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Reviewed results

for the 52 weeks ended 30 June 2024
and cash dividend declaration

SHOPRITE HOLDINGS LTD

(Reg. No. 1936/007721/06)
(ISIN: ZAE000012084)
(JSE Share code: SHP)
(A2X Share code: SHP)
(NSX Share code: SRH)
(LuSE Share code: SHOPRITE)
("Shoprite Holdings" or "the Group")

Reviewed results for the 52 weeks ended 30 June 2024 and cash dividend declaration

Core South African supermarkets segment adds R21.4 billion in sales for 2024

Key information – continuing operations for the past 12 months:

- Group revenue increased by 12.0% to R246.1 billion
- Group sale of merchandise increased by 12.0% to R240.7 billion
- Core business, Supermarkets RSA, sale of merchandise increased by 12.3% to R195.0 billion
- Group trading profit increased by 12.4% to R13.4 billion
- Diluted headline earnings per share (DHEPS) increased by 7.4% to 1 245.2 cents (2023: 1 159.4 cents)
- Adjusted diluted headline earnings per share increased by 10.3% to 1 273.2 cents (2023: 1 154.4 cents)
- Excluding the impact of hyperinflation*, Group sale of merchandise increased by 12.0% to R240.8 billion and DHEPS increased by 6.0% to 1 238.7 cents
- Full year dividend per share increased by 7.4% to 712 cents (2023: 663 cents)
- Inclusive of a net new 73 OK Franchise stores, the Group opened a net of 292 stores and created 6 490 new jobs

* Excluding the impact of hyperinflation on Group sale of merchandise and DHEPS constitutes pro forma financial information in terms of the JSE Limited Listings Requirements, is the responsibility of the Board of Directors of Shoprite Holdings, has been prepared for illustrative purposes only and may not fairly present the Group's financial position, changes in equity, results of operations or cash flows. For a full appreciation of the pro forma financial information please refer to pages 10 to 15.

Pieter Engelbrecht, Chief Executive Officer:

It is my privilege to present results that aptly reflect a year in which we remained focused on our business and what we stand for – being best-priced, in-stock, solution-driven and customer-led. Our 12.0% increase in Group sales equates to our core South African supermarkets customers spending R21.4 billion more with us this year. During a time when customers are incredibly pressured, this is the greatest reward for our efforts which come as a result of best-in-class execution, innovation and an unwavering dedication to serve. Growth of this nature, in a highly competitive market and from a high base can only be achieved as a result of across-the-board commitment. With this in mind, my sincere thanks are extended to Team Shoprite for their continued dedication to our customer base which numbers more than 30 million across South Africa, not including the nine other African countries throughout which we operate our food retail operations.

Checkers and Checkers Hyper's 12.3% sales growth reflects its customer focus, value positioning, culture of continuous improvement and commitment to serve. A busy year evidenced by 26 new stores and 12 store upgrades. Ongoing advances in fresh and private label development, together with market leading execution from Checkers Sixty60 all reflect the brand's commitment to its 12 million Xtra Savings rewards customers.

Shoprite and Usave meet the needs of the Group's core customer base in the price sensitive market. Collectively this year, not including our Shoprite and Checkers LiquorShop business which increased sales by 20.0%, Shoprite and Usave increased sales from a base of R90.0 billion last year by 10.7%. This equates to an additional spend of R9.6 billion in stores this year. Individually Shoprite, our price-fighting, full-range supermarket increased sales from a substantial rand value by 10.3% and Usave, our limited assortment discount supermarket increased sales by 13.2%.

Our core customer base remains front and centre in our business, keeping us on point to deliver the lowest prices and maintain our in-stock positions. As a result of our brand segmentation strategy, Shoprite and Usave meet the needs of their customers in different ways, however their shared operational structure facilitates best-in-class execution to meet the high-volume demands required at differing peak times for each.

Reviewed results for the 52 weeks ended 30 June 2024 and cash dividend declaration continued

Pieter Engelbrecht, Chief Executive Officer continued:

Usave, our perennial achiever, in particular, is to be commended. Despite experiencing the lowest sell inflation of all our grocery businesses (2.3% selling price inflation at its lowest in May 2024) and its customer being the most stretched, Usave increased sales ahead of our other top performing grocery businesses which in themselves all grew ahead of the market (per NielsenIQ, measuring rest of market growth for the year at 6.7%). Whilst Usave reports from a substantially lower rand value base than Shoprite, its growth, from an established store base in a highly competitive market is testament to the role it plays in the communities it serves and validates both its positioning as well as our core supermarkets business segmented approach.

The Group generated R23.6 billion in cash from operations during the year. Our approach to capital allocation afforded us a year of continued investment as we directed R7.8 billion towards our Smarter Shoprite strategy in the form of new stores, store upgrades, continued store maintenance, digital and e-commerce, information technology, sustainability and supply chain. R5.8 billion capital spend was allocated to expanding the business, the remaining R2.0 billion was attributed to maintaining Group operations. Our new point of sale system implementation is progressing well, testament to the depth of experience and expertise in the business as well as the collaboration of teams involved. Notwithstanding this investment in support of our future plans, in accordance with our policy, we are pleased to increase our dividend by 7.4% this year, returning R3.9 billion in dividends to our shareholders, keeping our investor returns ahead of inflation.

In terms of the way forward, we have embarked on two structural changes to the business, both occurring subsequent to our June year-end close. Firstly, we have signed an agreement to dispose of the furniture business including the OK Furniture and House & Home brands, excluding Angola and Mozambique operations to Pepkor Holdings Ltd ("Pepkor"). Secondly, with regards to our vision to be Africa's most profitable omnichannel retailer, the Group is in advanced discussions to purchase the remaining 50% shareholding in our last-mile logistics provider, Pingo Delivery (Pty) Ltd, and will update in due course.

With respect to our furniture business, we found ourselves at a crossroad with the business's future growth and profitability hamstrung by the requirement of a level of investment that would have resulted in us re-directing capital and project management resources away from that currently dedicated to our food retail operations. We believe the best outcome for OK Furniture and House & Home is for the business to operate in an environment where its required infrastructure and credit management expertise exists, thus allowing us to focus our resources on what we do best.

I am enormously grateful to our incredible employees whose commitment continues to put our customers front and centre in our business. In addition to our investment in our business, our dividends to shareholders and distributions to our staff, we returned R16.9 billion to our 31 million Xtra Savings customers this year. Looking ahead, our focus on price and value will remain our top priority for our customers whose loyalty we appreciate and value above all else.

Results commentary for the 52 weeks ended 30 June 2024

Introduction

The results referred to in this commentary pertain to the Group's continuing operations after the adoption of IFRS 17: Insurance Contracts (IFRS 17), which replaces IFRS 4: Insurance Contracts. Prior year comparative figures, where applicable, have been restated for the adoption of IFRS 17. Furthermore, for the period ended 30 June 2024, the economy of Ghana was assessed to be hyperinflationary. As such, hyperinflation accounting was applied with effect from 3 July 2023.

The Group has delivered strong financial results, increasing sales by 12.0% to R240.7 billion. This was a well-rounded result, underpinned by our core Supermarkets RSA segment, to which all supermarket brands contributed significantly.

Trading profit increased by 12.4% resulting in a Group trading margin of 5.6% (restated 2023: 5.5%), impacted by the R754 million diesel expense to power generators in our South African operations (2023: R1.3 billion).

The Group's earnings before interest, income tax, depreciation and amortisation (EBITDA) increased by 9.3% and measured R20.5 billion. Return on invested capital (ROIC) excluding IFRS 16: Leases increased to 16.3% (2023 restated: 15.0%).

During the period the Group opened 343 stores expanding its footprint to 3 639 stores. Total operations capital expenditure to continuing operations' sales for the period measured 3.2%.

The Board has declared a final dividend of 445 cents per share, representing full year dividend per share growth of 7.4% on the back of an increase of 7.4% in DHEPS from continuing operations. The Group's dividend policy applies a 1.75 times dividend cover based on DHEPS from continuing operations. The 7.4% increase in DHEPS was positively impacted by an improvement in the Group's effective tax rate to 30.2% (2023: 30.8%) but reduced by a R384 million foreign currency gain in the prior year.

The Group's cash generative capability is reflected in its cash generated from operations in the amount of R23.6 billion for the period.

Management has the mandate to purchase shares to the value of R1 billion per year until the end of March 2027. During the second half of the financial year, shares to the value of R49.5 million were repurchased at an average price of R229.93. Since the inception of the Group's share buy-back programme in our 2021 financial year we have repurchased 8.6 million shares to the value of R1.6 billion. This equates to an average purchase price of R180.58 per share.

Earnings per share (EPS)

The following table provides a summary of the Group's earnings per share metrics.

	Change %	2024 cents	2023 cents
EPS from continuing operations:			
Basic EPS	4.0	1 207.7	1 161.4
HEPS	7.2	1 250.5	1 166.2
DHEPS	7.4	1 245.2	1 159.4
EPS including discontinued operations:			
Basic EPS	5.9	1 148.6	1 084.3
HEPS	8.8	1 191.4	1 095.3
DHEPS	8.9	1 186.3	1 088.9

For ease of comparison, an adjusted DHEPS is included on the following page which excludes the Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa, foreign exchange rate differences, hyperinflation accounting and lease modifications and terminations as well as the related income tax effects.

This measure is not adjusted for the impact of any other abnormal or external events.

Results commentary for the 52 weeks ended 30 June 2024 continued

Earnings per share (EPS) continued

	Change %	2024 cents	2023 cents
DHEPS continuing operations	7.4	1 245.2	1 159.4
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	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
Adjusted DHEPS* from continuing operations	**10.3**	**1 273.2**	**1 154.4**

* The adjusted DHEPS from continuing operations constitutes pro forma financial information in terms of the JSE Limited Listings Requirements, is the responsibility of the Board of Directors of Shoprite Holdings, has been prepared for illustrative purposes only and may not fairly present the Group's financial position, changes in equity, results of operations or cash flows. For a full appreciation of the pro forma financial information please refer to pages 10 to 15.

Sale of merchandise

The Group's sale of merchandise from continuing operations increased by 12.0% to R240.7 billion. Like-for-like sales increased by 6.3%.

The following table outlines the sale of merchandise growth per segment:

	Change %	2024 Rm	2023 Rm
Supermarkets RSA	12.3	195 041	173 634
Supermarkets Non-RSA	6.1	20 822	19 622
Furniture	2.3	7 230	7 064
Other operating segments	21.1	17 718	14 636
Total continuing operating segments	12.0	240 811	214 956
Hyperinflation effect		(93)	—
Consolidated continuing operations	12.0	240 718	214 956
Discontinued operations		—	94
Total operating segments including discontinued operations	**11.9**	**240 718**	**215 050**

Supermarkets RSA: R195.0 billion (2023: R173.6 billion)

The Group's core business, Supermarkets RSA, making up 81.0% of Group sales is represented by 2 322 stores across our major trading brands Shoprite, Usave, Checkers, Checkers Hyper, LiquorShop and other.

As a segment, Supermarkets RSA achieved 12.3% sales growth (first half sales increasing 14.6%, second half sales increasing 10.1%). Excluding the R5.9 billion sales contribution from the stores acquired from Massmart Holdings Ltd ("Massmart"), Supermarkets RSA increased sales by 10.5%. It is worth noting for comparative purposes that our first half period sales growth includes the contribution from the stores acquired from Massmart reporting against a base in which they were not included, whereas our second half period growth reports against a base which includes the stores acquired from Massmart.

Like-for-like sales for the year increased by 6.3% (both the first and second half period like-for-like sales growth measured 6.3%).

Internal selling price inflation averaged 5.8% for the period (2023: 10.1%) with the first half period average inflation of 7.7% declining to an average of 4.2% for our second half period.

Customer visits for the period increased by 3.7% and average basket spend increased by 8.4%.

Private label brands participate in a number of categories across all of our supermarket chains, measuring 21.3% excluding liquor for the period (2023: 20.9%).

The Checkers mid-to-upper segment supermarket chain, including its 38 larger format Checkers Hypers, increased its sale of merchandise by 12.3% (2023: 18.0%), contributing 39.9% to the Group's core Supermarkets RSA segment's sales. Checkers Sixty60, the Group's digital on-demand grocery delivery service increased sales by 58.1% (2023: 81.5%), expanding the store base from which it services Checkers customers to 539 stores (2023: 466 stores).

Supermarkets RSA: R195.0 billion (2023: R173.6 billion) continued

Checkers, inclusive of Checkers Hyper, increased its store base over 12 months by a net of 25 stores to end the period with 321 supermarkets. In terms of store openings and upgrade activity over the 12-month period under review:

- The smaller Checkers Foods neighbourhood format increased by two stores bringing the total in this format to nine stores;
- Checkers' successful FreshX conversion programme continued, ending the period with 115 stores trading in this format (approximately one third of the Checkers store footprint);
- In terms of smaller, adjacent stand-alone format stores, 65 were opened during the 12 months:
  - 34 Petshop Science premium pet stores to total 86;
  - Three Little Me baby stores to total 12;
  - 14 UNIQ clothing by Checkers stores to total 22; and
  - 14 Checkers Outdoor stores to total 22.

The Shoprite and Usave supermarket businesses increased sales by 10.7% (2023: 15.6%) for the period (7.9% excluding the contribution from the 52 stores acquired from Massmart), contributing 51.1% to Supermarkets RSA sales:

- Shoprite, our price fighting supermarket business increased sales by 10.3% (2023: 15.7%). Net store openings of 20 stores over the 12-month period resulted in Shoprite ending the period with 638 stores;
- Usave, our limited assortment discount supermarket, increased sales by 13.2% (2023: 14.6%). Net store openings of 22 stores over the 12-month period resulted in Usave ending the period with 463 stores.

The Shoprite and Checkers LiquorShop business increased sales by 20.0% (2023: 30.8%), (15.1% excluding the contribution from Massmart) contributing 8.6% to the segment's sales. Net store openings of 71 stores over the 12-month period resulted in LiquorShop ending the period with 753 stores.

Supermarkets Non-RSA: R20.8 billion (2023: R19.6 billion)

Supermarkets Non-RSA continuing operations increased sales in rand terms excluding hyperinflation, by 6.1% and by 22.1% in constant currency. Sales growth in rand terms was negatively impacted by an average devaluation of 25.8% of the Zambia kwacha, 2.9% of the Ghana cedi and 60.1% of the Angola kwanza against the rand. The segment contributed 8.6% to Group sales.

We estimate internal food inflation for the regions averaged 9.3% for the period.

The segment operates in nine countries with 266 stores. Over the 12 months, the segment's store base increased by a net of 15 stores.

Furniture: R7.2 billion (2023: R7.1 billion)

Sales in the Group's Furniture segment, representing 3.0% of Group sales, increased by 2.3%. Like-for-like sales increased by 2.0%. Credit sales participation remained in line with prior year, measuring 14.9%.

On a net basis, the segment's store base decreased by four over the past 12 months to end the period with 430 stores (South Africa: 341 stores, outside of South Africa: 89 stores).

Other operating segments: R17.7 billion (2023: R14.6 billion)

The Group's other operating segments include OK Franchise, Transpharm, Medirite Pharmacies, Red Star Wholesale Catering Services and Computicket.

Sales generated by Other operating segments increased by 21.1% for the period and represents 7.4% of Group sales.

Sales to our OK Franchise business increased by 23.8% and the franchise division ended the period with 608 stores.

Total income included in trading profit

The Group's total income increased by 12.1% to R63.5 billion, resulting in a total income margin of 26.4% (restated 2023: 26.4%). Total income growth was derived mostly from gross profit increasing by 11.7% and other operating income increasing by 15.2%. However, increases in insurance revenue, profit from associates and joint ventures, interest revenue and a net monetary gain arising from the Ghana hyperinflation impact also contributed.

Gross margin

Gross margin for the period decreased by 10 basis points to 24.0% (2023: 24.1%). Our core Supermarkets RSA segment reported a marginal increase in gross margin which was offset by the Group's faster growing, Other operating segments, reporting a reduced gross margin. With respect to the other segments, our Furniture segment's gross margin increased marginally, whilst our Supermarkets Non-RSA gross margin saw a marginal decline as a result of the continued currency devaluations experienced in major regions.

Results commentary for the 52 weeks ended 30 June 2024 continued

Other operating income

Other operating income, made up of various adjacent revenue streams increased by 15.2% to measure R4.3 billion.

Excluding the non-recurring income of R244 million relating to a loss of profit insurance claim arising from the 2021 social unrest accounted for as part of other income in the prior year, total other operating income increased by 23.3%.

	Change %	2024 Rm	Restated* 2023 Rm
Commissions received*	11.7	1 236	1 107
Franchise fees received	10.2	183	166
Marketing and media	23.5	473	383
Delivery recoveries	22.5	768	627
Other revenue from contracts with customers	40.8	894	635
Operating lease income	(1.5)	461	468
Other income	(83.2)	46	273
Dividends received from unlisted share investments	>100	246	79
Other operating income	**15.2**	**4 307**	**3 738**

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

Total expenses included in trading profit

Total expense growth for the period measured 12.1% and can be attributed to the following:

- Depreciation and amortisation increased by 15.2% to measure 3.0% of Group sales (2023: 2.9%).
- Employee benefits increased by 13.0% (first half increase 14.2%; second half increase 11.9%) reflecting the overall growth of the business, our increased headcount impacting our first half period as a result of the stores acquired from Massmart and also includes:
  - R245 million expensed in favour of eligible employees in South Africa from the Shoprite Employee Trust and equivalent awards granted by subsidiaries in countries outside South Africa.
  - R101 million spent on training 2 930 participants in the Youth Employment Service (YES) programme which trains unemployed youth and provides them with workplace experience.

- Other operating expenses increased by 8.9% to R25.8 billion, before the allocation to cost of sales, inclusive of:
  - Electricity and water increased by 1.9% to R5.2 billion and measured 2.2% (2023: 2.4%) of Group sales versus historical levels of 2.1%. Despite a respite in diesel costs, it should be noted that R754 million (2023: R1.3 billion) was spent on diesel during the period to ensure our Supermarkets RSA stores traded uninterrupted throughout load-shedding. The saving was however offset by a 18.65% increase from the National Energy Regulator of South Africa.
  - Advertising costs increased by 10.5% to R4.1 billion on the back of increased activity generated by our Rainmaker Media and Sixty60 on-demand business units.
  - Delivery expenses increased by 49.4%, repairs and maintenance by 12.1%, and the cost of security services by 13.4%.

Trading profit

Trading profit increased by 12.4% to R13.4 billion, and as a result, the Group's trading margin measured 5.6% (restated 2023: 5.5%).

The following table gives the relevant trading profit, per segment, for continuing operations:

	Change %	2024 Rm	Trading margin 2024 %	Restated* 2023 Rm	Restated* trading margin 2023 %
Supermarkets RSA	11.0	12 036	6.2	10 841	6.2
Supermarkets Non-RSA	6.2	631	3.0	594	3.0
Furniture*	82.2	195	2.7	107	1.5
Other operating segments	18.5	506	2.9	427	2.9
Total continuing operating segments	**11.7**	**13 368**	**5.6**	**11 969**	**5.6**
Hyperinflation effect		31		(50)	
Consolidated continuing operations	**12.4**	**13 399**	**5.6**	**11 919**	**5.5**

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

Trading profit continued

Supermarkets RSA's trading profit increased by 11.0% to measure R12.0 billion (2023: R10.8 billion) resulting in the segment reporting a 6.2% trading margin (2023: 6.2%).

Supermarkets Non-RSA reported a R631 million trading profit (2023: R594 million) excluding hyperinflation, of which R138 million (2023: R192 million) can be attributed to interest revenue included in trading profit.

The Furniture segment's trading profit increased by 82.2% to R195 million due to the combination of an improved gross margin and increases in finance and other income. Based on the external assessment of expected credit losses, the furniture division's debtors book provision measured 40.3% (2023: 40.3%).

Other operating segments' trading profit increased by 18.5%. This segment, underpinned by the continued growth and improvement of our OK Franchise business was also positively impacted by an improved contribution from Computicket.

Exchange rate losses

The Group recorded exchange rate losses of R14 million (2023: R384 million gains) for the period.

Items of a capital nature

Items of a capital nature amounted to a net expense of R330 million (2023: R16 million) inclusive of a R123 million impairment of investment properties acquired from Resilient Africa (Pty) Ltd in Nigeria, impacted during our second half by a 57.3% currency devaluation in the Nigeria naira against the South Africa rand.

Net finance costs

Net finance costs increased by 17.5% to R3.8 billion (restated 2023: R3.2 billion), impacted mostly by the increase in finance charges on the Group's lease liabilities to R3.6 billion (2023: R3.1 billion).

	Change %	2024 Rm	Restated* 2023 Rm
Interest received from bank account balances	16.8	529	453
Finance charges: lease liabilities	17.3	(3 602)	(3 070)
Finance charges: borrowings and other finance charges*	17.7	(704)	(598)
Net finance costs	**17.5**	**(3 777)**	**(3 215)**

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

Taxation

The Group's effective income tax rate improved to 30.2% (2023: 30.8%).

The effective income tax rate is higher than the nominal income tax rate of South Africa (27.0%) due to the different tax rates in the countries where the Group operates. In some of the countries outside of South Africa, minimum taxes or rental income taxes are applicable in addition to the statutory tax rates resulting in effective tax rates being higher than 27.0%.

Capital expenditure

The Group's total capital spend amounted to R7.8 billion for the period (2023: R6.8 billion) and represented 3.2% of Group sales (2023: 3.1%). The majority of the capital expenditure relates to expanding and upgrading our core Supermarkets RSA store portfolio as well as our continued investment in digital commerce and technology related expenditure.

During the period under review the Group successfully completed the 41 000 sqm extension of our distribution centre (DC) in the KwaZulu-Natal region and took beneficial occupation of a new DC site in the Gauteng region, 94 000 sqm in size. Our plans to strengthen the support and expansion of our Eastern Cape region include the establishment of a new DC scheduled for completion at the end of October 2024. These aforementioned DC expansions were funded together with the Group's strategic partners Retail Logistics Fund (RF) (Pty) Ltd and Equites Property Fund Limited.

Results commentary for the 52 weeks ended 30 June 2024 continued

Government bonds and bills

Local currency cash and short-term deposits in Angola are subject to onerous local exchange control regulations which limit the repatriation of surplus cash. The Group is utilising said cash for its local trade and continues to invest surplus cash in AOA, USD Index Linked, Angola Government Bonds as well as AOA, Angola Government Bonds and Angola Treasury Bills.

	2024 Rm	2023 Rm
AOA, USD Index Linked, Angola Government Bonds	515	637
AOA, Angola Government Bonds	288	338
Angola Treasury Bills	66	162
Nigeria Treasury Bills	17	–
Total government bonds and bills	**886**	**1 137**

Inventories

Inventories increased by 13.1% to R28.4 billion (2023: R25.1 billion), representing an inventory to sales ratio of 11.8% (2023: 11.7%) based on the last 12 months' sales.

The increase in inventory is as a result of a number of factors, including:

- Support of 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, as such utilising in-store inventories.
- Maintaining our DC's safety stock levels from local as well as import suppliers to mitigate the impact of external service disruptions.
- Additional inventory holding relating to the expansion of our supply chain network servicing our KwaZulu-Natal region (Canelands DC R438 million) and Gauteng region (Riverfields DC R459 million).

Inventories as % of sales over a 52-week period	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
Total continuing operations	**11.8**	**11.7**

Cash and cash equivalents and bank overdrafts

Net cash (including restricted cash and after deducting bank overdrafts) amounted to R8.8 billion (2023: R6.6 billion). This increase in net cash and cash equivalents is as a result of the R13.8 billion in cash generated from the Group's operating activities, increasing by R4.0 billion this year, but also positively impacted by payments of R4.3 billion made to trade creditors after cut-off.

	2024 Rm	2023 Rm
Restricted cash	3	650
Cash and cash equivalents	11 732	12 548
Bank overdrafts	(2 895)	(6 604)
Net cash	**8 840**	**6 594**

Borrowings and lease liabilities

Total borrowings decreased by R375 million to R6.0 billion (2023: R6.4 billion). The majority of the Group's borrowings remain rand-denominated, with US$8 million (2023: US$29 million) denominated in US dollar.

The Group's borrowings to equity ratio decreased to 21.6% (2023: 24.2%).

The Group's lease liabilities increased by R4.9 billion owing to new leases and renewals.

	2024 Rm	2023 Rm
Borrowings	5 993	6 368
Lease liabilities	40 477	35 582
Total debt	**46 470**	**41 950**

Group outlook

For July 2024, the first month of our 2025 financial year, sales growth in our core Supermarkets RSA segment continues to reflect positive volume growth despite internal selling price inflation slowing to a 12-month low in July at 3.0%.

The South African consumer has faced numerous considerable headwinds over the past few years including notable increases in living costs as a result of compounding escalations in the cost of transport, food and utilities. As a business, providing citizens with basic everyday needs, we have prioritised sheltering our customers to reduce the impact of food price inflation as much as possible. Looking ahead we anticipate much needed relief for consumers as wage growth aligns more with inflation and interest rates decline in line with forecasts. This, together with the South African election and crippling electricity load-shedding behind us, the outlook for consumer and business confidence, in our view, has considerably improved.

As a business our medium-term plan remains relatively unchanged, focused on the South African market which as a result of our experience, scale, platform, store base and data, we believe provides us with considerable runway for future growth. In terms of noteworthy expenditure in the year ahead our Group capital expenditure is expected to be R8.0 billion.

On 2 September 2024 the Group signed an agreement to dispose of the furniture business including the OK Furniture and House & Home brands, excluding the Angola and Mozambique operations to Pepkor. Salient features pertaining to the transaction will be published by Pepkor by way of a voluntary announcement on SENS.

Looking ahead, our plan will result in Shoprite's continued focus on our day-to-day execution of lowest prices for customers. Strategically we are on track with the expansion of our supply chain and digital capabilities, as well as improving our store base across all formats demonstrating that we remain customer-focused in our purpose, at all times.

The information in the Group outlook section has not been reviewed and reported on by the Group's auditors.

2024 results presentation webcast today:

Shoprite Holdings CEO Pieter Engelbrecht invites all who would like to attend the Group's 2024 year-end results presentation webcast at 09:30am (SAST, GMT +2) today to please register via the Group website www.shopriteholdings.co.za or via Register.

Next reporting date:

The Group plans to report its first quarter 2025 operational update in conjunction with its Annual General Meeting on 11 November 2024 via the JSE SENS. Any updates to this timing will be reflected on the Group shareholder diary as part of the Shareholders and Investors relations page on the Group website.

3 September 2024

Enquiries:

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Pro forma financial information

Certain financial information presented in these annual financial results constitutes pro forma financial information in terms of the JSE Limited Listings Requirements. The pro forma financial information is the responsibility of the Board of Directors of the Company and is presented for illustrative purposes only. Because of its nature, the pro forma financial information may not fairly present the Group's financial position, changes in equity, results of operations or cash flows.

The reported amounts and adjustments are extracted without adjustment, from the reviewed condensed consolidated financial statements or underlying accounting records of the Group for the years ended 30 June 2024 and 2 July 2023, respectively.

An assurance report (in terms of ISAE 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information) has been issued by the Group's auditors in respect of the compilation of the pro forma financial information included in this announcement. The pro forma financial information, as set out below, should be read in conjunction with this assurance report.

Like-for-like comparisons

Like-for-like sales is a measure of the growth in the Group's year-on-year sales, removing the impact of new store openings and closures in the current or previous reporting periods. In addition, for the current financial year the economy of Ghana was assessed to be hyperinflationary. Hyperinflation accounting was applied with effect from 3 July 2023. In respect of Ghana, the like-for-like sales have been prepared excluding the impact of hyperinflation, which is considered to have a minimal impact on the Supermarkets Non-RSA result.

References were made to the following subtotals of sale of merchandise	Like-for-like change %	As reported reviewed 52 weeks to 30 June 2024 Rm	Like-for-like 52 weeks to 30 June 2024 Rm	As reported audited 52 weeks to 2 July 2023 Rm	Like-for-like 52 weeks to 2 July 2023 Rm
Total continuing operations	**6.3**	**240 811**	**227 475**	**214 956**	**213 900**
Supermarkets RSA	6.3	195 041	184 066	173 634	173 123
Supermarkets Non-RSA continuing operations	4.3	20 822	20 455	19 622	19 609
Furniture	2.0	7 230	7 133	7 064	6 996
Other operating segments	11.6	17 718	15 821	14 636	14 172

Impact of the Group's pro forma constant currency disclosure

The Group discloses 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. To present this information, the current year's 52-week sales for entities reporting in currencies other than South Africa rand, are converted from local currency actuals into South Africa rand at the prior year's 52-week 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.

The table below sets out the approximate average rand cost for one unit as well as percentage change in sales, based on the actual results for the 52 weeks on the comparative period sales of 52 weeks, in reported currency and constant currency for the following major currencies. The total impact on Supermarkets Non-RSA is also reflected after consolidating all currencies in this segment.

	Average exchange rates			
% Change in sales on prior year 52 weeks	2024	2023	Reported currency	Constant currency
Angola kwanza	0.022	0.035	(3.4)	54.7
Ghana cedi	1.490	1.533	0.3	3.1
Mozambique metical	0.290	0.273	4.7	(1.6)
Zambia kwacha	0.797	1.002	4.0	30.8
Supermarkets Non-RSA continuing operations			6.1	22.1

Impact of hyperinflation adjustment

For the year ended 30 June 2024, the economy of Ghana was assessed to be hyperinflationary. Accordingly, the Group accounted for the results of its Ghana operations on a hyperinflationary basis as required by IAS 29: Financial Reporting in Hyperinflationary Economies (IAS 29) with effect from 3 July 2023. Refer to note 1 of the condensed consolidated financial statements for the basis of preparation of the Group's Ghanaian operations in accordance with IAS 29.

The Angolan economy had been considered to be hyperinflationary up to 30 June 2019. As a result, the Group accounted for the results of its Angola operations on a hyperinflationary basis in accordance with IAS 29 up to 30 June 2019. The Angolan economy was assessed not to be hyperinflationary for the current and comparative reporting periods. Although no further hyperinflationary adjustments were required for the current and comparative reporting periods, the statement of financial position at the respective reporting dates still includes cumulative hyperinflation adjustments as a result of the application of IAS 29 up to 30 June 2019. These cumulative hyperinflation adjustments, included in property, plant and equipment and right-of-use assets, are written off to the statement of comprehensive income, together with the related deferred income tax effect, in accordance with the Group's accounting policies for the respective items.

It is therefore useful and good governance to report pro forma financial information for the current and previous period under review which excludes the impact of hyperinflation. It will also facilitate comparisons against the prior year's results which were prepared before the application of hyperinflation accounting for the Ghana operations.

The pro forma financial information was calculated through applying all the accounting policies adopted by the Group in the latest audited annual financial statements, except for the hyperinflationary standard IAS 29. The adjustments made in respect of hyperinflation were extracted from the accounting records used in the preparation of the condensed consolidated financial statements. In calculating the pro forma headline earnings, the impact of the pro forma adjustments to items of a capital nature, net of income tax, was excluded from the pro forma basic earnings per share.

Earnings per share after removing the impact of hyperinflation adjustment	**Reviewed 52 weeks 2024 Rm**	**Audited 52 weeks 2023 Rm**
Net profit attributable to owners of the parent after removing the impact of hyperinflation adjustment	6 256	5 977
Loss from discontinued operations	322	419
Earnings from continuing operations after removing the impact of hyperinflation adjustment	6 578	6 396
Re-measurements after removing the impact of hyperinflation adjustment	215	(25)
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	125
Impairment of property, plant and equipment	28	59
Impairment of investment properties	123	—
Impairment of right-of-use assets	9	72
Impairment of intangible assets	33	37
Impairment of investment in associate	14	—
Insurance claims receivable	(45)	(82)
Loss on disposal of subsidiary	27	—
Profit on other investing activities	(1)	(2)
Re-measurements attributable to non-controlling interest	(58)	—
Income tax effect on re-measurements	(25)	9
Headline earnings from continuing operations after removing the impact of hyperinflation adjustment	**6 768**	**6 380**
Loss from discontinued operations	(322)	(419)
Items of a capital nature from discontinued operations	—	34
Headline earnings after removing the impact of hyperinflation adjustment	**6 446**	**5 995**

Number of ordinary shares (net of treasury shares)	**'000**	**'000**
– In issue	543 849	543 063
– Weighted average	543 866	542 882
– Weighted average adjusted for dilution	546 172	546 082

The financial impact of hyperinflation on the current year's results is shown in the format of a pro forma statement of comprehensive income and a pro forma statement of financial position.

Pro forma statement of comprehensive income

	As reported reviewed 52 weeks including hyperinflation 2024 Rm	52 weeks hyperinflation adjustment 2024 Rm	52 weeks excluding hyperinflation pro forma 2024 Rm	52 weeks excluding hyperinflation pro forma 2023 Rm	Pro forma change %
Revenue	246 082	(93)	246 175	219 645	12.1
Sale of merchandise	240 718	(93)	240 811	214 956	12.0
Cost of sales	(182 968)	44	(183 012)	(163 250)	12.1
Gross profit	57 750	(49)	57 799	51 706	11.8
Other operating income	4 307	—	4 307	3 738	15.2
Interest revenue	759	—	759	701	8.3
Share of profit of equity accounted investments	268	—	268	251	6.8
Insurance revenue	298	—	298	250	19.2
Insurance service expenses	(178)	—	(178)	(133)	
Depreciation and amortisation	(7 264)	(72)	(7 192)	(6 255)	15.0
Employee benefits	(19 242)	3	(19 245)	(17 027)	13.0
Credit impairment losses	(381)	—	(381)	(264)	
Other operating expenses	(23 053)	14	(23 067)	(20 998)	9.9
Net monetary gain	135	135	—	—	
Trading profit	13 399	31	13 368	11 969	11.7
Exchange rate (losses)/gains	(14)	12	(26)	384	
Profit on lease modifications and terminations	101	—	101	60	
Items of a capital nature	(330)	(57)	(273)	25	
Operating profit	13 156	(14)	13 170	12 438	5.9
Interest received from bank account balances	529	—	529	453	16.8
Finance costs	(4 306)	1	(4 307)	(3 668)	17.4
Profit before income tax	9 379	(13)	9 392	9 223	1.8
Income tax expense	(2 836)	5	(2 841)	(2 812)	1.0
Profit from continuing operations	6 543	(8)	6 551	6 411	2.2
Loss from discontinued operations (attributable to owners of the parent)	(322)	—	(322)	(419)	
Profit for the year	**6 221**	**(8)**	**6 229**	**5 992**	**4.0**
Other comprehensive (loss)/income, net of income tax	(871)	46	(917)	(1 350)	
Items that will not be reclassified to profit or loss					
Re-measurements of post-employment medical benefit obligations	2	—	2	2	
Items that may subsequently be reclassified to profit or loss					
Foreign currency translation differences from continuing operations	(588)	46	(634)	(1 222)	
Foreign currency translation differences from discontinued operations	1	—	1	(9)	
Release of foreign currency translation reserve on deemed disposal of associates	(33)	—	(33)	—	
Changes in the fair value of investments at fair value through other comprehensive income	27	—	27	—	
Loss on effective net investment hedge, net of income tax	(280)	—	(280)	(121)	
Total comprehensive income for the year	**5 350**	**38**	**5 312**	**4 642**	
Profit/(loss) attributable to:	6 221	(8)	6 229	5 992	
Owners of the parent	6 248	(8)	6 256	5 977	
Non-controlling interest	(27)	—	(27)	15	
Total comprehensive income/(loss) attributable to:	5 350	38	5 312	4 642	
Owners of the parent	5 382	38	5 344	4 627	
Non-controlling interest	(32)	—	(32)	15	
Total comprehensive income/(loss) attributable to owners of the parent arises from:	5 382	38	5 344	4 627	
Continuing operations	5 703	38	5 665	5 055	
Discontinued operations	(321)	—	(321)	(428)	
Earnings per share for profit from continuing operations attributable to owners of the parent:					
Basic earnings per share from continuing operations (cents)	1 207.7	(1.5)	1 209.2	1 178.0	2.6
Diluted earnings per share from continuing operations (cents)	1 202.6	(1.5)	1 204.1	1 171.1	2.8
Headline earnings per share from continuing operations (cents)	1 250.5	6.5	1 244.0	1 175.2	5.9
Diluted headline earnings per share from continuing operations (cents)	1 245.2	6.5	1 238.7	1 168.4	6.0
Earnings per share for profit attributable to owners of the parent:					
Basic earnings per share (cents)	1 148.6	(1.5)	1 150.1	1 100.9	4.5
Diluted earnings per share (cents)	1 143.7	(1.5)	1 145.2	1 094.4	4.6
Headline earnings per share (cents)	1 191.4	6.5	1 184.9	1 104.3	7.3
Diluted headline earnings per share (cents)	1 186.3	6.5	1 179.8	1 097.9	7.5

Pro forma statement of financial position

	As reported reviewed including hyperinflation 2024 Rm	Hyperinflation adjustment 2024 Rm	Excluding hyperinflation pro forma 2024 Rm	Excluding hyperinflation pro forma 2023 Rm
Assets				
Non-current assets	62 269	709	61 560	53 806
Property, plant and equipment	19 672	523	19 149	16 037
Investment properties	617	—	617	—
Right-of-use assets	30 469	218	30 251	26 666
Intangible assets	4 695	4	4 691	4 225
Equity accounted investments	2 478	—	2 478	2 312
Convertible loans	—	—	—	22
Investments at fair value through other comprehensive income	67	—	67	—
Investment in insurance cell captive arrangements	129	—	129	128
Government bonds and bills	—	—	—	716
Loans receivable	429	—	429	647
Deferred income tax assets	3 297	(35)	3 332	2 875
Trade and other receivables	416	(1)	417	178
Current assets	50 059	8	50 051	47 965
Inventories	28 366	8	28 358	25 090
Trade and other receivables	6 298	—	6 298	5 697
Current income tax assets	736	—	736	441
Investment in insurance cell captive arrangements	402	—	402	383
Government bonds and bills	886	—	886	421
Loans receivable	680	—	680	1 346
Restricted cash	3	—	3	650
Cash and cash equivalents	11 732	—	11 732	12 548
	49 103	8	49 095	46 576
Assets classified as held for sale	956	—	956	1 389
Total assets	**112 328**	**717**	**111 611**	**101 771**
Equity				
Capital and reserves attributable to owners of the parent				
Stated capital	7 516	—	7 516	7 516
Treasury shares	(2 616)	—	(2 616)	(2 624)
Reserves	22 891	717	22 174	20 559
	27 791	717	27 074	25 451
Non-controlling interest	(67)	—	(67)	148
Total equity	**27 724**	**717**	**27 007**	**25 599**
Liabilities				
Non-current liabilities	43 066	—	43 066	38 731
Lease liabilities	36 702	—	36 702	32 482
Borrowings	5 788	—	5 788	5 770
Deferred income tax liabilities	8	—	8	10
Employee benefit and other provisions	482	—	482	400
Trade and other payables	86	—	86	69
Current liabilities	41 538	—	41 538	37 441
Trade and other payables	32 458	—	32 458	25 106
Contract liabilities	1 219	—	1 219	1 023
Lease liabilities	3 775	—	3 775	3 100
Borrowings	205	—	205	598
Current income tax liabilities	784	—	784	786
Employee benefit and other provisions	202	—	202	224
Bank overdrafts	2 895	—	2 895	6 604
Total liabilities	**84 604**	**—**	**84 604**	**76 172**
Total equity and liabilities	**112 328**	**717**	**111 611**	**101 771**

Pro forma financial information continued

Adjusted headline earnings per share (adjusted HEPS) and adjusted diluted headline earnings per share (adjusted DHEPS)

The Group's reported results include the Shoprite Employee Trust distributions and provisions for eligible employees in South Africa as well as an equivalent award granted to qualifying employees of subsidiaries in countries outside of South Africa. The distributions are additional incentives to reward employees for staying in service of the Group. The Group's reported results also include exchange rate differences which fluctuate from year to year. Although the Group manages its exposure to foreign currency fluctuations, economic factors outside of the Group's control have a significant impact on currency devaluations in countries where the Group operates. As already stated, the economy of Ghana was assessed to be hyperinflationary in the current year. Furthermore, the reported results include cumulative hyperinflation adjustments for Angola in property, plant and equipment and right-of-use assets, resulting from the application of IAS 29 up to 30 June 2019. Although the Angolan economy was assessed to be no longer hyperinflationary for the current and comparative reporting periods these results still include the impact of unwinding the aforementioned cumulative hyperinflation adjustments. Lastly, the calculation of reported HEPS includes profit on lease modifications and terminations, while the impact of right-of-use asset impairments is excluded.

Adjusted HEPS and adjusted DHEPS are calculated by adjusting HEPS and DHEPS with the impact of the Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa, exchange rate differences, hyperinflation adjustments, lease modifications and terminations as well as the related tax effects. In order to calculate the per share values, the adjusted headline earnings and adjusted diluted headline earnings are divided by the weighted average number of shares and the weighted average number of shares adjusted for dilution, respectively. Management believes adjusted HEPS and adjusted DHEPS as noted below, are more useful measures of the Group's underlying performance. However, this is not a defined term under IFRS Accounting Standards and may not be comparable with similarly titled measures reported by other companies. The Group has therefore presented its HEPS and DHEPS for the current and previous year on a similar basis, excluding the impact of the Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa, foreign exchange rate differences, hyperinflation accounting and lease modifications and terminations as well as the related income tax, to facilitate comparisons against the comparative year's results.

The table below presents the adjustments to the items reported.

	Reviewed 52 weeks 2024 Rm	Audited 52 weeks 2023 Rm
Headline earnings including discontinued operations as reported	6 482	5 945
Impact of Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa	245	235
Impact of exchange rate differences**	217	(80)
Impact of hyperinflation adjustment***	(32)	50
Impact of lease modifications and terminations	(101)	5
Related income tax effect****	25	134
Adjusted headline earnings including discontinued operations	**6 836**	**6 289**
Headline earnings from continuing operations as reported	6 804	6 330
Impact of Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa	245	235
Impact of exchange rate differences as reported	14	(384)
Impact of hyperinflation adjustment***	(32)	50
Impact of lease modifications and terminations	(101)	(60)
Related income tax effect****	24	133
Adjusted headline earnings from continuing operations	**6 954**	**6 304**

** The impact of exchange rate differences, including discontinued operations, consists of R14 million exchange rate losses (2023: R384 million exchange rate gains) as reported and R203 million (2023: R304 million) exchange rate losses from discontinued operations (refer to note 6 of the condensed consolidated financial statements).

*** The impact of the hyperinflation adjustment resulted in a decrease of R32 million (2023: R50 million increase) in headline earnings which is calculated by excluding the R57 million impact of expenditure of a capital nature hyperinflation adjustment (2023: R41 million) and exchange rate loss of R12 million (2023: no hyperinflation exchange rate differences) from the profit before income tax hyperinflation adjustment of R13 million (2023: R91 million).

**** The tax effect of exchange rate differences as well as lease modifications and terminations was calculated by applying the average effective tax rate of 30.2% (2023: 30.8%). The tax effect of hyperinflation adjustments and the Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa was based on the actual tax charges.

Adjusted headline earnings per share (adjusted HEPS) and adjusted diluted headline earnings per share (adjusted DHEPS) continued

Number of ordinary shares	Reviewed 52 weeks 2024 '000	Audited 52 weeks 2023 '000
– In issue	543 849	543 063
– Weighted average	543 866	542 882
– Weighted average adjusted for dilution	546 172	546 082

	Change %	cents	cents
Diluted headline earnings per share including discontinued operations as reported	8.9	1 186.3	1 088.9
Adjusted headline earnings per share including discontinued operations	8.5	1 256.8	1 158.4
Adjusted diluted headline earnings per share including discontinued operations	8.7	1 251.5	1 151.7
Diluted headline earnings per share from continuing operations as reported	7.4	1 245.2	1 159.4
Adjusted headline earnings per share from continuing operations	10.1	1 278.6	1 161.2
Adjusted diluted headline earnings per share from continuing operations	10.3	1 273.2	1 154.4

Number of outlets as at 30 June 2024

	12 Months					
	2023	Opened	Closed	Net movement	2024	Confirmed new stores 2025
Supermarkets RSA	2 121	212	11	201	2 322	195
Shoprite	618	21	1	20	638	34
Checkers	258	26	1	25	283	38
Checkers Hyper	38	—	—	—	38	1
Usave	441	29	7	22	463	36
LiquorShop	682	71	—	71	753	61
Other	84	65	2	63	147	25
Supermarkets Non-RSA	251	16	1	15	266	17
Shoprite	148	5	—	5	153	9
Checkers	9	1	—	1	10	1
Usave	45	3	1	2	47	2
LiquorShop*	49	7	—	7	56	5
Furniture	434	3	7	(4)	430	—
OK Furniture	390	3	7	(4)	386	—
House & Home	44	—	—	—	44	—
Other operating segments**	541	112	32	80	621	53
OK Franchise	535	105	32	73	608	48
Medirite Plus	6	7	—	7	13	5
Total stores – continuing operations	3 347	343	51	292	3 639	265
Total stores outside South Africa – continuing operations	419	24	9	15	434	27
Countries outside South Africa – continuing operations	9	—	—	—	9	—

* The adjusted opening balance of Supermarkets Non-RSA LiquorShop includes 21 existing liquor stores in Eswatini and Botswana which previously formed part of the supermarket host stores during the prior financial year.

** 126 Medirite pharmacies form part of Other operating segments but are excluded from these numbers, as these Medirite pharmacies are located within supermarkets.

Dividend no. 151

The Board has declared a final dividend of 445 cents (2023: 415 cents) per ordinary share, payable to shareholders on Monday, 30 September 2024. The dividend has been declared out of income reserves. This brings the total dividend for the year to 712 cents (2023: 663 cents) per ordinary share. The last day to trade cum dividend will be Monday, 23 September 2024. As from Wednesday, 25 September 2024, all trading of Shoprite Holdings Ltd shares will take place ex dividend. The record date is Friday, 27 September 2024. Share certificates may not be dematerialised or rematerialised between Wednesday, 25 September 2024, and Friday, 27 September 2024, both days inclusive.

In terms of the Dividends Tax, the following additional information is disclosed:

1. The local dividend tax rate is 20%.
2. The net local dividend amount is 445 cents per share for shareholders exempt from paying Dividends Tax and 356 cents per share for shareholders liable to pay Dividends Tax.
3. The issued ordinary share capital of Shoprite Holdings Ltd as at the date of this declaration is 591 338 502 ordinary shares.
4. Shoprite Holdings Ltd's tax reference number is 9775/112/71/8.

Independent auditor's review report on the condensed consolidated financial statements

To the shareholders of Shoprite Holdings Ltd

We have reviewed the condensed consolidated financial statements of Shoprite Holdings Ltd, set out on pages 20 to 43, which comprise the condensed consolidated statement of financial position as at 30 June 2024 and the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Directors' responsibility for the condensed consolidated financial statements

The Directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these condensed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Shoprite Holdings Ltd for the year ended 30 June 2024 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.

Ernst & Young Inc.
Director: Anthony Cadman CA
Registered Auditor

Cape Town, South Africa

3 September 2024

Pro forma financial information assurance report

Independent Auditor's Assurance Report on the Compilation of Pro Forma Financial Information included in the Reviewed results of Shoprite Holdings Ltd for the 52 weeks ended 30 June 2024

To the Directors of Shoprite Holdings Ltd

We have completed our assurance engagement to report on the compilation of pro forma financial information of Shoprite Holdings Ltd and its subsidiaries (collectively the "Group"), by the Directors.

The pro forma financial information, as set out on pages 10 to 15 of the Reviewed results of Shoprite Holdings Ltd for the 52 weeks ended 30 June 2024, consists of the like-for-like comparisons, the impact of the Group's pro forma constant currency disclosure on sales, impact of hyperinflation adjustments on financial information, adjusted headline earnings per share, adjusted diluted headline earnings per share and related notes (collectively referred to as "pro forma financial information"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in the JSE Limited ("JSE") Listings Requirements and described in the pro forma financial information section on pages 10 to 15 of the Reviewed results of Shoprite Holdings Ltd for the 52 weeks ended 30 June 2024.

The pro forma financial information has been compiled by the Directors to illustrate the impact of revenue growth on a like-for-like basis as compared to the prior financial year, revenue growth in constant foreign exchange rates as compared to the prior financial year, hyperinflation effects on financial information, and the impact on headline earnings per share and diluted headline earnings per share of certain non-headline earnings adjustments identified by management. As part of this process, information about the Group's consolidated financial position and consolidated financial performance has been extracted by the Directors from the Group's condensed consolidated financial statements for the year ended 30 June 2024, on which an auditor's report was issued on 3 September 2024.

Directors' responsibility for the pro forma financial information

The Directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the pro forma financial information section on pages 10 to 15 of the Reviewed results of Shoprite Holdings Ltd for the 52 weeks ended 30 June 2024.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors, issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies International Standard on Quality Management 1 (ISQM 1) Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis specified in the JSE Listings Requirements and described in the pro forma financial information section on pages 10 to 15 of the Reviewed results of Shoprite Holdings Ltd for the 52 weeks ended 30 June 2024, based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus, which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in the Reviewed results of Shoprite Holdings Ltd for the 52 weeks ended 30 June 2024 is solely to illustrate the impact of a significant adjustment or event on unadjusted financial information of the entity as if the adjustment or event had occurred or had been undertaken at an earlier date selected for the purposes of the illustration, as described in the basis of preparation. Accordingly, we do not provide any assurance that the actual outcome of the adjustment or event at 30 June 2024 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the adjustment or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the adjustment or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information, has been compiled, in all material respects, on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the pro forma financial information section on pages 10 to 15 of the Reviewed results of Shoprite Holdings Ltd results for the 52 weeks ended 30 June 2024.

Ernst & Young Inc.

Ernst & Young Inc.
Director: Anthony Cadman CA
Registered Auditor

Cape Town, South Africa

3 September 2024

Condensed consolidated statement of comprehensive income

	Notes	Change %	Reviewed 52 weeks 2024 Rm	Restated* audited 52 weeks 2023 Rm
Revenue	4	12.0	246 082	219 645
Sale of merchandise	4	12.0	240 718	214 956
Cost of sales		12.1	(182 968)	(163 250)
Gross profit		11.7	57 750	51 706
Other operating income	4	15.2	4 307	3 738
Interest revenue	4	8.3	759	701
Share of profit of equity accounted investments	12	6.8	268	251
Insurance revenue	4	19.2	298	250
Insurance service expenses	15		(178)	(133)
Depreciation and amortisation		15.2	(7 264)	(6 305)
Employee benefits		13.0	(19 242)	(17 027)
Credit impairment losses			(381)	(264)
Other operating expenses		9.8	(23 053)	(20 998)
Net monetary gain			135	—
Trading profit		12.4	13 399	11 919
Exchange rate (losses)/gains			(14)	384
Profit on lease modifications and terminations			101	60
Items of a capital nature			(330)	(16)
Operating profit		6.6	13 156	12 347
Interest received from bank account balances		16.8	529	453
Finance costs	5	17.4	(4 306)	(3 668)
Profit before income tax		2.7	9 379	9 132
Income tax expense		0.9	(2 836)	(2 812)
Profit from continuing operations		3.5	6 543	6 320
Loss from discontinued operations (attributable to owners of the parent)	6		(322)	(419)
Profit for the year		**5.4**	**6 221**	**5 901**
Other comprehensive (loss)/income, net of income tax			(871)	(1 847)
Items that will not be reclassified to profit or loss				
Re-measurements of post-employment medical benefit obligations			2	2
Items that may subsequently be reclassified to profit or loss				
Foreign currency translation differences including hyperinflation from continuing operations			(588)	(1 719)
Foreign currency translation differences from discontinued operations			1	(9)
Release of foreign currency translation reserve on deemed disposal of associates			(33)	—
Changes in the fair value of investments at fair value through other comprehensive income			27	—
Loss on effective net investment hedge, net of income tax			(280)	(121)
Total comprehensive income for the year			**5 350**	**4 054**
Profit/(loss) attributable to:			6 221	5 901
Owners of the parent			6 248	5 886
Non-controlling interest			(27)	15
Total comprehensive income/(loss) attributable to:			5 350	4 054
Owners of the parent			5 382	4 039
Non-controlling interest			(32)	15
Total comprehensive income/(loss) attributable to owners of the parent arises from:			5 382	4 039
Continuing operations			5 703	4 467
Discontinued operations			(321)	(428)
Earnings per share for profit from continuing operations attributable to owners of the parent:				
Basic earnings per share from continuing operations (cents)	7	4.0	1 207.7	1 161.4
Diluted earnings per share from continuing operations (cents)	7	4.2	1 202.6	1 154.6
Headline earnings per share from continuing operations (cents)	7	7.2	1 250.5	1 166.2
Diluted headline earnings per share from continuing operations (cents)	7	7.4	1 245.2	1 159.4
Earnings per share for profit attributable to owners of the parent:				
Basic earnings per share (cents)	7	5.9	1 148.6	1 084.3
Diluted earnings per share (cents)	7	6.1	1 143.7	1 077.9
Headline earnings per share (cents)	7	8.8	1 191.4	1 095.3
Diluted headline earnings per share (cents)	7	8.9	1 186.3	1 088.9

* Restated for the adoption of IFRS 17: Insurance Contracts. Refer to note 2 for details of this change in accounting policy.

Condensed consolidated statement of financial position

	Notes	Reviewed 2024 Rm	Restated* audited 2023 Rm
Assets			
Non-current assets		62 269	54 485
Property, plant and equipment	8	19 672	16 601
Investment properties	10	617	—
Right-of-use assets	11	30 469	26 781
Intangible assets		4 695	4 225
Equity accounted investments	12	2 478	2 312
Convertible loans	13	—	22
Investments at fair value through other comprehensive income	14	67	—
Investment in insurance cell captive arrangements	15	129	128
Government bonds and bills	16	—	716
Loans receivable		429	647
Deferred income tax assets		3 297	2 875
Trade and other receivables		416	178
Current assets		50 059	47 965
Inventories		28 366	25 090
Trade and other receivables		6 298	5 697
Current income tax assets		736	441
Investment in insurance cell captive arrangements	15	402	383
Government bonds and bills	16	886	421
Loans receivable		680	1 346
Restricted cash		3	650
Cash and cash equivalents		11 732	12 548
		49 103	46 576
Assets classified as held for sale	9	956	1 389
Total assets		**112 328**	**102 450**
Equity			
Capital and reserves attributable to owners of the parent			
Stated capital	17	7 516	7 516
Treasury shares	17	(2 616)	(2 624)
Reserves		22 891	21 238
		27 791	26 130
Non-controlling interest		(67)	148
Total equity		**27 724**	**26 278**
Liabilities			
Non-current liabilities		43 066	38 731
Lease liabilities	18	36 702	32 482
Borrowings	19	5 788	5 770
Deferred income tax liabilities		8	10
Employee benefit and other provisions		482	400
Trade and other payables		86	69
Current liabilities		41 538	37 441
Trade and other payables		32 458	25 106
Contract liabilities		1 219	1 023
Lease liabilities	18	3 775	3 100
Borrowings	19	205	598
Current income tax liabilities		784	786
Employee benefit and other provisions		202	224
Bank overdrafts		2 895	6 604
Total liabilities		**84 604**	**76 172**
Total equity and liabilities		**112 328**	**102 450**

* Restated for the adoption of IFRS 17: Insurance Contracts. Refer to note 2 for details of this change in accounting policy.

Condensed consolidated statement of changes in equity

Rm	Total equity	Non-controlling interest	Attributable to owners of the parent: Total	Stated capital	Treasury shares	Other reserves	Retained earnings
Audited 52 weeks to 2 July 2023							
Balance at 3 July 2022	**25 627**	**143**	**25 484**	**7 516**	**(2 583)**	**(5 563)**	**26 114**
Total comprehensive income	4 054	15	4 039	—	—	(1 849)	5 888
Profit for the year	5 901	15	5 886				5 886
Recognised in other comprehensive income							
Re-measurements of post-employment medical benefit obligations	2		2				2
Foreign currency translation differences	(1 728)		(1 728)			(1 728)	
Loss on effective net investment hedge	(164)		(164)			(164)	
Income tax effect of loss on effective net investment hedge	43		43			43	
Share-based payments – value of employee services	229		229			229	
Modification of cash bonus arrangement transferred from employee benefit provisions	11		11			11	
Purchase of treasury shares	(318)		(318)		(318)		
Treasury shares disposed	47		47		35		12
Realisation of share-based payment reserve	—		—		242	(226)	(16)
Dividends distributed to shareholders	(3 372)	(10)	(3 362)				(3 362)
Balance at 2 July 2023	**26 278**	**148**	**26 130**	**7 516**	**(2 624)**	**(7 398)**	**28 636**
Reviewed 52 weeks to 30 June 2024							
Total comprehensive income	5 350	(32)	5 382	—	—	(868)	6 250
Profit/(loss) for the year	6 221	(27)	6 248				6 248
Recognised in other comprehensive income							
Re-measurements of post-employment medical benefit obligations	2		2				2
Foreign currency translation differences including hyperinflation effect	(549)	(5)	(544)			(544)	
Income tax effect of foreign currency translation differences including hyperinflation	(38)		(38)			(38)	
Release of foreign currency translation reserve on deemed disposal of associates	(33)		(33)			(33)	
Loss on effective net investment hedge	(396)		(396)			(396)	
Income tax effect of loss on effective net investment hedge	116		116			116	
Fair value adjustment	27		27			27	
Share-based payments – value of employee services	218		218			218	
Modification of cash bonus arrangement transferred from employee benefit provisions	17		17			17	
Purchase of treasury shares	(239)		(239)		(239)		
Treasury shares disposed	11		11		9		2
Realisation of share-based payment reserve	—		—		238	(250)	12
Non-controlling interest on acquisition of subsidiaries	(158)	(158)	—				
Non-controlling interest on disposal of subsidiary	(15)	(15)	—				
Dividends distributed to shareholders	(3 738)	(10)	(3 728)				(3 728)
Balance at 30 June 2024	**27 724**	**(67)**	**27 791**	**7 516**	**(2 616)**	**(8 281)**	**31 172**

Condensed consolidated statement of cash flows

	Notes	Reviewed 2024 Rm	Restated* audited 2023 Rm
Cash flows from operating activities		13 841	9 831
Operating profit		12 828	11 924
Less: investment income and interest revenue earned		(1 009)	(780)
Non-cash items	21.1	8 557	7 268
Changes in working capital	21.2	3 252	(175)
Cash generated from operations		23 628	18 237
Interest received		1 212	1 080
Interest paid		(4 305)	(3 664)
Dividends received		568	262
Dividends paid		(3 743)	(3 370)
Income tax paid		(3 519)	(2 714)
Cash flows utilised by investing activities		(6 779)	(6 229)
Investment in trademarks to expand operations		—	(20)
Investment in property, plant and equipment and other intangible assets to expand operations		(5 718)	(4 594)
Investment in property, plant and equipment and other intangible assets to maintain operations		(2 012)	(2 095)
Investment in assets classified as held for sale		(32)	(46)
Investment in convertible loans		(5)	(20)
Payment for investments at fair value through other comprehensive income		(4)	—
Proceeds on disposal of property, plant and equipment and intangible assets[1]		400	1 045
Cash inflows as a result of the disposal of discontinued operations	6.2	39	49
Proceeds on disposal of assets classified as held for sale[2]		368	331
Proceeds from insurance recovery for property, plant and equipment relating to social unrest		—	7
Payments for government bonds and bills		(339)	(679)
Proceeds from government bonds and bills		523	664
Loans receivable advanced		(663)	(177)
Loans receivable repaid		593	257
Decrease/(increase) in ring-fenced Angola tax guarantees		285	(292)
Investment in associate	12	(119)	(13)
Cash inflow on acquisition of subsidiaries	21.3	25	—
Acquisition of select businesses from Massmart Holdings Ltd	21.4	—	(630)
Acquisition of other operations		(69)	(16)
Cash outflow on disposal of investment in subsidiary	21.5	(51)	—
Cash flows utilised by financing activities		(4 012)	(2 855)
Repayment of lease liability obligations	18	(3 386)	(3 282)
Purchase of treasury shares		(239)	(318)
Proceeds from treasury shares disposed		11	47
Repayment of borrowings		(1 714)	(1 467)
Borrowings raised		1 316	2 165
Net movement in cash and cash equivalents		3 050	747
Cash and cash equivalents at the beginning of the year		6 302	5 967
Effect of exchange rate movements and hyperinflation on cash and cash equivalents		(515)	(412)
Cash and cash equivalents at the end of the year		**8 837**	**6 302**
Consisting of:			
Restricted cash[3]		—	358
Cash and cash equivalents		11 732	12 548
Bank overdrafts		(2 895)	(6 604)
		8 837	**6 302**

* Restated for the adoption of IFRS 17: Insurance Contracts. Refer to note 2 for details of this change in accounting policy.

1 Proceeds on disposal of property, plant and equipment and intangible assets does not include proceeds (2023: R882 million) relating to sale and leaseback arrangements. Refer to note 18.

2 Proceeds on disposal of assets classified as held for sale include R338 million (2023: no proceeds) relating to sale and leaseback arrangements. Refer to note 18.

3 Restricted cash excludes R3 million (2023: R292 million) ring-fenced Angola tax guarantees.

Selected explanatory notes to the condensed consolidated financial statements

1 Basis of preparation

The Group reports on the retail calendar of trading weeks which treats each financial year as an exact 52-week period, incorporating trade from Monday to Sunday each week. This treatment effectively results in the loss of a day (or two in a leap year) per calendar year. These days are brought to account approximately every six years by including a 53rd week. Accordingly, the results for the financial year under review are for a 52-week period, ended 30 June 2024, compared to 52 weeks in the previous financial year.

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for condensed reports and the requirements of the South African Companies Act, 71 of 2008. The Listings Requirements require condensed reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting.

The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS Accounting Standards and are consistent with those applied in the preparation of the previous consolidated annual financial statements, except where the Group has applied new accounting policies or adopted new standards effective for year-ends starting on or after 1 January 2023.

At the end of March 2024, the Group acquired the remaining 60.9% of shares in associates Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd, increasing its ownership percentage to 100%. The acquisition included five Nigeria companies which own three malls namely Delta, Owerri and Asaba Mall. These malls have been classified as investment properties, refer to note 1.1 for the new accounting policy applied.

The convertible loan from Omnisient (RF) (Pty) Ltd was converted to equity during May 2024 and the Group acquired an investment in Omnisient International Ltd. These equity investments were classified as investments at fair value through other comprehensive income. The accounting policy is disclosed in note 1.2.

The Group has adopted IFRS 17: Insurance Contracts (IFRS 17) on 3 July 2023. The impact of the adoption of this standard is disclosed in note 2.

For the year ended 30 June 2024, the Group classified the economy of Ghana as hyperinflationary, effective from 3 July 2023. Accordingly, the results and the financial position, including comparative amounts, of the Group's Ghana subsidiary have been expressed in terms of the measuring unit current at the reporting date, as required by IAS 29: Financial Reporting in Hyperinflationary Economies. The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. Gains or losses on the net monetary position are recognised in profit or loss. All items recognised in the statement of comprehensive income are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred while all items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period. At the beginning of the first period of application, the components of owners' equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised in other comprehensive income. Restated retained earnings at the beginning of the first period of application are derived from all other amounts in the restated statement of financial position. As the presentation currency of the Group is that of a non-hyperinflationary economy, comparative amounts of the Group are not adjusted for changes in the price level or exchange rates in the current year.

Various other revised accounting standards became effective during the year, but their implementation had no significant impact on the results of either the current or the previous year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The preparation of the condensed consolidated financial statements for the year ended 30 June 2024 have been supervised by the Chief Financial Officer (CFO), Mr A de Bruyn, CA(SA), and these condensed consolidated financial statements for the year ended 30 June 2024 have been reviewed by Ernst & Young Inc., who expressed an unmodified review conclusion thereon. The review was performed in accordance with ISRE 2410: Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

1 Basis of preparation continued

1.1 Investment properties

Properties held to earn rentals or for capital appreciation or both, rather than for use in production, supply of goods or services, or for administrative purposes or for sale in the ordinary course of business, are classified as investment properties. Investment properties are measured at cost, less accumulated depreciation and impairment losses. The historical cost includes all expenditure that is directly attributable to the acquisition of the buildings and land.

Investment properties are depreciated on the straight-line basis over 20 years. This rate is considered to be appropriate to reduce the buildings to their estimated residual value over their useful life.

Management determines the estimated useful lives, residual values and the related depreciation charges at acquisition and these are reviewed at each reporting date. If appropriate, adjustments are made and accounted for prospectively as a change in estimate.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of original assessed standards of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

The carrying amount of investment properties is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal or scrapping of investment properties, being the difference between the net proceeds on disposal or scrapping and the carrying amount, are recognised in the statement of comprehensive income.

1.2 Investments at fair value through other comprehensive income

Investments at fair value through other comprehensive income (FVOCI) include equity shares of non-listed companies. The Group holds a non-controlling interest in these companies. At initial recognition, the Group has irrevocably elected to classify these strategic investments as financial assets held at FVOCI. At the reporting date the fair value is determined based on the net asset value of the companies.

Selected explanatory notes to the condensed consolidated financial statements continued

2 Change in accounting policy

2.1 Adoption of IFRS 17

IFRS 17 is effective for the year commencing 3 July 2023 and replaces IFRS 4: Insurance Contracts. The Group implemented the standard using the full retrospective approach. Accordingly, the comparative information in these reviewed condensed consolidated financial statements has been restated from a transition date of 4 July 2022.
The adoption of IFRS 17 applying the premium allocation approach resulted in two new line items on the statement of comprehensive income namely insurance revenue and insurance service expenses. The adjustments recognised for each individual line item affected in the Group's condensed consolidated statement of comprehensive income, statement of financial position and the statement of cash flows are detailed below.

The Group's first-party cell captive arrangements continue to be accounted for under IFRS 9: Financial Instruments.

	Audited 52 weeks 2023 Rm
2.2 Impact of the adoption of IFRS 17 on the statement of comprehensive income	
Decrease in other operating income	(171)
Increase in interest revenue	36
Increase in insurance revenue	250
Increase in insurance service expenses	(133)
(Increase)/decrease in other operating expenses	21
Increase in trading profit	3
Increase in finance costs (included in borrowings and other finance charges)	(3)
Profit for the period	**–**
2.3 Impact of the adoption of IFRS 17 on the statement of financial position	
Assets	
Current assets	
Increase in investment in insurance cell captive arrangements	94
Liabilities	
Non-current liabilities	
Increase in trade and other payables	69
Current liabilities	
Increase in trade and other payables	25
2.4 Impact of the adoption of IFRS 17 on the statement of cash flows	
Increase in operating profit	3
Increase in interest revenue earned	(36)
Increase in non-cash items	33
Cash flows from operating activities	**–**

3 Condensed operating segment information

3.1 Analysis per reportable segment

Continuing operations	Supermarkets RSA Rm	Supermarkets Non-RSA Rm	Furniture Rm	Other operating segments Rm	Total operating segments Rm	Hyperinflation effect Rm	Consolidated Rm
Reviewed 2024							
Sale of merchandise	201 433	20 868	7 230	17 753	247 284	(93)	247 191
External	195 041	20 822	7 230	17 718	240 811	(93)	240 718
Inter-segment	6 392	46	—	35	6 473	—	6 473
Trading profit	12 036	631	195	506	13 368	31	13 399
Interest revenue included in trading profit	102	138	445	74	759	—	759
Depreciation and amortisation[4]	6 876	703	365	104	8 048	72	8 120
Impairments/ (impairment reversals)	104	89	—	—	193	57	250
Property, plant and equipment	13	14	1	—	28	8	36
Investment properties	—	123	—	—	123	—	123
Right-of-use assets	58	(48)	(1)	—	9	49	58
Intangible assets	33	—	—	—	33	—	33
Total assets	88 444	11 239	6 063	5 865	111 611	717	112 328

Restated* audited 2023	Supermarkets RSA Rm	Supermarkets Non-RSA Rm	Furniture Rm	Other operating segments Rm	Total operating segments Rm	Hyperinflation effect Rm	Consolidated Rm
Sale of merchandise	178 691	19 658	7 064	14 666	220 079	—	220 079
External	173 634	19 622	7 064	14 636	214 956	—	214 956
Inter-segment	5 057	36	—	30	5 123	—	5 123
Trading profit/(loss)	10 841	594	107	427	11 969	(50)	11 919
Interest revenue included in trading profit	70	192	356	83	701	—	701
Depreciation and amortisation[4]	5 884	774	343	80	7 081	50	7 131
Impairments	81	67	20	—	168	40	208
Property, plant and equipment	4	50	5	—	59	37	96
Right-of-use assets	40	17	15	—	72	3	75
Intangible assets	37	—	—	—	37	—	37
Total assets	78 857	12 810	5 170	4 934	101 771	679	102 450

Refer to note 6 for operating segment disclosures of discontinued operations.

* Restated for the adoption of IFRS 17: Insurance Contracts. Refer to note 2 for details of this change in accounting policy.

4 Represent gross depreciation and amortisation before appropriate allocations of distribution cost.

Selected explanatory notes to the condensed consolidated financial statements continued

3 Condensed operating segment information continued

3.2 Geographical analysis

Continuing operations	South Africa Rm	Outside South Africa Rm	Total operating segments Rm	Hyperinflation effect Rm	Consolidated Rm
Reviewed 2024					
Sale of merchandise – external	215 937	24 874	240 811	(93)	240 718
Non-current assets[5]	50 439	4 686	55 125	744	55 869
Audited 2023					
Sale of merchandise – external	191 587	23 369	214 956	—	214 956
Non-current assets[5]	42 636	4 470	47 106	679	47 785

Refer to note 6 for operating segment disclosures of discontinued operations.

5 Non-current assets consist of property, plant and equipment, investment properties, right-of-use assets, intangible assets and non-financial trade and other receivables.

	Reviewed 2024 Rm	Restated* audited 2023 Rm
4 Revenue		
Revenue from contracts with customers	244 272	217 874
Sale of merchandise (note 4.1)	240 718	214 956
Commissions received	1 236	1 107
Franchise fees received	183	166
Marketing and media	473	383
Delivery recoveries	768	627
Other revenue from contracts with customers	894	635
Operating lease income	461	468
Other income[6]	46	273
Dividends received from unlisted share investments	246	79
Interest revenue	759	701
Instalment sale receivables	437	343
Government bonds and bills	90	153
Associates	76	62
Third-party insurance cell captive arrangements	61	36
Other	95	107
Insurance revenue	298	250
	246 082	**219 645**
Consisting of:		
Sale of merchandise	240 718	214 956
Other operating income	4 307	3 738
Interest revenue	759	701
Insurance revenue	298	250
	246 082	**219 645**

* Restated for the adoption of IFRS 17: Insurance Contracts. Refer to note 2 for details of this change in accounting policy.

6 The prior financial year includes insurance claims due to the 2021 social unrest of R244 million.

	Reviewed 2024 Rm	Restated* audited 2023 Rm

4 Revenue continued

4.1 Sale of merchandise has been disaggregated as follows:

	Reviewed 2024 Rm	Restated* audited 2023 Rm
Supermarkets RSA	195 041	173 634
Shoprite and Usave	99 634	90 036
Checkers and Checkers Hyper[7]	77 852	69 306
LiquorShop[8]	16 718	13 932
Other[9]	837	360
Supermarkets Non-RSA	20 822	19 622
Shoprite and Usave	18 914	18 095
Checkers and Checkers Hyper	1 542	1 312
LiquorShop	355	205
Other	11	10
Supermarkets RSA and Non-RSA	**215 863**	**193 256**
Furniture	7 230	7 064
RSA	5 413	5 343
Non-RSA	1 817	1 721
Other operating segments	17 718	14 636
Drop-shipment sales to franchisees	9 430	7 602
Other sales	8 288	7 034
Total operating segments	240 811	214 956
Hyperinflation effect	(93)	—
Consolidated sale of merchandise	**240 718**	**214 956**

7 Checkers and Checkers Hyper includes sale of merchandise through the Checkers Sixty60 application which is less than 10% of the Group's consolidated sale of merchandise.

8 LiquorShop includes sale of merchandise through LiquorShop Online and the Checkers Sixty60 application, which is less than 10% of the Group's consolidated sale of merchandise.

9 Other includes sale of merchandise through Petshop Online which is less than 10% of the Group's consolidated sale of merchandise.

5 Finance costs

	Reviewed 2024 Rm	Restated* audited 2023 Rm
Lease liabilities finance charges	3 602	3 070
Borrowings and other finance charges	845	650
	4 447	3 720
Borrowing costs capitalised	(141)	(52)
	4 306	**3 668**

* Restated for the adoption of IFRS 17: Insurance Contracts. Refer to note 2 for details of this change in accounting policy.

Selected explanatory notes to the condensed consolidated financial statements continued

6 Discontinued operations

The Group's discontinued operations are detailed in this note.

Retail Supermarkets Nigeria Ltd

In December 2020 the sale agreement to sell the majority stake of the Group's Nigeria subsidiary, Retail Supermarkets Nigeria Ltd, was concluded with conditions precedent met in May 2021. The statement of comprehensive income includes exchange rate losses and net finance income for the current and comparative year which relate to a bank account denominated in Nigeria naira which holds the proceeds from the sale of this subsidiary. During the current financial year, the constraints on the Nigeria naira was eased, and the US dollar became more readily available, consequently these funds were repatriated.

Shoprite RDC SARL

The Group decided to exit the DRC market and the last store was closed at the end of December 2022. Consequently the results of Shoprite RDC SARL have been classified as discontinued operations in the statement of comprehensive income.

Other discontinued operations

Shoprite Checkers Kenya Ltd, Shoprite Checkers Uganda Ltd and Shoprite Madagascar S.A. were classified as discontinued operations in prior financial years. The entities' results are not considered material to the Group's consolidated financial statements and are included in other discontinued operations.

6.1 Financial performance and cash flow information

	Retail Supermarkets Nigeria Ltd Rm	Shoprite RDC SARL Rm	Other Rm	Total Rm
Reviewed 2024				
(Loss)/profit from discontinued operations				
Other operating income	—	—	1	1
Interest revenue	2	—	2	4
Other operating (expenses)/reversals	(130)	3	(3)	(130)
Trading (loss)/profit	(128)	3	—	(125)
Exchange rate losses	(203)	—	—	(203)
Operating (loss)/profit	(331)	3	—	(328)
Interest received from bank account balances	6	—	—	6
(Loss)/profit before income tax	(325)	3	—	(322)
Income tax expense	—	—	—	—
(Loss)/profit after income tax	**(325)**	**3**	**—**	**(322)**
Other comprehensive income from discontinued operations				
Foreign currency translation differences from discontinued operations for the year	—	1	—	1
Cumulative foreign currency translation losses recognised in other comprehensive income	—	(72)	(39)	(111)
Net cash inflows/(outflows) attributable to discontinued operations				
Operating activities	—	5	1	6
Investing activities	21	—	18	39
Net increase/(decrease) in cash generated by discontinued operations	**21**	**5**	**19**	**45**

6 Discontinued operations continued

6.1 Financial performance and cash flow information continued

	Retail Supermarkets Nigeria Ltd Rm	Shoprite RDC SARL Rm	Other Rm	Total Rm
Audited 2023				
(Loss)/profit from discontinued operations				
Sale of merchandise	—	94	—	94
Gross profit	—	7	—	7
Other operating income	25	—	3	28
Depreciation and amortisation	—	(11)	—	(11)
Employee benefits (expenses)/reversals	—	(20)	1	(19)
Other operating (expenses)/reversals	(6)	(26)	7	(25)
Trading profit/(loss)	19	(50)	11	(20)
Exchange rate losses	(272)	(31)	(1)	(304)
Loss on lease modifications and terminations	—	(65)	—	(65)
Items of a capital nature	—	(34)	—	(34)
Operating (loss)/profit	(253)	(180)	10	(423)
Net finance income/(costs)	9	(3)	—	6
(Loss)/profit before income tax	(244)	(183)	10	(417)
Income tax expense	—	(2)	—	(2)
(Loss)/profit after income tax	**(244)**	**(185)**	**10**	**(419)**
Other comprehensive loss from discontinued operations				
Foreign currency translation differences from discontinued operations for the year	—	(7)	(2)	(9)
Cumulative foreign currency translation losses recognised in other comprehensive income	—	(73)	(39)	(112)
Net cash inflows/(outflows) attributable to discontinued operations				
Operating activities	—	(29)	19	(10)
Investing activities	49	—	10	59
Financing activities	—	(5)	—	(5)
Net increase/(decrease) in cash generated by discontinued operations	**49**	**(34)**	**29**	**44**

6.2 Details of the disposal of discontinued operations

Reviewed 2024				
Cash received from outstanding debtor from sale of discontinued operations	21	—	18	39
Audited 2023				
Cash received from outstanding debtor from sale of discontinued operations	49	—	—	49

Selected explanatory notes to the condensed consolidated financial statements continued

	Reviewed 2024 Rm	Audited 2023 Rm
7 Earnings/(loss) per share		
Net profit attributable to owners of the parent	6 248	5 886
Loss from discontinued operations	322	419
Earnings from continuing operations	6 570	6 305
Re-measurements	272	16
Profit on disposal of assets classified as held for sale (note 9)	(9)	(132)
Profit on sale and leaseback transaction (note 18)	(49)	(102)
Loss on disposal and scrapping of property, plant and equipment and intangible assets	143	126
Impairment of property, plant and equipment (note 8)	36	96
Impairment of investment properties (note 10)	123	—
Impairment of right-of-use assets	58	75
Impairment of intangible assets	33	37
Impairment of investment in associate	14	—
Insurance claims receivable	(45)	(82)
Loss on disposal of subsidiary	27	—
Profit on other investing activities	(1)	(2)
Re-measurements attributable to non-controlling interest	(58)	—
Income tax effect on re-measurements	(38)	9
Headline earnings from continuing operations	**6 804**	**6 330**
Loss from discontinued operations	(322)	(419)
Items of a capital nature from discontinued operations	—	34
Headline earnings	**6 482**	**5 945**

Number of ordinary shares	**'000**	**'000**
– In issue	543 849	543 063
– Weighted average	543 866	542 882
– Weighted average adjusted for dilution	546 172	546 082
Reconciliation of weighted average number of ordinary shares in issue during the year:		
Weighted average number of ordinary shares	543 866	542 882
Adjustments for dilutive potential of full share grants	2 306	3 200
Weighted average number of ordinary shares for diluted earnings per share	**546 172**	**546 082**

	2024			2023		
Earnings/(loss) per share (cents)	**Continuing operations**	**Discontinued operations**	**Total**	**Continuing operations**	**Discontinued operations**	**Total**
– Basic earnings	1 207.7	(59.1)	1 148.6	1 161.4	(77.1)	1 084.3
– Diluted earnings	1 202.6	(58.9)	1 143.7	1 154.6	(76.7)	1 077.9
– Headline earnings	1 250.5	(59.1)	1 191.4	1 166.2	(70.9)	1 095.3
– Diluted headline earnings	1 245.2	(58.9)	1 186.3	1 159.4	(70.5)	1 088.9

		Reviewed 2024 Rm	Audited 2023 Rm
8	**Property, plant and equipment**		
	Carrying amount at the beginning of the year	16 601	16 816
	Additions	6 759	5 538
	Transfer to assets classified as held for sale (note 9)	(658)	(1 420)
	Transfer from assets classified as held for sale (note 9)	855	—
	Acquisition of select businesses from Massmart Holdings Ltd (note 21.4)	—	322
	Acquisition of other operations	4	2
	Disposal	(467)	(989)
	Depreciation	(3 138)	(2 755)
	Impairment	(36)	(96)
	Foreign currency translation differences including hyperinflation effect	(248)	(817)
	Carrying amount at the end of the year	**19 672**	**16 601**
9	**Assets classified as held for sale**		
	Carrying amount at the beginning of the year	1 389	120
	Transfer from property, plant and equipment (note 8)	658	1 420
	Transfer to property, plant and equipment (note 8)	(855)	—
	Disposal of land and buildings	(252)	(199)
	Additions	32	45
	Foreign currency translation differences	(16)	3
	Carrying amount at the end of the year	**956**	**1 389**
10	**Investment properties**		
	Carrying amount at the beginning of the year	—	—
	Acquisition of subsidiaries (note 21.3)	849	—
	Depreciation	(1)	—
	Impairment	(123)	—
	Foreign currency translation differences	(108)	—
	Carrying amount at the end of the year	**617**	**—**
11	**Right-of-use assets**		
	Carrying amount at the beginning of the year	26 781	23 725
	Additions and lease liability remeasurements	8 498	6 537
	Acquisition of select businesses from Massmart Holdings Ltd (note 21.4)	—	784
	Derecognition	(194)	(210)
	Depreciation	(4 387)	(3 867)
	Impairment	(302)	(98)
	Reversal of impairment	244	23
	Foreign currency translation differences including hyperinflation effect	(171)	(113)
	Carrying amount at the end of the year	**30 469**	**26 781**

Selected explanatory notes to the condensed consolidated financial statements continued

		Reviewed 2024 Rm	Audited 2023 Rm
12	**Equity accounted investments**		
	Associates (note 12.1)	2 283	2 123
	Joint ventures (note 12.2)	195	189
		2 478	**2 312**

12.1 Associates

	Reviewed 2024 Rm	Audited 2023 Rm
Carrying amount at the beginning of the year	2 123	2 059
Investment in ordinary shares acquired	119	13
Share of post-acquisition profits	213	208
Dividends received from associates	(156)	(157)
Impairment	(14)	—
Exchange rate differences	(2)	—
Carrying amount at the end of the year	**2 283**	**2 123**

The associates listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. These are private companies and no quoted market prices are available for their shares.

	% Owned by the Group 2024	% Owned by the Group 2023	Reviewed 2024 Rm	Audited 2023 Rm
Retail Logistics Fund (RF) (Pty) Ltd	49.9%	49.9%	2 147	2 089
Resilient Africa (Pty) Ltd	—	39.1%	—	—
Resilient Africa Managers (Pty) Ltd	—	39.1%	—	—
W23 Global Fund LP	20.0%	—	112	—
LBB Foods (Pty) Ltd	51.0%	41.0%	7	12
Red Baron Agri (Pty) Ltd	41.0%	41.0%	4	9
Trans Africa IT Solutions (Pty) Ltd	49.0%	49.0%	13	13
Zulzi On Demand (Pty) Ltd	26.0%	26.0%	—	—
			2 283	**2 123**

At the end of March 2024 the Group acquired additional shares in Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd. This acquisition resulted in these entities being accounted for as subsidiaries and no longer as associates (refer to note 21.3).

During May 2024, the Group acquired a shareholding in a new associate, W23 Global Fund LP, a venture which will be investing in innovative start-ups and scale-ups within the retail industry that deploy technology to enhance customer experiences, transform the grocery value chain and address sustainability challenges.

12.2 Joint ventures

	Reviewed 2024 Rm	Audited 2023 Rm
Carrying amount at the beginning of the year	189	181
Share of post-acquisition profits	55	43
Dividends received from joint ventures	(49)	(35)
Carrying amount at the end of the year	**195**	**189**

The share capital of Pingo Delivery (Pty) Ltd consists solely of ordinary shares, of which 50% are held directly by the Group. There are no quoted market prices available for the private company's shares.

	Reviewed 2024 Rm	Restated* audited 2023 Rm
13 Convertible loans		
Omnisient (RF) (Pty) Ltd		
Recognised at fair value through profit or loss at initial recognition	–	22
Reconciliation of carrying amount:		
Carrying amount at the beginning of the year	22	–
Investment in convertible loan acquired	5	20
Fair value adjustments	6	–
Interest income	3	2
Converted to equity	(36)	–
Carrying amount at the end of the year	**–**	**22**

The amount was denominated in South Africa rand, earned interest at a weighted average variable interest rate (linked to the South African prime rate) of 14.3% (2023: 13.6%) p.a. and was converted into shares during the financial year.

	Reviewed 2024 Rm	Restated* audited 2023 Rm
14 Investments at fair value through other comprehensive income		
Recognised at fair value through other comprehensive income at initial recognition		
Omnisient International Ltd	27	–
Omnisient (RF) (Pty) Ltd	40	–
	67	**–**
15 Investment in insurance cell captive arrangements		
Third-party cell captive contracts (note 15.1)	350	291
First-party cell captive contracts (note 15.2)	181	220
	531	**511**
Analysis of investment in insurance cell captive arrangements:		
Non-current	129	128
Current	402	383
	531	**511**

15.1 Third-party cell captive contracts

The investments listed below relate to third-party insurance cells and have share capital consisting of variable rate preference shares and share premium, which are held by the Group.

	% Owned by the Group 2024	% Owned by the Group 2023	Reviewed 2024 Rm	Restated* audited 2023 Rm
Old Mutual Life Insurance Company (Namibia) Ltd	100%	100%	21	27
Centriq Insurance Company Ltd	100%	100%	329	264
			350	**291**

* Restated for the adoption of IFRS 17: Insurance Contracts. Refer to note 2 for details of this change in accounting policy.

Selected explanatory notes to the condensed consolidated financial statements continued

15 Investment in insurance cell captive arrangements continued

15.1 Third-party cell captive contracts continued

	2024			Restated* 2023		
	Assets for remaining coverage Rm	Liabilities for incurred claims Rm	Total Rm	Assets for remaining coverage Rm	Liabilities for incurred claims Rm	Total Rm
Reconciliation of carrying amount:						
Carrying amount at the beginning of the year	291	—	291	167	—	167
Insurance result	214	(94)	120	198	(81)	117
Insurance revenue	298	—	298	250	—	250
Insurance service expenses	(84)	(94)	(178)	(52)	(81)	(133)
Incurred claims (excluding investment components)	—	(37)	(37)	—	(32)	(32)
Insurance acquisition expenses	(84)	(57)	(141)	(52)	(49)	(101)
Net insurance finance income	56	—	56	33	—	33
Dividends paid	(117)	—	(117)	(26)	—	(26)
Investment components	(94)	94	—	(81)	81	—
Carrying amount at the end of the year	**350**	**—**	**350**	**291**	**—**	**291**

* Restated for the adoption of IFRS 17: Insurance Contracts. Refer to note 2 for details of this change in accounting policy.

	Reviewed 2024 Rm	Audited 2023 Rm
15.2 First-party cell captive contracts		
Reconciliation to carrying amount:		
Carrying amount at the beginning of the year	220	181
Fair value adjustment (included in other (operating expenses)/income)	(39)	39
Carrying amount at the end of the year	**181**	**220**
16 Government bonds and bills		
AOA, USD Index Linked, Angola Government Bonds (note 16.1)	515	637
AOA, Angola Government Bonds (note 16.2)	288	338
Angola Treasury Bills (note 16.3)	66	162
Nigeria Treasury Bills (note 16.4)	17	—
	886	**1 137**
Analysis of total government bonds and bills:		
Non-current	—	716
Current	886	421
	886	**1 137**

16 Government bonds and bills continued

16.1 AOA, USD Index Linked, Angola Government Bonds

The AOA, USD Index Linked, Angola Government Bonds are to be settled in Angola kwanza, earn interest at an average rate of 6.9% (2023: 6.1%) p.a. and mature after two to nine months from the reporting date. Accrued interest is payable bi-annually.

16.2 AOA, Angola Government Bonds

The AOA, Angola Government Bonds are denominated in Angola kwanza, earn interest at an average rate of 16.5% (2023: 16.5%) p.a. and mature after one month from the reporting date. Accrued interest is payable bi-annually.

16.3 Angola Treasury Bills

The Angola Treasury Bills are denominated in Angola kwanza, earn interest at an average rate of 11.1% (2023: 12.4%) p.a. and mature after one month from the reporting date. Accrued interest is payable at maturity.

16.4 Nigeria Treasury Bills

The Nigeria Treasury Bills are denominated in Nigeria naira, earn interest at an average rate of 10.3% p.a. and mature after three months from the reporting date. Accrued interest is payable at maturity.

	Number of shares	
	2024	**2023**
17 Stated capital and treasury shares		
17.1 Stated capital		
Treasury shares held by Shoprite Checkers (Pty) Ltd are netted off against share capital on consolidation. The net number of ordinary shares in issue for the Group are:		
Issued ordinary share capital	591 338 502	591 338 502
Treasury shares (note 17.2)	(47 489 379)	(48 275 448)
	543 849 123	**543 063 054**
17.2 Treasury shares		
Reconciliation of movement in number of treasury shares for the Group:		
Balance at the beginning of the year	48 275 448	48 825 455
Shares purchased during the year under the authorised share buy-back programme[10]	215 172	—
Shares purchased during the year for equity-settled share-based payments[11]	749 454	1 394 275
Shares disposed during the year	(45 866)	(209 869)
Shares utilised for settlement of equity-settled share-based payment arrangements	(1 704 829)	(1 734 413)
Balance at the end of the year	**47 489 379**	**48 275 448**
Consisting of:		
Shares owned by Shoprite Checkers (Pty) Ltd	44 073 173	43 858 001
Shares held by Shoprite Checkers (Pty) Ltd for the benefit of participants to equity-settled share-based payment arrangements	3 416 206	4 417 447
	47 489 379	**48 275 448**

10 The average price per share purchased under the authorised share buy-back programme during the year was R229.93. There were no shares purchased under the authorised share buy-back programme during the prior year.

11 The average market price of the shares purchased for equity-settled share-based payments was R252.69 (2023: R226.23) per share.

Selected explanatory notes to the condensed consolidated financial statements continued

		Reviewed 2024 Rm	Audited 2023 Rm
18	**Lease liabilities**		
	Reconciliation of carrying amounts:		
	Balance at the beginning of the year	35 582	31 623
	New leases and remeasurements	8 530	6 621
	Acquisition of select businesses from Massmart Holdings Ltd (note 21.4)	—	784
	Lease terminations	(295)	(205)
	Transfer to other financial payables	—	(84)
	Lease payments	(6 839)	(6 354)
	Principal lease liability payments	(3 386)	(3 282)
	Interest paid	(3 453)	(3 072)
	Interest accruals	3 602	3 073
	Exchange rate differences	396	164
	Foreign currency translation differences	(499)	(40)
	Balance at the end of the year	**40 477**	**35 582**
	Analysis of total lease liabilities:		
	Non-current	36 702	32 482
	Current	3 775	3 100
		40 477	**35 582**

Sale and leaseback transactions:
Sale and leaseback transactions relating to the Group's property, plant and equipment may become more prevalent as and when the opportunity arises. The Group secured long-term financing during the reporting period by entering into a sale and leaseback transaction on two of its malls (2023: two of its distribution centres), namely the Sun Valley Mall and Brickhill Road Mall (2023: Canelands and Wells Estate distribution centres) to Heriot REIT Ltd (2023: Retail Logistics Fund (RF) (Pty) Ltd). The sale of the Sun Valley Mall and Brickhill Road Mall (2023: Canelands and Wells Estate distribution centres) generated cash inflows of R304 million and R34 million (2023: R716 million and R166 million) as well as a profit of R51 million and a loss of R2 million (2023: R51 million profit per distribution centre) respectively.

The impact of the Group's sale and leaseback transactions as well as its key terms and conditions are disclosed below:

	Reviewed 2024 Rm	Audited 2023 Rm
Cash proceeds received	338	882
Carrying amount at disposal date	(231)	(684)
Right-of-use assets recognised	100	357
Lease liabilities recognised	(158)	(453)
Profit on sale and leaseback transactions	**49**	**102**
Interest rate implicit to the leases	9.6%—10.4%	13.7%—14.2%
Average lease term (years)	5 to 12	20

The age and the minimum estimated useful life of the malls (2023: distribution centres) were used to determine a fair lease period and rental based on market values.

Payments not included in the measurement of the lease liabilities relating to the malls (2023: distribution centres) include any operational costs, security and insurance costs, administration and maintenance costs, rates and taxes and any other municipal costs for water, electricity, sewerage and refuse. Only the rental portion, directly related to the market value of the properties, is included in the measurement of the lease liabilities. Normal maintenance charges are also not included to ensure that only the rental portion, directly related to the cost price, is included in the measurement of the lease liabilities.

	Reviewed 2024 Rm	Audited 2023 Rm
19 Borrowings		
Consisting of:		
ABSA Bank Ltd (note 19.1)	2 151	2 487
FirstRand Bank Ltd (note 19.2)	1 502	1 502
Standard Bank Ltd (note 19.3)	2 004	2 006
Standard Chartered Bank (Mauritius) Ltd (note 19.4)	—	99
Stanbic Bank Botswana Ltd (note 19.5)	290	274
Other	46	—
	5 993	**6 368**
Analysis of total borrowings:		
Non-current	5 788	5 770
Current	205	598
	5 993	**6 368**

19.1 ABSA Bank Ltd

South Africa rand denominated borrowings amount to R2.0 billion (2023: R2.0 billion) at the reporting date was extended during the year. This loan is unsecured, payable after 15 months from the reporting date and bears interest at an average rate of 9.6% (2023: 7.9%) p.a.

US dollar denominated borrowings amount to R104 million (2023: R441 million) at the reporting date. This loan is unsecured, payable after one to three months from the reporting date and bears interest at an average rate of 7.3% (2023: 5.8%) p.a.

19.2 FirstRand Bank Ltd

This loan was extended during the year, is denominated in South Africa rand and unsecured, payable after 14 months from the reporting date and bears interest at an average rate of 9.5% (2023: 7.9%) p.a.

19.3 Standard Bank Ltd

This loan was extended during the year, is denominated in South Africa rand, unsecured, payable after 13 months from the reporting date and bears interest at an average rate of 9.6% (2023: 7.7%) p.a.

19.4 Standard Chartered Bank (Mauritius) Ltd

This loan was settled during the financial year, denominated in US dollar, unsecured and bore interest at an average rate of 7.6% (2023: 5.9%) p.a.

19.5 Stanbic Bank Botswana Ltd

This loan was extended during the year, is denominated in Botswana pula, unsecured, payable after 20 months from the reporting date and bears interest at an average rate of 7.7% (2023: 7.4%) p.a.

20 Fair value disclosures

The Group has a number of financial instruments which are not measured at fair value in the statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following instruments at the end of the reporting period:

	Carrying amount		Fair value	
	Reviewed 2024 Rm	Audited 2023 Rm	Reviewed 2024 Rm	Audited 2023 Rm
Government bonds and bills	886	1 137	915	1 180
Loans receivable	1 109	1 993	1 097	1 968
Borrowings	5 993	6 368	5 957	7 282

Selected explanatory notes to the condensed consolidated financial statements continued

	Reviewed 2024 Rm	Restated* audited 2023 Rm
21 Cash flow information		
21.1 Non-cash items		
Depreciation of property, plant and equipment and investment properties	3 139	2 755
Depreciation of right-of-use assets	4 387	3 867
Amortisation of intangible assets	594	520
Share of profit of equity accounted investments	(268)	(251)
Credit impairment losses on loans receivable and government bonds and bills	150	143
Net fair value losses/(gains) on financial instruments	32	(4)
Movement in third-party cell captive contracts	(120)	(117)
Net monetary gain	(135)	—
Exchange rate losses/(gains)	217	(80)
(Profit)/loss on lease modifications and terminations	(101)	5
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	160
Impairment of property, plant and equipment	36	96
Impairment of investment properties	123	—
Impairment of right-of-use assets	58	75
Impairment of intangible assets	33	37
Impairment of investment in associate	14	—
Loss on disposal of subsidiary	27	—
Movement in employee benefit and other provisions	67	65
Movement in share-based payment reserve	218	229
Movement in fixed escalation operating lease accruals	1	2
	8 557	**7 268**

* Restated for the adoption of IFRS 17: Insurance Contracts. Refer to note 2 for details of this change in accounting policy.

	Reviewed 2024 Rm	Restated* audited 2023 Rm
21.2 Changes in working capital		
Inventories	(3 637)	(3 059)
Trade and other receivables	(1 046)	(687)
Short-term supplier financing arrangements	9	—
Trade and other payables	7 721	3 538
Contract liabilities	205	33
	3 252	**(175)**

21 Cash flow information continued

21.3 Acquisition of subsidiaries

At the end of March 2024, the Group acquired an additional 60.9% of the share capital of its associates Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd, for a cash consideration of R1. The agreement was entered into with Resilient REIT Ltd which involved the simultaneous settlement of the loan receivable by the Group of R959 million with the acquisition of subsidiaries. These wholly owned subsidiaries, are incorporated in South Africa and are involved in the investment and letting of properties in Nigeria. As a result of this acquisition, the Group acquired five Nigeria companies which own three malls namely Delta, Owerri and Asaba Mall.

	Reviewed 2024 Rm	Audited 2023 Rm
The assets and liabilities arising from this acquisition were as follows:		
Investment properties (note 10)	849	–
Cash and cash equivalents	25	–
Borrowings (note 19)	(47)	–
Previously held loans to subsidiary	(959)	–
Trade and other payables	(49)	–
Net identifiable liabilities acquired	(181)	–
Less: Non-controlling interest	158	–
Less: Previously held interest	23	–
Purchase consideration	–	–
Less: Bank balance acquired on acquisition	25	–
Net inflow of cash on acquisition of subsidiaries	**25**	**–**

Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd contributed revenue of R6 million and a loss for the year of R102 million to the condensed consolidated statement of comprehensive income for the year under review, since the acquisition date.

21.4 Acquisition of select businesses from Massmart Holdings Ltd

The Group acquired select businesses from Massmart Holdings Ltd with an effective date of 9 January 2023. The transaction led to the Group acquiring one meat plant and 94 stores which have been rebranded as 51 Shoprite, 42 Shoprite LiquorShop and one Usave. Furthermore, the acquisition contributed R5.9 billion (2023: R2.4 billion) to sale of merchandise and included 4 480 staff members joining the Group (who would be eligible to receive the Shoprite Employee Trust distributions subject to certain qualifying criteria).

	Reviewed 2024 Rm	Audited 2023 Rm
The assets and liabilities arising from this acquisitions were as follows:		
Property, plant and equipment (note 8)	–	322
Right-of-use assets (note 11)	–	784
Inventories	–	367
Lease liabilities (note 18)	–	(784)
Trade and other payables	–	(27)
Fair value of net assets acquired	–	662
Purchase consideration consisting of:		
Total purchase consideration	–	662
Purchase consideration payable	–	(32)
Purchase consideration paid on acquisition	**–**	**630**

All other acquisitions of operations are not material to the Group's consolidated financial statements and therefore no summary financial information is presented for these operations.

Selected explanatory notes to the condensed consolidated financial statements continued

		Reviewed 2024 Rm	Audited 2023 Rm
21	**Cash flow information** continued		
21.5	**Cash outflow on disposal of investment in subsidiary**		
	On 5 October 2023, the Group completed the sale of its investment in Thuthuka Nathi Ventures (Pty) Ltd, a subsidiary operating in the venture capital industry in South Africa. The Group received cash proceeds of R89 million as consideration for disposal of its 68.4% shareholding in the subsidiary and recognised a loss on disposal of R27 million within items of a capital nature. The net assets of Thuthuka Nathi Ventures (Pty) Ltd at the disposal date is presented in the following table.		
	Current income tax liabilities	(9)	–
	Cash and cash equivalents	140	–
	Net identifiable assets disposed	131	–
	Non-controlling interest	(15)	–
	Proceeds on disposal	(89)	–
	Loss on disposal of subsidiary	**27**	**–**
	Net outflow of cash on disposal of investment in subsidiary comprise of the following:		
	Cash proceeds on disposal	89	–
	Cash and cash equivalents disposed	(140)	–
	Cash outflow on disposal of investment in subsidiary	**(51)**	**–**

22 Related party information

During the year under review, in the ordinary course of business, certain companies within the Group entered into transactions with each other. All intergroup transactions are similar to those in the prior year except for the acquisition of Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd (refer to note 21.3). The intergroup transactions with subsidiaries have been eliminated in the condensed financial statements on consolidation. Related party transactions also include deferred shares and key management personnel compensation. In the prior year related party transactions also included loans receivable from associates.

23 Supplementary information

	Reviewed 2024 Rm	Audited 2023 Rm
Net asset value per share (cents)	5 110	4 812
Contracted capital commitments	2 530	2 093
Contingent liabilities (note 23.1)	2 630	1 970

23.1 Contingent liabilities

Contingent liabilities consist of outstanding legal matters, including a judgement in Nigeria that has gone on appeal, as well as possible tax exposures that the Group has submitted objections to.

Management has assessed the merits of each of these cases in close collaboration with the Group's external advisors and remain confident that these exposures leading to additional payments are not probable. Accordingly, these are disclosed as contingent liabilities.

24 Events after the reporting date

24.1 Furniture division disposal

The Group signed an agreement on 2 September 2024 to dispose of the furniture business including the OK Furniture and House & Home brands, excluding Angola and Mozambique operations to Pepkor Holdings Ltd. The agreement is pending the fulfilment of the conditions precedent and the purchase consideration will be determined at the closing date of the transaction.

24.2 Acquisition of Pingo Delivery (Pty) Ltd

At the reporting date, the Group held a 50% equity interest in Pingo Delivery (Pty) Ltd, classified as equity accounted investments in joint ventures (refer to note 12). After the reporting date, the Group entered advanced discussions to purchase the remaining 50% shareholding. As these discussions remain ongoing, the successful completion of this transaction is not yet confirmed and the financial impact of the transaction cannot yet be determined.

25 Going concern

The Board of Directors evaluated the going concern assumption as at 30 June 2024, taking into account the current financial position and their best estimate of the cash flow forecasts and considered it to be appropriate in the presentation of the condensed consolidated financial statements.

The Board has reviewed the cash flow forecast for the next 12 months and is of the opinion that the Group has more than sufficient liquidity to adequately support its working capital requirements and consequently, is satisfied with the Group's ability to continue as a going concern for the foreseeable future.

Financial covenants:

As at the reporting date the Group had unutilised banking facilities of R9.0 billion and is well within the financial covenants with its various financiers.

SHOPRITE HOLDINGS LTD

Directorate and administration

Executive Directors
PC Engelbrecht (CEO), A de Bruyn (CFO)

Independent Non-executive Directors
WE Lucas-Bull (Chairman), NN Gobodo, P Cooper, L de Beer, GW Dempster, MLD Marole, SN Maseko, H Mathebula, PD Norman, EA Wilton

Non-executive Director
CH Wiese

Alternate Non-executive Director
JD Wiese

Company Secretary
LM Goliath

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