



# 2022 INTERIM RESULTS PRESENTATION

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FOR THE 26 WEEKS  
ENDED 2 JANUARY 2022

**SHOPRITE**   
HOLDINGS LTD

**SHOPRITE** **Checkers** **Checkers Hyper** **U\$ave**

**Checkers Foods** **LiquorShop** **LiquorShop** **Checkers SIXTY** **littleme**

**Medirite+** Pharmacy | **Transpharm** **GFS** Checkers Food Services **Freshmark** **Petshop** science

**rainmaker** MEDIA **SHOPRITE** **MoneyMarket** **k'nect** mobile

**Computicket** Travel **COMPUTICKET** **OK** Furniture Power Express **House & Home** **OK** FRANCHISE DIVISION



## PRESENTATION OUTLINE

OPERATIONAL REVIEW  
**Pieter Engelbrecht**

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FINANCIAL RESULTS  
**Anton de Bruyn**

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STRATEGY UPDATE  
QUESTIONS  
**Pieter Engelbrecht**

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# OPERATIONAL REVIEW

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Chief Executive Officer  
**PIETER ENGELBRECHT**



The Group in review

# 2022 KEY HIGHLIGHTS



**R91.1bn**

Sales

**+10.0%**

+9.3% Like-for-like



**R22.0bn**

Gross profit

**+10.1%**

24.1% Gross margin



**R5.4bn**

Trading profit

**+14.5%**

6.0% Trading margin

*Continuing operations*



Supermarkets review

# 2022 OPERATIONAL METRICS

## MORE CUSTOMERS RETURNING TO STORES



**+4.7%**

Basket size growth

**+6.0%**

Customer visits

## HIGHER VOLUMES



**+4.5%**

Volume growth

**+145m**

Additional products sold

## PROFITABLE MARKET SHARE GAIN



**+R3.6bn**

H1 RSA market share gain

**34**

Months of uninterrupted  
market share gains

(NielsenIQ, 2021)

*Continuing operations*



# Resilient operational performance **SUPERMARKETS RSA**



## **A Stronger Shoprite**

- Supermarkets RSA sales momentum assisted by return of liquor trade
  - +11.3% sales growth (+9.1% excl. LiquorShop) and trading margin improved
- **LiquorShop sales +49.8%** (48 vs 79 trading days in the comparative period lost due to lockdown restrictions)
- **Built back stronger through operational excellence following July unrest**
- **All supermarket brands continued to gain market share vs peers**
- **Well-positioned for shifting consumer needs and digital step change:**
  - Value safe-haven for increasingly price-conscious consumers
  - Leading online position after first-scaler advantage

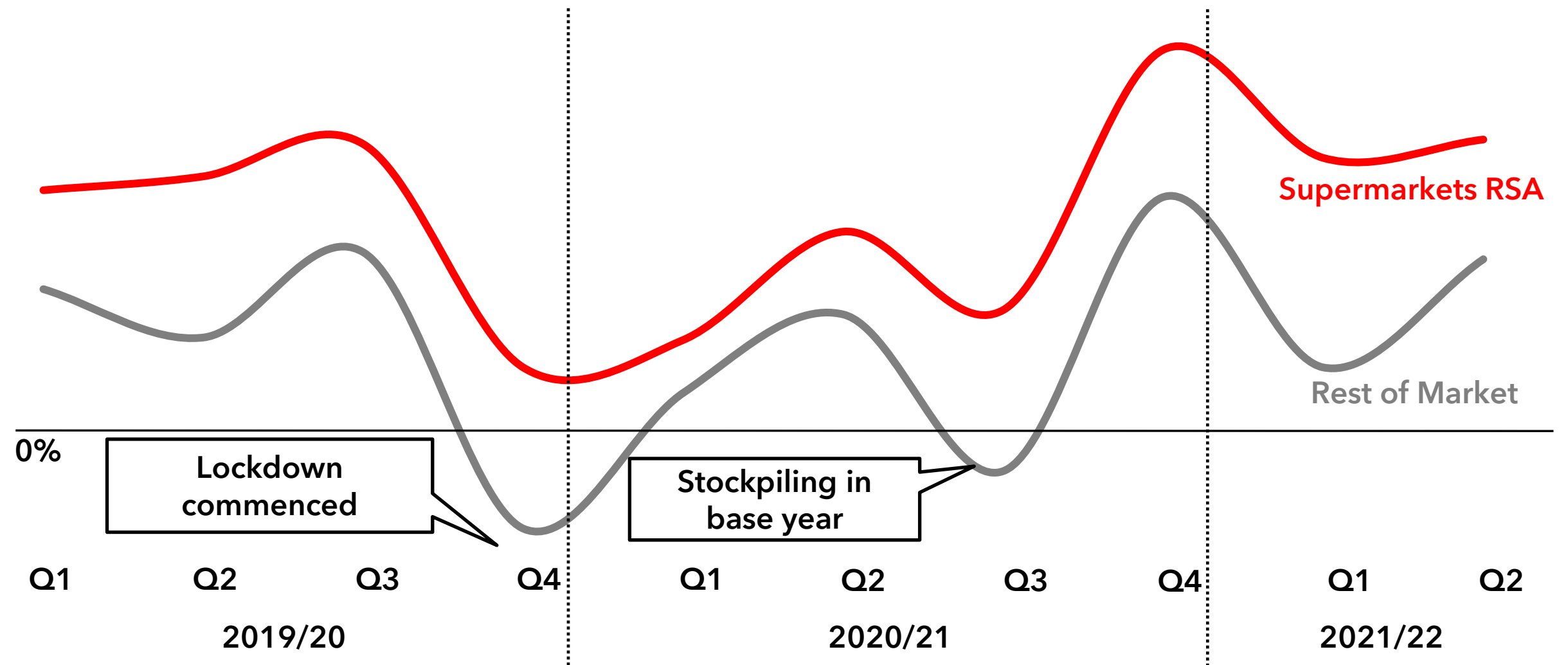


Sustained market share gains

# SUPERMARKETS RSA



## Sales growth outpaced Rest of Market for 10 consecutive quarters



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

Source: NielsenIQ, 2019- 2021. Other Retailers Universe includes Pick n Pay, Boxer, Clicks, Woolworths, Dis-Chem, Fruit & Veg City, Game, Spar, PEP, Jetmart (NOTE: Pick n Pay supermarket numbers from Oct - Dec 2021 extrapolated after withdrawal from the market share universe)





Commitment to Customers

# SUPERMARKETS RSA



## Unwavering focus on Affordability & Accessibility for Customers

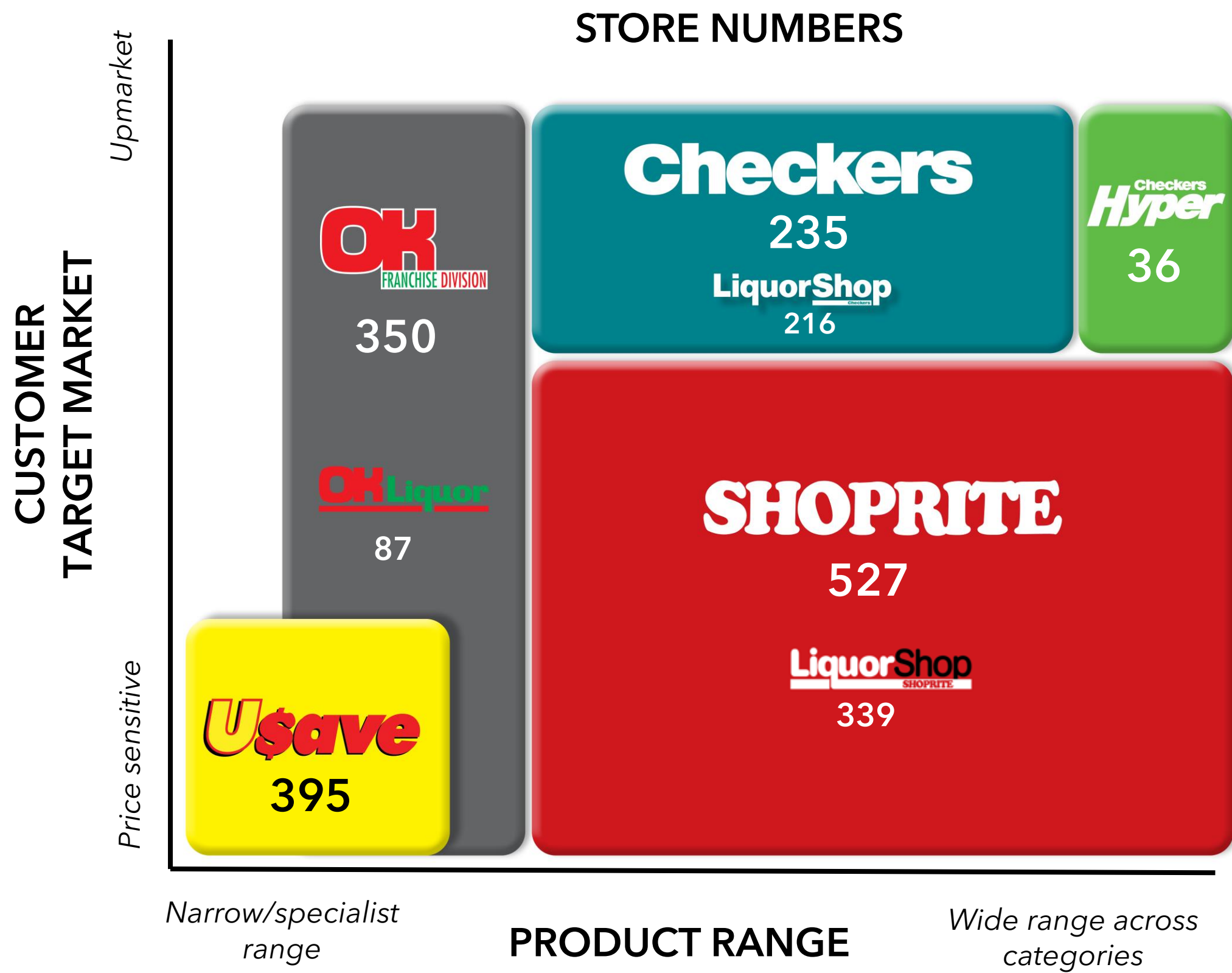
- **Shoprite remains Low Price Champion and rated No. 1 for Low Prices\***
  - Internal price inflation of 2.6%, well below official food inflation of 6.2%
  - R4.5bn in Xtra Savings in H1 2022
  - Subsidised more than 1 million loaves of R5 bread every week
- **Taking retail to the people**
  - **Shoprite** footprint to be bolstered by 113 stores pending Masscash deal
  - **Checkers** home delivery available from 266 sites
  - **Usave** stores operate in 395 communities



\*Customer satisfaction survey July 2021



# SUPERMARKETS STORE BRAND PORTFOLIO RSA



## SHOPRITE

### AFRICA'S LOW PRICE LEADER

Lowest prices on the trusted brands without compromising on customer service and product quality

## CHECKERS

### BEST VALUE IN FRESH & PREMIUM

Omnichannel market leader in value on fresh produce groceries and premium food

## CHECKERS HYPER

### AMPLIFIED VALUE

Checkers with wider ranges in bulk groceries, general merchandise, key upmarket categories like Pet, Baby and Electronics

## USAVE

### LIMITED ASSORTMENT DISCOUNTER

Offering a limited assortment of the most popular grocery items at everyday low prices in more accessible locations

## OK FRANCHISE DIVISION

### ONE-STOP CONVENIENCE SHOPPING

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



Operational resilience

# SUPERMARKETS NON-RSA



## A more manageable, profitable group of core countries

- **Supermarkets Non-RSA sales improved 8.4%** (Continuing operations)
  - Q2 sales growth accelerated to 14.4%
  - Zambia was a star performer increasing sales by 35.3%
- **Constant currency sales increased by 11.4%** (Continuing operations)
- **Madagascar sale concluded end January 2022**
- **Uganda sale in final stages**
- **Strict capital allocation continued and remains self-funding**
- **Stronger oil and copper price should assist economic recoveries**



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# 2022 INTERIM FINANCIAL RESULTS

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Chief Financial Officer  
**ANTON DE BRUYN**



# RESTATEMENTS SINCE PREVIOUS YEAR

**H1 2022**  
**26 WEEKS ENDED 2 JAN '22**

**H1 2021\***  
**26 WEEKS ENDED 27 DEC '20**

**IFRS 5: NON-CURRENT  
ASSETS HELD FOR SALE  
AND DISCONTINUED  
OPERATIONS**

- Classify the Group's Kenyan, Ugandan and Madagascan operations as discontinued operations
- Statement of comprehensive income reflects profit from discontinued operations separately
- Assets and liabilities relating to the Madagascan and Ugandan discontinued operations classified as held for sale

- Comparative statement of comprehensive income restated for newly classified discontinued operations during H2 2021 (refer to note 2 of the condensed consolidated interim financial statements)

|  | Restatement impact<br>Rm |
|--|--------------------------|
| Sale of merchandise                            | ( 610)                   |
| Gross profit                                   | (99)                     |
| Net expenses                                   | 130                      |
| <b>Trading profit</b>                          | <b>31</b>                |
| Exchange rate losses                           | 5                        |
| Profit on lease modifications and terminations | (74)                     |
| Items of a capital nature                      | (20)                     |
| <b>Operating profit</b>                        | <b>(58)</b>              |
| Finance costs                                  | 16                       |
| <b>Profit before income tax</b>                | <b>(42)</b>              |
| Income tax expense                             | 4                        |
| <b>Profit from continuing operations</b>       | <b>(38)</b>              |
| Profit from discontinued operations            | 38                       |
| <b>Profit for the period</b>                   | <b>-</b>                 |

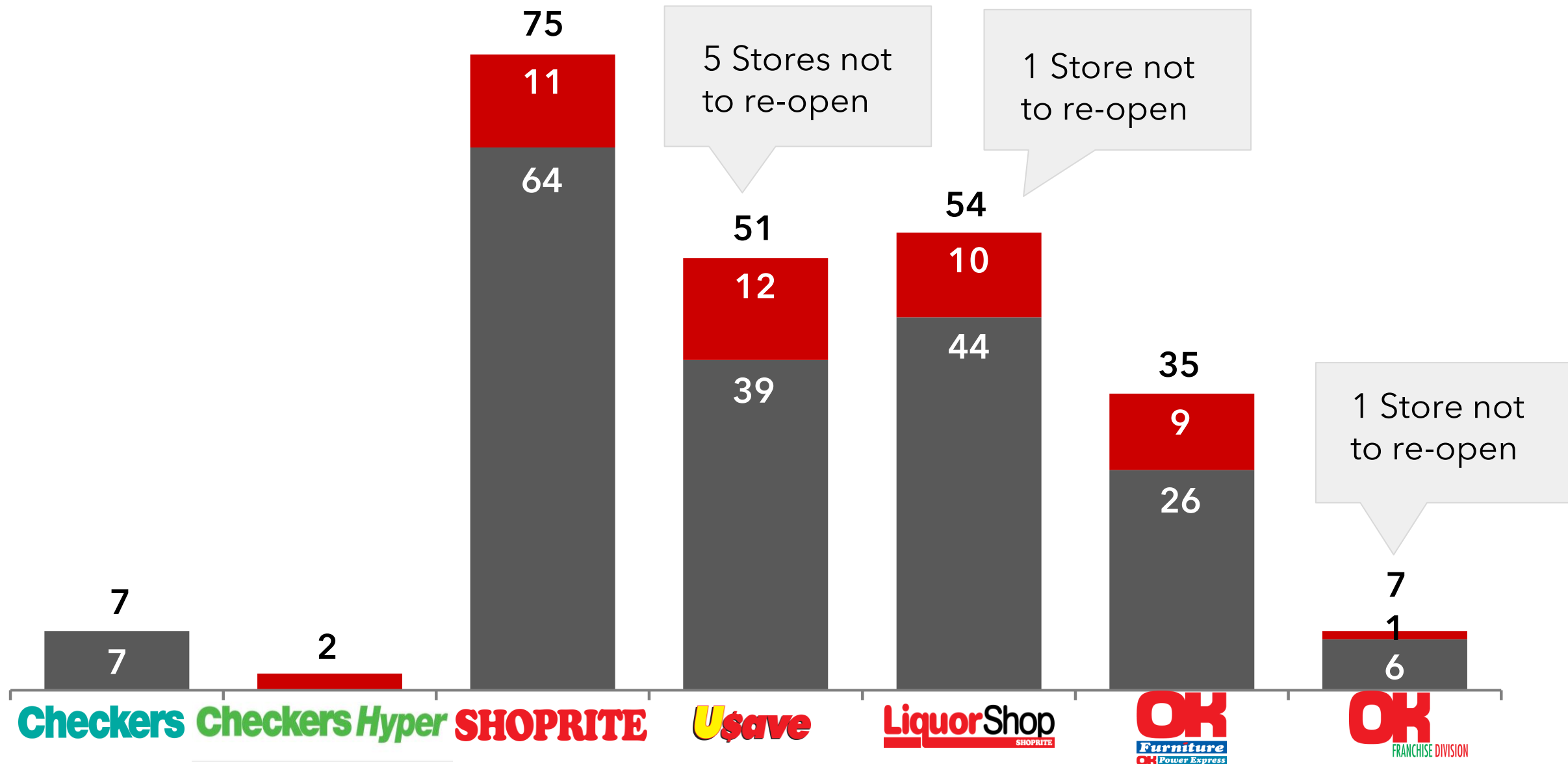
\* Restated for the classification of the Group's Kenyan, Ugandan and Madagascan operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations



# CIVIL UNREST IMPACT

## 231 STORES IMPACTED

Total stores re-opened  
 Total stores still closed  
 Stores that will not re-open



### H1 2022 impact:

#### Cost of sales

- Inventory write-downs of R968m
- Claimed R968m from insurance

#### Expenses

- Civil unrest related cost of R134m not recovered through insurance to date

#### Items of a capital nature

- Property write-downs of R100m
- Equipment, fixtures and fittings amounting to R162m written off
- Total impact of R262m claimed from insurance

#### Trade and other receivables

- R307m outstanding insurance claims included in trade and other receivables

#### Statement of cash flows

- R935m proceeds received from insurance claims for inventory

#### Contingent assets

- R308m insurance claims not yet recorded



H1 2022 key metrics

# FINANCIAL OVERVIEW

|                              | Change % | 26 weeks<br>2 Jan '22<br>Rm | Restated*<br>26 weeks<br>27 Dec '20<br>Rm |
|------------------------------|----------|-----------------------------|---|
| <b>Continuing operations</b> |          |                             |   |
| Sale of merchandise          | 10.0     | 91 125                      | 82 820                                    |
| <b>Gross profit</b>          | 10.1     | 21 955                      | 19 942                                    |
| Other operating income       | 15.6     | 1 461                       | 1 264                                     |
| Interest revenue             | (3.2)    | 270                         | 279                                       |
| Total expenses               | 9.1      | (18 264)                    | (16 748)                                  |
| <b>Trading profit</b>        | 14.5     | 5 422                       | 4 737                                     |
| Exchange rate losses         | >100     | (127)                       | (15)                                      |
| Items of a capital nature    | (42.7)   | (199)                       | (347)                                     |
| <b>EBITDA</b>                | 12.9     | 7 854                       | 6 958                                     |
|                              |          | <b>cents</b>                | <b>cents</b>                              |
| DHEPS                        | 25.2     | 519.3                       | 414.8                                     |
| Adjusted DHEPS               | 32.5     | 536.3                       | 404.8                                     |
| Dividend                     | 22.0     | 233.0                       | 191.0                                     |
|                              |          | <b>%</b>                    | <b>%</b>                                  |
| Gross margin                 |          | 24.1                        | 24.1                                      |
| Trading margin               |          | 6.0                         | 5.7                                       |
| Effective tax rate           |          | 30.8                        | 29.5                                      |
| ROIC                         |          | 13.3                        | 11.3                                      |

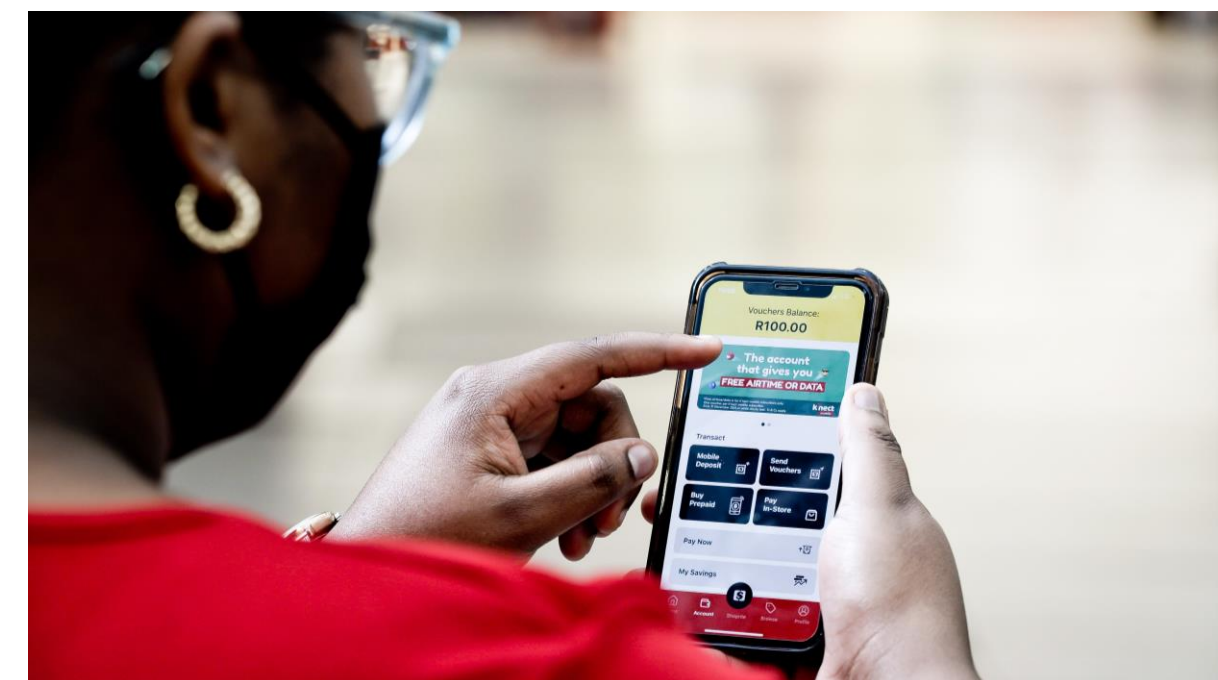
## Notes to the results:

Other operating income growth 15.6%

- commissions received +12.7%
- dividends received from unlisted share investments of R103m
- delivery recoveries almost doubled

Expense growth 9.1%

- excluding civil unrest cost: +8.3% (R134m)
- employee benefits +7.2%
- depreciation and amortisation +1.4%
- other operating expenses +12.3%



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



# Unpacking performance DHEPS



|  | Change %    | 26 weeks<br>2 Jan '22<br>cents | Restated*<br>26 weeks<br>27 Dec '20<br>cents |
|--|-------------|--------------------------------|--|
| DHEPS continuing operations previously reported  |             |                                | 418.0  |
| Restated for IFRS 5: Discontinued operations     |             |                                | (3.2)  |
| DHEPS continuing operations                      | 25.2        | 519.3                          | 414.8  |
| DHEPS discontinued operations                    | (55.0)      | 5.8                            | 12.9   |
| <b>DHEPS including discontinued operations</b>   | <b>22.8</b> | <b>525.1</b>                   | <b>427.7</b>                                 |
| <b>DHEPS continuing operations</b>               | <b>25.2</b> | <b>519.3</b>                   | <b>414.8</b>                                 |
| <b>Adjusted for:</b>                             |             |                                |  |
| Forex  |             | 23.1                           | 2.6  |
| Hyperinflation                                   |             | 3.2                            | 6.3  |
| Lease modifications and terminations             |             | (3.0)                          | (10.4)                                       |
| Related income tax effect                        |             | (6.3)                          | (8.5)  |
| <b>Adjusted DHEPS from continuing operations</b> | <b>32.5</b> | <b>536.3</b>                   | <b>404.8</b>                                 |

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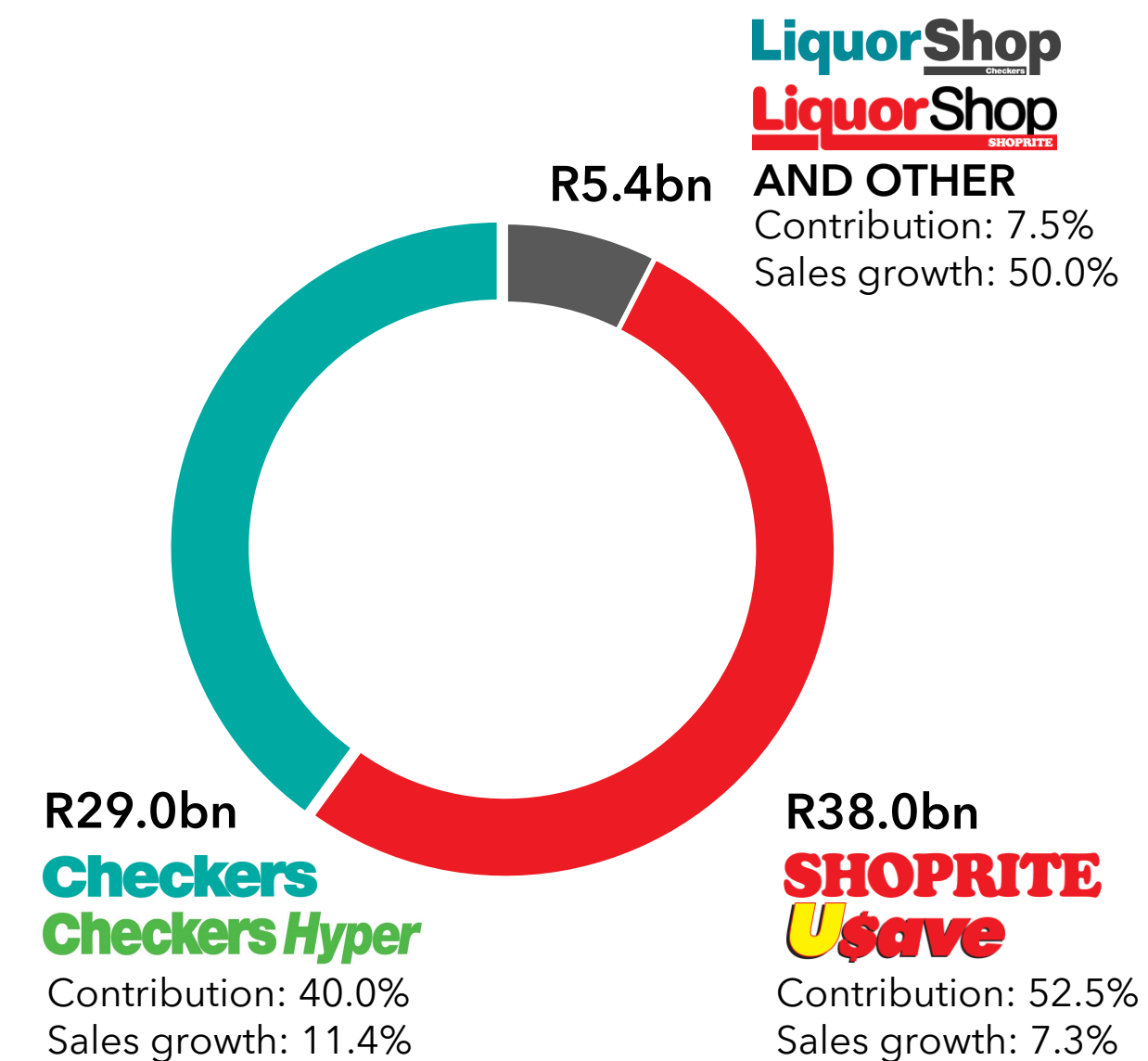
Segmental analysis

# SALES GROWTH

|  | Total sales<br>26 weeks<br>% | Like-for-like<br>26 weeks<br>% | Number of<br>net new<br>stores<br>12 months* |
|--|------------------------------|--------------------------------|--|
| <b>Continuing operations</b>               |                              |                                |  |
| Supermarkets RSA                           | 11.3                         | 10.7                           | 104  |
| Supermarkets Non-RSA                       | 8.4                          | 6.2                            | 3  |
| Furniture                                  | (6.5)                        | (3.9)                          | (1)  |
| Other operating segments                   | 8.9                          | 7.7                            | 8  |
| <b>Total continuing operating segments</b> | <b>10.0</b>                  | <b>9.3</b>                     | <b>114</b>                                   |

## Supermarkets RSA

Brand contribution and sales growth



\* Net new stores opened over the last 12 months excluding the impact of store closures due to the civil unrest



Segmental analysis

# TRADING PROFIT



|  | Change<br>% | 26 weeks<br>2 Jan '22<br>Rm | Restated*<br>26 weeks<br>27 Dec '20<br>Rm | Trading<br>margin<br>26 weeks<br>2 Jan '22<br>% |
|--|-------------|-----------------------------|---|---|
| <b>Continuing operations</b>               |             |                             |   |   |
| Supermarkets RSA                           | 16.2        | 4 887                       | 4 206                                     | 6.7   |
| Supermarkets Non-RSA                       | 5.9         | 179                         | 169                                       | 2.1   |
| Furniture                                  | (27.2)      | 193                         | 265                                       | 5.4   |
| Other operating segments                   | 36.4        | 180                         | 132                                       | 2.8   |
| <b>Total continuing operating segments</b> | <b>14.0</b> | <b>5 439</b>                | <b>4 772</b>                              | <b>6.0</b>                                      |
| Hyperinflation effect                      | (51.4)      | (17)                        | (35)                                      | -   |
| <b>Consolidated</b>                        | <b>14.5</b> | <b>5 422</b>                | <b>4 737</b>                              | <b>6.0</b>                                      |

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



Gearing impact

# NET FINANCE COSTS



|  | Change %     | 26 weeks<br>2 Jan '22<br>Rm | Restated*<br>26 weeks<br>27 Dec '20<br>Rm |
|--|--------------|-----------------------------|---|
| <b>Continuing operations</b>                 |              |                             |   |
| Interest received from bank account balances | (24.3)       | 112                         | 148                                       |
| Finance cost: borrowings                     | (66.8)       | (158)                       | (476)                                     |
| Finance cost: lease liabilities              | 17.5         | (1 264)                     | (1 076)                                   |
| <b>Net finance costs</b>                     | <b>(6.7)</b> | <b>(1 310)</b>              | <b>(1 404)</b>                            |

Include R178m breakage cost on early settlement of a US\$250m fixed interest rate loan.

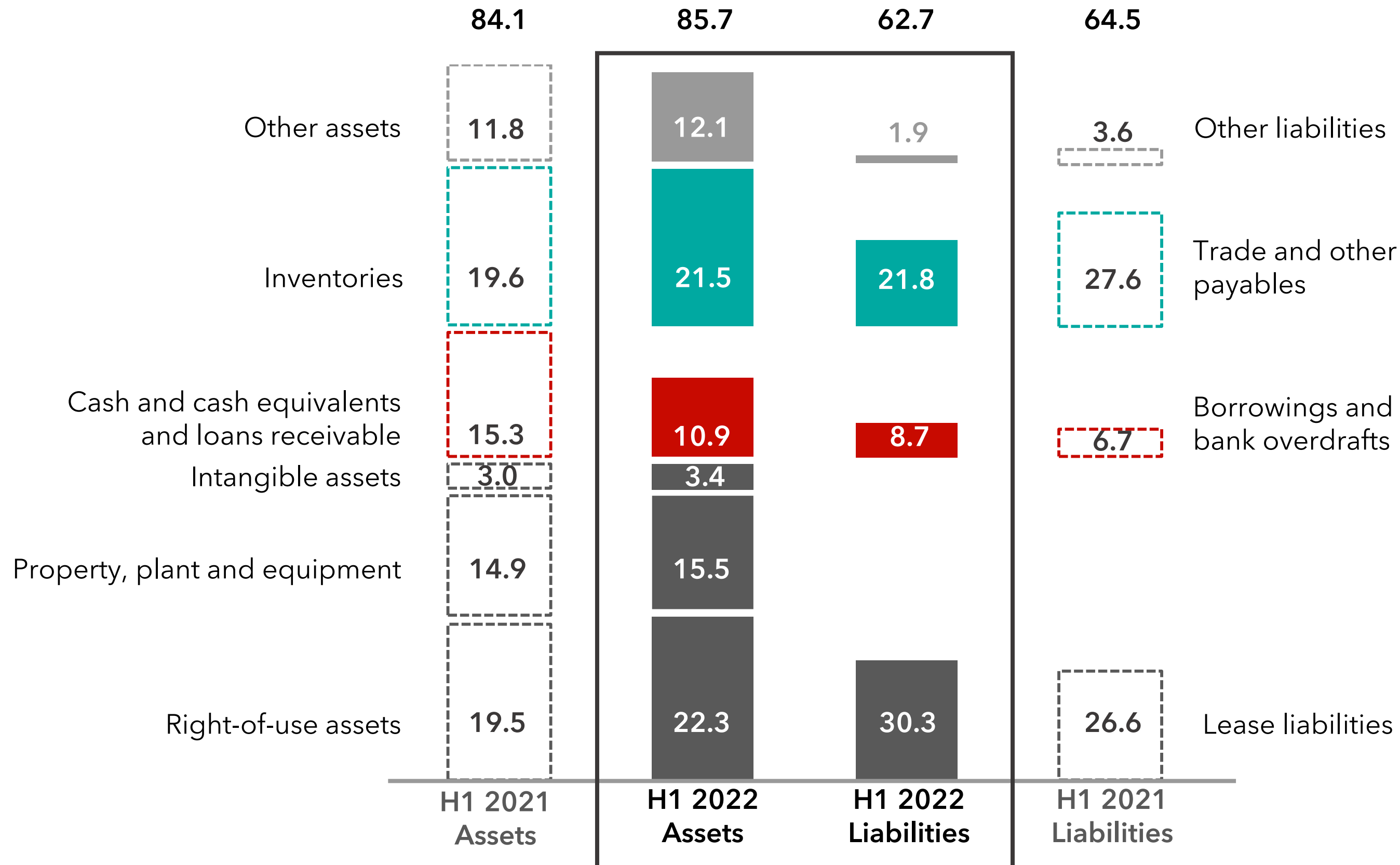
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Capital allocation

# BALANCE SHEET COMPOSITION

Rbn



BORROWINGS AS % OF EQUITY

**H1 2022: 22.9%**

H1 2021: 27.9%

TRADE AND OTHER PAYABLES

**H1 2022: R21.8bn**

H1 2021: R27.6bn

**-21.1%**

ROIC

(Return on

average invested capital)

**H1 2022: 13.3%**

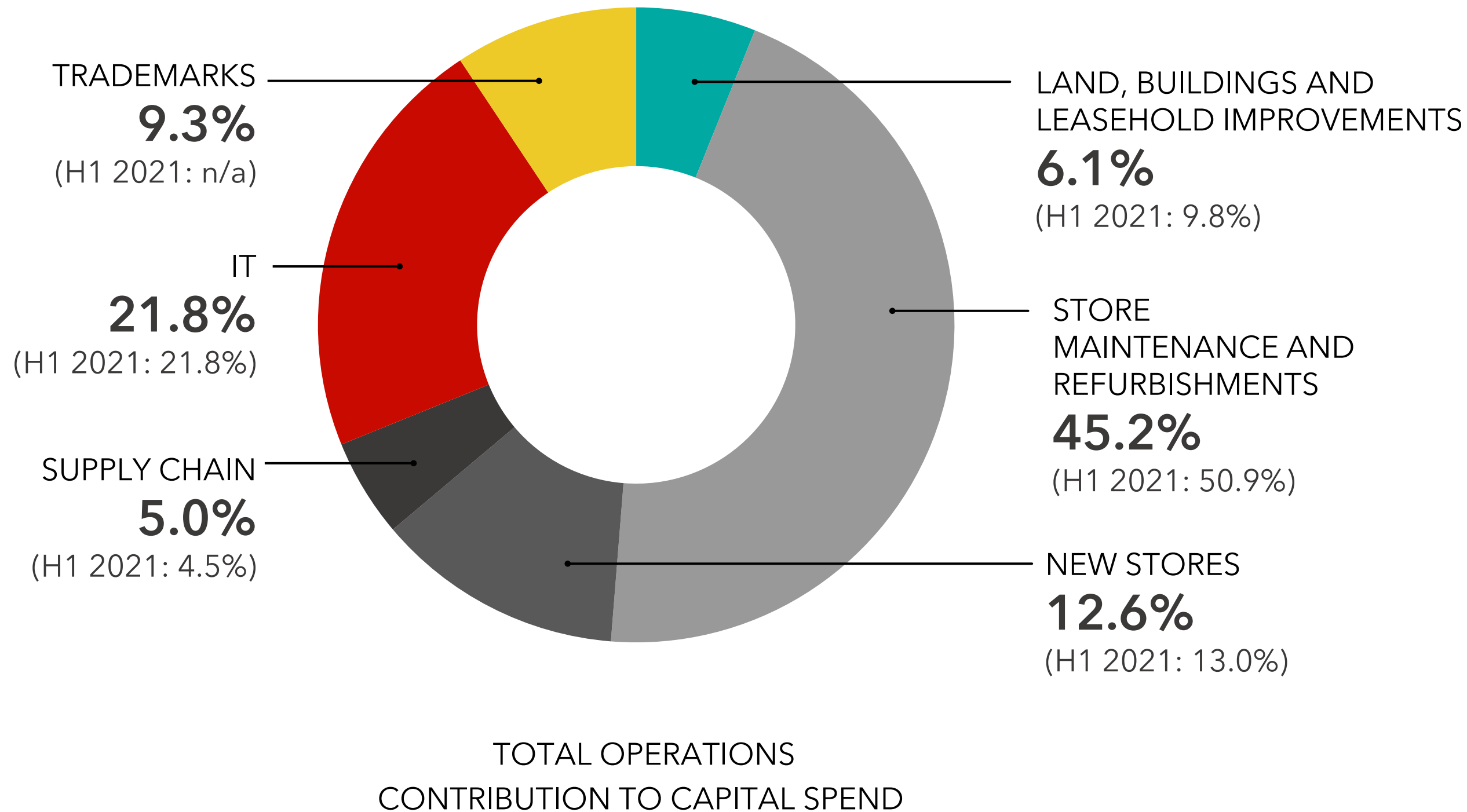
FY 2021: 12.4%

H1 2021: 11.3%



Investing in our business

# CAPITAL EXPENDITURE



CAPITAL SPEND  
**H1 2022: R2.7bn**  
H1 2021: R1.6bn



CAPITAL SPEND AS RESULT OF CIVIL UNREST  
**H1 2022: R199m**

CAPITAL SPEND AS % OF LAST 26 WEEKS SALES  
**H1 2022: 2.9%**  
H1 2021: 2.0%

**2022 GUIDANCE: R4.8bn**

(Excludes investment capital for trademarks purchased, potential Masscash purchase and new RTT on-demand business)



Replenishing our stores

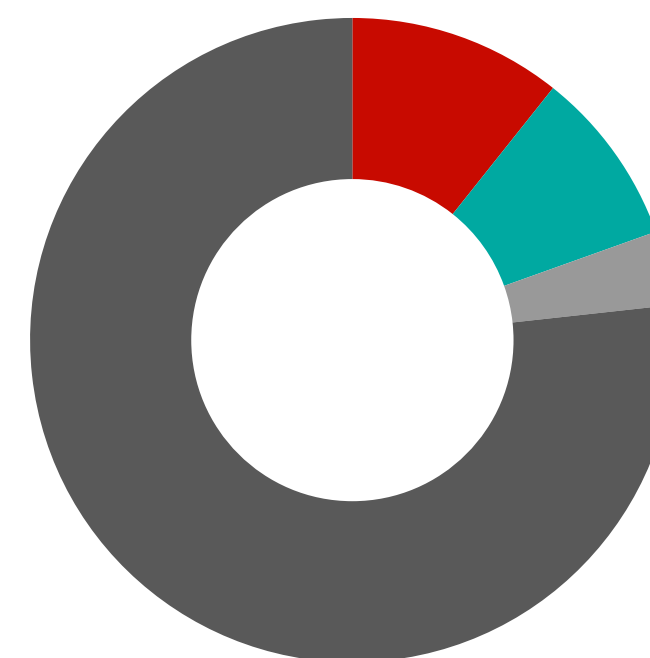
# INVENTORIES

| Inventories as % of sales (52 weeks) from continuing operations | 2 Jan '22 % | Restated* 27 Dec '20 % |
|---|-------------|------------------------|
| Supermarkets RSA  | 11.9        | 12.0                   |
| Supermarkets Non-RSA  | 14.7        | 12.8                   |
| Furniture   | 29.9        | 28.3                   |
| Other operating segments  | 6.5         | 5.8                    |
| <b>Total continuing operating segments</b>                      | <b>12.5</b> | <b>12.3</b>            |

**2022 GUIDANCE: 11.5%**

INVENTORIES  
**H1 2022: R21.5bn**  
 H1 2021: R19.6bn

**+10.0%**



- SUPERMARKETS RSA  
**R16.5bn**  
(H1 2021: R15.1bn)
- SUPERMARKETS NON-RSA  
**R2.3bn**  
(H1 2021: R2.1bn)
- FURNITURE  
**R1.9bn**  
(H1 2021: R1.7bn)
- OTHER OPERATING SEGMENTS  
**R0.8bn**  
(H1 2021: R0.7bn)

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



Cash vs debt

# NET GEARING



|                     | 2 Jan '22<br>Rm | 27 Dec '20<br>Rm |
|---------------------|-----------------|------------------|
| Total cash position | 5 437           | 12 076           |
| Borrowings          | (5 267)         | (5 463)          |
| Net cash position   | 170             | 6 613            |
| Lease liabilities   | (30 334)        | (26 611)         |
| <b>Net debt</b>     | <b>(30 164)</b> | <b>(19 998)</b>  |

NET CASH  
**H1 2022: R0.2bn**  
H1 2021: R6.6bn  
**>100%**

US\$ BORROWINGS  
**H1 2022: US\$59m**  
H1 2021: US\$78m  
**-24.9%**

TOTAL CASH POSITION  
(on comparable basis)  
**H1 2022: R16.0bn**  
excludes the impact of  
month-end cut-off

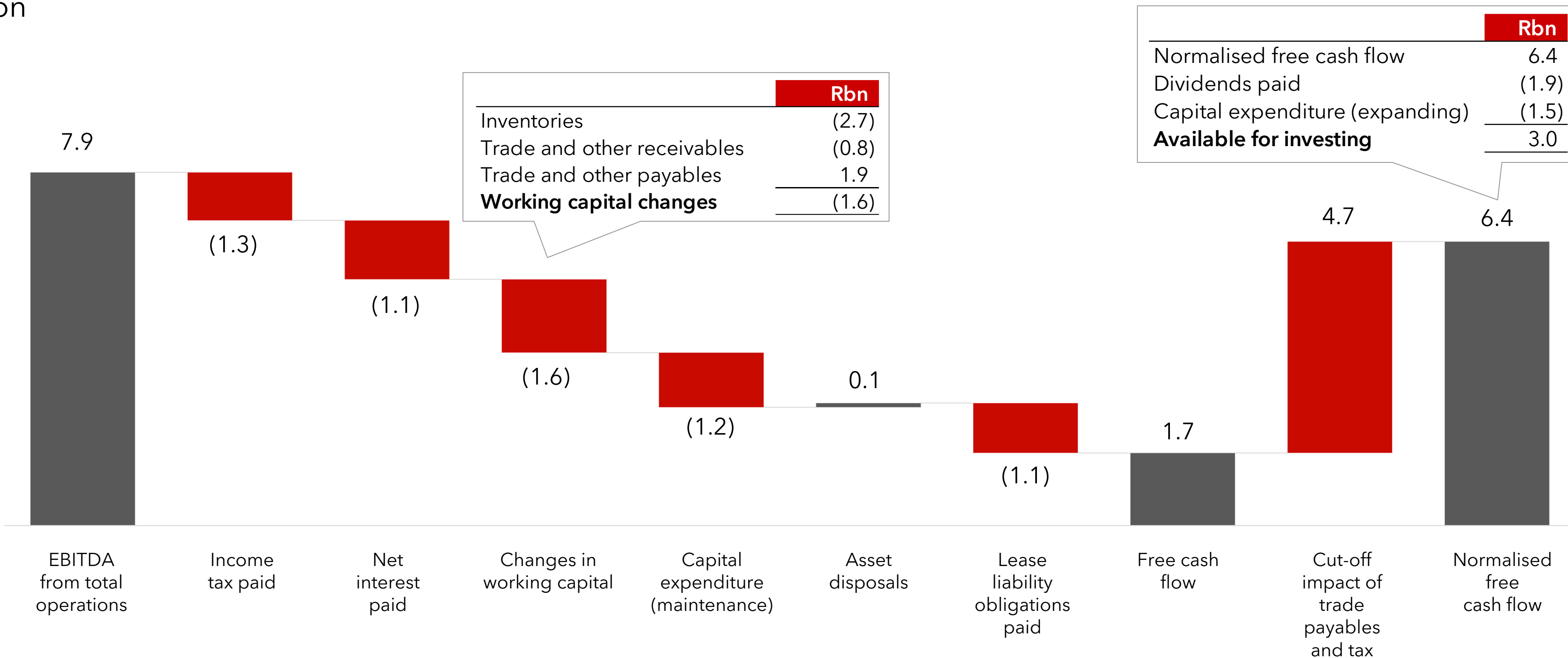
SHARE BUY-BACK  
**H1 2022: R339m**  
FY 2021: R515m



# Cash generation

## FREE CASH FLOW

Rbn



### FREE CASH FLOW DEFINITION:

Cash generated after accounting for cash outflows to support operations and maintain capital assets





June 2022

# GUIDANCE CONSIDERATIONS



## SUPERMARKETS RSA

- Back-to-School impact in H2 vs delayed school opening in prior year
- Liquor sales growth vs lockdown restrictions in prior year
- Masscash acquisition awaiting competition commission approval

## SUPERMARKETS NON-RSA

- Madagascar sold on 31 Jan 2022
- Expect economic stimulation and growth in regions outside RSA

## TAX

- 30%-32% effective tax rate

## CAPEX

- R4.8bn
- Excludes investment capital for trademark purchased, potential Masscash purchase and new RTT on-demand business

## INVENTORIES % OF SALES

- 11.5%
- Excludes potential Masscash purchase



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# STRATEGY UPDATE

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Chief Executive Officer  
PIETER ENGELBRECHT



Focus areas for future growth

# 9 STRATEGIC DRIVERS

Investing in a 'Smarter Shoprite' with a focus on optimising our **core retail capabilities** in **existing markets**

1. | A TRULY CUSTOMER-FIRST CULTURE

4. | TRUSTED, PROFITABLE PRIVATE LABELS

7. | UNLOCK ALTERNATIVE REVENUE

2. | DEVELOP FUTURE-FIT CHANNELS

5. | GROW SHARE IN PREMIUM AND FRESH FOOD

8. | FUTURE-FIT TALENT

3. | ENABLE PRECISION RETAILING

6. | A STRONGER FRANCHISE OFFER

9. | LEVERAGE PLATFORM ADVANTAGE



A SMARTER SHOPRITE



CLOSING THE GAP IN KEY SEGMENTS



WINNING IN THE LONG TERM



Multi-year Transformation Journey

# SHOPRITE TODAY





Multi-year Transformation Journey

# SHOPRITE TODAY



2017-2018

- ✓ SAP ERP re-platforming for **single system of record**
- ✓ **Aligned operational management** to supermarket banners
- ✓ **Checkers pursuit of growth** focused on affluent segment
  - ✓ Re-imagined fresh food theatre with FreshX store format
  - ✓ Step-change in private label & fresh food development
- ✓ **Consolidated franchise brands** and distribution for a stronger OK franchise offer
- ✓ **Expanded distribution capacity:** New Basson Western Cape DC

**RE-PLATFORM**



2022-2023



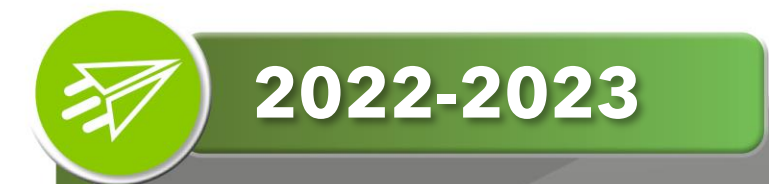
2020-2021

2019-2020

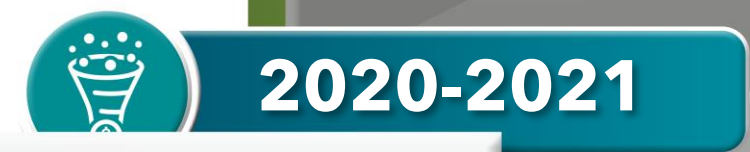


Multi-year Transformation Journey

# SHOPRITE TODAY



2022-2023



2020-2021



2019-2020

- ✓ **Shifted from explosive expansion to Precision Retailing**
- ✓ **Significant investment in Digital Transformation for Customers**
  - ✓ Launched Xtra Savings Rewards Programme to accelerate Customer Centricity
- ✓ **Pioneered quick commerce** revolution with Sixty60 1-hour grocery delivery
- ✓ **Unlocked supply chain efficiencies & optimised inventory levels**
- ✓ Continued to **close market share gaps in key segments**
  - ✓ Private label premiumisation
  - ✓ LiquorShop store expansion
  - ✓ Convenience food innovation & fresh distribution capability
- ✓ **Significant market share gains** and industry-leading Checkers growth



**TRANSFORM**



## 2020-2021

- ✓ **Unrivalled operational resilience** through pandemic and unrest
- ✓ **Investment in price leadership** as value-obsession intensified
- ✓ Evolved smaller, **closer-to-home store formats**
- ✓ **Emerged as SA's No.1 on-demand grocery app**
- ✓ **Expanded Ecosystem to unlock alternative revenue**
  - ✓ Financial services, mobile and Rainmaker Media
- ✓ **Prioritised Future-fit talent** incl. launch of Shoprite<sup>x</sup> digital hub
- ✓ Consolidated **Non-RSA operations**
- ✓ **Bolstered governance and Board** incl. new Independent Chairman
- ✓ **Strengthened Balance Sheet:**
  - ✓ DC and fleet sale & leaseback
  - ✓ Right-sized property portfolio
  - ✓ Improved net debt position and free cash flow

**OPTIMISE**



Multi-year Transformation Journey

# SHOPRITE TODAY



2022-2023



2020-2021



- ✓ **A Smarter Shoprite**
- ✓ **Embracing digital**
- ✓ **Closing gaps in key segments and premium food retail**
- ✓ **Organic growth in core markets**
- ✓ **Partnerships, adjacencies and M&A in our ecosystem**
- ✓ **Clear capital allocation framework**
- ✓ **Force for Good**
- ✓ **Leveraging Platform advantage to unlock value in the Ecosystem**

**AMPLIFY**





# A SMARTER SHOPRITE



- **Xtra Savings Rewards Programme has signed up +23.1m members**
  - Checkers Xtra Savings has become SA's No.1 Retail Loyalty Programme
  - Shoprite Xtra Savings voted Best Newcomer



- **Customer-first culture driving innovation**
  - Rewards integration with Sixty60: over 5 000 deals, now delivered
  - Free Money Market bank account
  - Xtra Savings free funeral benefit
- **Rich consumption data powering a Smarter Shoprite**



# EMBRACING DIGITAL



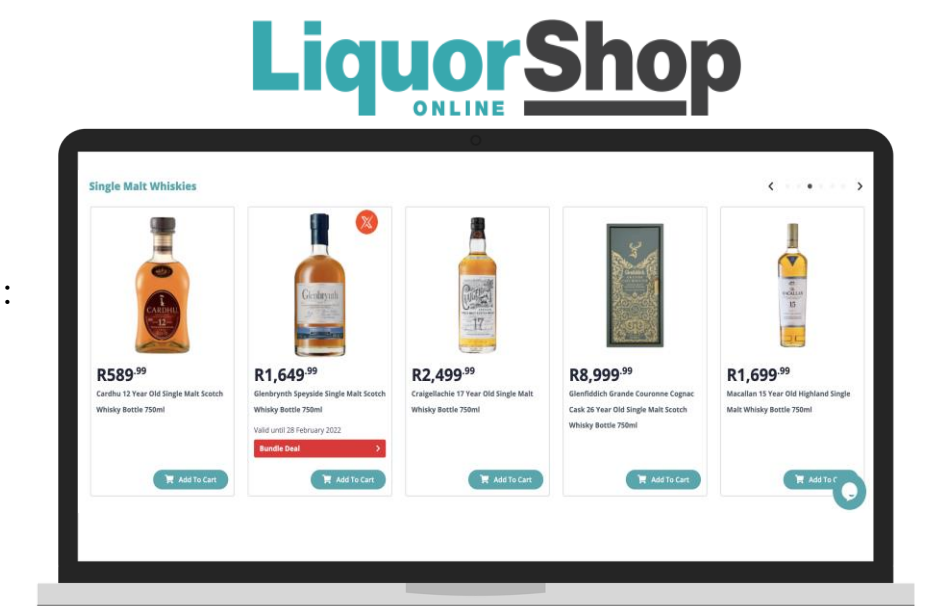
- **Sixty60 performance continues after once-in-a-generation shift to online**
  - 250% growth in H1 online orders
  - 1/3 of Sixty60 customers are new to Checkers
  - SA's No.1 grocery app with 2.2m downloads & 20 Innovation awards
  - Online supporting job creation, 4 210 opportunities since launch
- **Investing to extend lead in winner-takes-most market dynamics**
  - Building a moat in crucial last-mile logistics with RTT on-demand
- **Shoprite<sup>X</sup> continued investment in effortless omnichannel retail**

Checkers  
**SIXTY60**

**Record 11 minute delivery**

(Jan 2022, Zevenwacht)

Launched  
*LiquorShop Online*:  
Extended ranges  
with central  
fulfillment





# CLOSING GAPS IN KEY SEGMENTS



**STARBUCKS™**



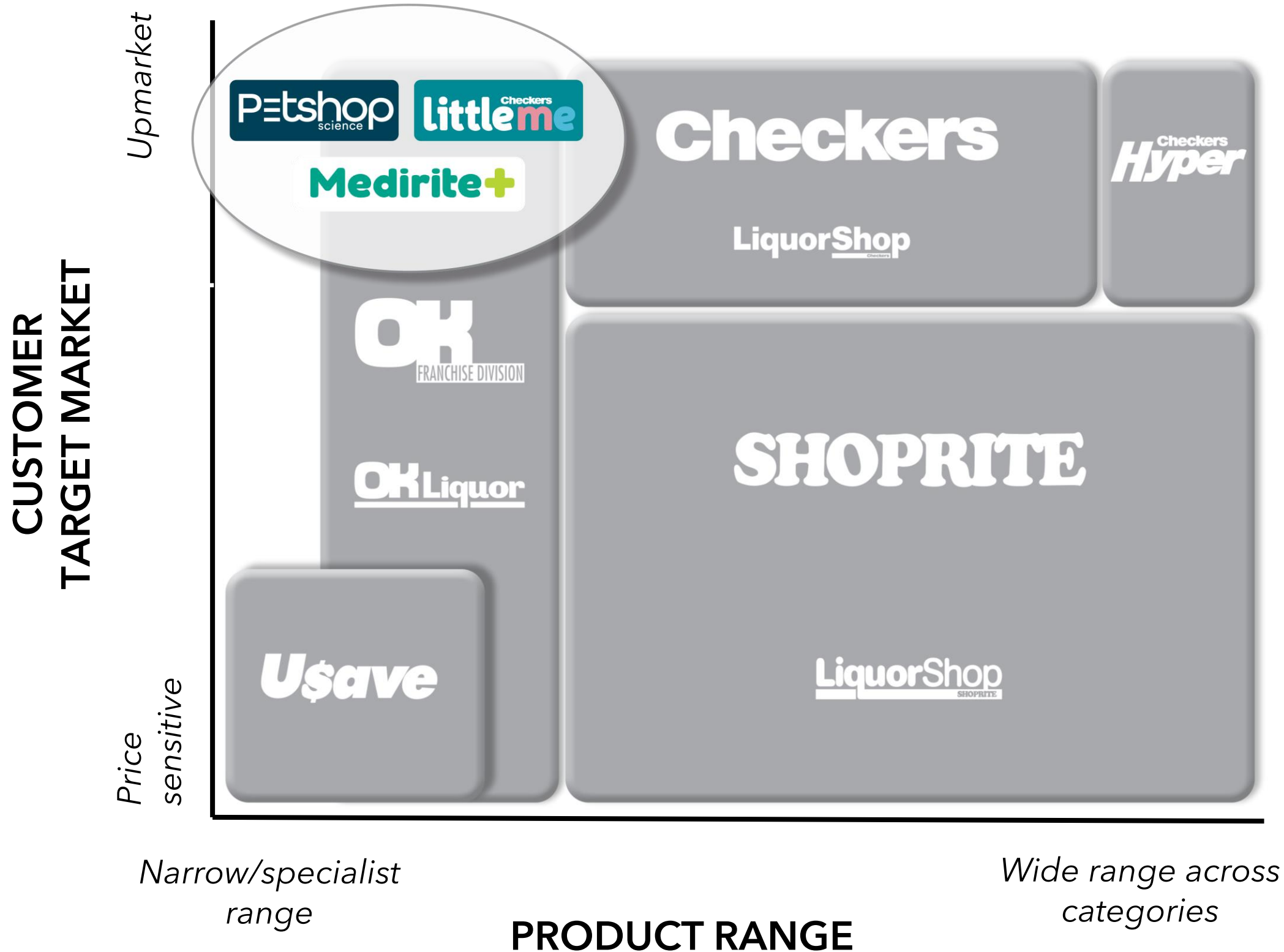
- Checkers remains the fastest growing grocer in the premium food segment
  - R7bn in Checkers market share gains over three years
  - Headroom remains to grow share of wallet from upmarket customers
- Checkers store renewal program leading in food theatre & paying dividends
  - 95 of 271 Checkers stores are updated: +57 targeted in next 12 months
- Private label sales participation up from 13.3% to 18.0% since 2016
  - Opportunity in new categories and innovation (695 new products in H1)
- Differentiating through Win-Win product partnerships





# CLOSING GAPS IN KEY SEGMENTS

Growth opportunity for upmarket, specialist ranges in adjacent retail categories





# SHOPRITE: A FORCE FOR GOOD



First responder to communities in crisis



All shopping bags are made from recycled content and recyclable



161 Sustainable community food gardens covering more than 4 million m<sup>2</sup>



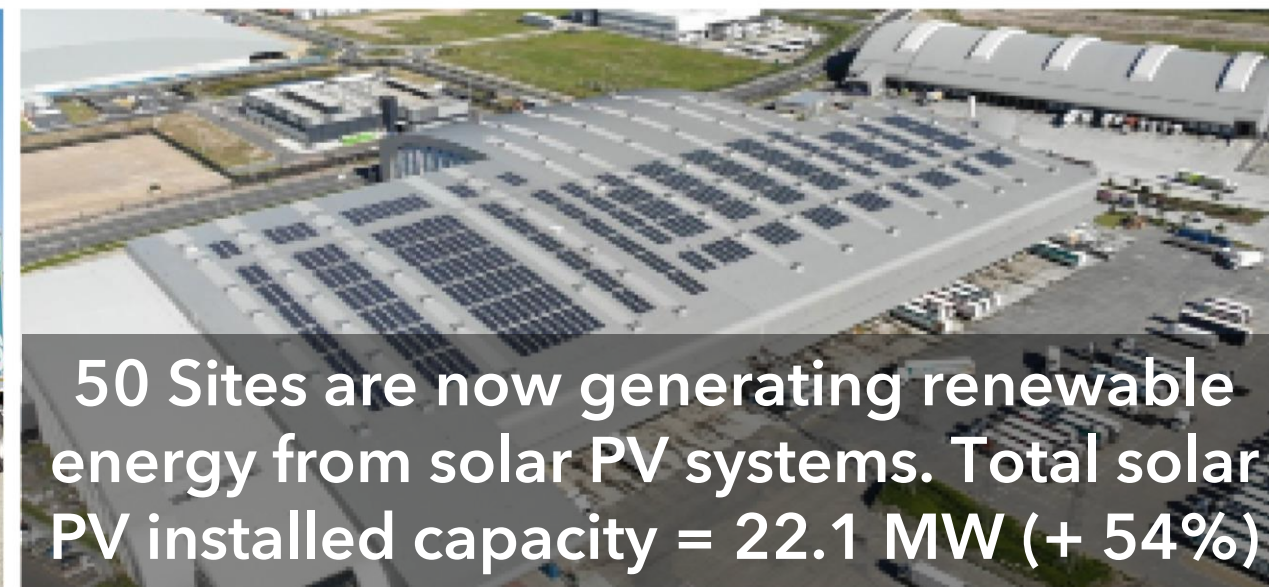
Largest private employer in SA with 129 166 team members



Highest impact YES youth employment creator in RSA (6 259 opportunities since inception)



Recycled more than 20 000 tons of cardboard and 2 400 tons of plastic



50 Sites are now generating renewable energy from solar PV systems. Total solar PV installed capacity = 22.1 MW (+ 54%)



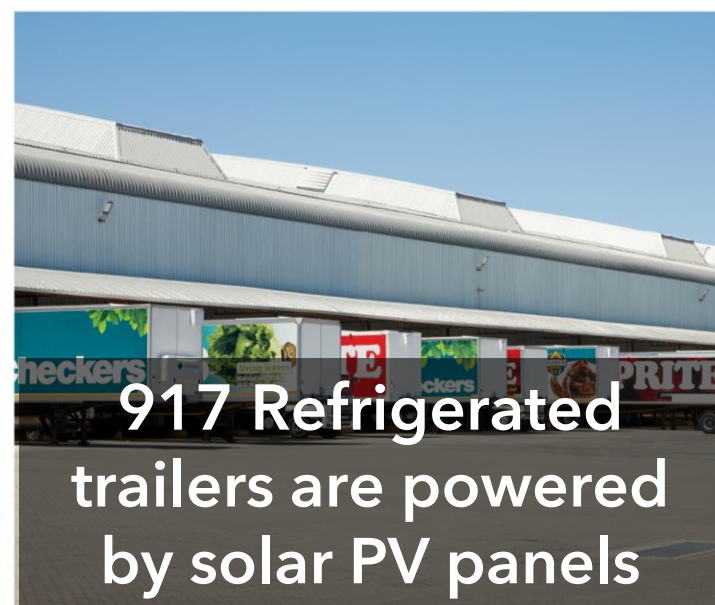
Empowering future-fit talent



Donated more than R72 million worth of surplus food and goods



28 Mobile soup kitchens served more than 2.5 million meals



917 Refrigerated trailers are powered by solar PV panels



Supporting 103 Early Childhood Development Centres



Supporting 2 623 household food gardens



# BUILDING OUT OUR ECOSYSTEM





Sustained momentum

# LOOKING FORWARD



- ✓ Supermarkets RSA trading in line with H1, boosted by earlier Back-to-School
- ✓ Inflation pressures inevitable, although Jan '22 RSA internal price inflation 2.5%
- ✓ Non-RSA expected to sustain profitability and benefit from higher oil prices
- ✓ Online grocery demand continues despite lockdown easing
- ✓ Masscash Competition Commission approval in progress
- ✓ Our business remains highly cash generative and in a strong financial position
- ✓ Optimistic about our strategic momentum despite tough climate



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**THANK YOU  
QUESTIONS**

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# U\$ave

**NO ONE IS CHEAPER!**  
BASED ON AN INDEPENDENT AUDIT OF 100 OF SA'S FAVOURITE PRODUCTS

|   |  |  |
|---|--|--|
| <b>BEST PRICE</b><br>Harvestime Mixed Vegetables 900g<br><b>21<sup>99</sup></b> | <b>5kg</b><br>County Fair Chicken<br><b>159<sup>99</sup></b>       | UBRAND TV Macaroni Pasta Shapes 500g each<br><b>9<sup>99</sup></b>       |
| UBRAND 37% Fat Spread 1kg<br><b>26<sup>99</sup></b>                             | <b>RAINBOW</b> Chicken Portions 5kg each<br><b>18<sup>99</sup></b> | WEET-BIX Baking Weet-Bix Cereal 400g<br><b>18<sup>99</sup></b>           |
| NESCAFÉ RICOFFY INSTANT COFFEE 250g<br><b>29<sup>99</sup></b>                   | CROWN BLENDED COOKING OIL 1.5L<br><b>39<sup>99</sup></b>           | UBRAND FULL CREAM LONG LIFE MILK 6x1L per pack<br><b>74<sup>99</sup></b> |
| <b>MAKES 30</b>   | Macaroni 500g  | WHITE STAR 2.5kg   |

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# 2022 INTERIM ADDITIONAL INFORMATION

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Chief Financial Officer  
**ANTON DE BRUYN**



Unpacking performance

# ADJUSTED DHEPS RECONCILIATION



|  | Headline earnings<br>Rm | DHEPS*<br>cents |
|--|-------------------------|-----------------|
| Headline earnings including discontinued operations          | 2 885                   | 525.1           |
| Headline earnings discontinued operations                    | (32)                    | (5.8)           |
| Headline earnings continuing operations                      | 2 853                   | 519.3           |
| Adjusted for:  |                         |                 |
| Forex  | 127                     | 23.1            |
| Hyperinflation   | 17                      | 3.2             |
| Lease modifications and terminations                         | (17)                    | (3.0)           |
| Related income tax effect                                    | (34)                    | (6.3)           |
| <b>Adjusted headline earnings from continuing operations</b> | <b>2 946</b>            | <b>536.3</b>    |

\*DHEPS based on 549 252 629 weighted average number of ordinary shares adjusted for dilution



Unpacking the impact

# ITEMS OF A CAPITAL NATURE

| Continuing operations  | 26 weeks<br>2 Jan '22<br>Rm | Restated*<br>26 weeks<br>27 Dec '20<br>Rm |
|--|-----------------------------|---|
| Impairment of PPE  | (74)                        | (607)                                     |
| Impairment of right-of-use assets                                    | (91)                        | (73)                                      |
| Impairment of intangible assets                                      | -                           | (6)                                       |
| Non-financial asset impairments                                      | ( 165)                      | ( 686)                                    |
| Profit on sale and leaseback transaction                             | -                           | 160                                       |
| Profit on disposal of assets held for sale                           | 10                          | 142                                       |
| (Loss)/profit on disposal and scrapping of PPE and intangible assets | (184)                       | 47  |
| Loss on disposal and scrapping of property                           | (101)                       | (48)                                      |
| Insurance claims receivable  | 242                         | 38  |
| Other  | (1)                         | -   |
| <b>Total</b>   | <b>(199)</b>                | <b>(347)</b>                              |

## Notes to the results:

| Non-financial asset impairments by segment | 26 weeks<br>2 Jan '22<br>Rm |
|--|-----------------------------|
| Supermarkets RSA                           | 25                          |
| Supermarkets Non-RSA                       | 97                          |
| Furniture                                  | 28                          |
| Total operating segments                   | 150                         |
| Hyperinflation effect                      | 15                          |
| Consolidated continuing operations         | 165                         |

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



Return on average invested capital

**ROIC**



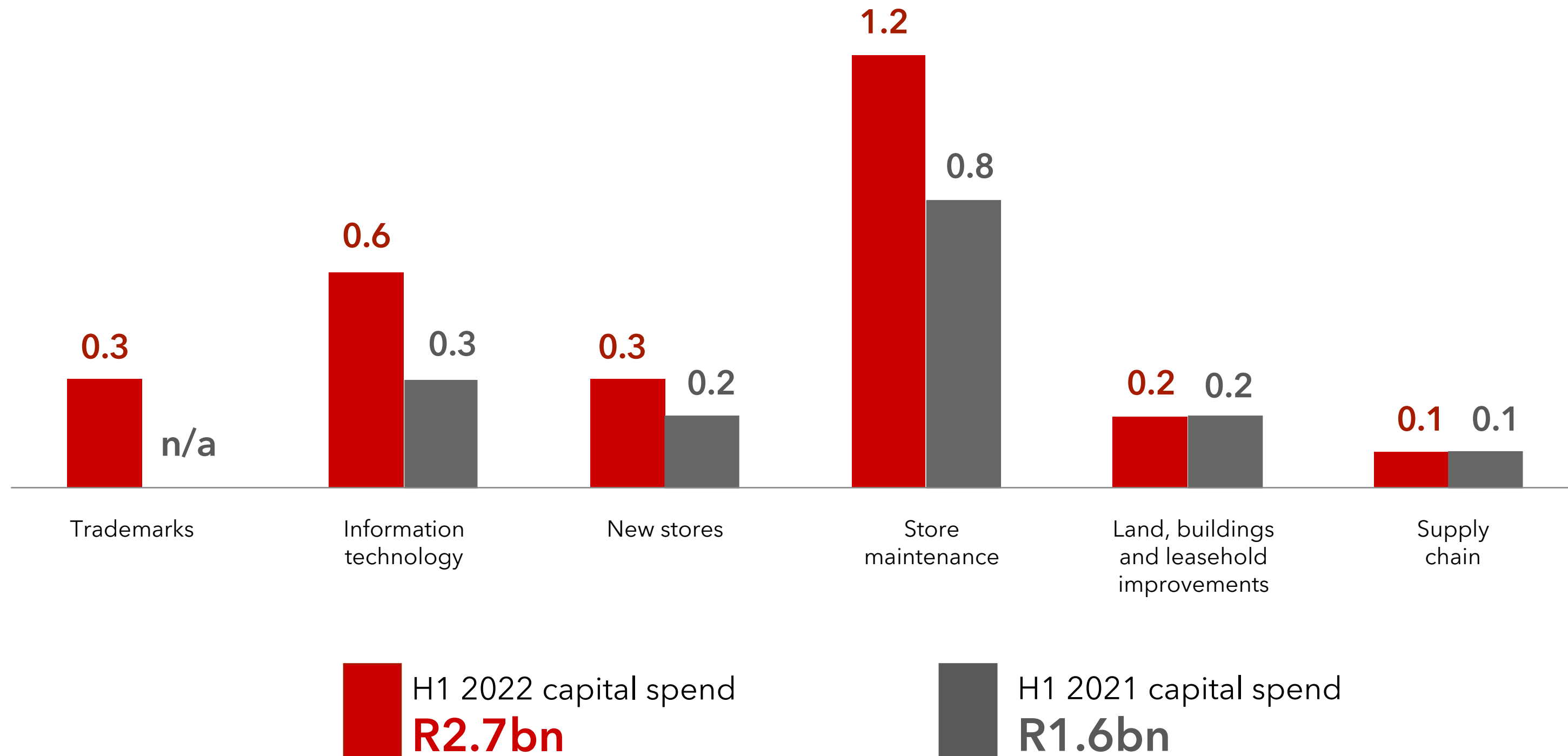
|   | <b>H1 2022</b> | <b>FY 2021</b> | <b>H1 2021</b> |
|---|----------------|----------------|----------------|
|   | <b>Rm</b>      | <b>Rm</b>      | <b>Rm</b>      |
| 12-months trading profit from continuing operations | 11 017         | 10 322         | 9 008          |
| Effective tax rate at period-end                    | 30.8%          | 32.2%          | 29.5%          |
| Trading profit after tax                            | 7 620          | 7 004          | 6 349          |
| <b>Invested capital</b>                             | 62 099         | 55 426         | 52 887         |
| Net asset value                                     | 23 006         | 21 204         | 19 555         |
| Borrowings  | 5 267          | 5 279          | 5 463          |
| Lease liabilities                                   | 30 334         | 27 722         | 26 611         |
| Bank overdraft                                      | 3 492          | 1 221          | 1 258          |
| <b>12-month average invested capital</b>            | 57 493         | 56 398         | 56 164         |
| <b>ROIC</b>   | <b>13.3%</b>   | <b>12.4%</b>   | <b>11.3%</b>   |



Capital allocation

# CAPITAL SPEND

TOTAL OPERATIONS  
Rbn





Currency impact

# EXCHANGE RATE EXPOSURE

**H1  
2022  
vs  
H1  
2021**

**H1  
2021  
vs  
H1  
2020**

Zambia kwacha



0.4%

(32.7%)

Angola kwanza



(8.1%)

(39.7%)

Mozambique metical



1.9%

(3.4%)

ZAR average rates

ZAR closing rates

USD closing rates

27.8%

(48.7%)

20.9%

(32.9%)

20.4%

(13.9%)

21.3%

(53.6%)

13.9%

(37.4%)

13.3%

(17.7%)