



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")

Operational update for the 52 weeks to 2 July 2023

For the 52 weeks to 2 July 2023 ("the period", "the year" or "the 12 months") the Shoprite Group increased total sale of merchandise by 16.9% to approximately R215.0 billion. The Group added a net 340 stores during the period to total 3 324 stores from continuing operations.

Sales growth per segment is outlined below:

	Restated 52 weeks 2022 Rbn	2023 Sales growth over the corresponding period last year*		
		52 weeks 2023 compared to 52 weeks 2022 %	H1 ended 1 Jan 2023 %	H2 ended 2 July 2023 %
Approximate sales from continuing operations				
Total Group	183.9	16.9	16.8	17.0
By segment:				
Supermarkets RSA	147.4	17.8	17.5	18.2
Supermarkets Non-RSA	16.9	16.4	17.5	15.2
Furniture	6.7	5.1	8.6	1.0
Other operating segments	12.9	13.3	12.5	14.0

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

The following information provides context to the overall sales growth for the year:

Supermarkets RSA

- › The Group's core business, Supermarkets RSA, achieved sales growth of 17.8% (like-for-like 10.3%) contributing 80.8% to Group sales.
- › Internal selling price inflation measured 10.1% (first half period 9.4%; second half period 10.8%).
- › Checkers and Checkers Hyper reported sales growth of 18.0%.
- › Shoprite and Usave reported sales growth of 15.6%.
- › LiquorShop sales increased by 30.8%. First half sales growth of 35.6% was elevated due to Covid-19 lockdown closures in the prior year period. Second half sales increased by 25.9%.
- › Supermarkets RSA opened a net 301 stores (2022: a net 117 stores) during the year to total 2 121 stores. Included in this are the 94 stores acquired from Massmart Holdings Ltd ("Massmart") of which 92 stores (51 Shoprite, 1 Usave and 40 Shoprite LiquorShop stores) were integrated into our Shoprite, Usave and LiquorShop businesses during our second half period. Two LiquorShop stores have not commenced trading, awaiting confirmation of transfer of the liquor licenses.

Supermarkets Non-RSA

- › In our reporting currency, the Rand, Supermarkets Non-RSA's sales increased by 16.4% contributing 9.1% to Group sales. The segment's store base increased by a net of two stores to total 228 stores operating in nine countries.

Furniture

- › The Group's Furniture segment, contributing 3.3% to Group sales, reported a 5.1% increase in sales for the year (like-for-like sales increased by 2.0%).
- › The segment's store base increased by a net of eight stores to end the year with 434 stores.

Other operating segments

- › The Group's Other operating segments' sales increased by 13.3% for the period, contributing 6.8% to Group sales.
- › Sales to the Group's OK Franchise business increased by 13.7% and after opening a net of 22 stores the OK Franchise division ended the year with 535 stores.
- › The Group opened four Medirite Plus standalone stores during the period ending the year with six standalone stores and 134 Medirite pharmacies located within our supermarkets business.

Additional comments

Whilst we remain encouraged by continued customer growth and continued market share gains, we highlight the following for their impact during the period:

- 1 In line with our approach for the first half of our 2023 year, the Group remained resolute in terms of its commitment to lower-prices and value for customers during our second half period. As such, the Group's full year gross margin will be lower than that reported last year (restated 2022: 24.5%), however the decline is expected to be less than the gross margin decline reported in our 2023 interim results.
- 2 The cost of diesel to power generators during load-shedding across our Supermarkets RSA store base amounted to R1.3 billion. It is important to note that this cost became significant at higher stages of load-shedding which occurred from September 2022.
- 3 Other less considerable but still noteworthy expenses include the impact of a full year of distributions paid to Shoprite Group employees from the Shoprite Employee Trust and the onboarding of the 4 480 employees from January this year, as part of the above-mentioned stores acquired from Massmart.

Statement on pro forma financial information

Like-for-like sales growth constitutes pro forma financial information. The pro forma financial information contained in this announcement, which is the responsibility of the Group's directors, has been prepared for illustrative purposes only and may not fairly present the Group's financial position, changes in equity, cash flows or results of operations.

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

Group year-end results release, presentation invitation and registration link

Shoprite Holdings is currently in closed period. The Group will release its year-end results for the period ended 2 July 2023 on the JSE Stock Exchange News Service (SENS) by 8:00 am on Tuesday, 5 September 2023.

The Group's 2023 year-end results presentation will follow, commencing at 9:30am on Tuesday, 5 September 2023.

Shoprite Holdings' CEO Pieter Engelbrecht invites all who would like to attend the webcast presentation to do so by registering via the Group's website www.shopriteholdings.co.za or alternatively via <https://www.corpcam.com/shoprite05092023>.

25 July 2023
Cape Town

Sponsor: Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Enquiries

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