

WOOLWORTHS HOLDINGS LIMITED

**2022**

*Summary of the Audited Group Results*  
for the 52 weeks ended 26 June 2022  
and Cash Dividend Declaration

START

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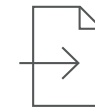
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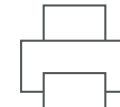
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## FINANCIAL OVERVIEW

Turnover	<b>+1.7%</b> <i>to R80.1bn</i>
Turnover and concession sales	<b>+1.4%</b> <i>to R87.0bn</i>
Profit before tax	<b>+0.8%</b> <i>to R5.2bn</i>
Adjusted profit before tax	<b>+11.0%</b> <i>to R5.1bn</i>
Earnings per share	<b>-11.0%</b> <i>to 387.4cps</i>
Headline earnings per share	<b>+6.5%</b> <i>to 398.9cps</i>
Adjusted diluted headline earnings per share	<b>+9.7%</b> <i>to 374.9cps</i>
Net cash (excluding lease liabilities) of	<b>R229m</b> <i>(2021: net borrowings of R1.1bn)</i>
Total dividend per share	<b>229.5<sup>cps</sup></b> <i>+247.7% (2021: 66.0cps)</i>
Return on capital employed	<b>16.8%</b> <i>(2021: 14.9%)</i>
Free cash flow per share	<b>448.3<sup>cps</sup></b> <i>(2021: 395.3cps)</i>



Country Road, Summer 2022

## COMMENTARY ON PERFORMANCE

The Group's turnover and concession sales for the 52 weeks ended 26 June 2022 ('current year', 'full year' or 'year') increased by 1.4% compared to the 52 weeks ended 27 June 2021 ('prior year') and by 2.6% in constant currency terms. Online sales grew by 16.4%, contributing 12.4% to the Group's total turnover and concession sales over the year.

Notwithstanding the volatile global backdrop, trade during the second half of the year ('H2') showed an improved run rate over the first half of the year ('H1') across all our businesses, with Group turnover and concession sales growing by 4.9%, and by 5.6% in constant currency terms, respectively, as lockdown restrictions eased and our focus on trade and executing against our strategic priorities gained further momentum.

As mentioned in our interim results released on the JSE Stock Exchange News Service ('SENS') on 2 March 2022, trade during H1 was severely impacted by the extended lockdowns in Australia, and to a lesser extent by the civil unrest in South Africa. This, coupled with the absence of JobKeeper allowances in Australia and rent relief, which supported the prior year base, the profit on sale of the Bourke Street Men's and Elizabeth Street properties, as well as lease exit and modification gains, makes the full year trading result non-comparable to that of the prior year.

Earnings per share ('EPS') was 387.4cps compared to 435.1cps for the prior year, while headline EPS ('HEPS') and adjusted diluted HEPS increased by 6.5% and 9.7% over the prior year to 398.9cps and 374.9cps, respectively. Adjusted diluted HEPS in H2 grew by 43.8% on the prior year.

The Group ended the year with a robust balance sheet and a net cash position of R229 million. Solid working capital management and a focus on capex prioritisation resulted in cash conversion exceeding 100%, generating Free Cash Flow of 448.3cps. This supported a share buyback of R1.5 billion over the months of June and July 2022 and a reinstatement of the Woolworths SA and Country Road Group dividend at a 70% payout ratio.

During the year, the Board of David Jones declared a special dividend to WHL of A\$90 million (approximately R1 billion), with these proceeds utilised to reduce debt in South Africa. Given that David Jones exceeded its cash forecast for the year, a further A\$50 million of capital is planned to be returned to WHL, post year-end.

## SOUTH AFRICA

### WOOLWORTHS FASHION, BEAUTY AND HOME ('FBH')

The FBH business grew H2 turnover and concession sales by 6.5%, with full-priced sales growing by 8.8%, supported by improved product resonance, market share gains in our 'must win' categories, and a stronger performance from the rest of Africa. Sales for the full year grew by 5.4% and by 7.3% in comparable stores, while trading space declined by 4.5%, supporting a double-digit increase in trading densities. Price movement averaged 6.0% over the full year and remains positively impacted by reduced markdown. Online sales grew by 13.2% and contributed 4.4% to South African sales.

Gross profit margin increased by 210bps to 47.6%. Expense growth was contained to 1.8%, supported by a 1.7% decline in store costs, as a result of our space reduction and cost optimisation initiatives. Adjusted operating profit increased by 48.7% to R1 610 million, resulting in an operating margin of 11.9% for the year, compared to 8.4% in the prior year.

### WOOLWORTHS FOOD

The Woolworths Food business grew turnover and concession sales in H2 by 4.6%, with trading momentum improving throughout the period, as Covid-19 base effects eased. Sales for the full year grew by 4.2%, and by 3.1% in comparable stores, reflecting the impact of the high base and the return to out-of-home consumption, an increasingly competitive backdrop, and low product inflation across our key categories. Price movement averaged 3.5% for the full year, with underlying product inflation at 3.9%, reflecting continued price investment. Space grew by 1.8% relative to the prior year. Online sales increased by 45.4%, contributing 3.2% of South African sales, assisted by the further rollout of our on-demand online offering.

Gross profit margin decreased by 50bps to 24.0%, due to growth in online sales, supply chain costs and a level of price investment. Expenses grew by 5.7%, primarily reflecting investment in initiatives, including online. Adjusted operating profit grew by 0.4% in H2, with full year profit declining by 3.9% to R2 893 million, returning an operating profit margin of 7.3% for the year, compared to 7.9% in the prior year.

### WOOLWORTHS FINANCIAL SERVICES ('WFS')

The Woolworths Financial Services book reflects a year-on-year increase of 6.8% at 30 June 2022, driven by demand and a recovery in post Covid-19 spend. The impairment rate for the year ended 30 June 2022 improved to 4.7%, compared to 5.3% in the prior year, reflecting strong collections and continued strength of the book. Return on equity increased to 18.4%, from 13.6% in the prior year.

## AUSTRALIA AND NEW ZEALAND

As mentioned previously, trade in H1 was significantly impacted by government-enforced restrictions across the region which required the closure of stores representing more than 70% of our brick-and-mortar sales for an extended period. In H2, strong consumer demand and our focus on trade resulted in a healthy rebound in sales.

### DAVID JONES ('DJ')

DJ turnover and concession sales declined by 2.6% for the full year and by 2.5% in comparable stores, but grew by 4.3% in H2, after the easing of lockdown restrictions. In line with our space optimisation initiatives, trading space reduced by a further 2.6% relative to the prior year. Online sales increased by 28.7% and contributed 22.8% to total sales over the full year.

Gross profit margin was maintained at 35.2%, notwithstanding the clearance of H1 inventory build-up. Expenses declined by 3.6%, driven by the successful execution of cost-out initiatives and the rationalisation of the DJ food offering. Adjusted operating profit in H2 grew by 85.5% to A\$52.5 million. For the full year, adjusted operating profit declined by 0.6% on the prior year to A\$83.7 million, returning an operating profit margin of 4.1%, compared to 4.0% in the prior year. This was achieved despite Covid-19 related government support and rent concessions in the prior year base.

### COUNTRY ROAD GROUP ('CRG')

CRG sales grew by 9.0% and by 11.3% in comparable stores for H2, resulting in positive full-year sales growth of 3.1% and 4.0%, respectively, notwithstanding a further 8.1% reduction in trading space. This result was driven primarily by a strong performance from the Country Road, Trenerly and Politix brands, following the successful launch of new ranges and the ongoing focus on brand and product positioning. Online sales increased by 4.6% and contributed 31.6% to total sales for the year.

Gross profit margin declined by 130bps to 59.5%, as a result of increased clearance sales following the extended lockdown, coupled with higher freight costs arising from global supply chain constraints. Expenses increased by 8.2%, as a result of the prior year impact of JobKeeper subsidy and rent rebates. Adjusted operating profit in H2 grew by 18.6% to A\$72.1 million. For the full year, adjusted operating profit was 22.3% lower at A\$120.2 million, returning an operating profit margin of 11.1% compared to 14.7% in the prior year.

## OUTLOOK

The global macro environment remains volatile, with rising inflation and interest rates posing a headwind to the outlook for economic growth. Whilst this impact on Australian consumer spend should be somewhat mitigated by strong household balance sheets and high employment, South African consumption faces high unemployment and severe energy shortages.

Global supply chain uncertainties and elevated freight costs have been exacerbated by recent global events, placing significant upward pressure on raw material availability and input pricing. Notwithstanding this backdrop, the current momentum of our apparel businesses is expected to continue, and our Food business is expected to deliver a solid underlying performance whilst investing in key initiatives.

We have a robust balance sheet, and significant self-help opportunities across our businesses to grow both revenue and profitability, and are allocating capital accordingly to enhance the overall returns profile of our Group.

Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors and does not constitute an earnings forecast.

### H Brody

Chairman  
Cape Town  
30 August 2022

### R Bagattini

Group Chief Executive Officer

## DIVIDEND DECLARATION

The Board of Directors of WHL ('Board') has taken a decision to declare a final gross cash dividend per ordinary share ('dividend'), based on a pay-out ratio of 70% of second half headline earnings of the combined Woolworths South Africa business segments (FBH, Food and WFBS) as well as Country Road Group.

Notice is hereby given that the Board has declared a final dividend of 149.0 cents (119.2 cents net of dividend withholding tax) for the 52 weeks ended 26 June 2022, being a 125.8% increase on the prior year's 66.0 cents. This brings the total dividend for the year to 229.5 cents, representing a 247.7% increase on the prior year's total dividend of 66.0 cents. The dividend has been declared from reserves and therefore does not constitute a distribution of 'contributed tax capital' as defined in the Income Tax Act, 58 of 1962. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The issued share capital at the declaration date is 1 024 671 335 ordinary shares. The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 13 September 2022
Shares commence trading 'ex' dividend	Wednesday, 14 September 2022
Record date	Friday, 16 September 2022
Payment date	Monday, 19 September 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 14 September 2022 and Friday, 16 September 2022, both days inclusive. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited or updated on Monday, 19 September 2022. Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. Where the transfer secretaries do not have the banking details of any certificated shareholders, the cash dividend will be held in trust by the transfer secretaries pending receipt of the relevant certificated shareholder's banking details after which the cash dividend will be paid via electronic transfer into the personal bank account of the certificated shareholder.

### CA Reddiar

Group Company Secretary  
Cape Town  
30 August 2022

## CHANGES TO THE BOARD OF DIRECTORS

As announced on SENS on 29 August 2022, Mr Robert Collins was appointed as an independent Non-executive Director of WHL, with effect from 1 October 2022. Mr Collins spent over 27 years at John Lewis Partnership Plc, holding various management roles, including managing director of Waitrose until 2020. The Board looks forward to welcoming Rob to the Group.

As announced on SENS on 7 July 2022, Ms Nombulelo (Pinky) Moholi was appointed as the Lead Independent Director of the Board, with effect from 7 July 2022. Ms Moholi has deep knowledge of the WHL Group, and extensive Board experience. The Board looks forward to Ms Moholi's contribution in her expanded role.



**SUMMARY OF THE  
AUDITED GROUP RESULTS**

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## CONDENSED CONSOLIDATED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Notes	Audited 52 weeks to 26 Jun 2022 Rm	Audited 52 weeks to 27 Jun 2021 Rm	% change
<b>Revenue</b>	2	82 255	80 942	1.6
<b>Turnover</b>		80 067	78 763	1.7
Cost of sales		50 881	49 816	2.1
<b>Gross profit</b>		29 186	28 947	0.8
Other revenue		2 121	2 096	1.2
Expenses		24 534	24 311	0.9
Store costs		16 865	17 512	(3.7)
Other operating costs		7 669	6 799	12.8
<b>Operating profit from core trading activities*</b>		6 773	6 732	0.6
Profit on sale of property in Australia		–	492	(100.0)
Lease exit and modification gains	11	259	591	(56.2)
Impairment of assets		121	364	(66.8)
<b>Operating profit before net finance costs*</b>		6 911	7 451	(7.2)
Investment income		67	83	(19.3)
Finance costs		1 953	2 502	(21.9)
<b>Profit before earnings from joint ventures</b>		5 025	5 032	(0.1)
Earnings from joint ventures		165	118	39.8
<b>Profit before tax</b>		5 190	5 150	0.8
Tax expense		1 473	987	49.2
<b>Profit for the year</b>		3 717	4 163	(10.7)
Other comprehensive income				
<b>Amounts that may be reclassified to profit or loss</b>				
Fair value adjustments on financial instruments, after tax		545	(392)	
Exchange differences on translation of foreign subsidiaries		171	(1 027)	
<b>Amounts that may not be reclassified to profit or loss</b>				
Post-retirement medical benefit liability: actuarial gain, after tax		15	4	
<b>Other comprehensive income for the year</b>		731	(1 415)	
<b>Total comprehensive income for the year</b>		4 448	2 748	
<b>Profit attributable to:</b>		3 717	4 163	
Shareholders of the parent		3 715	4 161	
Non-controlling interests		2	2	
<b>Total comprehensive income attributable to:</b>		4 448	2 748	
Shareholders of the parent		4 446	2 746	
Non-controlling interests		2	2	
Earnings per share (cents)	3	387.4	435.1	(11.0)
Diluted earnings per share (cents)	3	381.4	428.7	(11.0)
Number of shares in issue (millions)		945.7	956.7	(1.1)
Weighted average number of shares in issue (millions)		958.9	956.3	0.3

### ADDITIONAL EARNINGS MEASURES

	Notes	Audited 52 weeks to 26 Jun 2022	Audited 52 weeks to 27 Jun 2021	% change
Headline earnings per share (cents)	4	398.9	374.4	6.5
Diluted headline earnings per share (cents)	4	392.7	368.9	6.5
Adjusted headline earnings per share (cents)	5	380.9	346.6	9.9
Adjusted diluted headline earnings per share (cents)	5	374.9	341.6	9.7

\* Comparative information has been updated by renaming the subtotal "Operating profit" to "Operating profit from core trading activities" and adding the subtotal "Operating profit before net finance costs", arising from the JSE review process.

## CONDENSED CONSOLIDATED GROUP STATEMENT OF FINANCIAL POSITION

	Notes	Audited At 26 Jun 2022 Rm	Restated* Audited At 27 Jun 2021 Rm
<b>ASSETS</b>			
<b>Non-current assets</b>		39 953	40 105
Property, plant and equipment	6	9 190	9 315
Intangible assets	6	7 451	7 135
Right-of-use assets	11	18 891	19 116
Investment in joint ventures		945	893
Other loans		92	100
Derivative financial instruments	10	56	13
Deferred tax		3 328	3 533
<b>Current assets</b>		16 126	15 483
Inventories		8 709	8 501
Trade and other receivables		1 703	1 277
Derivative financial instruments	10	314	33
Tax		26	48
Cash and cash equivalents		5 374	5 624
<b>TOTAL ASSETS</b>		56 079	55 588
<b>EQUITY AND LIABILITIES</b>			
<b>TOTAL EQUITY</b>		11 800	9 328
Equity attributable to shareholders of the parent		11 775	9 305
Non-controlling interests		25	23
<b>Non-current liabilities</b>		29 880	31 305
Interest-bearing borrowings		4 813	5 963
Lease liabilities	11	24 220	24 608
Post-retirement medical benefit liability		359	363
Provisions and other payables		485	361
Derivative financial instruments	10	–	10
Deferred tax		3	–
<b>Current liabilities</b>		14 399	14 955
Trade and other payables		10 211	9 625
Provisions		1 260	1 308
Lease liabilities	11	2 564	2 586
Derivative financial instruments	10	53	369
Tax		28	390
Overdrafts and interest-bearing borrowings		283	677
<b>TOTAL LIABILITIES</b>		44 279	46 260
<b>TOTAL EQUITY AND LIABILITIES</b>		56 079	55 588
<b>Net asset book value per share (cents)</b>		1 245	973

\* Refer to note 8 for details of the restatement.

## CONDENSED CONSOLIDATED GROUP STATEMENT OF CASH FLOWS

	Notes	Audited 52 weeks to 26 Jun 2022 Rm	Audited 52 weeks to 27 Jun 2021 Rm
<b>Cash flow from operating activities</b>			
Cash inflow from trading		11 503	11 393
Working capital movements		99	256
<b>Cash generated by operating activities</b>		11 602	11 649
Investment income received		67	83
Finance costs paid		(1 988)	(2 595)
Tax paid		(1 673)	(1 108)
<b>Cash generated by operations</b>		8 008	8 029
Dividends received from joint ventures		112	-
Dividends paid to ordinary shareholders		(1 417)	-
<b>Net cash inflow from operating activities</b>		6 703	8 029
<b>Cash flow from investing activities</b>			
Investment in property, plant and equipment and intangible assets to maintain operations		(1 066)	(1 110)
Investment in property, plant and equipment and intangible assets to expand operations		(794)	(315)
Proceeds on disposal of property, plant and equipment and intangible assets		7	7 356
Other loans advanced		(2)	(21)
<b>Net cash (outflow)/inflow from investing activities</b>		(1 855)	5 910
<b>Cash flow from financing activities</b>			
Net acquisition of Treasury shares	7	(19)	(70)
Shares repurchased		(904)	-
Lease liabilities repaid		(2 741)	(3 048)
Borrowings raised		-	500
Borrowings repaid		(1 437)	(10 898)
<b>Net cash outflow from financing activities</b>		(5 101)	(13 516)
<b>(Decrease)/increase in cash and cash equivalents</b>		(253)	423
<b>Net cash and cash equivalents at the beginning of the year</b>		5 484	5 437
<b>Effect of foreign exchange rate changes</b>		110	(376)
<b>Net cash and cash equivalents at the end of the year</b>		5 341	5 484

## CONDENSED CONSOLIDATED GROUP STATEMENT OF CHANGES IN EQUITY

	Share- holders of the parent Rm	Non- controlling interests Rm	Audited Total 52 weeks to 26 Jun 2022 Rm	Share- holders of the parent Rm	Non- controlling interests Rm	Audited Total 52 weeks to 27 Jun 2021 Rm
<b>Shareholders' interest at the beginning of the year</b>	9 305	23	9 328	6 489	21	6 510
Cloud computing costs policy change (refer to note 8)	-	-	-	(266)	-	(266)
<b>Shareholders' interest at the beginning of the year (restated)</b>	9 305	23	9 328	6 223	21	6 244
<b>Movements for the year:</b>						
Profit for the year	3 715	2	3 717	4 161	2	4 163
Other comprehensive income	731	-	731	(1 415)	-	(1 415)
Total comprehensive income for the year	4 446	2	4 448	2 746	2	2 748
Share-based payments	327	-	327	250	-	250
Net acquisition of Treasury shares	(19)	-	(19)	(70)	-	(70)
Shares repurchased and cancelled	(759)	-	(759)	-	-	-
Transfer of Financial Instrument Revaluation Reserve to inventories	(108)	-	(108)	156	-	156
Dividends to ordinary shareholders	(1 417)	-	(1 417)	-	-	-
<b>Shareholders' interest at the end of the year</b>	11 775	25	11 800	9 305	23	9 328
Dividend per ordinary share (cents)			229.5			66.0
Dividend cover (based on headline earnings)			1.77			5.69



## CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

	Notes	Audited 52 weeks to 26 Jun 2022 Rm	Restated* Audited 52 weeks to 27 Jun 2021 Rm	% change
<b>REVENUE</b>				
<b>Turnover</b>		80 067	78 763	1.7
Woolworths Fashion, Beauty and Home		13 502	12 855	5.0
Woolworths Food		39 240	37 743	4.0
Woolworths Logistics		637	574	11.0
David Jones		14 705	15 569	(5.5)
Country Road Group		11 983	12 022	(0.3)
<b>Other revenue and investment income</b>		2 188	2 179	0.4
Woolworths Fashion, Beauty and Home		112	14	>100
Woolworths Food		182	84	>100
David Jones		2 299	2 544	(9.6)
Country Road Group		33	34	(2.9)
Treasury		50	70	(28.6)
Intragroup	14	(488)	(567)	(13.9)
<b>Total Group</b>		82 255	80 942	1.6
<b>GROSS PROFIT</b>				
Woolworths Fashion, Beauty and Home		6 384	5 852	9.1
Woolworths Food		9 398	9 252	1.6
David Jones		5 961	6 267	(4.9)
Country Road Group		7 143	7 302	(2.2)
Intragroup	14	300	274	9.5
<b>Total Group</b>		29 186	28 947	0.8
<b>PROFIT BEFORE TAX</b>				
Woolworths Fashion, Beauty and Home		1 297	715	81.4
Woolworths Food		2 656	2 762	(3.8)
Woolworths Financial Services		164	118	39.0
David Jones		203	146	39.0
Country Road Group		1 162	1 551	(25.1)
Treasury		(410)	(724)	(43.4)
<b>Total Group – adjusted</b>		5 072	4 568	11.0
<b>Adjustments</b>		118	582	
Lease exit and modification gains		259	591	
SA civil unrest costs, net of insurance proceeds		17	–	
Restructure and store exit costs		(60)	(123)	
Unrealised foreign exchange gains/losses		23	(14)	
Impairment of assets		(121)	(364)	
Profit on sale of property in Australia		–	492	
<b>Total Group – unadjusted</b>		5 190	5 150	0.8
Woolworths Fashion, Beauty and Home		1 338	713	87.7
Woolworths Food		2 647	2 754	(3.9)
Woolworths Financial Services		164	118	39.0
David Jones		298	845	(64.7)
Country Road Group		1 153	1 468	(21.5)
Treasury		(410)	(748)	(45.2)

\* Comparative information has been restated to reallocate IFRS 16 finance costs from the Treasury segment to the reportable business segments.

	Audited 52 weeks to 26 Jun 2022 Rm	Restated Audited 52 weeks to 27 Jun 2021 Rm
<b>TOTAL ASSETS</b>	56 079	55 588
Woolworths*	19 302	19 279
David Jones	24 373	24 423
Country Road Group	11 114	10 905
Woolworths Financial Services	933	883
Treasury	357	98
<b>INVENTORIES</b>	8 709	8 501
Woolworths*	4 453	4 458
David Jones	2 966	2 737
Country Road Group	1 290	1 306
<b>TOTAL LIABILITIES</b>	44 279	46 260
Woolworths*	12 914	12 446
David Jones	20 800	20 223
Country Road Group	5 369	6 383
Treasury	5 196	7 208
<b>APPROVED CAPITAL COMMITMENTS</b>	3 164	2 835
Woolworths*	2 192	1 854
David Jones	339	601
Country Road Group	633	380
<b>CASH GENERATED BY OPERATING ACTIVITIES</b>	11 602	11 649
Woolworths*	6 713	6 277
David Jones	2 468	1 897
Country Road Group	2 591	3 481
Treasury	(170)	(6)

\* Includes Woolworths Fashion, Beauty and Home, Woolworths Food and Woolworths Logistics.

## NOTES TO THE CONDENSED CONSOLIDATED RESULTS

### 1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements and Debt Listings Requirements for provisional reports, and the requirements of the Companies Act of South Africa. The Listings Requirements and Debt Listings Requirements require provisional 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 Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the preparation of the Group Annual Financial Statements for the 52-week period to 26 June 2022 and with the prior year, except for the change in accounting policies adopted, as detailed in note 8. The condensed consolidated financial statements have been prepared on the going concern and historical cost bases, except where otherwise indicated. The presentation currency is the South African rand, rounded to the nearest million, except where otherwise indicated.

The condensed consolidated financial statements have been prepared under the supervision of the Group Finance Director, Reeza Isaacs CA(SA), and are the full responsibility of the directors.

For details on the Group's performance, including the impact of the lockdowns in Australia and the civil unrest in South Africa, refer to the Commentary on performance.

### 2. REVENUE

	Audited 52 weeks to 26 Jun 2022 Rm	Audited 52 weeks to 27 Jun 2021 Rm
Turnover	80 067	78 763
Fashion, Beauty and Home	39 881	39 910
Food	39 549	38 279
Logistics services and other	637	574
Other revenue	2 121	2 096
Rentals	9	9
Concession sales commission	1 907	2 034
Insurance recoveries	150	–
Royalties	55	53
Investment income	67	83
Interest earned from cash and investments	67	83
	82 255	80 942

Revenue from contracts with customers has been further disaggregated by nature of business and retail chain. Refer to Condensed consolidated segmental analysis. Rentals and investment income fall outside the scope of IFRS 15. Investment income is measured in terms of the effective interest method in accordance with IFRS 9.

### 3. EARNINGS PER SHARE

The difference between earnings per share and diluted earnings per share is due to the impact of unexercised options under the Group's share incentive schemes (refer to note 7).

### 4. HEADLINE EARNINGS

	Audited 52 weeks to 26 Jun 2022 Rm	Audited 52 weeks to 27 Jun 2021 Rm	% change
<b>Reconciliation of headline earnings</b>			
Basic earnings attributable to shareholders of the parent	3 715	4 161	(10.7)
Profit on sale of property in Australia	–	(492)	
Net loss on disposal of property, plant and equipment and intangible assets	32	14	
Impairment of property, plant and equipment, intangible assets and right-of-use assets	121	364	
Tax impact of adjustments	(43)	(467)	
Headline earnings	3 825	3 580	6.8

Headline earnings is calculated by starting with the Basic earnings number in terms of IAS 33 and then excluding all re-measurements that have been identified in The South African Institute of Chartered Accountants' Headline Earnings Circular 1/2021.

### 5. NON-IFRS MEASURES: ADJUSTED HEADLINE EARNINGS

Adjusted headline earnings is calculated by excluding items from headline earnings that have attributes of either being of a non-recurring nature, volatile, having a material impact on earnings or not incurred in the ordinary course of business, which would otherwise have not been considered under IAS 33: Earnings per share or the SAICA guideline on headline earnings. Management believes that the use of an adjusted headline earnings measure is helpful to users of financial statements and investors by providing a more meaningful measure of sustainable earnings or the quality of earnings and thereby improve performance comparisons between different reporting periods. The methodology of determining adjustments is applied consistently over the different reporting periods. Adjusted headline earnings is also one of the performance conditions applicable to the Group's share incentive schemes.

	52 weeks to 26 Jun 2022 Rm	52 weeks to 27 Jun 2021 Rm	% change
<b>Reconciliation of adjusted headline earnings</b>			
Headline earnings	3 825	3 580	6.8
Adjustments	(173)	(265)	
Lease exit and modification gains	(259)	(591)	
SA civil unrest costs, net of insurance proceeds*	(17)	–	
Restructure and store exit costs	60	123	
Unrealised foreign exchange (gains)/losses	(23)	14	
(Tax losses utilised)/deferred tax on assessed losses not recognised	(5)	33	
Tax impact of adjustments	71	156	
Adjusted headline earnings	3 652	3 315	10.2

\* Related to the unrest in KZN and parts of Gauteng in July.

KPMG Inc. have issued a reporting accountant's report on the non-IFRS measures, which is available for inspection at the Group's registered offices.

### 6. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The Group acquired property, plant and equipment at a fair value of R1 264 million (2021: R974 million) and intangible assets at a fair value of R551 million (2021: R451 million).

## NOTES TO THE CONDENSED CONSOLIDATED RESULTS (CONTINUED)

### 7. ISSUE AND PURCHASE OF SHARES

919 267 (2021: 2 976 552) ordinary shares totalling R54 million (2021: R122 million) were purchased from the market by Woolworths Proprietary Limited for the purposes of share incentive schemes and are held as treasury shares by the Group. 557 444 (2021: 1 356 675) ordinary shares totalling R35 million (2021: R52 million) were sold to the market in terms of the Group's Restricted Share Plan. 1 355 370 (2021: 871 618) ordinary shares totalling R74 million (2021: R54 million) previously purchased were allocated to employees in terms of the Group's Restricted Share Plan.

2 106 541 (2021: 1 400 582) ordinary shares totalling R124 million (2021: R52 million) were issued and allocated to employees in terms of the Group's other share incentive schemes.

14 049 287 (2021: nil) ordinary shares totalling R759 million (2021: nil) were repurchased from the open market on the JSE and cancelled. These ordinary shares were acquired at an average price of R54.03 per share.

### 8. CHANGE IN ACCOUNTING POLICIES

#### IFRIC AGENDA DECISION: CONFIGURATION OR CUSTOMISATION COSTS IN A CLOUD COMPUTING ARRANGEMENT

In April 2021, the IFRS Interpretations Committee (IFRIC) published an Agenda Decision for configuration and customisation costs incurred related to implementing Software as a Service (SaaS) arrangements. The IFRIC observed that, if an intangible asset cannot be recognised for costs incurred as a result of customisation or configuration, the costs should be expensed as services are received.

The Group has retrospectively changed its accounting policy relating to the accounting for configuration and customisation costs incurred in a SaaS arrangement. The Group reviewed all existing and past arrangements to quantify the impact of previously capitalised costs that should have been expensed, arising from the clarity detailed in the IFRIC Agenda Decision. As a result, previously reported Intangible assets, Deferred tax assets, Trade and other receivables and Equity attributable to shareholders of the parent at 27 June 2021 have been restated, as follows:

#### CONDENSED CONSOLIDATED GROUP STATEMENT OF FINANCIAL POSITION (EXTRACT)

	Reported Audited At 27 Jun 2021 Rm	Increase/ (decrease) Rm	Restated Audited At 27 Jun 2021 Rm
Intangible assets	7 546	(411)	7 135
Deferred tax assets	3 417	116	3 533
Trade and other receivables	1 248	29	1 277
Equity attributable to shareholders of the parent	9 571	(266)	9 305

The restatement has had no material impact on the Condensed Consolidated Group Statement of comprehensive income, Condensed Consolidated Group Statement of cash flows, nor on Earnings per share and Headline earnings per share for the 52 weeks to 27 June 2021 comparative period. The impact of this change in accounting policy on the financial results for the 52-week period ended 28 June 2020 is not materially different from the information presented above.

### 9. PRO FORMA FINANCIAL INFORMATION

This note sets out the illustrative impact on the financial information as follows:

- In note 9.1: for the 52 weeks to 26 Jun 2022, Turnover and concession sales have been reported against the prior year reported 52 weeks to 27 June 2021. These are important for understanding underlying business performance and are described as "Non-IFRS financial information".
- In note 9.2: for the 52 weeks to 26 Jun 2022, adjustments, as detailed in supplementary notes 2 and 3, have been made (respectively, the 'Non-IFRS financial information'). These are important for understanding underlying business performance and are described as "Non-IFRS financial information".
- In note 9.3.1: for the 52 weeks to 26 Jun 2022, Turnover and concession sales, Pro forma segmental contribution before interest and tax, Gross profit and Expenses have been shown on a constant currency basis.
- In note 9.3.2: for the 52 weeks to 26 Jun 2022, certain Group statement of financial position items have been shown on a constant currency basis.
- In note 9.4: for the 52 weeks to 26 Jun 2022, Free cash flow per share is presented.

The Non-IFRS financial information and constant currency information (collectively the 'pro forma financial information') is presented in accordance with the JSE Limited Listings Requirements, which requires that pro forma financial information be compiled in terms of the JSE Limited Listings Requirements and the SAICA Guide on Pro Forma Financial Information.

The pro forma financial information is the responsibility of the Group's directors and is based on the Group Annual Financial Statements for the 52 weeks to 26 June 2022 and 52 weeks to 27 June 2021.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, may not fairly present the Group's financial position, results of operations or cash flows.

#### 9.1 TURNOVER AND CONCESSION SALES

	Audited 52 weeks to 26 Jun 2022 (Rm)	Audited 52 weeks to 27 Jun 2021 (Rm)	% change
Turnover	80 067	78 763	1.7
Concession sales	6 953	7 094	(2.0)
Turnover and concession sales	87 020	85 857	1.4

#### Notes

- The '52 weeks to 26 Jun 2022' and '52 weeks to 27 Jun 2021' turnover financial information has been extracted, without adjustment, from the Condensed Consolidated Group Statement of comprehensive income for the 52 weeks to 26 Jun 2022 and 52 weeks to 27 Jun 2021, as presented in the Summary of the Audited Group Results for the 52 weeks ended 26 June 2022. The Concession sales information has been extracted from the Group's accounting records.

This illustrates the impact on financial information by including the turnover of concession operators of goods sold (concession sales) within the Group's stores. Concession sales are the sale of goods by concession operators and are not included in revenue, and have been extracted from the Group's accounting records.

## NOTES TO THE CONDENSED CONSOLIDATED RESULTS (CONTINUED)

### 9. PRO FORMA FINANCIAL INFORMATION (CONTINUED)

#### 9.2 ADJUSTMENT OF OPERATING PROFIT AND PROFIT BEFORE TAX

	Audited 52 weeks to 26 Jun 2022 (1) Rm	Adjust- -ments (2) Rm	Pro forma 52 weeks to 26 Jun 2022 (4) Rm	Audited 52 weeks to 27 Jun 2021 (1) Rm	Adjust- -ments (3) Rm	Pro forma 52 weeks to 27 Jun 2021 (4) Rm
Segmental contribution before interest and tax	7 118	(118)	7 000	7 581	(643)	6 938
Profit before tax	5 190	(118)	5 072	5 150	(582)	4 568

#### Notes

- The '52 weeks to 26 Jun 2022' and '52 weeks to 27 Jun 2021' financial information has been extracted, without adjustment, from the Condensed Consolidated Group Statement of comprehensive income for the 52 weeks to 26 Jun 2022 and 52 weeks to 27 Jun 2021, as presented in the Summary of the Audited Group Results for the 52 weeks ended 26 June 2022. Segmental contribution before interest and tax comprises Profit before tax, as illustrated on the Condensed Consolidated Group Statement of comprehensive income for the 52 weeks to 26 Jun 2022 and 52 weeks to 27 Jun 2021, and excludes Investment income of R67 million (2021: R83 million), Finance costs of R1 953 million (2021: R2 502 million) and Group entity costs of R42 million (2021: R12 million).
- Segmental contribution before interest and tax adjustments for the '52 weeks to 26 Jun 2022' comprise of Lease exit and modification gains of R259 million, SA civil unrest costs, net of insurance proceeds of R17 million, Restructure and store exit costs of R60 million, Unrealised foreign exchange gains of R23 million and Impairment of assets of R121 million, which results in an Adjusted segmental contribution before interest and tax. Profit before tax adjustments include all of the aforementioned adjustments, which results in an Adjusted profit before tax.
- Segmental contribution before interest and tax adjustments for the '52 weeks to 27 Jun 2021' comprise of Lease exit and modification gains of R591 million, Restructure and store exit costs of R123 million, Unrealised foreign exchange losses of R14 million, Impairment of assets of R364 million, Profit on sale of property in Australia of R492 million and exclude abnormal finance costs of R61 million, which results in an Adjusted Segmental contribution before interest and tax. Profit before tax adjustments include all of the aforementioned adjustments, as well as abnormal finance costs of R61 million, which results in an Adjusted profit before tax.
- The 'Pro forma 52 weeks to 26 Jun 2022' and the 'Pro forma 52 weeks to 27 Jun 2021' column reflects the pro forma financial information after adjusting for the items included in column 2 (2021: column 3), which results in an Adjusted segmental contribution before interest and tax (also referred to as Adjusted EBIT) and Adjusted profit before tax.

### 9.3 CONSTANT CURRENCY INFORMATION

#### 9.3.1 GROUP STATEMENT OF COMPREHENSIVE INCOME ITEMS

	Pro forma 52 weeks to 26 Jun 2022 Rm	Audited 52 weeks to 27 Jun 2021 (3) Rm	% change
Turnover and concession sales <sup>1</sup>	88 122	85 857	2.6
Pro forma segmental contribution before interest and tax (Adjusted EBIT) <sup>2</sup>	7 011	6 938	1.1

#### Notes

- Turnover and concession sales constant currency information has been presented to illustrate the impact of changes in the Group's major foreign currency, the Australian dollar. In determining the constant currency Turnover and concession sales growth rate, Turnover and concession sales denominated in Australian dollars for the current year have been adjusted by application of the aggregated monthly average Australian dollar exchange rate for the prior year. The aggregated monthly average Australian dollar exchange rate is R11.06/A\$ for the current year and R11.43/A\$ for the prior year. The foreign currency fluctuations of the Group's rest of Africa operations are not considered material and have therefore not been applied in determining the constant currency Turnover and concession sales growth rate.
- Pro forma segmental contribution before interest and tax (Adjusted EBIT) constant currency information has been presented to illustrate the impact of changes in the Group's major foreign currency, the Australian dollar. In determining the constant currency Pro forma segmental contribution before interest and tax (Adjusted EBIT) growth rate, Pro forma segmental contribution before interest and tax (Adjusted EBIT) denominated in Australian dollars for the current year has been adjusted by application of the aggregated monthly average Australian dollar exchange rate for the prior year. The aggregated monthly average Australian dollar exchange rate is R11.44/A\$ for the current year and R11.42/A\$ for the prior year. The foreign currency fluctuations of the Group's rest of Africa operations are not considered material and have therefore not been applied in determining the constant currency Pro forma segmental contribution before interest and tax (Adjusted EBIT) growth rate.
- The Turnover and concession sales and Pro forma segmental contribution before interest and tax (Adjusted EBIT) has been extracted from notes 9.1 and 9.2 above, respectively.

## NOTES TO THE CONDENSED CONSOLIDATED RESULTS (CONTINUED)

### 9. PRO FORMA FINANCIAL INFORMATION (CONTINUED)

#### 9.3 CONSTANT CURRENCY INFORMATION (CONTINUED)

##### 9.3.2 GROUP STATEMENT OF FINANCIAL POSITION ITEMS AT 26 JUNE 2022

	Pro forma At 26 Jun 2022 (1) Rm	Audited At 27 Jun 2021 (2) Rm	% change
<b>Assets</b>			
Property, plant and equipment	9 064	9 315	(2.7)
Intangible assets	7 352	7 135	3.0
Right-of-use assets	18 551	19 116	(3.0)
Investment in joint ventures	945	893	5.8
Inventories	8 609	8 501	1.3
Trade and other receivables	1 782	1 377	29.4
Derivative financial instruments	363	46	>100
Deferred tax and tax assets	3 289	3 581	(8.2)
Cash and cash equivalents	5 288	5 624	(6.0)
<b>Total assets</b>	<b>55 243</b>	<b>55 588</b>	<b>(0.6)</b>
<b>Equity and liabilities</b>			
Shareholders' funds	11 581	9 328	24.2
Borrowings and overdrafts	5 096	6 640	(23.3)
Lease liabilities	26 294	27 194	(3.3)
Other non-current liabilities	838	724	15.7
Derivative financial instruments	53	379	(86.0)
Deferred tax and tax liabilities	31	390	(92.1)
Trade and other payables and provisions	11 350	10 933	3.8
<b>Total equity and liabilities</b>	<b>55 243</b>	<b>55 588</b>	<b>(0.6)</b>

#### Notes

- The Group Statement of financial position items are at 26 June 2022 and the constant currency information has been determined by application of the closing Australian dollar exchange rate for the prior year to the current year Group Statement of financial position items. The closing Australian dollar exchange rate is R10.99/A\$ for the current year and R10.73/A\$ for the prior year.
- The 'At 27 Jun 2021' financial information has been extracted, without adjustment, from the reported 2021 Summary of the Audited Group Results for the 52 weeks ended 27 June 2021.

### 9.4 FREE CASH FLOW PER SHARE

Free cash flow per share is defined as Free cash flow divided by the Weighted Average Number of Shares in issue (WANOS). Free cash flow is determined in the table below, with the amounts extracted, without adjustment, from the Condensed Consolidated Group Statement of cash flows for the 52 weeks to 26 Jun 2022, as presented in the Summary of the Audited Group Results for the 52 weeks ended 26 June 2022.

	Audited 52 weeks to 26 Jun 2022 Rm
Cash generated by operations	8 008
Dividends received from joint ventures	112
Investment in property, plant and equipment and intangible assets to maintain operations	(1 066)
Proceeds on disposal of property, plant and equipment and intangible assets	7
Other loans advanced	(2)
Net acquisition of Treasury shares	(19)
Lease liabilities repaid	(2 741)
<b>Free cash flow</b>	<b>4 299</b>
WANOS (millions)	958.9
<b>Free cash flow per share (cents)</b>	<b>448.3</b>

KPMG Inc. have issued a reporting accountant's report on the pro forma financial information, which is available for inspection at the Group's registered offices.

## NOTES TO THE CONDENSED CONSOLIDATED RESULTS (CONTINUED)

### 10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of trade and other receivables, trade and other payables and borrowings approximate their fair values.

In terms of IFRS 9 Financial Instruments, the Group's derivative financial instruments are measured at fair value. The derivative financial instruments are determined to be Level 2 instruments under the fair value hierarchy as per IFRS 13 Fair value measurement. Derivatives are valued using valuation techniques with market observable inputs, with derivatives being mainly in respect of interest rate swaps and foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs, including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying index.

### 11. LEASE EXIT AND MODIFICATIONS GAINS

During the year, the Group renegotiated various leases with landlords, particularly within the David Jones segment, related mainly to reduction in lease terms and store closures. As a result, right-of-use assets and lease liabilities were modified by R1.7 billion (2021: R1.5 billion) and R1.3 billion (2021: R2.3 billion), respectively, with lease exit and modifications gains of R259 million (pre-tax) (2021: R591 million) recognised in profit or loss.

### 12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group has contractually committed to acquire a property in South Africa that will be used as a distribution centre, subject to fulfilment of certain conditions, at a cost of R195 million.

Group companies are party to legal disputes and investigations that have arisen in the ordinary course of business. Whilst the outcome of these matters cannot readily be foreseen, they are not expected to have any material financial effect.

### 13. BORROWING FACILITIES

Unutilised banking and debt facilities amount to R7 888 million (2021: R7 402 million) as follows:

	2022 Rm	2021 Rm
Committed	7 730	7 285
Uncommitted	158	117
Total	7 888	7 402

Notes to the value of R2.7 billion (2021: R3.3 billion) are outstanding under the South African Domestic Medium Term Note (DMTN) programme, which is a further source of funding to the Group. The DMTN programme is guaranteed by Woolworths Proprietary Limited and will be used to raise debt on an ongoing basis.

Debt facilities of A\$74.0 million (2021: A\$93.0 million) for Country Road Group (CRG) are secured by Real Property Mortgages and a General Security Deed over the assets of CRG. At 26 June 2022, the facilities are undrawn.

A rental bank guarantee of A\$25.5 million is in place at 26 June 2022 in David Jones. This facility is secured by Property Mortgages.

### 14. RELATED-PARTY TRANSACTIONS

The Group entered into related-party transactions, the substance of which is disclosed in the Group's 2022 Annual Financial Statements. Intragroup adjustments relate to the sale of concession goods between segments and supply chain distribution adjustments.

### 15. EVENTS SUBSEQUENT TO THE REPORTING DATE

Subsequent to year-end, the Group concluded the Board-approved R1.5 billion share repurchase by purchasing and cancelling 10 813 149 ordinary shares totalling R597 million. In addition, 2 550 000 ordinary shares totalling R145 million, which were repurchased before year-end, were cancelled after year-end.

On 30 August 2022, the Board declared a gross cash dividend of 149.0 cents (119.2 cents net of dividend withholding tax) (2021: 66.0 cents) for the 52 weeks ended 26 June 2022 to ordinary shareholders recorded at close of business on Friday, 16 September 2022, to be paid on Monday, 19 September 2022.

### 16. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved by the Board of Directors on 30 August 2022.

### 17. AUDIT OPINION

The condensed consolidated financial statements have been extracted from the audited Group Annual Financial Statements, but is not in itself audited. The Group Annual Financial Statements were audited by KPMG Inc., who expressed an unmodified opinion thereon. The audited Group Annual Financial Statements and the auditor's report thereon are available for inspection at the Company's registered office. The directors take full responsibility for the preparation of the summarised report and that the financial information has been correctly extracted from the underlying Group Annual Financial Statements.

However, the auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report, together with the accompanying financial information from the Company's registered office.



Woolworths Summer 2022

## DIRECTORATE AND STATUTORY INFORMATION

### NON-EXECUTIVE DIRECTORS

Hubert Brody (Chairman),  
Nambulelo Moholi (Lead Independent Director),  
Christopher Colfer (Canadian),  
Belinda Earl (British),  
David Kneale (British),  
Phumzile Langeni,  
Thembisa Skweyiya,  
Clive Thomson

### EXECUTIVE DIRECTORS

Roy Bagattini (Group Chief Executive Officer),  
Reeza Isaacs (Group Finance Director),  
Sam Ngumeni (Group Chief Operating Director)

### GROUP COMPANY SECRETARY

Chantel Reddiar

### DEBT OFFICER

Ian Thompson

### REGISTRATION NUMBER

1929/001986/06

### LEI

37890095421E07184E97

### SHARE CODE

WHL

### SHARE ISIN

ZAE000063863

### BOND COMPANY CODE

WHLI

### REGISTERED ADDRESS

Woolworths House, 93 Longmarket Street  
Cape Town 8001, South Africa  
PO Box 680, Cape Town 8000, South Africa

### TAX NUMBER

9300/149/71/4

### JSE SPONSOR AND DEBT SPONSOR

Rand Merchant Bank  
(A division of FirstRand Bank Limited)

### TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited  
15 Biermann Avenue, Rosebank 2196, South Africa

