

# 2024 Results Presentation

For the 52 weeks  
ended 30 June 2024



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# Operational Review

Pieter Engelbrecht  
Chief Executive Officer



# Executing with **purpose and precision** in FY24



**Recognised as a Top Employer for 2024 by the Top Employers Institute and an Employer of Choice in the SAGEA\* Employer Awards**

\*South African Graduate Employers Association



**Shoprite goes Hyper with Checkers Sixty60**

Retail giant takes bold step into online general merchandise, squaring up to the likes of Amazon, Takealot, Shein and Temu

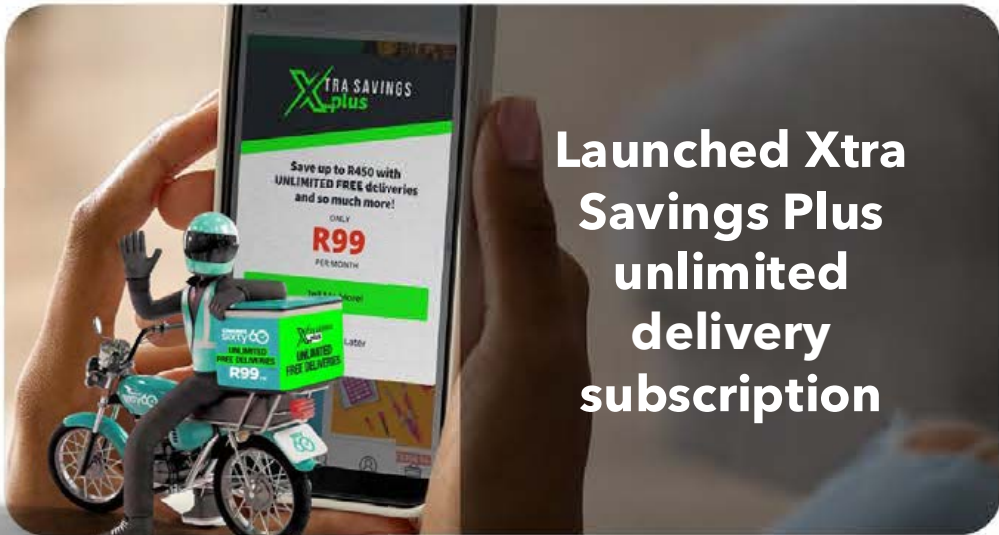
**Launched new general merchandise home delivery service**



**Employed 6 490 new team members and opened 292 net new stores**



**Shoprite Group named Company of the Year at the News24 Business Awards**

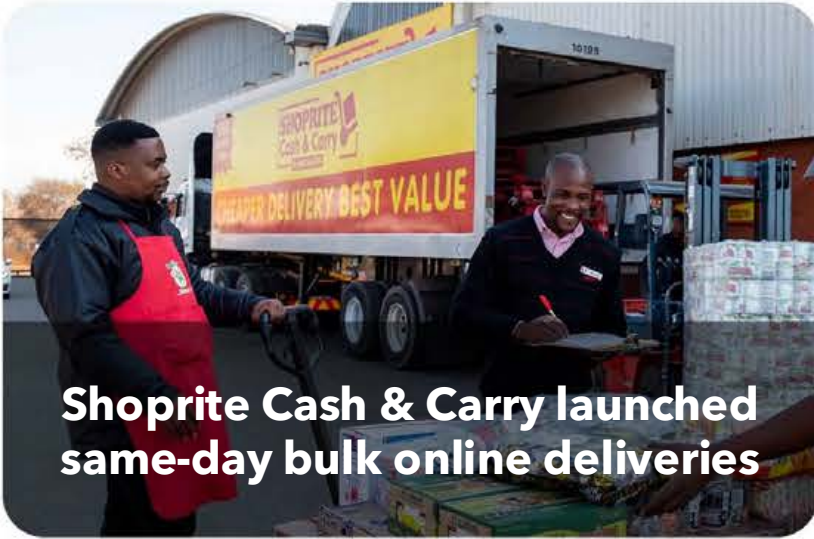


**Launched Xtra Savings Plus unlimited delivery subscription**



**Xtra Savings named best loyalty programme in Africa at International Loyalty Awards 2023**

# Executing with **purpose and precision** in FY24



Shoprite Cash & Carry launched same-day bulk online deliveries



Proud supporter of Team South Africa



17 private label brand awards, including 12 golds at the Food and Home Awards



Employee Trust payouts surpassed R500 million, 2 years since launch



Sixty60 continues to delight and inspire South Africans as an iconic brand



Won 36 marketing and innovation awards in the past year



Opened 63 net new outlets in retail adjacencies in the year (Pet, Baby, Outdoor and Clothing)

# Industry-leading performance

**+R25.8bn**  
additional sales



**Sales**  
**R240.7bn**



**Gross profit**  
**R57.8bn**  
**+11.7%**



**Trading profit**  
**+12.4%**



**Sales growth**  
**+12.0%**  
**+6.3% Like-for-like\***



**Gross margin**  
**24.0%**



**Dividend**  
**712c**  
**+7.4%**

\* Like-for-like sales growth constitutes pro forma financial information in terms of the JSE Limited Listings Requirements.

# New customers, bigger baskets and higher volumes: 64 months of market share gains



**Customer visits**  
**+4.5%**



**Basket size**  
**+6.9%**  
**ZAR**



**Products sold**  
**7.4bn**  
**+4.5%**

# Multi-year platform investment delivering consistent results

3-year snapshot: Growth on key metrics **FY21 vs FY24**

	2021	2024	Growth	% Growth
 <b>SALES*</b>	R167.8bn	R240.7bn	<b>+R72.9bn</b>	<b>+43.4%</b>
 <b>OTHER OPERATING INCOME**</b>	R2.4bn	R4.3bn	<b>+R1.9bn</b>	<b>+79.2%</b>
 <b>DIVIDENDS</b>	R3.0bn	R3.9bn	<b>+R0.9bn</b>	<b>+30.0%</b>
 <b>STORE NETWORK*</b>	2 895	3 639	<b>+744</b>	<b>+25.7%</b>
 <b>XTRA SAVINGS MEMBERS</b>	20.3m	31.0m	<b>+10.7m</b>	<b>+52.7%</b>
 <b>SIXTY60 DELIVERIES</b>				<b>+530.2%</b>

\* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

\*\* Restated for the adoption of IFRS 17: Insurance Contracts.

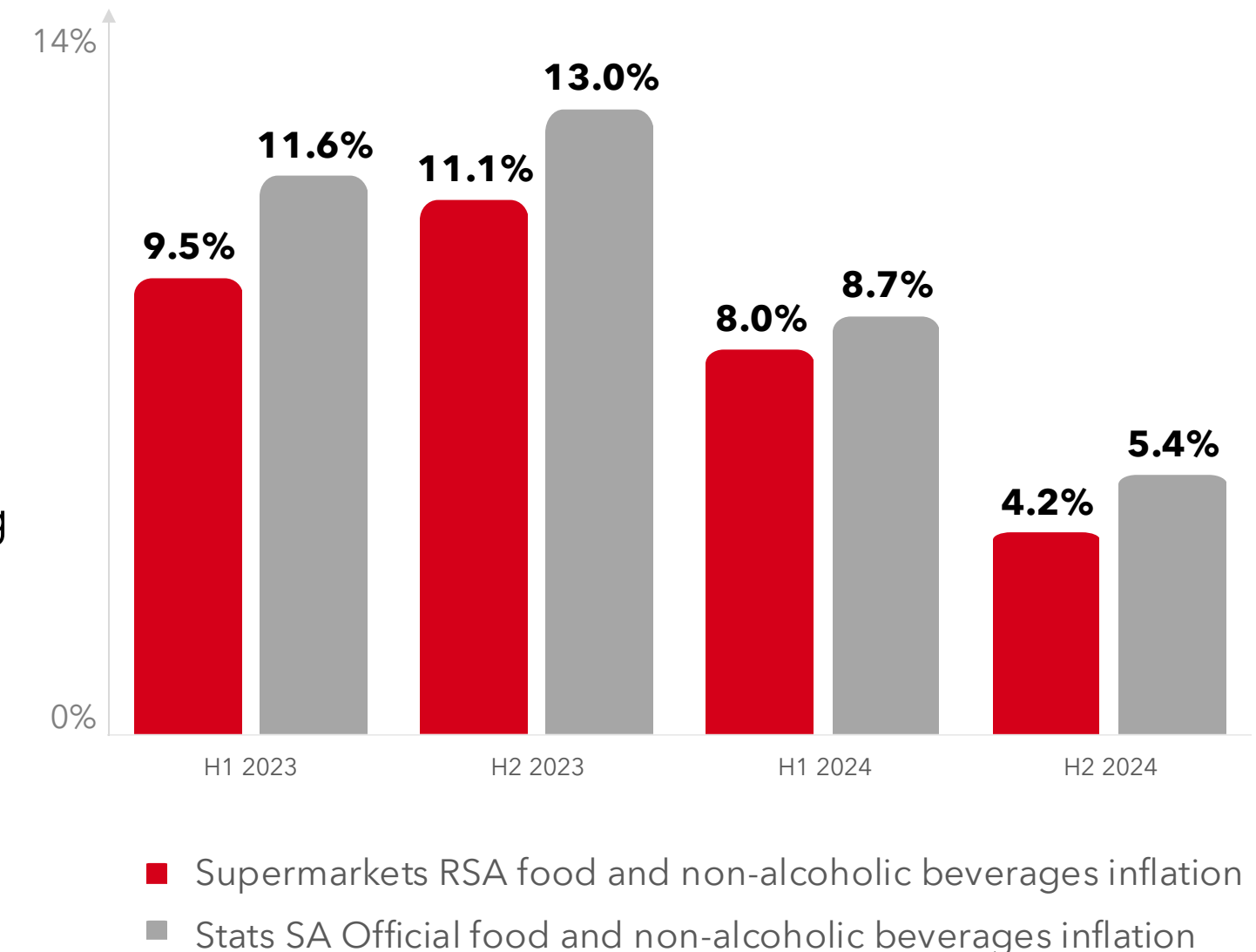


# Winning with customers, **outpacing competitors**

## Supermarkets RSA sales growth **+12.3%** (+6.3% like-for-like\*)

- Almost 2x the pace of the rest of market\*\*
- Sales growth excluding Massmart acquisition +10.5%
- Checkers remains the fastest growing grocer in the premium food segment
- Sixty60 online sales growth surged +58.1%
- Usave sales increased 13.2%
- LiquorShop sales growth of +20.0% resulting in strong market share gains
- Internal inflation remains below official food inflation, shielding consumers facing higher interest rates and rising unemployment
- 14-year food inflation highs in prior year moderated to just 3.1% in June 2024

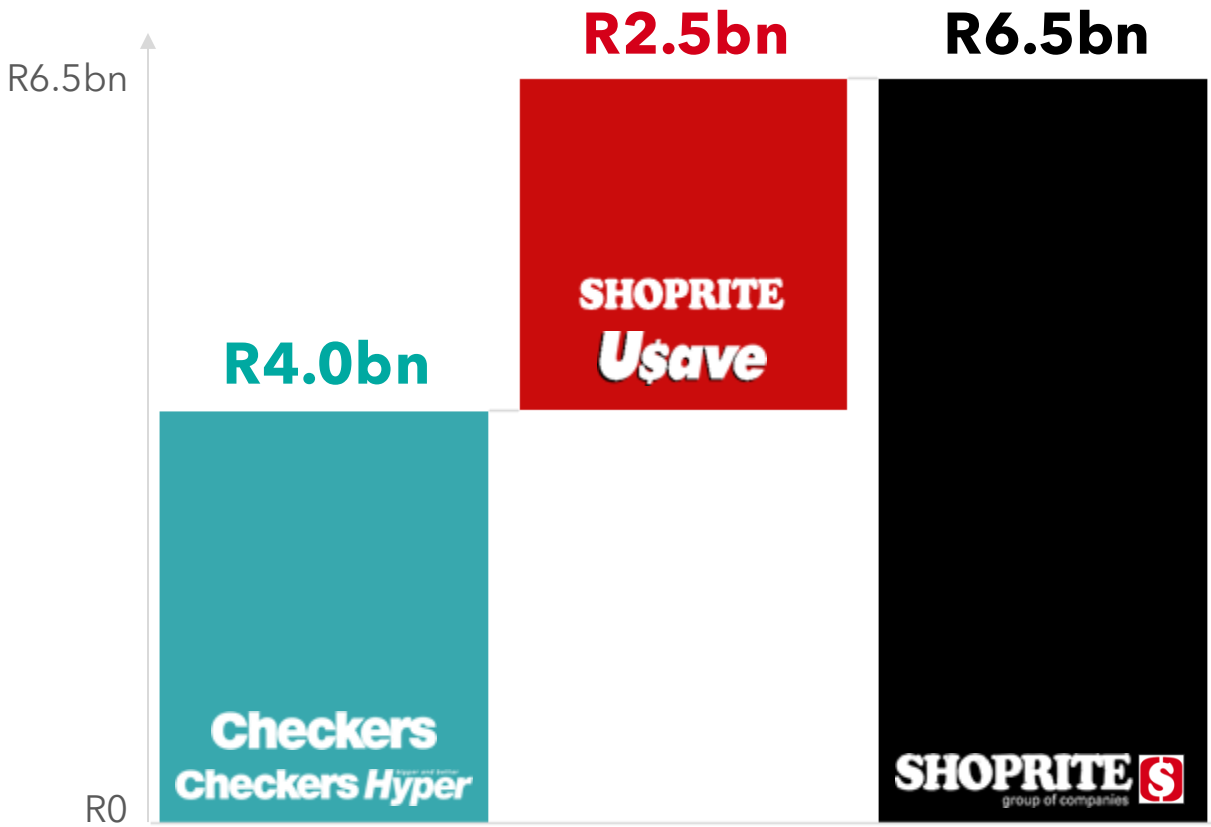
## Supermarkets RSA internal inflation vs Official food inflation



# Execution against strategy driving strong growth

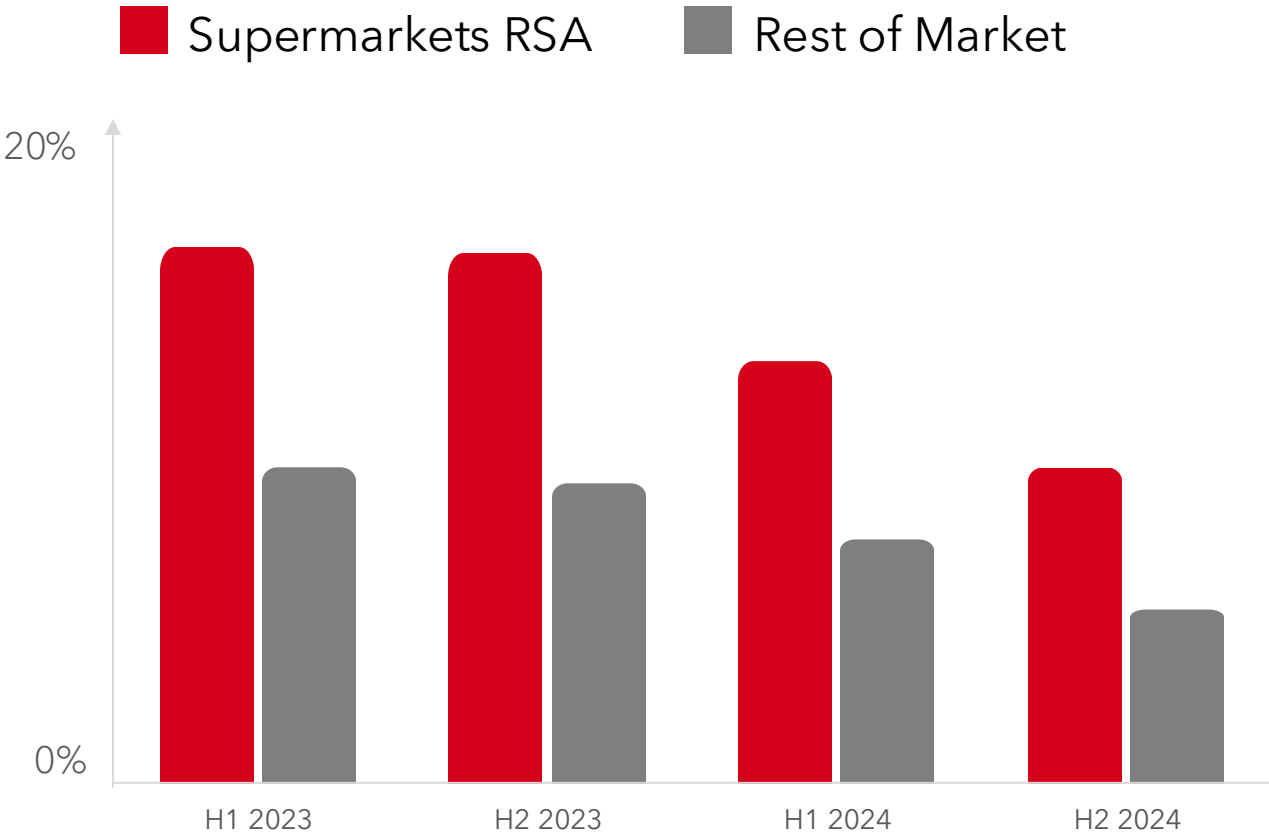
- Significant market share gains supported by:
  - ✓ Customer obsession and operational excellence
  - ✓ Multi-year 'Smarter Shoprite' data and tech investments
  - ✓ New/upgraded store experience and better on-shelf availability
  - ✓ Fresh foods development and cold chain capabilities

## 2024 market share gain quantified



Supermarkets RSA annual market share gain (NielsenIQ, 52 weeks June 2024)

## Sustained sales growth ahead of Rest of Market



Supermarkets RSA sales growth vs Rest of Market by half (NielsenIQ)

# Africa's most **accessible** and **affordable** retailer

**PROMISE**

LOWER PRICES YOU CAN TRUST *Always*

**THE R5 BREAD PROMISE**

BAKED FRESH DAILY

**R5 CARESS**  
CARESS  
CAREING FOR YOU  
MAXI  
SANITARY PADS  
REGULAR  
with WINGS

**AFFORDABILITY OBSESSION**

**92.3m**

R5 products subsidised each year

**INSTANT CASH SAVINGS**

**R16.9bn**

+24.0% in Xtra Savings discounts in FY24

**WIN-WIN-WIN PROMOTIONS**

**35.3%**

promotional sales contribution (+2.6pp)

**SAVE NOW**

# Winning brand portfolio with distinct customer propositions

## SHOPRITE

### Africa's low-price grocery leader

Lowest prices on trusted grocery brands, without compromising on customer service and product quality for price-conscious customers.

## U\$ave

### Limited assortment food discounter

Proximity-to-home advantage offering a limited assortment of the most popular grocery items at unrivalled affordability for the most price-sensitive customers.

## Checkers

### Best value in fresh and premium foods

Omnichannel market leader in value on fresh, groceries and premium food for upmarket customers.

## Checkers Hyper

### Amplified value on wider ranges

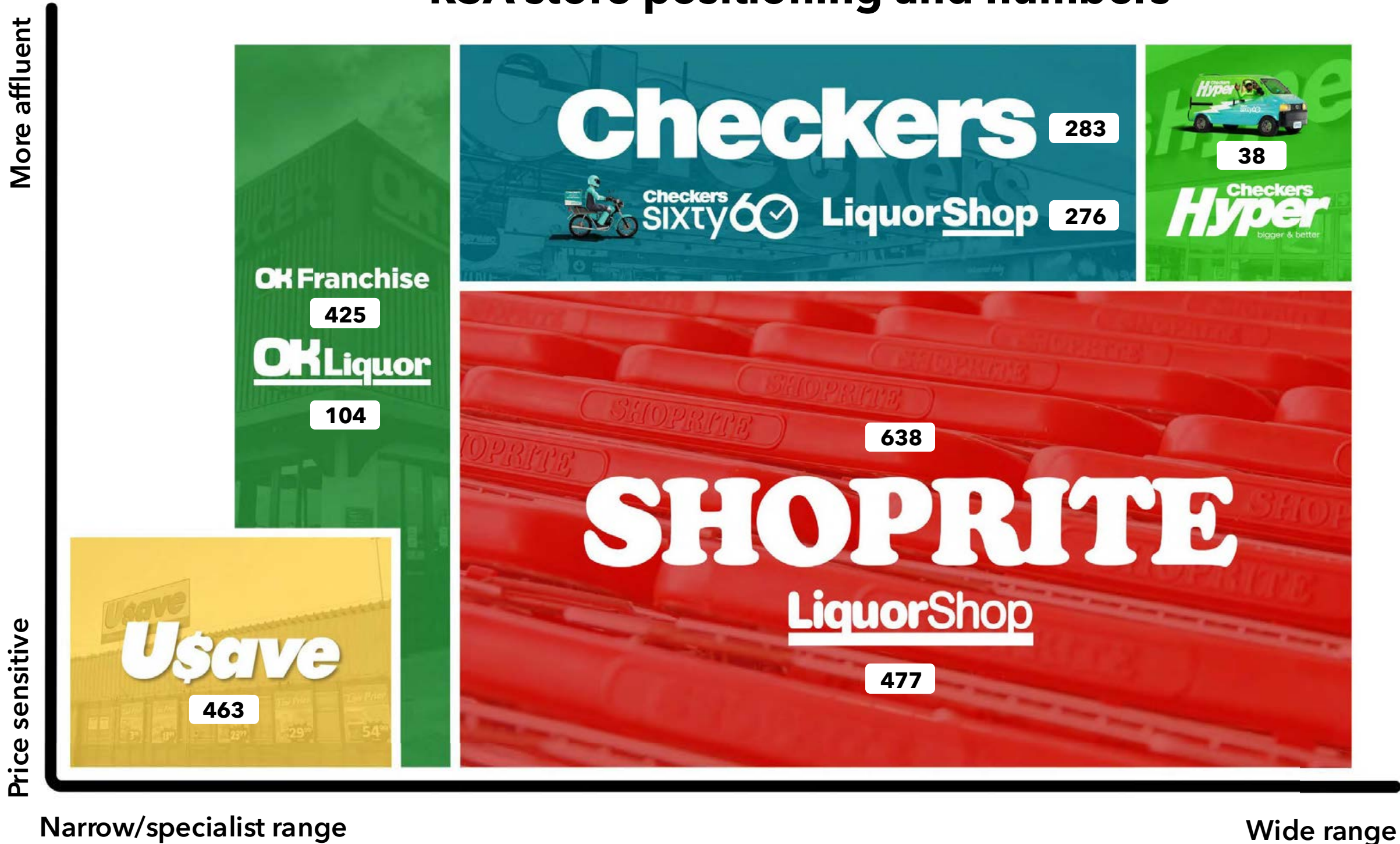
Checkers format with wider ranges in bulk groceries, general merchandise and key categories like pet, baby and electronics.

## OK Franchise

### One-stop convenience shopping

Franchise arm of the Group, offering groceries, fresh foods and liquor closer to communities.

## RSA store positioning and numbers



RSA only, including Franchise stores, excl. K'nect.

# Winning brand portfolio with distinct customer propositions



Upmarket pet shop specialist stocking premium food and pet accessories.



Specialist outdoor store with exclusive ranges of outdoor general merchandise including pool, gardening, camping, braai accessories and tech gadgets for nature enthusiasts.



Specialist baby store with exclusive brands and extended ranges in baby accessories, clothing, food as well as maternity clothing.

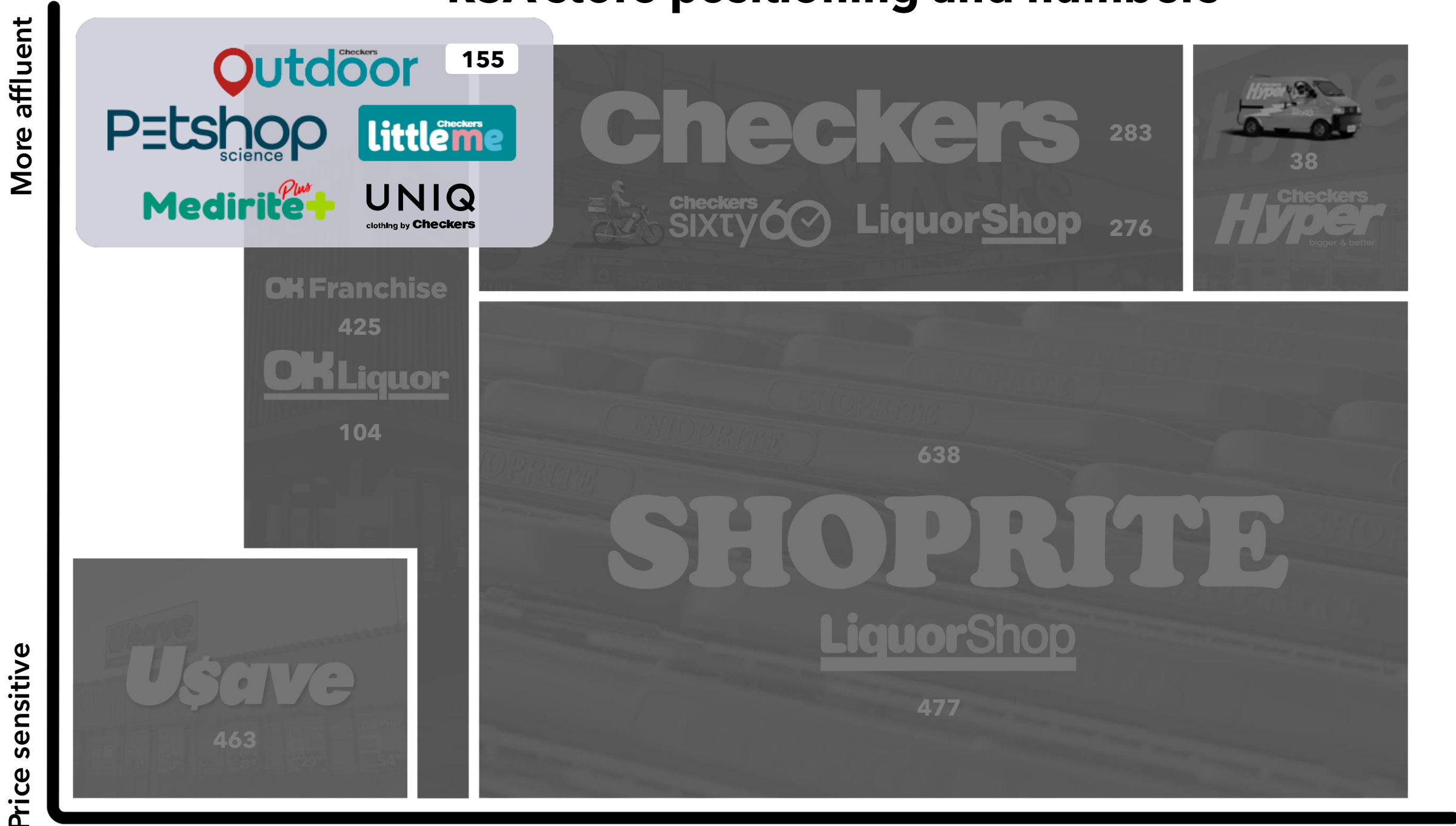


Standalone one-stop health and wellness destination with value across various health and beauty product ranges.



A standalone apparel brand that provides discerning trend-forward customers with premium quality wardrobe basics at great value.

## RSA store positioning and numbers



Narrow/specialist range

Wide range

# SHOPRITE & U\$ave

Supermarkets RSA (excl. liquor)

**R99.6bn**

Sales (excl. LiquorShop)

**10.7%**

Sales growth

**21.5%**

Private label participation  
(excl. liquor)

**19m**

Xtra Savings members





Supermarkets RSA (excl. liquor)

**R77.9bn**

Sales (excl. LiquorShop)

**12.3%**

Sales growth

**20.9%**

Private label participation  
(excl. liquor)

**12m**

Xtra Savings members



# Supermarkets Non-RSA, Other operating segments & Furniture

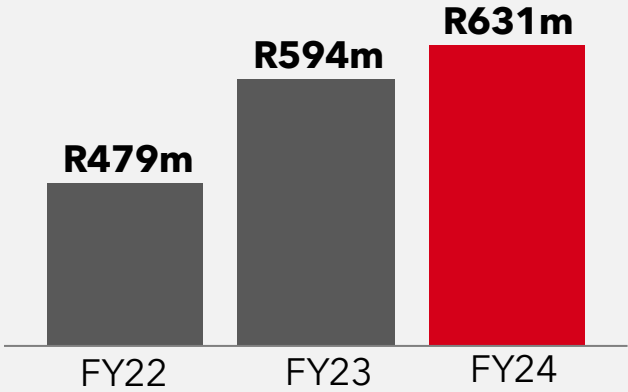
## Supermarkets Non-RSA



The nine countries delivered strong sales growth of 22.1% in constant currencies

- Customer visits +10.4%
- 266 stores (net 15 stores)
- Trading profit +6.2%

Supermarkets Non-RSA trading profit



## Other operating segments



- Transpharm and Medirite increased sales by 15.3%
- OK Franchise gained market share
- 621 stores (net 80 stores)



## Furniture



- Demand for big-ticket durables remains muted amid high interest rates
- 14.9% credit sales participation in line with prior year
- 430 stores (net 4 stores closed)



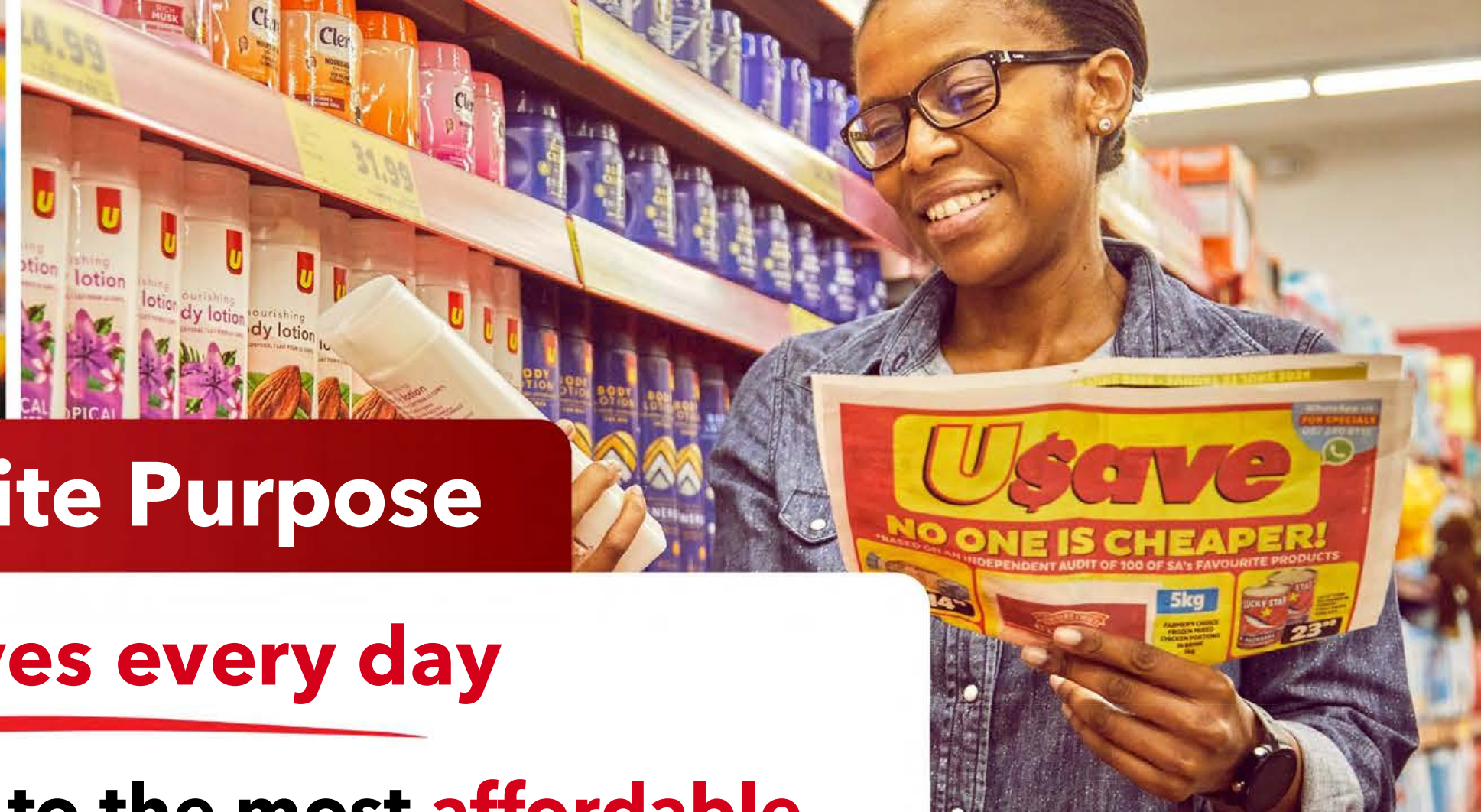


# Strategy Update

Pieter Engelbrecht

Chief Executive Officer

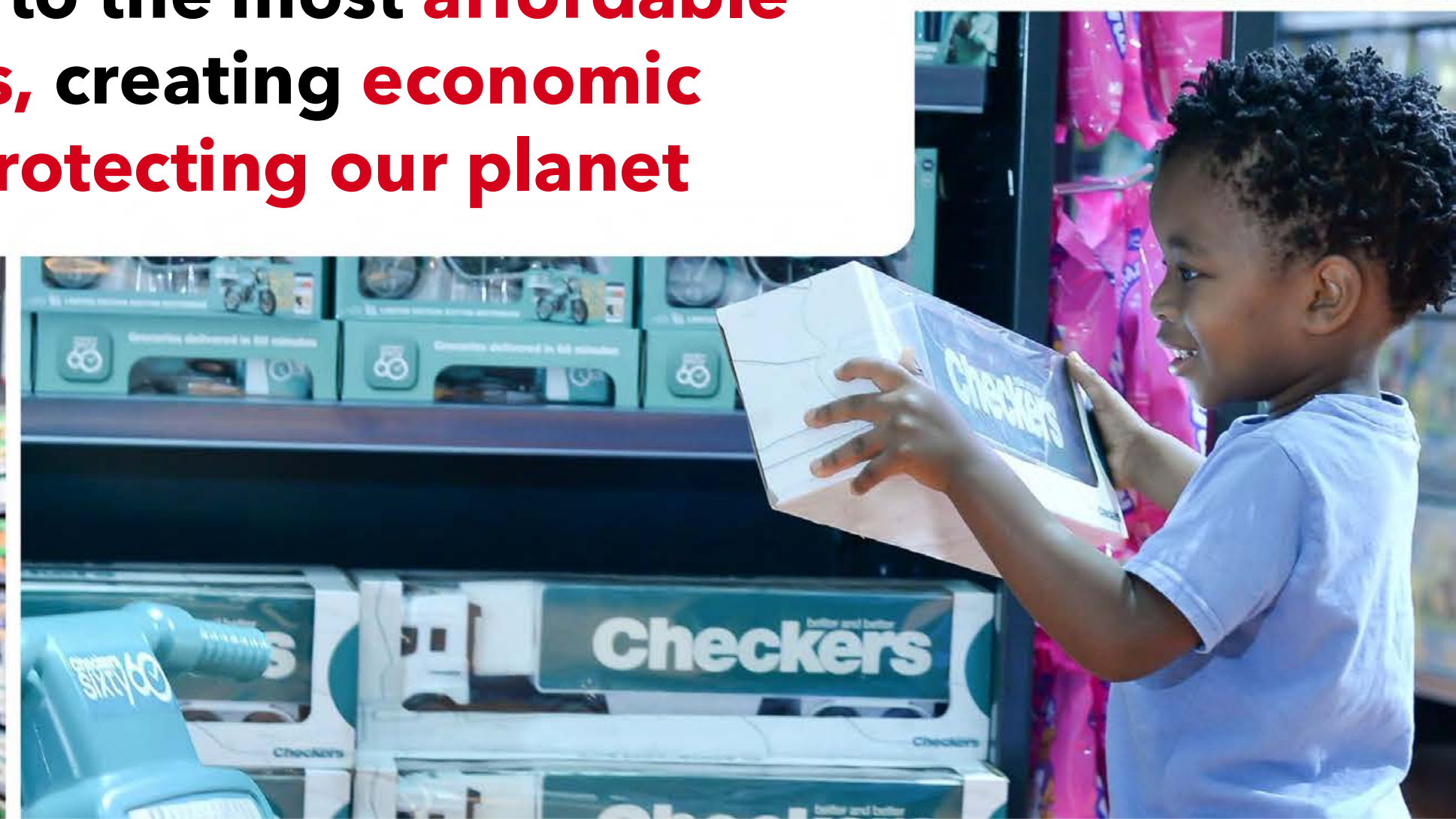




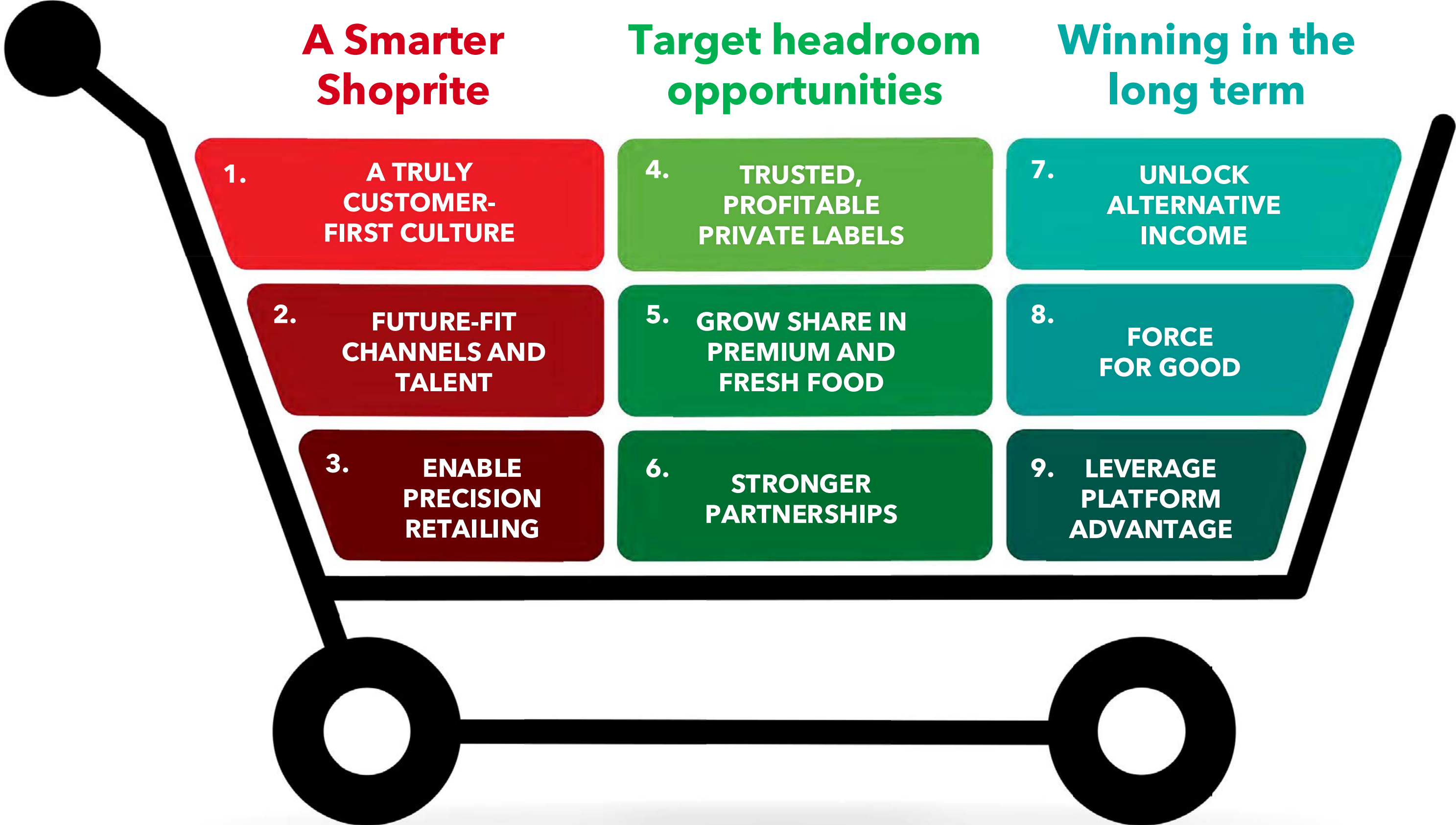
## Our Shoprite Purpose

**Uplifting lives every day**

**by pioneering access to the most affordable goods and services, creating economic opportunity and protecting our planet**



# Strategic priorities for long-term growth



# A truly customer-first culture

## Spotlight on **U\$ave**

- Usave banner represents our extreme customer obsession: pioneering access to affordable essentials (~1 900 product range)
- Star performer in RSA brand portfolio with annual sales growing 13.2%, which accelerated to 14.2% in H2
- Hard-discount, no-frills format located close to consumers homes to eliminate public transport costs
- Price leader: cheapest in RSA on core basket of basic foods in independent audits

**33.6%**

RSA private label participation



**463**

RSA stores targeting

**1 000**

within 5 years

# Enable precision retailing

Enhancing SA's largest customer platform

- ✓ Shoprite<sup>x</sup> continues to invest in tomorrow's retail capabilities
- ✓ Award-winning Xtra Savings rewards programme now most used in SA\*
- ✓ +3.2m new Xtra Savings members in the last 12 months
- ✓ Increased omnichannel spend from Xtra Savings Plus, our first-to-market unlimited delivery monthly subscription



**BEST REWARDS PROGRAMME IN SA**      **BEST REWARDS PROGRAMME IN AFRICA**



# 31m members



**560m**  
swipes

+

**>85%**  
rewards sales contribution

+

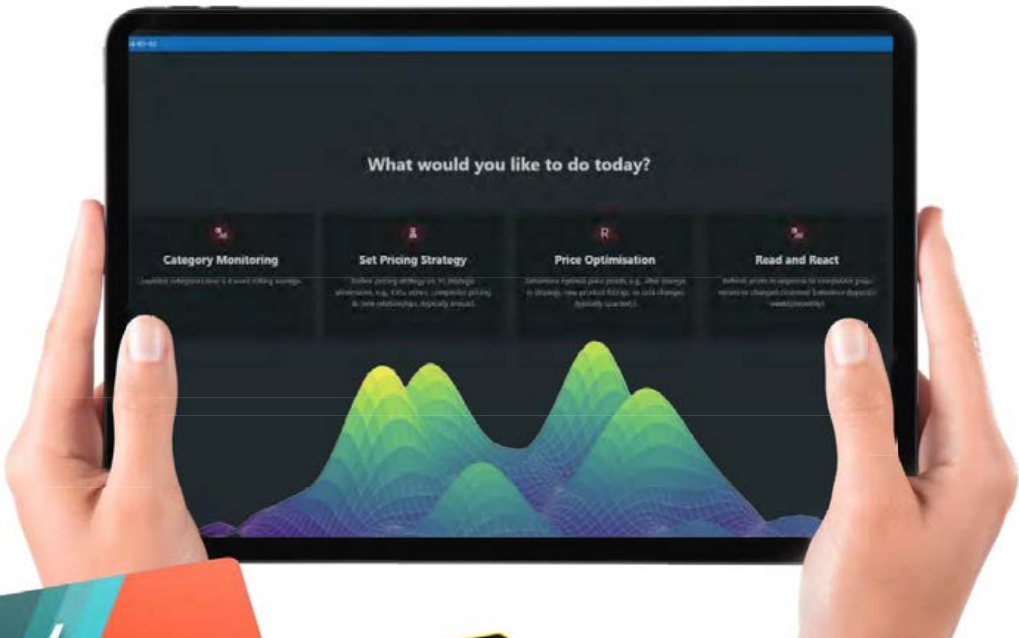
**+5 000**  
data points per member

\*International Loyalty Awards, 2023, South African Loyalty Awards, 2023, Truth Loyalty Whitepaper, 2023

# Enable precision retailing

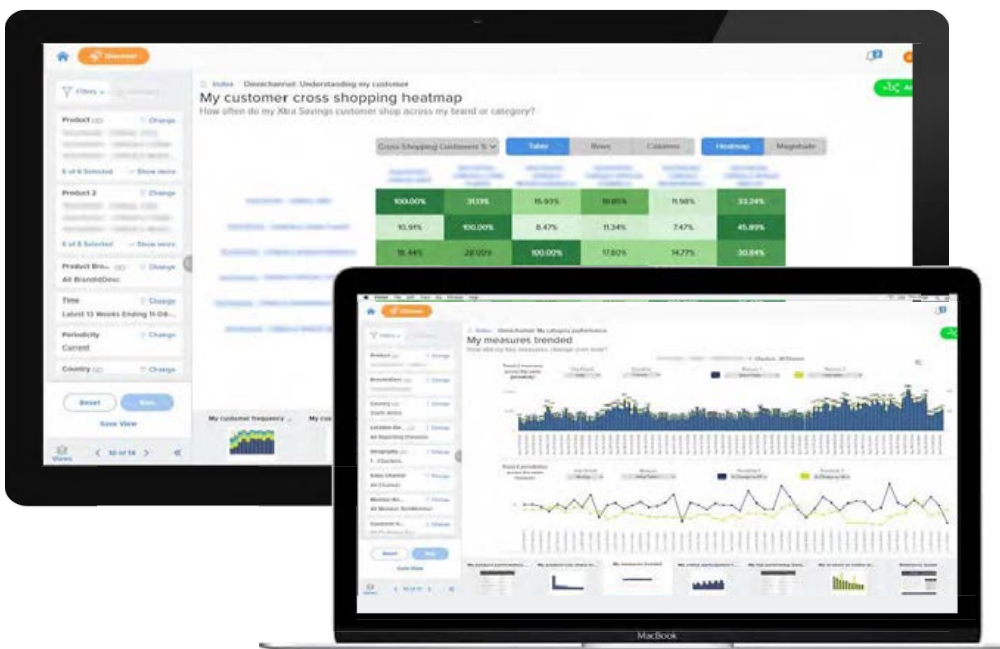
## 1 Smarter pricing & promotions

New AI pricing engine manages 83k item relationships and iterates millions of options for optimal price recommendations



## 2 Smarter assortment

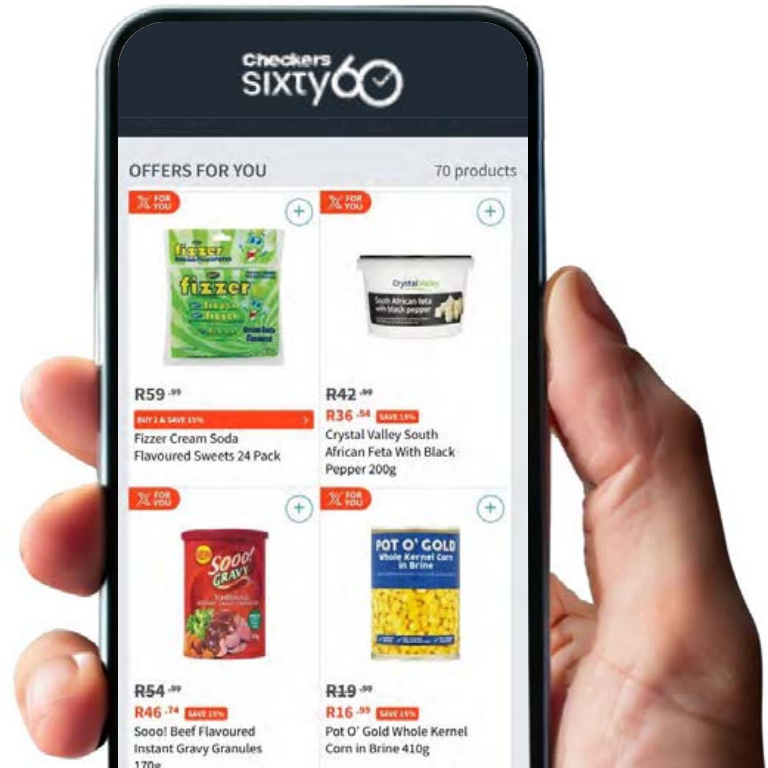
Category management for core retail optimisation: customer-led assortment and ranges



## 3 Personalisation

**11.5bn** personalised product recommendations across 5 direct channels for all members per year

(Web, App, USSD, WhatsApp, Email)



Advanced customer analytics brought in-house from Dec 2023



# Future-fit digital channels

Exceptional online momentum continues

- 1-hour grocery delivery platform, Sixty60, increased sales by 58.1%
- Record rates of customer retention and advocacy despite rising competition
- 11 681 new jobs created since launch
- Now available at 539 locations (+73 sites in the last 12 months)



**Total annual sales value**  
FY20-FY24

+58.1%



FY20

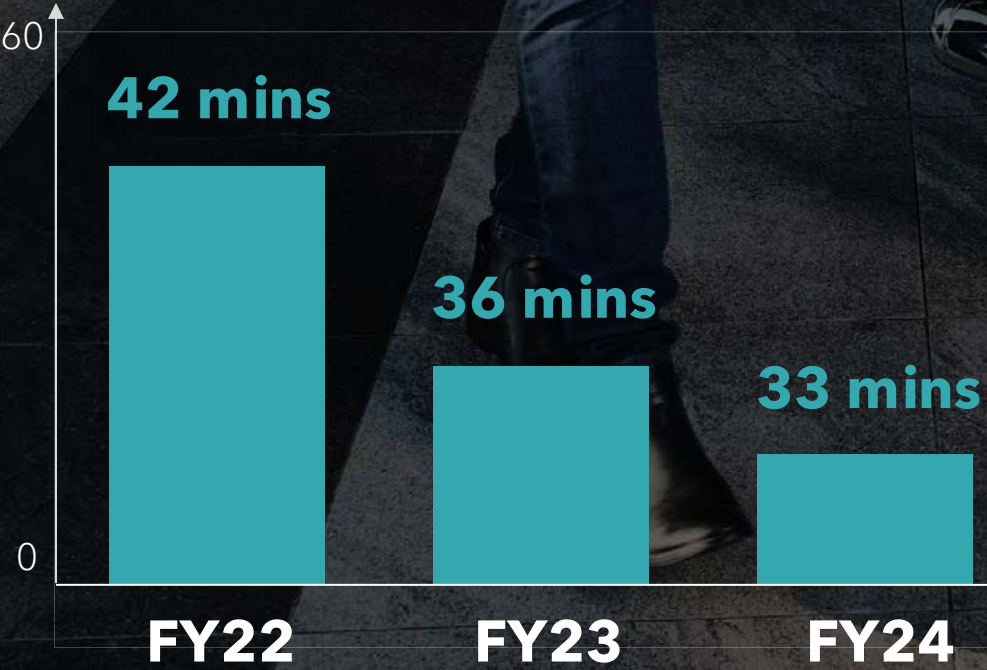
FY21

FY22

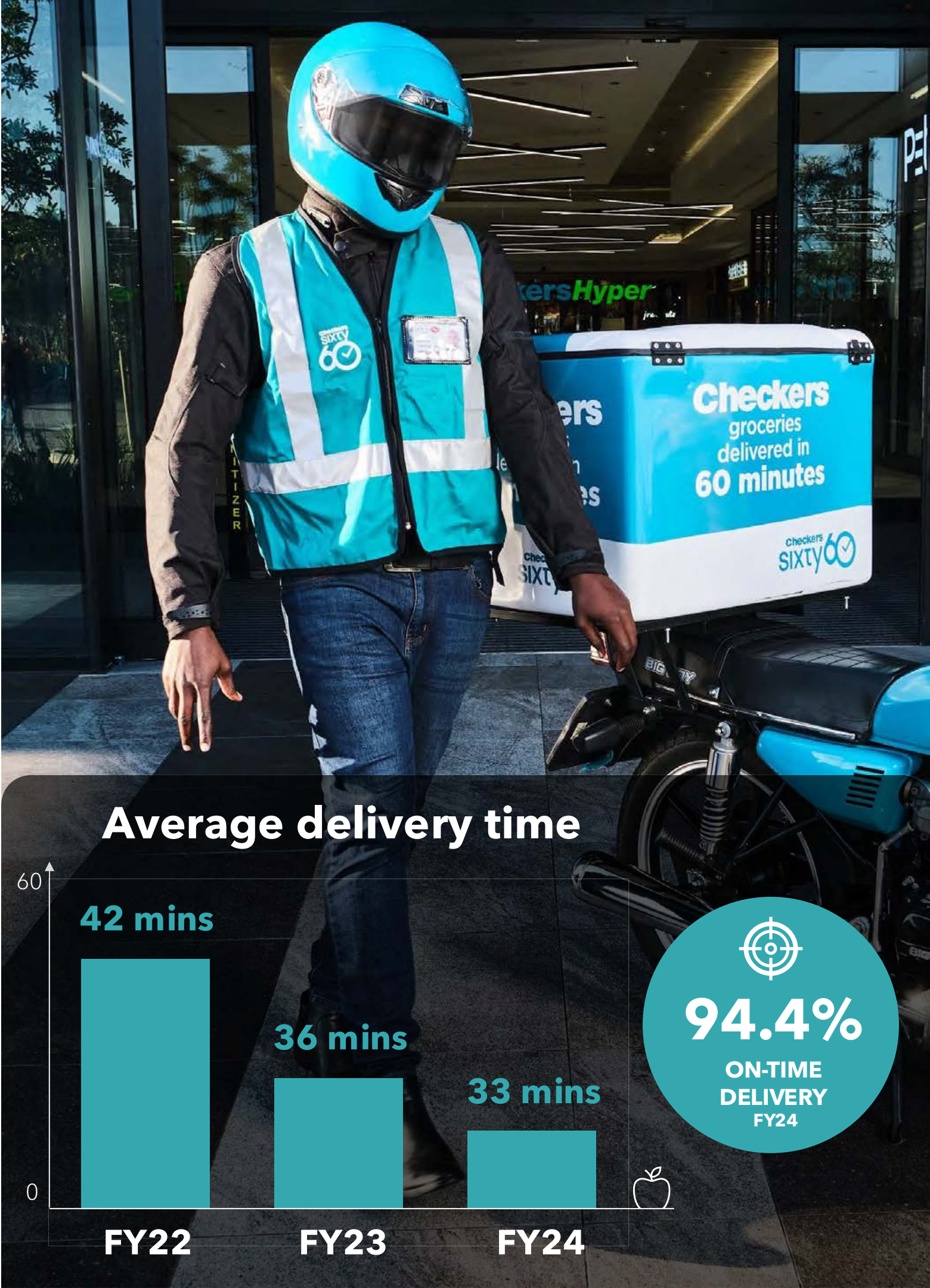
FY23

FY24

## Average delivery time



**94.4%**  
ON-TIME  
DELIVERY  
FY24



# A sustainable digital advantage

SA's largest, most profitable, omnichannel retail platform

- New single app for Checkers and Sixty60 rolling out to all users in Sept 2024
- Single B2C platform offering 10k general merchandise products alongside 60-minute grocery and liquor delivery
- Promising **same-day delivery within a 60-minute window** for larger items



**pingo**  
FAST DELIVERY. ON DEMAND





# Unlocking data-driven **alternative income**

**rainmaker** MEDIA

**Retail Media Network** monetising our omnichannel marketing platform and connecting advertisers with high-intent audiences through targeted, data-driven campaigns with measurable ROI

**REX**  
RETAIL TO THE POWER OF X

**Shoprite's Customer Insights Platform** embedding customer-first thinking with FMCG partners

**MoneyMarket**

Bye bye ordinary hello amazing

Express services

ONLY R4.00 for 30MB + 30 minutes

PLAY HERE

**SHOPRITE** Financial Services

MoneyMarket <sup>m</sup> COMPUTICKET Entry Ninja

SHOPRITE send <sup>s</sup> k'nect <sup>mobile</sup> OUT <sup>STANDARD</sup> pay it.off cred <sup>x</sup>

MoneyMarket <sup>m</sup> account

Enabling **financial inclusion** so that our customers may have an opportunity at a better life

# Building lighthouse **private label brands**

- **RSA private label sales contribution (excl. liquor) increased to 21.3% (+0.4pp)**
- **Building customer loyalty with differentiated own brands**
  - 35 own brands now each exceed R100m in annual sales
  - 96% of all customers now buy into private label brands
  - Homegrown brand sales doubled, helping small businesses grow
  - 90.3% of private label products procured locally



# Stronger partnerships

Winning together with partners aligned to our customer values



**OK Franchise**

- Sales to franchisees increased 23.8%
- Increasing franchise market share\*
- 608 stores (73 net new stores over 12 months)



**Discovery Vitality**

UP TO **75% BACK**  
ON OVER 2 500 HEALTHYFOOD ITEMS

- Checkers introduced as new Discovery Vitality HealthyFood partner from Sept 2024
- Rewards for both in-store and Sixty60 purchases on 2.5k items
- Targeting step-change in fresh food market share

\*Source: NielsenIQ, 52 weeks, June 2024 incl. liquor. Rest of Market universe includes Pick n Pay, Boxer, Spar, Clicks, Woolworths, Dis-Chem, Food Lover's Market, Game, PEP, Kit Kat and OK Foods.

# Global partnerships accelerating innovation

New W23 Global Venture Capital fund together with four global retailers

- Fund will invest US\$125m over five years in the world’s most innovative start-ups and scale-ups with the potential to transform grocery retail and address sustainability challenges



# Investing in retail network capacity for long-term growth

## Increasing supply chain capacity

- Increasing centralised supply chain capacity through our strategic partners\*, adding 200 000m<sup>2</sup> supporting better product availability



## Grow store network for proximity advantage

- Net 292 new stores opened in FY24
- 265 new stores planned in FY25
- Re-platformed point-of-sale system to modernise store checkout with RSA supermarkets to be completed by Nov 2024



\*Strategic partners include Retail Logistics Fund (RF) (Pty) Ltd as well as Equites Property Fund Ltd.

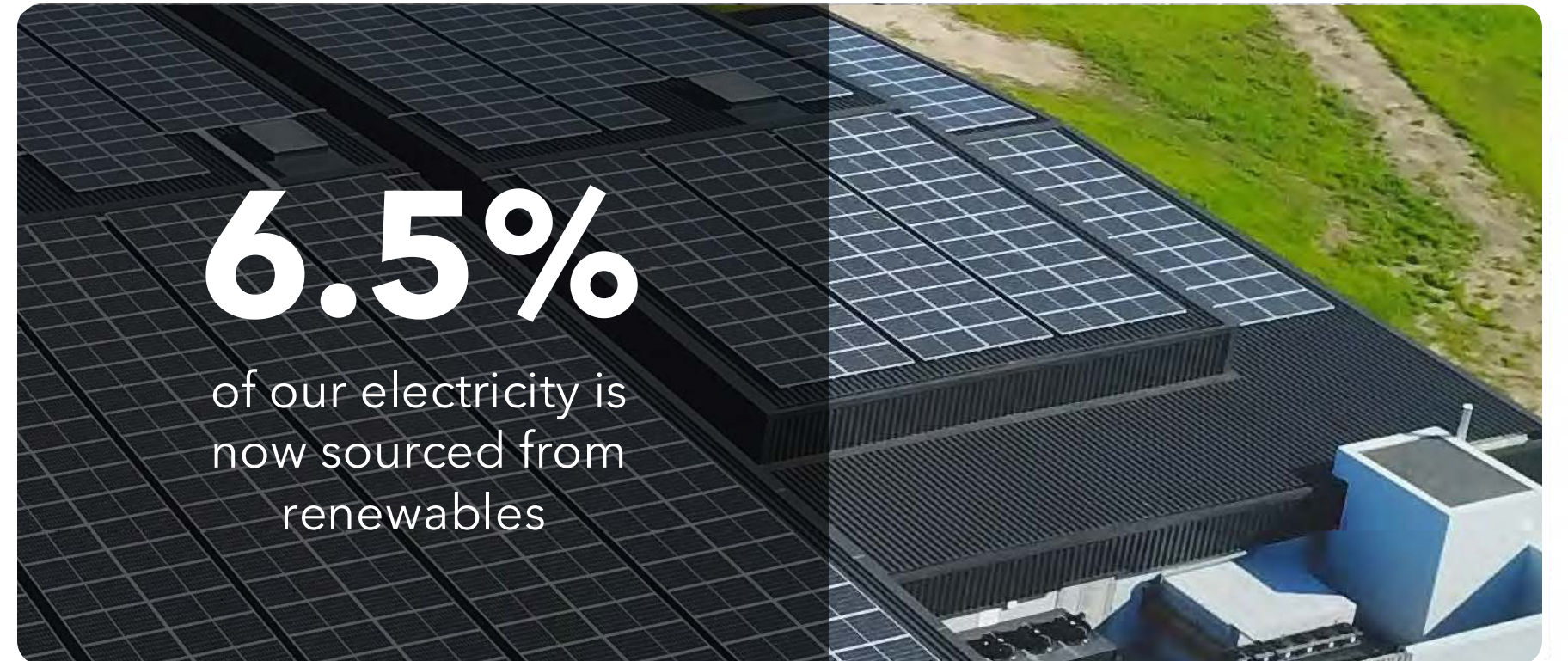
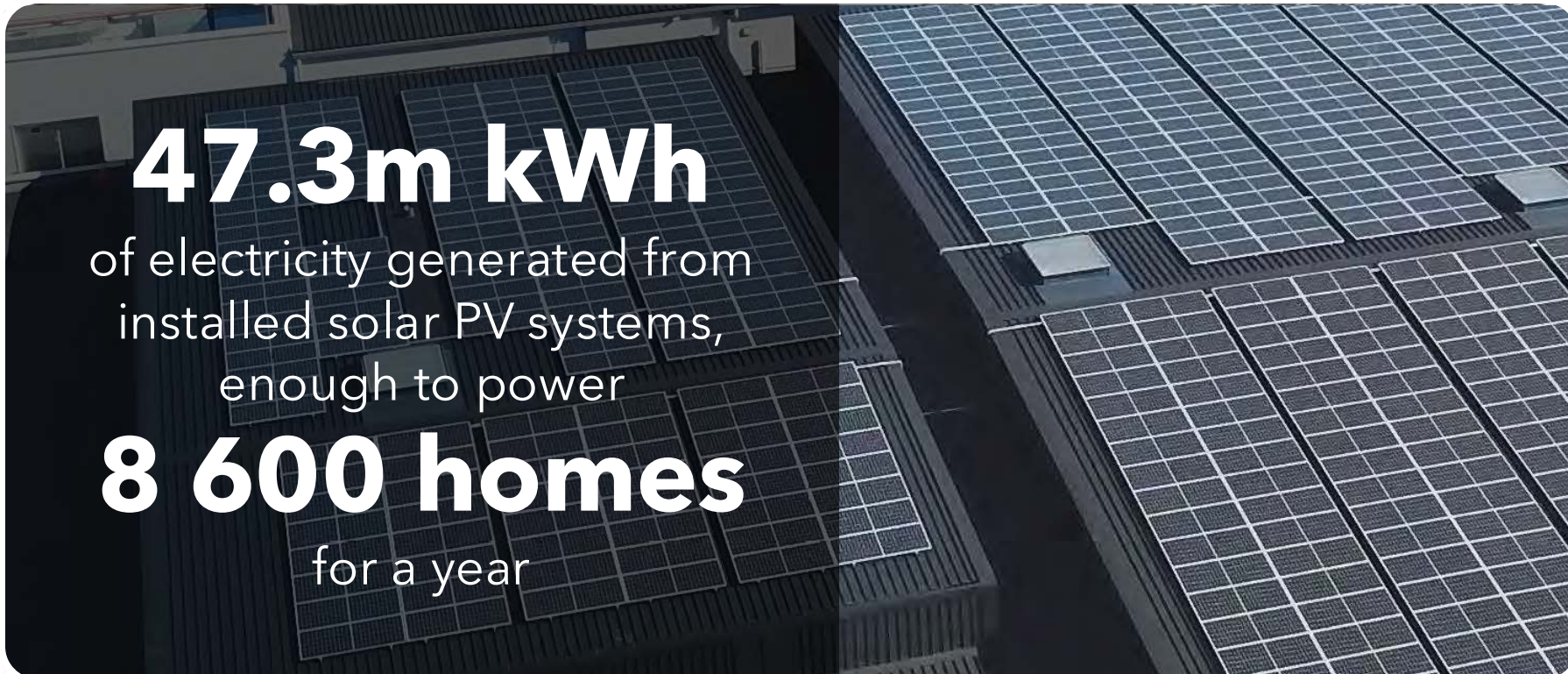
# Social force for good



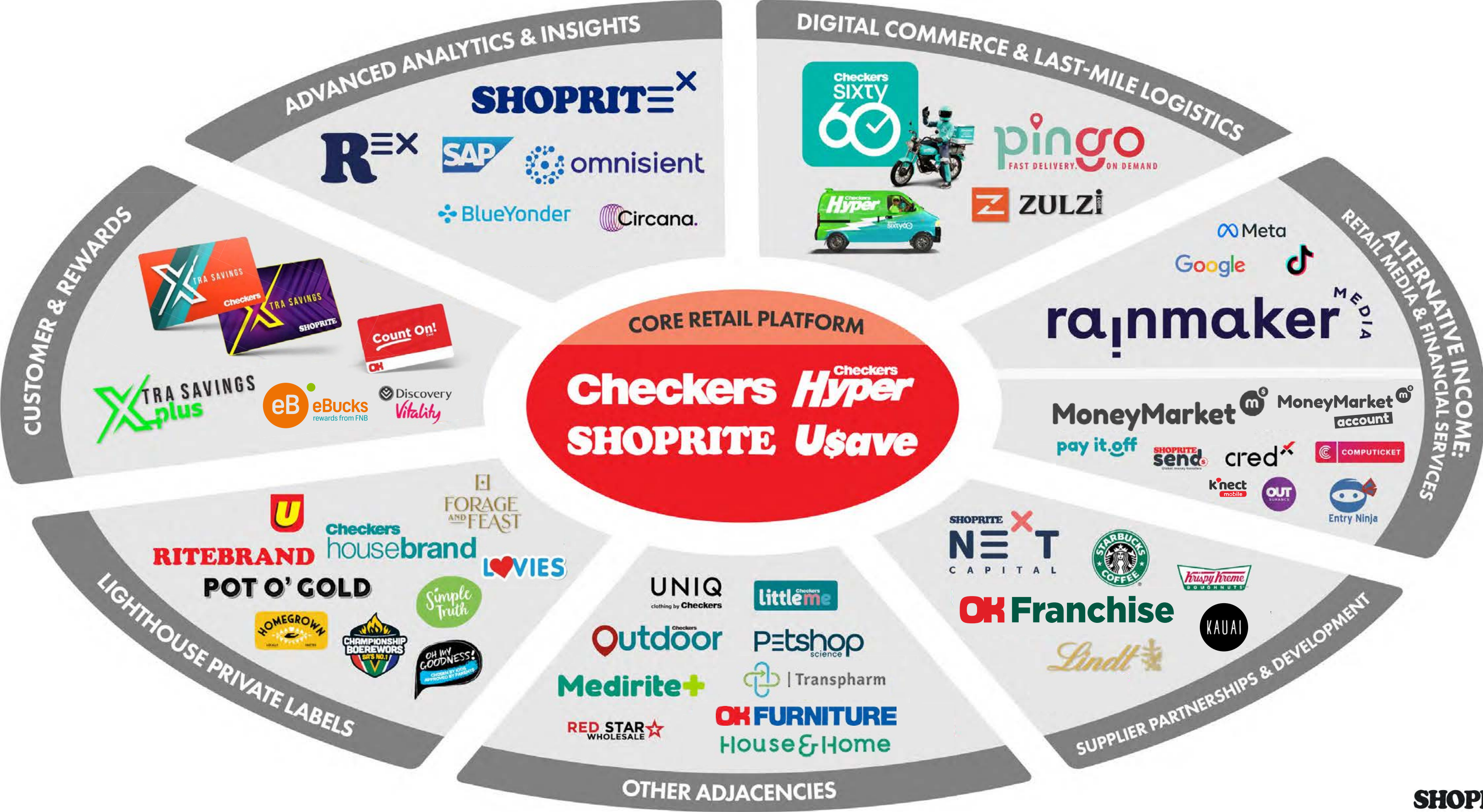
# Environmental **force for good**



Recycled and reused  
**67 094 tonnes**  
of cardboard and plastic



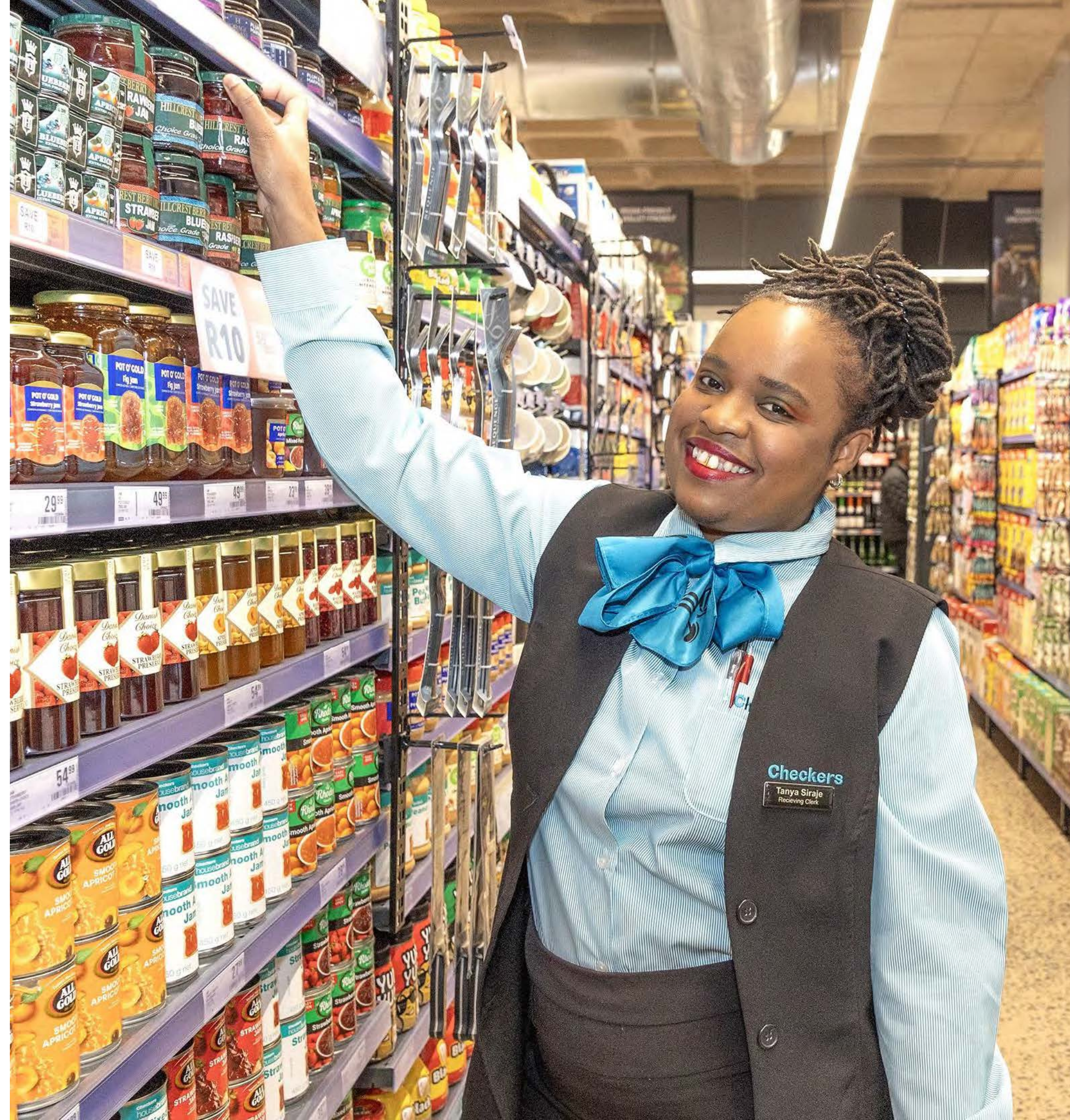
# Leveraging our ecosystem of value





# Financial Results

Anton de Bruyn  
Chief Financial Officer



# Financial highlights



**Sales**  
**R240.7bn**

**+12.0%**  
**+6.3% Like-for-like\***



**Total income**  
**R63.5bn**

**+12.1%**



**Total expenses**  
**R50.1bn**

**+12.1%**



**Trading profit**  
**R13.4bn**

**+12.4%**



**EBITDA**  
**R20.5bn**

**+9.3%**



**DHEPS**  
**+7.4%**

**+4.0%**  
**EPS**



**ROIC excl. IFRS 16**  
**16.3%**

**13.8%**  
**WACC**



**Dividend per share**  
**+7.4%**

**26.0%**  
**ROE**

\* Like-for-like sales growth constitutes pro forma financial information in terms of the JSE Limited Listings Requirements.

# Sales unpacked

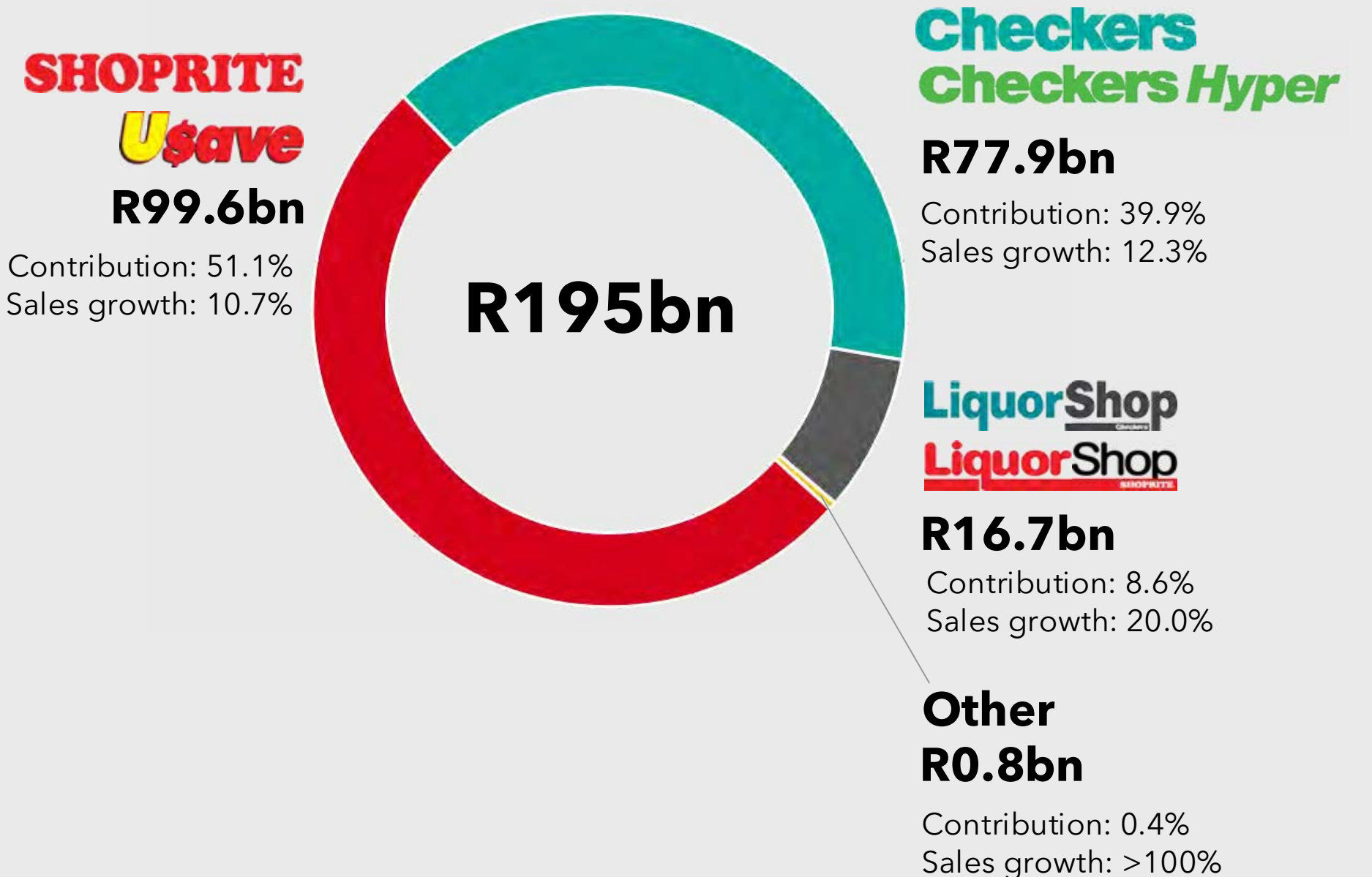
Sales	Change %	2024 Rm	2023 Rm	Like-for-like %
Supermarkets RSA	12.3	195 041	173 634	6.3
Supermarkets Non-RSA	6.1	20 822	19 622	4.3
Furniture	2.3	7 230	7 064	2.0
Other operating segments	21.1	17 718	14 636	11.6
<b>Total continuing operating segments</b>	<b>12.0</b>	<b>240 811</b>	<b>214 956</b>	<b>6.3</b>
Hyperinflation effect		(93)	-	
<b>Consolidated continuing operations</b>	<b>12.0</b>	<b>240 718</b>	<b>214 956</b>	

## Supermarkets RSA notes

- 5.8% Internal selling price inflation
- R5.9bn Sales contribution from Massmart stores
- 10.5% Supermarkets RSA sales growth excl. Massmart

## Supermarkets RSA

Brand contribution and sales growth



# Supermarkets RSA store expansion

	Number of stores 2023	Store movement	Net movement 2024	Number of stores 2024	Confirmed new stores 2025
<b>SHOPRITE</b>	618	1 closure, 21 openings	20	638	34
<b>Checkers</b>	258	1 closure, 26** openings	25	283	38
<b>Checkers Hyper</b>	38	-	-	38	1
<b>U\$ave</b>	441	7 closures, 29 openings	22	463	36
<b>LiquorShop</b> <b>LiquorShop</b>	682	71 openings	71	753	61
<b>Petshop</b> <small>science</small>	53	1 closure, 34 openings	33	86	19
<b>Other</b>	31	1 closure, 31 openings	30	61***	6
<b>Total</b>	<b>2 121</b>	<b>11 Closures: 11 stores</b> <b>212 Openings: 212 stores</b>	<b>201</b>	<b>2 322</b>	<b>195</b>

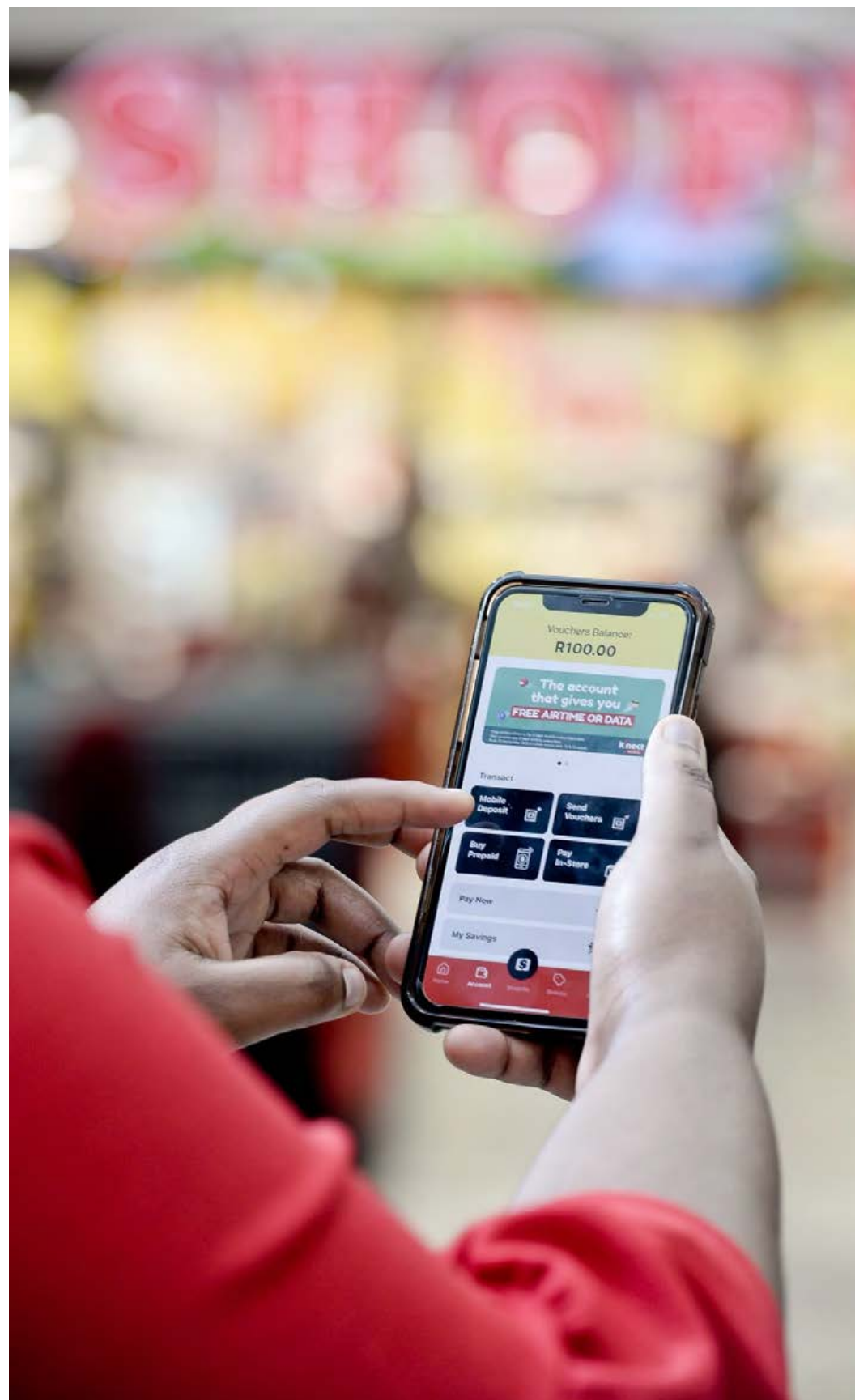
Space growth (m<sup>2</sup>)\*  
2024: 4.5%

\* Space growth represents growth in lettable area (GLA).

\*\* Included in the 26 Checkers store openings are 2 Checkers Foods stores.

\*\*\* Included in other: K'nect (5), Little Me (12), Checkers Outdoor (22) and UNIQ clothing by Checkers (22).

# Trading profit: total income unpacked



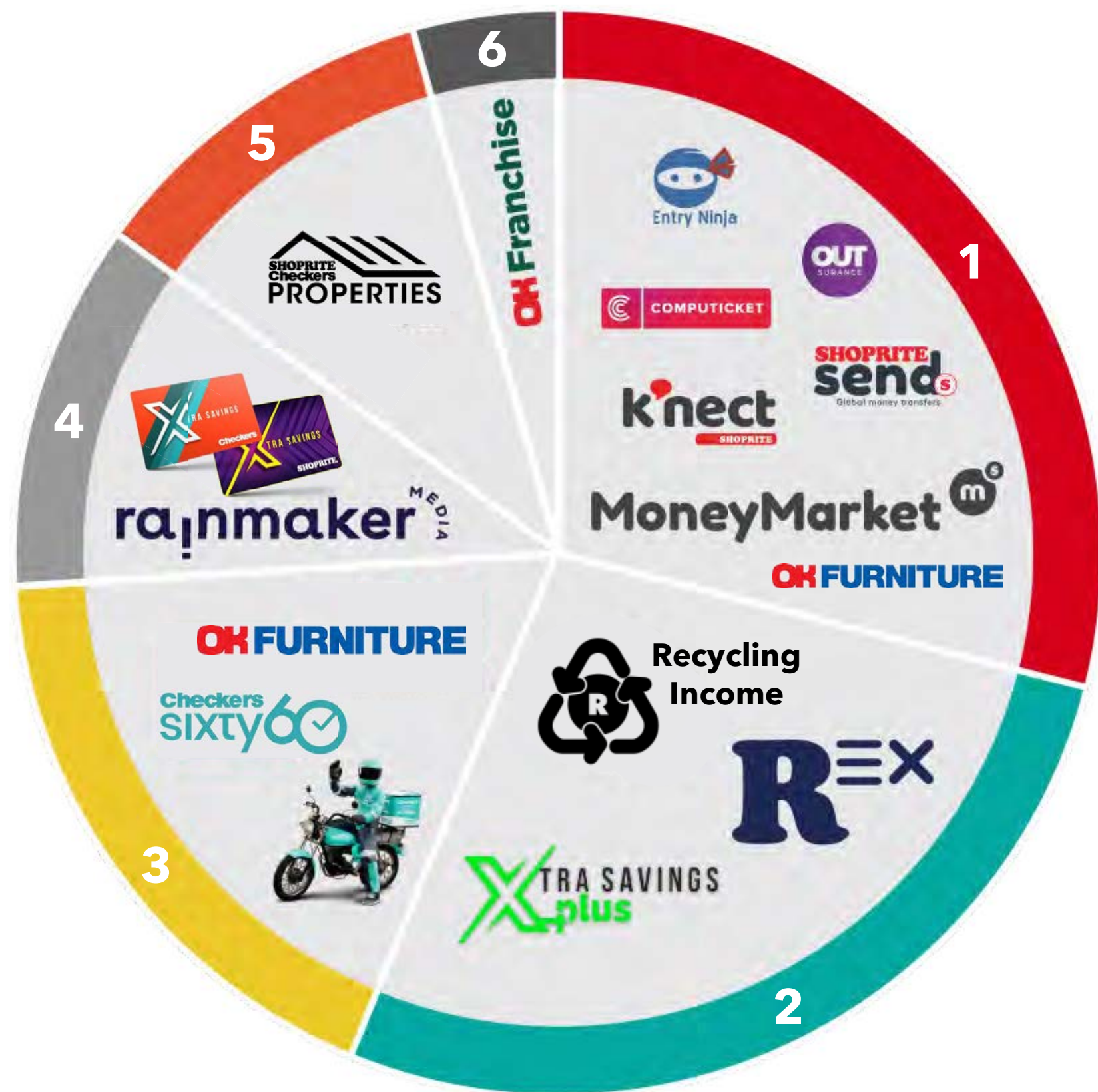
**23.3%**  
excl. non-recurring  
income relating to loss of  
profit insurance claim\*\*

Continuing operations	Change %	2024 Rm	Restated* 2023 Rm	Margin 2024 %
<b>Gross profit</b>	<b>11.7</b>	<b>57 750</b>	<b>51 706</b>	<b>24.0</b>
Other operating income*	15.2	4 307	3 738	1.8
Interest revenue*	8.3	759	701	0.3
Share of profit of equity accounted investments	6.8	268	251	0.1
Insurance revenue*	19.2	298	250	0.1
Net monetary gain		135	-	0.1
<b>Total income included in trading profit</b>	<b>12.1</b>	<b>63 517</b>	<b>56 646</b>	<b>26.4</b>
Non-recurring income relating to loss of profit insurance claim which was accounted for as part of other operating income in the prior year		-	(244)	-
<b>Total income included in trading profit excluding non-recurring income</b>	<b>12.6</b>	<b>63 517</b>	<b>56 402</b>	<b>26.4</b>

\* Restated for the adoption of IFRS 17: Insurance Contracts.

\*\* The Group received non-recurring income of R244 million relating to a loss of profit insurance claim due to the 2021 social unrest which was accounted for as part of other operating income in the prior period.

# Other operating income analysis



	Change %	2024 Rm	Restated* 2023 Rm
1 Commissions received*	11.7	1 236	1 107
2 Sundry income**	20.2	1 186	987
3 Delivery recoveries	22.5	768	627
4 Marketing and media	23.5	473	383
5 Operating lease income	(1.5)	461	468
6 Franchise fees received	10.2	183	166
<b>Total other operating income</b>	<b>15.2</b>	<b>4 307</b>	<b>3 738</b>
Non-recurring insurance income		-	(244)
<b>Total other operating income excluding non-recurring income</b>	<b>23.3</b>	<b>4 307</b>	<b>3 494</b>

\* Restated for the adoption of IFRS 17: Insurance Contracts.

\*\* The Group received non-recurring income of R244 million relating to a loss of profit insurance claim due to the 2021 social unrest which was accounted for as part of other operating income in the prior period.

# Trading profit: total expenses unpacked

	Change %	2024 Rm	Restated* 2023 Rm
<b>Continuing operations</b>			
Depreciation and amortisation	15.2	7 264	6 305
Employee benefits	13.0	19 242	17 027
Insurance service expenses*	33.8	178	133
Other operating expenses*	10.2	23 434	21 262
<b>Total expenses included in trading profit</b>	<b>12.1</b>	<b>50 118</b>	<b>44 727</b>
<b>Expense margin (%)</b>		<b>20.8</b>	<b>20.8</b>

**+1.9%\*\*  
Electricity and water**

## Notes:

### Electricity and water

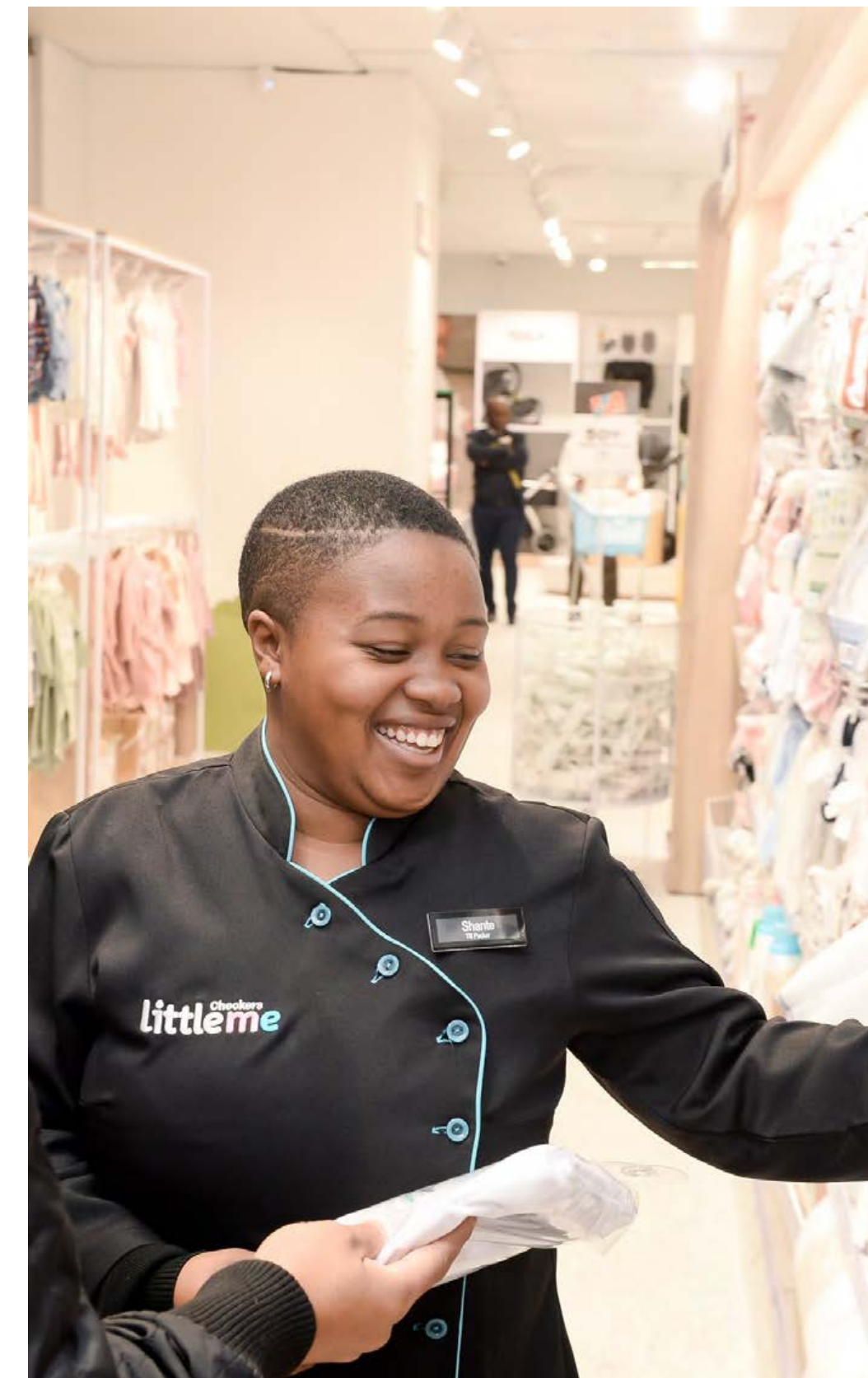
R754m spent on diesel to operate generators in Supermarkets RSA over the period (2023: R1.3bn).

Electricity and water as a % of sales\*\*

2024 %	2023 %
2.2	2.4

\*Restated for the adoption of IFRS 17: Insurance Contracts.

\*\* Before the allocation of direct overhead expenses to cost of sales.



# Trading profit by segment



	Change %	2024 Rm	Restated* 2023 Rm	Trading margin 2024 %
<b>Continuing operations</b>				
Supermarkets RSA	11.0	12 036	10 841	6.2
Supermarkets Non-RSA	6.2	631	594	3.0
Furniture*	82.2	195	107	2.7
Other operating segments	18.5	506	427	2.9
<b>Total continuing operating segments</b>	<b>11.7</b>	<b>13 368</b>	<b>11 969</b>	<b>5.6</b>
Hyperinflation effect		31	(50)	
<b>Consolidated continuing operations</b>	<b>12.4</b>	<b>13 399</b>	<b>11 919</b>	<b>5.6</b>

\*Restated for the adoption of IFRS 17: Insurance Contracts.

Trading margin target of **6.0%** to be achieved over the long-term

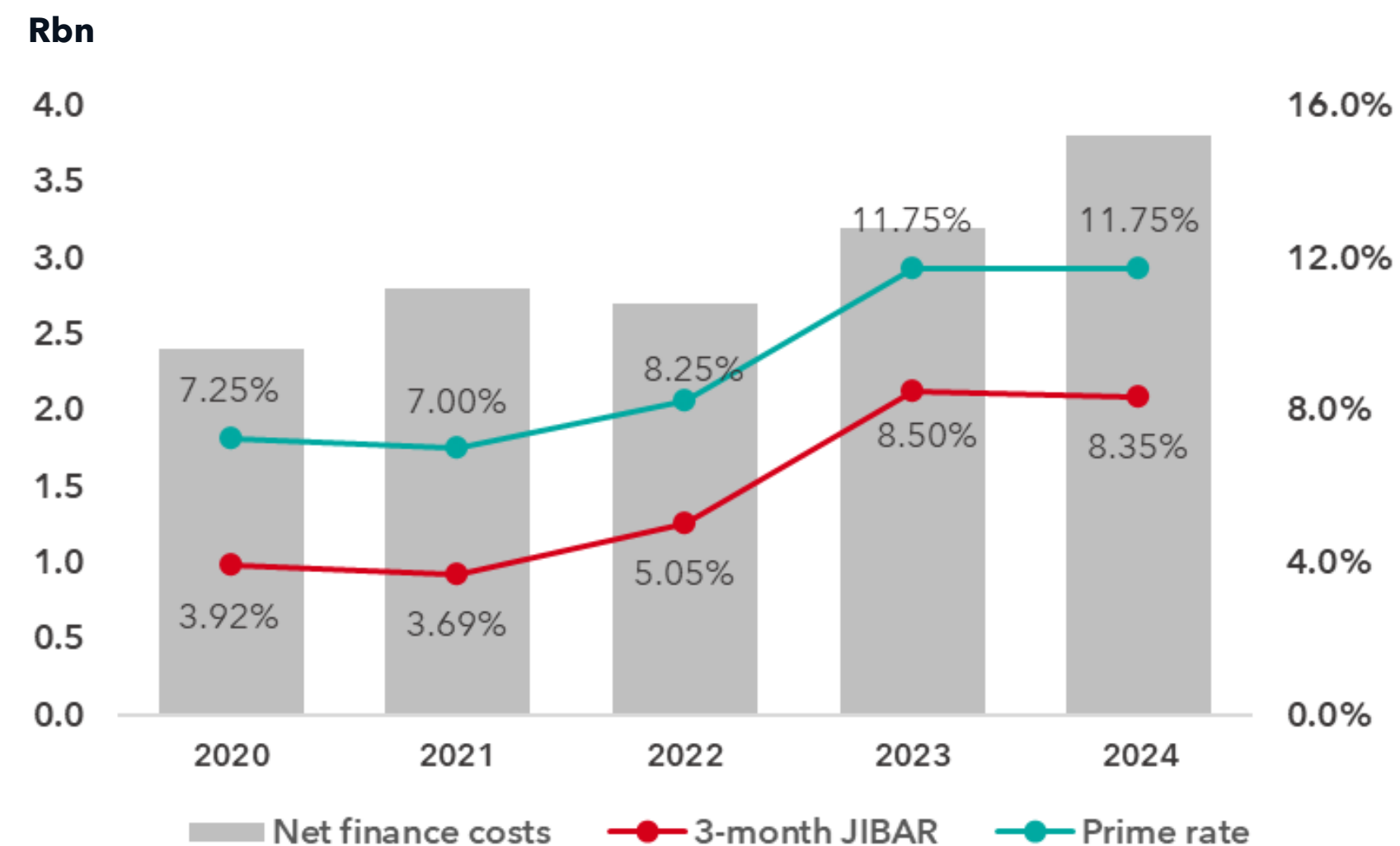


# Net finance costs

	Change %	2024 Rm	Restated* 2023 Rm
<b>Continuing operations</b>			
Interest received from bank account balances	16.8	529	453
Borrowings and other finance charges*	17.7	(704)	(598)
Lease liabilities finance charges	17.3	(3 602)	(3 070)
<b>Net finance costs</b>	<b>17.5</b>	<b>(3 777)</b>	<b>(3 215)</b>

\*Restated for the adoption of IFRS 17: Insurance Contracts.

## The impact of increasing rates on net finance costs



# Financial overview



**Borrowings**  
**R6.0bn**

**R6.4bn**  
2023



**Borrowings to equity**  
**21.6%**

**24.2%**  
2023



**US dollar borrowings**  
**US\$8m**

**2.5%**  
of total borrowings



**Change in right-of-use assets**  
**+R3.7bn**

**+R4.9bn**  
**Change in lease liabilities**



**Net changes in working capital\***  
**R3.3bn**

Inventories	(R3.6bn)
Trade and other receivables	(R1.0bn)
Trade and other payables	R7.7bn
Contract liabilities	R0.2bn







**Net cash**  
**R8.8bn**

**+R2.2bn**

\*Net inflows/(outflows) as per statement of cash flows.




# Capital spend

	2024 Rm	2023 Rm
Growth capex	5 750	4 626
Maintaining capex	2 012	2 129
<b>Total operating capex</b>	<b>7 762</b>	<b>6 755</b>
<b>Capex as a % of sales</b>	<b>3.2%</b>	<b>3.1%</b>
Proceeds on disposal of assets	807	1 425

<b>74% Growth capex</b>	2024 Rm	2023 Rm
 New stores and upgrades	3 999	2 940
 Information technology	1 594	1 534
 Supply Chain	157	132
 Trademarks	-	20
	<b>5 750</b>	<b>4 626</b>

### Growth capex driven by

-  292 net new store openings
-  Sixty60 general merchandise delivery
-  Supply Chain expansion
-  Personalisation engine
-  Point-of-sale system replatform
-  Rex insights platform

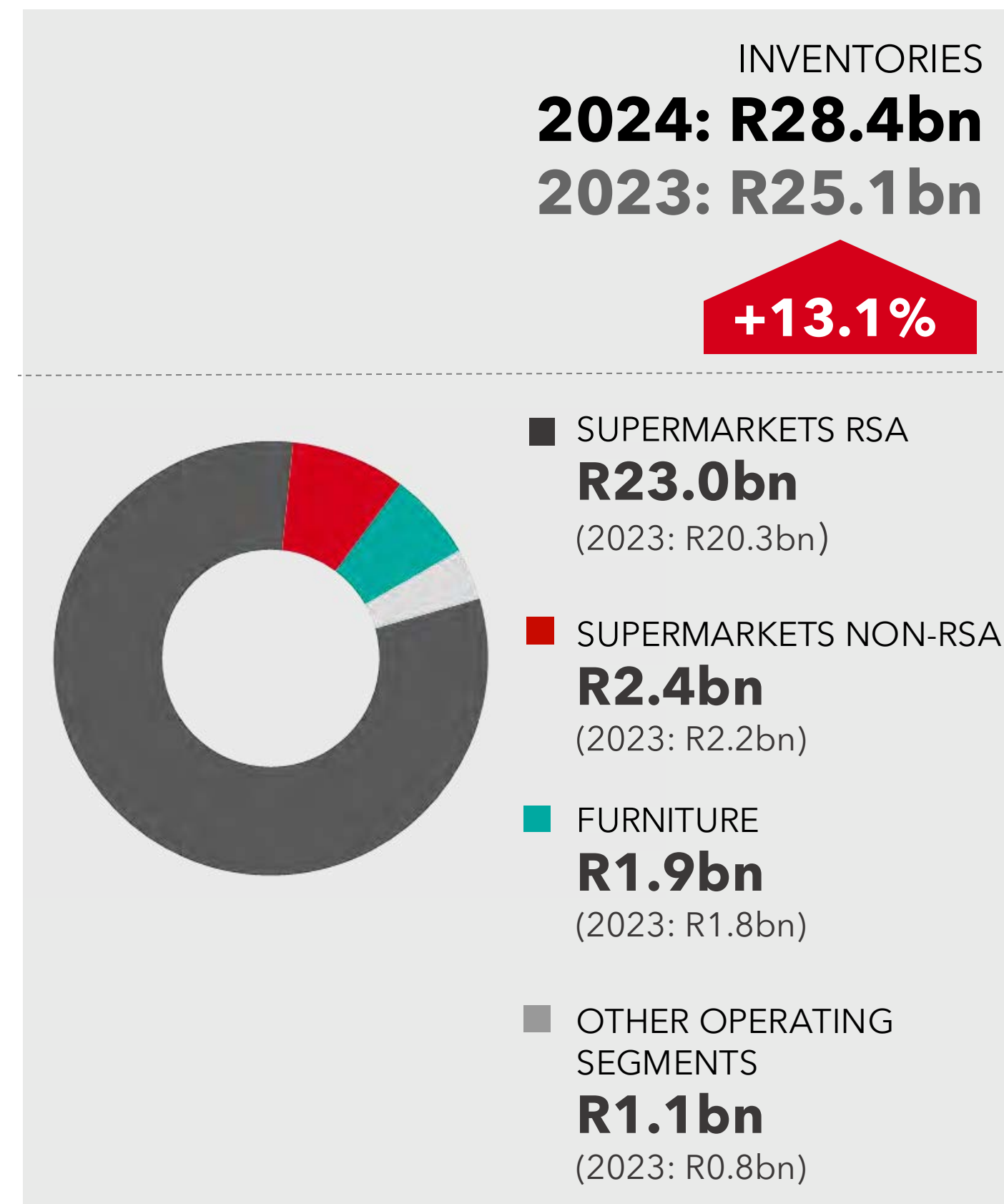
<b>26% Maintaining capex</b>	2024 Rm	2023 Rm
 Store refurbishments	1 691	1 814
 Information technology	269	225
 Supply Chain	52	90
	<b>2 012</b>	<b>2 129</b>

# Inventories

Inventories as a % of sales (52 weeks) from continuing operations	2024 %	2023 %
Supermarkets RSA	11.8	11.7
Supermarkets Non-RSA	11.6	11.4
Furniture	25.7	24.8
Other operating segments	6.1	5.6
<b>Total continuing operations</b>	<b>11.8</b>	<b>11.7</b>

Excluding the impact of stock held in the distribution centres:  
 Total continuing operations 8.0% (2023: 8.4%)  
 Supermarkets RSA 7.7% (2023: 8.0%)

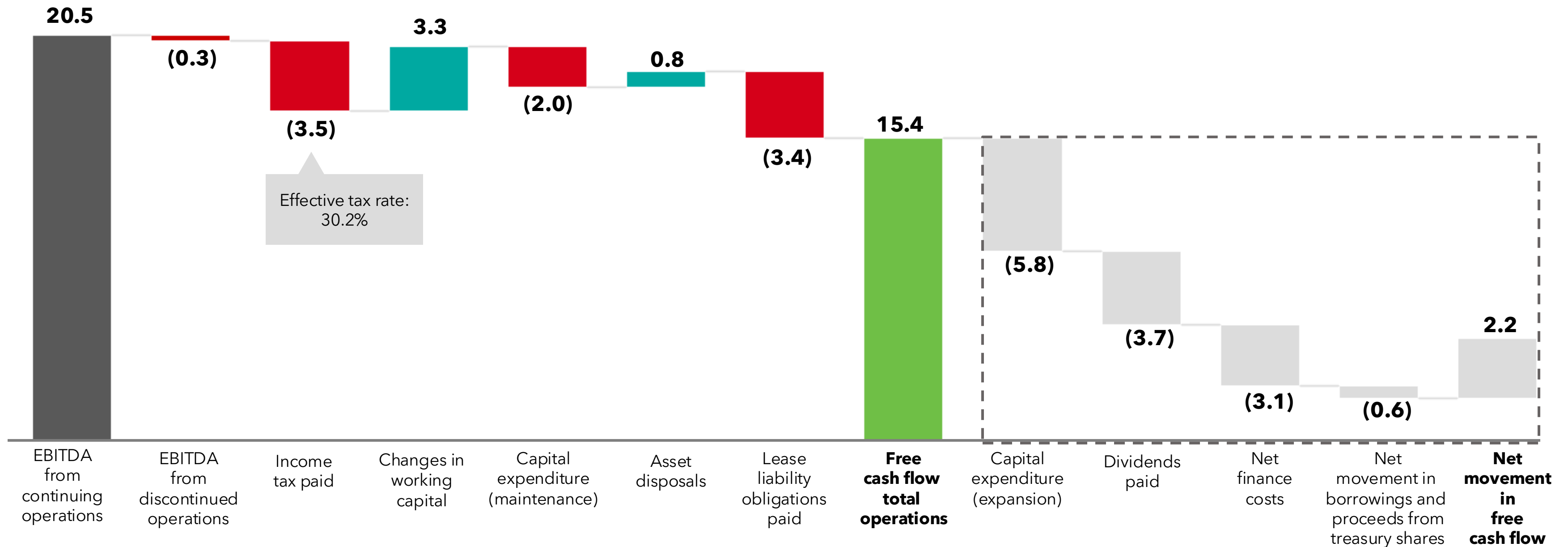
- Support the growth in our existing business, as well as new stores opened over the past 12 months.
- Maintaining our in-store inventory levels to meet the continued growth requirements of our on-demand Checkers Sixty60 business which picks from stores.
- Additional inventory holding relating to the expansion of our supply chain network servicing our KwaZulu-Natal and Gauteng regions.



# Free cash flow

**FREE CASH FLOW CONVERSION RATIO**  
**2024: 75.9%**  
**OPERATING CASH CONVERSION RATIO**  
**2024: 117.1%**

Rbn



## Definitions

Free cash flow: cash generated after accounting for cash outflows to support operations and maintain capital assets.

Free cash flow conversion ratio: free cash flow as a percentage of EBITDA from total operations.

Operating cash conversion ratio: cash generated from operations as a percentage of EBITDA from total operations.

# 2025 Guidance considerations



<b>Sales</b>	Supermarkets RSA selling price inflation for July 2024 measured 3.0% Group plans to add 265 new stores which includes 195 stores in Supermarkets RSA
<b>Financial indicators</b>	Maintaining total income margin of c26%  Cost growth underpinned by: <ul style="list-style-type: none"> <li>• Staff costs</li> <li>• Electricity and water</li> <li>• Depreciation driven by the growth in the Supermarkets RSA business</li> </ul> Finance costs: <ul style="list-style-type: none"> <li>• Lease liability finance charges</li> </ul> Effective tax rate: 30.0% - 30.5%
<b>Non-RSA</b>	Currency volatility and devaluations are likely to continue Ghana impact of hyperinflation
<b>Inventories</b>	Transpharm and Wells Estate distribution centres go-live
<b>Capital allocation</b>	Dividend cover at discretion of Board per policy of 1.75 times full year DHEPS (continuing operations)  Share buy-back authority in-place, usage will be determined during the year, however capital allocation prioritises core business expansion and growth capex
<b>Capex</b>	cR8.0bn the majority of which will be spent on stores (new stores, refurbishments and maintenance) as well as technology-led projects

# Thank You Questions



# Transaction activity post year-end

## OK Furniture and House & Home

### Asset transaction

- Sale of assets in all jurisdictions, other than Angola and Mozambique to Pepkor Holdings Ltd.
- Including the OK Furniture and House & Home brands.

### Rationale

- Re-direction of capital and resource allocation to focus on what we do best.
- Enabling OK Furniture and House & Home to operate in an environment in which it can fully integrate, benefit from existing infrastructure and expand.

### Timing

- H2 2025
- Pending the fulfilment of the conditions precedent, including Competition Commission approval.



## Pingo Delivery (Pty) Ltd

### Equity transaction

- The Group is in advanced discussions to purchase the remaining 50% shareholding in Pingo Delivery (Pty) Ltd, increasing our ownership to 100%.

### Rationale

- Acquiring end-to-end control of our last-mile logistics capabilities, supporting our vision to be Africa's most profitable omnichannel retailer.

### Timing

- H2 2025
- Subject to completion of due diligence and Competition Commission approval.





# Our Outlook

- Supermarkets RSA sales growth for July continues to reflect positive volume growth despite internal selling price inflation slowing to a 12-month low in July at 3.0% vs July 2023 at 8.6% and certain large categories starting to experience deflation
- Outlook on disposable income is positive with some consumer relief: wage growth, reduced load-shedding, lower fuel prices, expected interest rate cuts
- Positive political sentiment and investor confidence
- Optimistic about our growth investments in supply chain, digital and stores
- Leverage the platform advantage of our retail network and customer scale
- We remain the price champion for customers



# Additional Information

Anton de Bruyn  
Chief Financial Officer

**SHOPRITE**   
HOLDINGS LTD



# Financial metrics

	2024			2023 Restated*		
	ROIC Rm	IFRS 16 impact Rm	ROIC excl. IFRS 16 Rm	ROIC Rm	IFRS 16 impact Rm	ROIC excl. IFRS 16 Rm
Trading profit	13 399	(2 947)	10 452	11 919	(2 487)	9 432
Effective tax rate	30.2%		30.2%	30.8%		30.8%
<b>Trading profit after tax</b>	<b>9 347</b>	<b>(2 055)</b>	<b>7 292</b>	<b>8 249</b>	<b>(1 721)</b>	<b>6 528</b>
Invested capital	77 089	(33 303)	43 786	74 832	(29 274)	45 558
<b>Average invested capital</b>	<b>75 961</b>		<b>44 673</b>	<b>71 296</b>		<b>43 654</b>
<b>ROIC</b>	<b>12.3%</b>		<b>16.3%</b>	<b>11.6%</b>		<b>15.0%</b>
<b>ROE</b>	<b>26.0%</b>			<b>24.8%</b>		
<b>WACC</b>	<b>13.8%</b>			<b>13.5%</b>		

\*Restated for the adoption of IFRS 17: Insurance Contracts.

**DEFINITIONS:** ROIC: Trading profit over the last 12 months (52-week basis) after tax (applying the effective tax rate) expressed as a percentage of average invested capital for the period on a 52-week basis.  
Invested capital: Net asset value excluding borrowings, lease liabilities and bank overdrafts.  
ROE: Headline earnings from continuing operations expressed as a percentage of equity before non-controlling interest at the beginning of the period.  
WACC: Weighted average cost of capital calculated in terms of the Group's policy.

# Diluted headline earnings per share (DHEPS)



	Change %	2024 cents	2023 cents
DHEPS continuing operations	7.4	1 245.2	1 159.4
DHEPS discontinued operations	(16.5)	(58.9)	(70.5)
<b>DHEPS including discontinued operations</b>	<b>8.9</b>	<b>1 186.3</b>	<b>1 088.9</b>
DHEPS continuing operations	7.4	1 245.2	1 159.4
<b>Adjusted for the impact of:</b>			
Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa	3.9	44.8	43.1
Exchange rate differences	>100	2.6	(70.4)
Hyperinflation adjustment	>100	(5.8)	9.0
Lease modifications and terminations	68.2	(18.5)	(11.0)
Related income tax effect	(79.8)	4.9	24.3
<b>Adjusted DHEPS from continuing operations</b>	<b>10.3</b>	<b>1 273.2</b>	<b>1 154.4</b>
<b>Adjusted HEPS from continuing operations</b>	<b>10.1</b>	<b>1 278.6</b>	<b>1 161.2</b>

# Adjusted headline earnings reconciliation



	Headline earnings 2024 Rm	DHEPS* 2024 cents
Headline earnings including discontinued operations	6 482	1 186.3
Headline loss from discontinued operations	322	58.9
Headline earnings from continuing operations	6 804	1 245.2
Adjusted for the impact of:		
Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa	245	44.8
Exchange rate differences	14	2.6
Hyperinflation adjustment	(32)	(5.8)
Lease modifications and terminations	(101)	(18.5)
Related income tax effect	24	4.9
<b>Adjusted headline earnings from continuing operations</b>	<b>6 954</b>	<b>1 273.2</b>

\*DHEPS is based on 546 171 957 weighted average number of ordinary shares adjusted for dilution.

# Items of a capital nature

Continuing operations	2024 Rm	2023 Rm
Impairment of property, plant and equipment	(36)	(96)
Impairment of right-of-use assets	(58)	(75)
Impairment of intangible assets	(33)	(37)
Impairment of investment properties	(123)	-
Non-financial asset impairments	(250)	(208)
Profit on disposal of assets classified as held for sale	9	132
Profit on sale and leaseback transaction	49	102
Loss on disposal and scrapping of property, plant and equipment and intangible assets	(143)	(126)
Insurance claims receivable	45	82
Other	(40)	2
<b>Total expenditure of a capital nature</b>	<b>(330)</b>	<b>(16)</b>

## Notes to the results:

Non-financial asset impairments by segment	2024 Rm
Supermarkets RSA	104
Supermarkets Non-RSA	89
Total continuing operating segments	193
Hyperinflation effect	57
<b>Consolidated continuing operations</b>	<b>250</b>