PEPKOR
Holdings Limited

Interim results

for the six months ended
31 March 2025

Pepkor delivers 18.9% growth in normalised headline earnings per share

Strong half-year results driven by consistent retail performance, strategic execution in fintech and disciplined cost management

Performance highlights[1]

+12.8% revenue growth to **R48.8 billion**

+110 bps gross profit margin expansion to **39.2%**

+13.3% operating profit growth to **R5.8 billion**

+12.4% growth in HEPS to **84.3 cents**

+18.9% normalised[2]

82.3% cash conversion[3]

23.7% return on net assets[3]

[1] Continuing operations.
[2] Normalised results are adjusted for the normalisation in the group's effective tax rate. Refer to the pro forma financial information for further detail.
[3] Rolling 12-month basis.

Group performance – continuing operations

Continued strong trading momentum drives market share gains in retail

The group's core Traditional Retail operations demonstrated strong trading momentum during the period, outperforming the market and expanding market share*. Trading performance was supported by improved product availability, healthy growth in retail credit interoperability and solid growth in cellular connectivity.

While tailwinds such as downward trending inflation, reduced electricity load shedding and the introduction of the two-pot retirement system provided some relief, the market remains subdued and highly competitive. Structural challenges including high unemployment and low economic growth persist, and consumers remain financially constrained. The group's ability to deliver robust results in this context underscores the resilience of its defensive business model, which remains firmly focused on meeting customer needs.

Healthy growth in fintech – enabled by the group's retail core

The FinTech segment continued to deliver healthy growth, underpinned by strategic execution and extensive reach across all channels, which provide unparalleled customer acquisition capabilities.

The group's retail credit strategy expanded the A+ retail credit base to 3.1 million customer accounts with 564 000 new accounts opened during the period. The group's interoperability strategy saw a further increase in customer cross-shopping behaviour across Pepkor's South Africa-based Clothing and general merchandise (CGM) brands.

Cellular market share expanded further, with the group now selling eight out of every 10 prepaid handsets in South Africa (GfK). The newly developed FoneYam smartphone rental product has been highly successful, enabling more than 1.5 million customers to acquire smartphones by solving previous affordability barriers. FoneYam also made a meaningful contribution to group profitability during the period.

The group's insurance business, Abacus, expanded its embedded and bundled product offerings by successfully integrating and leveraging its capabilities across the group. The group's retail store footprint remains a powerful distribution platform – the widest in South Africa – driving efficient customer acquisition and supporting recurring revenue growth.

The Flash business increased throughput by 23.6% to R28.8 billion, driven by the growth and resilience of the informal economy and its ability to develop fintech solutions that digitise cash and empower customers to transact seamlessly, no matter where they are. The group's footprint in the informal market economy continues to expand, with 175 000 traders delivering customer solutions that promote financial inclusion.

Strategic developments

1 Entering new customer segments

The acquisition of Choice Clothing (Choice) was announced on 26 November 2024, concluded in May 2025 and will be implemented from 1 June 2025. This will allow the group to enter the emerging semi-formal off-price customer segment. Choice will be a separate business unit within the group to ensure it retains its entrepreneurial business model, however, it will have access to the PEP infrastructure to leverage its capabilities in sourcing, supply chain and financial services. Choice operates 107 stores and has the opportunity to expand to more than 300 stores.

2 Expanding and scaling the group's Home Lifestyle business

The acquisition of Shoprite's furniture business announced on 3 September 2024 will add c. 400 stores to the Lifestyle business's store base of 922 stores. This will enable expansion of its value proposition through a complementary product mix in furniture, bedding, appliances and consumer electronics, while also expanding its presence in under-represented regions.

Key synergies and efficiencies to be unlocked through improved scale include supply chain, logistics and financial services, capitalising on Lifestyle's leading capabilities and best-of-breed scalable integrated systems and data-driven capabilities. The transaction is subject to Competition Commission approval and this process is underway.

3 Expanding market share in adult wear

The group has a stated ambition to expand its underindexed market share in adult wear through organic and acquisitive growth strategies. The standalone Ackermans womenswear format was successfully transitioned to Speciality, the group's adult wear-focused business. It was relaunched as the newly developed Ayana brand across 32 stores at the end of February 2025.

The acquisition of Legit and other businesses from Retailability was announced on 25 March 2025. This proposed acquisition will add c. 462 stores to Speciality's 972 store base and expand its market share in adult wear. Opportunities to unlock value in sourcing, supply chain and back office functions have been identified, in addition to leveraging group capabilities in credit and other financial services.

In addition, the Choice format further enhances Pepkor's presence in the adult wear market.

* Retailers' Liaison Committee (RLC) 12mma and Growth from Knowledge (GfK) March 2025 data

Financial performance

Strong revenue growth with improved gross profit margin, robust cash generation and increased returns

Group revenue increased by 12.8% to R48.8 billion. The Clothing and general merchandise (CGM) segment increased revenue by 9.5% to R34.5 billion, and the Furniture, appliances and electronics (FAE) segment increased revenue by 9.1% to R6.5 billion. The FinTech segment increased revenue by 34.5% to R7.9 billion, driven by 67.3% growth in financial services and 16.7% growth in Flash.

Gross profit margin expanded by 110 basis points to 39.2%, benefiting from growth in FinTech while retail margin was largely maintained.

Ongoing revenue decreased by 3.5% to R967 million, reflecting the one-off impact of a renegotiated contract implemented last year. Despite this, performance during the period exceeded internal targets, and positive growth will be restored in the second half of this year. Total customers using SIM cards sold by the group increased by 5% to 30 million – a powerful growth driver in ongoing revenue.

The operating cost base increased by 7.8% on a comparable basis. As a result of building capacity in the execution of strategic initiatives, customer acquisition, marketing and related operational expenses were elevated, and operating expenses increased by 11.9% (excluding debtors' costs, depreciation and amortisation, foreign exchange losses and IFRS 16 gains).

Debtors' costs increased by 67.3% to R2.0 billion, driven by strategic execution in retail credit interoperability and cellular connectivity.

Operating profit (before capital items) increased by 13.3% to R5.8 billion due to positive trading and good cost management.

Net finance costs increased by only 0.9% to R1.5 billion, benefiting from lower interest rates and successful interventions to reduce the cost of funding.

HEPS of 84.3 cents increased by 18.9% on a normalised basis when excluding the benefit of a lower effective tax rate applicable in the prior year. On a statutory basis, HEPS increased by 12.4% (refer to the pro forma financial information on page 24 of this announcement).

Inventory levels increased by 13.5% to R18.3 billion as a result of growth in cellular, measures taken to buffer product inflows to compensate for supply chain disruption, and a larger store base.

Gearing levels remained within the targeted range of between 0.5 and 1 times net debt-to-EBITDA with net debt (excluding IFRS 16 lease liabilities) of R10.3 billion (H1FY24: R11.7 billion).

Healthy cash generation resulted in cash conversion of 82% and return on net assets, which excludes, among others, the impact of goodwill and intangibles, increased to 23.7% on a 12-month basis. The sustained cash generation and stronger returns are commendable considering the level of strategic investment made.

Traditional Retail segments

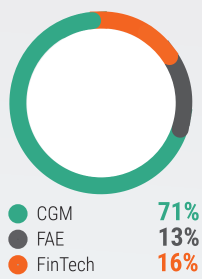
Clothing and general merchandise segment

PEP
ACKERMANS
PEPKOR Speciality
PEP Africa
AVENIDA

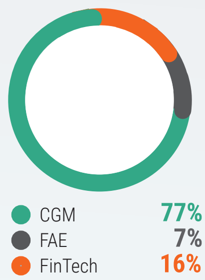
Furniture, appliances and electronics segment

PEPKOR Lifestyle

Group revenue



Group operating profit



FinTech segment

Financial services

CONNECT
FoneYam Quick | Simple | Connected
capfin
abacus

Informal market

flash

Operational performance

TRADITIONAL RETAIL

Group merchandise sales (sales) increased by 10.0% for the period, and like-for-like sales increased by 7.8% supported by the following:

- In southern Africa (excluding PEP Africa and Avenida), like-for-like sales increased by 9.6%.
- Outside southern Africa (PEP Africa and Avenida), like-for-like sales increased by 6.0% in constant currency but decreased by 11.0% in rand terms.

Group cash sales increased by 7% and credit sales increased by 29%, driven by the group's retail credit strategy. The overall group credit sales mix increased to 15% from 13% in the prior year.

Retail selling price inflation in PEP, Ackermans and Speciality (in aggregate) amounted to 6.1% for the period.

Retail space increased by 2.1% year-on-year and included 168 new store openings, including 32 Ayana stores (79 net), expanding the total store footprint to 5 978 stores.

Market share was expanded based on independent South African data (RLC and GfK) showing that Pepkor accounts for:

- nearly two out of every three baby wear sales;
- one out of every two kids' wear sales;
- more than three out of four school wear sales; and
- eight out of 10 prepaid cellular handsets – an improvement from seven out of 10 in the previous year.

Based on this, Pepkor continues to play a critical role in clothing families, improving homes, and connecting the South African nation.

PEP delivered stellar performance with like-for-like sales growth of 10% and above for six consecutive months during the reporting period. Market share was expanded across key product categories and 43 new stores were opened, expanding the store base to 2 649 stores.

Sales growth	H1FY25 Total sales growth %	H1FY25 Like-for-like sales growth %
Traditional Retail segments	**10.0**	**7.8**
Clothing and general merchandise segment	10.2	8.1
PEP	13.3	11.9
Ackermans	9.9	9.6
Speciality	8.5	4.2
PEP Africa^	26.1	21.3
Avenida^	12.1	(1.8)
Furniture, appliances and electronics segment Lifestyle	9.2	6.3

^ Constant currency sales growth.

Ackermans continued to advance its recovery, with like-for-like sales growth of close to 10%. Market share was gained in the babies, kids (including CUBE) and womenswear categories, and the store base was expanded to 1 018 stores, with 19 new stores opened.

In Speciality, Tekkie Town showed a marked improvement in like-for-like sales growth, with weaker results in Shoe City. Refinery Junior continued to perform well, and the Ayana brand was successfully launched. The Speciality store base was expanded to 972 stores.

Lifestyle delivered solid and consistent performance during the period with 6.3% like-for-like sales growth, outperforming the market across a number of key product categories (GfK). Strong trading momentum continued in Home, supported by improved product ranges, in addition to increased consumer spending power as a result of the two-pot retirement system. Trading in Tech recovered in the second quarter.

Outside southern Africa, trading momentum remained strong in PEP Africa, despite significant trade disruptions in Mozambique in the first quarter. Currency devaluation impacted results in rand terms.

In Brazil, the operating environment remains challenging with high inflation and interest rates contributing to customer indebtedness. Despite this, targeted interventions in merchandise, product allocation and distribution capability contributed to improved like-for-like sales performance in the second quarter with positive growth restored in the base stores. Store expansion was deliberately slowed to 12 new stores opened during the period, allowing time to refine the business model to better capture the long-term growth opportunity in this high-potential market.

FINANCIAL SERVICES

Retail credit

Retail credit is successfully used to enable sales across group retail brands. The group maintains its conservative approach to credit granting and collections, with non-performing loans and provision levels remaining well within tolerable ranges across all credit and rental books.

The A+ retail credit base expanded to 3.1 million accounts with 564 000 new accounts opened in the retail store base during the period. Strong customer demand for retail credit persisted, with an 18% increase in applications. Approval rates, however, continued to decline, reaching 29% compared to 33% in the comparable period. The proportion of customers able to purchase remained stable at 71%.

Connectivity

The number of cellular handsets sold by the group increased by 17% to 6.8 million during the period. Market share continued to rise, with the group now responsible for eight out of ten prepaid handset sales in South Africa (GfK). Smartphone penetration increased, as the group makes smartphones more affordable, accounting for 65% of handsets sold. Combined with the group's expansive store network as a powerful distribution channel, Pepkor has cemented its position as the clear leader in the cellular market, backed by a differentiated and highly resilient strategy.

The active SIM card base increased to 30 million driven by the number of SIM cards sold by the group and underpins ongoing revenue.

FoneYam, the newly developed cellular handset rental product launched in 2024 and designed to make smartphones affordable for customers, continued to grow strongly. Active customers breached 1.5 million by the end of the period. Monthly activations averaged 165 000 over the period.

Lending

Capfin's loan base reached 340 000 loans during the period. The bundling of Abacus credit life insurance with Capfin loans is now fully implemented.

Insurance

Abacus continued to expand its embedded and bundled insurance offerings across the group, leveraging the group's distribution network.

Embedded insurance experienced the strongest growth, driven by its seamless integration into product pricing. During the period, 3.3 million PAXI parcels were covered. Embedded insurance was successfully launched in FoneYam in November 2024, with 840 000 devices covered since then.

In bundled products, credit life insurance is fully integrated into Lifestyle and Capfin, with additional opportunities identified across other business areas.

OMNICHANNEL

Digital channels

Group online sales increased by 18% and by 30% in the CGM segment, driven by strong growth in Ackermans and Speciality.

The +more customer value platform, launched in March 2024, remains in its early stages, presenting a substantial opportunity to deepen customer engagement and convert digital attention into meaningful commercial relationships. +more now includes nearly 10 million members and engagement indicators continue to improve on a monthly basis.

Informal market

In the Flash business, total throughput (virtual turnover based on face value of products sold) increased by 23.6% to R28.8 billion.

The Trader division expanded to 175 000 active traders. The number of acquiring devices rose to 63 000, driving a 48.2% increase in total tapped value to R10.2 billion. The Cellular division maintained an active SIM card base of 3.1 million. The Aggregation division increased throughput by 64%, fuelled by increased voucher spend and a growing network of partners. Voucher redemptions increased by 36% to 177 million, enabled through the Trader and Aggregation divisions.

Outlook

Trading momentum continued into the second half of the year. Winter weather materialising in May 2025 benefited CGM brands and trading has been satisfactory in Lifestyle. Avenida continued its positive trajectory with improved trading in base stores, as well as improvement in key value item sales.

Amid the current uncertain global tariff environment, South Africa potentially stands to benefit from increased global product supply capacity. In line with the group's disciplined approach to maintaining consistent gross profit margins in retail brands such as PEP and Ackermans, any benefits realised will be reinvested in price and value – benefiting customers and further strengthening their customer value proposition. The South Africa and Brazil macro environments remain challenging with a muted South African economic landscape.

Pepkor's business model and strategy remain focused on identifying, executing and monetising customer needs through:

- the sustained performance of existing traditional retail brands;
- execution of core strategic growth levers, including the integration of the acquired businesses; and
- disciplined cost management.

The group is well on track to open between 250 and 300 new stores in FY25.

With a solid foundation and clear strategic growth levers in place, Pepkor is well-positioned to outperform general market conditions and drive sustained value creation for shareholders.

Wendy Luhabe
Independent non-executive chair

Pieter Erasmus
Chief executive officer

Riaan Hanekom
Chief financial officer

26 May 2025

Investment case

1 Defensive, cash-generative group with a track record of healthy returns

2 Closest to customers with unparalleled scale and capabilities

3 Significant growth opportunities

Unaudited condensed consolidated interim financial statements

for the six months ended 31 March 2025

Condensed consolidated income statement

	Notes	Six months ended 31 March 2025 Unaudited Rm	Six months ended 31 March 2024 Unaudited Rm	% change	Twelve months ended 30 September 2024 Audited Rm
Revenue	2	**48 809**	43 264	12.8	85 136
Retail revenue		**45 575**	41 249	10.5	80 714
Financial services revenue		**2 973**	1 771	67.9	3 957
Insurance revenue		**261**	244	7.0	465
Cost of sales		**(29 698)**	(26 768)	(10.9)	(52 527)
Gross profit		**19 111**	16 496	15.9	32 609
Other income		**(427)**	373	14.5	1 034
Operating expenses		**(9 303)**	(8 267)	(12.5)	(16 718)
Debtors' costs		**(2 009)**	(1 201)	(67.3)	(2 527)
Operating profit before depreciation, amortisation and capital items		**8 226**	7 401	11.1	14 398
Depreciation and amortisation		**(2 431)**	(2 286)	(6.3)	(4 596)
Operating profit before capital items		**5 795**	5 115	13.3	9 802
Capital items	3	**(64)**	21	(> 100)	(2 908)
Operating profit		**5 731**	5 136	11.6	6 894
Finance costs	4	**(1 672)**	(1 646)	(1.6)	(3 447)
Finance income		**146**	134	9.0	279
Profit before taxation		**4 205**	3 624	16.0	3 726
Taxation	5	**(1 152)**	(856)	(34.6)	(1 386)
Profit for the period from continuing operations		**3 053**	2 768	10.3	2 340
Loss for the period from discontinued operations		**–**	(294)	100.0	(257)
Profit for the period		**3 053**	2 474	23.4	2 083
Profit/(loss) attributable to:					
Owners of the parent		**3 056**	2 471	23.7	2 072
Non-controlling interests		**(3)**	3	(> 100)	11
Profit for the period		**3 053**	2 474	23.4	2 083
Earnings per share (cents)					
Basic earnings per share from continuing operations		**83.1**	75.4	10.2	63.4
Basic earnings per share from discontinuing operations		**–**	(8.0)	100.0	(7.0)
Total basic earnings per share	6	**83.1**	67.4	23.3	56.4
Diluted earnings per share from continuing operations		**82.1**	74.5	10.2	62.7
Diluted earnings per share from discontinued operations		**–**	(7.9)	100.0	(6.9)
Total diluted earnings per share	6	**82.1**	66.6	23.3	55.8

Condensed consolidated statement of comprehensive income

	Six months ended 31 March 2025 Unaudited Rm	Six months ended 31 March 2024 Unaudited Rm	Twelve months ended 30 September 2024 Audited Rm
Profit from continuing operations	**3 053**	2 768	2 340
Loss from discontinued operations	**–**	(294)	(257)
	3 053	2 474	2 083
Other comprehensive income from continuing operations			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**61**	(73)	(794)
Net fair value gain/(loss) on cash flow hedges	**449**	348	(340)
Deferred taxation on cash flow hedges	**(53)**	9	82
Foreign currency translation reserve released to profit or loss on liquidation of foreign subsidiary	**–**	(6)	(6)
Other comprehensive income/(loss) for the period, net of taxation	**457**	278	(1 058)
Other comprehensive income from discontinued operations			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation reserve released to profit or loss on sale of foreign subsidiary	**–**	–	7
Other comprehensive income for the period, net of taxation	**–**	–	7
Total comprehensive income for the period	**3 510**	2 752	1 032
Total comprehensive income/(loss) attributable to:			
Owners of the parent	**3 513**	2 749	1 021
Non-controlling interests	**(3)**	3	11
Total comprehensive income for the period	**3 510**	2 752	1 032
Total comprehensive income/(loss) for the period attributable to equity holders of the parent arises from:			
Continuing operations	**3 513**	3 043	1 271
Discontinued operations	**–**	(294)	(250)
Total comprehensive income for the period	**3 513**	2 749	1 021

Condensed consolidated statement of changes in equity

	Six months ended 31 March 2025 Unaudited Rm	Six months ended 31 March 2024 Unaudited Rm	Twelve months ended 30 September 2024 Audited Rm
Balance at beginning of the period	**58 749**	59 053	59 053
Changes in reserves			
Total comprehensive income for the period attributable to owners of the parent	**3 513**	2 749	1 021
Profit for the period	**3 056**	2 471	2 072
Recognised in other comprehensive income/(loss) from total operations	**457**	278	(1 051)
Shares issued under Pepkor Executive Share Rights Scheme	**210**	234	247
Share buy-back and cancellation	**–**	–	(29)
Treasury shares repurchased by a subsidiary company of the group	**–**	(14)	(65)
Treasury shares disposed of by a subsidiary company of the group	**13**	–	8
Dividends paid	**(1 787)**	(1 763)	(1 763)
Net movement in share-based payment reserve	**(79)**	(114)	(51)
Transfers to retained earnings	**138**	10	26
Transfers from other reserves	**(2)**	–	(6)
Net fair value loss on cash flow hedges transferred to inventory	**(20)**	(442)	(295)
Movement in put option reserve	**139**	–	589
Changes in non-controlling interests			
Transfer from other reserves on disposal of subsidiary	**–**	–	2
Total comprehensive (loss)/income for the period attributable to non-controlling interests	**(3)**	3	11
Non-controlling interest recognised on acquisition of subsidiaries	**–**	2	–
Acquisition of non-controlling interest	**(186)**	–	–
Exchange differences on consolidation of foreign subsidiaries	**(29)**	13	1
Balance at end of the period	**60 656**	59 731	58 749
Comprising			
Ordinary stated capital	**67 371**	67 177	67 161
Treasury shares	**(61)**	(31)	(74)
Retained earnings	**(6 064)**	(7 088)	(7 471)
Share-based payment reserve	**274**	290	353
Hedging reserve	**89**	181	(287)
Foreign currency translation reserve	**(916)**	(263)	(977)
Put option reserve	**(61)**	(789)	(200)
Other reserves	**16**	24	18
Non-controlling interests	**8**	230	226
	60 656	59 731	58 749

Condensed consolidated statement of financial position

	Notes	31 March 2025 Unaudited Rm	31 March 2024 Unaudited Rm	30 September 2024 Audited Rm
ASSETS				
Non-current assets				
Goodwill		**30 220**	33 145	30 218
Intangible assets		**18 955**	19 227	18 973
Property, plant and equipment		**9 422**	9 124	9 384
Right-of-use assets		**10 163**	10 117	10 277
Deferred taxation assets		**2 503**	2 468	2 444
Investments and loans		**37**	44	59
Trade and other receivables		**111**	–	103
Unsecured loans		**1 085**	605	602
		72 496	74 730	72 060
Current assets				
Investments and loans		**4**	7	13
Trade and other receivables		**13 040**	9 785	10 987
Unsecured loans		**2 226**	1 938	2 153
Inventories		**18 258**	16 081	17 509
Reinsurance contract assets		**32**	41	32
Current income taxation assets		**127**	162	164
Cash and cash equivalents		**4 833**	4 526	4 793
		38 520	32 540	35 651
Assets classified as held for sale		**–**	3 356	–
Total assets		**111 016**	110 626	107 711
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary stated capital		**67 371**	67 177	67 161
Reserves		**(6 723)**	(7 676)	(8 638)
Total equity attributable to equity holders of the parent		**60 648**	59 501	58 523
Non-controlling interests	8	**8**	230	226
Total equity		**60 656**	59 731	58 749
Non-current liabilities				
Deferred taxation liabilities		**3 797**	4 081	3 803
Interest-bearing loans and borrowings	7	**12 982**	9 813	8 742
Put option liability	8	**–**	1 106	261
Lease liabilities		**9 655**	9 945	10 058
Employee benefits		**368**	364	462
Provisions		**56**	183	158
		26 858	25 492	23 484
Current liabilities				
Insurance contract liabilities		**47**	74	42
Interest-bearing loans and borrowings	7	**433**	3 263	2 791
Put option liability	8	**222**	41	238
Lease liabilities		**2 933**	2 792	2 682
Employee benefits		**1 098**	967	1 310
Provisions		**106**	129	106
Trade and other payables		**15 591**	12 036	16 771
Current income taxation liabilities		**1 385**	568	1 012
Bank overdrafts and short-term facilities		**1 687**	3 349	526
		23 502	23 219	25 478
Liabilities classified as held for sale		**–**	2 184	–
Total equity and liabilities		**111 016**	110 626	107 711

Condensed consolidated statement of cash flows

	Notes	Six months ended 31 March 2025 Unaudited Rm	Six months ended 31 March 2024 Unaudited Rm	Twelve months ended 30 September 2024 Audited Rm
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating profit		**5 731**	4 912	6 789
Operating profit from continuing operations		**5 731**	5 136	6 894
Operating loss from discontinued operations		**–**	(224)	(105)
Adjusted for:				
Debtors' write-offs and movement in provision		**2 265**	1 467	2 977
Depreciation and amortisation		**2 431**	2 452	4 921
Non-cash capital items	3	**64**	372	3 459
Inventories written down to net realisable value		**425**	326	782
Share-based payment expense		**141**	128	197
Profit on lease modification		**(209)**	(210)	(478)
Non-working capital provisions releases and other non-cash adjustments		**251**	145	480
		11 099	9 592	19 127
Working capital changes				
Increase in inventories		**(1 185)**	(1 585)	(3 384)
(Increase)/decrease in trade and other receivables		**(138)**	39	(88)
Increase in instalment sale receivables and credit sales through store cards		**(3 661)**	(2 256)	(4 593)
Increase in unsecured loans		**(1 055)**	(886)	(1 439)
(Decrease)/increase in trade and other payables		**(1 467)**	(2 274)	2 297
Net changes in working capital		**(7 506)**	(6 962)	(7 207)
Cash generated from operations		**3 593**	2 630	11 920
Dividends paid		**(1 787)**	(1 763)	(1 763)
Finance costs paid	4	**(1 508)**	(1 495)	(3 081)
Finance income received		**121**	126	272
Taxation paid	5	**(848)**	(875)	(1 181)
Net cash (outflow)/inflow from operating activities		**(429)**	(1 377)	6 167
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment and intangible assets		**(1 092)**	(1 080)	(2 612)
Proceeds on disposal of property, plant and equipment and intangible assets		**153**	18	43
Payment for acquisition of subsidiary, net of cash and cash equivalents acquired		**–**	(76)	(73)
Disposal of business, net of cash and cash equivalents		**–**	–	313
Decrease in investments and loans		**21**	35	37
Increase in investments and loans		**–**	(1)	(22)
Net cash outflow from investing activities		**(918)**	(1 104)	(2 314)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount paid on share buy-back		**–**	–	(29)
Treasury shares purchased		**–**	(23)	(65)
Transactions with non-controlling interests		**(226)**	–	–
Amounts paid on long-term interest-bearing loans and borrowings		**(6 951)**	(608)	(2 109)
Amounts received on long-term interest-bearing loans and borrowings	7	**8 833**	2 168	2 222
Principle lease liability repayments		**(1 440)**	(1 574)	(3 141)
Net cash inflow/(outflow) from financing activities		**216**	(37)	(3 122)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(1 131)**	(2 518)	731
Effects of exchange rate translations on cash and cash equivalents		**10**	(41)	(409)
Cash and cash equivalents at beginning of the period		**4 267**	3 945	3 945
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**3 146**	1 386	4 267
Consisting of:				
Cash and cash equivalents		**4 833**	4 526	4 793
Cash and cash equivalents classified as assets held for sale		**–**	209	–
Bank overdrafts and short-term facilities		**(1 687)**	(3 349)	(526)
		3 146	1 386	4 267

Notes to the condensed consolidated interim financial statements
for the six months ended 31 March 2025

Statement of compliance

The condensed consolidated interim financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements and Debt and Specialist Securities Listings Requirements (collectively, the Listings Requirements) for condensed financial statements and the provisions of the South African Companies Act, No. 71 of 2008, as amended (Companies Act) applicable to condensed financial statements. The Listings Requirements require condensed financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS® Accounting standards and Financial Pronouncements as issued by the Financial Reporting Standards Council and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee 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 consolidated interim financial statements from which the condensed consolidated interim financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the annual consolidated financial statements for the year ended 30 September 2024.

The condensed consolidated interim financial statements are prepared in millions of South African rand (Rm) on the historical cost basis, except for certain assets and liabilities, which are carried at amortised cost, and derivative financial instruments, which are stated at their fair values. The preparation of the condensed consolidated interim financial statements for the six months ended 31 March 2025 was supervised by RG Hanekom CA(SA), the group's chief financial officer (CFO).

These results have not been reviewed or reported on by the group's auditors. All forward-looking information is the responsibility of the board of directors and has not been reviewed or reported on by the group's auditors. The results were approved by the board of directors on 26 May 2025.

Significant events

Share capital

The following movements in ordinary shares were recorded during the period:

- The group issued 9.6 million (2024: 17.3 million) ordinary shares during the current financial year for share rights that vested under the Pepkor Executive Share Rights Scheme.
- A company within the group transferred 508 175 (2024: 443 095) ordinary shares for share rights that vested under the Pepkor Executive Share Rights Scheme.

Refer to note 6 for the total number of shares in issue.

Significant shareholder

As at 31 March 2025, the Ibex Group (Ibex) holds 30.1% of Pepkor Holdings through two of its subsidiaries, namely Ainsley Holdings Proprietary Limited (Ainsley) and SAHPL Proprietary Limited (SAHPL). On 11 March 2025, the group was notified by Ainsley that the South African Reserve Bank (the Reserve Bank) has issued orders under Regulation 22C(2)(b) of the Exchange Control Regulations in terms of which the Reserve Bank prohibits dealing in 506 329 113 Pepkor shares held by Ainsley (representing 13.7% of Pepkor's total number of shares in issue). In aggregate, Ainsley holds 1 041 708 550 Pepkor shares, which equates to 28.2% of Pepkor's shares in issue as at 31 March 2025. Ainsley remains the beneficial owner of the Pepkor shares and retains all rights attached to them, including the right to exercise voting rights and receive dividends, if declared.

Acquisition of businesses

The group is in the process of acquiring the following businesses:

- On 3 September 2024, the group announced that it entered into an agreement with Shoprite Holdings Limited (Shoprite) to acquire its furniture business. This will add c. 400 stores to the Pepkor Lifestyle business's store base of 922 stores. This will enable expansion of its value proposition through a complementary product mix in furniture, bedding, appliances and consumer electronics, while also expanding its presence in under-represented regions.

  Key synergies and efficiencies to be unlocked through improved scale include supply chain, logistics and financial services, capitalising on Lifestyle's leading capabilities and best-of-breed scalable integrated systems and data-driven capabilities. The transaction is subject to Competition Commission approval and this process is underway. The purchase consideration represents c. 4% of Pepkor's market capitalisation at the time of the announcement. Once completed, the purchase consideration will be settled in cash.
- On 26 November 2024, the group announced that it entered into an acquisition for Choice Clothing (Choice). The acquisition was concluded in May 2025 and will be implemented from 1 June 2025. This will allow the group to enter the emerging semi-formal off-price customer segment. Choice will be a separate business unit within the group to ensure it retains its entrepreneurial business model, however, it will have access to the PEP infrastructure to leverage its capabilities in sourcing, supply chain and financial services. Choice operates 107 stores and has the opportunity to expand to more than 300 stores.
- On 25 March 2025, the group announced that it entered into an agreement with Retailability Proprietary Limited (Retailability) to acquire the Legit, Swagga, Style and Boardmans businesses. This will add c. 462 stores to Speciality's 972 store base, and expand its market share in adult wear. Opportunities to unlock value in sourcing, supply chain and back office functions have been identified, in addition to leveraging group capabilities in credit and other financial services. The proposed transaction amounts to c. 2% of Pepkor's market capitalisation at the time of the announcement. Once completed, the purchase consideration will be settled in cash.

Interest-bearing loans and borrowings

The group successfully raised R2.083 billion in the bond market following an auction held on 5 March 2025. The group further successfully placed an additional R1.250 billion under its Domestic Medium Term Note programme, raised R3.5 billion in term loans and entered into a new R1.0 billion revolving credit facility, effective from the end of March 2025. The group also entered into a new R2.0 billion revolving credit facility, effective from December 2024. The proceeds from the above replaced R206 million in floating rate notes, R5.205 billion in term loans and R2.5 billion revolving credit facilities. Refer to note 7 for further detail.

Events subsequent to reporting period

The board is not aware of any significant events after the reporting date that will have a material effect on the group's results or financial position as presented in these financial statements.

1. Segmental analysis

1.1 Basis of segmental presentation

The segmental information has been prepared in accordance with IFRS 8: Operating Segments (IFRS 8), which defines requirements for the disclosure of financial information of an entity's operating segments. IFRS 8 requires operating segments to be identified on the basis of internal reporting of group components that are regularly reviewed by the chief operating decision-maker (CODM) to allocate resources to segments and to assess their performance. The executive members of the Pepkor Holdings Limited board of directors have been identified as the CODM.

Identification of segments

The identification of segments is consistent with those identified in the annual consolidated financial statements for the year ended 30 September 2024. The executive members of the board of directors identified and monitor segments in relation to differences in products and services.

Geographical analysis

The CODM reviews revenue, operating profit and assets as one geographical region. However, due to South Africa being the group's primary country of operations, the geographical segments have been split between South Africa and other foreign countries. In presenting information on the basis of geographical segments, segment revenue is based on the location of the customers, while segment assets are based on the location of the asset.

Major customers

No single customer contributes 10% or more of the group's revenue.

1.2 Segmental analysis

	Clothing and general merchandise[1, 2] Unaudited Rm	Furniture, appliances and electronics Unaudited Rm	FinTech[1] Unaudited Rm	Total Unaudited Rm
Six months ended 31 March 2025				
External revenue	**34 473**	**6 481**	**7 855**	**48 809**
Total revenue	**34 473**	**6 481**	**8 873**	**49 827**
Intersegmental revenue	**–**	**–**	**(1 018)**	**(1 018)**
Cost of sales	**(21 455)**	**(4 662)**	**(3 581)**	**(29 698)**
Gross profit	**13 018**	**1 819**	**4 274**	**19 111**
Other income	**342**	**56**	**29**	**427**
Operating expenses	**(6 637)**	**(1 201)**	**(1 465)**	**(9 303)**
Personnel expenses	**(3 980)**	**(718)**	**(483)**	**(5 181)**
Other operating expenses	**(2 657)**	**(483)**	**(982)**	**(4 122)**
Debtors' costs	**(148)**	**–**	**(1 861)**	**(2 009)**
Operating profit before depreciation, amortisation and capital items	**6 575**	**674**	**977**	**8 226**
Depreciation and amortisation	**(2 083)**	**(289)**	**(59)**	**(2 431)**
Operating profit before capital items	**4 492**	**385**	**918**	**5 795**
Reconciliation of operating profit				
Operating profit per segmental analysis				**5 795**
Capital items (note 3)				**(64)**
Operating profit per income statement				**5 731**
Finance costs (note 4)				**(1 672)**
Finance income				**146**
Profit before taxation per income statement				**4 205**
Geographical split of revenue	**34 473**	**6 481**	**7 855**	**48 809**
South Africa	**27 999**	**6 000**	**7 728**	**41 727**
Other foreign countries[2]	**6 474**	**481**	**127**	**7 082**
Geographical split of sale of goods and related revenue (note 2.1.1)	**34 164**	**6 354**	**4 407**	**44 925**
South Africa	**27 982**	**5 876**	**4 357**	**38 215**
Other foreign countries	**6 182**	**478**	**50**	**6 710**

Footnotes 1 and 2: Refer to page 16 for further detail.

1. Segmental analysis *continued*

1.2 Segmental analysis *continued*

	Clothing and general merchandise[1, 2] Unaudited Rm	Furniture, appliances and electronics Unaudited Rm	FinTech[1] Unaudited Rm	Building materials Unaudited Rm	Total Unaudited Rm	Discontinued operation Unaudited Rm	Total from continuing operations Unaudited Rm
Six months ended 31 March 2024[3]							
External revenue	31 488	5 938	5 838	4 148	47 412	(4 148)	43 264
Total revenue	31 488	5 938	6 800	4 148	48 374	(4 148)	44 226
Intersegmental revenue	–	–	(962)	–	(962)	–	(962)
Cost of sales[3]	(19 448)	(4 265)	(3 055)	(3 029)	(29 797)	3 029	(26 768)
Gross profit[3]	12 040	1 673	2 783	1 119	17 615	(1 119)	16 496
Other income[3]	311	51	11	19	392	(19)	373
Operating expenses[3]	(5 929)	(1 124)	(1 214)	(797)	(9 064)	797	(8 267)
Personnel expenses	(3 656)	(621)	(484)	(521)	(5 282)	521	(4 761)
Other operating expenses[3]	(2 273)	(503)	(730)	(276)	(3 782)	276	(3 506)
Debtors' costs	(157)	–	(1 044)	(6)	(1 207)	6	(1 201)
Operating profit before depreciation, amortisation and capital items[3]	6 265	600	536	335	7 736	(335)	7 401
Depreciation and amortisation	(2 019)	(226)	(41)	(166)	(2 452)	166	(2 286)
Operating profit before capital items	4 246	374	495	169	5 284	(169)	5 115
Reconciliation of operating profit							
Operating profit per segmental analysis							5 115
Capital items (note 3)							21
Operating profit per income statement							5 136
Finance costs (note 4)							(1 646)
Finance income							134
Profit before taxation per income statement							3 624
Geographical split of revenue	31 488	5 938	5 838	4 148	47 412	(4 148)	43 264
South Africa	25 217	5 552	5 733	4 024	40 526	(4 024)	36 502
Other foreign countries[2]	6 271	386	105	124	6 886	(124)	6 762
Geographical split of sale of goods and related revenue (note 2.1.1)	31 099	5 821	3 777	4 148	44 845	(4 148)	40 697
South Africa	25 171	5 438	3 729	4 024	38 362	(4 024)	34 338
Other foreign countries	5 928	383	48	124	6 483	(124)	6 359

Footnotes 1, 2 and 3: Refer to page 16 for further detail.

1. Segmental analysis *continued*

1.2 Segmental analysis *continued*

	Clothing and general merchandise[1, 2] Audited Rm	Furniture, appliances and electronics Audited Rm	FinTech[1] Audited Rm	Building materials Audited Rm	Total Audited Rm	Discontinued operation Audited Rm	Total from continuing operations Audited Rm
Twelve months ended 30 September 2024							
External revenue	61 437	11 017	12 682	8 445	93 581	(8 445)	85 136
Total revenue	61 437	11 017	14 647	8 445	95 546	(8 445)	87 101
Intersegmental revenue	–	–	(1 965)	–	(1 965)	–	(1 965)
Cost of sales	(38 035)	(7 893)	(6 599)	(6 183)	(58 710)	6 183	(52 527)
Gross profit	23 402	3 124	6 083	2 262	34 871	(2 262)	32 609
Other income	902	103	29	32	1 066	(32)	1 034
Operating expenses	(12 227)	(2 112)	(2 379)	(1 524)	(18 242)	1 524	(16 718)
Personnel expenses	(7 189)	(1 224)	(1 049)	(1 031)	(10 493)	1 031	(9 462)
Other operating expenses	(5 038)	(888)	(1 330)	(493)	(7 749)	493	(7 256)
Debtors' costs	(313)	–	(2 214)	1	(2 526)	(1)	(2 527)
Operating profit before depreciation, amortisation and capital items	11 764	1 115	1 519	771	15 169	(771)	14 398
Depreciation and amortisation	(4 031)	(466)	(99)	(325)	(4 921)	325	(4 596)
Operating profit before capital items	7 733	649	1 420	446	10 248	(446)	9 802
Reconciliation of operating profit							
Operating profit per segmental analysis							9 802
Capital items (note 3)[4]							(2 908)
Operating profit per income statement							6 894
Finance costs (note 4)							(3 447)
Finance income							279
Profit before taxation per income statement							3 726
Geographical split of revenue	61 437	11 017	12 682	8 445	93 581	(8 445)	85 136
South Africa	49 427	10 243	12 468	7 968	80 106	(7 968)	72 138
Other foreign countries[2]	12 010	774	214	477	13 475	(477)	12 998
Geographical split of sale of goods and related revenue (note 2.1.1)	60 724	10 789	8 044	8 445	88 002	(8 445)	79 557
South Africa	49 354	10 024	7 950	7 968	75 296	(7 968)	67 328
Other foreign countries	11 370	765	94	477	12 706	(477)	12 229

1 FinTech segment revenue is disclosed net of intergroup revenue earned relating to the sale of virtual vouchers and airtime, and insurance cover provided on PAXI products, to the Clothing and general merchandise segment.
2 Revenue from other foreign countries includes the Brazilian market revenue from Avenida of R2.2 billion (31 March 2024: R2.4 billion, 30 September 2024: R4.5 billion). The Brazilian contribution to total revenue is not deemed to be material and is therefore not separately disclosed.
3 The group previously accounted for specific items of material segmental income and expenses reviewed by the CODM. Following the IFRIC agenda decision in July 2024 relating to Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8: Operating Segments), the group has disclosed all material items of income and expenses that are included in the segmental profit or loss reviewed by the CODM. This change in accounting treatment has been accounted for retrospectively and comparative information for the period ended 31 March 2024 has been restated.
4 Capital items of R2.9 billion include the impairment of goodwill (R2.5 billion) and trade and brand names (R200 million) relating to the Clothing and general merchandise segment for the year ended 30 September 2024.

1. Segmental analysis *continued*

		Six months ended 31 March 2025 Unaudited Rm	Six months ended 31 March 2024 Unaudited Rm	% change	Twelve months ended 30 September 2024 Audited Rm
1.4	**Segmental assets**	**106 142**	105 840	0.3	102 846
	Reconciliation between total assets and segmental assets				
	Total assets per statement of financial position	**111 016**	110 626	0.4	107 711
	Less: Cash and cash equivalents	**(4 833)**	(4 735)	(2.1)	(4 793)
	Less: Long-term investments and loans	**(37)**	(44)	15.9	(59)
	Less: Short-term investments and loans	**(4)**	(7)	42.9	(13)
	Segmental assets	**106 142**	105 840	0.3	102 846
1.5	**Geographical split of non-current assets**				
	South Africa	**63 074**	65 363	(3.5)	63 119
	Other foreign countries	**5 686**	6 250	(9.0)	5 733
	Non-current assets	**68 760**	71 613	(4.0)	68 852

Non-current assets consist of goodwill, intangible assets, property, plant and equipment and right-of-use assets.

		Six months ended 31 March 2025 Unaudited Rm	Six months ended 31 March 2024 Unaudited Rm	Twelve months ended 30 September 2024 Audited Rm
2.	**Revenue**			
	Revenue from contracts with customers			
	Retail revenue	**45 575**	41 249	80 714
	Sale of goods and related revenue (note 2.1.1)	**44 925**	40 697	79 557
	Service fee income	**506**	392	857
	Other revenue	**144**	160	300
	Other sources of revenue			
	Financial services revenue (note 2.1.2)	**2 973**	1 771	3 957
	Insurance revenue	**261**	244	465
		48 809	43 264	85 136
2.1	**Disaggregation of revenue**			
2.1.1	**Sale of goods and related revenue**			
	Sale of goods and related revenue excluding ongoing revenue	**43 958**	39 695	77 594
	Ongoing revenue	**967**	1 002	1 963
		44 925	40 697	79 557
2.1.2	**Financial services revenue**			
	Finance income earned	**2 763**	1 574	3 567
	Loan origination fees	**210**	197	390
		2 973	1 771	3 957

		Six months ended 31 March 2025 Unaudited Rm	Six months ended 31 March 2024 Unaudited Rm	Twelve months ended 30 September 2024 Audited Rm
3.	**Capital items**			
	Capital items			
	Capital items are required to be reported by the JSE. The effect of capital items should be excluded from earnings when determining headline earnings per share.			
	Expenses of a capital nature are included in the 'capital items' line in the income statement. These expense items are:			
	From continuing operations:			
3.1	**Impairment/(impairment reversal)**	**72**	(19)	2 869
	Goodwill	**–**	–	2 541
	Intangible assets – trade and brand names	**–**	–	200
	Intangible assets – excluding trade and brand names	**15**	–	2
	Property, plant and equipment	**–**	3	40
	Right-of-use assets	**57**	(22)	86
3.2	**(Profit)/loss on disposal of property, plant and equipment and intangible assets**	**(8)**	4	47
3.3	**Foreign currency translation reserve released to profit or loss on liquidation of foreign subsidiary**	**–**	(6)	(6)
3.4	**Profit on disposal of investments**	**–**	–	(2)
		64	(21)	2 908
	From discontinued operations:			
3.5	**Impairment reversal**	**–**	–	(36)
	Property, plant and equipment	**–**	–	(1)
	Right-of-use assets	**–**	–	(35)
3.6	**Profit on disposal of property, plant and equipment and intangible assets**	**–**	(3)	(4)
3.7	**Foreign currency translation reserve released to profit or loss on sale of foreign subsidiary**	**–**	–	7
3.8	**Loss on sale of subsidiaries**	**–**	396	584
		–	393	551
	Capital items from continuing operations	**64**	(21)	2 908
	Capital items from discontinued operations	**–**	393	551
	Total capital items	**64**	372	3 459

		Six months ended 31 March 2025 Unaudited Rm	Six months ended 31 March 2024 Unaudited Rm	Twelve months ended 30 September 2024 Audited Rm
4.	**Finance costs**			
	Interest-bearing loans and borrowings	**579**	594	1 190
	Bank overdraft	**191**	133	319
	Discounting of trade payables	**140**	139	328
	Lease liability finance cost	**732**	702	1 455
	Put option liability	**20**	70	130
	Other	**10**	8	25
		1 672	1 646	3 447
4.1	**Finance costs cash flow reconciliation**			
	Finance costs recognised in profit or loss	**1 672**	1 646	3 447
	Discounting of trade payables	**(140)**	(139)	(328)
	Discounting of provisions	**(4)**	–	–
	Accrued interest cost	**–**	6	–
	Put option liability recognised at amortised cost	**(20)**	(70)	(130)
	Finance costs from discontinued operations	**–**	52	92
	Finance costs paid	**1 508**	1 495	3 081
5.	**Taxation**			
	Taxation from continuing operations	**1 152**	856	1 386
	Taxation from discontinued operations	**–**	35	100
	Total taxation for the year	**1 152**	891	1 486
5.1	**Reconciliation of rate of taxation**	**%**	%	%
	South African standard rate of taxation	**27.0**	27.0	27.0
	Foreign taxation rate differential	**(0.2)**	(0.2)	(0.2)
	Irrecoverable foreign taxes	**0.4**	0.3	1.4
	Unrecognised taxation losses net of prior year unrecognised taxation losses utilised	**0.1**	(0.1)	(2.2)
	Prior year adjustments[1]	**0.2**	(4.8)	(10.1)
	Tax-exempt income[2]	**(0.8)**	(0.7)	(2.1)
	Non-deductible expenses[3]	**1.4**	2.2	5.3
	Non-deductible loss on disposal of subsidiary	**–**	–	4.5
	Non-deductible loss recognised due to remeasurement of disposal group to fair value less cost to sell	**–**	3.2	–
	Non-deductible expenses relating to the impairment of goodwill and trade and brand names	**–**	–	19.5
	Change in foreign corporate taxation rates	**–**	–	0.1
	Special allowances[4]	**(0.7)**	(0.5)	(1.5)
	Foreign currency translation reserve release through profit and loss	**–**	(0.1)	0.0
	Other	**–**	0.2	(0.1)
	Effective rate of taxation	**27.4**	26.5	41.6

[1] Prior year adjustments relate to return to provisions adjustments.
[2] Tax-exempt income mainly relates to exempt income and exempt tax incentives received.
[3] Non-deductible expenses mainly relate to expenses of a capital nature, expenses not incurred in the production of income and depreciation of leasehold improvements.
[4] Special allowances mainly relate to learnership allowances.

5. Taxation *continued*

		Six months ended 31 March 2025 Unaudited Rm	Six months ended 31 March 2024 Unaudited Rm	Twelve months ended 30 September 2024 Audited Rm
5.2	**Taxation paid cash flow reconciliation**			
	Opening balance of current taxation payable and receivable	**848**	409	409
	Opening balance of withholding taxation included in trade and other payables	**23**	16	16
	Normal taxation charge for the period through profit and loss	**1 243**	876	1 629
	Normal taxation charge for the period through equity	**(9)**	(22)	(22)
	Acquisition of subsidiary	**–**	1	1
	Disposal of subsidiary	**–**	–	8
	Exchange differences on consolidation of foreign subsidiaries	**6**	2	11
	Closing balance of current taxation payable and receivable	**(1 258)**	(406)	(848)
	Closing balance of withholding taxation included in trade and other payables	**(5)**	(1)	(23)
	Taxation paid	**848**	875	1 181

		Six months ended 31 March 2025 Unaudited Million	Six months ended 31 March 2024 Unaudited Million	Twelve months ended 30 September 2024 Audited Million
6.	**Earnings and headline earnings per share**			
6.1	**Weighted average number of ordinary shares**			
	Issued ordinary shares at beginning of the period	**3 684**	3 667	3 667
	Treasury shares	**(4)**	(2)	(4)
	Shares vested under share scheme	**1**	2	10
	Share buy-back and cancellation of shares	**–**	–	(1)
	Weighted average number of ordinary shares at end of the period for the purpose of basic earnings per share and headline earnings per share	**3 681**	3 667	3 672
	Effect of dilution due to share rights issues in terms of share scheme	**43**	46	41
	Weighted average number of ordinary shares at end of the period for the purpose of diluted earnings per share and diluted headline earnings per share	**3 724**	3 713	3 713
	Number of shares in issue	**3 693**	3 683	3 684

6. Earnings and headline earnings per share *continued*

	Six months ended 31 March 2025			Six months ended 31 March 2024			Year ended 30 September 2024		
	Continuing Unaudited Rm	Discon-tinued Unaudited Rm	Total Unaudited Rm	Continuing Unaudited Rm	Discon-tinued Unaudited Rm	Total Unaudited Rm	Continuing Audited Rm	Discon-tinued Audited Rm	Total Audited Rm
6.2 Earnings and headline earnings									
Profit/(loss) for the period	**3 053**	**–**	**3 053**	2 768	(294)	2 474	2 340	(257)	2 083
Attributable to non-controlling interests	**3**	**–**	**3**	(3)	–	(3)	(11)	–	(11)
Earnings attributable to ordinary shareholders	**3 056**	**–**	**3 056**	2 765	(294)	2 471	2 329	(257)	2 072
Capital items (note 3)	**64**	**–**	**64**	(21)	393	372	2 908	551	3 459
Taxation effect of capital items	**(17)**	**–**	**(17)**	4	1	5	(89)	10	(79)
Headline earnings attributable to ordinary shareholders	**3 103**	**–**	**3 103**	2 748	100	2 848	5 148	304	5 452

6.3 Diluted earnings and diluted headline earnings per share

Share rights issued to employees have been taken into account for diluted earnings and diluted headline earnings per share purposes.

6.4 Earnings per share	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Basic	**83.1**	**–**	**83.1**	75.4	(8.0)	67.4	63.4	(7.0)	56.4
Headline	**84.3**	**–**	**84.3**	75.0	2.7	77.7	140.2	8.3	148.5
Diluted basic	**82.1**	**–**	**82.1**	74.5	(7.9)	66.6	62.7	(6.9)	55.8
Diluted headline	**83.4**	**–**	**83.4**	74.0	2.7	76.7	138.6	8.2	146.8

6.5 Net asset value per share

Net asset value per ordinary share is calculated by dividing the ordinary shareholders' equity by the number of ordinary shares in issue at period-end.

	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Net asset value per share	**1 642.2**	**–**	**1 642.2**	1 615.6	–	1 615.6	1 588.5	–	1 588.5

	Six months ended 31 March 2025 Unaudited Rm	Six months ended 31 March 2024 Unaudited Rm	Year ended 30 September 2024 Audited Rm
7. Financing			
Unutilised banking and debt facilities consist of the following:			
Short-term cash facilities	**7 223**	4 797	8 891
Letters of credit, forex facilities and asset-based finance facilities	**2 320**	2 201	1 495
Total	**9 543**	6 998	10 386

The group successfully raised R2.083 billion in the bond market following an auction held on 5 March 2025. The new floating rate notes issued, effective from 6 March 2025, are:

- PEP09: three-year floating rate notes of R1.041 billion at three-month Jibar plus 102 bps; and
- PEP10: five-year floating rate notes of R1.042 billion issued at three-month Jibar plus 120 bps.

The group further successfully placed an additional R1.250 billion under its Domestic Medium Term Note programme. The new floating rate notes, issued effective 31 March 2025, are:

- PEP11: three-year floating rate notes of R1.250 billion issued at three-month Jibar plus 102 bps.

The group also raised R3.5 billion in term loans, effective 27 March 2025:

- Term Loan Facility 1: three-year term loan of R1.0 billion at three-month Jibar plus 118 bps due March 2028; and
- Term Loan Facility 2: five-year term loan of R2.5 billion at three-month Jibar plus 135 bps due March 2030.

The proceeds from the above replaced the following:

- PEP02: five-year floating rate notes of R206 million at three-month Jibar plus 174 bps due March 2025;
- Term Loan F: four-year term loan of R1.0 billion at three-month Jibar plus 130 bps due June 2025;
- Term Loan G: five-year term loan of R1.0 billion at three-month Jibar plus 140 bps due June 2026;
- Term Loan H: four-year term loan of R1.0 billion at three-month Jibar plus 130 bps due March 2026; and
- Term Loan I: five-year term loan of R2.205 billion at three-month Jibar plus 137 bps due March 2027.

The group also entered into a new revolving credit facility, effective 17 December 2024, as follows:

- RCF: four-year revolving credit facility of R2.0 billion at three-month Jibar plus 114 bps due December 2028.

The proceeds from the revolving credit facility replaced the following:

- RCF C: three-year revolving credit facility of R1.5 billion at three-month Jibar plus 125 bps due March 2025.

The group further entered into an additional revolving credit facility, effective 27 March 2025, as follows:

- RCF: three-year revolving credit facility of R1.0 billion at three-month Jibar plus 114 bps due March 2028, which replaced the RCF Bridge of R1.0 billion at three-month Jibar plus 120 bps. This facility is undrawn as at 31 March 2025.

8. Acquisition of non-controlling interest in Avenida

In the current period, the group exercised tranche one of its put option to acquire a 50% shareholding of the non-controlling interest in Avenida. The consideration payable is based on the EBITDA of Avenida for the financial year ending 2024. The group paid R226 million for 5.25% of the shareholding of Avenida and to settle 50% of its put option liability. The group currently holds 94.75% of Avenida.

The group further restructured the second tranche. Previously, tranche two was based on the EBITDA achieved in 2025. This was restructured to a fixed payment based on Avenida's EBITDA achieved in 2024. Tranche one and tranche two represent two equal payments for 50% of the shareholding. Tranche two is exercisable within 60 days from the date Avenida delivers to the group its audited annual financial statements for the financial year ending 30 September 2025.

9. Other director's interest

As reported in Pepkor's 2024 annual financial statements, Vista Treasury Proprietary Limited (Vista), an associate company of PJ Erasmus, concluded a subscription agreement with Ainsley, in terms whereof Vista subscribed for 12 Class A ordinary shares of no-par value in Ainsley, for a total subscription price of R120 million ("subscription agreement"). This related to the Steinhoff (now Ibex Group) global settlement, which was concluded in 2022. Vista and Ainsley also concluded a security cession and pledge agreement, in terms of which Ainsley provided security to Vista for its obligations under and in connection with the Class A ordinary shares and the subscription agreement ("pledge agreement").

Pepkor was informed that on 28 March 2025, subsequent to the Reserve Bank prohibition orders (refer to significant shareholder under significant events), Vista became entitled, under the terms of the Class A ordinary shares, to require Ainsley to make a distribution, which, if not effected in accordance with the terms of the Class A ordinary shares, would entitle Vista to exercise its rights under the pledge agreement. Pepkor was further informed that, pursuant thereto, Vista exercised its rights under the pledge agreement and subsequently took transfer of 60 million Pepkor shares from Ainsley.

Consequently, after 31 March 2025:

- Ainsley holds 981 708 550 Pepkor shares, which equate to 26.6% of Pepkor's current shares in issue. Of this, 13.7% is subject to the Reserve Bank prohibition orders; and
- Vista holds 60 000 000 Pepkor shares, which equate to 1.6% of Pepkor's current shares in issue.

On 7 April 2025, Ainsley informed Pepkor that Ainsley has instituted legal proceedings in the High Court of South Africa to challenge Vista's position regarding this matter. As at 26 May 2025, Pepkor has not been informed of any further changes relating to the legal proceedings.

10. Contingent liabilities

There were no significant changes in the contingent liabilities to those disclosed in the consolidated annual financial statements as at 30 September 2024.

11. Related parties

During the period, the group entered into related party transactions in the ordinary course of business, the substance of which are similar to those disclosed in the group's annual financial statements for the year ended 30 September 2024. There were no material movements in the balances for the period ended 31 March 2025.

Pro forma financial information

The pro forma financial information, which is the responsibility of the group's directors, is presented in accordance with the JSE Limited Listings Requirements, including the Guidance Letter: *Presentation of pro forma financial information* dated 4 March 2010, the Guidance Letter: *Presentation of constant currency information* dated 16 August 2012, and the SAICA Guide on Pro Forma Financial Information. Certain financial information presented in these condensed consolidated interim results constitutes pro forma financial information and is presented for illustrative purposes only. Because of its nature, the pro forma financial information may not fairly present the group's financial position, changes in equity, results of operations or cash flows.

Background

In the prior period, the group released a R150 million IFRIC 23 tax provision due to the remeasurement of the IFRIC 23 provision for uncertain tax positions, mainly due to the settlement of tax disputes as previously reported on.

Pro forma earnings and headline earnings per share

The pro forma financial information has been prepared in order to illustrate the impact of the provision release relating to uncertain tax positions on earnings and headline earnings per share.

	As reported Six months ended 31 March 2025 Unaudited[1] Rm	As reported Six months ended 31 March 2024 Unaudited[2] Rm	IFRIC 23 tax provision release Six months ended 31 March 2024 Unaudited[3] Rm	Pro forma after adjustment Six months ended 31 March 2024 Unaudited Rm	% change on prior period
Profit before taxation	**4 205**	3 624	–	3 624	16.0
Taxation	**(1 152)**	(856)	(150)	(1 006)	(14.5)
Profit for the period from continuing operations	**3 053**	2 768	(150)	2 618	16.6
Loss for the period from discontinued operations	**–**	(294)	–	(294)	100.0
Profit for the period	**3 053**	2 474	(150)	2 324	31.4
Profit/(loss) attributable to:					
Owners of the parent	**3 056**	2 471	(150)	2 321	31.7
Non-controlling interests	**(3)**	3	–	3	(> 100)
Profit for the period	**3 053**	2 474	(150)	2 324	31.4
Pro forma headline earnings are adjusted for the IFRIC 23 provision release relating to uncertain tax positions as follows:					
Earnings attributable to ordinary shareholders	**3 056**	2 471	(150)	2 321	31.7
Capital items (note 3 in the condensed consolidated interim financial statements)	**64**	372	–	372	(82.8)
Taxation effect on capital items (note 6 in the condensed consolidated interim financial statements)	**(17)**	5	–	5	(> 100)
Headline earnings attributable to ordinary shareholders	**3 103**	2 848	(150)	2 698	15.0
Earnings per share (cents)[4]					
Basic earnings per share from continuing operations	**83.1**	75.4	(4.1)	71.3	16.5
Basic earnings per share from discontinued operations	**–**	(8.0)	–	(8.0)	(100.0)
Total basic earnings per share	**83.1**	67.4	(4.1)	63.3	31.3
Diluted earnings per share from continuing operations	**82.1**	74.5	(4.0)	70.5	16.5
Diluted earnings per share from discontinued operations	**–**	(7.9)	–	(7.9)	100.0
Total diluted earnings per share	**82.1**	66.6	(4.0)	62.6	31.2
Headline earnings per share from continuing operations	**84.3**	75.0	(4.1)	70.9	18.9
Headline earnings per share from discontinued operations	**–**	2.7	–	2.7	(100.0)
Total headline earnings per share	**84.3**	77.7	(4.1)	73.6	14.5
Diluted headline earnings per share from continuing operations	**83.4**	74.0	(4.0)	70.0	19.1
Diluted headline earnings per share from discontinued operations	**–**	2.7	–	2.7	(100.0)
Total diluted headline earnings per share	**83.4**	76.7	(4.0)	72.7	14.7

Notes to the pro forma financial information

[1] The current period numbers were extracted without adjustments from the condensed consolidated financial statements of the group for the period ended 31 March 2025.

[2] The prior period numbers were extracted without adjustments from the condensed consolidated financial statements of the group for the period ended 31 March 2024.

[3] The adjustment represents the impact of the IFRIC 23 tax provision release.

[4] Pro forma earnings and diluted earnings per share and headline earnings and diluted headline earnings per share are calculated on the same basis and using the same weighted average number of ordinary shares and weighted average number of dilutive ordinary shares as per note 6 of the notes to the condensed consolidated financial statements of the group for the period ended 31 March 2025.

Pro forma constant currency disclosure

The Pepkor group discloses unaudited constant currency information to indicate PEP Africa and Avenida's performance in terms of sales growth, excluding the effect of foreign currency fluctuations. To present this information, current period turnover for these businesses reported in currencies other than rand is converted from local currency actuals into rand at the prior period's actual average exchange rates per country. The table below sets out the approximate average rand cost for one unit as well as percentage change in sales, based on the actual continuing results for the period, in reported currency and constant currency, for the basket of currencies in which these businesses operate.

	Average exchange rate			
Change in sales on prior period (%)	**31 March 2025**	**31 March 2024**	**Reported currency**	**Constant currency**
Angolan kwanza	**0.0198**	0.0229	**21.4**	**40.1**
Malawian kwacha	**0.0105**	0.0130	**55.5**	**93.2**
Mozambican metical	**0.2844**	0.2816	**(12.5)**	**(13.3)**
Zambian kwacha	**0.6623**	0.7955	**9.5**	**31.6**
Total PEP Africa			**9.7**	**26.1**
Brazilian real	**3.1127**	3.7994	**(9.0)**	**11.1**

Corporate information

PEPKOR HOLDINGS LIMITED
('Pepkor' or 'the company' or 'the group')
(Incorporated in the Republic of South Africa)

Executive directors
PJ Erasmus (Chief executive officer)
RG Hanekom (Chief financial officer)

Non-executive directors
WYN Luhabe (Chair)*
P Disberry*
LJ du Preez
HH Hickey*
IM Kirk*
ZN Malinga*
LI Mophatlane*
SH Müller*
NS Ntshingila*
F Petersen-Cook*

* *Independent*

Registration number
2017/221869/06

Share code
PPH

Debt code
PPHI

ISIN
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Company secretary
M Allie

Auditor
PricewaterhouseCoopers Inc.

Equity and debt sponsor
Investec Bank Limited

Corporate broker
Rand Merchant Bank (a division of FirstRand Bank Limited)

Announcement date
27 May 2025

PEPKOR

Holdings Limited

www.pepkor.co.za