

Operational update for the six months ended 29 December 2024

This voluntary announcement pertains to the six-month period to 29 December 2024 (“the period”, “the interim period” or “the six months”).

For the interim period the Shoprite Group increased sale of merchandise from continuing operations (excluding our furniture business held for sale) by 9.6%, measuring approximately R128.6 billion. This growth is reported against the Group’s restated sales from continuing operations for the interim period ended 31 December 2023 (“first half 2024” or “prior period”), which amounted to R117.4 billion. Excluding the impact of Ghana hyperinflation, sale of merchandise increased by 9.5%.

To aid with the understanding of amendments made to the Group’s reporting as a result of ongoing acquisitions, please refer to “Additional information”.

Sales growth per segment, excluding hyperinflation, is outlined below:

	H1 ended 29 Dec '24 Rbn	% Sales growth over the corresponding period last year		
		H1 ended 29 Dec '24 %	Restated* Q1 ended 29 Sep '24 %	Q2 ended 29 Dec '24 %
Approximate sales from continuing operations				
Total Group	128.6	9.5	10.5	8.7
By segment:				
Supermarkets RSA	107.7	10.4	11.4	9.6
Supermarkets Non-RSA	11.0	4.1	3.2	4.8
Other operating segments*	9.9	6.2	9.5	3.4

* Restated for the classification of the Group’s furniture business (excluding Angola and Mozambique) as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

The following information provides context to the overall sales growth from continuing operations for the interim period:

Supermarkets RSA

- The Group's core business, Supermarkets RSA, contributing 83.7% to Group sales, achieved sales growth of 10.4% (H1 2024: 14.6%).
- Like-for-like sales (i.e. same-store sales) growth for the period measured 6.1% (H1 2024: 6.3%).
- Internal selling price inflation averaged 1.9% for the period (H1 2024: 7.7%).
- Checkers and Checkers Hyper, inclusive of Checkers Sixty60, reported sales growth of 13.5% with online sales from our Checkers Sixty60 on-demand platform increasing by 47.1%.
- Shoprite and Usave reported sales growth of 6.7%.
- Shoprite and Checkers LiquorShop sales increased by 12.2%.
- Supermarkets RSA opened a net 248 stores over the past 12 months to total 2 485 stores. Of these net new openings, 30 were Shoprite, 28 Usave, 34 Checkers and 80 LiquorShop stores. The remaining 76 were new format, adjacent category specialist stores (Petshop Science added 53 new stores to total 128 stores; Checkers Outdoor added 11 new stores to total 26 stores; Uniq clothing by Checkers added 11 new stores to total 30 stores and Little Me opened one new store to total 12 stores).

Supermarkets Non-RSA

- In the Group's reporting currency, the rand, Supermarkets Non-RSA's sales increased by 4.1% excluding hyperinflation. This equates to an 8.6% contribution to Group sales.
- In constant currency, Supermarkets Non-RSA increased sales by 17.9%.
- The segment's store base increased by a net 10 stores over the past 12 months to total 269 stores operating in nine countries.

Other operating segments

- The Group's Other operating segments comprising OK Franchise, Transpharm, Medirite Pharmacies, Red Star Wholesale Catering Services, Computicket and our remaining Angola and Mozambique furniture business, reported sales growth of 6.2%. The segment represents 7.7% of Group sales.
- The Group's sales to its OK Franchise operation increased by 8.8%. The OK Franchise store base increased by a net of 18 stores over the 12 months to end the period with 623 stores.
- The Group opened six Medirite Plus standalone drug stores during the period to end the period with 17 stores in this new format. Our in-store Medirite pharmacies which totalled 122 for the period are excluded from these numbers, as these pharmacies are located within supermarkets.

Additional information

We highlight the following for consideration in terms of the interim period's result:

1. **Purchase of the remaining 50% shareholding in Pingo Delivery (Pty) Ltd ("Pingo"):** Following the acquisition of the remaining 50% share capital of the Group's last-mile logistics provider, Pingo, the Group assumed responsibility for both sale of merchandise and delivery to client. As a result, this delivery income and the Xtra Savings Plus subscription income, together with the related delivery expense, is included as part of sale of merchandise and cost of sales respectively. It should however be noted that the reclassification does not result in the restatement of the prior period.
2. **Sale of furniture business to Pepkor Holdings Ltd ("Pepkor"):** The Group signed an agreement on 2 September 2024 to dispose of the furniture business including the OK Furniture and House and Home brands (excluding Angola and Mozambique operations) to Pepkor. The agreement is pending the fulfilment of the conditions precedent which includes Competition Commission approval. The Group considers it highly probable that these operations will be disposed of and consequently they have been classified as discontinued operations in accordance with IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations. As such, these operations' results are excluded from the Group's continuing operations sales for the interim period as well as the first half 2024.

For the interim period and first half 2024, the Angola and Mozambique operations have been reclassified to form part of Other operating segments.
3. **Lease liability related finance charges in terms of IFRS 16: Leases (IFRS 16):** Notwithstanding the 50-basis point decline in the RSA prime lending rate during the period, store openings together with new distribution centre leases have resulted in IFRS 16 related finance charges increasing at a rate similar to the first half 2024.
4. **Group share buy-back programme:** During the period, the Group repurchased shares to the value of R997 million at an average share price of R289.29. As a result, the Group's weighted average shares adjusted for dilution for the interim period will measure 544.5 million (H1 2024: 546.1 million).

Pro forma financial information

The pro forma financial information contained in this announcement, is the responsibility of the Group's Board of Directors and has been prepared for illustrative purposes only. It may not fairly present the Group's financial position, changes in equity, results of operations or cash flows:

1. Like-for-like sales growth is a measure of the growth in the Group's year-on-year sales, removing the impact of new store openings and closures.
2. The Group discloses unaudited constant currency information to indicate the Supermarkets Non-RSA operating segment's performance in terms of sales growth, excluding the effect of foreign currency fluctuations and hyperinflation. To present this information, the interim period sales for entities reporting in currencies other than South Africa rand are converted from local currency actuals into South Africa rand at the prior period's actual average exchange rates on a country-by-country basis. In addition, in respect of Ghana, the constant currency information has been prepared excluding the impact of hyperinflation which is minimal in terms of its impact on the Supermarkets Non-RSA sales.

The table below sets out the percentage change in sales, based on the actual results for the period, in reported currency and constant currency for major currencies. The total impact on Supermarkets Non-RSA is also reflected after consolidating all currencies in this segment.

% Change in sales on prior period 26 weeks	Reported currency	Constant currency
Angola kwanza	15.4	31.8
Ghana cedi	(12.1)	22.3
Mozambique metical	(2.5)	1.6
Zambia kwacha	(7.9)	19.8
Total Supermarkets Non-RSA	4.1	17.9

The information contained in this announcement has not been reviewed or reported on by the Group's external auditors.

Group interim results release, webcast presentation invitation and registration link

Shoprite Holdings is currently in its closed period and will release its 2025 interim results on the JSE Stock Exchange News Service (SENS) by 08:00 (SAST, GMT +2) on Tuesday, 4 March 2025.

The Group's 2025 interim results webcast presentation will commence at 09:30 (SAST, GMT +2) on Tuesday, 4 March 2025.

Shoprite Holdings CEO Pieter Engelbrecht invites all who would like to attend the webcast presentation to do so by registering via the Group's website www.shopriteholdings.co.za or alternatively via <https://www.corpcam.com/Shoprite04032025>.

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Enquiries:

Shoprite Holdings Limited Tel: 021 980 4000
Pieter Engelbrecht, Chief Executive Officer
Anton de Bruyn, Chief Financial Officer
Natasha Moolman, Group Investor Relations