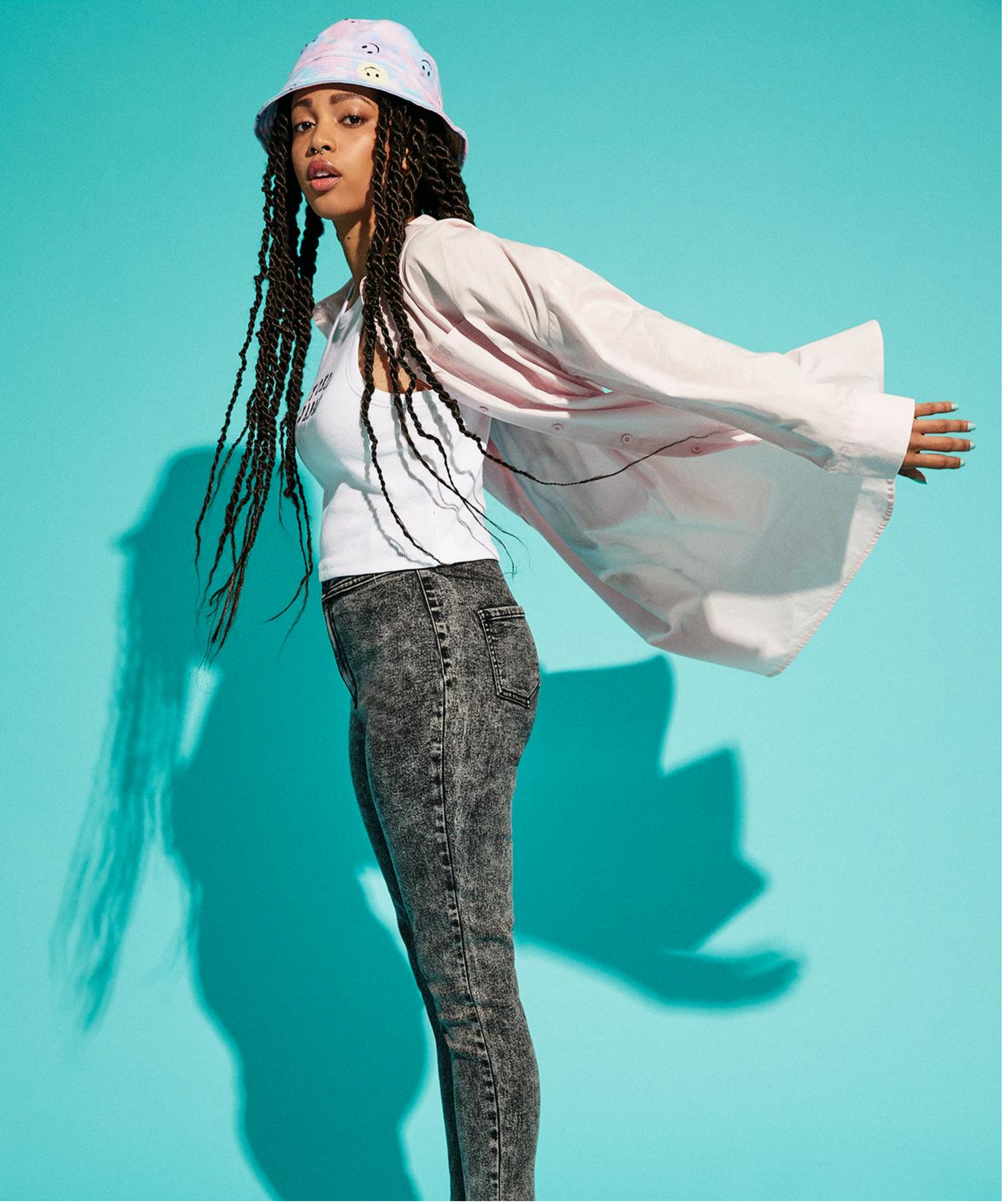

mr price group limited

Interim Results - Supplementary Information

26 weeks ended 2 October 2021

Index	Page

Mr Price Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 1933/004418/06
Tax reference number: 9285/130/20/0
JSE and A2X code: MRP
ISIN: ZAE000200457

Registered Office
Upper Level, North Concourse
65 Masabalala Yengwa Avenue
Durban, 4001

PO Box 912, Durban, 4000

Website
www.mrpricegroup.com

JSE Equity Sponsor and Corporate Broker
Investec Bank Limited
100 Grayston Drive, Sandown, Sandton, 2196

Transfer Secretaries
Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
Private Bag X9000, Saxonwold, 2132

Auditors
Ernst & Young Inc.
1 Pencarrow Crescent, La Lucia Office
PO Box 859, Durban 4000

mr price group limited

Interim results

For the 26 weeks ended 2 October 2021

This short-form announcement is the responsibility of the Mr Price Group Limited board of directors and is a summary of the information in the detailed results announcement available on https://senspdf.jse.co.za/documents/2021/JSE/ISSE/MRPE/25112021.pdf and https://www.mrpricegroup.com and does not contain full or complete details. These documents and the results presentation to the investment community are available on the group's website at www.mrpricegroup.com and copies may be requested from the company secretary (jcheadle@mrpg.com or +27 31 310 8000) at the company's registered office. Any investment decision in relation to the company's shares should be based on the full announcement.

Summary

Revenue	Market share	HEPS
R12.4bn +35.2%	**+210bps** Source: RLC	**448.3c** +34.4%

Normalised diluted HEPS	Cash resources	Interim dividend per share
481.1c +46.4%	**R3.9bn** Post acquisitions Debt free	**282.4c** 63.0% pay-out ratio

Note:
FY2021 Period: 29 March 2020 to 26 September 2020, referred to as "FY2021 Period"
FY2020 Period: 1 April 2019 to 28 September 2019, referred to as "FY2020 Period"
Normalised HEPS excludes R185m write-off for losses incurred for stock, cash and PPE (Property, Plant and Equipment) relating to the civil unrest. No adjustment has been made for ongoing store costs, lost revenue and profit from the 111 affected stores

Interim Cash Dividend Declaration

The interim dividend of 282.4 cents per share (225.92 cents net of dividend withholding tax of 20% for shareholders who are not exempt). An increase of 34.4%. The dividend has been declared from income reserves. The salient dates for the dividend are as follows:

Last date to trade 'cum' dividend	Monday	13 December 2021
Date trading commences 'ex' dividend	Tuesday	14 December 2021
Record date	Friday	17 December 2021
Payment date	Monday	20 December 2021

Note:
Shareholders may not dematerialise or rematerialise their share certificates between Tuesday, 14 December 2021 and Friday, 17 December 2021, both dates inclusive.

Commentary

The group emerged from a challenging period with higher market share and remains in a strong cash position

Mr Price today released its interim results for the 26 weeks ended 2 October 2021 (the FY2022 Period). During this time the group faced a COVID-19 third wave, frequent load shedding, civil unrest causing 111 of its stores to close, and ongoing global supply chain disruptions. Despite this, the group continued its sales and earnings growth momentum and its earnings per share now exceed its pre COVID-19 levels (1 April 2019 to 28 September 2019, referred to as "FY2020 Period"). It has emerged from a challenging period with higher market share and has maintained its strong cash position.

Basic earnings per share (EPS) increased 51.4% to 440.0 cents and headline earnings per share (HEPS) increased 34.4% to 448.3 cents. Diluted HEPS increased 33.5% to 438.7 cents and normalised diluted HEPS, grew 46.4% to 481.1 cents.

Total revenue increased 35.2% to R12.4bn with retail sales increasing 37.8% (comparable stores 27.3%) to R11.9bn, a strong performance considering the external disruptions during the FY2022 Period. These results were additionally supported by the inclusion of recently acquired Power Fashion, effective 1 April 2021, and Yuppiechef effective 1 August 2021. Excluding acquisitions, total revenue and retail sales increased 25.8% and 27.8% respectively.

The strong retail sales performance resulted in the group gaining 210bps of market share (50bps excluding acquisitions) within its apparel and homeware segments according to the RLC. Despite the ongoing external challenges, the group's market share gains highlight the defensive nature of its business model through its compelling customer value proposition. The differentiation that it offers its customers through its merchandise fashionability is highlighted by its largest division, Mr Price Apparel, gaining market share for 19 consecutive months.

Credit sales continued to gain momentum, increasing 34.2% over the FY2021 Period. Credit sales are approaching pre COVID-19 levels, down 2.2% on FY2020 Period. The quality of the debtors' book continues to improve, reflected by lower net bad debt and the bad debt provision standing at 10.6% of the debtors' book, a decrease from the FY2021 Period.

Cash sales constitute 85.7% of group retail sales and continues to be consumers' preferred tender type during a period of high uncertainty and financial constraint. Cash sales grew 38.2%, supporting the group's strategy of being predominantly cash based.

The group reported merchandise deflation of -6.0% due to the inclusion of the lower average price point Power Fashion business. Excluding acquisitions, inflation of 5.3% was in line with CPI. The group sold 120 million units during the FY2022 Period, an increase of 47.7% (21.7% excluding acquisitions).

Capital expenditure was redirected from the group's store re-vamp programme towards ensuring that its looted stores were operational as quickly as possible. 96 of the 111 looted stores will be operational by the end of November 2021. Despite the demands this has placed on operational resources, the group was still able to open an additional 48 new stores and acquired 7 Yuppiechef stores. The group expanded 10 stores, closed 5 and reduced the size of 7 during the FY2022 Period, increasing the total number of corporate owned stores to 1 642. Weighted average space growth was 11.1% (excluding acquisitions, weighted average and closing trading space were 2.3% and 2.9% higher respectively).

Online sales continue to increase in retail sales contribution, up to 2.9% (2.7% excluding acquisitions). Online sales growth of 49.9% was against a high growth rate of 48.7% in the FY2021 Period due to COVID-19 related increased demand. The online channel remains key to the group's future growth plans.

Total GP margin decreased 230bps due to the impact of inventory write-offs (R151.5m) from the civil unrest. Excluding this impact, GP margin decreased 100bps. The group's two newly acquired divisions of Power Fashion and Yuppiechef trade at lower margins than the group which created a dilutionary effect. Excluding the acquisitions and inventory write-offs, total GP margin decreased 40bps. Total expenses grew 19.7%. Excluding acquisition costs and non-recurring expense items (FY2021 Period: rental relief, government assistance and IT impairment; FY2022 Period: cash and asset write-offs from the civil unrest) total expenses grew 6.5%.

Profit from operating activities increased 48.9% to R1.7bn and exceeded pre COVID-19 levels. Operating margin grew 120bps to 13.9% of retail sales and other income (RSOI) despite the civil unrest write-off costs.

Inventory on hand is up 43.7% against base growth of -9.2% (lower stock in the FY2021 Period due to COVID-19 and higher than expected trading performance post the level 5 hard lockdown). Additionally, the inclusion of the two acquisitions and several non-comparable departments, which were not in the base year, resulted in the higher stock position. The group is well positioned for its key festive trade period. The shape and quality of the stock on hand is healthy and the group is confident that its inventory growth will reach single digit levels by the end of FY2022.

The group's balance sheet remains in a healthy position with cash of R3.9bn after the acquisition of Yuppiechef. The group is well positioned to continue delivering against its recently communicated new long-term strategy of becoming the most valuable retailer in Africa. Net asset value per share increased to 4 260 cents.

Outlook

The high level of uncertainty experienced during the FY2022 Period is most likely set to continue for the remainder of FY2022 and beyond. The threat of further COVID-19 waves, load-shedding and global supply chain challenges, all continue to affect the organisation's ability to plan with accuracy, requiring increased focus on proven disciplines and agile decision making.

Group CEO, Mark Blair said, "Our fashion-value merchandise, fiscal discipline and highly cash generative business model has helped us to trade through some difficult circumstances and emerge in a position of strength. Sincere gratitude is extended to all our associates and partners for their commitment to protecting and restoring our operations and communities during a very challenging time, and operating with agility in the true spirit of partnership. We remain focused on our recently stated growth ambitions in South Africa, bedding down our acquisitions and taking hold of strategic opportunities through superior execution."

mr price | mr price home | mr price sport | mr price money | sheet street | MILADYS | POWER FASHION | YUPPIECHEF

Mr Price Group Limited	Registration Number: 1933/004418/06 - Incorporated in the Republic of South Africa - ISIN: ZAE000200457 - JSE/A2X code: MRP
Directors	SB Cohen* (Honorary chairman), NG Payne* (Chairman), MM Blair (CEO), MJ Stirton (CFO), N Abrams^*, MJ Bowman*, JA Canny*, M Chauke*, SA Ellis^, K Getz*, D Naidoo*, LA Swartz*, * Non-executive director, ^ Alternate director
Sponsor	Investec Bank Limited
Transfer Secretaries	Computershare Investor Services (Pty) Ltd

PRESS RELEASE

MR PRICE GROUP LIMITED REPORTS RESULTS FOR THE 26 WEEKS ENDED 2 OCTOBER 2021

Mr Price today released its interim results for the 26 weeks ended 2 October 2021 (the FY2022 Period). During this time the group faced a COVID-19 third wave, frequent load shedding, civil unrest causing 111 of its stores to close, and ongoing global supply chain disruptions. Despite this, the group continued its sales and earnings growth momentum and its earnings per share now exceed its pre COVID-19 levels (1 April 2019 to 28 September 2019, referred to as "FY2020 Period"). It has emerged from a challenging period with higher market share and has maintained its strong cash position. The key highlights from the FY2022 Period were:

- Retail sales grew 37.8% and increased 17.4% against the FY2020 Period
- Grew market share by 210bps according to Retailers' Liaison Committee (RLC)
- Mr Price Apparel achieved consecutive market share gains for 19 months
- Organically launched departments contributed approximately 4.0% of retail sales
- Online sales more than doubled against the FY2020 Period, increasing contribution to 2.9% of retail sales
- Cash sales increased 38.2%, excluding acquisitions up 26.5%
- Opened 48 new stores and 96 looted stores will be operational by the end of November 2021
- Diluted HEPS and normalised* diluted HEPS increased 33.5% and 46.4% respectively
- Acquisition of Yuppiechef effective date 1 August 2021
- Highly cash generative raising cash balance to R3.9bn after acquisitions. The group remains debt free
- Merchandise sourced (manufactured) in South Africa, excluding acquisitions, totalled 39.2% (Africa: 53.1%) of all orders at cost value.
- Continued trend of procuring approximately one third of all units in South Africa by listed apparel and homeware retailers
- Interim dividends declared of 282.4 cents per share, up 34.4%, a pay-out ratio of 63.0%

*Normalised HEPS excludes R185m write-off for losses incurred for stock, cash and property, plant and equipment (PPE) relating to the civil unrest. No adjustment has been made for ongoing store costs, lost revenue and profit from the 111 affected stores.

Results summary

Basic earnings per share (EPS) increased 51.4% to 440.0 cents and headline earnings per share (HEPS) increased 34.4% to 448.3 cents. Diluted HEPS increased 33.5% to 438.7 cents and normalised diluted HEPS, grew 46.4% to 481.1 cents. Diluted HEPS and normalised diluted HEPS increased 0.6% and 10.4% on the FY2020 Period.

Total revenue increased 35.2% to R12.4bn with retail sales increasing 37.8% (comparable stores 27.3%) to R11.9bn, a strong performance considering the external disruptions during the FY2022 Period. These results were additionally supported by the inclusion of recently acquired Power Fashion (PF), effective 1 April 2021, and Yuppiechef (YC) effective 1 August 2021. Excluding acquisitions, total revenue and retail sales increased 25.8% and 27.8% respectively.

The financial performance commentary below for the FY2022 Period is against the first 26 weeks of financial year 2021 (29 March 2020 to 26 September 2020, referred to as "FY2021 Period") and where necessary, to provide a more relevant comparison due to the significant effects of the COVID-19 lockdown restrictions enforced during the FY2021 Period (all stores closed in April 2020), commentary is supplemented with comparison against the FY2020 Period.

Retail sales compared to the FY2021 Period and FY2020 Period was as follows:

	Retail sales growth - 26 weeks	
	FY2022 vs FY2021	FY2022 vs FY2020
Apparel segment	42.3%	15.5%
Apparel segment excl PF	30.4%	5.8%
Home segment	27.1%	17.1%
Home segment excl YC	24.0%	14.3%
Group*	37.8%	17.4%
Group* excl PF and YC	27.8%	8.8%

*Includes Cellular (handsets & accessories)

The retail sales performance highlighted above resulted in the group gaining 210bps of market share (50bps excluding acquisitions) within its apparel and homeware segments according to the RLC. Despite the ongoing external challenges, the group's market share gains highlight the defensive nature of its business model through its compelling customer value proposition. The differentiation that it offers its customers through its merchandise fashionability is highlighted by its largest division, Mr Price Apparel, gaining market share for 19 consecutive months. The division was the most shopped fashion retailer in the last 3 months in South Africa according to the MAPS 2021 report and reclaimed its title as the Sunday Times GenNext number one ranked coolest clothing store in South Africa title.

The credit environment is showing signs of increasing stability as Transunion's Consumer Credit Index (Q2 2021) reported overall credit health in the 'improving' range and the level of delinquencies decreasing. The group's credit sales continued to gain momentum, increasing 34.2% over the FY2021 Period. Credit sales are approaching pre COVID-19 levels, down -2.2% on FY2020 Period. The introduction of a One Store card facility (customers can shop all divisions on one card) and the 'Insiders' rewards programme for store card customers has supported the credit sales performance. The group has experienced high volumes of new account applications, however its approval rate of 34.0% remains at pre COVID-19 levels as it continues its prudent credit granting criteria.

Cash sales constitute 85.7% of group retail sales and continues to be consumers' preferred tender type during a period of high uncertainty and financial constraint. Cash sales grew 38.2% (20.8% on the FY2020 Period), supporting the group's strategy of being predominantly cash based, which was further aided by the inclusion of Power Fashion which does not have a credit offering. Excluding Power Fashion, cash sales grew 26.5%. Lay-bys continue to increase in contribution and have been a welcome alternative to customers looking for a traditional credit offering substitute.

The group reported deflation of -6.0% due to the inclusion of the lower average price point Power Fashion business. Excluding acquisitions, inflation of 5.3% was in line with CPI. The group continues to remain focused on ensuring that its customers find value as their baskets face mounting inflationary pressure. The group sold 120 million units during the FY2022 Period, an increase of 47.7% (21.7% excluding acquisitions).

Capital expenditure was redirected from the group's store re-vamp programme towards ensuring that its looted stores were operational as quickly as possible. 96 of the 111 looted stores will be operational by the end of November 2021. Despite the demands this has placed on operational resources, the group was still able to open an additional 48 new stores and acquired 7 Yuppiechef stores. The group expanded 10 stores, closed 5 and reduced the size of 7 during the FY2022 Period, increasing the total number of corporate owned stores to 1 642. Weighted average space growth was 11.1% (excluding acquisitions, weighted average and closing trading space were 2.3% and 2.9% higher respectively).

Online sales continue to increase in retail sales contribution, up to 2.9% (2.7% excluding acquisitions). Online sales growth of 49.9% was against a high growth rate of 48.7% in the FY2021 Period due to COVID-19 related increased demand. The group's market share of traffic across pure play and omni-channel retailers rose 320bps to 14.2% during the FY2022 Period (Similar Web: April 2021-Sep 2021), of which mobile devices contributed 87.0%. The Mr Price app remains the highest ranked South African fashion shopping app in the Google Play store, with 1.1 million app users, and ranks highest in engagement with the most monthly active users amongst competitors, according to SimilarWeb. The online channel remains key to the group's future growth plans and to keep it closely connected to its digitally engaged customer base.

Total GP margin decreased 230bps mainly due to the impact of inventory write-offs (R151.5m) from the civil unrest. Excluding this impact, GP margin decreased 100bps. The group's two newly acquired divisions of Power Fashion and Yuppiechef trade at lower margins than the group which created a dilutionary effect. Excluding the acquisitions and inventory write-offs, total GP margin decreased 40bps. The remaining lower margin impact is attributed to the group holding its price points in certain strategic departments ensuring that it maintained its competitive price positioning, as well as due to product mix changes. The group's markdowns were very well managed and were lower than the already low levels reported in the FY2021 Period.

Total expenses grew 19.7%. Excluding acquisition overheads and non-recurring expense items (FY2021 Period: rental relief, government assistance and IT impairment; FY2022 Period: cash and asset write-offs from the civil unrest), total expenses grew 6.5%. The group remains acutely focused on expense management and ensuring that a healthy profit wedge (sales and GP growth ahead of expense growth) is achieved. This was successfully delivered in the FY2022 Period as profit from operating activities increased 48.9% to R1.7bn and exceeded pre COVID-19 levels. Operating margin grew 120bps to 13.9% of retail sales and other income (RSOI) despite the civil unrest write-off costs.

The Apparel segment increased RSOI by 42.6% to R8.5bn. Operating profit increased 47.3% and the operating margin increased from 13.3% to 14.7%. The segment's performance was driven by further market share gains by the group's largest division, Mr Price Apparel, strong re-bound performances from Miladys and Mr Price Sport as well as by the inclusion of Power Fashion.

The Homeware segment continued its growth momentum despite its firm base, increasing RSOI 27.3% to R3.0bn. Operating profit increased 46.6% and the operating margin increased from 16.4% to 18.9%.

The Telecoms segment grew sales 22.8% to R522m (45.6% on FY2020 Period) against strong growth in the base of 18.6% and was additionally supported by the inclusion of Power Fashion's cellular sales. Cellular handsets and accessories gained 80bps of market share according to GfK (100bps including acquisitions).

The Financial Services segment revenue increased 2.7% to R337m (-12.2% on FY2020 Period). Debtors' interest and fees were adversely affected by significantly lower repo rates experienced during the full FY2022 Period relative to the staggered impact in the FY2021 Period. Collections continue to improve against a weak base and have additionally been aided by the successful introduction of alternate collection methods. The quality of the debtors' book continues to improve, reflected by lower net bad debt and the bad debt provision standing at 10.6% of the debtors' book, a decrease from the FY2021 Period. Insurance premium income grew 10.6% as sales volumes recover towards pre COVID-19 levels.

Inventory on hand is up 43.7% against base growth of -9.2% (lower stock in the FY2021 Period due to COVID-19 and higher than expected trading performance post the level 5 hard lockdown). Additionally, the inclusion of the two acquisitions and several non-comparable departments, which were not in the base year, resulted in the higher stock position. The shape and quality of the stock on hand is healthy and the group is confident that its inventory growth will reach single digit levels by the end of FY2022.

The group's balance sheet remains in a healthy position with cash of R3.9bn after the acquisition of Yuppiechef. Forecast capital expenditure for FY2022 is anticipated to be approximately R850m and will be allocated primarily to support store growth and technology modernisation programmes. The group is well positioned to continue delivering against its recently communicated new long-term strategy of becoming the most valuable retailer in Africa. This will entail strong execution within its existing business to continue market share gains, increased innovation to launch new organic concepts and further acquisition activity should opportunities meet the group's criteria. To support the growth strategy, the group's investment committee will be a key governance body in considering all capital allocation opportunities. Net asset value per share increased to 4 260 cents.

Update on civil unrest impact

As reported on SENS on 14 July 2021 and 21 July 2021, the civil unrest resulted in 111 stores (approximately 7% of opening store footprint) being entirely looted, equating to an estimated retail sales loss of R320m. Of the 111 looted stores, 87 were fully operational by the end of October with a further 9 expected to be trading by the end of November. The remaining 15 stores are expected to be opened during FY2023 due to extensive structural damage.

Interim insurance payments of R235m (including VAT) were paid by SASRIA in October and November 2021 for stock, cash and PPE losses. An additional payment is expected in H2 FY2022 for the remaining PPE losses.

An interim Business Interruption (BI) insurance payment of R92m (including VAT) was received in November 2021. Losses continue to be assessed and the group anticipates the balance to be received upon claim finalisation in H1 FY2023.

The group's earnings performance outlined above does not include these recoveries, as they took place post the period close.

Outlook

The high level of uncertainty experienced during the FY2022 Period is most likely set to continue for the remainder of FY2022 and beyond. The threat of further COVID-19 waves, load-shedding and global supply chain challenges, all continue to affect the group's ability to plan with accuracy, requiring increased focus on proven disciplines and agile decision making.

Global supply chains have been significantly impacted by COVID-19 related port delays and closures, electricity disruptions in China (affecting production capacity of fabric and finished goods) and ongoing container shortages. This has resulted in protracted lead times and material increases to shipping freight rates in addition to other rising input costs.

The group has proven its operational versatility over the last 18 months. Despite the challenges listed above, it entered the high summer season (October to December 2021) with fresh and available stock, made possible by strategic timing buffers built into ordering processes and its high volume of units sourced in South Africa (the most and the majority share of all units procured in South Africa across the retail sector). The merchandise teams have worked tirelessly to book production capacity and shipping delivery times well in advance to mitigate the anticipated risks of the approaching seasons. The group has advanced hedging policies, covering both exchange and freight rate contracts, giving it comfort that it has secured highly competitive rates, enabling it to make the best possible commercial decisions regarding inflation and margins. Inflation will continue to be monitored closely as the group strives to live out its purpose of being "Your Value Champion", while ensuring that it continues to deliver healthy and sustainable margins.

The group's fashion-value merchandise, fiscal discipline and highly cash generative business model has enabled it to trade through some difficult circumstances and emerge in a position of strength. Sincere gratitude is extended to all the group's associates and partners for their commitment to protecting and restoring its operations and communities during a very challenging time, operating with agility and in the true spirit of partnership. Management remains focused on the group's recently stated growth ambitions in South Africa, bedding down its acquisitions and taking hold of its strategic opportunities through superior execution.

Shareholders are invited to attend a live webcast of its interim results at 9am on 25 November 2021. Webcast link: https://www.corpcam.com/MrPriceGroup25112021

ENDS

Contact
Group Head of Investor Relations and Stakeholder Engagement
Matt Warriner
Mr Price Group Ltd
+27 31 310 8000

INTERIM CASH DIVIDEND DECLARATION

Notice is hereby given that an interim gross cash dividend of 282.4 cents per share was declared for the 26 weeks ended 2 October 2021, a 34.4% increase against the prior year. As the dividend has been declared from income reserves, shareholders, unless exempt or who qualify for a reduced withholding tax rate, will receive a net dividend of 225.92 cents per share. The dividend withholding tax rate is 20%.

The issued share capital at the declaration date is 256 441 654 listed ordinary and 7 192 786 unlisted B ordinary shares. The tax reference number is 9285/130/20/0.

The salient dates for the dividend will be as follows:

Last date to trade 'cum' the dividend	Monday	13 December 2021
Date trading commences 'ex' the dividend	Tuesday	14 December 2021
Record date	Friday	17 December 2021
Payment date	Monday	20 December 2021

Shareholders may not dematerialise or rematerialise their share certificates between Tuesday, 14 December 2021 and Friday, 17 December 2021, both dates inclusive.

Shareholders should note that dividend payments will no longer occur by cheque and as permitted by the company's Memorandum of Incorporation, will only be paid via electronic transfer into the bank accounts of shareholders whose banking details are held by the company's transfer secretaries, Computershare Investor Services (Pty) Ltd. Shareholders whose bank account details are not held by Computershare are requested to provide such details to Computershare on 0861 100 950 to enable payment of the dividend and all future dividends. Where shareholders do not provide the transfer secretaries with their banking details, the dividend will not be forfeited, but will be marked as "unclaimed" in the share register until the shareholder provides the transfer secretaries with the relevant banking details for payout.

The dividend was approved by the Board in Durban.

DIRECTORS

SB Cohen* (Honorary Chairman), NG Payne* (Chairman), MM Blair (CEO), MJ Stirton (CFO), N Abrams*^, MJ Bowman*, JA Canny*, M Chauke*, SA Ellis^, K Getz*, D Naidoo*, LA Swartz*

* Non-executive director ^ Alternate director

UNAUDITED GROUP RESULTS FOR THE 26 WEEKS ENDED 2 OCTOBER 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'm	2021 2 Oct	2020 26 Sep	2021 3 Apr
Assets			
Non-current assets	**10 202**	7 076	9 288
Property, plant and equipment	**2 298**	2 009	2 236
Right-of-use asset	**5 480**	4 426	5 000
Intangible assets	**2 042**	379	1 641
Long-term receivables and other assets	**53**	31	37
Defined benefit fund asset	**69**	55	69
Deferred taxation assets	**260**	176	305
Current assets	**10 140**	11 211	10 587
Inventories	**3 487**	2 426	3 298
Trade and other receivables	**2 289**	1 985	2 155
Derivative financial instruments	**95**	166	24
Reinsurance assets	**225**	238	154
Taxation	**100**	8	7
Cash and cash equivalents	**3 944**	6 388	4 949
Total assets	**20 342**	18 287	19 875
Equity and liabilities			
Equity attributable to shareholders	**10 992**	10 019	10 838
Non-current liabilities	**5 259**	4 259	4 800
Lease liability	**5 205**	4 240	4 776
Deferred taxation liabilities	**31**	-	-
Long-term liabilities	**2**	-	4
Post retirement medical benefits	**21**	19	20
Current liabilities	**4 091**	4 009	4 237
Trade and other payables	**2 654**	2 648	2 542
Derivative financial instruments	**94**	9	284
Reinsurance liabilities	**57**	55	45
Current portion of lease liability	**1 285**	927	1 164
Taxation	**1**	370	202
Bank overdraft	**-**	-	-
Total equity and liabilities	**20 342**	18 287	19 875

CONDENSED CONSOLIDATED INCOME STATEMENT

R'm	2021 2 Oct 26 weeks	2020 28 Sep 26 weeks	% change	2021 3 Apr 53 weeks
Continuing operations				
Revenue	**12 445**	9 204	35.2	22 827
Retail sales	**11 879**	8 620	37.8	21 690
Other income	**458**	433	5.7	863
Retail sales and other income	**12 337**	9 053	36.3	22 553
Costs and expenses	**10 628**	7 905	34.4	18 689
Cost of sales	**7 200**	5 041	42.8	12 540
Selling expenses	**2 437**	1 993	22.3	4 377
Administrative and other operating expenses	**991**	871	13.8	1 772
Profit from operating activities	**1 709**	1 148	48.9	3 864
Finance income	**108**	150	(28.2)	274
Finance costs	**(256)**	(237)	8.0	(477)
Profit before taxation	**1 561**	1 061	47.1	3 661
Taxation	**426**	304	39.9	1 005
Net profit from continuing operations	**1 135**	757	50.0	2 656
Discontinued operations				
Net profit/(loss) from discontinued operations for the period	-	(4)		(8)
Net profit for the period	**1 135**	753	50.7	2 648
Profit attributable to equity holders of parent	**1 135**	753	50.8	2 648
- From continuing operations	**1 135**	757	49.9	2 656
- From discontinued operations	-	(4)	>100.0	(8)
Weighted average number of shares in issue	**258 041**	259 262	(0.5)	258 671
Earnings per share (cents)				
- basic	**440.0**	290.5	51.4	1,023.6
- headline	**448.3**	333.5	34.4	1,067.9
- diluted basic	**430.5**	286.2	50.4	1,005.5
- diluted headline	**438.7**	328.5	33.5	1,049.0
Earnings per share from continuing operations (cents)				
- basic	**440.0**	292.1	50.6	1,026.7
- headline	**448.3**	335.4	33.7	1,070.3
- diluted basic	**430.5**	287.8	49.6	1,008.5
- diluted headline	**438.7**	330.4	32.8	1,051.4
Earnings per share from discontinued operations (cents)				
- basic	-	(1.6)	100.0	(3.1)
- headline	-	(2.0)	100.0	(2.2)
- diluted basic	-	(1.6)	100.0	(3.1)
- diluted headline	-	(1.9)	100.0	(2.1)
Dividends per share (cents)	**282.4**	210.1	34.4	672.8
Dividend payout ratio	**63.0**	63.0		63.0

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'm	**2021 2 Oct 26 weeks**	2020 26 Sep 26 weeks	2021 3 Apr 53 weeks
Profit attributable to equity holders of parent	**1 135**	753	2 648
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation adjustments	**14**	(15)	(62)
Gain/(loss) on hedge accounting	**226**	(179)	(538)
Deferred taxation thereon	**(63)**	50	151
Items that will not be reclassified subsequently to profit or loss:			
Defined benefit fund net actuarial (loss)/gain	**(1)**	(1)	8
Deferred taxation thereon*	**-**	-	(2)
Total comprehensive income	**1 311**	608	2 205

* Less than R1 million

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'm	**2021 2 Oct**	2020 26 Sep	2021 3 Apr
Total equity attributable to shareholders at beginning of the period	**10 838**	9 428	9 428
Total comprehensive income for the period	**1 311**	608	2 205
Treasury share transactions	**(64)**	-	(166)
Share repurchase	**-**	(85)	(165)
Shares allocated as part of acquisition price	**49**	-	-
Recognition of share-based payments	**76**	68	88
Dividends to shareholders	**(1 218)**	-	(552)
Total equity attributable to shareholders at end of the period	**10 992**	10 019	10 838

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

R'm	**2021 2 Oct 26 weeks**	2020 28 Sep 26 weeks	2021 3 Apr 53 weeks
Cash flows from operating activities			
Operating profit before working capital changes	**2 719**	1 959	5 428
Working capital changes	**(499)**	980	192
Interest received on trade receivables	**146**	153	297
Finance costs	**(1)**	(2)	(2)
Finance income received	**107**	151	269
Taxation paid	**(727)**	(525)	(1 417)
Net cash inflows from operating activities	**1 746**	2 716	4 767
Cash flows from investing activities			
Receipts in respect of long-term receivables	**-**	-	13
Payment for acquisition of Power Fashion, net of cash acquired	**-**	-	(1 511)
Payment for acquisition of Yuppichef, net of cash acquired	**(285)**	-	-
Payment in respect of other assets	**-**	(6)	(6)
Payment for intangible assets acquired			
- replacement	**-**	(9)	(32)
- additions	**(38)**	(60)	(124)
Payment for property, plant and equipment			
- replacement	**(99)**	(18)	(89)
- additions	**(142)**	(34)	(207)
- Receipts from proceeds on disposal of PPE	**4**	9	11
Net cash outflows from investing activities	**(561)**	(118)	(1 945)
Cash flows from financing activities			
Payment of financial liability	**-**	(2)	(15)
Payment of long-term liabilities	**(5)**	-	-
Repayment of capital portion of lease liability	**(650)**	(584)	(1 174)
Repayment of interest portion of lease liability	**(255)**	(236)	(475)
Receipts relating to sale of shares by staff share trusts	**-**	1	10
Payment relating to purchase of shares	**(59)**	-	-
Payment relating to share buyback	**-**	(85)	(165)
Deficit on treasury share transactions	**(9)**	(1)	(8)
Payment relating to share hedging costs and instruments	**2**	-	(171)
Dividends paid to shareholders	**(1 218)**	-	(552)
Net cash outflows from financing activities	**(2 194)**	(907)	(2 550)
Net increase in cash and cash equivalents	**(1 009)**	1 691	272
Cash and cash equivalents at beginning of the period	**4 949**	4 726	4 726
Exchange gains/(losses)	**4**	(29)	(49)
Cash and cash equivalents at end of the period	**3 944**	6 388	4 949

SEGMENTAL REPORTING

For management purposes, the group is organised into business units based on their merchandise and services, and has five reportable segments as follows:

- The Apparel segment retails clothing, sportswear, footwear, sporting equipment and accessories
- The Home segment retails homewares
- The Financial Services segment manages the group's trade receivables and sells financial services products
- The Telecoms segment sells cellular merchandise and services
- The Central Services segment provides chargeable and non-chargeable services. The trading segments are allocated costs for information technology and other shared services and not charged for corporate expenditure in relation to running a listed company.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

R'm	2021 2 Oct	2020 26 Sep	% change	2021 3 Apr
Retail sales and other income				
Apparel	**8 508**	5 965	42.6	15 229
Home	**2 958**	2 323	27.3	5 764
Financial Services	**337**	328	2.7	657
Telecoms	**522**	425	22.8	880
Central Services	**12**	12	0.0	23
Total	**12 337**	9 053	36.3	22 553
Profit from operating activities				
Apparel	**1 168**	793	47.3	2 891
Home	**560**	382	46.6	1 226
Financial Services	**238**	81	193.8	235
Telecoms	**26**	25	4.0	49
Central Services	**(283)**	(132)	114.4	(537)
Total	**1 709**	1 148	48.8	3 864
Segment assets				
Apparel	**8 053**	5 872	37.1	7 518
Home	**2 521**	1 897	32.9	2 036
Financial Services	**2 055**	2 028	1.3	1 925
Telecoms	**172**	211	(18.5)	156
Central Services	**7 541**	8 279	(8.9)	8 240
Total	**20 342**	18 287	11.2	19 875

SUPPLEMENTARY INFORMATION

	2021 2 Oct	2020 28 Sep	2021 3 Apr
Total number of shares issued (000)	**263 634**	264 941	263 634
Number of Ordinary shares (000)	**256 442**	257 046	255 945
Number of B Ordinary shares (000)	**7 193**	7 895	7 689
Less: shares held by share trusts	**5 599**	6 329	5 567
Net number of shares in issue (000)	**258 035**	258 612	258 067
Weighted average number of shares in issue (000)	**258 041**	259 262	258 671
Net asset value per share (cents)	**4 260**	3 874	4 200
Reconciliation of headline earnings (R'm)			
Attributable profit	**1 135**	753	2 648
Loss on disposal and impairment of property, plant, equipment and intangible assets	**30**	155	159
Taxation adjustment	**(8)**	(43)	(45)
Headline earnings	**1 157**	865	2 762
Reconciliation of headline earnings from continuing operations (R'm)			
Attributable profit	1 135	757	2 656
Loss on disposal and impairment of property, plant, equipment and intangible assets	30	156	157
Taxation adjustment	(8)	(44)	(44)
Headline earnings	**1 157**	869	2 769

Notes:

1. The interim results at 2 October 2021 and 26 September 2020, for which the directors take full responsibility, have not been audited. The condensed consolidated results at 3 April 2021, which are not itself audited, have been correctly extracted from the audited annual financial statements upon which Ernst & Young Inc. issued an unqualified opinion. The interim results were prepared under the supervision of Mr MJ Stirton, CA(SA), chief financial officer.

2. The interim results are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports and the requirements of the South African Companies Act 71 of 2008. The JSE Limited Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial 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 preliminary condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements.

3. The civil unrest which occurred in parts of South Africa in July 2021, resulted in the looting of 111 stores. This has had an impact on the groups' performance and comparisons against the same period in the prior year. In order to provide a more meaningful assessment of the group's performance, pro forma information (interim results excluding the impact of write offs related to looted stores) has been presented in the Annexure on page 17.

   The civil unrest resulted in the group incurring stock, cash and property, plant and equipment write-offs amounting to R185.4 million. The asset write-offs have been recognised in H1 FY2022. Insurance claims have been submitted and interim insurance payments of R235.0 million (including VAT) have been received from SASRIA post the end of the reporting period. This insurance income could not be accounted for within the same period due to IFRS 15 revenue recognition rules. The group has incurred and continues to incur costs related to these effected stores. Proforma results presented on page 17 have not been adjusted for this impact. The group's business interruption (BI) insurance cover has been accessed, with interim claims lodged. Management anticipate BI claims to be finalised with insurers before year end. An interim payment of R92.0m (including VAT) has been received from the group's insurers post the end of the reporting period. At this juncture, additional insurance receipts are anticipated in the latter part of H2 FY2022 and FY2023.

4. The ongoing impact of COVID-19, the civil unrest in July 2021 and the current economic environment on the basis of preparation of the unaudited condensed consolidated interim results has been considered. The group has assessed right-of-use assets for impairments and no further impairments were required to be recognised. The directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the interim results.

5. The disaggregated revenue is as follows:

R'm	2021 2 Oct	2020 26 Sep	2020 3 Apr
Revenue from contracts with customers	12 054	8 796	22 046
Retail sales	11 879	8 620	21 690
Insurance premium	108	98	203
Other telecoms income	67	78	153
Interest and charges on debtors	229	230	456
Other sundry income	54	28	51
Finance income	108	150	274
Revenue	12 445	9 204	22 827

Revenue from contracts with customers is recognised at a point in time, except where revenue has been earned through mobile contracts where services are transferred over time.

6. Effective 1 August 2021, the group acquired 100% of the shares in the group of companies comprising the Yuppiechef business ("Yuppiechef"), a privately-owned South African omni-channel retail business primarily focused on kitchenware. Yuppiechef has two primary operations, namely Yuppiechef Online, the retail division comprising the online platform and 7 stores, as well as a wholesale division, which develops and imports goods for wholesale distribution. The acquisition was approved by the relevant regulatory authorities on 19 July 2021.

The group has measured the fair value of identifiable assets and liabilities of Yuppiechef at their acquisition date.

The provisional at-acquisition values are presented below.

	R'm
Assets	
Property, plant and equipment	10
Intangible assets	118
Right-of-use asset	26
Trade and other receivables	15
Inventories	57
Cash and cash equivalents	27
Liabilities	
Long-term liabilities	(3)
Deferred tax liability	(24)
Trade and other payables	(81)
Taxation	(4)
Lease liability	(31)
Total identified net assets at fair value	110
Goodwill attributable to acquisition	291
Total consideration	**401**
Share issued, at fair value	49
Cash paid	312
Deferred consideration	40
Total consideration	**401**
Cash on hand at date of acquisition	27
Cash paid	(312)
Net cash outflow on acquisition	**(285)**

The initial accounting for the business combination is incomplete due to the timing of the effective date of the transaction and the time allowed to finalise closing accounts. The fair values are pending the finalisation of the intangible asset valuations. A full valuation of all possible intangible assets will be conducted in terms of IFRS

3. The goodwill arising from the acquisition is attributable to the value of expected future omni-channel growth opportunities of the business.

Yuppiechef has contributed R73.1m in revenue and R2.0m in operating profit since acquisition. Disclosure of the revenue and profit or loss of the combined entity for the current reporting period as though the acquisition had occurred at the beginning of the reporting period is impracticable as Yuppiechef has a different financial year end to the group, and its reporting is based on a calendar month compared to the group which follows a retail calendar.

7. Effective 1 April 2021, the group acquired the business assets of value retailer, Power Fashion, including 100% of the issued share capital in Enterprise Stores Proprietary Limited and Otto Bros Lesotho Holdings Proprietary Limited for a combined consideration of R1 537.9m.

The net assets recognised in the FY2021 annual financial statements were based on a provisional assessment of their fair value while the group finalised the valuation of all possible intangible assets. The valuation had not been completed by the date of the FY2021 annual financial statements approval for issue by the board of directors.

This valuation has since been completed in FY2022 and the acquisition date fair value of the Power Fashion brand was determined to be R133.0m. The FY2021 comparative information has been restated to reflect the adjustment to the provisional amounts. As a result, there was an increase in intangible assets of R133.0m, and a reduction in goodwill of R133.0m, resulting in R1 068.9m goodwill arising on the acquisition. The goodwill is attributable to the value of expected future growth opportunities of a business with a proven track record of cash-generating stores.

The restated at-acquisition values are presented below.

	R'm
Assets	
Property, plant and equipment	159
Intangible assets	157
Long-term receivable	19
Deferred tax asset	20
Right-of-use asset	580
Trade and other receivables	9
Inventories	257
Taxation	2
Cash and cash equivalents	27
Liabilities	
Long-term liabilities	(4)
Trade and other payables	(177)
Lease liability	(580)
Total identified net assets at fair value	469
Goodwill attributable to acquisition	1 069
Total consideration	**1 538**
Cash on hand at date of acquisition	(27)
Net cash outflow on acquisition	**1 511**

8. During the 2021 financial year, the company received assessments from SARS relating to the disallowance of certain deductions claimed in the 2015 to 2017 years of assessment. The company, supported by senior counsel's opinion, appealed the decision of the Commissioner to disallow the company's objection to the assessment.

The matter that remains under dispute amounts to R57.6m, including interest charged to September 2021 of R18.1m. The overall potential impact on the income statement amounts to R57.6m (March 2021: R56.2m). No adjustments have been made to the financial statements as the directors are of the opinion that the likelihood of the liability is remote.

9. Management has evaluated the half year provisioning amounts for inventory and trade receivables taking into account the effects of COVID-19 on the economy.

   The provision for net realisable value of inventory represents management's estimate of the extent to which merchandise on hand at the reporting date will be sold below cost. The inventory provision has decreased to 8.0% (26 September 2020: 10.7%, 3 April 2021: 8.5%) of the inventory balance, due to improved trading conditions compared to prior year.

   The provision for impairment of trade receivables represents the extent to which management's estimate trade receivables balance at the reporting date will not be subsequently recovered. In the first half of FY2022, customer account write-offs decreased and recoveries increased, reflective of the gradual economic recovery to pre COVID-19 levels. This has resulted in a decrease in the impairment provision percentage to 10.6% of the trade receivables balance (26 September 2020: 15.2%, 3 April 2021: 13.4%).

10. The fair value of foreign exchange contracts (FECs), synthetic forwards and options as calculated by the banks is measured using a forward pricing model. The significant inputs into the Level 2 fair value of FECs are yield curves, market interest rates and market foreign exchange rates. The estimated fair values of recognised financial instruments approximate their carrying amounts.

10. Maud Motanyane-Welch retired by rotation as a director and a member of the Social, Ethics, Transformation and Sustainability (SETS) committee, effective 25 August 2021.

11. Steve Ellis, an alternate executive director to the CEO, will retire from his executive role in the group effective 31 December 2021 and will relinquish his designation as alternate director. The Board has approved and confirmed Steve's transition and change in designation from alternate executive director to non-executive director from 1 January 2022.

ANNEXURE

Pro forma information

Basis of preparation

During July 2021, the group's operations were significantly impacted by the civil unrest in Kwa-Zulu Natal and parts of Gauteng which resulted in widespread looting and vandalism causing damage to property and business continuity. 111 of the group's 1 592 South African stores were looted. In addition, the group had to temporarily close a further 539 stores across its six divisions. To provide a more meaningful assessment of the group's performance, pro forma information has been presented for the 26 weeks ending 2 October 2021 excluding the impact of the write-offs of stock, cash and property, plant and equipment as a result of the civil unrest.

The directors of Mr Price Group Limited are responsible for compiling the pro forma financial information on the basis applicable to the criteria as detailed in paragraphs 8.15 to 8.33, as applicable, of the JSE Limited Listings Requirements and the SAICA Guide on Pro Forma Financial Information, revised and issued in September 2014. The pro forma information has been prepared for illustrative purposes only and because of its nature may not fairly present the group's results of operations, financial position, changes in equity or cash flows. The pro forma information is based on the condensed consolidated statement of profit and loss for the 26 weeks ended 2 October 2021. The adjustments are based on unaudited management accounts. The pro forma information has not been audited or reviewed by the group's external auditors.

PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT (26 WEEKS)

R'm	2021 2 Oct 26 weeks[1] Unaudited	2021 Adjustment[2] Unaudited	2021 2 Oct 26 weeks[3] Pro forma	2020 26 Sep 26 weeks[4] Unaudited	% change[5]
Continuing operations					
Revenue	12 445		12 445	9 204	35.2
Retail sales	11 879		11 879	8 620	37.8
Other income	458		458	433	5.7
Retail sales and other income	12 337		12 337	9 053	36.3
Costs and expenses	10 628	(185)	10 443	7 905	32.1
Cost of sales	7 200	(151)	7 049	5 041	39.8
Selling expenses	2 437	(34)	2 403	1 993	20.6
Administrative and other operating expenses	991		991	871	13.8
Profit from operating activities	1 709	185	1 894	1 148	65.0
Finance income	108		108	150	(28.2)
Finance costs	(256)		(256)	(237)	8.0
Profit before taxation	1 561	185	1 746	1 061	64.5
Taxation	426	51	477	304	57.0
Net profit from continuing operations	1 135	134	1 269	757	67.6
Discontinued operations					
Net profit/(loss) from discontinued operations for the period	-		-	(4)	
Net profit for the period	1 135	134	1 269	753	68.5
Earnings per share (cents)					
- basic	440.0	51.6	491.7	290.5	69.3
- headline	448.3	43.3	491.7	333.5	47.4
- diluted basic	430.5	50.6	481.1	286.2	68.1
- diluted headline	438.7	42.4	481.1	328.5	46.4

Notes:
1. This column has been extracted without adjustment from the condensed consolidated statement of profit and loss for the interim 26 weeks ending 2 October 2021
2. This column presents the financial impact of the write-offs as a result of the looting of stores from civil unrest in July 2021. The R151.5m adjustment in cost of sales relates to stock write-offs and the R34.0m adjustment in selling expenses relates to cash and property, plant and equipment write-offs.
3. This column presents the pro-forma 26 weeks financial information for the 26 weeks ending 2 October 2021
4. This column presents the unaudited group results for the period ending 26 September 2020 (the corresponding period)
5. This column presents the percentage change between the 26 weeks financial information for the 26 weeks ending 2 October 2021 excluding the impact of the write offs as a result of the looting of stores and the prior year 26 weeks ending 26 September 2020

Durban
25 November 2021