



INTERIM RESULTS PRESENTATION

FOR THE 26 WEEKS ENDED 27 DECEMBER 2020

WELCOME

Wendy Lucas-Bull - Chairman

OPERATIONAL REVIEW

Pieter Engelbrecht - CEO

FINANCIAL RESULTS

Anton de Bruyn - CFO

STRATEGY UPDATE QUESTIONS

Pieter Engelbrecht - CEO



2021 INTERIM OPERATIONAL REVIEW

Chief Executive Officer
PIETER ENGELBRECHT





2021 - THE FIRST HALF IN REVIEW

SALES

R83.4bn

+4.7%
+4.1% Like-for-like

Excl. RSA
LiquorShop
+6.3%

GROSS PROFIT

R20.0bn

+7.3%
24.0% Gross margin

TRADING PROFIT

R4.7bn

+18.3%
5.6% Trading margin

Excl.
Hyperinflation
+17.8%

TOTAL EXPENSES

R16.9bn

+4.2%

Excl.
COVID-19 costs
+3.7%

DILUTED HEPS CONTINUING OPERATIONS

418.0c

+10.4%

Adjusted
DHEPS
+17.1%

DIVIDEND PER SHARE

191.0c

+22.4%



TRADING ENVIRONMENT

Proud of our Team's ability to adapt to new trading environment

- Hygiene protocols and PPE now integrated into daily operations (H1: R180.1m invested)
- Liquor trading most challenging: impacted by bans and restrictions

Maximised average spend per visit as shopping frequency declined

- Unbeatable value and range as one-stop shopping increased
- Reaped benefits of accessible locations, in-home dining and shift to online



-16.7%
Decline in
customer
visits



+24.9%
Increase in
average
basket

H1 Group Supermarkets growth





LEVERAGING BRAND PORTFOLIO



Low prices increasingly important for hardest hit consumers. Q2 acceleration with Xtra Savings launch



Proximity-to-home advantage and unrivalled affordability

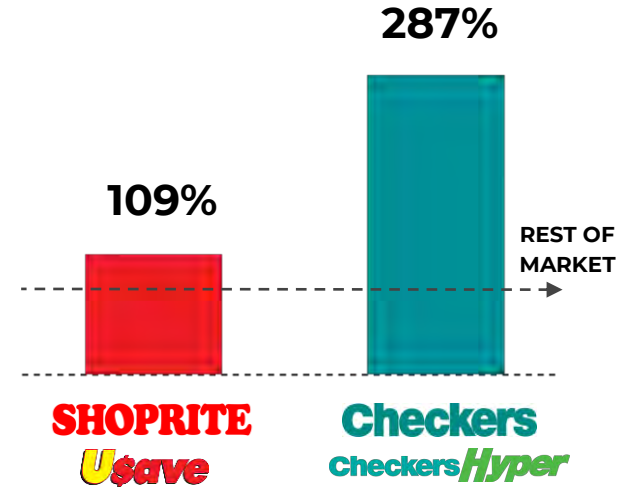


Upmarket share of wallet gains accelerated by FreshX format, fresh foods and on-demand delivery



Increased one-stop shopping and value-seeking behaviour

Brand portfolio sales growth indexing above Rest of Market



Supermarkets RSA indexed sales growth vs Rest of Market (incl. liquor)

Nielsen 2020



SUPERMARKETS RSA AHEAD OF PEERS

- **Strong Supermarkets RSA performance (excl. LiquorShop)**
 - Sales +7.8% despite economic headwinds (Like-for-like: +5.7%)
- **Continued uninterrupted market share gains over 22 months**



Supermarkets RSA sales growth vs Rest of Market (incl. liquor) Nielsen 2020



+R1.3bn

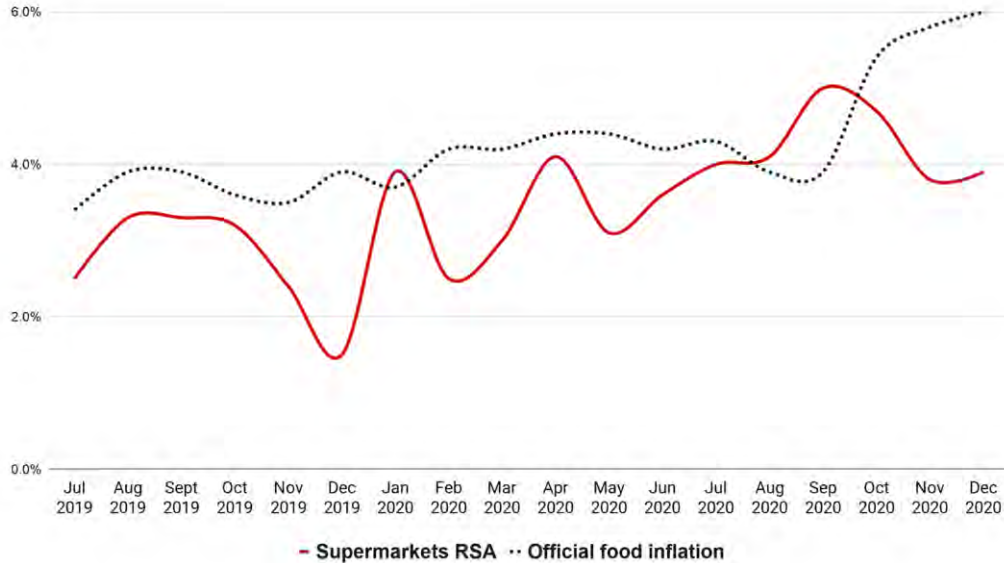
H1 Market share gain

Nielsen, 6m Dec 2020



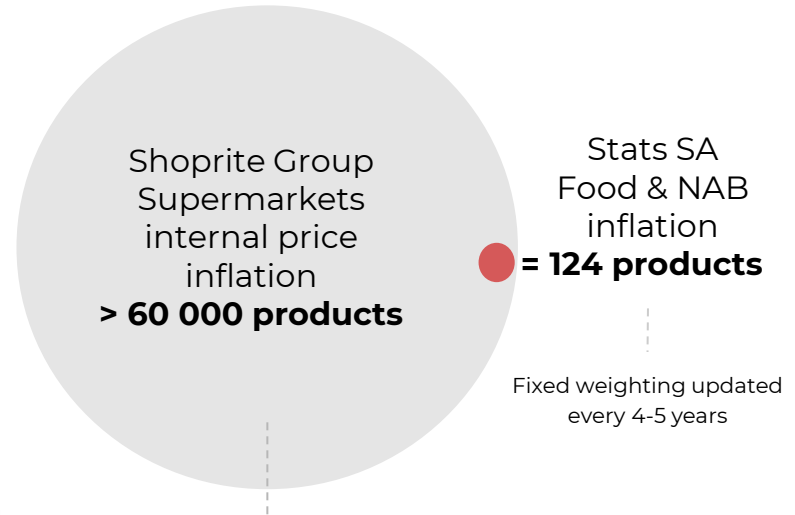
SHIELDING CUSTOMERS: INFLATION UNPACKED

- **Supermarkets RSA internal inflation H1: 4.3%** vs official food inflation 4.9%



Supermarkets RSA internal inflation vs official food inflation

Jul 2019 - Dec 2020



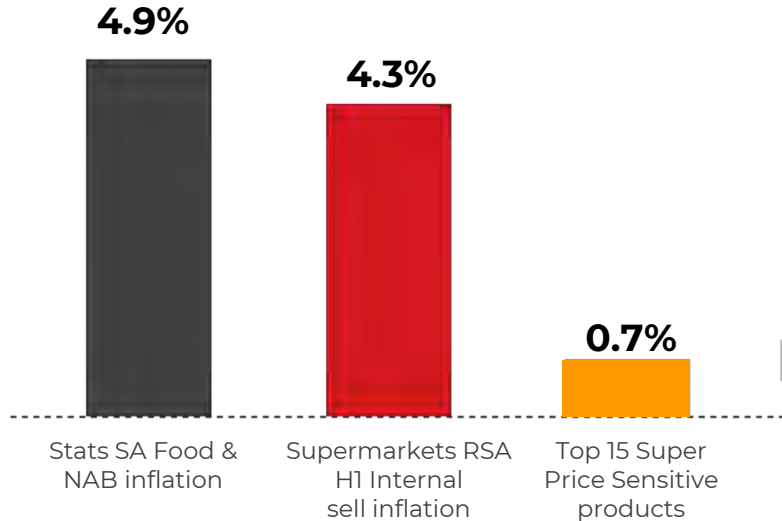
Weighted against sales of the current year to account for shifts in consumer demand



AFFORDABILITY OBSESSION

Honouring our Low Price Promise

- 'Super Price Sensitive' basket selling price inflation +0.7%



Comparison between Stats SA Dec 2020 and Supermarkets RSA sell inflation for H1 and Top 15 Super Price Sensitive products



AFFORDABILITY OBSESSION



ZERO INFLATION

FOR 5 YEARS

266 768 061

LOAVES SUBSIDISED





IN A YEAR OF CHANGE, LOW PRICES REMAIN EVERGREEN



THANK YOU
MZANSI

For voting us the
**BEST CONVENIENCE & GROCERY STORE
OF THE DECADE.**

We'll continue to bring you lower prices
you can trust.

Sunday Times
TOP BRANDS
2020

10
YEAR
RETROSPECTIVE
2010 - 2019



LIQUORSHOP RSA PERFORMANCE

Liquor sales **R3.6bn**

-21.8%

- H1 trading restricted by lockdown regulations: 79/182 trading days lost
- Online sales growth of 80% despite restricted trading days

LiquorShop **LiquorShop**
Checkers SHOPRITE

19





New stores
planned H2





SUPERMARKETS NON-RSA PERFORMANCE

- **COVID-19 lockdown regulations continued to constrain multiple territories**
 - ~20 000 lost trading hours, restricted items and supply chain impediments
- **Supermarkets Non-RSA sales declined 8.4%** (Continuing operations)
- **Zambia constant currency sales increased 15.8%, however offset by kwacha devaluation**
- **Angola sales declined 39.5% as kwanza devaluation continued**

CONTINUING OPERATIONS		
Sales growth (ZAR) %	Sales growth (Constant currency) %	
 ANGOLA	-39.5	-15.5
 MOZAMBIQUE	-6.1	-2.9
 NAMIBIA	+3.7	+3.7
 ZAMBIA	-12.7	+15.8



NON-RSA POSITION

- **Profitable portfolio of Non-RSA countries is part of our long-term vision**
 - Short-term: strategic shifts made with the Nigeria sale and Kenya closures
- **Stringent cost management and capital allocation**
 - Limited new capital committed - only to maintain existing operations and pre-existing projects
 - H1 net supermarket store base remained unchanged (Total Operations)
 - De-dollarising costs where possible
 - Increasing local procurement
- **Angolan operations repatriated US\$58.8m in past 12 months**
 - Government bonds and bills = R1.6bn (Dec 2019: R2.5bn)
- **Non-RSA segment is self-funding**





FURNITURE & OTHER OPERATING SEGMENTS



House & Home

Furniture
segment sales

+15.7%

R3.8bn

Growth remains robust with strong demand for home improvement

- Credit sales participation declined to 11.8% (Dec 2019: 13.7%)
- Total 432 stores (closed net 10 stores)



Transpharm



Other operating
segments sales

+10.0%

R6.0bn

Impacted by lockdown regulations

- Computicket & CFS affected by depressed demand for travel, hospitality and no live events
- Transpharm and MediRite performing well: Sales +19.8%

OK Franchise sales remained resilient +8.1%

- Improved availability, supplied by SR Group DCs
- Total 505 stores (opened net 28 stores)



BUSINESS WITH HEART

130 SUSTAINABLE
COMMUNITY
GARDENS COVERING
3 MILLION M²



SUPPORTING
578 HOME
GARDENS



Vehicle sponsored by
26 MOBILE
SOUP
KITCHENS



4+ MILLION
MEALS
SERVED
SINCE
LOCKDOWN



R90m
IN SURPLUS
FOOD
DONATIONS



WHITEY BASSON DC: 1
OF 19 GROUP SOLAR PV
INSTALLATIONS



SUPPORTING
OVER 100 EARLY
CHILDHOOD
DEVELOPMENT
CENTRES
NATIONWIDE



2021 INTERIM FINANCIAL RESULTS

Chief Financial Officer
ANTON DE BRUYN





IFRS COMPARATIVE CONSIDERATIONS

	Dec 2020	Dec 2019
IFRS 5: NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	<ul style="list-style-type: none">• Classify the Group's Nigeria subsidiary as discontinued operations• Statement of comprehensive income reflects profit from discontinued operations separately• Assets and liabilities relating to the Nigeria operations disclosed as held for sale	<ul style="list-style-type: none">• Statement of comprehensive income restated• Statement of financial position not restated
SAICA CIRCULAR 1/2019: HEADLINE EARNINGS	<ul style="list-style-type: none">• HEPS guidance relating to IFRS 16: Leases rule changed• Reclassification includes profit on lease modifications in headline earnings• Previously included in items of a capital nature and excluded from headline earnings	<ul style="list-style-type: none">• Reclassification on statement of comprehensive income• HEPS restated• Impact of 9.1c per share on DHEPS



FINANCIAL OVERVIEW

	Dec 2020	Dec 2019	Change %
Continuing operations			
Sale of merchandise	R83 430m	R79 711m	4.7
Gross margin	24.0%	23.4%	
Total expenses	R16 897m	R16 217m	4.2
Trading profit	R4 706m	R3 978m	18.3
Trading margin	5.6%	5.0%	
Exchange rate (losses)/gains	-R20m	R243m	
Items of a capital nature	-R327m	-R18m	
EBITDA	R7 038m	R6 620m	6.3
Effective tax rate	29.2%	31.1%	
DHEPS	418.0c	378.6c	10.4
Adjusted diluted HEPS	416.2c	355.3c	17.1

Notes to the results:

Gross margin:

- SAP ERP implementation improvements
- Continued supply chain improvements
- Improved shrinkage and waste management

Expense growth +4.2%:

- Excluding net COVID-19 costs (R81.9m) +3.7%
- Employee benefits +5.8%
 - RSA +7.6%
 - Non-RSA -9.2%
- Depreciation +3.7%
- Other operating expenses +3.4%

Effective tax rate decreased due to:

- Asset-for-share transaction (Sale and leaseback of DCs)
- Increased employment tax incentive (ETI) allowances compared to last year

Adjusted DHEPS excludes:

- Exchange rate differences
- Hyperinflation adjustments
- Related tax effects



ADJUSTED DHEPS ANALYSED

	Dec 2020 Cents	Dec 2019 Cents	Change %
DHEPS previously reported		372.4	
Restated for SAICA Circular 1/2019: Headline Earnings relating to the IFRS 16: Leases rule		9.1	
DHEPS including discontinued operations	427.7	381.5	12.1
Restated for IFRS 5: Discontinued operations	-9.7	-2.9	
DHEPS from continuing operations	418.0	378.6	10.4
Adjusted for:			
Forex	3.6	-43.8	
Hyperinflation	6.3	8.8	
Related income tax effect	-11.7	11.7	
Adjusted DHEPS from continuing operations	416.2	355.3	17.1



SALES GROWTH PER SEGMENT

	Total sales %	Like-for-like %	Number of net new stores*
Supermarkets RSA	5.6	4.8	45
Supermarkets Non-RSA	-8.4	-8.9	1
Furniture	15.7	17.3	-10
Other operating segments	10.0	11.6	28
Total continuing operating segments	4.7	4.1	64

*Net new stores opened from Jul 2020 - Dec 2020

Notes to the results:

SUPERMARKETS RSA	SALES GROWTH %	CONTRIBUTION TO SUPERMARKETS RSA SALES %
SHOPRITE Usave	5.6	54.4
Checkers CheckersHyper	11.1	40.0
LiquorShop LiquorShop	-21.8	5.5



OTHER OPERATING INCOME

	Dec 2020 Rm	Dec 2019 Rm	Change %
Commissions received	437	473	-7.6
Operating lease income	249	257	-3.1
Premiums and other insurance income earned	123	124	-0.8
Franchise fees received	56	52	7.7
Sundry income	418	322	29.8
Total	1 283	1 228	4.5

Notes to the results:

Computicket commissions negatively impacted by lockdown precluding event & travel related ticket sales

Operating lease income impacted by property disposal and COVID-19 rental reductions

Lower premiums earned in Furniture division offset by increase in other insurance income earned

Franchise fees received linked to strong franchise division performance

Sundry income includes delivery recoveries, insurance claims and initiation fees received



INTEREST REVENUE

	Dec 2020 Rm	Dec 2019 Rm	Change %
Instalment sale receivables	135	133	1.5
Government bonds and bills	84	110	-23.6
Other loans receivable	60	52	15.4
Total	279	295	-5.4

Notes to the results:

Finance income earned in Furniture segment

Reduction in finance income from government bonds and bills due to AOA, USD Index Linked, Angola Government Bonds maturing during the current period

Other loans receivable includes R28m (Dec 2019: R26m) interest received from associates

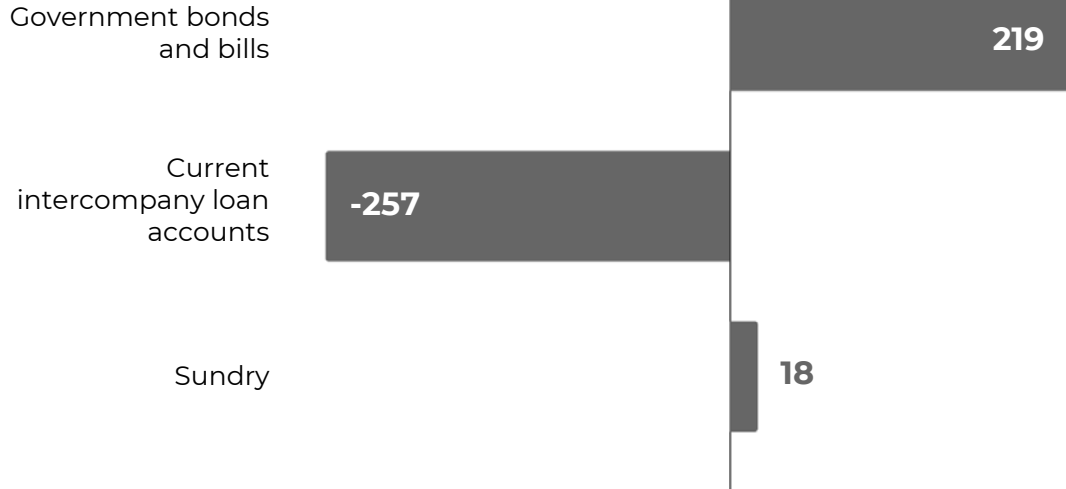


TRADING PROFIT BY SEGMENT

	Dec 2020 Rm	Dec 2019 Rm	Change %	Trading margin Dec 2020 %
Supermarkets RSA	4 206	3 736	12.6	6.5
Supermarkets Non-RSA	138	3	>100.0	1.6
Furniture	265	169	56.8	6.9
Other operating segments	132	118	11.9	2.2
Total continuing operating segments	4 741	4 026	17.8	5.7
Hyperinflation effect	-35	-48	-27.1	-
Total consolidated continuing operations including the impact of hyperinflation	4 706	3 978	18.3	5.6



FOREX



Dec 2020 Exchange rate (losses)/gains (Rm)

Dec 2020: R20m loss
Dec 2019: R243m gain

- R529m invested in AOA, USD Index Linked, Angola Government Bonds forming a natural hedge
- Hedging strategy for Non-RSA was effective
- Net investment hedge accounting commencing in 2020 FY was effective



ITEMS OF A CAPITAL NATURE

	Dec 2020 Rm	Dec 2019 Rm
Impairment of PPE	-610	-61
Impairment of right-of-use assets	-71	-157
Impairment of intangible assets	-6	-
Non-financial asset impairments	-687	-218
Profit on disposal of assets held for sale	142	207
Profit on sale and leaseback transaction	160	-
Other	58	-7
Total	-327	-18

Notes to the results:

Non-financial asset impairments/(reversals) by segment	Dec 2020 Rm
Supermarkets RSA	8
Supermarkets Non-RSA	306
Furniture	-31
Total operating segments	283
Hyperinflation effect	404
Consolidated continuing operations	687



NET FINANCE COST

	Dec 2020 Rm	Dec 2019 Rm	Change %
Interest received from bank account balances	148	187	-20.9
Borrowings and other finance charges	-486	-499	-2.6
Lease liability finance charges	-1 082	-939	15.2
Net finance cost	-1 420	-1 251	13.5

Notes to the results:

JIBAR: 3.5% (Dec 2019: 6.8%)
LIBOR: 0.2% (Dec 2019: 2.1%)
Overnight Rate: 4.4% (Dec 2019: 7.5%)

Borrowings and other finance charges include R178m breakage cost on early settlement of a US\$250m fixed interest rate loan

Excluding this breakage cost, finance cost on borrowings and other finance charges would have decreased with 38.3%

Lease liability finance charges increased due to 74 new leases signed during the six-month period

Average incremental borrowing rate of 9.0% for the period



BALANCE SHEET COMPOSITION

Rbn

84.1

64.5

Other assets

11.8

3.6

Other liabilities

Inventories

19.6

27.6

Trade and other payables

Cash and cash equivalents and loans receivable

15.3

6.7

Borrowings and bank overdraft

Intangible assets

3.0

Property, plant and equipment

14.9

Right-of-use assets

19.5

26.6

Lease liabilities

Assets

Liabilities

SIGNIFICANT EVENTS SINCE JUNE 2020:

- PPE reduction with sale and leaseback of DCs
- Working capital improvements
- USD borrowings repaid
- Government bonds and bills reduction

ROIC:

Return (12 months) on average Invested Capital

Dec 2020: 11.2%

Dec 2019: 9.6%

WORKING CAPITAL CASH INFLOWS

Dec 2020: R6.4bn

Dec 2019: R2.0bn

+R4.4bn



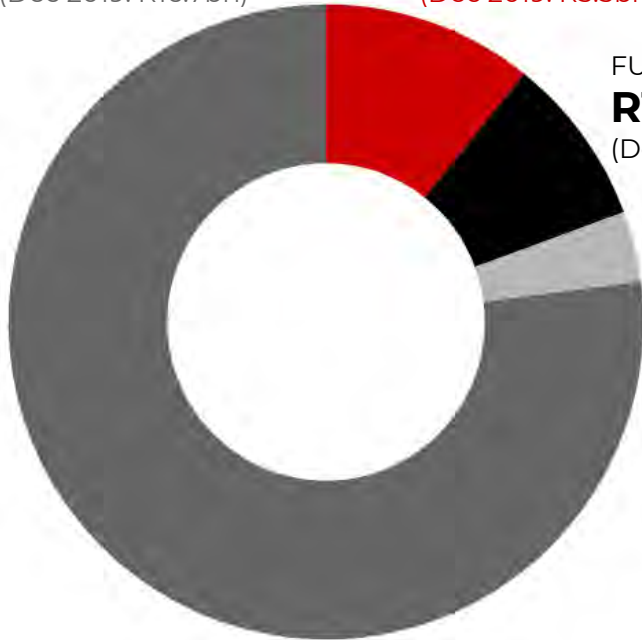
INVENTORIES

SUPERMARKETS RSA
R15.1bn
(Dec 2019: R16.7bn)

SUPERMARKETS NON-RSA
R2.1bn
(Dec 2019: R3.5bn)

FURNITURE
R1.7bn
(Dec 2019: R1.6bn)

OTHER OPERATING
SEGMENTS
R0.7bn
(Dec 2019: R0.7bn)



Inventories by segment

INVENTORIES
Dec 2020: R19.6bn
Dec 2019: R22.5bn
R2.9bn↓

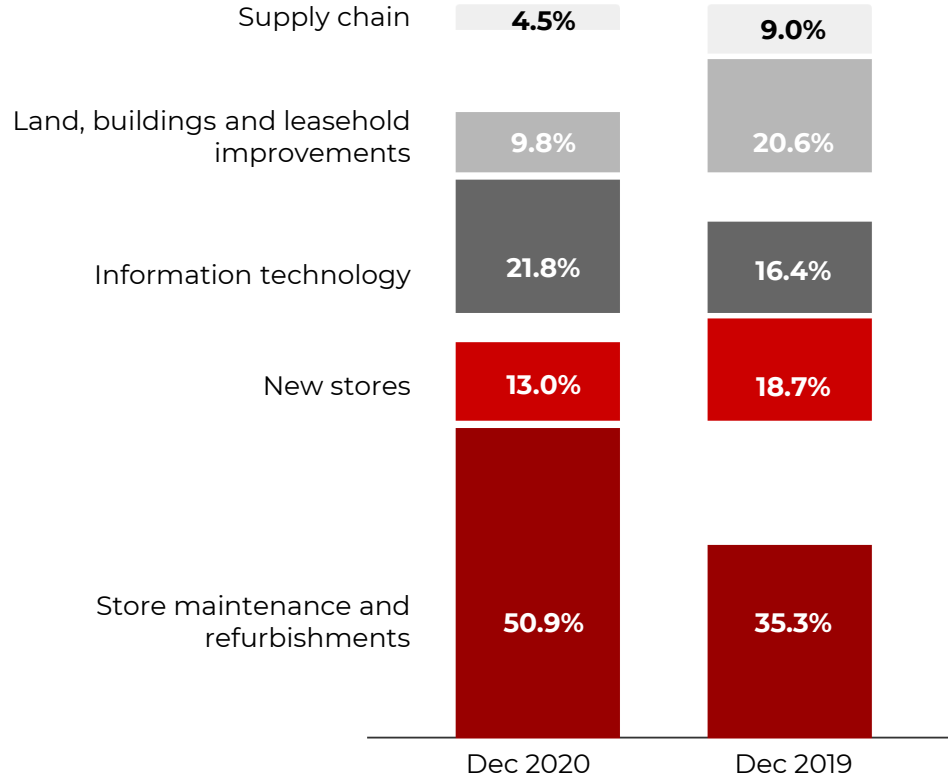
-13.2%

INVENTORIES AS % OF
LAST 12 MONTHS' SALES
Dec 2020: 12.2%
Dec 2019: 14.7%
Jun 2021 GUIDANCE:
12.0%



CAPITAL ADDITIONS

CONTRIBUTION TO CAPITAL SPEND



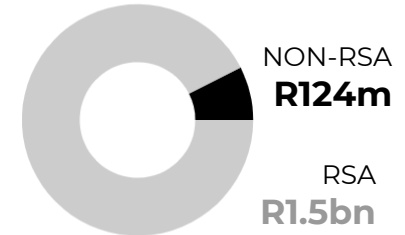
CAPITAL SPEND
(Total operations)

Dec 2020: R1.6bn

Dec 2019: R2.0bn

-16.7%

DEC 2020
CAPITAL SPEND



CAPITAL SPEND AS % OF LAST 6
MONTHS' SALES

Dec 2020: 1.9%

Dec 2019: 2.4%



NET GEARING

	Dec 2020 Rm	Dec 2019 Rm
Net cash position	12 076	8 028
Borrowings	-5 463	-11 363
Net cash after borrowings	6 613	-3 335
Lease liabilities	-26 611	-23 841
Net debt	-19 998	-27 176

USD BORROWINGS
Dec 2020: US\$78.2m
Dec 2019: US\$481.8m

-83.8%

**ACHIEVED US\$80m
TARGET**

DEBT: EQUITY RATIO
(excl. lease liabilities)

Dec 2020: 0.3
Dec 2019: 0.5

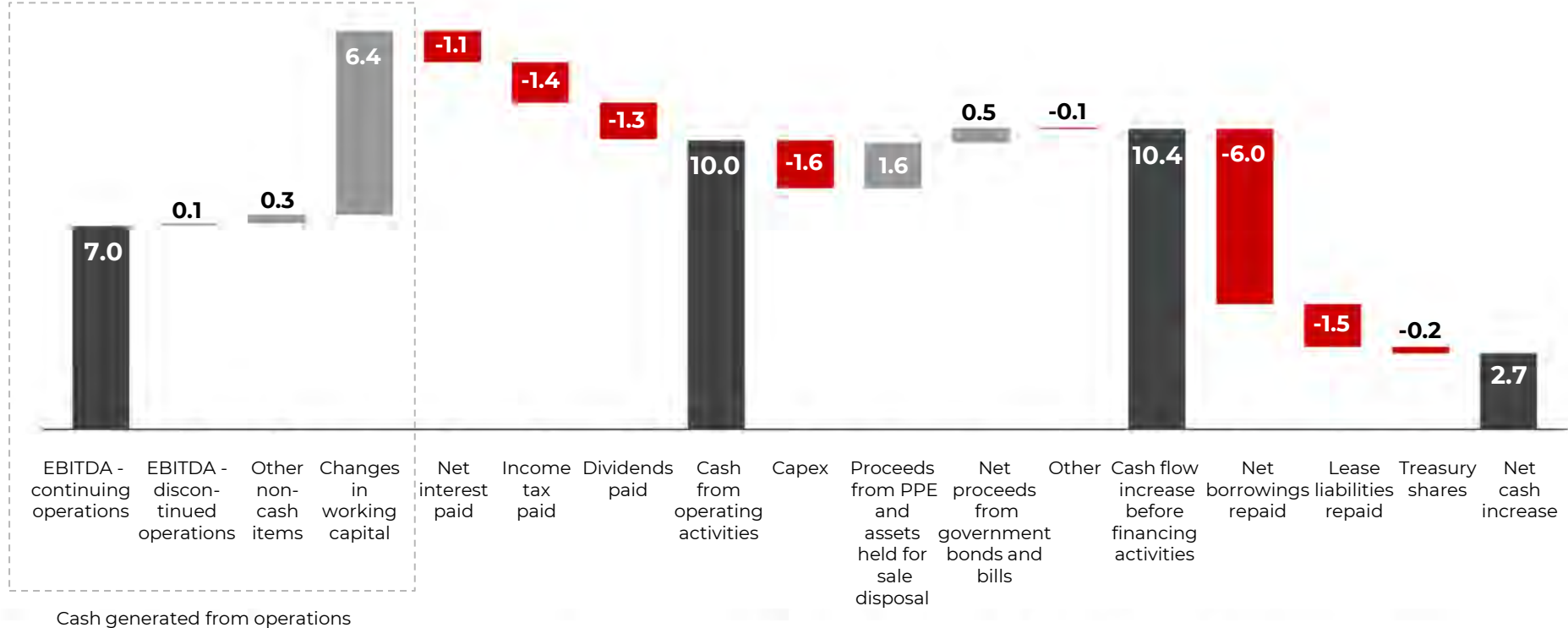
LEASE LIABILITIES
SIGNIFICANT EVENTS SINCE
JUNE 2020:
Sale and leaseback of DCs
74 new lease agreements



DEC 2020 CASH FLOW STATEMENT

Total operations including Nigeria

Rbn





CAPITAL & CAPITAL ALLOCATION

 **COMPLETED**

 **IN PROGRESS**

WORKING CAPITAL - INVENTORY	<p>✓ Inventory to sales target on track</p>	<p>Inventory remains a key focus area - remembering:</p> <ul style="list-style-type: none">• Group's corporate store operating model• Group policy wrt maintaining in-stock levels given suboptimal supplier deliveries• General merchandise import reliance (FOB)• FY 22-25 Inventory to sales target: 11.5%
BORROWINGS	<p>✓ US dollar borrowings reduced by US\$403.6m to US\$78.2m in the last 12 months</p>	<p>Remaining US dollar balance required for Non-RSA trade funding</p>
NON-RSA CAPITAL INVESTED	<p>✓ Nigeria sale near completion</p> <p>✓ Kenya closure complete by year end - to be reported as discontinued operation in June 2021</p>	<p>Non-RSA capital assessment remains an active project:</p> <ul style="list-style-type: none">• No significant disposals or exits expected short-medium term• Stringent recapitalisation requirements being applied



CAPITAL & CAPITAL ALLOCATION

 **COMPLETED**

 **IN PROGRESS**

PROPERTY, PLANT & EQUIPMENT

- ✓ Sale and leaseback of DCs in exchange for cash and 49.9% share in Retail Logistics Fund (Pty) Ltd completed

Medium-term capex guidance: 2.3% of sales

CAPITAL ALLOCATION STRATEGY

Currently determining optimal medium-term capital structure taking into account:

- Dividend policy
- Organic growth
- Acquisitive growth
- Share buybacks

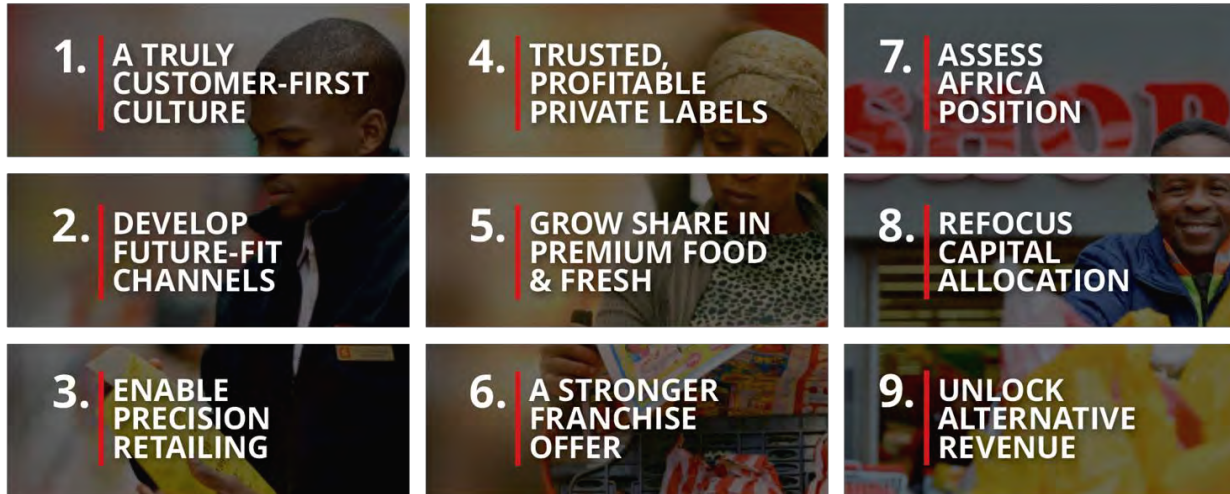
STRATEGIC FOCUS AREAS





STRATEGY REMAINS FUTURE-FIT

- Shoprite is more **Customer centric and Digitally fit** than ever before
- Investments in a **“Smarter Shoprite”** have continued to support market share gains
- Focus remains on optimising our **core retail capabilities** in **existing markets**



▼
A SMARTER SHOPRITE

▼
CLOSING THE GAP IN KEY SEGMENTS

▼
WINNING IN THE LONG TERM



CUSTOMER-FIRST CULTURE

- **Award-winning Xtra Savings Rewards Programme** introduced to Shoprite in Oct 2020
- Rapid roll-out in 12 months **leveraging a common customer technology platform**
 - **825 stores roll-out** in record time amidst Covid (100% virtual training)
- **Exceptional response from customers** - 2m sign ups in first week
- **R2.1bn in savings back to consumers in H1** - 9 000 grocery deals every month

450
SIGN UPS
PER MINUTE
AT LAUNCH



17m members

**SA'S LARGEST
SUPERMARKET
REWARDS PROGRAMME**





CUSTOMER-FIRST CULTURE

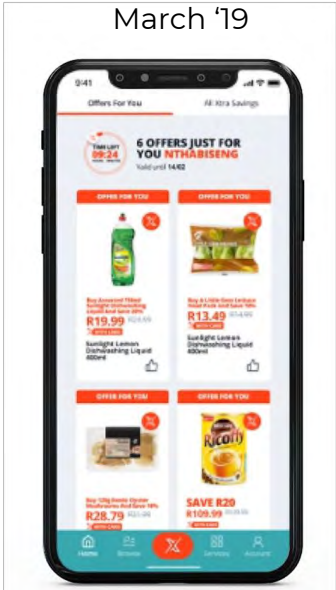
Digital & Data Science is powering personalisation to help customers save even more

53.5m Snowflakes



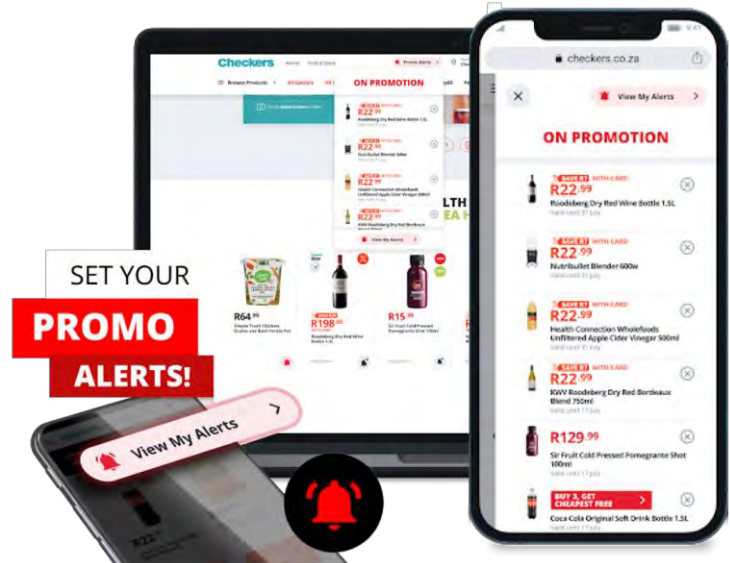
Unique personalised offer combinations for customers since

March '19



Promo alerts

Allow customers to receive real-time updates on specials of their favourite products



Digital till slips

Allow customers to track slips and savings across digital channels





DEVELOPING FUTURE-FIT CHANNELS

- 100% growth in digital reach for supermarkets' monthly web visitors
- Rapid adoption of Sixty60, our pioneering on-demand 1 hr grocery delivery app
 - No. 1 grocery delivery app in SA - more than 1m downloads
 - More choice with 15k products delivered in 60 mins at in-store prices
 - Recognised globally for best-in-class customer experience & innovation
 - Continued growth through Jan 2021 amidst SA's second wave



Trial of Zero-emission electric bikes





AWARD-WINNING INNOVATION IN 2020/21



MTN's People's Choice
Best App of the Year
Award (Sixty60)



MTN's Best
Enterprise App
Awards
(Sixty60)



Gold Loerie
for Services design
(Sixty60)



Memeburn
Best App for 2020
(Sixty60)



SMARTIES
Gold Award
(Xtra Savings)



**BCX 2020
Best Digital
Innovation
Award**



SMARTIES
Gold Award
(Sixty60)



MarkLives Most
Admired Brand
(Checkers)



Truth Loyalty
Awards 2020
(Xtra Savings)



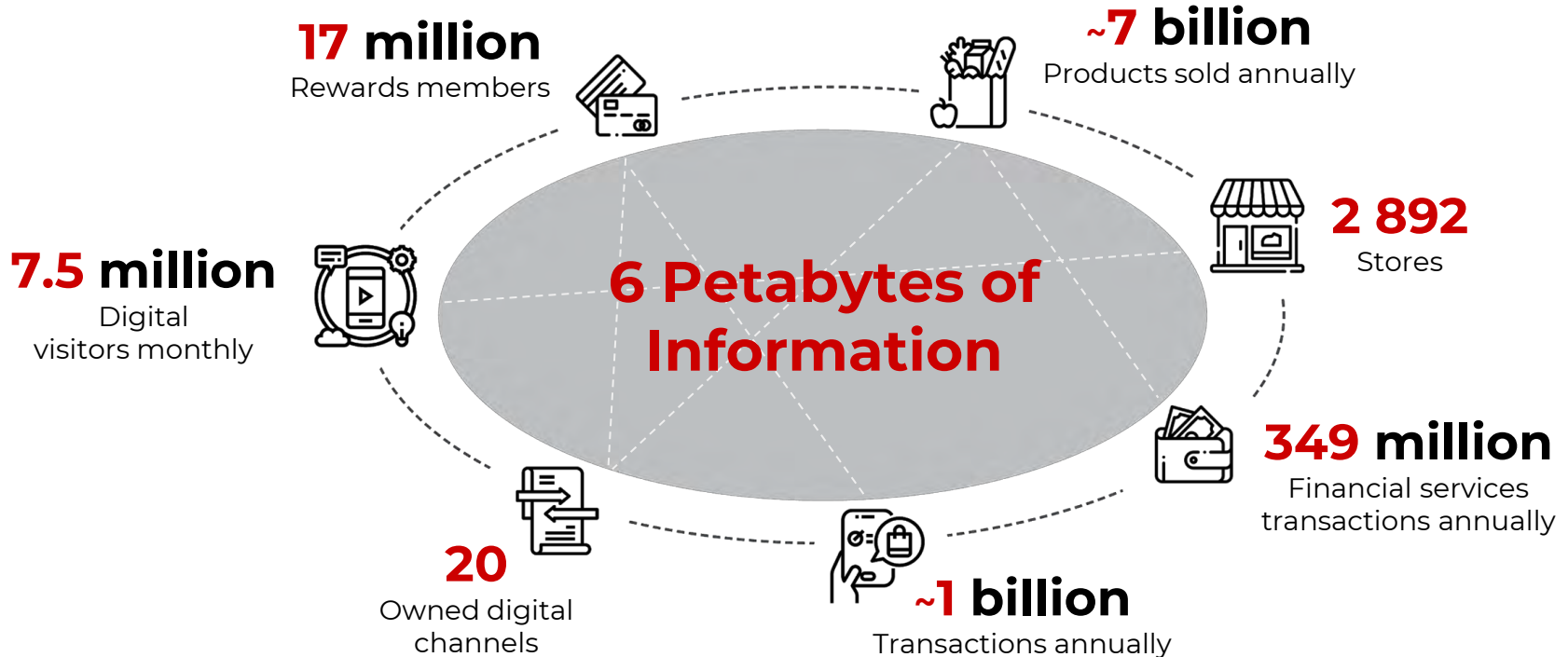
Food24 - Rated #1
Supermarket
delivery App
(Sixty60)





ENABLE PRECISION RETAILING

Enhanced customer data ecosystem unlocking new value operationally & commercially





UNLOCKING ALTERNATIVE REVENUE

Launching our own mobile network



Give the people
what they want.

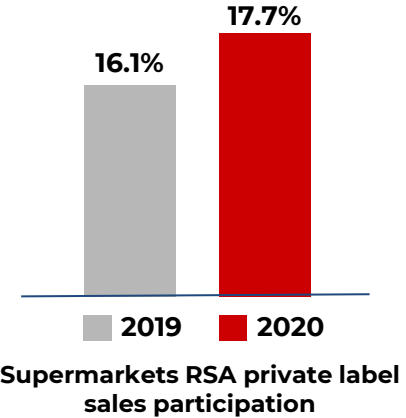
k'nect
mobile





TRUSTED, PROFITABLE PRIVATE LABELS

- RSA private label sales participation up 160 BPS to 17.7%
- Powerful exclusive brands: 29 > R100m in annual sales
- Need for more value post-covid is driving adoption of private label
 - Ubrand: 3x total store sales growth
 - Shoprite Ritebrand: now in 1 out of 5 Shoprite baskets
 - Checkers Housebrand: 1.5x volume growth vs total store



EVERYDAY LOW PRICES ON ESSENTIALS



EXCLUSIVE PREMIUM PRODUCTS CLOSING GAPS IN UPMARKET CATEGORIES





WINNING IN FRESH AND PREMIUM FOOD

- Checkers and Hypers still leading our growth 2.9x ahead of Rest of Market*
- Accessible quality for all: R400m* Fresh & Perishable share gains in H1
- Share of stomach opportunity with increased in-home dining
 - 191 new fresh and premium product innovations in H1



*Nielsen, 6mm Dec 2020





WINNING IN FRESH AND PREMIUM FOOD

New Checkers FreshX flagships
in Rosebank & Brackenfell

38/80

target stores completed

1.3x

higher FreshX like-for-like sales growth vs Checkers average



OUTLOOK





OUTLOOK

- Liquor fully back on stream from March after two months of restrictions
- Supermarkets RSA first eight weeks of H2 (excl. LiquorShop) in line with H1
- Supermarkets RSA internal inflation: 3.8% (January - February 2021)
- Checkers is up against strong comparable base in March due to pantry loading
- Economic green shoots with lockdown restrictions mostly lifted from 1 March
- 39 new supermarkets opening by June 2021
- In addition to organic market share growth
 - Upmarket suburb penetration opportunity for Checkers
 - Smaller format Shoprite for smaller catchments
 - Leveraging customer data for product and pricing optimisation
 - Value-added, digital products and partnership opportunities
 - Continued investment into digital transformation for customers
- Maintain low price leadership position

**AFRICA'S MOST
ACCESSIBLE
AND
AFFORDABLE
RETAILER**



QUESTIONS

2021 INTERIM ADDITIONAL INFORMATION

Chief Financial Officer
ANTON DE BRUYN





H2 2020 BASE EFFECTS

HEADWINDS

TAILWINDS

	HEADWINDS	TAILWINDS
SUPERMARKETS RSA	<ul style="list-style-type: none">- Q3 2020 Pantry loading and shift to in-home dining<ul style="list-style-type: none">- Main beneficiary: Checkers and Checkers Hyper- H2 2020 shift in spend, closer-to-home<ul style="list-style-type: none">- Main beneficiary: Usave- Broad based financial support from Government grants, corporate and public aid	<ul style="list-style-type: none">- LiquorShop:<ul style="list-style-type: none">- Closed for 66 days then restricted to Mon-Thur for June 2020- Shoprite:<ul style="list-style-type: none">- Negatively impacted when lockdown stopped customers frequenting work and travel nodes where many stores are located
SAVINGS VS COSTS	<ul style="list-style-type: none">- Reduced spend on marketing, travel and training- ETI (Employee Tax Incentive) support of R98.2m	<ul style="list-style-type: none">- R327m COVID-19 costs (incl. R116.9m staff appreciation bonus)- R324m IFRS 9 debtors provision
FURNITURE AND OTHER SEGMENTS	<ul style="list-style-type: none">- Consumer expenditure:<ul style="list-style-type: none">- Work from home redirected spend towards furniture and durables	<ul style="list-style-type: none">- Furniture closed for Level 5 lockdown- CFS impacted by restaurant industry restrictions

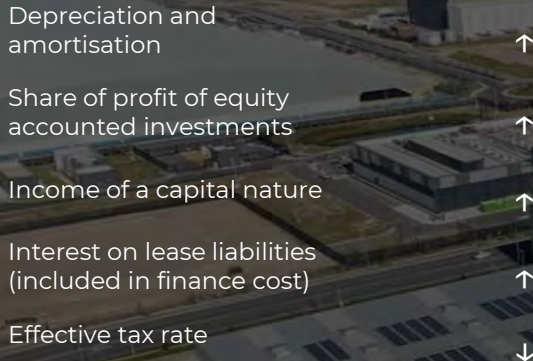


SALE AND LEASEBACK TRANSACTIONS

Summary of transaction effective 4 November 2020:

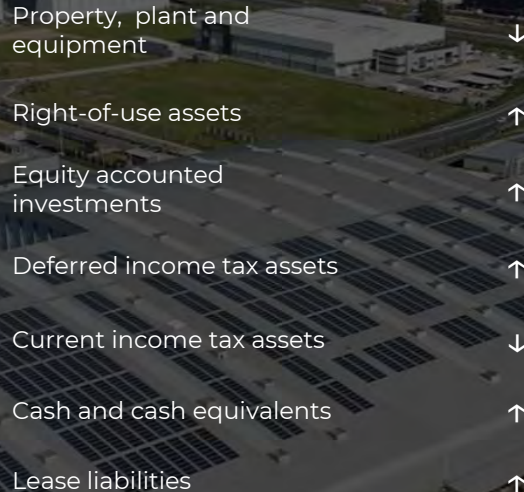
- Sale and leaseback of Brackenfell and Centurion DC for 49.9% share in Retail Logistics Fund (Pty) Ltd (Retail Logistics)
- Sale and leaseback of Cilmor DC (now Whitey Basson DC) to Retail Logistics for cR1.2bn cash consideration
- Capitalisation rate: 7.5% on buildings excluding land sold for future development
- Lease term: 20 years; Lease escalation: 5%

STATEMENT OF COMPREHENSIVE INCOME



Depreciation and amortisation	↑
Share of profit of equity accounted investments	↑
Income of a capital nature	↑
Interest on lease liabilities (included in finance cost)	↑
Effective tax rate	↓

STATEMENT OF FINANCIAL POSITION



Property, plant and equipment	↓
Right-of-use assets	↑
Equity accounted investments	↑
Deferred income tax assets	↑
Current income tax assets	↓
Cash and cash equivalents	↑
Lease liabilities	↑

STATEMENT OF CASH FLOWS



Lease payments (included in financing activities)	↑
Proceeds on disposal of property, plant and equipment and intangible assets	↑



ADJUSTED DHEPS RECONCILIATION

	Earnings Dec 2020 Rm	DHEPS* Dec 2020 cents
DHEPS including discontinued operations	2 370	427.7
Restated for IFRS 5: Discontinued operations	-53	-9.7
DHEPS continuing operations	2 317	418.0
Adjusted for:		
Forex	20	3.6
Hyperinflation	35	6.3
Related income tax effect	-65	-11.7
Adjusted DHEPS from continuing operations	2 307	416.2

*DHEPS based on 554 237 451 weighted average number of ordinary shares adjusted for dilution



DISCONTINUED OPERATIONS

	Dec 2020 Rm	Dec 2019 Rm
Sale of merchandise	1 424	1 439
Gross profit	379	379
Depreciation and amortisation	-	-68
Employee benefits	-92	-94
Other operating expenses	-198	-162
Trading profit	89	55
Exchange rate losses	-17	-11
Profit on lease modifications	20	-
Items of a capital nature	-1	-32
Operating profit	91	12
Net finance costs	-34	-29
Profit/(loss) before income tax	57	-17
Income tax expense	-5	-
Profit/(loss) after income tax	52	-17



RETURN ON INVESTED CAPITAL (ROIC)

	Dec 2020 Rm	Dec 2019 Rm	Dec 2018 Rm
Last 12 months' trading profit	8 899	8 175	
Effective tax rate at period end	29.2%	31.1%	
Trading profit after tax	6 297	5 637	
Invested capital	52 887	59 440	58 352
Net asset value	19 555	21 464	22 769
Borrowings	5 463	11 363	10 045
Lease liabilities	26 611	23 841	21 653
Bank overdraft	1 258	2 772	3 885
Average invested capital	56 164	58 896	
ROIC	11.2%	9.6%	



CAPITAL ADDITIONS

Rbn

CAPITAL SPEND
(Total operations)

Dec 2020: R1.6bn

Dec 2019: R2.0bn

-16.7%



Dec 2020 capital spend



Dec 2019 capital spend



CLOSING EXCHANGE RATES

CONTINUING OPERATIONS

DISCONTINUED OPERATIONS

Zambia kwacha



-48.7%

-53.6%

Angola kwanza



-32.9%

-37.4%

Mozambique metical



-13.9%

-17.7%

Nigeria naira



-4.4%

-7.9%

■ ZAR closing (Dec 2020 vs Dec 2019) ■ USD closing (Dec 2020 vs Dec 2019)



AVERAGE EXCHANGE RATES

LOCAL CURRENCY AVERAGE AGAINST ZAR

% Devaluation
Jun-Dec 2020 vs Jun-Dec 2019

