

Woolworths Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number 1929/001986/06
LEI: 37890095421E07184E97
Share code: WHL
Share ISIN: ZAE000063863
Bond code: WHLI
(‘WHL’ or ‘the Group’)

TRADING STATEMENT FOR THE 52 WEEKS ENDED 28 JUNE 2020

Further to WHL’s trading update which was published on the Stock Exchange News Service (‘SENS’) on 24 July 2020, we wish to provide guidance on the Group’s expected results for the 52 weeks ended 28 June 2020.

The prior year had 53 trading weeks, and therefore to facilitate comparison against the 52-week current year, financial information for the prior year has been presented below on a 52-week basis, constituting pro forma information in terms of the JSE Limited Listings Requirements.

Shareholders are advised that earnings per share (‘EPS’), headline earnings per share (‘HEPS’) and adjusted diluted HEPS for the year ended 28 June 2020 (‘current year’) are affected by the adoption of IFRS 16 on a modified retrospective approach, with no restatement of the reported comparative 52-week pro forma prior year results (‘pro forma prior year’), and the 53 week reporting period for the year ended 30 June 2019 (‘prior year’).

As outlined in the recent trading update, COVID-19 had a significant impact on the performance of the Group in the second half of the financial year, and is expected to continue to do so for at least the remainder of the calendar year, given the fluid and challenging environment. This necessitated an assessment of the carrying values of assets, including the right-of-use assets relating to our store fleet arising from the implementation of IFRS 16. Consequently, the carrying value of certain store assets has been impaired, which in turn will negatively impact reported EPS. This impact is adjusted in calculating HEPS and adjusted diluted HEPS for the current year.

In addition, due to the economic and trading uncertainty caused by COVID-19, and the resulting impact this may have on reliably forecasting the timing of future taxable earnings, the Group has elected not to recognise deferred tax assets arising from assessed losses in relation to certain Group entities. This will result in an increased Group effective tax rate, thereby further impacting EPS and HEPS. The impact thereof has been adjusted in calculating the adjusted diluted HEPS ranges referred to below.

Including the impact of IFRS 16 in the current year, EPS, HEPS and adjusted diluted HEPS for the current year over the prior year (as reported under IAS 17) are expected to be within the ranges reflected in the table below:

	June 2019 reported 53 weeks (cents)	June 2020 expected range (%)	June 2020 expected range (cents)
EPS	-113.4	>100%	50.0 to 70.0
HEPS	342.9	-60.0% to -70.0%	102.9 to 137.2
Adjusted diluted HEPS	368.7	-50.0% to -60.0%	147.5 to 184.4

Excluding the impact of IFRS 16 in both the current and pro forma prior years, EPS, HEPS and adjusted diluted HEPS for the current year versus the comparable pro forma prior year are expected to be within the ranges reflected in the table below:

	June 2019 Pro forma 52 weeks (cents)	June 2020 expected range (%)	June 2020 expected range (cents)
EPS	-126.0	>100%	75.0 to 95.0
HEPS	330.4	-60.0% to -70.0%	99.1 to 132.2
Adjusted diluted HEPS	356.3	-40.0% to -50.0%	178.2 to 213.8

The pro forma information, which is the responsibility of the Group's directors, has been prepared for illustrative purposes only, and may not fairly present the Group's financial position, changes in equity, cash flows or results of operations

The information contained in this announcement, including estimated financial information and pro forma financial information relating to the prior year, has not been reviewed or reported on by the Group's external auditors.

The Group's year-end financial results for the 52 weeks ended 28 June 2020 will be released on SENS on or about 17 September 2020.

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Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)