

SHOPRITE



(Reg. No. 1936/007721/06) | (ISIN: ZAE 000012084) | (JSE Share code: SHP)
(NSX Share code: SRH) | (LuSE Share code: SHOPRITE) | ("the Group")

HOLDINGS LTD

UNAUDITED GROUP RESULTS FOR THE 26 WEEKS TO 29 DECEMBER 2019

PIETER ENGELBRECHT, CHIEF EXECUTIVE OFFICER

We are very proud to report the Group's 7.0% increase in merchandise sales for the six months to 29 December 2019. The R81.2 billion in sales was achieved on the back of 4.4% growth in volume of products sold and 2.1% growth in the number of customers. EBITDA, a more comparable measure after the adoption of IFRS 16: Leases, increased by 5.3% to R6.8 billion. This was a satisfactory performance given the 1.1% market share gains to 31.6% in Supermarkets RSA which achieved sales growth of 9.8%.

Our Group strategy to capture a larger share of South Africa's premium food retail segment continues to be one of our drivers of growth as reflected particularly in the Checkers brand, together with Hypers, growing sales by 11.2%. It's been an exciting six months for the Checkers brand with significant milestones reached in support of our long-term growth strategy. The Xtra Savings Rewards Programme was launched in October and has been very well received with 3.8 million customers having already signed up. In another first for South African Supermarkets, our pioneering one hour grocery delivery service, Sixty60, was launched in November in 8 stores. Although, still in the early stages, we believe this mobile e-commerce solution offering unrivalled convenience for shoppers holds much promise.

Our Supermarkets Non-RSA operating segment, comprising operations in 14 countries across the African continent, recorded positive sales growth of 4.8% in constant currency terms. Sales declined by 3.1% in rand terms.

The Group's trading margin of 5.0% remained strong, underpinned by an 8.7% increase in gross margin and effective cost control.

Outside of our retail operations, our focus is increasingly on our environment, governance, social responsibility and our continued goal to improve the lives of the people in key Shoprite communities. We remain pleased to report that despite the current difficult economic climate, Shoprite continued to create new jobs and participate in the YES (Youth Employment Service) programme.

KEY INFORMATION

	% change	29 December 2019	30 December 2018
Sale of merchandise (Rm)	7.0	81 150	75 837
Trading profit (Rm)	(3.9)	4 033	4 196
Operating profit (Rm)	5.9	4 287	4 048
Profit before income tax (Rm)	3.4	3 007	2 907
Income tax expense (Rm)	16.4	939	807
Profit for the period (Rm)	(1.5)	2 068	2 100
Attributable to owners of the parent (Rm)		2 059	2 092
Attributable to non-controlling interest (Rm)		9	8
Basic headline earnings per share (cents)	(2.6)	372.8	382.8
Basic earnings per share (cents)	(1.4)	372.1	377.3
Dividend per share (cents)	—	156.0	156.0

DECLARATION OF ORDINARY DIVIDEND

The board has declared an interim dividend of 156 cents (2018: 156 cents) per ordinary share, payable to shareholders on Monday, 16 March 2020. The dividend has been declared out of income reserves. The last day to trade cum dividend will be Tuesday, 10 March 2020. As from Wednesday, 11 March 2020, all trading of Shoprite Holdings Ltd shares will take place ex dividend. The record date is Friday, 13 March 2020. Share certificates may not be dematerialised or rematerialised between Wednesday, 11 March 2020, and Friday, 13 March 2020, both days inclusive.

In terms of the Dividends Tax, the following additional information is disclosed:

1. The local dividend tax rate is 20%.
2. The net local dividend amount is 124.8 cents per share for shareholders liable to pay Dividends Tax and 156 cents per share for shareholders exempt from paying Dividends Tax.
3. The issued ordinary share capital of Shoprite Holdings Ltd as at the date of this declaration is 591 338 502 ordinary shares.
4. Shoprite Holdings Ltd's tax reference number is 9775/112/71/8.

About this announcement

This short-form announcement is the responsibility of the directors of Shoprite Holdings Ltd. It is only a summary of the information in the condensed consolidated interim financial statements and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the condensed consolidated interim financial statements published on the Stock Exchange News Service (SENS) and www.shopriteholdings.co.za as a whole.

The condensed consolidated interim financial statements have been released on the JSE (<https://senspdf.jse.co.za/documents/2020/jse/isse/SHP/ie2019.pdf>) and are also available for viewing at <https://www.shopriteholdings.co.za/content/dam/SENS/INT2019-Feb2020.pdf>. Copies of the condensed consolidated interim financial statements may be requested from the company secretary (cosec@shoprite.co.za, tel +27 (0)21 980 4284) at PO Box 215, Brackenfell, 7561, South Africa.

By order of the board

CH Wiese
Chairman

PC Engelbrecht
Chief Executive Officer

Cape Town
25 February 2020