has spurred the Super Group businesses to be more agile, more creative and inventive than ever before. Technological developments and digitisation projects were fast tracked and created new trading platforms across all three Super Group divisions. It has also crystallised the Group’s purpose to impact all of our customers and stakeholders in a tangible and positive manner, delivering service excellence and commitment across all business operations and regions.

In a world still reeling from the aftershocks of an unprecedented Covid-19 pandemic, this purpose is more critical than ever.

I have no doubt that whatever the new normal may look like, mobility and supply chain solutions will be key to the global economic recovery and the easing of immense human suffering. Super Group will remain at the forefront of these trends in all its target markets.

BOARD CHANGES

As announced previously, Mr Valentine Chitalu was appointed as Lead Independent Director effective 30 September 2020. Effective 1 October 2020 Ms Pitsi Mnisi and Mr Simphiwe Mehlomakulu were appointed to the Board as Non-Executive Directors. Ms Mnisi was also appointed as a member of the Group Audit Committee, Group Risk Committee and Chairperson of the Group Social and Ethics Committee.

APPRECIATION

I have long believed that a smooth sea never made a skilled sailor. This has rung true again this past year as the people of Super Group faced one storm after another. I accordingly wish to extend my sincere gratitude to Peter Mountford and his executive team for their courage, foresight and tenacity as they navigated the business through unchartered waters to deliver an excellent set of results.

Likewise, my sincere thanks go to all employees for their extraordinary display of agility, resolve and responsiveness. Our hearts go out to the families of those who have lost loved ones.

For their steadfast commitment and support, I express my thanks to our shareholders and all of our stakeholders. My appreciation also goes to my fellow Board members for maintaining the high degree of confidence in and continued commitment to the welfare of Super Group.

Phillip Vallet
Chairman of the Company
30 September 2021