mr price group limited

Unaudited Interim Group Results and Cash Dividend Declaration
26 weeks ended 28 September 2024

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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
LEI number: 378900D3417C35C5D733

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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
Deloitte & Touche
First Floor, The Skye, 2 Vuna Close, Umhlanga Ridge, 4319
PO Box 243, Durban, 4000

mr price group limited

Group results and interim cash dividend declaration

FOR THE 26 WEEKS ENDED 28 SEPTEMBER 2024

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/2024/JSE/ISSE/MRPE/21112024.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	Gross profit	EBITDA
R17.6bn	R6.8bn	R3.5bn
+5.2%	+8.1%	+5.8%
HEPS	**Dividend per share**	**Cash resources**
481.8c	303.6c	R2.2bn
+7.1%	+7.1%	+90.4%

Interim Cash Dividend Declaration

An interim dividend of 303.6 cents per share (242.88 cents net of dividend withholding tax of 20% for shareholders who are not exempt) was declared. The dividend has been declared from income reserves. The salient dates for the dividend are as follows:

Last date to trade 'cum' dividend	Tuesday	10 December 2024
Date trading commences 'ex' dividend	Wednesday	11 December 2024
Record date	Friday	13 December 2024
Payment date	Tuesday	17 December 2024

Note:
Shareholders may not dematerialise or rematerialise their share certificates between Wednesday, 11 December 2024 and Friday, 13 December 2024, both dates inclusive.

Commentary: Profitable market share gains and strong momentum into H2

For the 26 weeks ended 28 September 2024 ("Period"), Mr Price Group increased total revenue by 5.2% to R17.6bn. The group gained 60bps of market share, as its retail sales growth of 5.1% outperformed the comparable market's sales growth of 2.2% (RLC: April 2024 - September 2024). These gains were achieved with a gross margin expansion of 110bps to 39.7%.

Basic and headline earnings per share of 481.5 cents and 481.8 cents were up 7.3% and 7.1% respectively. Diluted headline earnings per share grew 6.5% to 468.0 cents.

While there were macroeconomic positives of no loadshedding, increased political stability and the appreciation of the Rand, the earnings performance during the Period is reflective of the continued constraint on consumer affordability levels. Negative real wage growth and low disposable income growth remained weighed down by the effects of previously prolonged periods of high inflation, elevated interest rates and high consumer debt servicing levels.

The resilience of the group's EDLP model through a persistently challenging retail environment is highlighted by its market share performance. The group gained market share in 5 out of 6 months, only losing share in the highly promotional month of July as competitor winter merchandise was discounted (the group gained GP margin in July). The group has now gained market share for four consecutive quarters.

Group CEO, Mark Blair, said: "The financial year started with a very challenging first quarter, impacted by a contraction in the economy caused by uncertainty prior to the national elections and the late onset of winter. We are very satisfied with our overall market share performance which was supported by higher gross margins in all three trading segments. The increasing sales momentum in the second quarter and the strong start in the second half with sales up 12.4% in the first 7 weeks is encouraging and hopefully early signs that South Africa is entering an upward economic cycle."

An interim dividend of 303.6 cents per share was declared, up 7.1% and a pay-out ratio of 63% was maintained.

Group results summary

Group retail sales of R16.9bn increased 5.1% (Q1: 4.9%; Q2: 5.3%) and comparable store sales increased 0.4% (Q1: 0.1%; Q2: 0.7%), reflecting improving momentum through Q2. Other income of R636m was up 4.8% and finance income of R91m increased 59.4% as the group's cash balance of R2.2bn continues to build post the Studio 88 acquisition.

Group store sales increased 5.1% and online sales 4.0%. The group's focused investment in its omni-channel offering, aligned with its customers' preference for in-store shopping, supported its consistent achievement of being ranked as the most shopped retailer in South Africa (MAPS 2024). Total unit sales increased 2.0% and retail selling price (RSP) inflation was contained at 2.7% as the group continued to deliver on its leading value proposition for its customers.

The store footprint at the end of the Period closed at 2 958 stores, increasing by 92 new stores across the group's 15 trading chains. Weighted average trading space increased 4.9%. On 27 November, the group will open its 3000th store, a significant milestone which represents decades of focused capital investment, growth, and an unyielding commitment to bringing fashion-value to South Africans.

Cash sales constituted 88.1% of group retail sales and increased 5.1%. Despite the Transunion Consumer Credit Index showing early signs of recovery, the group's credit sales growth of 2.7% reflects an ongoing prudence in extending new credit accounts in the current environment. Demand for credit from consumers remained high as new account applications increased 32.6%, however the approval rate of 19.0% was appropriate based on customer affordability constraints. The group will continue to review its credit growth appetite as the environment improves, supported by additional interest rate cuts.

The group's gross profit margin increased 110bps to 39.7%. All segments reported expanded margins, supported by lower markdowns due to strong merchandise execution and a clean winter season exit. Continued discipline on merchandise execution and focus on stock management have been instrumental in delivering positive margin gains.

Profit from operating activities increased 4.0% to R2.0bn. Total expenses increased 9.2% as the group continued its space growth investment (new weighted average space growth of 6.1%). Operating margin decreased 10bps to 11.4% of retail sales and other income, mainly attributable to the challenging Q1 sales environment. The group's operating margin in H1 is typically seasonally lower than H2.

The Financial Services segment's revenue increased 6.4% to R472m. Debtors' interest and fees were up 6.0% and Mr Price Insurance increased 7.3%. Persistent tightening of the credit granting scorecard through this challenging cycle has enabled the group to keep its net bad debt to book ratio at industry low levels and remains adequately provided for. While there may be opportunity in an improving credit cycle, the group remains cautious in its credit granting posture and will be led by customer affordability metrics.

Inventory management remains an area of key focus across the group which supported its ability to exit the winter season in a clean position and minimise end of season markdowns. Gross inventory growth of 13.6% at the end of the Period was driven by the early arrival of stock ahead of the festive period to ensure that global supply chain disruption was minimised. Excluding goods in transit, inventory was up 9.5%. Stock freshness (0 - 3 months ageing) at the end of the Period of 86.5% was significantly higher than the prior period of 81.0%.

Capital expenditure of R383m was primarily allocated towards new stores and revamps. The annual capex forecast of approximately R1bn and 200 stores remains. The group's cash conversion ratio increased to 83.7% and it ended the Period debt free and with available cash of R2.2bn.

Outlook

South Africa's economic outlook has improved since the general elections in May. A collaborative Government of National Unity has brought renewed optimism and has established a platform to support higher economic growth.

The group anticipates that the persistence of economic and consumer pressures experienced in H1 will begin to ease. Lower inflation, interest rate cuts and the implementation of the two-pot retirement system will buoy disposable income and discretionary spending.

The group planned its festive season inventory intake early to mitigate supply chain risks and ensure that it has optimal stock levels. Early signs of a recovery in the retail environment were seen in Q2 with improving sales growth in all 3 months. September closed with sales growth of 6.6% and this momentum continued into October with sales up 11.5% ahead of the market's 7.4%, resulting in further market share gains of 60bps for the group. The first two weeks of November started strongly with sales increasing 14.7%. All trading segments delivered double digit growth in the seven week period to 16 November and recorded improvements in GP margin.

The group is confident that it can continue to execute strongly and deliver appealing fashion-value merchandise at everyday low prices. Delivering profitable market share gains and returns in line with the group's annual medium-term targets remain key strategic outcomes in H2.

The festive trading period is a key time in the retail trading calendar and places additional demand on all components of the business. Management is confident in the strength of its team across the organisation and is satisfied with the careful planning undertaken to ensure that its merchandise and operational outcomes can be achieved.

The group has continued to invest through the negative economic cycle and in the last five years has invested nearly R10bn in capital expenditure and acquisitions, while returning R8.6bn to shareholders as dividends, all from cash generated in the business. The company remains debt free and is well positioned to capitalise on an improving consumer environment. Considerable progress has been made in identifying opportunities to lead the group into its next phase of growth and pursuit of its long-term vision.

The group will report its voluntary Q3 trading update in late January 2025.

mr price | mr price home | mr price sport | mr price money | sheet•street | MILADYS | POWER FASHION | YUPPIECHEF | studio 88

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), P Nundkumar (CFO), N Abrams*, MJ Bowman*, JA Canny*, RJD Inskip*, H Ramsumer*, LA Swartz*, R Nkabinde* Non-executive director
Sponsor	Investec Bank Limited
Transfer Secretaries	Computershare Investor Services (Pty) Ltd

PRESS RELEASE

MR PRICE GROUP LIMITED REPORTS INTERIM RESULTS FOR THE 26 WEEKS ENDED 28 SEPTEMBER 2024

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Group CEO, Mark Blair, said: "The financial year started with a very challenging first quarter, impacted by a contraction in the economy caused by uncertainty prior to the national elections and the late onset of winter. We are very satisfied with our overall market share performance which was supported by higher gross margins in all three trading segments. The increasing sales momentum in the second quarter and the strong start in the second half with sales up 12.4% in the first 7 weeks is encouraging and hopefully early signs that South Africa is entering an upward economic cycle."

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Group store sales increased 5.1% and online sales 4.0%. The group's focused investment in its omni-channel offering, aligned with its customers' preference for in-store shopping, supported its consistent achievement of being ranked as the most shopped clothing retailer in South Africa (MAPS 2024). Total unit sales increased 2.0% and retail selling price (RSP) inflation was contained at 2.7% as the group continued to deliver on its leading value proposition for its customers.

The store footprint at the end of the Period closed at 2 958 stores, increasing by 92 new stores across the group's 15 trading chains. Weighted average trading space increased 4.9%. On 27 November, the group will open its 3000th store, a significant milestone which represents decades of focused capital investment, growth, and an unyielding commitment to bringing fashion-value to South Africans.

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Segmental performance

	Retail sales growth	Cont. to retail sales
H1 FY2025 vs H1 FY2024		
Apparel segment	4.9%	78.7%
Home segment	4.3%	17.7%
Telecoms segment	13.1%	3.6%
Total group	5.1%	

Retail sales for the Apparel segment increased 4.9% to R13.3bn, outperforming the comparable market's sales growth of 1.7% (RLC). In Q2, retail sales accelerated monthly, ending the Period with sales growth of 6.8% in September. Comparable retail sales for the Period increased 0.6%. The segment gained 60bps of market share and extended its winning performance to 5 consecutive quarters. The group's largest division, Mr Price Apparel, continued its positive momentum and has now regained over R1bn in market share from competitors in the last 12 months. Power Fashion delivered the highest sales growth in the segment and continued to gain market share. Studio 88 who sell predominantly branded merchandise, navigated a challenging period and management is confident in their strategic plans to deliver in H2.

The Homeware segment's retail sales increased 4.3% to R3.0bn, and sales growth accelerated from Q1 to Q2. Comparable sales turned positive during the Period, increasing from -0.6% in Q1 to 0.8% in Q2. The segment delivered an improved market share performance during the Period, supported by strong gains in GP margin. Each division in the segment continues to effectively execute their strategic plans and the segment is well positioned to continue to build on the positive momentum.

The Telecoms segment continued to deliver double digit retail sales growth, up 13.1% to R603m. The segment, made up of Mr Price Cellular and Powercell continued to gain market share, up a further 80bps during the Period. The segment has now gained market share for 30 consecutive quarters since its inclusion in the Growth from Knowledge (GfK) panel. With 553 store-in-store concepts and 46 stand-alone stores, the segment has significant future growth opportunities across the group.

The Financial Services segment's revenue increased 6.4% to R472m. Debtors' interest and fees were up 6.0% and Mr Price Insurance increased 7.3%. Persistent tightening of the credit granting scorecard through this challenging cycle has enabled the group to keep its net bad debt to book ratio at industry low levels and remains adequately provided for. While there may be opportunity in an improving credit cycle, the group remains cautious in its credit granting posture and will be led by customer affordability metrics.

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The group will report its voluntary Q3 trading update in late January 2025.

This short form announcement has not been reviewed or reported on by the company's auditors.

INTERIM CASH DIVIDEND DECLARATION

Notice is hereby given that an interim gross cash dividend of 303.60000 cents per share was declared for the 26 weeks ended 28 September 2024, a 7.1% 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 242.88000 cents per share. The dividend withholding tax rate is 20%.

The issued share capital at the declaration date is 256 991 496 listed ordinary and 6 592 786 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	Tuesday	10 December 2024
Date trading commences 'ex' the dividend	Wednesday	11 December 2024
Record date	Friday	13 December 2024
Payment date	Tuesday	17 December 2024

Shareholders may not dematerialise or rematerialise their share certificates between Wednesday, 11 December 2024 and Friday, 13 December 2024, both dates inclusive.

Shareholders should note that dividend payments will 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 ("Computershare"). 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 on 20 November 2024.

DIRECTORS

SB Cohen* (Honorary Chairman), NG Payne* (Chairman), MM Blair (CEO), P Nundkumar (CFO), N Abrams*, MJ Bowman*, JA Canny*, RJD Inskip*, R Nkabinde*, H Ramsumer*, LA Swartz*

* Non-executive director

UNAUDITED GROUP RESULTS FOR THE 26 WEEKS ENDED 28 SEPTEMBER 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'm	2024 28 Sep Unaudited	2023 30 Sep Restated^ Unaudited	2024 30 Mar Restated^ Unaudited
Assets			
Non-current assets	**16 731**	16 796	16 838
Property, plant and equipment	**4 127**	3 927	4 072
Right-of-use asset	**7 155**	7 231	7 237
Intangible assets	**5 056**	5 232	5 101
Long-term receivables and other assets	**41**	42	44
Defined benefit fund asset	**89**	85	89
Deferred taxation assets	**263**	279	295
Current assets	**14 405**	12 326	12 978
Inventories	**9 020**	7 820	7 078
Trade and other receivables	**3 072**	2 674	2 969
Derivative financial instruments	**-***	50	2
Cell captive structure	**130**	127	124
Taxation	**24**	192	7
Cash and cash equivalents	**2 159**	1 463	2 798
Total assets	**31 136**	29 122	29 816
Equity and liabilities			
Total equity	**13 219**	12 363	13 421
Equity attributable to shareholders	**12 376**	11 442	12 363
Non-controlling interests	**843**	921	1 058
Non-current liabilities	**7 654**	8 068	8 491
Lease Liability	**6 228**	6 371	6 512
Deferred taxation liabilities	**337**	356	343
Interest-bearing loans	**-**	48	38
Post retirement medical benefits	**23**	21	22
Non-controlling interest liability	**1 066**	1 272	1 576
Current liabilities	**10 263**	8 691	7 904
Trade and other payables	**6 903**	5 719	5 175
Derivative financial instruments	**109**	3	2
Current portion of interest-bearing loans	**3**	40	34
Current portion of lease liability	**2 370**	2 230	2 126
Taxation	**287**	2	138
Non-controlling interest liability	**591**	368	429
Bank overdraft	**-**	329	-
Total equity and liabilities	**31 136**	29 122	29 816

* Less than R1 million
^ Refer to Note 10 for details of the restatement

CONDENSED CONSOLIDATED INCOME STATEMENT

R'm	2024 28 Sep 26 weeks Unaudited	2023 30 Sep 26 weeks Unaudited	% change	2024 30 Mar 52 weeks Unaudited
Revenue	**17 629**	16 751	5.2	37 944
Retail sales	**16 902**	16 087	5.1	36 586
Other revenue excluding interest charged on debtors	**404**	383	5.5	740
Interest on debtors	**232**	224	3.6	457
Retail sales and other revenue	**17 538**	16 694	5.1	37 783
Costs and expenses	**15 538**	14 771	5.2	32 476
Cost of sales	**10 240**	9 922	3.2	22 144
Selling expenses	**3 983**	3 612	10.3	7 665
Administrative and other operating expenses	**1 315**	1 237	6.3	2 667
Profit before finance costs and finance income	**2 000**	1 923	4.0	5 307
Finance interest income	**91**	57	59.4	161
Finance costs	**(404)**	(393)	3.0	(806)
Profit before taxation	**1 687**	1 587	6.3	4 662
Taxation	**451**	426	5.9	1 238
Net profit for the period	**1 236**	1 161	6.5	3 424
(Loss)/profit attributable to non-controlling interests	**(3)**	7	(137.6)	144
Profit attributable to equity holders of parent	**1 239**	1 154	7.3	3 280
Weighted average number of shares in issue	**257 251**	257 186	0.0	257 016
Earnings per share (cents)				
- basic	**481.5**	448.8	7.3	1 276.2
- diluted basic	**467.7**	438.4	6.7	1 242.9
Dividends per share (cents)	**303.6**	283.5	7.1	810.3
Dividend payout ratio	**63.0**	63.0		63.0

Headlines earnings per share (cents)				
- headline	**481.8**	449.9	7.1	1 286.2
- diluted headline	**468.0**	439.5	6.5	1 252.6

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'm	**2024 28 Sep 26 weeks Unaudited**	2023 30 Sep 26 weeks Unaudited	2024 30 Mar 52 weeks Unaudited
Profit attributable to shareholders	**1 236**	1 161	3 424
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation adjustments	**(20)**	1	(13)
(Loss)/gain on hedge accounting	**(108)**	14	(27)
Deferred taxation thereon	**29**	(4)	7
Items that will not be reclassified subsequently to profit or loss:			
Defined benefit fund net actuarial (loss)/gain	**(1)**	(1)	(6)
Deferred taxation thereon	**-***	-*	1
Total comprehensive income	**1 136**	1 171	3 386

* Less than R1 million

Total comprehensive income attributable to:			
Owners of the parent	**1 139**	1 164	3 242
Non-controlling interest	**(3)**	7	144
	1 136	1 171	3 386

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'm	**2024 28 Sep 26 weeks Unaudited**	2023 30 Sep 26 weeks Restated^ Unaudited	2024 30 Mar 52 weeks Restated^ Unaudited
Total equity at beginning of the period^	**13 421**	12 326	12 326
Total comprehensive income for the period	**1 136**	1 171	3 386
Treasury share transactions	**132**	-	(98)
Recognition of share-based payments	**17**	75	121
Dividends to shareholders	**(1 382)**	(1 171)	(1 911)
Movement - non-controlling interest liability	**(105)**	(38)	(403)
Total equity at end of the period	**13 219**	12 363	13 421

^ Opening equity has been restated. Refer to Note 10 for details of the restatement

Total equity at end of the period			
Owners of the parent	**12 376**	11 442	12 363
Non-controlling interest	**843**	921	1 058
	13 219	12 363	13 421

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

R'm	2024 28 Sep 26 weeks Unaudited	2023 30 Sep 26 weeks Unaudited	2024 30 Mar 52 weeks Unaudited
Cash flows from operating activities			
Operating profit before working capital changes	**3 213**	3 055	7 885
Working capital changes	**(287)**	324	122
Cash generated from operations	**2 926**	3 379	8 007
Interest on trade receivables	**252**	235	459
Finance costs paid	**(36)**	(41)	(95)
Finance income received	**72**	47	161
Taxation paid	**(264)**	(908)	(1 386)
Net cash inflows from operating activities	**2 950**	2 712	7 146
Cash flows from investing activities			
Receipts in respect of long-term receivables	**4**	5	3
Payment for intangible assets acquired			
- additions	**(15)**	(46)	(69)
Payment for property, plant and equipment (PPE) acquired			
- replacement	**(97)**	(154)	(247)
- additions	**(204)**	(304)	(668)
Receipts from proceeds on disposal of PPE	**5**	3	3
Proceeds from insurance relating to PPE	**4**	1	2
Net cash outflows from investing activities	**(303)**	(495)	(976)
Cash flows from financing activities			
(Payment)/receipt relating to interest-bearing loans	**(20)**	(1)	8
Repayment of capital portion of lease liability and instalment sale agreement	**(1 162)**	(999)	(2 089)
Repayment of interest portion of lease liability and instalment sale agreement	**(369)**	(353)	(715)
Receipts relating to sale of shares by staff share trusts	**168**	(1)	27
Payment relating to purchase of shares by staff share trusts	**(48)**	-	-
Payment relating to acquisition of non-controlling interest	**(453)**	-	-
Treasury share transactions	**-**	-	(22)
Payment relating to share hedging costs and instruments	**(4)**	(3)	(111)
Dividends paid to shareholders	**(1 381)**	(1 171)	(1 911)
Net cash outflows from financing activities	**(3 269)**	(2 528)	(4 813)
Net decrease in cash and cash equivalents	**(622)**	(311)	1 357
Cash and cash equivalents at beginning of the year	**2 798**	1 442	1 442
Exchange (losses)/gains	**(17)**	3	(1)
Cash and cash equivalents at end of the year	**2 159**	1 134	2 798

SEGMENTAL REPORTING

For management reporting purposes, the group has reported business units based on how the group's chief decision makers (CODM's) operate the business, being the CEO and CFO.

Chief operating decision makers monitor 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.

The five reportable segments are as follows:

- The Apparel segment retails clothing, sportswear, footwear, sporting equipment and accessories. This segment includes the following trading divisions: Mr Price Apparel, Mr Price Sport, Miladys, Power Fashion and the Studio 88 group.
- The Homeware segment retails homeware and furniture. This segment includes Mr Price Home, Sheet Street and Yuppiechef.
- The Financial Services segment manages the group's trade receivables and sells financial services products.
- The Telecoms segment sells cellular products and services.
- The Central Services segment provides chargeable and non chargeable services to the trading segments noted. The trading segments are only allocated costs for information technology, distribution costs and shared services costs which is done in proportion to their relative sales contribution to the group. All remaining centre of excellence costs (corporate and governance services) which are not directly related to the running of the segments are not charged out. Segments are managed on a targeted operating margin percentage basis. Net finance income and income taxes are managed at a group level and are not allocated to operating segments.

R'm	**2024 28 Sep 26 weeks Unaudited**	2023 30 Sep 26 weeks Unaudited	% change	2024 30 Mar 52 weeks Unaudited
Retail sales				
Apparel	**13 298**	12 677	4.9	29 145
Home	**3 001**	2 877	4.3	6 270
Telecoms	**603**	533	13.1	1 171
Total	**16 902**	16 087	5.1	36 586
Other revenue				
Apparel	**32**	18	78.8	62
Home	**3**	9	(62.6)	13
Financial Services	**472**	444	6.4	869
Telecoms	**103**	87	18.1	185
Central Services	**26**	50	(48.0)	68
Total	**636**	607	4.8	1 197
Cost of sales*				
Apparel	**(7 952)**	(7 721)	3.0	(17 344)
Home	**(1 736)**	(1 711)	1.5	(3 723)
Telecoms	**(552)**	(490)	12.5	(1 077)
Total	**(10 240)**	(9 922)	3.2	(22 144)
Gross profit margin (%)*				
Apparel	**40.2**	39.1	110 bps	40.5
Home	**42.2**	40.5	170 bps	40.6
Telecoms	**20.3**	20.0	30 bps	19.2
Total	**39.7**	38.6	110 bps	39.7

R'm	2024 28 Sep 26 weeks Unaudited	2023 30 Sep 26 weeks Unaudited	% change	2024 30 Mar 52 weeks Unaudited
Selling expenses*				
Apparel	(2 960)	(2 636)	12.3	(5 681)
Home	(717)	(648)	10.7	(1 372)
Financial Services	(207)	(254)	(18.6)	(444)
Telecoms	(71)	(50)	41.5	(122)
Central Services	(28)	(24)	16.7	(46)
Total	(3 983)	(3 612)	10.3	(7 665)
Profit before finance costs and finance income				
Apparel	1 503	1 528	(1.6)	4 455
Home	284	263	7.8	662
Financial Services	292	217	34.6	514
Telecoms	72	63	14.7	133
Central Services	(151)	(148)	2.0	(457)
Total	2 000	1 923	4.0	5 307
Segment assets				
Apparel	17 471	16 341	6.9	15 557
Home	3 262	3 307	(1.4)	3 203
Financial Services	2 657	2 367	12.2	2 626
Telecoms	461	304	51.7	429
Central Services	7 285	6 803	7.1	8 001
Total	31 136	29 122	6.9	29 816

* The segment information for 30 September 2023 and 30 March 2024 has been presented in light of the guidance provided by the IFRS Interpretations Committees (IFRIC) final agenda decision relating to IFRS 8 Operating Segments on the disclosure of income and expense line items for reportable segments. The group has elected to provide additional disclosure in light of the IFRIC agenda decision.

SUPPLEMENTARY INFORMATION

	2024 28 Sep 26 weeks Unaudited	2023 30 Sep 26 weeks Unaudited	2024 30 Mar 52 weeks Unaudited
Total number of shares issued (000)	263 584	263 584	263 584
Number of Ordinary shares (000)	256 991	256 791	256 791
Number of B Ordinary shares (000)	6 593	6 793	6 793
Less: shares held by share trusts	5 582	6 392	6 756
Net number of shares in issue (000)	258 002	257 192	256 828
Weighted average number of shares in issue (000)	257 251	257 186	257 016
Net asset value per share (cents)	5 766	5 086	6 006
Reconciliation of headline earnings (R'm)			
Attributable profit	1 239	1 154	3 280
Loss on disposal and impairment /reversal of impairment of property, plant, equipment (PPE), intangible assets and right-of-use assets and insurance proceeds on PPE	1	4	35
Taxation adjustment	- *	(1)	(9)
Headline earnings	1 240	1 157	3 306

* Less than R1 million

Notes:

1. The interim results at 28 September 2024, the restated 30 September 2023 interim results and the restated 30 March 2024 annual results, for which the directors take full responsibility, have not been audited. The interim results were prepared under the supervision of Mr P Nundkumar, CA(SA), Chief Financial Officer.

2. The interim results are prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the South African Companies Act 71 of 2008. The JSE Limited Listings Requirements require interim results 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 the condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements.

3. The disaggregated revenue is as follows:

R'm	2024 28 Sep	2023 30 Sep	2024 30 Mar
Revenue from contracts with customers	17 115	16 281	36 945
Retail sales	16 902	16 087	36 586
Insurance revenue	124	115	198
Telecoms income (non-retail)	89	79	161
Interest and charges on debtors	349	329	671
Other sundry income	74	84	167
Finance income	91	57	161
Revenue	17 629	16 751	37 944
Tender type Retail sales	16 902	16 087	36 586
Cash sales	14 884	14 123	32 513
Credit sales	2 018	1 964	4 073

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.

4. 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. In June 2022, SARS raised assessments disallowing certain deductions, as well as including receipts of a capital nature in taxable income, for the 2018, 2019 and 2020 years of assessment. The company, supported by senior counsel opinion, is in the process of legally disputing all of these assessments. No adjustments have been made to the financial statements as the directors are of the opinion that the likelihood of the liability is not material.

5. Management has evaluated the half year provisioning amounts for inventory and trade receivables in relation to current economic conditions and believe the current amounts represent adequate cover in light of both qualitative and quantitative factors.

   The provision for net realisable value of inventory represents management's estimate of the extent to which merchandise at the reporting date will be sold below cost. The inventory provision of R586m (30 March 2024: R609m) represents 6.0% (30 March 2024: 7.9%) of the inventory balance at half year.

   The provision for impairment of trade receivables represents management's estimate of the extent to which trade receivables at the reporting date will not be subsequently recovered. The impairment of total trade receivables provision represents 13.0% (30 March 2024:13.9%) of the trade receivables balance. The gross trade receivables balance at half year increased 0.1% to R2 851m (30 March 2024: to R2 848m).

6. The group has assessed right-of-use assets, intangible assets and goodwill for impairment and no further impairments were required to be recognised.

7. The directors and management have reviewed the group's budget and cash flow forecasts, and related solvency and liquidity ratios. They have also considered the current trading environment. On the basis of this review, and in the light of the current financial position and existing borrowing facilities, the directors are satisfied that the group is a going concern and have continued to adopt the going concern basis in preparing the interim results.

8. Supplier finance arrangements - amendments to IAS 7 and IFRS 7 are effective for annual reporting periods beginning on or after 1 January 2024. The amendments are intended to increase the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows, and liquidity risk resulting in additional disclosure requirements in the year end reporting.

9. The group purchased an additional 6% of the issued share capital of Blue Falcon Trading 188 (Proprietary) Limited ("Studio 88"), effective 31 March 2024 for a total consideration of R453m. The effective shareholding in Studio 88 increased to 76%. The consideration was settled through cash resources.

10. Restatement relating to non-controlling interest liability

    Effective 4 October 2022, the Group acquired 70% of the equity of Blue Falcon Trading 188 (Pty) Ltd ("Studio 88 Group") with the terms of the remaining 30% of equity to be purchased in 3 tranches set out in the shareholders agreement. The review of the shareholders agreement and purchase and sale agreement identified that a financial liability should have been recognised at acquisition date for the remaining 30% as the Group does not have the right to avoid acquiring the remaining shares from the non-controlling interest shareholders. This liability is required to be raised in accordance with IAS 32 Financial Instruments: Presentation as a contract that contains an obligation for an entity to purchase its own equity instruments for cash that gives rise to a financial liability. The financial liability has been calculated based on the present value of the future cash flows using the contract pricing methodology as at acquisition date discounted by an appropriate discount rate.

    Due to the material nature of this transaction the recognition of this liability requires a restatement of prior period financial statements and has been accounted for as a prior period error in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. As a result, comparative periods ended 30 September 2023 and the year ended 30 March 2024 have been restated. The group has accounted for all movements in the financial liability in equity.

    There is no impact to the condensed consolidated income statement, condensed consolidated statement of comprehensive income or condensed consolidated statement of cash flows.

    The impact on the condensed consolidated statement of financial position is as follows:

Rm	Previously reported period ended 30 September 2023 Unaudited	Adjustment Unaudited	Restated period ended 30 September 2023 Unaudited
Total equity	14 003	(1 640)	12 363
Equity attributable to shareholders	13 082	(1 640)	11 442
Non-current liabilities	6 796	1 272	8 068
Non-controlling interest liability	-	1 272	1 272
Current liabilities	8 323	368	8 691
Non-controlling interest liability	-	368	368

Rm	Previously reported period ended 30 March 2024 Audited	Adjustment Unaudited	Restated period ended 30 March 2024 Unaudited
Total equity	15 426	(2 005)	13 421
Equity attributable to shareholders	14 368	(2 005)	12 363
Non-current liabilities	6 915	1 576	8 491
Non-controlling interest liability	-	1 576	1 576
Current liabilities	7 475	429	7 904
Non-controlling interest liability	-	429	429

The impact on the condensed consolidated statement of changes in equity is as follows:

Rm	Previously reported period ended 30 September 2023 Unaudited	Adjustment Unaudited	Restated period ended 30 September 2023 Unaudited
Total equity at beginning of period	13 928	(1 602)	12 326
Movement - non-controlling interest liability	-	(38)	(38)
Total equity at end of the period	14 003	(1 640)	12 363

Rm	Previously reported period ended 30 March 2024 Audited	Adjustment Unaudited	Restated period ended 30 March 2024 Unaudited
Total equity at beginning of period	13 928	(1 602)	12 326
Movement - non-controlling interest liability	-	(403)	(403)
Total equity at end of the period	15 426	(2 005)	13 421

11. The fair value of foreign exchange contracts (FECs), synthetic forwards, options and oil hedge options as calculated by the banks is measured using a forward pricing model. The significant inputs into the Level 2 fair value of FECs, synthetic forwards and options are yield curves, market interest rates and market foreign exchange rates. The significant inputs into the Level 2 fair value of the oil hedge Options are volume (litres), daily ZAR price per litre, market foreign exchange rates and the average month/calculation period. The estimated fair values of recognised financial instruments approximate their carrying amounts.

Durban
21 November 2024